

# FINANCIAL STATEMENTS RELEASE 2022



**October-December 2022**

- Net sales were EUR 45.7 million (44.1), a growth of 4%. EUR 10.8 million of the net sales came from revenue recognized from the Russian order book.
- Comparable EBITDA\* was EUR 2.7 million (2.1)
- Operating profit was EUR 0.5 million (0.5)
- Earnings per share were EUR 0.32 (0.18), and diluted earnings per share EUR 0.32 (0.18).
- Order intake was EUR 28 million.

**January-December 2022**

- Net sales were EUR 158.3 million (142.2), a growth of 11 %. EUR 32.6 million of the net sales came from revenue recognized from the Russian order book.
- Comparable EBITDA\* was EUR -2.3 million (3.5)
- Operating loss was EUR -14.6 million (-2.2)
- Result before taxes was EUR -13.8 million (-1.8).
- Earnings per share were EUR -2.70 (-0.42), and diluted earnings per share EUR -2.70 (-0.42).
- Order intake was EUR 138 million.
- Order book at the end of the reporting period was EUR 84 million (158). The order book includes EUR 4 million in orders from Russia after reservations which constitutes the remaining part of the Russian order book after the controlled wind-down of Russian agreements and related reserves.
- Gearing was 29.4 % (-35.9).

\*The Company publishes alternative performance measures (APMs). These performance measures are not defined in accordance with IFRS but provide complementary information to investors and company management about the company's financial position and development. In this report two new APMs are presented: Comparable EBITDA and EBITDA. The new APMs definitions can be found in the tables section of this report.

The company has decided to change its reporting segments in accordance with the new operative organization structure that has been effective since January 1, 2023. The new reporting segments are Wood Processing, Analyzers and Services. The segment figures with the new segment split are presented in this release (as additional information) for the reporting period as well as for the comparison period on a quarterly basis and are comparable.

**Guidance statement for 2023:**

Raute's 2023 net sales are expected to be above EUR 130 million and Comparable EBITDA margin to be above 4%.

**The Board's dividend proposal:**

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for financial year 2022.

## **MIKA SAARIAHO, PRESIDENT AND CEO: SHOWING THE WAY AND DRIVING CHANGE**

Year 2022 will be remembered as the year when Russia attacked Ukraine, causing severe negative consequences to the world economy. When the war began in February, over half of our order book for 2022 consisted of projects in Russia. Since the end of February, we have not made any new agreements with Russian operators and our Russian business is being gradually scaled down.

The impact of withdrawing from the Russian market, combined with the increased prices and limited availability of components and logistics, had a significant negative impact on our financials in 2022. To mitigate this impact, we strengthened our development program to improve competitiveness and profitability. Overall, the program is expected to reduce our annual cost base by some EUR 4–5 million and improve margins. We were able to show positive comparable EBITDA in all the new business units both in the third and fourth quarter in 2022, which demonstrates that we are taking steps in the right direction and our actions to improve our profitability are bearing fruit.

### **Strong market demand especially in North America, Latin America and Europe**

While we were winding down our Russian operations, our businesses in North America, Latin America and EMEA were performing very well, helping to mitigate the impact of lost Russian business. This is an important proof of our agility and capability to adjust our business to cope even with such a dramatic change in our business environment.

While the activity in Asian markets and in China continued to recover from COVID-19-related downturn, business activity in these markets did not yet reach the pre-pandemic levels. Additionally, the restrictions imposed in China due to the pandemic continued to burden our profitability in 2022.

### **Towards technology services company**

I'm very proud of the strong development of our technology services sales. Good example was a significant modernization

deal regarding Stiga RM's birch plywood mill in Latvia. Thanks to Raute's wide service offering combined with the latest generation of production equipment, the customer can improve the capacity, recovery and quality of their birch plywood production, as well as increase the automation level of their mill.

Another important customer win in 2022 was the sale of the first Raute Green Veneer Composing Line R7 in North America to Tolko Industries Ltd. in Canada. In this case automation plays a big part in improving yield and profitability. In addition, Tolko Industries' new R7 lay-up line will replace existing labor-intensive lines and improve the efficiency of their operations.

Overall, our focus in 2022 has been on customer efficiency improvements and releasing production bottlenecks. We are seeing customers investing more and more in data platforms and automation. MillsIGHTS, our industry leading platform, provides the necessary information to enable concrete optimization work.

In order to further strengthen our local performance services closer to customers, we are also continuously developing our service network. For example, we have now also permanent service operations out of Italy, and we are in progress of opening an additional Service Center in Southeast Asia.

### **Three top priorities**

At the moment, the top priorities for Raute can be summarized in three points: profitability, operational model clarification and growth initiatives. It is clear that our highest priority in the short-term is to improve our profitability. We made good progress in the second half of 2022 and the work continues in 2023.

In November, we announced a change to our organization structure. As of January 1, 2023, Raute has had three business units: Wood Processing, Analyzers, and Services. The change is also reflected in the Executive Board composition and responsibility areas. The new structure will streamline our internal

operations, put the customer in the center of everything we do and strengthen our ability to service customers more directly. In order to improve visibility to our business, we will also start reporting externally the financial key figures for the new business units.

At the moment, we are carrying out a strategic development project to crystallize the growth strategy and development path for Raute going forward. At the same time, we are developing our ESG (Environmental, Social, Governance) agenda. We believe that for a company like Raute, sustainability is an inseparable part of our core strategy and should be integrated into everything we do. We also know that sustainability and sustainable manufacturing is becoming more important for our customers. We are in a good position to help our customers in executing their sustainability agendas and reaching their sustainability goals.

### **Taking a bigger role in the industry**

I started as President and CEO of Raute on October 1, 2022. It has been a pleasure to see with my own eyes the high level of expertise that Raute is globally renowned for. Our thorough understanding of the whole plywood and LVL processing value chain puts us in a unique position. Thanks to our strong, world-class technology and service expertise, we have, together with our customers, a unique opportunity to take a bigger role by showing the way and driving change in the whole industry.

### **Achieving together**

In many ways, year 2022 has been an eventful year for Raute. To ensure viable business also in the future, we have also had to make some hard decisions and let people go. This is never easy, and those decisions are not made lightly. But these challenging times have also highlighted the best characteristics of our personnel: teamwork, creativity, and can-do attitude! I want to express my appreciation for the dedication and hard work of all Rauteans during these most exceptional of times. I also want to thank our customers and shareholders for the great collaboration during this challenging year. I'm confident that together we can make the year 2023 a good year for us all.

## FOURTH QUARTER OF 2022

### Order intake and order book

The total order intake in the fourth quarter, EUR 28 million (50), was at a reasonable level. The order intake consisted mainly of deliveries of single production lines, spare parts, modernizations and analyzers. Order intake was relatively better in Analyzers and Services than in Wood Processing in the quarter. The order book decreased during the last quarter by EUR 10 million and amounted to EUR 84 million (158) at the end of the period. The decrease came from Wood Processing. The order book includes EUR 4 million orders from Russia after reservations.

### Net sales

Fourth-quarter net sales amounted to EUR 45.7 million (44.1). Net sales in Wood processing at EUR 33.3 million (31.1) and in Services EUR 8.7 million (8.0) grew slightly but decreased in Analyzers at EUR 3.7 million (5.0) against previous year, as some orders were postponed to 2023.

### Result and profitability

Comparable EBITDA for the fourth quarter was EUR 2.7 million (2.1), a good improvement especially in Wood Processing. This was supported by deliveries to Russian customers from the remaining order book. Comparable EBITDA in Analyzers remained below previous year due to exceptionally high comparison period and in Services due to variations in the product mix and some delivery challenges related to upgrade projects. Operating profit for the fourth quarter was EUR 0.5 million (MEUR 0.5) And the result before taxes was EUR 1.3 million (0.8), driven by exchange gains. Taxes for the quarter were EUR 0.0 million (0.2) impacted by recognition of deferred tax asset from tax losses, and result for the quarter was EUR 1.4 million (0.8). Earnings per share were EUR 0.32 (0.18).

## RAUTE CORPORATION – FINANCIAL STATEMENTS RELEASE JANUARY 1 – DECEMBER 31, 2022

### BUSINESS ENVIRONMENT

#### Market situation in customer industries

Raute's customers are the producers of veneer, plywood and LVL (Laminated Veneer Lumber). Their products are typically used in construction, housing-related consumption, international trade and transportation. Global megatrends have a marked impact on the future demand of these products, such as the increasing use of sustainable wood-based construction materials also in the high-rise buildings, the demand for veneer-based packaging materials and the targets to reduce the use of plastic materials. All these megatrends are indicating an increasing demand for wood-based materials in the future. This is also supported by the developing regulation.

Market situation and outlook in the global economy as well as the financial markets have become uncertain during last year. The military action by Russia and the resulting sanctions are affecting the situation. High inflation caused by the rise in raw material, energy and transport costs, and poor availability of certain materials and components increase uncertainty and weaken the outlook. These impacts have become also visible in demand for Raute's customers' products. Restrictions imposed due to the Covid-19 pandemic have been mostly lifted around the world, but the impact of Covid-19 can still be seen, especially in the Asian market. The raw material availability has started to limit our customers' production volumes, especially due to the lack of the Russian birch logs. The slowdown of the construction business and housing starts have slowed down the demand of the softwood plywood.

#### Demand for wood products technology and technology services

Demand for Raute's technology and services has been strong in the developed markets of Europe and North America. However, likelihood for economic downturn seems high on both of these markets. The disappearance of the Russian birch plywood and birch logs from the European market has caused some turbulence on the market, but at the same time it has also created increasing demand for Raute's solutions

for production capacity increase within the European birch plywood producers. In Latin America demand is on a fairly good level, also as the availability of raw material in the market area is good. In Asia, demand was lower than in the developed markets, and the market continues to feel uncertain, still slowly recovering from the Covid-19 and reduced industry financing.

Investment activity among Raute's customers remained fairly good. The reporting period's order intake continued on a good level, but it did not include any large capacity orders. Demand for maintenance and spare parts services has been very good, indicating generally good capacity utilization rates of Raute's customers' production plants during the reporting period.

#### Update of the impacts of the Russian military actions on Raute's business operations in Russia

Raute condemns Russia's attack on Ukraine. The attack and resulting sanctions have had a significant impact on Raute's business operations in Russia as Raute had ongoing projects for several different Russian customers. On March 4, 2022, we announced that we stopped entering into new contracts with Russian parties. Set sanctions prohibit several deliveries to Russia. With customers or deliveries that are not under sanctions, Raute is carrying out a controlled wind-down of existing agreements through completing or changing the scope of deliveries or terminating the contract. As a result of the wind-down activities, Raute's order book for Russian customers has significantly reduced during 2022 and was EUR 4 million at the end of the year, after risk reservations. The remaining order book includes risks in case the controlled wind-down of remaining contracts turns out not to be possible. Raute's assets in rubles in Russia were below one million euros on December 31, 2022 and the assets were mainly related to the local maintenance business in Russia. Raute has no currency hedging related to Russian ruble.

### ORDER INTAKE AND ORDER BOOK

Raute serves the wood products industry with a full-service concept that is based on technology solutions covering the customer's entire production process and services throughout their life cycle. Raute's business consists of project deli-

veries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process. Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, analyzers as well as consulting, training, reconditioned machinery and digital services.

Market situation has continued in a reasonable level leading to order intake during the reporting period at EUR 138 million (203). The order intake consisted of individual production line project deliveries, modernizations and technology services.

Order intake 2022 includes 47 % from Europe (34), 37 % from North America (18), 8 % from Asia-Pacific (5), 6 % from South America (4) and 2 % from Russia (39). Sometimes even strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business. Order intake in Wood Processing decreased the most against previous year and was also relatively a smaller share of the overall order intake in 2022. Services has grown its relative share whereas Analyzers has remained flat.

The order book decreased during the fourth quarter by EUR 10 million. The order book at the end of the reporting period was EUR 84 million (158), of which EUR 4 million was in orders from Russia.

### COMPETITIVE POSITION

Raute's competitive position has remained unchanged and is strong. Raute's solutions help customers secure their delivery and service capabilities throughout the life cycle of the production process or a part thereof. Raute's solutions also offer the markets the most environmentally friendly production process, thanks to the efficient use of raw materials and additives and low energy consumption. In such investments, the supplier's overall expertise and extensive and diverse technology offering play an important role. The competitive edge provided by Raute plays a major role when customers select their cooperation partners. Raute's long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

### NET SALES

The Group's net sales in 2022 totaled EUR 158.3 million (142.2), an increase of 11 percent from the comparison period. Sales include EUR 32.6 million from Russia. Sales to other markets have continued to grow and are 74 % above comparison period. The growth in net sales was strongest in Services.

Net sales for Wood Processing totaled EUR 108 million (97), increase of 11 percent from the previous year. Services net sales amounted to EUR 36 million (30) and Analyzers to EUR 15 million (15). The plywood industry's share of the net sales of project deliveries was 73% (88), while the LVL industry's share was 27% (12).

Of the total net sales for 2022, Europe accounted for 43 % (25), North America for 24 % (14), South America for 6 % (5), Asia-Pacific for 6 % (7), and Russia for 21 % (49). Russia's share results from the order book in the Russian market after the adjustments from renegotiations with customers, within the limits set by the sanctions.

### RESULT AND PROFITABILITY

Comparable EBITDA for the Group amounted to EUR -2.3 million (3.5). Comparable EBITDA was burdened by the impacts of high inflation in purchase prices and freights, extra costs in China due to Covid-19 related lockdowns, as well as reserves for those Russian projects that are still ongoing, in the amount of EUR 6.3 million. The Group's operating loss for 2022 was EUR -14.6 million (-2.2) and accounted for -9.2 % (-1.6) of net sales. The operating loss was further impacted by items effecting comparability, including the write-offs of terminated projects for Russian market and other costs related to the exit from Russia of approximately EUR 3.6 million, restructuring costs of EUR 2.0 million including production transfer, severance costs in China, redundancy costs from change negotiations in Finland and changes in the Group management, as well as costs of EUR 1.9 million related to the cloud-based ERP renewal project.

The Group's financial income and expenses totaled EUR 0.8 million (0.5) driven by exchange gains. Result before taxes was EUR -13.8 million (-1.8). Taxes for the period were EUR 2.3 million, including a positive impact from recognizing deferred tax assets from tax losses. The result for the reporting period was EUR -11.5 million (-1.8). The Group's comprehensive income was EUR -11.2 million (-2.1).

Undiluted earnings per share were EUR -2.70 (-0.42), and diluted earnings per share EUR -2.70 (-0.42). The return on investment was -29.9 % (-2.7) and return on equity -40.4 % (-4.8).

### CASH FLOW AND BALANCE SHEET

The Group's financial position has deteriorated during the year as a result of the discontinuation of a large part of ongoing order book and the resulting poor profitability. Need for working capital financing has also been increasing as the business transformation moves forward. At the end of the reporting period, gearing was 29.4 % (-35.9), and the equity ratio was 36.6 % (44.3).

The Group's cash and cash equivalents amounted to EUR 7.6 million (24.4) at the end of the reporting period. Operating cash flow was EUR -15.4 million (24.0). Cash flow from investment activities totaled EUR -6.5 million (-6.3). Cash flow from financing activities was EUR 4.9 million (-5.2).

The Group's balance sheet total at the end of 2022 was EUR 92.1 million (110.7). Fluctuations in balance sheet working capital items and the key figures based on them are due to differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

Interest-bearing liabilities amounted to EUR 14.3 million (12.2) at the end of 2022. The sum consisted of liabilities for right-of-use assets and bank overdrafts in use.

As of the balance sheet date, the parent company Raute Corporation had long-term credit facility agreements with two Nordic banks totaling EUR 20.5 million, none of which were used during the reporting period. The main covenants of the credit facilities are an equity ratio of >30% and gearing of <80%. Available cash-pool limits granted by Raute's banks amounted to EUR 13 million, of which EUR 6.7 million was in use on the balance sheet date. On February 13, 2023, the parent company has signed a term sheet with its main banks to renew and replace the current credit facility agreements and determine the new credit facilities for the company. Raute expects that the final agreements on the new credit facilities will be signed by the middle of March 2023.



## LOANS TO RELATED PARTIES AND OTHER LIABILITIES

Other liabilities are presented in the figures section of this report, in the notes to the financial statements.

## EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events in 2022:

January 25, 2022: Profit warning: Raute Corporation's operating profit for 2021 will remain at the level of 2020 due to the new agenda decision issued by IFRIC on IT cloud services

February 11, 2022: New long-term incentive plan based on performance, share value and growth established for Raute's senior management and selected key persons

March 2, 2022: Raute Corporation to withdraw its financial guidance for 2022

March 4, 2022: The impacts of the Russian military actions on Raute's business operations in Russia

April 19, 2022: Raute Corporation's President and CEO Tapani Kiiski leaves his position

May 5, 2022: Changes in Raute Group's Executive Board

May 24, 2022: Raute Corporation's Board of Directors appoints Mika Saariaho as a new President and CEO

June 22, 2022: Raute to book provisions for write-offs related to Russian business, strengthen its performance improvement program, and issue new guidance

July 27, 2022: Raute Corporation supplements its long-term incentive scheme

August 23, 2022: Raute initiates change negotiations pursuant to the Act on Co-operation within Undertakings

August 30, 2022: Mika Saariaho to start as President and CEO of Raute Corporation on October 1, 2022

October 7, 2022: Change negotiations pursuant to the Act on Co-operation within Undertakings concluded at Raute

November 28, 2022: Changes in Raute Executive Board and new organization structure as of January 1, 2023

December 19, 2022: Changes in Raute Group's Executive Board

## RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE

Raute is a leading technology supplier for the plywood and LVL industries and focuses strongly on the development of increasingly efficient, productive, safe and environmentally friendly manufacturing technology and supporting measurement and machine vision applications. New opportunities

provided by digitalization are also an essential part of R&D activities.

In 2022, the Group's research and development costs totaled EUR 6.3 million (4.9) and 4.0 percent of net sales (3.5).

The Group's capital expenditure in 2022 totaled EUR 6.6 million (6.3) and accounted for 4.2 % (4.4) of net sales. Key investments in the period were the extensive renewal project for our IT and ERP systems as well as set up of new production site in Changzhou, China.

## DEVELOPMENT OF OPERATIONS

Overall, our focus in 2022 has been on customer efficiency improvements and releasing production bottlenecks. We are seeing customers investing more and more in data platforms and automation. MillSIGHTS, our industry leading platform, provides the necessary information to enable concrete optimization work. In order to further strengthen our local performance services closer to customers, we have now also permanent service operations out of Italy, and we are in progress of opening an additional Service Center in Southeast Asia.

In November, we announced a change to our organization structure. As of January 1, 2023, Raute has had three business units: Wood Processing, Analyzers, and Services. The change is also reflected in the Executive Board composition and responsibility areas. The new structure will streamline our internal operations, put the customer in the center of everything we do and strengthen our ability to service customers more directly.

Raute has started a development program, to improve competitiveness and profitability, that aims to achieve annual savings of some EUR 4-5 million by the end of 2023.

At the moment, we are additionally carrying out a strategic development project to crystallize the growth strategy and development path for Raute going forward. At the same time, we are developing our ESG (Environmental, Social, Governance) agenda. We believe that for a company like Raute, sustainability is an inseparable part of our core strategy and should be integrated into everything we do. We also know that sustainability and sustainable manufacturing is becoming more important for our customers. We are in a good position to help our customers in executing their sustainability agendas and reaching their sustainability goals.

## PERSONNEL AND OCCUPATIONAL SAFETY

The Group's headcount at the end of 2022 was 778 (802).

Finnish Group companies accounted for 68 percent (66) of employees, North American companies for 16 percent (12), Chinese companies for 10 percent (13), and other sales and maintenance companies for 6 percent (9).

In full-time-equivalent terms ("effective headcount"), the average number of employees during the financial year was 774 (780). Salaries and remunerations paid by the Group totaled EUR 44.0 million (MEUR 37.9). This figure does not include expenses resulting from the share incentive plans.

The Group is committed into investing in the competence development of its personnel to increase their engagement with the company. Approximately one percent (1%) of the payroll is invested in personnel training. Current training focuses on training for the needs of the new IT system.

Occupational safety has improved from 2021 continuing a longer-term downward trend. The total number of lost-time injuries YTD was seven. The accident frequency (LTIF) was 6.2 (9.0).

## REMUNERATION

The Annual General Meeting approved, on March 31, 2022, the Remuneration Report for Governing Bodies proposed by the Board of Directors. The resolution is advisory.

The Group has remuneration systems in place that cover the entire personnel.

## SHARE-BASED INCENTIVE PLANS FOR THE MANAGEMENT AND SELECTED KEY PERSONS VALID 2022

The Group management and key employees participate in the company's share-based long-term incentive plans. The purpose of the share-based incentive plans is to align the objectives of the owners and management in order to develop the company's value, and to commit management to achieving the company's strategic goals by offering a competitive long-term incentive plan. The plans are described in more detail on company's website [www.raute.com](http://www.raute.com).

Company's Performance Share Plan currently includes three 3-year performance periods, calendar years 2020-2022, 2021-

2023 and 2022-2024. The performance targets of the Performance Share Plan 2020-2022 are Earnings Per Share with a weight of 50 percent and Total Shareholder Return proportionate to the selected peer group with a weight of 50 percent. The performance targets of the plans 2021-2023 and 2022-2024 are Absolute Total Shareholder Return with a weight of 70 percent and net sales with a weight of 30 percent.

The company's Board of Directors decides separately on when each plan commences, the length of its earnings period, the performance targets, the persons entitled to participate in the plan and the earnings opportunity.

In addition to the Performance Share Plan, Board of Directors of the company has established a Restricted Share Program as a complementary share-based long-term incentive scheme for the company. The program consists of annually commencing individual share plans and the on-going first individual plan covers the years 2022-2024. The commencement of each individual plan is conditional on a separate decision of the Board of Directors.

The rewards payable based on the Performance Share Plan and on the Restricted Share Program will at the company's choice either be paid in listed A shares of Raute or in cash based on the value of the share reward at the time of payment. The payment of the reward is conditional on the individual's continued employment or service relationship with Raute.

In accordance with the ownership recommendation of the company abides by, the members of the company's Executive Board are expected to accrue and, after attaining, to retain in their ownership an amount of the company's shares that equals, for the CEO, his/her gross annual fixed salary, and for the other Executive Board members, their six months' gross fixed salary. The members of the Executive Board are expected to use 50 per cent of the net bonus he/she receives from the plan to accrue his/her share ownership until such ownership meets the recommended level.

## **SOCIETY AND THE ENVIRONMENT**

Responsibility is one of the values that guide Raute's operations. Raute aims to systematically develop its products and services to be environmentally sound while also reducing the environmental impacts of its own operations. The Group abides by the principles of good corporate citizenship, taking

into consideration nature and its protection, and how society as a whole operates, while respecting local cultures and valuing diversity. Raute's Board of Directors has presented to the company the Code of Conduct which guides the personnel to act responsibly in accordance with Raute's values.

We want to help our customers create value in forest assets through our resource-efficient technology and supporting services. Most of the products manufactured using our machinery are recyclable and the carbon stored in wood products has positive climate impacts. Increasing the use of sustainably produced wood in construction, for example, is among the most important means of achieving global climate targets.

Continuously improving work safety is one of the key points in our corporate responsibility agenda. In 2022, Raute's LTIF indicator (Lost Time Injury Frequency, i.e. lost-time injuries per million hours worked) improved clearly from 2021, and was 6.2 (9.0).

## **SEASONAL FLUCTUATIONS IN BUSINESS**

The Group's net sales and working capital fluctuate every quarter due to different types of project deliveries and their schedules. Business operations do not involve regular seasonal changes.

## **BUSINESS RISKS AND UNCERTAINTIES**

### **Economic cycles, legislation or other regulation and political environment**

Changes in the global economy and financial markets may have a negative impact on Raute's operations, performance, financial position and sources of capital.

Raute is subject to geopolitical and macroeconomic conditions, where currently prevailing high inflation and increasing interest rates may give cause to economic downturn. Such a downturn would likely impact Raute's operations and reduce underlying demand.

Raute's business and products can be affected directly or indirectly by legislation or other regulation such as sanctions. It is also possible that Raute is susceptible to litigation. The most important short-term risk for Raute continues to be Raute's remaining exposure to Russian customers. The controlled wind-down of the operations in Russia has continued and the

risk position has further reduced during Q4. The remaining order book is still vulnerable to changes in regulation, sanctions, financial transactions and customer's ability to conclude the contracts. The changing sanctions result in uncertainty in our ability to operate in line with our contracts and recognize revenue from our order book in progress. A material part of Raute's technology and services has fallen under the scope of the sanctions.

### **Operations, deliveries and technology**

The bulk of Raute's business operations consists of project deliveries, which expose the company to risks caused by customer-specific customized solutions related to each customer's end product, production methods or raw materials. At the quotation and negotiation phase, the company has to take risks relating to the promised performance figures and make estimates of implementation costs. Other significant short-term risks for Raute are related to the price inflation and availability of raw materials, components and freights.

Raute makes important investments in product development. The developmental phase for new technologies involves the risk that the project will not lead to a technologically or commercially acceptable solution. The functionality and capacity of new solutions produced as a result of development work cannot be fully verified until the solutions can be tested under production conditions in conjunction with the first customer deliveries.

Raute has started a development program to improve end-to-end operational competitiveness and profitability and the aim is to achieve annual savings of some EUR 4-5 million by the end of 2023. The company is exposed to a risk of capturing the savings within the planned timeline.

Restrictions resulting from the pandemic caused by Covid-19 may continue to have a negative impact on Raute's outlook also in the future, but to a lesser extent than in the past three years.

Raute's objective is to increase its local business in the developing geographical areas, where, besides opportunities, companies face risks typical to emerging markets.

### **Human resources**

Competence retention and development and ensuring the

sufficiency of human resources are particularly important in cyclical business. Continuity is ensured by monitoring the development of the age structure, implementing systematic human resources management and investing in well-being at work. Despite the human resources work and processes, Raute is exposed to risk of losing key personnel, and difficulties in hiring new talent to address new business challenges.

### Financing risks

The most significant financing risks in the Group's international business operations are default risks and currency risks related to counterparties. The Group is also exposed to liquidity, refinancing, interest rate and price risks. Termination of many contracts with Russian customers has put pressure on the company's short-term working capital financing.

The default risk relating to customers' solvency is managed through payment terms and by covering the unpaid sum with bank guarantees, letters of credit or other suitable securities. The Group's liquid assets are mainly held in banks in its largest operational countries Finland and Canada. The credit losses recognized during the 2022 financial year amounted to EUR 2 thousand (EUR 0 thousand).

The Group's main currency is the euro. The most significant currency risks result from the following currencies: Chinese yuan (CNY), Canadian dollar (CAD), and US dollar (USD). The main hedging instruments used are foreign currency forward contracts. Currency clauses are included in quotations to hedge against currency risks during the quotation period. Depending on the case, currency risks related to preliminary sales contracts are hedged with currency option contracts.

The Group has prepared for fluctuating working capital requirements and possible disturbances in the availability of liquid funds through credit facility agreements with two Nordic banks. On February 13, 2023, the parent company has signed a term sheet with its main banks to renew and replace the current credit facility agreements and determine the new credit facilities for the company. Raute expects that the final agreements on the new credit facilities will be signed by the middle of March 2023.

### Cyber and information security, payment fraud

Raute's operations are dependent on the security and stable operation of its information and communication systems and

software. Additionally, a successful management of cyber-attack risks is important. These risks are managed according to a defined information security policy.

Raute is repeatedly exposed to the risk of payment fraud. The company faces the risk of a fraud attempt bypassing the payment transaction control points and damaging the company financially.

### Risks of damage or loss

Other risks of damage or loss include occupational safety risks, which are managed by means of active risk-prevention measures, such as continuous personnel training and investigation of all near-miss situations. Occupational safety and ergonomics are under continuous development.

Raute's most significant single risks concerning material damage and business interruption loss are a fire, a serious machine breakdown and an IT system breakdown or malfunction at the main production unit in Lahti, where the production, planning, financial, and ERP systems serving the Group's key technologies are centrally located. Precautions against such risks have been taken by means of back-up systems and insurance policies, but, despite precautions, the serious realization of such a risk would cause significant damage to Raute's operations.

A short-term risk relates to the implementation of the new company-wide ERP-system, which has direct impact on Raute's daily operations and financial management. Delays in implementation and roll-out of the system or possible challenges in migrating data to new ERP systems could result in significant cost overruns for the ERP system implementation, as well as disruptions in the customer delivery projects, also resulting in deteriorating customer relationship.

Raute's production operations do not have significant direct environmental impacts. The main production unit in Lahti is situated in a groundwater zone. A chemical or fuel leak in a groundwater zone could cause environmental damage, financial costs and disturbances in production. The main unit in Lahti has an ISO-certified environmental system in place, and special attention has been paid to chemical safety. Other units also adhere to the principles of the environmental system as applicable.

### The reputation of the company

Raute is at risk of being part of a business chain that involves corruption, bribery or money laundering without its knowledge, even though it regularly inspects its business partners with respect to, for example, international sanction lists and export restrictions. The realization of these risks may result in legal consequences, and the company's reputation and financial position may suffer.

It is possible that players who do not respect Raute's principles related to human rights or the basic rights of employees operate in the international supply chain. Such cases may damage the company's reputation and interrupt the supply chain if the infraction is severe enough to warrant an end to the co-operation.

### SHAREHOLDERS

The number of shareholders totaled 6,009 at the beginning of the year and 5,785 at the end of the financial year. Series K shares were held by 55 private individuals (55) at the end of the financial year. Nominee-registered shares accounted for 2.0 percent (2.3) of shares. The company did not receive any flagging notifications in 2022.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 133,541 company shares, equaling 3.1 % (6.0) of all the company shares and 8.9 % (11.6) of the votes on December 31, 2022.

The distribution of ownership by sector and by size as well as the largest shareholders are presented in the financial statements under "Shares and shareholders".

### AUDITORS

At Raute Corporation's Annual General Meeting on March 31, 2022, the authorized public accounting company PricewaterhouseCoopers was chosen as auditor, with Authorized Public Accountant Markku Launis as the principal auditor.

### CORPORATE GOVERNANCE

Raute Corporation complies with the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019, except for the deviation from Recommendation 15 concerning the appointment of members to the Nomination Committee.



## BOARD OF DIRECTORS AND PRESIDENT AND CEO

The Annual General Meeting elects the Chair and Vice-Chair for the Board of Directors, and 3–5 Board members.

Ms. Laura Raitio was elected Chair of Raute Corporation's Board at the Annual General Meeting held on March 31, 2022, while Mr. Mika Mustakallio was elected Vice-Chair, and Mr. Joni Bask, Mr. Ari Harmaala, Mr. Petri Perttula, Mr. Ari Piik, and Mr. Patrick von Essen were elected as Board members. The Board of Directors appoints the President and CEO and confirms the terms of his or her employment, including fringe benefits.

Mr. Tapani Kiiski continued as Raute Corporation's President and CEO until April 30, 2022. He was appointed as Raute Corporation's President and CEO on March 16, 2004. As agreed in the executive contract, the term of notice was six months, and the severance pay equaled twelve months' salary.

Mr. Petri Strengell was appointed as Interim President and CEO on May 1, 2022 and he served in that position until September 30, 2022.

Mr. Mika Saariaho was appointed as Raute Corporation's President and CEO as of October 1, 2022. As agreed in the executive contract, the term of notice is six months, and the severance pay equals twelve months' salary.

Raute Corporation's Articles of Association do not grant any unusual authorizations to the Board of Directors, or to the President and CEO.

Any decisions on changes to the Articles of Association or an increase in share capital are made in compliance with the regulations of the effective Companies Act.

## EXECUTIVE BOARD

Raute Group's Executive Board and the members' areas of responsibility as of 1 January 2023:

Mika Saariaho, President and CEO

Petri Strengell, Executive Vice President, Wood Processing – Wood Processing business unit

Jani Roivainen, Executive Vice President, Analyzers – Analyzers business unit

Kurt Bossuyt, Executive Vice President, Services – Services business unit

Jari Myrskyläinen, Chief Commercial Officer (CCO) – Sales & marketing, commercial excellence  
Mia Könnilä, Chief People Officer (CPO) – Human resources, people development, health & safety  
Minna Yrjönmäki, Chief Financial Officer (CFO) – Finance, ICT, IR, ESG, other business support

During the year 2022, the following persons have left the Executive Board, having served as members over different periods: Tapani Kiiski (March 16 2004 –April 30 2022), Tarja Järvinen (February 1 2019 – May 5 2022), Marko Hjelt (October 1 2013–December 19 2022), Mika Hyysti (October 1 2013–November 28 2022), Timo Kangas (October 1 2004–November 28 2022) and Jukka Siiriäinen (September 1 2019–November 28 2022).

## SHARES

The number of Raute Corporation's shares at the end of 2022 totaled 4,263,194 (4,263,194), of which 991,161 (991,161) were series K shares (ordinary share, 20 votes/share) and 3,272,033(3,272,033) were series A shares (1 vote/share). Series K and A shares confer equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms set out in Article 3 of the Articles of Association. If an ordinary share is transferred to a new owner who has not previously held series K shares, the new owner must notify the Board of Directors of this in writing and without delay. In this kind of situation, other holders of series K shares have the right to redeem the series K share under the terms specified in Article 4 of the Articles of Association.

Raute Corporation's series A shares are listed on Nasdaq Helsinki Ltd. The trading code is RAUTE. In 2022, the number of shares traded was 613,077 (591,208), worth altogether EUR 7.5 million (13.2). The number of shares traded represents 19 % (18) of all listed series A shares. The average price of a series A share was EUR 12.29 (22.28). The highest closing price of the year was EUR 20.40 and the lowest was EUR 8.12.

The company's market capitalization at the end of 2022 totaled EUR 35.2 million (84.4), with series K shares valued at the closing price of series A shares, EUR 8.26 (19.80), on December 31, 2022.

Other share-related information is presented in the figures section of this report.

## RAUTE'S DIVIDEND POLICY

Raute exercises an active dividend policy. Its aim is to ensure competitive returns for its investors. Dividend payment takes into account future investment needs and the goal of maintaining a solid equity ratio. Due to the nature of the project business, the dividend is not directly tied to the annual result.

## DISTRIBUTION OF PROFIT FOR THE 2021 FINANCIAL YEAR

The Annual General Meeting on March 31, 2022 decided that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting, however, decided to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization is valid until the beginning of the company's following Annual General Meeting. Unless the Board of Directors, for a legitimate reason, decides otherwise, the possible dividend is paid in one installment during the validity of the authorization. The Board of Directors will make a separate decision on the payment of dividend. The company will disclose such decision separately and confirm the record date and the payment date for the dividend in connection thereof. The dividend paid based on the Board of Directors' decision will be paid to shareholders who, on the record date for the dividend payment in question, are registered in the company's register of shareholders maintained by Euroclear Finland Ltd. The Board of Directors did not exercise the authorization in 2022.

## AUTHORIZATION OF REPURCHASE AND DISPOSAL OF OWN SHARES

The Annual General Meeting held on March 31, 2022 authorized the company's Board of Directors to decide on the re-purchase of Raute Corporation series A shares with assets from the company's non-restricted equity and to decide on a directed issue of a maximum of 400,000 shares. The Board of Directors did not exercise the authorization in 2022. The company did not possess company shares at the end of the financial period or hold them as security.

#### **EVENTS AFTER THE REPORTING PERIOD**

On January 10, 2023 the company announced the appointment of Ville Halttunen as new Chief Financial Officer.

The company has decided to change its reporting segments in accordance with the new operative organization structure that has been effective since January 1, 2023. The new reporting segments are Wood Processing, Analyzers and Services. The segment figures with the new segment split are presented in this release for the reporting period as well as for the comparison period on a quarterly basis.

On February 13, 2023, the parent company has signed a term sheet with its main banks to renew and replace the current credit facility agreements and determine the new credit facilities for the company. Raute expects that the final agreements on the new credit facilities will be signed by the middle of March 2023.

#### **ANNUAL GENERAL MEETING 2023**

Raute Corporation's Annual General Meeting 2023 will be held at Lahti's Sibelius Hall on Thursday, March 30, 2023 at 6:00 p.m. A shareholder who wishes to include an issue in the agenda of Raute Corporation's Annual General Meeting shall notify the company thereof in writing no later than February 17, 2023.

#### **ANNUAL REPORT 2022, CORPORATE GOVERNANCE STATEMENT, REMUNERATION REPORT FOR GOVERNING BODIES AND NON-FINANCIAL STATEMENT**

Raute Corporation will publish its 2022 Annual Report in week 10 at the latest.

Raute Corporation will publish the Report of the Board of Directors and financial statements for 2022, the Corporate Governance Statement, the Remuneration Report for Governing Bodies, and the Non-financial statement in week 10 at the latest.

#### **BOARD OF DIRECTORS' PROPOSAL CONCERNING PROFIT DISTRIBUTION**

On December 31, 2022, the parent company Raute Corporation's distributable assets totaled EUR 19,328 thousand, of which EUR 8,414 thousand represents the loss for the financial year January 1 – December 31, 2022.

The Board of Directors will propose to Raute Corporation's Annual General Meeting, to be held on March 30, 2023, that no dividend to be distributed.

#### **GUIDANCE STATEMENT FOR 2023**

Raute's 2023 net sales are expected to be above EUR 130 million and Comparable EBITDA margin to be above 4%.

#### **ABOUT THIS FINANCIAL STATEMENTS RELEASE**

This financial statements release has been prepared in accordance with IAS 34 and the disclosed information is unaudited. The figures in brackets are the comparison figures for the equivalent period in 2021.

## CONSOLIDATED STATEMENT OF INCOME

Raute Corporation's Board of Directors has approved this financial statements release for January 1–December 31, 2022 to be published. According to the Finnish Companies Act, shareholders may approve or reject the financial statements at the Annual General Meeting arranged after the statements have been issued. The Annual General Meeting also has the opportunity to make changes to the financial statements.

The financial statements release has been prepared in accordance with standard IAS 34. The presented figures have not been audited.

### CONSOLIDATED STATEMENT OF INCOME

EUR 1,000	1.10.– 31.12.2022	1.10.– 31.12.2021	1.1.– 31.12.2022	1.1.–31.12.2021
<b>NET SALES</b>	<b>45 685</b>	44 100	<b>158 324</b>	142 212
<b>Change in inventories of finished goods and work in progress</b>	<b>-1 199</b>	-343	<b>-4 501</b>	-2 233
<b>Other operating income</b>	<b>112</b>	236	<b>207</b>	437
Materials and services	-23 601	-23 866	-91 084	-74 324
Employee benefits expense	-13 119	-12 424	-51 157	-44 517
Depreciation and amortization	-1 212	-1 136	-4 953	-4 315
Other operating expenses	-6 154	-6 051	-21 478	-19 504
<b>Total operating expenses</b>	<b>-44 086</b>	-43 480	<b>-168 673</b>	-142 661
<b>OPERATING RESULT</b>	<b>512</b>	516	<b>-14 642</b>	-2 244
<b>% of net sales</b>	<b>1,1</b>	1,2	<b>-9,2</b>	-1,6
Financial income	1 639	176	2 163	998
Financial expenses	-817	-111	-1 335	-525
<b>Financial expenses, net</b>	<b>822</b>	65	<b>828</b>	472
<b>RESULT BEFORE TAX</b>	<b>1 334</b>	581	<b>-13 814</b>	-1 772
<b>% of net sales</b>	<b>2,9</b>	1,3	<b>-8,7</b>	-1,2
<b>Income taxes</b>	<b>34</b>	169	<b>2 301</b>	-3
<b>RESULT FOR THE PERIOD</b>	<b>1 368</b>	750	<b>-11 513</b>	-1 775
<b>% of net sales</b>	<b>3,0</b>	1,7	<b>-7,3</b>	-1,2
<b>Result for the period attributable to Equity holders of the Parent company</b>	<b>1 368</b>	750	<b>-11 513</b>	-1 775
<b>Earnings per share for profit attributable to Equity holders of the Parent company, EUR</b>				
Undiluted earnings per share	0,32	0,18	-2,70	-0,42
Diluted earnings per share	0,32	0,18	-2,70	-0,42

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.10.– 31.12.2022	1.10.– 31.12.2021	1.1.– 31.12.2022	1.1.– 31.12.2021
<b>RESULT FOR THE PERIOD</b>	<b>1 368</b>	750	<b>-11 513</b>	-1 775
<b>Other comprehensive income items</b>				
Items that will not be reclassified to profit or loss				
Changes in the fair value of financial assets at fair value through other comprehensive income	-94	-416	-354	-416
<b>Items that may be subsequently reclassified to profit or loss</b>				
Hedging reserve, hedge accounting	790	-35	196	-62
Exchange differences on translating foreign operations	-321	19	391	56
Income taxes related to these items	21	83	72	83
<b>Comprehensive income items for the period, net of tax</b>	<b>396</b>	-349	<b>305</b>	-339
<b>COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>1 764</b>	401	<b>-11 208</b>	-2 114
<b>Comprehensive profit for the period attributable to</b>				
Equity holders of the Parent company	<b>1 764</b>	401	<b>-11 208</b>	-2 114

## CONSOLIDATED BALANCE SHEET

### CONSOLIDATED BALANCE SHEET

EUR 1,000	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	1 714	1 714
Other intangible assets	9 388	6 400
Property, plant and equipment	11 242	11 489
Right of use assets	7 456	10 064
Other financial assets	675	1 019
Accounts receivables	397	-
Deferred tax assets	4 843	1 853
<b>Total non-current assets</b>	<b>35 715</b>	32 538
<b>Current assets</b>		
Inventories	16 739	22 009
Accounts receivables and other receivables	31 959	31 629
Income tax receivable	23	143
Cash and cash equivalents	7 618	24 357
<b>Total current assets</b>	<b>56 339</b>	78 138
<b>TOTAL ASSETS</b>	<b>92 053</b>	110 676

### CONSOLIDATED BALANCE SHEET

EUR 1,000	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity holders of the Parent company</b>		
Share capital	8 298	8 256
Fair value reserve and other reserves	6 704	6 791
Exchange differences	840	548
Retained earnings	18 568	20 238
Result for the financial year	-11 513	-1 775
<b>Total equity</b>	<b>22 897</b>	34 064
<b>Non-current liabilities</b>		
Lease liability	6 288	8 493
Deferred tax liability	51	228
Provisions	119	207
<b>Total non-current liabilities</b>	<b>6 458</b>	8 928
<b>Current liabilities</b>		
Provisions	2 034	2 632
Current interest-bearing liabilities	6 729	2 071
Lease liability	1 293	1 549
Current advance payments received	29 551	33 764
Income tax liability	986	624
Trade payables and other liabilities	22 106	27 044
<b>Total current liabilities</b>	<b>62 699</b>	67 685
<b>Total liabilities</b>	<b>69 156</b>	76 612
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92 053</b>	110 676

# CONSOLIDATED STATEMENT OF CASH FLOWS

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.–31.12.2022	1.1.–31.12.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Proceeds from customers	149 058	160 037
Payments to suppliers and employees	-165 166	-135 940
<b>Cash flow before financial items and taxes</b>	<b>-16 108</b>	24 097
Interest paid from operating activities	-58	-147
Dividends received from operating activities	676	745
Interest received from operating activities	88	33
Other financing items from operating activities	290	-292
Income taxes paid from operating activities	-326	-433
<b>Net cash flow from operating activities (A)</b>	<b>-15 438</b>	24 003
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	-6 572	-6 297
Proceeds from sale of property, plant and equipment and intangible assets	57	-
Payment for the acquisition of a subsidiary, net of cash acquired	0	-
<b>Net cash flow from investing activities (B)</b>	<b>-6 515</b>	-6 297
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from current borrowings	6 729	-
Repayments of current borrowings	0	-
Repayments of lease liability	-1 785	-1 752
Dividends paid	0	-3 411
<b>Net cash flow from financing activities (C)</b>	<b>4 944</b>	-5 163
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>-17 009</b>	12 543
increase (+)/decrease (-)		
<b>Cash and cash equivalents at the beginning of the financial year*</b>	<b>24 357</b>	11 601
<b>Net change in cash and cash equivalents</b>	<b>-17 009</b>	12 543
<b>Effects of exchange rate changes on cash</b>	<b>270</b>	213
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7 618</b>	24 357
<b>CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE FINANCIAL YEAR*</b>		
<b>Cash and cash equivalents</b>	<b>7 618</b>	24 357
<b>TOTAL</b>	<b>7 618</b>	24 357

\*Cash and cash equivalents comprise cash and bank receivables, which will be due within the following three months' period.



# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
<b>EQUITY AT Jan. 1, 2022</b>	<b>8 256</b>	<b>5 711</b>	<b>1 080</b>	<b>548</b>	<b>18 469</b>	<b>34 064</b>	<b>34 064</b>
<b>Comprehensive result for the financial year</b>							
Result for the financial year	-	-	-	-	-11 513	-11 513	-11 513
Other comprehensive income items:							
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-354	-	-	-354	-354
Hedging reserve	-	-	196	-	-	196	196
Exchange differences on translating foreign operations	-	-	-	292	99	391	391
Income taxes related to these items	-	-	72	-	-	72	72
<b>Total comprehensive result for the financial year</b>	<b>-</b>	<b>-</b>	<b>-86</b>	<b>292</b>	<b>-11 414</b>	<b>-11 208</b>	<b>-11 208</b>
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-
<b>Transactions with owners</b>							
Equity-settled share-based transactions	41	-	-	-	-	41	41
Dividends paid	-	-	-	-	-	-	0
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>41</b>	<b>41</b>
<b>EQUITY at Dec. 31, 2022</b>	<b>8 297</b>	<b>5 711</b>	<b>993</b>	<b>840</b>	<b>7 055</b>	<b>22 897</b>	<b>22 897</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, COMPARISON YEAR

## COMPARISON YEAR

EUR 1,000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
<b>EQUITY AT Jan. 1, 2021</b>	<b>8 256</b>	<b>5 711</b>	<b>1 476</b>	<b>353</b>	<b>23 793</b>	<b>39 587</b>	<b>39 587</b>
<b>Comprehensive result for the financial year</b>							
Result for the financial year	-	-	-	-	-1 775	-1 775	-1 775
Other comprehensive income items:							
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-416	-	-	-416	-416
Hedging reserve	-	-	-62	-	-	-62	-62
Exchange differences on translating foreign operations	-	-	-	195	-139	56	56
Income taxes related to these items	-	-	83	-	-	83	83
<b>Total comprehensive result for the financial year</b>	<b>-</b>	<b>-</b>	<b>-395</b>	<b>195</b>	<b>-1 914</b>	<b>-2 114</b>	<b>-2 114</b>
<b>Transactions with owners</b>							
Equity-settled share-based transactions	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-3 411	-3 411	-3 411
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-3 411</b>	<b>-3 411</b>	<b>-3 411</b>
<b>EQUITY at Dec. 31, 2021</b>	<b>8 256</b>	<b>5 711</b>	<b>1 080</b>	<b>548</b>	<b>18 469</b>	<b>34 064</b>	<b>34 064</b>

## NOTES TO THE FINANCIAL STATEMENTS RELEASE

### General information

Raute Group is a globally operating technology and service company serving the wood products industry, with core competence in selected wood products manufacturing processes. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL and sawn timber.

Raute's full-service concept is based on product life-cycle management and includes project deliveries and technology services. Raute's technology offering covers machinery and equipment for the customer's entire production process. In addition to a broad range of machines and equipment, Raute's solutions cover technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations as well as consulting, training, reconditioned machinery and digital services.

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Its series A shares are quoted on Nasdaq Helsinki Ltd, under Industrials. Raute Corporation is domiciled in Lahti. The address of its registered office is Rautetie 2, 15550 Nastola, Finland, and its postal address is P.O. Box 69, 15551 Nastola, Finland.

All of the figures presented in the Financial statements release are in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

### Accounting principles

Raute Corporation's Financial statements release for January 1–December 31, 2022 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The Financial statements release does not contain full notes and other information presented in the financial statements. Raute Corporation's financial statements with full notes will be published in the week beginning on March 6, 2023 (week 10).

Raute Corporation's Financial statements release for January 1–December 31, 2022 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations released accepted for application in the European Union. The Financial statements release has been drawn up according to the same accounting principles as in the Consolidated financial statements for 2021.

When preparing the Financial statements release in compliance with International Financial Reporting Standards, the company management has made estimates and assumptions. In addition, the management has used discretion in selection and application of accounting principles for the accounting period. The management's estimates have been based on the best view at the time of the financial statements, and they comprise risks and uncertainties, therefore actual results may differ from these estimates. There are changes in the financial statements 2022 when compared to the financial statements 2021. More detailed information on the changes will be presented in the financial statements. Changes during the financial year are discussed in the CEO's report.

### IFRS standards that have been published and will be valid in future financial periods

Standards for future periods will not be expected to have a significant impact on Raute Corporation's Consolidated financial statements.

### Events after the reporting period

On January 10, 2023 the company announced the appointment of Ville Halttunen as the Chief Financial Officer.

On February 13, 2023, the parent company has signed a term sheet with its main banks to renew and replace the current credit facility agreements and determine the new credit facilities for the company. Raute expects that the final agreements on the new credit facilities will be signed by the middle of March 2023.

The company has decided to change its reporting segments in accordance with the new operative organization structure that has been effective since January 1, 2023. The new reporting segments are: Wood Processing, Analyzers and Services. The segment information according to the new reporting model is presented in this release for the reporting period as well as for the comparison period on a quarterly basis.

#### EVENTS AFTER THE REPORTING PERIOD – SEGMENT INFORMATION ACCORDING TO THE NEW REPORTING MODEL

From the beginning of 2023 Raute Group will report according to the new segment model. Raute Group's operations fall into three segments: Wood Processing, Services and Analyzers. The highest operational decision-maker responsible for allocating resources to the operating segment and evaluating its results is Raute Corporation's Board of Directors.

Based on Raute's business model, nature of operations and management structure, the combined data of the three segments is consistent with the data of the entire group. Raute Corporation's Board of Directors does not monitor the assets and liabilities on the segment level, therefore investments, assets and liabilities are presented only at the group level. In segment reporting, the principles of preparation of consolidated financial statements are followed. Raute Group's segments do not have inter-segment sales.

EUR 1,000	31.12.2022	31.12.2021
<b>SEGMENT INFORMATION</b>		
<b>Wood Processing</b>		
Net sales	108 024	97 357
EBITDA	-16 065	-5 834
Comparable EBITDA	-10 258	-4 861
<b>Services</b>		
Net sales	35 767	30 108
EBITDA	4 323	4 461
Comparable EBITDA	5 572	4 771
<b>Analyzers</b>		
Net sales	14 532	14 747
EBITDA	2 053	3 444
Comparable EBITDA	2 428	3 569
<b>SEGMENTS TOTAL</b>		
Net sales	158 323	142 212
EBITDA	-9 689	2 071
Comparable EBITDA	-2 258	3 479

## NET SALES

Raute serves the wood products industry with a full-service concept based on technology solutions that cover the customer's entire production process and services. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to the deliveries of entire mill production process, covering all the required machines and equipments.

Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training, reconditioned machinery and digital services. Project deliveries and technology services related modernizations include sales of both products and services, therefore the split of group's net sales into purely product and service sales cannot be presented reliably.

Large mill or production line scale delivery projects can temporarily increase the share of an individual customer of the Group's net sales to more than ten percent. At the end of the reporting period, the Group had one customer, whose customized share of the Group's net sales temporarily exceeded ten percent.

EUR 1,000	Q4/2022	%	2022	%	Q4/2021	%	2021	%
<b>Net sales by market area</b>								
EMEA (Europe and Africa)	18 020	39	68 543	43	12 349	29	34 851	25
NAM (North America)	11 284	25	38 353	24	6 696	15	20 063	14
CIS (Russia)	10 813	24	32 601	21	19 277	43	69 779	49
LAM (South America)	2 849	6	9 598	6	2 072	5	7 816	5
APAC (Asia-Pacific)	2 718	6	9 229	6	3 707	8	9 703	7
<b>TOTAL</b>	<b>45 685</b>	<b>100</b>	<b>158 324</b>	<b>100</b>	44 100	100	142 212	100

Finland accounted for 10 percent (8%) of net sales.

### Net sales - Technology services vs. Project deliveries



■ Project deliveries 58% ■ Technology services 42%

EUR 1,000	2022	2021
<b>Specification of net sales</b>		
Performance obligations to be satisfied over time	116 720	102 981
Performance obligations to be satisfied at a point in time	41 605	39 231
<b>TOTAL</b>	<b>158 324</b>	142 212
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	76 296	150 786
<b>Balance sheet items of projects not yet delivered</b>		
Projects where value according to the degree of fulfillment exceed the invoiced advances		
- aggregate amount of costs incurred and recognized profits less recognized losses	65 504	62 861
- advance payments received	48 556	47 787
<b>Current customer contract assets</b>	<b>16 948</b>	15 074
Projects where the invoiced advances exceed the value according to the degree of completion		
- aggregate amount of costs incurred and recognized profits less recognized losses	163 196	77 096
- advance payments received	186 965	106 910
<b>Current customer contract liabilities</b>	<b>23 769</b>	29 814
<b>Advance payments included in current liabilities in the balance sheet</b>		
Current customer contract liabilities	23 769	29 814
Other advance payments received	5 782	3 950
<b>Total</b>	<b>29 551</b>	33 764



EUR 1,000	2022	2021
<b>RESEARCH AND DEVELOPMENT COSTS</b>		
Research and development costs for the financial year*	-5 647	-5 257
Depreciations of previously capitalized development costs	-649	-
Development costs recognized as an asset in the balance sheet	-	338
Research and development costs recognized as an expense for the financial year	-6 295	-4 919

\*Research and development expenses consist of the expenses of numerous R&D projects that do not meet the criteria for activation.

EUR 1,000	2022	2021
<b>RIGHT-OF-USE ASSETS</b>		
Book value at the beginning of the financial year	8 970	5 917
Exchange rate difference	72	156
Increases	948	5 770
Disposals	-672	-
Depreciation for the financial year	-1 862	-1 775
Book value at the end of the financial year	7 456	10 063

Right-of-use assets are included in balance sheet item Property, plant and equipment..

EUR 1,000	2022	2021
<b>GOOWILL</b>		
Goodwill at the beginning of the financial year	1 714	1 714
Increases	0	0
<b>Goodwill at the end of the financial year</b>	<b>1 714</b>	1 714

EUR 1,000	2022	2021
<b>OTHER INTANGIBLE ASSETS</b>		
Acquisition cost at the beginning of the financial year	16 144	12 492
Exchange rate differences	4	14
Additions	3 942	3 474
Reclassification between items	-	163
<b>Acquisition cost at the end of the financial year</b>	<b>20 088</b>	16 144
Accumulated depreciation and amortization at the beginning of the financial year	-9 743	-9 197
Exchange rate differences	4	-26
Accumulated depreciation of deductions and transfers	77	-
Value decrease	-128	-
Reclassification between items	0	0
Depreciation and amortization for the financial year	-908	-520
<b>Accumulated depreciation and amortization at the end of the financial year</b>	<b>-10 699</b>	-9 743
<b>Book value of Other intangible assets, at the beginning of the financial year</b>	<b>6 400</b>	3 295
<b>Book value of Other intangible assets, at the end of the financial year</b>	<b>9 388</b>	6 400
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Acquisition cost at the beginning of the financial year	65 357	63 635
Exchange rate differences	43	466
Additions	3 578	8 593
Disposals	-1 621	-120
Reclassification between items	0	-6 118
<b>Acquisition cost at the end of the financial year</b>	<b>67 357</b>	66 456
Accumulated depreciation and amortization at the beginning of the financial year	-44 899	-46 816
Exchange rate differences	16	-178
Reclassifications between items	149	5 895
Depreciation and amortization for the financial year	-3 925	-3 808
<b>Accumulated depreciation and amortization at the end of the financial year</b>	<b>-48 660</b>	-44 905
<b>Book value of Property, plant and equipment, at the beginning of the financial year</b>	<b>20 457</b>	16 820
<b>Book value of Property, plant and equipment, at the end of the financial year</b>	<b>18 698</b>	21 552

## FINANCIAL ASSETS AND LIABILITIES

At the end of the financial year December 31, 2022, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 616 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the financial year, financial assets did not include derivative contract and the fair value of the derivative contracts classified as financial liability EUR 117 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 7,581 at the balance sheet date.

EUR 1,000	Carrying amount 31.12.2022	Carrying amount 31.12.2021
<b>Carrying amounts of financial assets</b>		
Financial assets at fair value through profit or loss		
- Derivative contracts		
Financial assets at fair value through other comprehensive income		
- Unquoted share investments	616	970
Financial assets at amortized cost		
- Account receivables and other receivables	6 775	8 972
- Cash and cash equivalents	7 618	24 357
<b>Total</b>	<b>15 008</b>	<b>34 131</b>

EUR 1,000	Level 1	Level 2	Level 3	Total
<b>Hierarchy levels</b>				
Financial assets at fair value through other comprehensive income				
- Unquoted share investments	-	-	616	616
Financial assets at fair value through profit or loss				
- Derivative contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>616</b>

Financial instruments at fair value are categorized according to standard. Instruments included in level 1 are traded in active markets. The fair values of these instruments are based on the quoted market prices at the balance sheet date. The fair value of the instruments included in level 2 is based on the price available from the market data but instruments are not traded in an active market. The fair value of the instruments included in level 3 is not based on the observable market data but is based on the estimates from the management.

EUR 1,000	2022	2021
<b>OTHER FINANCIAL ASSETS</b>		
Unquoted share investments	616	970
<b>Total</b>	<b>616</b>	<b>970</b>

EUR 1,000	2022	2021
<b>CURRENT INTEREST-BEARING LIABILITIES</b>		
<b>Financial liabilities recognized at amortized cost</b>		
Partial payments of financial loans	-	2 071
Account limit used	6 729	
<b>TOTAL</b>	<b>6 729</b>	<b>2 071</b>

### Distribution of the Group's current loans by currencies

- Euro (EUR)	100 %	
- Chinese yuan(CNY)		100 %

### The weighted averages of effective interest rates of current interest-bearing loans

Partial payments of financial loans	3,77 %	4,63 %
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The following table shows the carrying amounts of financial item which corresponds their fair value carried in the consolidated balance sheet. The Group's principles of fair value determination related to the financial instruments have been described in the note Basis of preparation.

	Carrying amount 31.12.2022	Carrying amount 31.12.2021
EUR 1,000		
<b>Carrying amounts of financial liabilities</b>		
Financial liabilities at fair value through profit or loss		
- Derivative contracts	80	16
Financial liabilities recognized at amortized cost		
- Financial loans	-	2 071
- Account limit	6 729	-
- Trade payables and other liabilities	12 591	14 541
- Accrued expenses and prepaid income	231	231
<b>Total</b>	<b>19 632</b>	<b>16 859</b>

EUR 1,000	Level 1	Level 2	Level 3	Total
<b>Hierarchy levels</b>				
Financial liabilities at fair value through profit or loss				
- Derivative contracts	-	80	-	80
<b>Total</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>80</b>

The fair value of the instruments included in the hierarchy level 2 is based on the price available from the market data but instruments are not traded in an active market.

EUR 1,000	31.12.2022	31.12.2021
<b>DERIVATIVES</b>		
<b>Nominal values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	11 926	1 212
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing	0	0
- Related to the hedging of net sales	0	8 052
<b>Fair values of forward contracts in foreign currency</b>		
Hedge accounting		
- Related to the hedging of net sales	117	-41
Derivatives which do not meet the criteria of hedge accounting		
- Related to financing	0	0
- Related to the hedging of net sales	0	-128
EUR 1,000	31.12.2022	31.12.2021
<b>PLEDGED ASSETS AND CONTINGENT LIABILITIES</b>		
<b>Mortgage agreements on behalf of subsidiaries</b>		
Financial loans	6 729	2 071
Other obligations	-	-
Other credit guarantee arrangements	6 729	2 071
<b>Commercial bank guarantees on behalf of the Parent company and subsidiaries</b>		
	7 781	15 344
<b>Off-balance sheet leases</b>		
Rental liabilities maturing within one year	220	87
Rental liabilities maturing in one to five years	261	88
<b>Total</b>	<b>481</b>	<b>175</b>

## SHARE-BASED PAYMENTS

There are three valid long-term performance-based incentive plans for the Group's top management. The company decided on the launch of the latest share value based long-term performance incentive program LTI 2022-2024 on February 10, 2022.

During the financial year, the estimate of the shares to be earned has remained unchanged and the conditions of the three programs have not been met. The impact of share-based incentive plans on the financial year's result was EUR 0 thousand (EUR 0 thousand). At the end of the financial year, EUR 41 thousand (EUR 0 thousand) was allocated to the equity item from the share-based incentive plans in force.

On July 27, 2022, the company complemented its long-term incentive system by establishing a conditional share reward system (also "RSP") as a supplementary share-based long-term incentive plan. The RSP program is intended for individually selected key personnel of Raute Corporation and Raute Group. The first single program covering the years 2022-2024 (RSP 2022-2024) started at the beginning of 2022.

## DISTRIBUTION OF THE PROFIT FOR THE FINANCIAL YEAR 2021

Raute Corporation's Annual General Meeting was held on March 31, 2022. The Annual General Meeting decided according to the proposal of the Board of Directors that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting decided, however, to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization is valid until the beginning of the company's following Annual General Meeting. The authorization was not used during the financial year 2022.

## SEGMENT INFORMATION

Raute reports segment data for 2022 in accordance with the previous definition according to which Raute Group's operations entirely belong to the wood products technology segment. Raute Corporation's Board of Directors is the chief operating decision maker that is responsible for assigning resources to the operating segment and assessing its result.

Due to Raute's business model, operational nature and administrative structure, the operational segment to be reported as wood products technology segment is comprised of the whole Group and the information on the segment is consistent with that of the Group. In segment reporting, the principles of preparation of consolidated financial statements are followed.

EUR 1,000	31.12.2022	31.12.2021
<b>Wood products technology</b>		
Net sales	158 324	142 212
Operating profit	-14 642	-2 244
Assets	92 053	110 676
Liabilities	71 076	76 612
Capital expenditure	6 572	6 297

EUR 1,000	31.12.2022	%	31.12.2021	%
<b>Assets of the wood products technology segment by geographical location</b>				
Finland	71 508	78	82 413	74
North America	12 339	13	15 903	14
China	6 606	7	9 772	9
Russia	428	0	1 916	2
South America	382	0	297	0
Other	790	1	374	0
<b>Total</b>	<b>92 053</b>	<b>100</b>	<b>110 676</b>	<b>100</b>

EUR 1,000	31.12.2022	%	31.12.2021	%
<b>Capital expenditure of the wood products technology segment by geographical location</b>				
Finland	5 242	82	5 308	84
North America	158	2	215	3
China	1 135	15	756	12
Russia	0	0	11	0
South America	23	0	5	0
Other	14	0	2	0
<b>Total</b>	<b>6 572</b>	<b>100</b>	<b>6 297</b>	<b>100</b>

	2022	2021
<b>NUMBER OF PERSONNEL</b>		
Effective, on average, persons	<b>774</b>	780
On average, persons	<b>829</b>	788
In books at the end of the financial year, persons	<b>778</b>	802
Personnel working abroad at the end of the financial year	<b>246</b>	255
Personnel working abroad, %	<b>31,6</b>	31,8

#### Pledges on behalf of the company's management

No loans have been granted to the company's management.

No pledges have been given or other commitments made on behalf of the company's management and shareholders.

#### EXCHANGE RATES USED IN THE CONSOLIDATION OF SUBSIDIARIES

<b>Income statement, euros</b>	<b>1.1.–31.12.2022</b>	1.1.–31.12.2021
CNY (Chinese yuan)	<b>7,0802</b>	7,6347
RUB (Russian rouble)	<b>71,1407</b>	87,2392
CAD (Canadian dollar)	<b>1,3704</b>	1,4836
USD (US dollar)	<b>1,0539</b>	1,1835
SGD (Singapore dollar)	<b>1,452</b>	1,589692
CLP (Chilean peso)	<b>917,9417</b>	897,3633
IDR (Indonesian rupiah)	<b>16519,82</b>	
<b>Balance sheet, euros</b>	<b>31.12.2022</b>	31.12.2021
CNY (Chinese yuan)	<b>7,3582</b>	7,1947
RUB (Russian rouble)	<b>78,43</b>	85,3004
CAD (Canadian dollar)	<b>1,4444</b>	1,4393
USD (US dollar)	<b>1,0666</b>	1,1326
SGD (Singapore dollar)	<b>1,43</b>	1,5279
CLP (Chilean peso)	<b>916,91</b>	964,44
IDR (Indonesian rupiah)	<b>16519,82</b>	

#### THE BOARD OF DIRECTORS' PROPOSAL FOR DIVIDEND DISTRIBUTION AND MEASURES CONCERNING THE RESULT OF 2022

The Board of Directors proposes to Raute Corporation's Annual General Meeting 2023, to be held on March 30, 2023, that no dividend be paid for the financial year 2022.



## KEY FIGURES

KEY FIGURES	31.12.2022	31.12.2021
Change in net sales, %	11,3	23,7
Exported portion of net sales, %	89,6	91,8
EBITDA	-9,7	2,1
Comparable EBITDA EUR million	-2,3	3,5
Comparable EBITDA %	-1,4	2,4
Operating profit, EUR million	-14,6	-2,2
Operating profit, % of net sales	-9,2	-1,6
Return on investment, (ROI), %	-29,9	-2,7
Return on equity, (ROE), %	-40,4	-4,8
Interest-bearing net liabilities, EUR million	6,7	-12,2
Gearing, %	29,4	-35,9
Equity ratio, %	36,6	44,3
Gross capital expenditure, EUR million	6,6	6,3
% of net sales	4,2	4,4
Research and development costs, EUR million	6,3	4,9
% of net sales	4,0	3,5
Order book, EUR million	84	158
Order intake, EUR million	138	203

In addition to IFRS key figures, Raute Group publishes certain commonly used financial key figures (alternative key figures). The calculation formulas for the key figures are presented in the annual Financial Statement. The company has adopted two new key figures in this financial statements release. The formula of these key figures is presented below.

### The EBITDA and comparable EBITDA formulas for the new indicators are:

EBITDA is the net amount that is formed when other revenue from business operations is added to the net sales, and the purchase costs are subtracted, adjusted by the change of the purchase costs of finished and work-in-progress products, adjusted by costs arising from manufacturing for own use, and the expenses arising from employee benefits and other business expenses subtracted.

The calculation formula for the new key figure Comparable EBITDA is:

Comparable EBITDA = EBITDA + items affecting comparability

MEUR	2022	2021
<b>Comparable EBITDA</b>	<b>-2,3</b>	<b>3,5</b>
Costs related to controlled exit of Russian business	-3,5	
Restructuring costs	-2,0	
Costs related to new ERP system	-1,9	-1,4
Total items affecting comparability	-7,4	-1,4
<b>EBITDA</b>	<b>-9,7</b>	<b>2,1</b>
Depreciations	-4,9	-4,3
<b>Operating profit</b>	<b>-14,6</b>	<b>-2,2</b>

SHARE-RELATED DATA	2022	2021
Earnings per share, (EPS), undiluted, EUR	-2,70	-0,42
Earnings per share, (EPS), diluted, EUR	-2,70	-0,42
Equity to share, EUR	5,12	8,12
Dividend per series A share, EUR	-	-
Dividend per series K share, EUR	-	-
Dividend per profit, %	-	-
Effective dividend return, %	-	-
Price/earnings ratio (P/E ratio)	-3,06	-47,14
*The Board of Directors' proposal to the Annual General Meeting.		
<b>Development in share price (series A shares)</b>		
Lowest share price for the period, EUR	8,12	19,50
Highest share price for the period, EUR	20,40	24,90
Average share price for the period, EUR	12,29	22,28
Share price at the end of the period, EUR	8,26	19,80
<b>Market value of capital stock</b>		
- Series K shares, EUR million*	8,2	19,6
- Series A shares, EUR million	27,0	64,8
<b>Total, EUR million</b>	<b>35,2</b>	<b>84,4</b>
*Series K shares valued at the value of series A shares.		
<b>Trading of the company's shares (series A shares)</b>		
Trading of shares, pcs	613 077	591 208
Trading of shares, EUR million	7,5	13,2
<b>Number of shares</b>		
- Series K shares, ordinary shares (20 votes/share)	991 161	991 161
- Series A shares (1 vote/share)	3 272 033	3 272 033
<b>Total</b>	<b>4 263 194</b>	<b>4 263 194</b>
Number of shares, weighted average, 1 000 pcs	4 263	4 263
Number of shares, diluted, 1 000 pcs	4 263	4 263
<b>Number of shareholders</b>	<b>5 785</b>	<b>6 009</b>

## DEVELOPMENT OF QUARTERLY RESULTS

## DEVELOPMENT OF QUARTERLY RESULTS

EUR 1,000	Q4 2022	Q3 2022	Q2 2022	Q1 2022	1.1.2022– 31.12.2022	1.1.2021– 31.12.2021
<b>NET SALES</b>	<b>45 685</b>	<b>41 775</b>	<b>29 590</b>	<b>41 274</b>	<b>158 324</b>	<b>142 212</b>
<b>Change in inventories of finished goods and work in progress</b>	<b>-1 199</b>	<b>-3 348</b>	<b>663</b>	<b>-617</b>	<b>-9 320</b>	<b>-2 233</b>
<b>Other operating income</b>	<b>112</b>	<b>28</b>	<b>68</b>	<b>-1</b>	<b>207</b>	<b>437</b>
Materials and services	-23 601	-19 581	-24 038	-23 864	-91 084	-74 324
Employee benefits expense	-13 119	-11 553	-14 388	-12 097	-51 157	-44 517
Depreciation, amortization and impairments	-1 212	-1 215	-1 278	-1 248	-4 953	-4 315
Other operating expenses	-6 154	-4 690	-5 709	-4 925	-21 478	-19 504
<b>Total operating expenses</b>	<b>-44 086</b>	<b>-37 039</b>	<b>-45 413</b>	<b>-42 135</b>	<b>-168 673</b>	<b>-142 661</b>
<b>OPERATING RESULT</b>	<b>512</b>	<b>1 416</b>	<b>-15 092</b>	<b>-1 478</b>	<b>-14 642</b>	<b>-2 244</b>
<b>% of net sales</b>	<b>1,1</b>	<b>3,4</b>	<b>-51,0</b>	<b>-3,6</b>	<b>-9,2</b>	<b>-1,6</b>
Financial income	1 639	-175	-173	872	2 163	998
Financial expenses	-817	141	-107	-552	-1 335	-525
<b>Financial expenses, net</b>	<b>822</b>	<b>-34</b>	<b>-280</b>	<b>320</b>	<b>828</b>	<b>472</b>
<b>RESULT BEFORE TAX</b>	<b>1 334</b>	<b>1 382</b>	<b>-15 372</b>	<b>-1 158</b>	<b>-13 814</b>	<b>-1 772</b>
<b>% of net sales</b>	<b>2,9</b>	<b>3,3</b>	<b>-51,9</b>	<b>-2,8</b>	<b>-8,7</b>	<b>-1,2</b>
Income taxes	34	-131	2458	-60	2 301	-3
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>1 368</b>	<b>1 251</b>	<b>-12 914</b>	<b>-1 218</b>	<b>-11 513</b>	<b>-1 775</b>
<b>% of net sales</b>	<b>3,0</b>	<b>3,0</b>	<b>-43,6</b>	<b>-3,0</b>	<b>-7,3</b>	<b>-1,2</b>
<b>Attributable to</b>						
Equity holders of the Parent company	1 368	1 251	-12 914	-1 218	-11 513	-1 775
<b>Earnings per share, euros</b>						
Undiluted earnings per share, euros	0,32	0,29	-3,03	-0,29	-2,70	-0,42
Diluted earnings per share, euros	0,32	0,29	-3,03	-0,29	-2,70	-0,42
<b>Shares, 1,000 pcs</b>						
Adjusted average number of shares, 1 000 pcs	4 263	4 263	4 263	4 263	4 263	4 263
Adjusted average number of shares, diluted, 1 000 pcs	4 263	4 263	4 263	4 263	4 263	4 263
<b>FINANCIAL DEVELOPMENT QUARTERLY</b>	<b>Q1 2022</b>	<b>Q2 2022</b>	<b>Q3 2022</b>	<b>Q4 2022</b>	<b>1.1.2022– 31.12.2022</b>	<b>1.1.2021– 31.12.2021</b>
Order intake during the period, EUR million	28	34	40	36	84	158
Order book at the end of the period, EUR million	84	94	104	152	138	203

## SHAREHOLDERS

### 20 LARGEST SHAREHOLDERS AT DECEMBER 31, 2022 BY NUMBER OF SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Sundholm Göran Wilhelm	-	500 000	500 000	11,7	500 000	2,2
2. Laakkonen Mikko Kalervo	-	119 919	119 919	2,8	119 919	0,5
3. Suominen Pekka Matias	48 000	62 429	110 429	2,6	1 022 429	4,4
4. Mandatum Henki- vakuutusosakeyhtiö	-	108 120	108 120	2,5	108 120	0,5
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
7. Suominen Tiina Sini-Maria	48 000	50 491	98 491	2,3	1 010 491	4,4
8. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
9. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
10. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
11. Mustakallio Kari Pauli	60 480	-	60 480	1,4	1 209 600	5,2
12. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
13. Särkijärvi Anu Riitta	12 000	43 256	55 256	1,3	283 256	1,2
14. Särkijärvi Timo Juha	12 000	43 256	55 256	1,3	283 256	1,2
15. Mustakallio Ulla Sinikka	47 740	5 946	53 686	1,3	960 746	4,2
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskinäinen työeläke- vakuutusyhtiö Varma	-	51 950	51 950	1,2	51 950	0,2
18. Relander Pär-Gustaf	-	51 000	51 000	1,2	51 000	0,2
19. Suominen Jussi Matias	48 000	-	48 000	1,1	960 000	4,2
20. Keskiaho Ilta Marjaana	24 780	17 094	41 874	1,0	512 694	2,2
<b>Total</b>	<b>635 200</b>	<b>1 290 147</b>	<b>1 925 347</b>	<b>45,2</b>	<b>13 994 147</b>	<b>60,6</b>

### 20 LARGEST SHAREHOLDERS AT DECEMBER 31, 2022 BY NUMBER OF VOTES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
2. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
3. Mustakallio Kari Pauli	60 480	-	60 480	1,4	1 209 600	5,2
4. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Suominen Pekka Matias	48 000	62 429	110 429	2,6	1 022 429	4,4
7. Suominen Tiina Sini-Maria	48 000	50 491	98 491	2,3	1 010 491	4,4
8. Mustakallio Ulla Sinikka	47 740	5 946	53 686	1,3	960 746	4,2
9. Suominen Jussi Matias	48 000	-	48 000	1,1	960 000	4,2
10. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
11. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
12. Mustakallio Hanna Leena	32 975	5 565	38 540	0,9	665 065	2,9
13. Mustakallio Jukka Jeremias	32 975	-	32 975	0,8	659 500	2,9
14. Keskiaho Vesa Heikki	29 680	-	29 680	0,7	593 600	2,6
15. Keskiaho Juha-Pekka	27 880	5 716	33 596	0,8	563 316	2,4
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskiaho Ilta Marjaana	24 780	17 094	41 874	1,0	512 694	2,2
18. Sundholm Göran Wilhelm	-	500 000	500 000	11,7	500 000	2,2
19. Kultanen Leea Annikka	21 595	8 031	29 626	0,7	439 931	1,9
20. Piik Ari Aarne Juhani	20 855	418	21 273	0,5	417 518	1,8
<b>Total</b>	<b>777 160</b>	<b>892 376</b>	<b>1 669 536</b>	<b>39,2</b>	<b>16 435 576</b>	<b>71,2</b>

### MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
<b>Management's holding at December 31, 2022</b>						
The Board of Directors, The Group's President and CEO and Executive Board*	100 745	32 796	133 541	3,1	2 047 696	8,9
<b>TOTAL</b>	<b>100 745</b>	<b>32 796</b>	<b>133 541</b>	<b>3,1</b>	<b>2 047 696</b>	<b>8,9</b>
*The figures include the holdings of their own, minor children and control entities.						
<b>Nominee-registered shares at December 31, 2022</b>	<b>-</b>	<b>85 317</b>	<b>85 317</b>	<b>2,0</b>	<b>85 317</b>	<b>0,4</b>

# ADDITIONAL INFORMATION ON THE NEW SEGMENT SPLIT

## EVENTS AFTER THE REPORTING PERIOD – COMPARABLE EBITDA ACCORDING TO THE NEW SEGMENT SPLIT

	2022				2021			
	Wood Processing	Services	Analyzers	Group total	Wood Processing	Services	Analyzers	Group total
EUR 1,000								
EBITDA	-16 065	4 323	2 053	-9 689	-5 834	4 461	3 444	2 071
Items affecting comparability	5 807	1 249	375	7 431	973	310	125	1 408
COMPARABLE EBITDA	-10 258	5 572	2 428	-2 258	-4 861	4 771	3 569	3 479

## EVENTS AFTER THE REPORTING PERIOD – QUARTERLY INFORMATION ACCORDING TO THE NEW SEGMENT SPLIT

EUR 1,000	Q4/2022	Q3/2022	Q2/2022	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
<b>SEGMENT INFORMATION</b>								
<b>Net sales, quarterly</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>	<b>Q4/2021</b>	<b>Q3/2021</b>	<b>Q2/2021</b>	<b>Q1/2021</b>
Wood Processing	33 305	27 075	17 123	30 521	31 066	26 487	23 249	16 554
Services	8 676	9 949	9 234	7 909	8 020	7 439	8 420	6 229
Analyzers	3 703	4 751	3 233	2 844	5 013	3 974	3 784	1 976
<b>Total</b>	<b>45 685</b>	<b>41 775</b>	<b>29 590</b>	<b>41 274</b>	<b>44 100</b>	<b>37 900</b>	<b>35 453</b>	<b>24 759</b>
<b>Comparable EBITDA, quarterly</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>	<b>Q4/2021</b>	<b>Q3/2021</b>	<b>Q2/2021</b>	<b>Q1/2021</b>
Wood Processing	891	1 862	-11 886	-1 125	-1 224	507	-2 026	-2 118
Services	660	2 656	1 266	990	1 260	1 507	1 373	631
Analyzers	1 102	1 520	-239	45	2 102	1 045	533	-111
<b>Total</b>	<b>2 653</b>	<b>6 038</b>	<b>-10 859</b>	<b>-90</b>	<b>2 138</b>	<b>3 059</b>	<b>-120</b>	<b>-1 598</b>
<b>Items affecting comparability, quarterly</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>	<b>Q4/2021</b>	<b>Q3/2021</b>	<b>Q2/2021</b>	<b>Q1/2021</b>
Wood Processing	-694	-2 740	-2 272	-100	-337	-164	-346	-127
Services	-116	-616	-491	-27	-108	-52	-110	-41
Analyzers	-120	-52	-191	-13	-43	-21	-44	-16
<b>Total</b>	<b>-929</b>	<b>-3 408</b>	<b>-2 955</b>	<b>-140</b>	<b>-487</b>	<b>-237</b>	<b>-500</b>	<b>-184</b>
<b>EBITDA, quarterly</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>	<b>Q4/2021</b>	<b>Q3/2021</b>	<b>Q2/2021</b>	<b>Q1/2021</b>
Wood Processing	197	-879	-14 158	-1 225	-1 560	343	-2 372	-2 245
Services	544	2 041	775	963	1 153	1 455	1 263	590
Analyzers	983	1 469	-431	32	2 059	1 024	488	-127
<b>Total</b>	<b>1 724</b>	<b>2 630</b>	<b>-13 814</b>	<b>-230</b>	<b>1 651</b>	<b>2 822</b>	<b>-620</b>	<b>-1 782</b>



RAUTE CORPORATION  
Board of Directors

BRIEFING ON FEBRUARY 14, 2023 AT 2 P.M.:

A briefing will be organized for analysts, investors and the media on February 14, 2023 at 2 p.m. at Scandic Simon-kenttä Hotel, Simonkatu 9, Helsinki. The financial statements release will be presented by President and CEO Mika Saariaho and Interim CFO Minna Yrjönmäki. The presentation will be in Finnish. The event can also be followed on-line via Teams. We will send a Teams link to those who have registered by email; registrations at [ir@raute.com](mailto:ir@raute.com). The event will be recorded, and the recording can be viewed on Raute's website [www.raute.com](http://www.raute.com) on February 15, 2023.

FINANCIAL RELEASES IN 2023:

Raute's half-year report and two interim reports will be published as follows:

- Interim report January - March on Tuesday April 25, 2023
- Half-year financial report January - June on Thursday July 27, 2023
- Interim report January - September on Thursday October 26, 2023.

Raute Corporation's consolidated financial statements will be published at the latest in the week beginning on March 6, 2023 (week 10).

The Annual Report 2022 will be published at the latest in the week beginning on March 6, 2023 (week 10).

Raute Corporation's Annual General Meeting will be held in Lahti, at Sibelius Hall on Thursday, March 30, 2023 at 6:00 p.m.

FURTHER INFORMATION:

Mr. Mika Saariaho, President and CEO, tel. +358 40 154 9393  
Ms. Minna Yrjönmäki, Interim CFO, tel. +358 40 570 2067

DISTRIBUTION:

Nasdaq Helsinki Ltd, main media, [www.raute.com](http://www.raute.com)

RAUTE IN BRIEF:

*Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL (Laminated Veneer Lumber) and sawn timber. Its technology offering covers the entire production process for veneer, plywood and LVL and special measurement equipment for sawn timber. As a supplier of mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, the Changzhou area of China and in Pullman, Washington, USA. Raute's net sales in 2022 were EUR 158.3 million. The Group's headcount at the end of 2022 was 778. More information about the company can be found at [www.raute.com](http://www.raute.com).*



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