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Annual Report



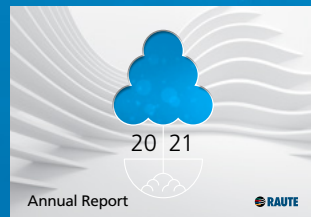
Creating value in forest assets

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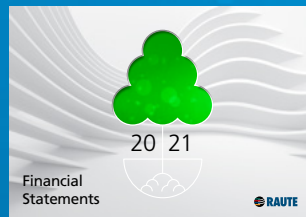
Cover picture: Raute Corporation

RAUTE'S REPORTS 2021



Annual Report 2021

This report describes Raute's operating environment, strategy, solutions and corporate responsibility in 2021.



Financial Statements 2021

This report includes Raute's Financial Statements for 2021 as well as information about Raute's shares and shareholders.



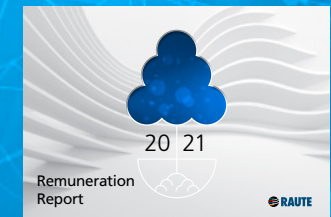
Corporate Governance Statement 2021

This report describes Raute's corporate governance and internal control and risk management principles related to financial reporting process as well as procedures for insider management and auditing.



Non-financial Information Statement 2021

This report presents information concerning Raute's environmental, social and employee matters, respect for human rights, as well as anti-corruption and bribery.



Remuneration Report 2021

This report illustrates Raute's remuneration principles and the remuneration paid to Raute's Board of Directors, President and CEO and the Deputy to President and CEO in 2021.

We believe in smarter wood economy

We are a global community of wood enthusiasts innovating veneer, plywood and LVL production. Understanding customers' needs is at the heart of our operations. With decades long partnerships and a global sales and services network, we apply best practices and innovate for the good of the growing plywood and LVL industry. Today, more than half of the LVL manufactured in the world is pressed with machines supplied by Raute.

Year 2021 marked the beginning of our recovery from the COVID-19 pandemic. Supported by the strengthening investment activity especially in the developed markets in Europe, North America and Russia in particular, we reached an all-time high order book of EUR 158 million at the end of 2021. This gives us an excellent starting point for the year 2022.

JANUARY

Beginning of a new automation era in China's plywood industry

China's plywood industry officially entered the automation era as Guoxu Spring Woodbased Panel Co's fully automatic and intelligent plywood production line started running. The modern, high technology veneer production lines with high-quality analyzers were delivered by Raute.

MAY

Booking orders worth approximately EUR 30 million to Lithuania

Raute received orders worth approximately EUR 30 million from its long-term customer VMG Group in Lithuania. The orders consisted of production machinery for a complete LVL process in VMG's upcoming LVL mill in Akmene, Lithuania.

JUNE

Moving operations to a new location in China

Raute announced the moving of its operations in China from Shanghai area to a new location in Changzhou, Jiangsu province. The new location will provide Raute with a strong supplier network, skilled workforce and room for growth and development, thus improving the effectiveness and competitiveness of Raute's operations in China.

JULY

Booking orders worth approximately EUR 16 million to Russia

Raute received orders worth approximately EUR 16 million from Segezha Group to Russia. The scope of orders includes new production lines and modernizations of existing lines as well as new production lines to further process plywood.

AUGUST

Booking orders worth approximately EUR 18 million to Russia

Raute received orders worth approximately EUR 18 million from Red October LLC to Russia. The order included machines for all main production processes to a new birch plywood and veneer mill. The scope also included a service agreement for several years as well as extensive digital services.

SEPTEMBER

Conducting a successful virtual Factory Acceptance Test (FAT)

COVID-19 has permanently changed the world and the way business is conducted. In September, we conducted our first virtual Factory Acceptance Test (FAT) – consisting of nearly seven hours of live streaming of the line operation and quality check. In the future, such tests will be performed digitally or live – depending on the customer's needs.

NOVEMBER

Launching a new R5-Series LVL technology

Raute launched the new R5-Series technology for LVL production. The R5-Series is specially designed for customers who want to use some of their existing veneer capacity for producing LVL, and new players who want to jump into the LVL business with low investment costs.



142

NET SALES

EUR million

2020 | 115 MEUR



802

EMPLOYEES

at the end of 2021

2020 | 751



10

OPERATING COUNTRIES

2020 | 10



0.80*

DIVIDEND

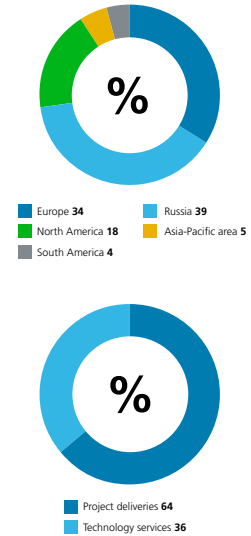
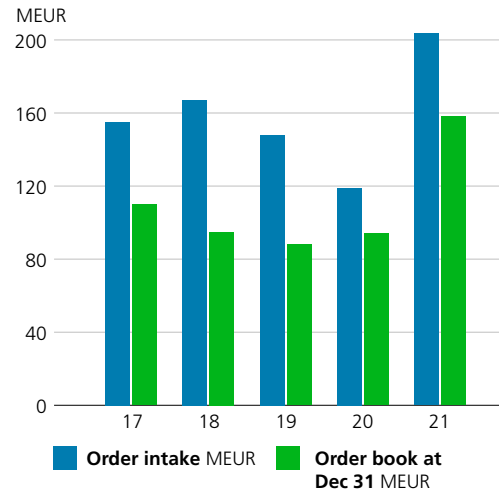
EUR

2020 | EUR 0.80

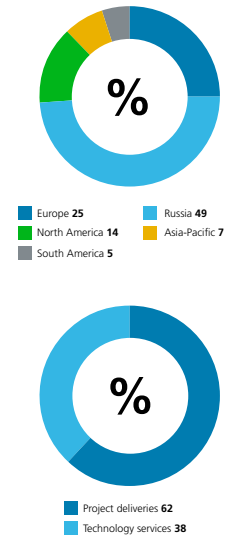
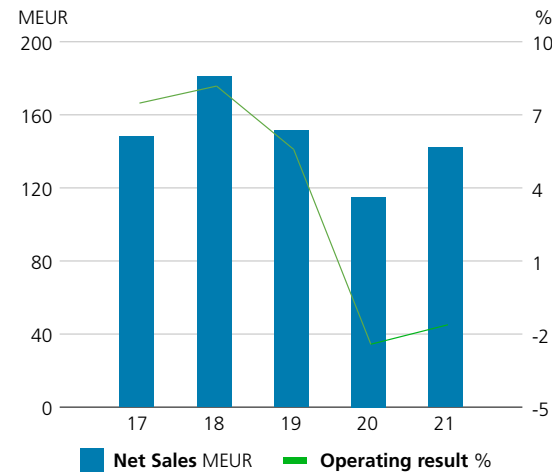
2021 in numbers

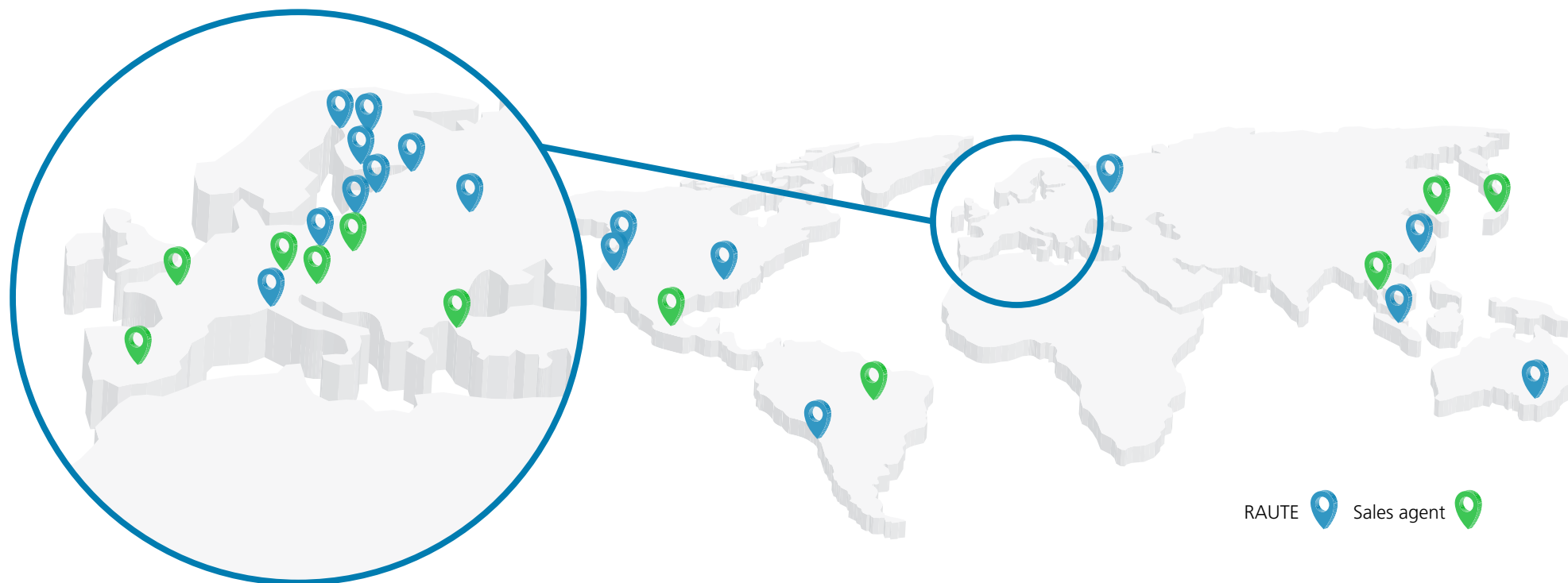
In 2021, Raute's net sales were EUR 142.2 million (EUR 115.0 million in 2020). At the same time, Raute's order intake was EUR 203 million (EUR 119 million) and operating loss EUR 2.2 million (EUR -2.8 million).

Order intake and order book



Net sales and operating result





NET SALES
EUR million

142

2020 | 115 MEUR

OPERATING RESULT
EUR million

-2.2

2020 | -2.8 MEUR

ORDER INTAKE
EUR million

203

2020 | 119 MEUR

ORDER BOOK
Dec 31, EUR million

158

2020 | 94 MEUR

Good market situation especially in the developed markets

The global COVID-19 pandemic had an impact on our operations also in 2021 – and it will continue so in 2022 as well. However, compared to the previous year, the market situation improved in several markets. This applies, in particular, to our traditional, industrialized and developed markets in Europe, North America and especially Russia. However, in the emerging markets and especially in China, the pandemic-related restrictions are still limiting the progress of our customers' projects and impacting our business.

Record-high order book and a good number of new orders

One of the clear highlights of 2021 was our record-high number of new orders, totaling EUR 203 million, and the consequent order book of EUR 158 million at the year-end – also a record high. I'm especially proud of the repeat orders from our long-term customers. It indicates we have served these customers well.

It should be noted, however, that especially towards the end of the year the costs of many raw materials, components and freight rose. There were also lengthened delivery times and availability challenges of some components due to global supply chain problems caused by a very volatile market situation during the pandemic. This negatively impacted the development of our net sales and profitability. We expect these supply chain challenges to continue in 2022 as well.

New opportunities provided by digitalization

We may call the year 2021 a year of digital breakthrough. Already during the previous year, we, together with our customers, took a digital leap. But we clearly exceeded that in 2021. A good example of this were the several Factory Acceptance Tests (FAT) and the commissioning of several projects that were conducted remotely during the year. I believe that in the future, such activities

will be performed digitally or live – simply depending on the customer's needs and skills.

New opportunities provided by digitalization are also an essential part of our R&D activities. We want to develop increasingly efficient, safe and environmentally friendly manufacturing technologies as well as supporting measurement and machine vision applications. In 2021, we again saw how machine vision applications, analyzers and predictive maintenance services became an increasingly important part of our product and service offering, in many cases remotely operated.

In November, we further strengthened our product portfolio by launching the new R5-Series technology for LVL production. The R5-Series is specially designed for customers who want to use some of their existing veneer capacity for producing LVL, and for new players who want to jump into the LVL business with low investment costs.

Changing the way we operate

In 2021, we continued to develop our internal processes and the way of working. An important part of this development is our major IT system development project where we are renewing our whole ERP, CRM, financial and business intelligence systems. The project's key objective is to improve the efficiency and quality of our operations and serve our customers even better, while also impacting the way we design and develop our products in the future.

Another good example of changing the way we operate, and a part of the digital breakthrough, is the RxEvent concept we introduced in May. These immersive and interactive online events are targeted for all veneer, plywood and LVL professionals around the world. These online events will play an important role in reaching our target audiences and replacing some physical events and exhibitions in the future.

In China, we are moving our operations from the Shanghai area to a new location in Changzhou, Jiangsu province. The new location will provide us with a strong supplier network, skilled workforce and room for growth and development, thus improving the effectiveness and competitiveness of our operations in China.

Commitment to UN's 10 principles of sustainability

In 2021, we joined the UN's Global Compact initiative for sustainable development. Even though we have already complied with most of these principles earlier, the systematic approach of this framework will further enhance our work towards a more sustainable business and world. While developing our own operations and working towards these goals ourselves, we provide means for our customers to develop their operations to be more sustainable. Fighting climate change is where we can have the biggest impact in terms of the UN's Sustainable Development Goals.

Confidently towards the year 2022

I believe that in 2022, our growth will come from the developed markets more than we estimated before the pandemic. However, the dramatic events that took place in Ukraine in early 2022 have clearly increased uncertainty and near-term risks especially related to Russian markets. In the longer term, the focus is expected to shift back to emerging markets. We will continue to invest in our strategic priorities, emerging markets and in developing our digital solutions and services business.



I want to express my sincere thanks to our customers for their continued cooperation with us, to our shareholders for their trust in Raute's business and especially to our personnel for their hard work and commitment during these exceptional times.

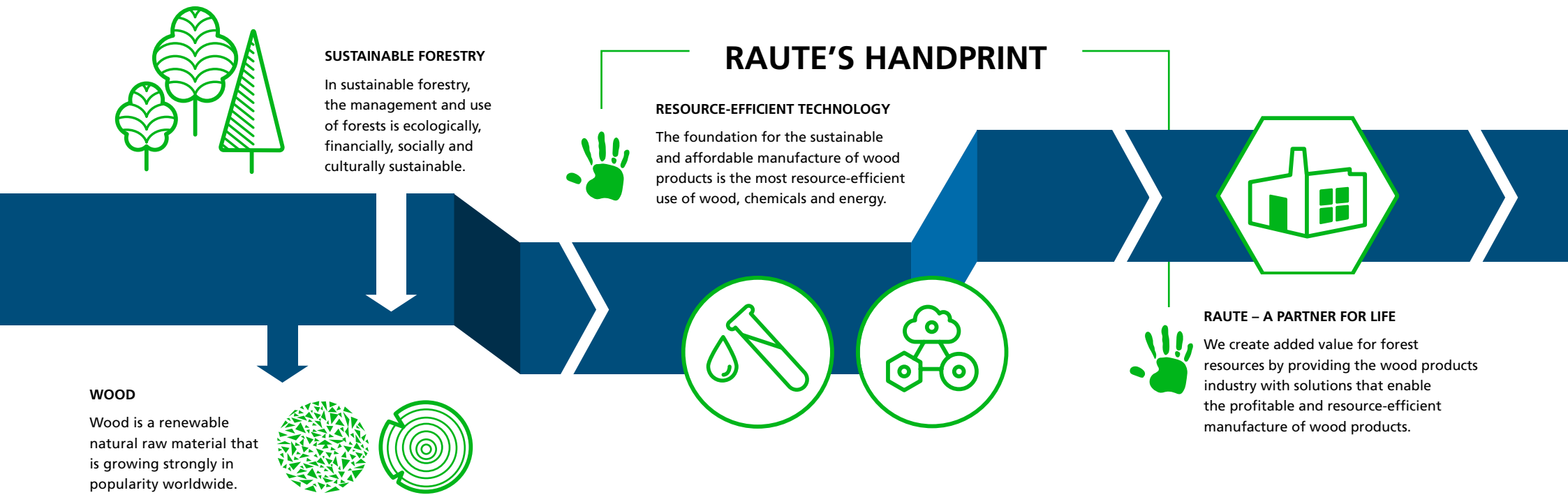
When markets recover from the pandemic, Raute is in a good position and geared for growth.

A handwritten signature in white ink, appearing to be 'T. Kiiski', written over a dark green background.

Tapani Kiiski
President and CEO

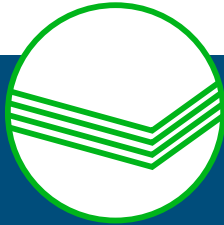
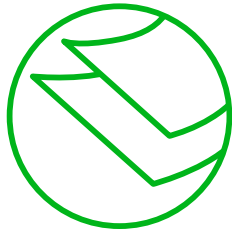
Sustainability is key in the wood processing value chain

Raute adds value to its customers' business by supplying solutions for the profitable and environmentally sustainable production of wood products.



SUSTAINABLE MEGATRENDS

- 1 Urbanization and smart infrastructure
- 2 Mitigating climate change
- 3 Depletion of natural resources
- 4 Digitalization and automation



LONG-LASTING WOOD PRODUCTS

Thanks to our new innovations and state-of-the-art technology, our customers in the wood products industry can boost their production and improve the end-product quality. Our customers manufacture long-lasting wood-based panel products: veneer, plywood and LVL.

Veneer is a thin wood panel manufactured by peeling from a log.

Plywood is a panel of wood consisting of thin, cross-bonded veneers.

LVL (Laminated Veneer Lumber) is a beam made of veneers glued with their grains parallel and then hot pressed; it is used in load-bearing structures.

END USES

Veneer, plywood and LVL products are used mainly in construction and furniture-making as well as in transport vehicle and packaging industries. The use of different wooden structures and components is growing dramatically especially in construction.

Renewability, recyclability and eco-friendliness are sustainable trends that increase the demand for and use of wood products worldwide.

CIRCULAR ECONOMY

The circular economy tries to keep products in use for as long as possible and to reuse their materials efficiently while maintaining the raw materials' value.

Wood-based panel products are long-lasting wood products. After their original life is over, they can be reused, recycled or used as raw material in energy production. In the future, an increasing proportion of wood products will be recycled.

IMPLICATIONS FOR THE WOOD PROCESSING VALUE CHAIN

In a carbon-neutral future, the winners will be clean technologies, products and solutions that enable customers and other parties in the value chain to reduce their emissions or even act as carbon sinks.

The popularity of wood as a raw material is growing and its use in construction is increasing.

Construction is constantly subject to new speed and efficiency requirements. New solutions based on engineered wood products are arriving to the market.

Safety and resource-efficiency requirements for production processes are becoming tighter.

New digital solutions based on automation are becoming more common, enabling new types of business models and services.



Operating environment

Photo: Raute Corporation

Strong order book and active markets

In 2021, Raute's competitive position was further strengthened, and the company's order book reached a record-high level at the year-end. The pandemic-related restrictions affected especially field services, but new digital services developed well. Wood construction grew in popularity globally as well as the demand for LVL products and production solutions.

At the moment, LVL producers in particular are seeking competitive solutions with versatile capacities. This applies to Raute's customers as well. At the same time, mid-sized production lines and modernizations were of high interest among veneer and plywood customers. In the future, the availability and price level of materials is expected to be the biggest challenge.

In traditional markets, Europe, North America and Russia, Raute's market situation was good. Both solution segments – technologies and services – remained active, and new digital solutions were deployed by customers. Modernizations continued to be at the top of the customers' agenda.

In emerging markets and especially in China, the pandemic-related restrictions, coupled with the general

economic uncertainty, hampered the progress of our customers' projects. The continued fast urbanization in these markets increased the demand for sustainable construction solutions made of wood.

Year of LVL

Wood construction is perceived as one of the solutions for climate change. In this context, wood could be seen as a carbon sink instead of a carbon source, as it absorbs large amounts of carbon. This is especially true with LVL products.

Europe already produces close to 20% of the LVL in the world. At the same time, new applications, such as load-bearing beams and panels, ground floors and even ceilings, are developed. This makes LVL a sustainable alternative for steel and concrete.

In other end-product segments, LVL is used in, for example, wind turbines and furniture, replacing timber and other materials. Because of this growing trend, Raute introduced new LVL technology solutions to the market.

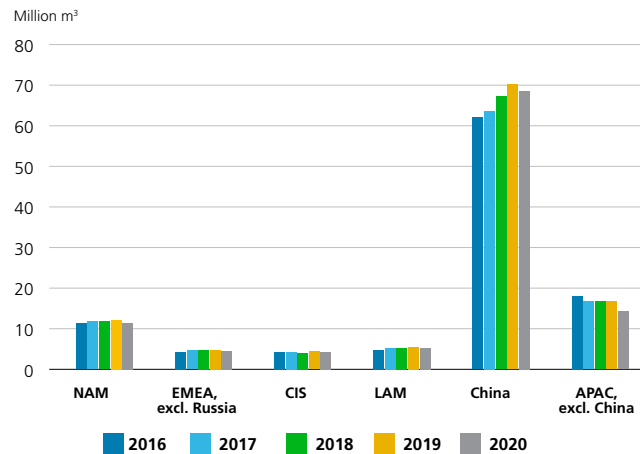
Pandemic pushing the industry towards digital solutions

As the global growth of plywood and LVL products continues, labor availability will become more challenging and more digital capabilities are required. Combined with the travel restrictions, the virtual production set-up and testing, automation and digital lifecycle services are adopted at an accelerating pace.

Plywood and LVL industry's market close to EUR 50 billion a year

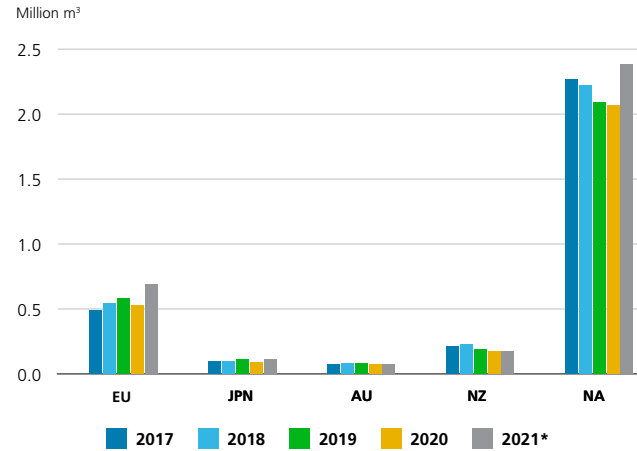
Investments in veneer, plywood and LVL production
technology under normal market conditions
close to EUR 1 billion a year

Plywood production per region 2016–2020

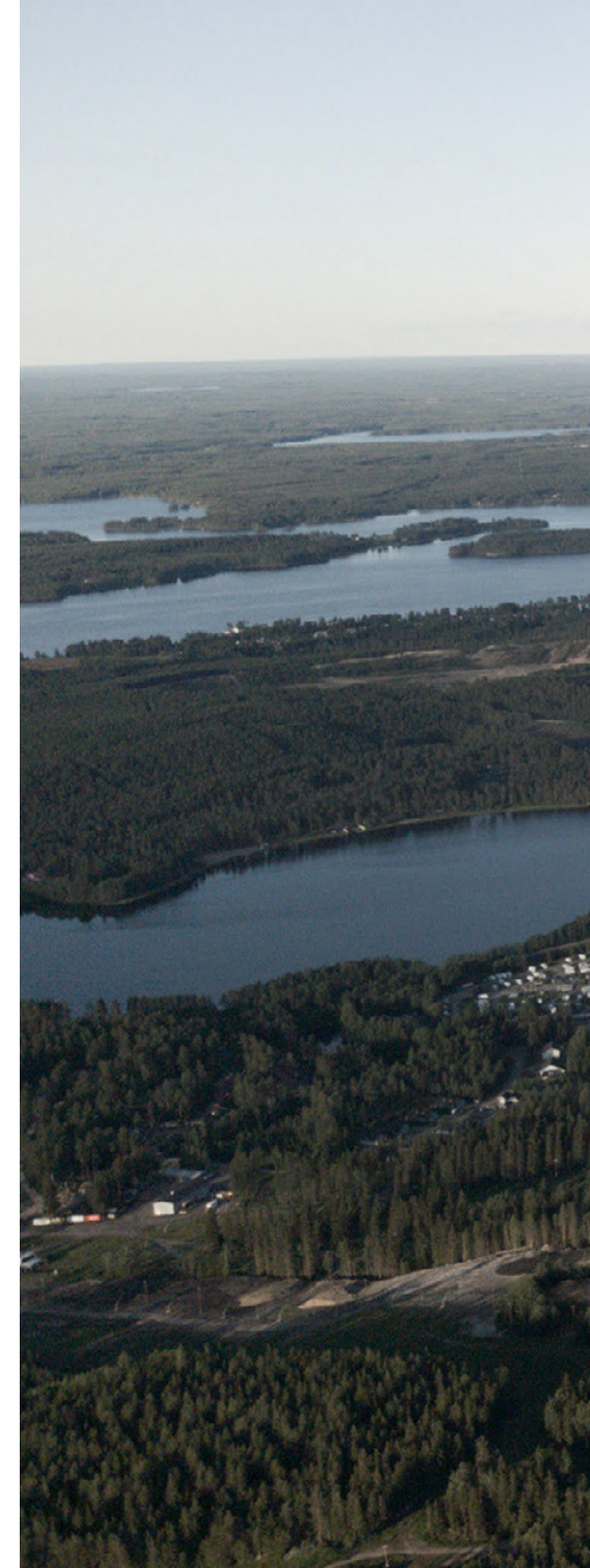


* EMEA = Europe, the Middle East and Africa ** CIS = Commonwealth of Independent States
*** APAC = Asia Pacific

Structural LVL production (global) 2017–2021



*estimated numbers



Market area's share of Raute's new orders 2019–2021

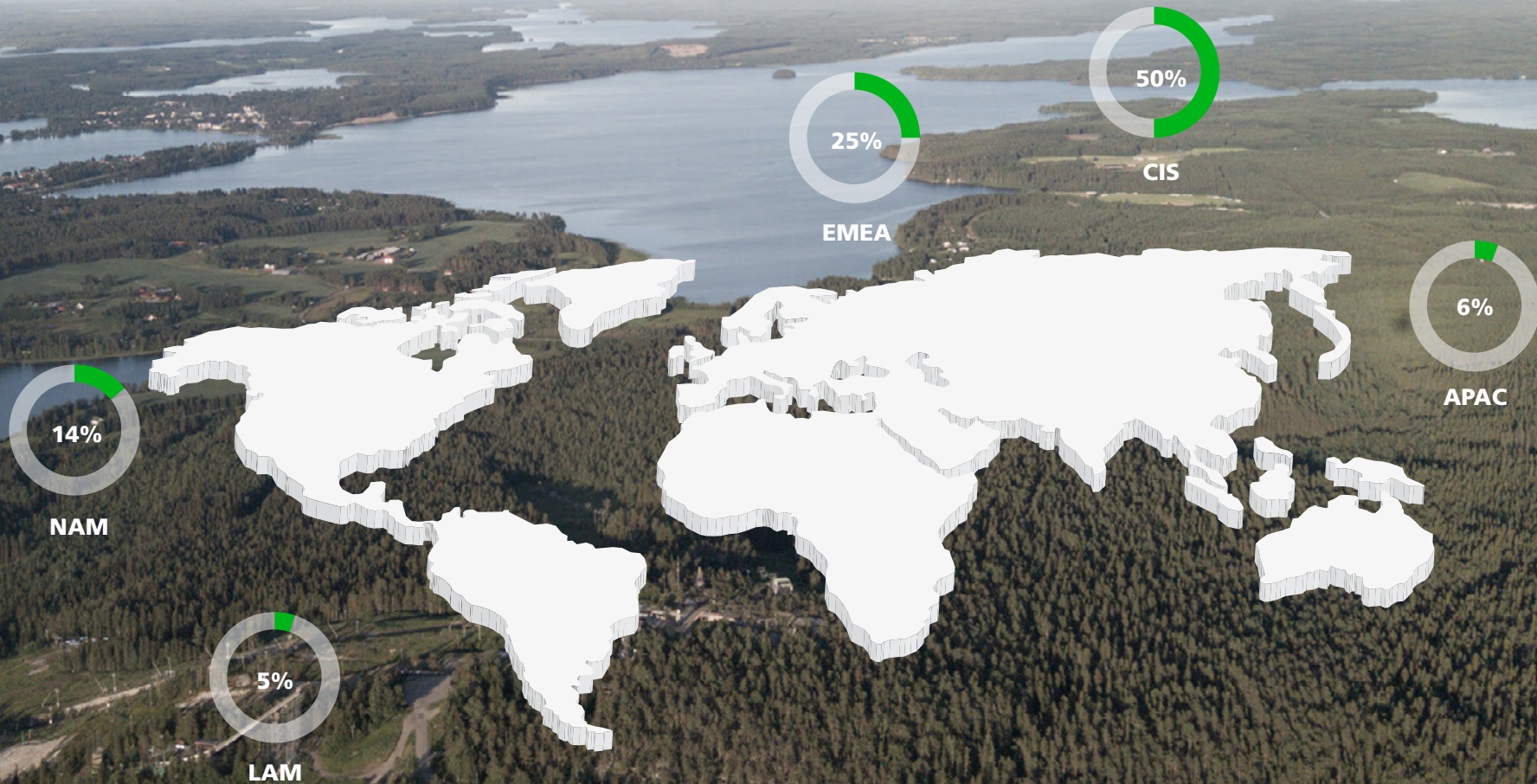


Photo: Raute Corporation

Implementation of strategy

Photo: Raute Corporation

Creating value in forest assets

We enable our customers to create value in forest assets by supplying solutions for profitable and sustainable production of veneer, plywood and LVL.

Our **mission** gives the highest purpose for everything we do

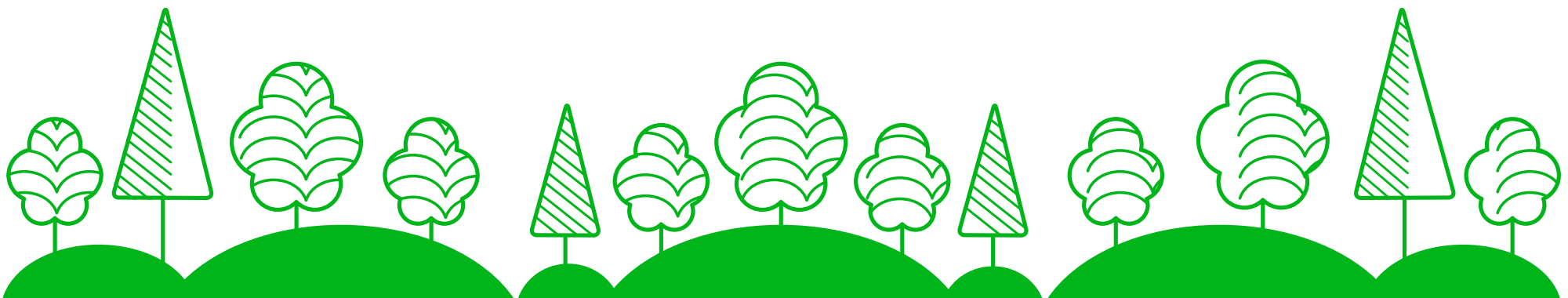
CREATE VALUE IN FOREST ASSETS

Our **value proposition** is our commitment to our customers

PROFITABLE TECHNOLOGIES AND SERVICES FOR ALL CUSTOMER NEEDS

Our **values** guide our operations

**CUSTOMER SUCCESS
TRUST IN PEOPLE
ACHIEVING TOGETHER
RESPONSIBILITY**



Strategy in brief

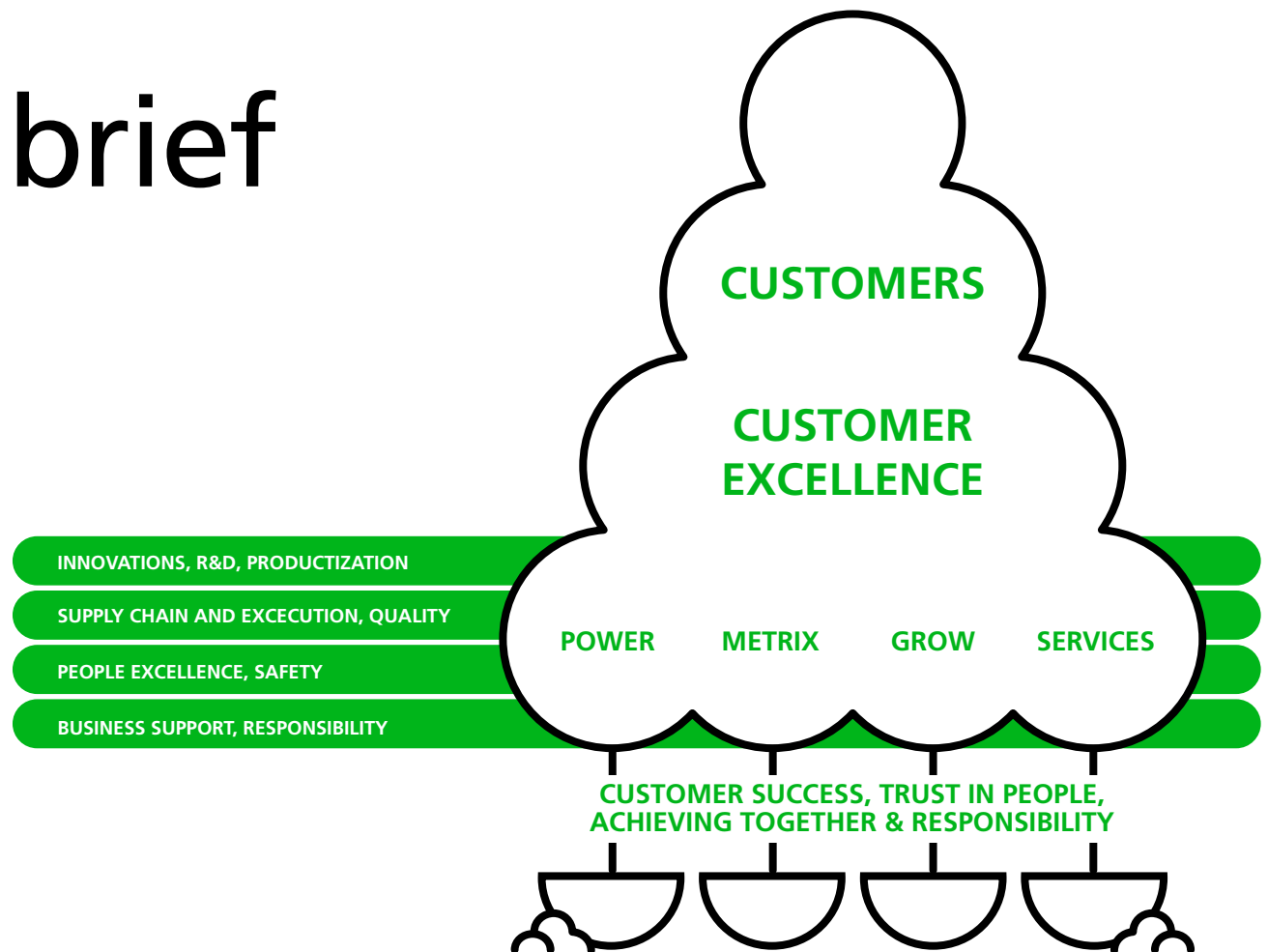
Digitalization at the core of our strategy

Digitalization and digital solutions play a crucial role in Raute's strategy. With our digital solutions, we can process and analyze vast amounts of data collected from production equipment and processes in our customers' facilities. By receiving accurate information e.g. about the raw material yield in different process phases, our customers can focus on improving the most relevant parts of the process. That can lead to significant cost savings, quality improvements or increased production capacity. With this deeper insight on the customer's equipment and processes, we can also offer new services such as predictive maintenance and value-based maintenance agreements.

We develop and utilize new technologies and solutions that allow us to maintain our position as a leading technology supplier in the wood products sector. This is supported by our active research work and cooperation with other leading companies and research institutes.

Profitable solutions for all customer needs

Profitability is an essential condition both for us and our customers to continue and develop operations. Our solutions integrate technology, equipment and



services necessary for our customers to improve their operational efficiency and sustainability.

In the long run, market focus is expected to shift towards emerging markets. Thus, we must be able to offer solutions based on state-of-the-art technology but also solutions for situations where automation is not yet the decisive factor in creating a competitive edge, or where a very large investment is not an

option. We at Raute help our customers to find the best fit for their operational environment with our long-term knowledge of the wood industry.

Our customers' needs are the most important drivers of our operations. By understanding these needs, we can translate this understanding into solutions that truly help customers to gain a competitive edge against their rivals.

LONG-TERM STRATEGIC GOALS

Targeting sustained profitable growth

OUR STRATEGIC GOALS

KEY ACTIONS IN ACHIEVING THESE GOALS 2021

Grow faster than the market

- Good order intake with record-high order book at the end of 2021. Major orders included:
 - Orders worth EUR 18 million from Red October LLC in Russia to provide machines for all main production processes to a new birch plywood and veneer mill
 - Orders worth EUR 16 million from Segezha Group in Russia to provide new production lines and modernizations of existing lines to increase the veneer production capacity, and also production lines to further process plywood
 - Orders worth EUR 30 million from VMG Group in Lithuania to provide production machinery for a complete LVL process
- Integration of Hiottu Oy following an acquisition to complement digital offering
- Continued investments in development and launches of new products, digitalization and marketing
- Continued efforts in China and other emerging markets

Improve profitability

- Developing internal processes and the way of working e.g. with the help of a major process and IT system development project, from which the new financial and CRM systems have already been successfully taken into use
- Active pricing management to mitigate rapid cost inflation related to raw materials, components, and freight

Maintain strong balance sheet

- Equity ratio 44.3% (58.8)

Effective returns to investors

- The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.80 (EUR 0.80) per share be paid for the financial year 2021
- 4.0% (3.5%) effective yield

Raute's solutions

Photo: Raute Corporation

A global market leader in veneer, plywood and LVL production technologies

Raute has been a preferred partner for small private family companies as well as major global forest groups for over 110 years.

Raute is the only company in the world to provide solutions covering the entire production process of veneer, plywood and LVL (Laminated Veneer Lumber). We actively seize digital opportunities and innovate production solutions that maximize yield and optimize the use of by-products. Starting from our customers' needs, we combine technology, analyzers and services to excel in performance across the lifecycle of the investment.

Raute's solutions include all key subprocesses of veneer, plywood and LVL production; log handling, peeling, drying, veneer handling, plywood lay-up and pressing, panel handling and repairing, LVL lay-up and pressing, LVL billet handling, and grading. Analyzers comprise one of the main product areas and are part of the automation, machine vision and measuring

technology solutions in our smart mills. With our lifecycle services, we support our customers across their mill's lifetime, from investment consultation to mill audits, modernizations and know-how development. Our solutions apply ergonomics and advanced safety automation that improve the well-being at work, occupational safety and productivity. This makes us a unique one-stop-shop in the wood-product industry.

The logo for the Raute R3 series, featuring the letters 'R3' in a large, bold, metallic font with a blue glow effect, set against a dark blue background.

FOR AFFORDABLE PRODUCTION

Novelties of the Raute Series

In 2021, we continued to expand our portfolio and introduced new solutions matching different capacity expectations, budgets and know-how. The 100% electrically operated, spindleless Raute Veneer Peeling Line R3 offers high running efficiency. It allows producers to make the most of small diameter blocks of hardwood and softwood. It can also work as a recovery line, improving the yield and effectiveness of conventional lathes. Production ramp-ups are fast and easy, and the line works with many raw materials and has capabilities for add-on capacity. For maximum efficiency, the Veneer Drying Line R7 is the most automated line ever created for the veneer production industry. It uses machine vision at its fullest and masters productivity with high speed.

The logo for the Raute R5 series, featuring the letters 'R5' in a large, bold, metallic font with a blue glow effect, set against a dark blue background.

FOR SUSTAINABLE PRODUCTION

Standardized LVL technology

As demand for LVL as a sustainable, renewable building material is growing, customers seek to optimize their production profit with an easy-start solution for basic LVL production. In 2021, Raute answered the demand and introduced new standardized LVL production technology – The LVL Lay-up and Pressing Line R5 and the LVL Billet Handling Line R5. These solutions

The logo for the Raute R7 series, featuring the letters 'R7' in a large, bold, metallic font with a blue glow effect, set against a dark blue background.

FOR MAXIMUM EFFICIENCY

enable the production of a product range that is extensive enough to meet the needs of the common markets. They have been designed with standardized components, allowing for a smaller price tag, short delivery and commission times, and ease of use. The R5-Series LVL technology is a perfect way to enter the LVL market.

Virtual Factory Acceptance Test

COVID-19 forced us to take a new leap of faith also in project deliveries and to develop new ways of cooperating with our customers. In September, we conducted a virtual FAT (Factory Acceptance Test), where we provided our customer with nearly 7 hours of live streaming of the line operation and quality checks. In the end, the customer accepted the results. This was a joint effort by our Technology and Project teams and, of course, by the customer. At the same time, it was a success story of our multi-departmental cooperation. It showed us the positive sides of hybrid work life and digital customer interaction. In total, we conducted three virtual FATs in 2021.



Rx virtual events and showroom

As the pandemic continued to transform our lives, we wanted to challenge the industry conventions – and ourselves – and explore the possibilities of digital events as the new normal for industry forums. The first ever RxEvent was organized in May 2021, launching our vision for the future factory as well as our virtual showroom. During the year, three RxEvents brought together over 700 industry professionals and dozens of keynote speakers and panelists from some 40 countries. They shared insights on veneer, plywood and LVL production, LVL as building material, complete mills and data-driven production, among others. The discussions were inspiring and received positive feedback. And there is more to come.

Our main customer segments



Technologies

Project deliveries are at the core of Raute's business. Depending on customer needs, we provide them with mill-wide solutions covering all production subprocesses, production lines, individual machines or advanced automation as well as software, measuring systems and analyzers for production management and quality control. In 2021, there was a high interest in veneer, plywood and LVL production solutions and active project planning in Europe, Russia and North America. In the emerging markets, the pandemic continued to limit the progress of our projects.

Services

Services will play a more significant role as a result of both changes in the market and the development of technology. The new, constantly developing technology demands know-how and skills, which, for many customers, are not worthwhile investing in themselves. Technology development makes it possible to extend the lifecycle of basic equipment through modernization, add-ons and service agreements. Online services create new ways of working and cooperating with positive impact on product quality, efficiency and profitability. Raute is a trusted partner for its customers throughout the entire lifecycle of the investment.

Our vision for a data-driven future factory

Cool, clean and clever. These three words capture the essence of our vision for the future factory. In the future, factories are digital masterpieces benefiting from artificial intelligence, advanced robotics, cognitive automation and the Internet of Things, to mention a few. Factory workers use several digital tools to manage the automated production of veneer, plywood and LVL. Machinery and equipment have a more responsive and alerting role in production optimization. Smart software, such as MillsIGHTS, helps in central process control and uses the input from the visual, moisture and density

analyzers, enabling more accurate decisions and process optimization simultaneously and crosswise. All this results in leaner and more effective organization. People become information architects and reorganizers of work, while machines take care of high-quality production. The ability to act based on data becomes a core skill of a mill worker.

Photos: Raute Corporation

TECHNOLOGIES

Complete mills, individual production lines, machinery and equipment

Automation, machine vision, measuring technology and software

SERVICES

1. Expert services
2. Online services
3. Lifecycle services

THREE DIMENSIONS OF RAUTE'S FULL SCOPE SOLUTION OFFERING CONCEPT

1

Entire production process

Core competences are in mill-wide production process knowhow - Raute is the only company in the world to provide a mill-wide range of technologies for the production of veneer, plywood and LVL

2

Machines and services

One-stop-shop – a powerful combination of equipment, software as well as online and on-site services for our customer industries

3

Entire investment lifecycle

Unique lifetime support concept – from early planning of investment through machine deliveries to mill audits, modernizations, training, consultation, site and field services and mill improvements

CUSTOMER CASE

VMG Group

VMG Group is an international group of companies that produces various wood products in some 25 locations mostly in Lithuania. VMG employs more than 5,000 people.

VMG Group and Raute have a long-lasting cooperation. In May 2021, Raute received orders from VMG consisting of production machinery for a complete LVL process to VMG's coming LVL mill in Akmene, Lithuania. Raute has its own service operations in the Baltic countries, making the customer support smoother in the future.

The new mill utilizes the most advanced Raute R7-Series technology. The delivery includes all lines and machines for veneer and LVL manufacturing, intelligent data collection system, MillsIGHTS and the latest veneer visual, strength and moisture analyzers for production optimization. When operational, VMG's factory will be the first LVL factory in Lithuania.

"We at VMG Group have a long history with Raute and we were happy to expand our cooperation even further with this new project," says Mindaugas Kozinecas, Production Development Director of VMG Group. "Wood building is booming in Europe and we want to be on top of this sustainable future. For us, Raute was a natural choice as they have a lot of experience and good reference base when it comes to LVL technology. What was also crucial, was their ability to provide solutions that cover the entire production process of LVL. Our plan is to run the factory 24/7 so preventive maintenance plays a significant role. To ensure maximum uptime, it was important to work with a company like Raute who can also provide us with complete lifecycle services," Kozinecas concludes.

CUSTOMER CASE

Coastland

Coastland Wood Industries Ltd. is a growing, privately owned veneer producer based in British Columbia, Canada. The company's first veneer manufacturing facility was constructed in Nanaimo on Vancouver Island in 1988. Since then, the company has been steadily expanding its operations, growing from a single line veneer mill to a triple line mill with an offsite drying facility, two barge loading facilities, and three log sorts. Coastland's main customers for their graded veneer are plywood and LVL producers in Canada and in the USA.

In July 2021, Coastland and Raute signed an extensive agreement on a delivery to Coastland's facility in Delta, including a next generation R7 Veneer dryer with lower energy consumption and visual, moisture and strength grading equipment for drying veneer. The agreement also covers the delivery of a multi-bin dry veneer stacker. Production on the new line is expected to start in the winter of 2022.

"Starting in the forest, and throughout the entire value chain, we at Coastland focus on environmental sustainability. We take great pride in our utilization practices and our ability to process a full spectrum of grades and sizes," says Doug Pauze, President at Coastland. "We also want to be a leader in mill technology. Our facilities contain state-of-the-art machinery, which is constantly maintained and updated. One of the main reasons why we selected Raute as our partner was their ability to provide us with a broad range of technically advanced machinery and supporting services to cover all our needs," Pauze concludes.

Get more out of your existing mill

Our innovations and expertise allow our customers to elevate the resource efficiency and product quality of their current mills to a level corresponding with new mills. We always carry out

complete modernizations of mills according to the development plan created together with the customer. The key aspect of the plan is a minimized and well-managed production break.

350

Raute has some 350 customers

289

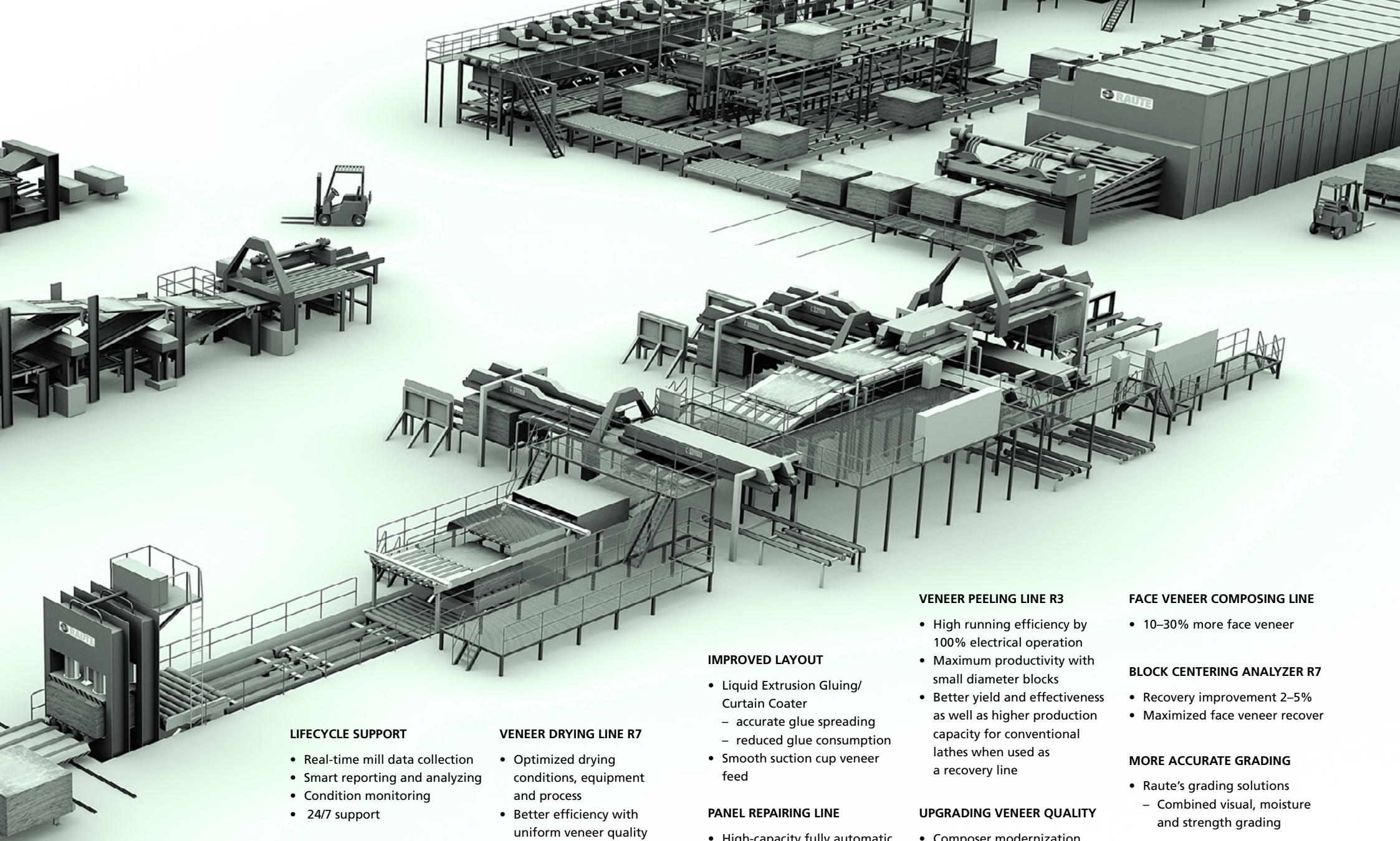
lines under Maintenance Service

50

Agreements in 50 mills



Photo: Raute Corporation



LIFECYCLE SUPPORT

- Real-time mill data collection
- Smart reporting and analyzing
- Condition monitoring
- 24/7 support

PRESSING LINE AUTOMATIZATION

- Automatic feeder
- Smart thickness control

VENEER DRYING LINE R7

- Optimized drying conditions, equipment and process
- Better efficiency with uniform veneer quality and grading of sheets
- Higher capacity
- Reduced energy and raw material consumption
- Less waste

IMPROVED LAYOUT

- Liquid Extrusion Gluing/ Curtain Coater
 - accurate glue spreading
 - reduced glue consumption
- Smooth suction cup veneer feed

PANEL REPAIRING LINE

- High-capacity fully automatic panel repairing
- Smart defect recognition

VENEER PEELING LINE R3

- High running efficiency by 100% electrical operation
- Maximum productivity with small diameter blocks
- Better yield and effectiveness as well as higher production capacity for conventional lathes when used as a recovery line

UPGRADING VENEER QUALITY

- Composer modernization
- Patching optimization
- Operator training

FACE VENEER COMPOSING LINE

- 10–30% more face veneer

BLOCK CENTERING ANALYZER R7

- Recovery improvement 2–5%
- Maximized face veneer recover

MORE ACCURATE GRADING

- Raute's grading solutions
 - Combined visual, moisture and strength grading

Personnel

Riding out the pandemic together

In 2021, we continued working under exceptional conditions. Adjusting to the new normal has required flexibility and new working methods from all of us. The feedback we received from our employees regarding remote working led us to renew our policies. In the future, our white-collar employees will be able to work remotely one to four days a week based on their own wishes. The new policy, which came into force at the beginning of 2022, has also enabled us to widen our horizons in terms of recruiting. We have already recruited talent who will join our team completely remotely.

The impact of the COVID-19 pandemic on our personnel remained mostly under control, and we managed to keep the number of infections low. However, in December 2021 we had a cluster of infections at our factory in Lahti, Finland, which resulted in shutting down the facility for two working days. This measure allowed us to break the chain of infections and resume operations the following week.

Dedicated personnel is our greatest asset

In 2021, one of our HR focal points was developing Raute's image as an attractive employer. We maintained relationships with our partner universities and polytechnics by offering several internships, although the pandemic continued to hinder our cooperation. New collaborations included joining the TAT Yrityskylä learning environment on economy, society and working life for middle schoolers in November and supporting the International Working Women in Finland (IWWOF).

During 2021, we also conducted a global personnel survey. The results were promising: many found the new remote-working policy to be a meaningful change, and Raute was described as a steady employer that allows its employees to put their expertise into use. Most respondents also praised Raute's working environment and strong team spirit. However, we saw a small drop in the global Employee Net Promoter Score (eNPS), which decreased from 9 to 3 (scale being from -100 to +100.)

Raute will move its manufacturing operations in China from Shanghai to Changzhou. The new location will provide Raute with a strong supplier network and skilled workforce, thus improving the effectiveness and competitiveness of Raute's operations in China. At the same time, some office functions are moved to a new location in Shanghai area. All in all, the global recruitment market was very active in 2021, but we also experienced challenges in finding experts such as software developers.

Another key area in 2021 was improving our personnel's work ability and wellbeing. During the year, we changed our occupational health partner and planned other improvements in the long term. In addition, we set up a pilot group for a new managerial work training program with the aim of further developing communication between managers and employees. The Group's Executive Board took part in the training, as well.

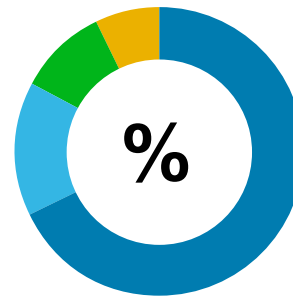


Diverse workforce is our strength

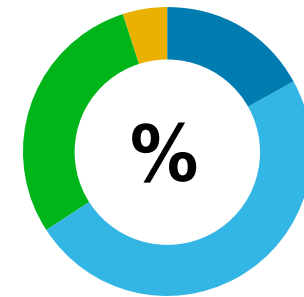
At the end of 2021, the number of our personnel totaled 802, increasing from the previous year (751). The average age of our personnel was 37.9, decreasing significantly from the previous year (43.2). The share of women increased from 2020 (11 percent) and was 12 percent. In recent years, we have also paid special attention in attracting international talent, and currently there are people from over 10 different nationalities working in our headquarters in Finland.

Raute's personnel in figures

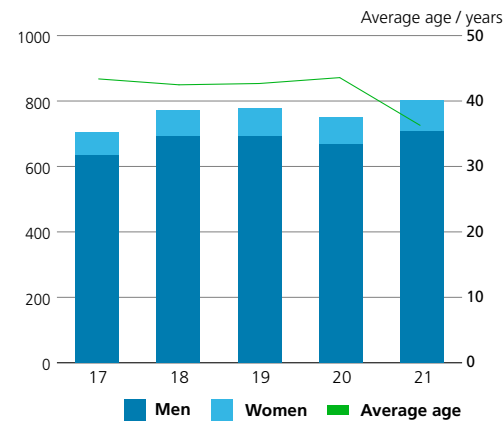
Personnel geographically



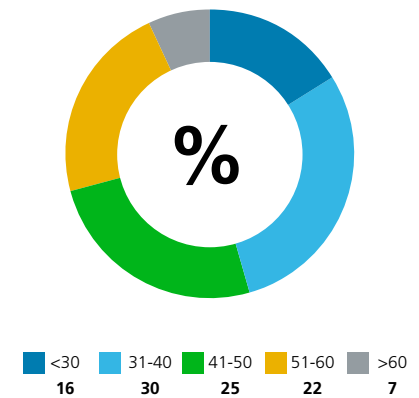
Education of personnel



Number of personnel and average age 2017–2021



Age distribution (Years)



Number of personnel

802



Turnover

13.2%

Years in service

8.8



"We at Hiottu have learned a lot working in Raute's projects."

I initially started my career at Hiottu as a software developer. In the past years, I have worked with web apps such as Raute Insights Portal. Over the fifteen years I have been with the company, my role has changed a lot, and I appreciate the versatile and flexible nature of my job. Currently, I go by as a project manager and I'm also a member of Hiottu's executive group.

When Hiottu became a part of Raute, we were able to develop our collaboration from a provider-client partnership into a more meaningful relationship. We at Hiottu have learned a lot working in Raute's projects

and have in turn been able to help them with machine vision and neural networks, for example.

One of the many upsides of working at Hiottu is the close-knit work community that we have – many of us have worked together for several years. At the same time, we are also very open and broad-minded. After joining Raute, it has been great to get to know new faces and have the muscle power of a large company back us up.

Mikko Eirola
Project Manager at Hiottu Oy



Remote working is here to stay

Jukka Makkonen, Business Controller Grow & Services

Next May will mark my fifteenth year at Raute. My career path has led me to many different positions in financial administration, all the way from an assistant controller to a business controller in different units. It has been nice to notice that even during this time of remote working, many people have approached me, and I have been able to help them with all kinds of questions.

The reason I have stayed at Raute for so many years traces back to the company's core values and how everyone works together to achieve our goals. There is a sense of mutual trust among the employees and management – for example, at the beginning of the pandemic Raute's management was quick to acknowledge the possibilities of working from home.

Personally, I would not have been able to manage my busy home life without the flexibility from Raute. Even though visiting the office and conversing with colleagues is great and even necessary, I have enjoyed having that extra hour per day without commuting. When our new guidelines for remote working take effect at the beginning of 2022, I will definitely take advantage of that.

Tarja Järvinen, Executive Vice President, CFO

From the employer's and manager's point of view, transition into remote working went very smoothly. MS Teams has now become the de facto tool of communication. In addition to virtual meetings, its chat functionality has been in very active use. To be honest, this has even improved the flow of information. Nowadays, there are fewer one-on-one discussions and information is instead shared simultaneously to all relevant people. My team consists of people from all over the world and from different regions in Finland. Thanks to remote working, everyone has a level playing field now, even though time differences remain.

My team likes the fact that they don't have to spend time commuting to work. This frees time for doing some sports or other hobbies. This also helps if you must spend long hours at work. At least you don't have to commute back home after a hard day's work!

To make remote working a success, it's paramount to trust people. People feel empowered when they can manage their own work independently. I have never had to doubt if my team members are doing their work or not.

Naturally, the main downside of remote working is the lack of social interaction. It would be fun to meet people face-to-face, at least occasionally. During the pandemic, we have been able to organize a couple of physical get-togethers and they have been very popular.

When the new normal eventually begins, we will continue remote working as it has proven to work well for us. After the pandemic, we will also organize joint meetings at the office, as well as other, more easy-going events to keep up and further strengthen our team spirit.

Corporate responsibility

More sustainable business

Sustainable development and responsibility guide Raute's operations at all levels – technology development, customer lifecycle support, raw material use and product quality, development and safety of personnel as well as economical choices. We have carried out a materiality analysis to identify our most relevant responsibility topics. The analysis took into account the economic, social and environmental impacts of Raute's operations. In our operations, we also take into account the UN Sustainable Development Goals.



Our key responsibility topics



Lifetime partnership with customers to help them succeed



Competence development of our personnel



Continuous improvement of work safety, both in our own operations and when customers are using our equipment



Systematic stakeholder engagement and local community work



Sustainable choices in supply chain and business ethics



Product and service solutions to improve the resource-efficiency of wood products



Environmentally efficient production to reduce our environmental impact

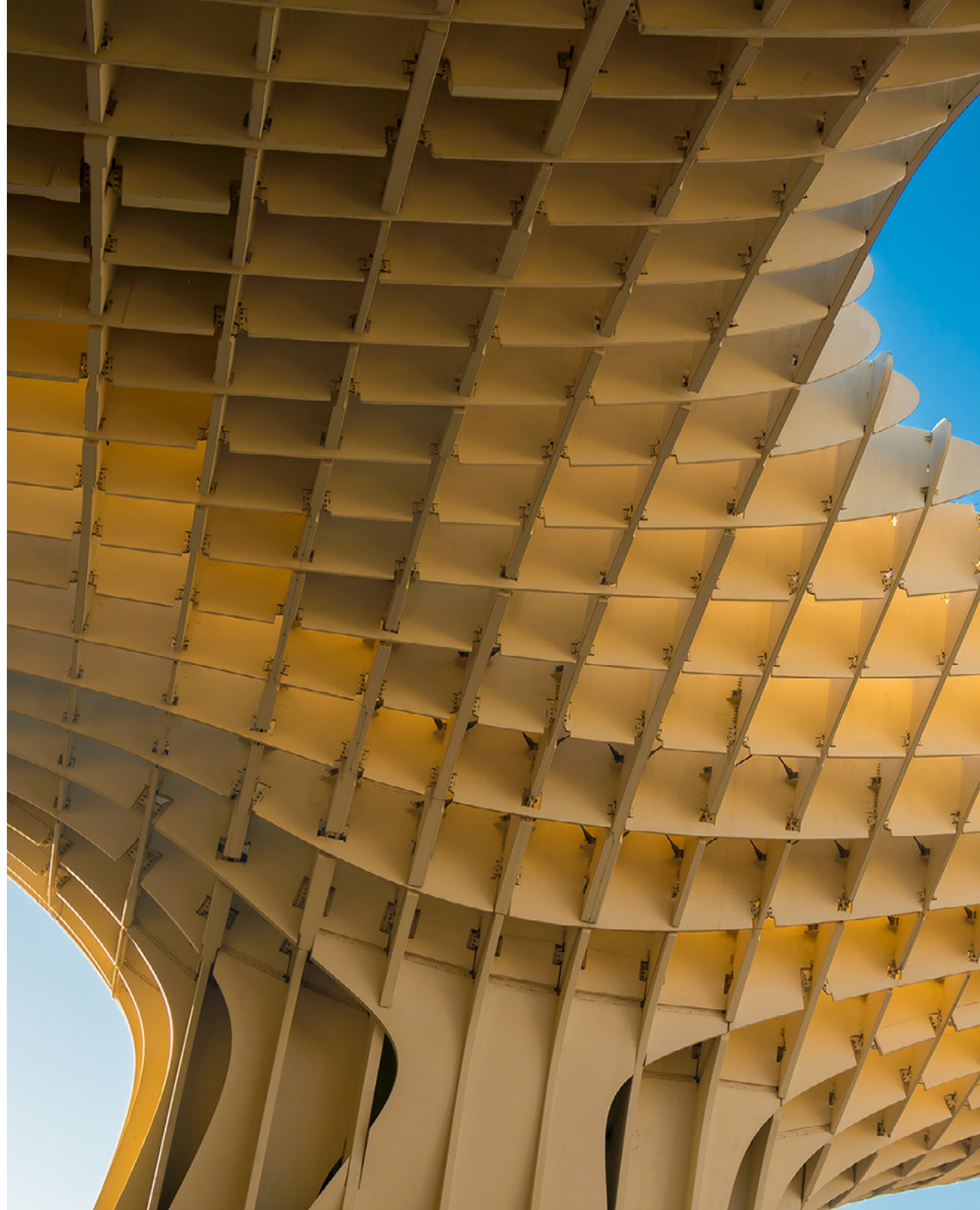
Highlights in 2021

Raute joined the United Nations Global Compact initiative. The company will advance the Global Compact's 10 Principles related to human rights, labor, environment and anti-corruption as part of its business.

Digitalization of the company's operating models and customer service processes and emergence of virtual events in marketing.

New electricity procurement contract in Finland and Raute's solar energy plant's first full operational year significantly decreased CO₂ emissions from Raute's own operations.

Two quality audits at Lahti factory with excellent results.



Responsible smart wood economy

Responsibility is one of our fundamental values and ethical standards that guide our choices. We want to meet our customers' high expectations by growing and developing our business in an economically, socially and environmentally sustainable manner. Our aim is to drive the responsibility of the wood economy with smarter choices.

Our long-term customer relationships are built on mutual trust and strict rules and policies related to data protection. Our resource-efficient technology and services enable our customers to conduct more sustainable business. We aim at reducing our customers' carbon footprint by improving their raw material and energy efficiency e.g. through providing them with the essential digital tools. The lifetime of our products is one of the longest in the wood processing industry.

While many of the UN Global Compact's principles have been on our agenda already for years, the systematic approach of this framework will further enhance our work towards a more sustainable business and world. This way we can also provide means for our customers to develop their operations to be more sustainable.

We operate globally and act locally by respecting different cultures, values and customs. The United Nation's Universal Declaration of Human Rights is an integral part of our culture and we recognize the value of diversity and inclusion in our work. The fundamental rights at work as defined by the International Labor Organization ILO, including the freedom of association, the right to collective bargaining, the abolition of forced labor, and equal opportunities and treatment of employees, are essential to us. We have zero tolerance for corruption, bribery and money laundering. To avoid the risk of fraud, we continuously monitor and develop our practices and systems.

We are a major employer and taxpayer in the Lahti region in Päijät-Häme, Finland. Active collaboration and systematic engagement with schools, universities and different types of industrial and professional associations is our way to contribute to the local community and future wood industry.

Raute's Code of Conduct summarizes our requirements and expectations concerning responsible and ethical operations. We are accountable to our customers for following the Code of Conduct, both with regards to our organization and the entire supply chain.

Economic impact 2021

There is growing global demand for clean technology in the wood products industry. One of the focus areas is climate emissions from raw materials such as wood. This global trend supports our long-term business, as we deliver resource-efficient solutions that enable a smarter use of renewable wood materials.

In 2021, the main focus of the wood industry was on the recovery of

business activity from the global COVID-19 pandemic. In developed markets, many investments that were put on hold in the previous year were accelerated during 2021. However, emerging markets did not experience a similar recovery yet.

We succeeded in continuing our deliveries and our main development projects contributed positively to the value creation of our stakeholders.

MEUR

142.2

Customers

91.4

– Suppliers

50.8

= Generated added value

83.1% Employees
 20.9% Public sector
 0.3% Creditors
 6.7% Shareholders (proposed dividend)
 -11.0% Undistributed added value retained



Photo: Raute Corporation



Ecosystems for future innovations

Curiosity about wood drives us forward. This journey into the smarter use of wood has been characterized by intelligence and innovation on many fronts, such as connectivity, industry wide collaborations, and materials. When resource efficiency becomes more and more important, the new ecosystems pave the way for future production. We are an active member of three ecosystem communities that develop solutions around digital technologies and data.

Raute is a founding member of FAME (Finnish Additive Manufacturing Ecosystem), which focuses on 3D printing as a manufacturing method. Currently, a few of our machines include 3D printed parts, and the experience with those machines has been very encouraging. 3D

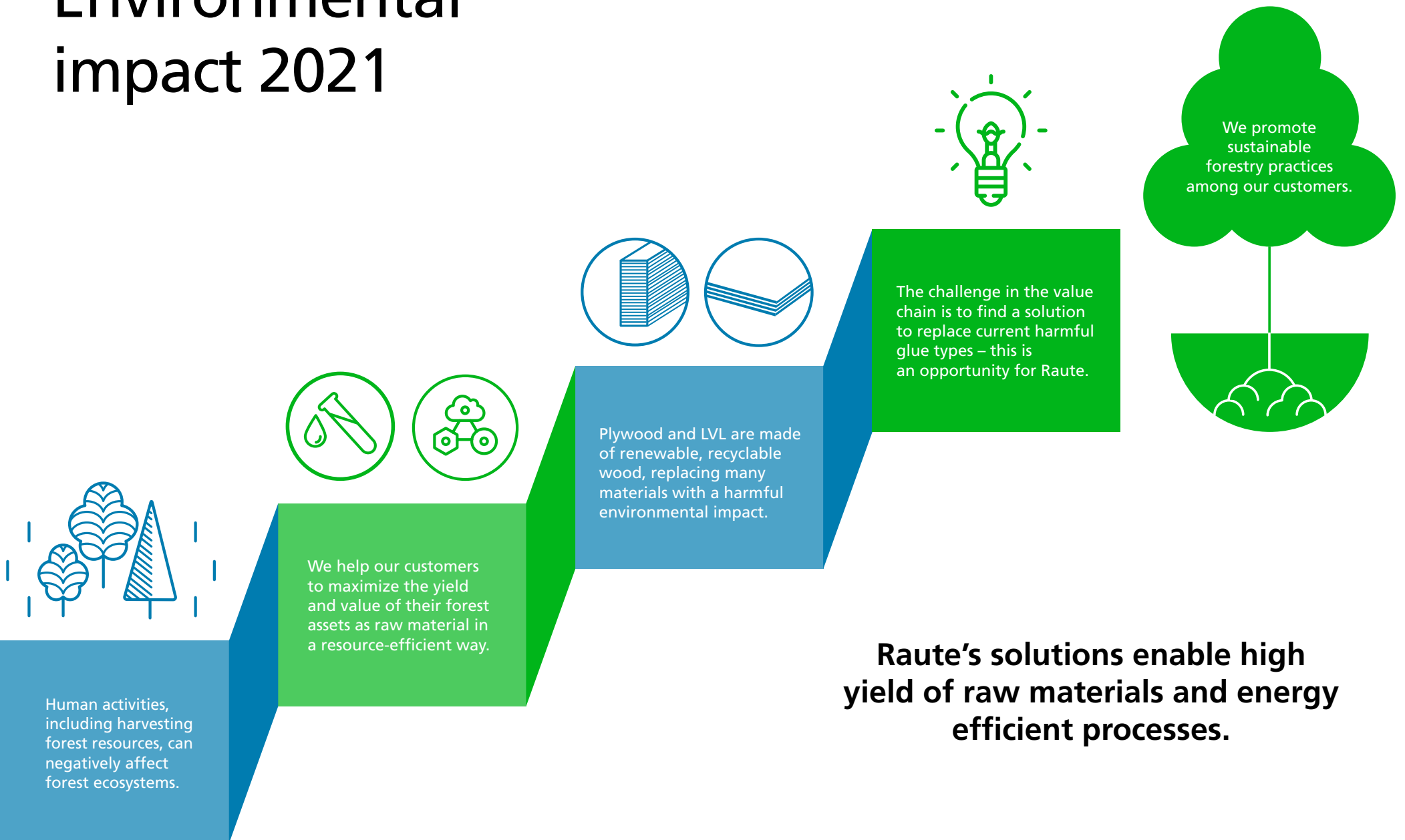
printed parts will replace complicated assemblies and save raw material and other resources. The annual resource savings are still small compared to the full volume, but with the help of the FAME ecosystem, new materials and methods are being studied to be applied to a larger scale of the products and parts. This will make the annual material savings more significant.

Machine learning is already used in many applications, and it is becoming a part of the technology at Raute, too. For our customers, it will mean more optimized processes with less human involvement. This will improve quality and yield and result in a more profitable and sustainable production. We will continue the development of Industrial Data Excellence as a founding member of FAMN (Finnish

Advanced Manufacturing Network), former Intelligent Industry ecosystem. The ecosystem aims to unlock data for the next industrial revolution around artificial intelligence in the Finnish manufacturing.

The value of modelling and simulation has been in the spotlight in 2021, as COVID-19 continued to reshape the work. In the digital twin MOSIM project, Raute and the LUT University in Lappeenranta, Finland seek to radically improve the cost-efficient and accurate digital modelling, resulting in smarter ways of engineering verification. Digital twins have already been utilized in practice in a few projects, and the objective is to test production lines with digital twins first to save resources and materials in manufacturing and shop testing.

Environmental impact 2021





Environmental impact 2021

Most of the products manufactured with Raute's machinery are recyclable and have a long life. Wood products that store carbon have a positive climate impact. Increasing the use of sustainably produced wood in construction, logistics and furniture, for example, is an effective way to reduce emissions.

The volume of wood-based panel products manufactured with Raute's solutions during the last quarter of the century has a significant positive environmental impact, a carbon handprint. This volume stores several million tonnes of carbon dioxide captured by tree growth each year.

Our goal is to actively reduce the environmental impacts and risks of our own activities. We systematically measure our carbon footprint, i.e. the amount of carbon dioxide emissions associated with our own activities. This measurement includes our own electricity, heat and fuel consumption.

In 2021, we succeeded in improving our energy-efficiency by 4% (0.2 kWh) per working hour and reducing our Scope 1-2 CO₂ emissions by 26% (484 tonnes). Our daily water consumption per employee fell by 20% (8.2 liters) and the amount of mixed waste in relation to net sales fell 5% (0.1 tonnes) compared to previous year in Finland.

Our energy efficiency has improved by about 12% over a three-year period and Scope 1-2 CO₂ emissions have decreased by 46% from the year 2018 level. In 2021, the share of low-carbon energy consumed increased due to the new electricity procurement contract and first full operational year of the solar energy plant in Finland.

Our progress in reducing CO₂ emissions was further supported by the installation of a 180 kWp solar power plant at our Lahti factory in mid-2020. Solar energy is a renewable, emission-free energy source. On a sunny day, it can produce about one

third of our average daily electricity consumption. With a lifecycle of at least 25 years, the power plant helps us to further decrease our carbon footprint.

We further accelerated the digitalization of our operating models and customer service processes in the aftermath of the COVID-19 pandemic. Several Factory Acceptance Tests (FAT) and commissioning of production lines were conducted virtually during the year.

In Finland, we started to permanently offer our white-collar employees the possibility to work remotely 1-4 days a week based on their own wishes. In addition, Raute held immersive and interactive online events for industry professionals of its industry during the year. These events will play an important role in reaching target audiences and replacing some physical events and exhibitions in the future.

In 2021, we continued to travel significantly less than in 2019 before the pandemic, although the amount

of travel varied according to local restrictions. In Finland, the level of air travel remained very low, and due to the scarcity of air miles, emissions from air travel continued to be over 80% less than before the pandemic.

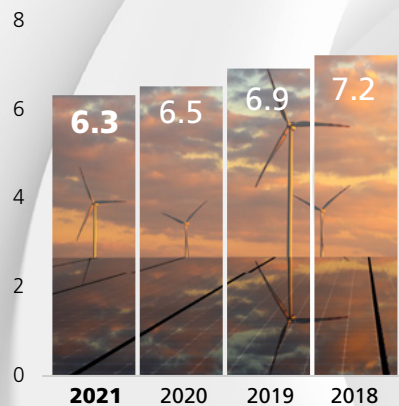
In our environmental management program, we focus on, for instance, the management of chemical safety and reducing the volume of waste. In 2021, the execution rate for measures concerning managing environmental matters was 77% (93) of the target set according to our ISO14001 program.

We have the ISO 9001 (quality) and ISO 14001 (environment) certifications for our headquarters and factory at Lahti. During the year, an extensive Health and Safety, Environment and Quality (HSEQ) audit was conducted at the Lahti factory. In addition, the factory was audited against the Green Card Quality® criteria acknowledged by the Technology Industries of Finland.

-4%

Energy efficiency

6.3 kWh/working hour
3-year average: -4%



-5%

Waste

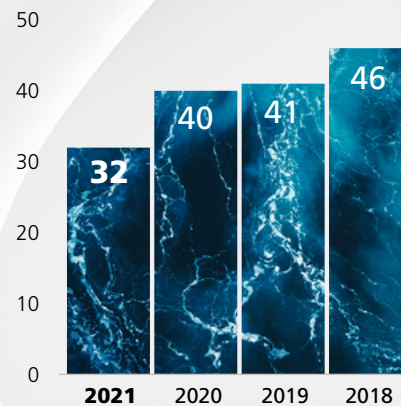
3.26 tonnes/net sales MEUR
3-year average: 3%



-20%

Water consumption

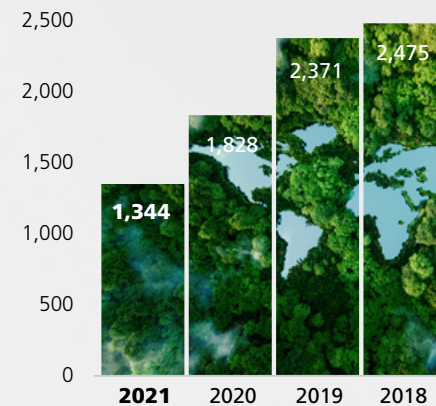
32.2 liters/person/workday
3-year average: -11%



-26%

CO₂ emissions

9.5 tonnes/MEUR
3-year average: -18%



Social impact 2021

The cornerstones of our social impact are occupational safety and the right working methods, whether at our own units or at our customers' mills. In 2021, we continued our occupational safety program and systematic occupational safety work, including e.g. a near miss analysis, daily safety moments and online training for all employees.

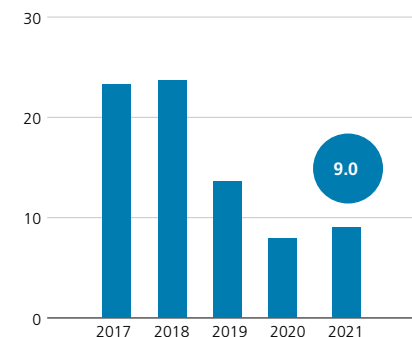
Our occupational safety culture, themed "Safety first", achieved our annual target, meaning that there were no more than 10 absences resulting from occupational accidents lasting at least one day for every million working hours (LTIF). In 2021, the LTIF figure was 9.0 (7.9). The increase was mainly due to the higher number of accidents in China. In Finland, the LTIF figure improved to 7.0 (8.8). Despite the increased Group-wide LTIF figure, our occupational safety has improved considerably in the past three years, as the LTIF figure was 23.7 in 2018.

Unfortunately, a serious workplace accident occurred at our project installation site in China in April 2021. One of our employees got seriously injured and later died because of falling and getting pressed under a lift platform. We conducted an investigation of the accident in cooperation with the customer, local authorities and other operators at the site. As corrective actions, the root cause of the accident was communicated to our employees and safety trainings were held to prevent such accidents from recurring.

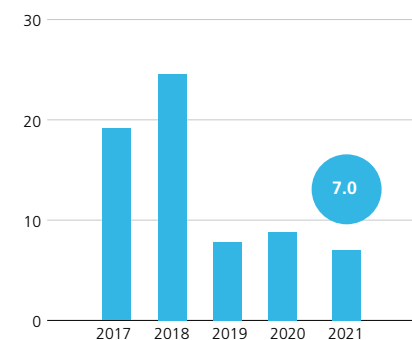


Occupational safety

Raute LTIF*



Raute Finland LTIF*



*Number of workplace injuries which lead to absence of at least one day / total work hours x 1,000,000

Governance

Raute Group's parent company is the Finnish public limited liability company Raute Corporation, which was established in 1908. Our Finnish units include our head office and main production unit in Lahti, our production and development unit specializing in machine vision and moisture analyzing technology in Kajaani, and machine software service provider Hiottu Oy in Oulu.

The Group includes eight foreign subsidiaries. Our production units are located in the Vancouver area of Canada, the Shanghai area of China (operations to be moved to Changzhou, Jiangsu province, in early 2022) and in Pullman, Washington, USA.

Additionally, customer and maintenance services are offered by our subsidiaries in St. Petersburg, Russia, Concepción, Chile and Singapore. Our agent network and local service centers are located close to our customers.

Our parent company abides several laws and guidelines in its decision making and corporate governance – the Finnish Companies Act, the Securities Markets Act, Nasdaq Helsinki Ltd's rules, other regulations concerning publicly listed companies and the Articles of Association. Raute Corporation's Board of Directors has also approved the Group's Code of Conduct.

Our Group's greatest identified risks relate to the nature of the project business, market development, information security, financing, and damage or loss. According to our analysis, the Group's most significant business risks are fluctuations in investment demand resulting from the global pandemic, other economic cycles and commercial risks, and technological risks linked to our deliveries.

The foundation of our Group's internal control is management that corresponds with our values and Code of Conduct. There is no separate internal control organization in our Group.

For more information on Raute's corporate governance, responsibility and investor relations, visit

www.raute.com

Raute Corporation's Articles of Association

Code of Conduct

Report of the Board of Directors

Consolidated Financial Statements

Corporate Governance Statements

Remuneration Report

Non-financial Information Statement

Photo: Raute Corporation

Board of Directors

Board of Directors

The term of office of our company's Board of Directors begins at the Annual General Meeting and ends at the following Annual General Meeting. The Board of Directors convenes an average of ten times during the term of office. The Board oversees the duties of the Audit committee. The Board's tasks and charter are described in our company's Corporate Governance Statement, which can be found on our company's website, www.raute.com.

Election of Board members

The Annual General Meeting appoints the Chairman, the Vice Chairman and the members of the Board of Directors. The Appointments Committee prepares and presents to the Annual General Meeting a proposal on the number of Board members and the Board's composition. It strives to achieve a diverse Board composition that supports the achievement of our strategic targets and development of our business in the best possible way. Diversity of the Board is examined through the members' age and gender distribution, educational

and professional backgrounds, experience that is significant in terms of the position and personal characteristics. The purpose of the principles concerning diversity is to ensure that the competence and experience of the Board as well as the diversity of its composition are sufficient to meet the needs of our company's business model and ownership structure. In terms of the gender distribution, our goal is for at least one member of each gender to be represented on the Board. The Board of Directors assesses the achievement of diversity in its self-evaluation.

More information on the members of the Board of Directors, the Board's tasks and constitution is presented in our Corporate Governance Statement 2021.

Auditor

The authorized public accounting company PricewaterhouseCoopers, Authorized Public Accountant Markku Launis as the principal auditor. PricewaterhouseCoopers has been Raute Corporation's auditor since the 2010/2011 term of office.



Laura Raitio

b. 1962
Licentiate in Technology
Chair of the Board of Directors 2019–
Member of the Board 2017–
Chair of the Board's Appointments Committee



Joni Bask

b. 1975
M.Sc. (Eng.)
Member of the Board 2012–
Principal occupation: Sr. Manager,
Varian Medical Systems Finland Oy 2020–



Ari Harmaala

b. 1961
Engineer, Construction technology
Member of the Board 2019–
Principal occupation: Senior Vice President,
Sales and Customership, Metsä Fibre Oy 2011–



Mika Mustakallio

b. 1964
M.Sc. (Econ.), CEFA
Vice Chairman of the Board 2012–
Member of the Board 2004–
Principal occupation: Chairman of the Board,
MORS Software Oy 2021–



Patrick von Essen

b. 1963
M.Sc. (Eng.)
Member of the Board 2016–
Principal occupation: Managing Director,
Neste Engineering Solutions Oy 2018–



Pekka Suominen

b. 1976
M.Sc. (Econ.)
Member of the Board 2010–
Member of the Board's Appointments Committee

Group Executive Board



Tapani Kiiski

b. 1962

Licentiate in Technology, M.Sc. (Eng.)

President and CEO, March 16, 2004–

Member of the Executive Board since 2004

With the company since 2002

President and CEO

The President and CEO is responsible for the management of our company's business according to the Finnish Companies Act and the decisions and instructions of our Board of Directors. The President and CEO reports to the Board of Directors on our business environment, such as on the development of customer accounts and the competitive and market situation. The President and CEO's tasks also include keeping the Board of Directors up to date on our company's financial position and other significant business-related issues.

The President and CEO serves as the Chairman of our Executive Board, represents the Group at the shareholders' meetings of subsidiaries and associates and acts as Chairman of the subsidiaries' Boards of Directors, unless the Board has decided otherwise in individual cases. The Board evaluates the President and CEO's work annually.

Executive Board

Our Executive Board consists of the President and CEO and a variable number of members appointed by Raute Corporation's Board of Directors. The Executive Board prepares the Group's business strategy, oversees its implementation and addresses all major operational issues. The President and CEO confirms the Executive Board's decisions.



Tarja Järvinen

b. 1963
M.Sc. (Econ.)
Executive Vice President, CFO, February 1, 2019–
Deputy to President and CEO, September 1, 2019–
Member of the Executive Board since 2019
With the company since 2019



Marko Hjelt

b. 1969
M.Ed.
Executive Vice President, CHRO, October 1, 2013–
Member of the Executive Board since 2013
With the company since 2013



Timo Kangas

b. 1965
Engineer, EMBA
Executive Vice President, Power, September 1, 2019–
Member of the Executive Board since 2004
With the company since 2004



Jukka Siiriäinen

b. 1962
M.Sc. (Eng.)
Executive Vice President, Grow, September 1, 2019–
Member of the Executive Board since 2019
With the company since 1987



Kurt Bossuyt

b. 1975
Engineer
Executive Vice President, Services,
September 1, 2019–
Member of the Executive Board since 2019
With the company since 2016



Mika Hyysti

b. 1965
B.Sc. (Eng.)
Executive Vice President, CTO, October 1, 2013–
Member of the Executive Board since 2013
With the company since 1990



Jani Roivainen

b. 1974
B.Sc. (Eng.)
Executive Vice President, Metrix,
September 1, 2019–
Member of the Executive Board since 2019
With the company since 2011



Petri Strengell

b. 1962
M.Sc. (Eng.)
Executive Vice President, COO, October 1, 2013–
Member of the Executive Board since 2004
With the company since 1987

Financial review 2021

Key financial figures	2021	2020	2019	2018	2017
Net sales	142,212	114,994	151,297	180,993	148,064
Change in net sales, %	23.7	-24.0	-16.4	22.2	30.9
Exported portion of net sales	130,548	108,267	133,535	153,180	122,249
% of net sales	91.8	94.2	88.3	84.6	82.6
Operating profit (loss)	-2,244	-2,770	8,454	14,922	11,171
% of net sales	-1.6	-2.4	5.6	8.2	7.5
Profit (loss) before tax	-1,772	-2,455	9,253	14,912	11,120
% of net sales	-1.2	-2.1	6.1	8.2	7.5
Profit (loss) for the financial year	-1,775	-1,819	7,687	11,836	8,979
% of net sales	-1.2	-1.6	5.1	6.5	6.1
Return on investment (ROI), %	-2.7	-2.7	18.1	34.6	29.5
Return on equity (ROE), %	-4.8	-4.1	16.0	27.6	24.4
Balance sheet total**	110,676	85,428	90,651	96,382	87,006
Interest-bearing net liabilities**	-12,244	-3,863	-13,923	-12,295	-29,311
% of net sales	-8.6	-3.4	-9.2	-6.8	-19.8
Non-interest-bearing liabilities	64,065	37,740	32,635	48,793	45,428
Equity ratio, %**	44.3	58.8	62.9	61.7	64.3
Gearing, %**	-35.9	-9.8	-28.1	-26.4	-74.4
Gross capital expenditure	6,297	4,528	2,956	4,384	6,962
% of net sales	4.4	3.7	2.0	2.4	4.7
Research and development costs	4,919	4,260	4,419	3,735	3,237
% of net sales	3.5	3.7	2.9	2.1	2.2
Order book, EUR million	158	94	88	95	110
Order intake, EUR million	203	119	148	167	155
Personnel, at Dec. 31	802	751	778	772	704
Personnel, effective, on average	780	743	761	725	660
Personnel, average	788	760	784	748	682
Dividend	*3,411	3,411	6,182	5,968	5,320

* The Board of Directors' proposal to the Annual General Meeting.

**Raute Group has adopted IFRS 16 standard as of financial year 2019. The figures for the comparison years 2017-2018 have not been restated.

Presented figures are in thousand euros, unless otherwise stated.

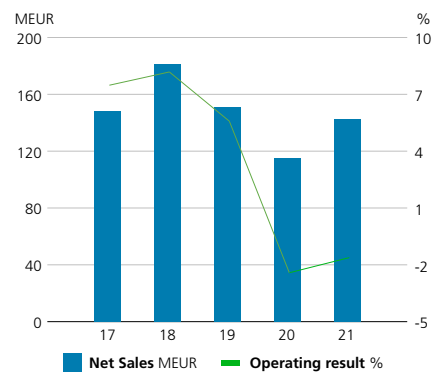
Share-related key figures	2021	2020	2019	2018	2017
Earnings per share (EPS), undiluted, EUR	-0.42	-0.43	1.80	2.78	2.13
Earnings per share (EPS), diluted, EUR	-0.42	-0.43	1.79	2.76	2.11
Equity to share, EUR	8.12	9.29	11.61	10.82	9.27
Dividend per series A share, EUR	*0.80	0.80	1.45	1.40	1.25
Dividend per series K share, EUR	*0.80	0.80	1.45	1.40	1.25
Dividend per profit, %	*-190.5	-186.0	80.4	50.4	58.8
Effective dividend return, %	*4.0	3.5	5.8	6.6	4.3
Price/earnings ratio (P/E ratio)	-47.14	-52.79	13.86	7.67	13.65
Development in share price (series A shares)					
Lowest share price for the financial year, EUR	19.50	17.40	20.00	20.50	16.84
Highest share price for the financial year, EUR	24.90	27.40	28.70	34.90	30.52
Average share price for the financial year, EUR	22.28	20.57	24.71	28.58	22.70
Share price at Dec. 31, EUR	19.80	22.70	25.00	21.30	29.00
Market value of capital stock at Dec. 31, EUR 1,000**	84,411	96,775	106,580	90,806	123,228
Trading in the company's shares (series A shares)					
Shares traded during the financial year, 1,000 shares	591	680	503	880	846
% of the number of series A shares	18	21	15.4	26.9	26.0
Total number of shares (undiluted)					
Issue-adjusted weighted average number of shares	4,263,194	4,263,194	4,263,194	4,259,525	4,225,082
Issue-adjusted number of shares at the end of the financial year	4,263,194	4,266,933	4,286,991	4,290,433	4,249,248
<i>*Board of Directors' proposal to the Annual General Meeting.</i>					
<i>**Series K shares valued at the value of series A shares.</i>					

Raute share series

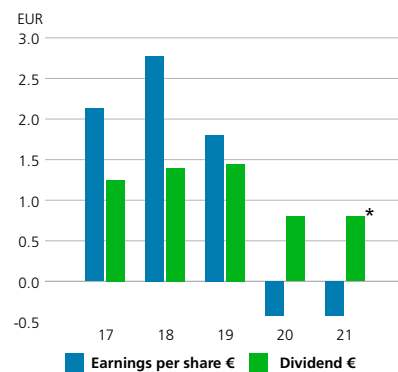
	Series A share RAUTE	Series K share RAUTEK	Total
Number of shares at Dec. 31, 2021	3,272,033	991,161	4,263,194
Votes/share	1	20	
Total votes	3,272,033	19,823,220	23,095,253

Share quotations can be followed online at www.raute.com

Net sales and operating result

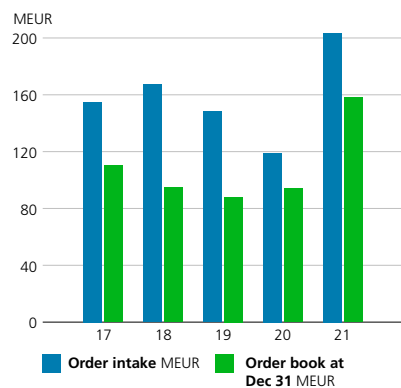


Earnings per share and dividend



* Board's proposal

Order intake and order book



Research and development

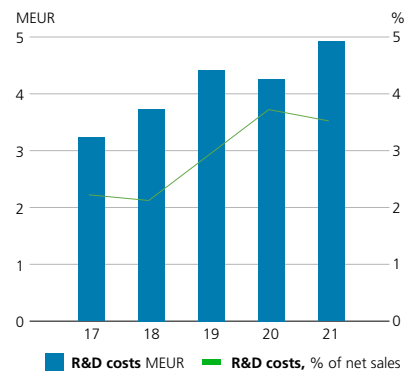


Photo: Metsä Group, Business Finland

Further information for shareholders

Annual General Meeting

Raute Corporation's Annual General Meeting will be held on Thursday, March 31, 2022 at 6 p.m. at Sibelius Hall, Ankkurikatu 7, Lahti. To be entitled to attend the Annual General Meeting, shareholders must be registered in the shareholders' register maintained by Euroclear Finland Ltd on March 21, 2022.

Shareholders who wish to participate in the Annual General Meeting should register for the meeting by no later than 4:00 p.m. on March 28, 2022.

Registration for the meeting can take place:

- via the company's website (Annual General Meeting 2022)
- in writing to Raute Corporation, P.O. Box 69, 15551 Nastola, Finland;
- by email to eija.salminen@raute.com or
- by calling Eija Salminen at +358 50 3801517.

In order to reduce the risk of infections due to the still ongoing COVID-19 pandemic and to comply with the official regulations and guidelines, Raute Corporation urges shareholders to consider whether it is necessary for them to be present at the Annual General Meeting venue. Shareholders who have registered for the meeting but are not attending it in person can follow the meeting online via a video link. Shareholders also have the opportunity to pose questions in advance concerning matters on the meeting's agenda.

The notice of the Annual General Meeting and further information is provided on the Company's website and in a stock exchange release.

Raute's shares

Raute Corporation has two series of shares. The amount of series A shares is 3,272,033 and series K shares 991,161. The A shares are quoted on Nasdaq Helsinki Ltd since 1994. The trading code is RAUTE.

At General Meetings, one series K share entitles the holder to twenty (20) votes and one series A share allows to one (1) vote.

Dividend policy

Raute aims for competitive returns for its investors, abiding by an active dividend policy. Due to the nature of the project business, the dividend is not directly tied to the Company's result. For the financial year 2021, Raute's Board of Directors proposes a distribution of dividend of EUR 0.80 per series A and K share, with the payment date on April 11, 2022.

Raute's Financial Reporting in 2022

In 2022, Raute Corporation will publish a half-year report and two interim reports as follows:

- January–March on Friday April 29, 2022
- January–June on Friday July 22, 2022
- January–September on Friday October 21, 2022

Contact information for investors and analysts

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email: ir@raute.com

Entities monitoring Raute

Inderes Oy
Evli Research

Other entities also occasionally draw up reports on our company. We are not responsible for the estimates presented in analyses or reports.

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