

# **Koskisen Corporation**

Interim report

1 January–30 September 2024

# Koskisen's revenue increased – the profitability of the Sawn Timber Industry segment improved

## July–September 2024 in brief

- Revenue increased and amounted to EUR 67.8 (55.5) million.
- EBITDA increased and amounted to EUR 3.6 (1.3) million.
- The EBITDA margin was 5.4 per cent (2.4).
- Adjusted EBITDA amounted to EUR 3.7 (1.4) million.
- The adjusted EBITDA margin was 5.5 per cent (2.5).
- Operating profit amounted to EUR 0.4 (-1.0) million and was 0.6 per cent (-1.7) of revenue.
- The profit for the financial period amounted to EUR -0.4 (-1.0) million.
- Basic earnings per share were EUR -0.02 (-0.04).

## January–September 2024 in brief

- Revenue increased and amounted to EUR 209.3 (202.6) million.
- EBITDA decreased and amounted to EUR 18.5 (27.8) million.
- The EBITDA margin was 8.9 per cent (13.7).
- Adjusted EBITDA amounted to EUR 18.6 (27.7) million.
- The adjusted EBITDA margin was 8.9 per cent (13.7).
- Operating profit amounted to EUR 10.5 (21.4) million, representing 5.0 per cent (10.6) of revenue.
- The profit for the financial period amounted to EUR 6.7 (17.6) million.
- Basic earnings per share were EUR 0.29 (0.77).

The figures in brackets refer to the comparison period, i.e. the corresponding period in the previous year, unless specified otherwise.

## Profit guidance for 2024 unchanged (published on 16 February 2024)

Koskisen Group's revenue for 2024 is expected to grow from the level of 2023. The adjusted EBITDA margin is expected to be 8–12 per cent.

## Key figures

EUR million	7-9 2024	7-9 2023	Change, %	1-9 2024	1-9 2023	Change, %	1-12 2023
Revenue	67.8	55.5	22.1	209.3	202.6	3.3	271.3
EBITDA	3.6	1.3	171.0	18.5	27.8	-33.2	33.0
EBITDA margin, %	5.4	2.4		8.9	13.7		12.2
Adjusted EBITDA	3.7	1.4	171.1	18.6	27.7	-32.8	33.1
Adjusted EBITDA margin, %	5.5	2.5		8.9	13.7		12.2
Operating profit (EBIT)	0.4	-1.0	145.2	10.5	21.4	-51.1	24.4
Operating profit (EBIT) margin, %	0.6	-1.7		5.0	10.6		9.0
Profit for the period	-0.4	-1.0	53.5	6.7	17.6	-61.8	20.2
Basic earnings per share, EUR	-0.02	-0.04		0.29	0.77		0.88
Diluted earnings per share, EUR	-0.02	-0.04		0.29	0.76		0.87
Gross investments	7.3	4.4		17.2	19.4		32.1
Equity per share, EUR				6.4	6.3		6.4
Return on capital employed (ROCE), %				6.4	16.4		12.1
Working capital, end of period				50.4	39.6		37.9
Net cash flow from operating activities				5.4	8.0		14.9
Equity ratio, %				53.4	55.2		54.8
Gearing, %				17.2	-5.9		-1.8

## CEO Jukka Pahta:

Koskisen Group's third-quarter profitability improved year-on-year, with adjusted EBITDA amounting to EUR 3.7 (1.4) million. The adjusted EBITDA margin was 5.5 per cent (2.5). The level of profit performance achieved by the Group is satisfactory in an operating environment characterised by continued uncertainty. The recovery of construction, in particular, has been slower than anticipated. The summer shutdowns took place as planned in July–August, which was reflected seasonally in production volumes and revenue in the third quarter.

The profitability of the Sawn Timber Industry segment improved substantially year-on-year, with EBITDA amounting to EUR 1.7 (-1.0) million. Profitability was improved by increased delivery volumes and the higher price level of sawn timber in the comparison period. The demand situation in the Sawn Timber Industry segment as a whole has not changed significantly, although demand picked up slightly in Finland. Sawn timber inventories in the industry and at Koskisen were at a low level.

Sawn timber production has developed well. The targeted production level, corresponding to an annual output of approximately 400,000 m<sup>3</sup>, was achieved at the end of the period. The development of shift-specific production efficiency is continuing: production will be run at the dryers' maximum capacity, while simultaneously reducing weekly production shifts and moving maintenance shifts from weekends to weekdays. The development of the new sawmill's production efficiency is gradually starting to be reflected in profitability.

The delivery prices of softwood logs continued to rise slightly, posing a challenge to the profitability of the Sawn Timber Industry segment. In wood sourcing, raw material reserves and inventories were at a good level, and raw material supply was in line with plans.

The profitability of the Panel Industry segment decreased year-on-year, with EBITDA amounting to EUR 1.8 (2.6) million primarily due to increased raw material costs. The market situation for birch plywood was good after the summer, but weakened towards the end of the quarter as the continued weak economic situation in Central Europe was reflected in the market demand for panel products. The aim is now to systematically optimise the inventory levels of panel products to correspond to demand at the different stages of the value chain.

In order to prepare for delays in the recovery of demand, we commenced change negotiations in November with regard to Panel Industry's plywood and chipboard production. The change negotiations enable us to prepare for potential adjustments in production by means of temporary lay-offs if necessary. For chipboard products, which are more dependent on the demand for construction, demand has remained modest. Production was scaled back in a planned manner as necessary.

We have continued to execute our strategy and the related increase in operational efficiency. The primary goal has been to secure the sawmill's production volumes and achieve the targeted level, while continuously improving shift-specific production efficiency.

The log yard investment, which is an integral part of the development of the Sawn Timber Industry segment, is progressing as planned. The log yard will be commissioned on schedule at the beginning of 2025. When completed, the integrated system, which combines all sawmill operations, will boost the efficiency of the production process, significantly improve logistics, material and energy efficiency, and reduce transport-related carbon dioxide emissions. The newest channel kiln was completed and commissioned in June 2024.

The growth of the Panel Industry segment is supported by an expansion investment in Poland to increase the capacity of the Kore business. The expansion is under way and has progressed according to plan, with full production readiness set to be achieved by the end of the year. Small-scale production for selected customers has already begun. In addition to the investment, Kore has focused on the development and reorganisation of internal processes in order to achieve profitability targets.

Systematic measures to accomplish sustainable growth in line with the strategy will continue.

## Market situation

### *Softwood sawn timber*

Continued economic uncertainty and the resulting sustained low level of construction activity have affected the demand for softwood sawn timber. The delivery prices of softwood logs were on a slight upward trajectory during the third quarter, and the price level was very high relative to the market price of sawn timber. The reserves of softwood logs remained good.

### *Birch plywood and chipboard*

The continued weak economic situation in Central Europe was reflected in the market demand for plywood products, particularly towards the end of the third quarter. The slowdown in construction continues to affect the recovery of demand for chipboard. The availability of Finnish birch logs has improved at least momentarily, which has been reflected in the levels of reserves and inventories being higher than at the corresponding time last year. The price level of energy wood has remained stable. The delivery price of pulpwood, in turn, increased during the past quarter.

## Economic development

### July–September 2024

Consolidated revenue increased in July–September and amounted to EUR 67.8 (55.5) million. The growth in revenue was mainly due to the Sawn Timber Industry segment's improved delivery volumes and slightly higher end product selling prices when compared to the reference period.

Adjusted EBITDA improved and amounted to EUR 3.7 (1.4) million. The increase in EBITDA was mainly due to the prices of sawn timber and energy wood being higher than in the comparison period, as well as improved sales volumes.

Operating profit came to EUR 0.4 (-1.0) million. Depreciation, amortisation and impairment amounted to EUR 3.2 (2.3) million. Profit before income tax amounted to EUR -0.6 (-1.3) million, and income tax for the period amounted to EUR 0.1 (0.4) million. The profit for the financial period came to EUR -0.4 (-1.0) million and earnings per share were EUR -0.02 (-0.04).

### January–September

Consolidated revenue increased in January–September and amounted to EUR 209.3 (202.6) million. The growth in revenue was mainly due to the Sawn Timber Industry segment's improved delivery volumes and slightly higher end product selling prices when compared to the reference period.

Adjusted EBITDA declined to EUR 18.6 (27.7) million. The decrease in EBITDA was mainly due to decreased delivery volumes in the Panel Industry segment and the increased costs of wood raw material.

Operating profit came to EUR 10.5 (21.4) million. Depreciation, amortisation and impairment amounted to EUR 8.1 (6.3) million. Profit before income tax amounted to EUR 8.4 (21.3) million and income tax for the period to EUR 1.7 (3.6) million. The profit for the financial period came to EUR 6.7 (17.6) million and earnings per share were EUR 0.29 (0.77).

## Balance sheet, cash flow and financing

At the end of the review period, Koskisen's equity ratio was 53.4 (55.2) per cent, and gearing was 17.2 (-5.9) per cent.

Cash flow from operating activities amounted to EUR 5.4 (8.0) million in January–September. The effect of the change in working capital was EUR -12.9 (-13.5) million. The most significant item contributing to the change in working capital was the increase in trade receivables, which was mainly due to normal seasonal variation. Trade payables also increased, mainly due to higher raw material prices and increased purchasing volumes. Cash flow from financing activities amounted to EUR -14.9 (-14.5) million, the largest item being dividend payment. Cash flow from investing activities amounted to EUR 5.2 (-30.7) million, of which cash flow from property, plant and equipment, and intangible assets was EUR -14.8 (-10.6) million.

Interest-bearing liabilities at the end of the period amounted to EUR 68.4 (59.0) million, and liquid assets totalled EUR 43.0 (67.5) million. Interest-bearing net liabilities amounted to EUR 25.4 (-8.5) million.

Koskisen's liquidity has remained strong. At the end of the review period, available liquidity amounted to EUR 43.0 (67.5) million, comprising cash and cash equivalents of EUR 31.5 (37.3) million, deposits of EUR 0.0 (20.0) million, and current financial assets at fair value through profit or loss in the amount of EUR 11.5 (10.1) million, the most significant of which was a capital redemption contract. In addition, the company has an unused account limit of EUR 7.2 million.

## **Investments**

Gross investments in tangible and intangible assets amounted to EUR 7.3 (4.4) million for July–September and to EUR 17.2 (19.4) million for January–September. The investments were related to the construction of the new log yard, the channel dryer, the renewal of the beginning of the second planing mill and the new sawmill, among other things. At the end of the period, advance payments and work in progress included EUR 10.8 million related to the construction of the new log yard.

## Sawn Timber Industry

The main products of the Sawn Timber Industry segment are traditional sawn timber, refined planed timber and painted cladding products. In wood procurement, the most important types of wood are softwood and birch logs. Bioenergy from logging residues and plant by-products is produced in Koskisen's leased plants and other nearby heat and power plants.

EUR million	7–9 2024	7–9 2023	Change, %	1–9 2024	1–9 2023	Change, %	1–12 2023
Revenue (external)	34.6	24.9	38.8	100.0	86.6	15.4	122.4
EBITDA	1.7	-1.0	275.0	3.9	2.3	69.0	3.3
EBITDA, %	4.8	-3.8		3.9	2.7		2.7
Personnel at the end of the period	177	182	-2.7	177	182	-2.7	173
Deliveries of sawn timber and processed products, 1,000 m <sup>3</sup>	80.1	59.3	35.1	219.6	199.4	10.1	277.6

### Financial and operational development in July–September

Revenue increased substantially and amounted to EUR 34.6 (24.9) million. Revenue growth was driven by the increased delivery volumes of sawn timber and the continued strengthening of the prices of pulpwood and energy wood sold to third parties in wood procurement. The price level of sawn timber also increased year-on-year.

EBITDA improved to EUR 1.7 (-1.0) million. The improvement in EBITDA was due to increased delivery volumes and higher sawn timber prices in the comparison period. The operating rate of the new sawmill increased in September. The targeted production level, corresponding to an annual output of 400,000 m<sup>3</sup>, was achieved, which supported the improvement of profitability. The reduction in personnel in the Sawn Timber Industry segment was related to increased automation at the new sawmill. The EBITDA margin was 4.8 per cent (-3.8).

There was no significant change in the demand for sawn timber when compared to the corresponding period last year. Construction activity remained at a low level, although there was a slight recovery in Finland. Inventory levels remained low in industry.

Construction of the new log yard progressed according to plan. The finalisation and commissioning of the sorting line began in the latter part of the quarter. The project will be fully completed in early 2025, and log reception will be transferred to the new yard in its entirety during Q1/2025.

The delivery prices of softwood logs were on a slight upward trajectory, which continues to pose a challenge to the profitability of the Sawn Timber Industry segment. In wood sourcing, raw material reserves and inventories were at a good level, and raw material supply was in line with plans. In bioenergy deliveries, volumes were lower than anticipated due to the warm autumn season.

### Financial and operational development in January–September

Revenue increased to EUR 100.0 (86.6) million.

EBITDA improved to EUR 3.9 (2.7) million.

The slowdown in the construction sector was clearly evident in the modest demand in the Sawn Timber Industry segment. Inventory levels remained moderate in spite of sawn timber production turning to growth towards the end of the period.

The direct strike concerning production activities in the early part of the year had a minor impact on sawmill production. During the indirect strikes concerning the supply chain, we did not need to restrict production, but

a significant proportion of customer deliveries were delayed due to the ports being closed. The last of the deliveries postponed from the first quarter were sent to customers in June.

## Panel Industry

The main products of the Panel Industry segment are birch plywood, chipboard, thin plywood and veneer. The Kore brand produces interior solutions for various commercial vehicles.

EUR million	<b>7–9 2024</b>	7–9 2023	Change, %	<b>1–9 2024</b>	1–9 2023	Change, %	<b>1–12 2023</b>
Revenue (external)	33.1	30.5	8.5	109.3	115.9	-5.7	148.8
EBITDA	1.8	2.6	-32.0	15.2	24.6	-38.5	29.3
EBITDA, %	5.3	8.5		13.9	21.3		19.7
Personnel at the end of the period	685	641	6.9	685	641	6.9	638
Deliveries of panel products (excl. Kore), 1,000 m <sup>3</sup>	28.0	26.4	5.9	95.8	104.7	-8.5	132.5

## Financial and operational development in July–September

Revenue increased to EUR 33.1 (30.5) million. The growth in revenue was mainly due to increased delivery volumes.

EBITDA decreased to EUR 1.8 (2.6) million. The decline in EBITDA was mainly due to increased raw material costs. The EBITDA margin was 5.3 per cent (8.5).

The demand for birch plywood products began to show as a weakening order book at the end of the period. Demand for chipboard remained at a satisfactory level, although the slowdown in construction continues to affect the recovery of demand. Chipboard production was reduced from time to time by means of temporary layoffs, as planned. In the Kore business, demand strengthened year-on-year, although market demand levelled off when compared to the first half of the year.

The investment in the production unit being established in Skwierzyna, Poland, progressed according to plan. The investment covers new production facilities that will make it possible to scale up the Kore business to more than double its current size. The investment supports the expansion of the product range in the Kore business to new end-uses and the growth of the current market area. The total value of the investment is approximately EUR 3 million. The increased number of personnel in the Panel Industry segment is mainly related to the growth of the Kore business.

The situation concerning birch raw material remained good. At the end of the quarter, raw material reserves and inventories were at a higher level than in the comparison period.

## Financial and operational development in January–September

Revenue decreased to EUR 109.3 (115.9) million.

EBITDA declined to EUR 15.2 (24.6) million.

The demand for higher value-added products remained strong through to the summer, but the prolonged uncertainty in key markets began to be reflected in a weakening order backlog at the end of the period. The slowdown in the construction sector was still reflected in the demand for chipboard in particular. Demand in the automotive industry has levelled off slightly after the summer, whereas earlier in the year, investments to increase transport capacity were on the rise.

The direct strike concerning the company's own production activities in the early part of the year resulted in a few lost days of production for the Panel Industry segment. During the indirect strikes, production continued as planned, but some additional costs were incurred from the use of alternative logistics solutions.



## Strategy

### *Financial targets*

Koskisen has set the following long-term financial targets extending over the business cycle, which the company aims to achieve by the end of 2027:

<b>Growth</b>	Revenue of EUR 500 million, including both organic and inorganic growth.
<b>Profitability</b>	Adjusted EBITDA margin averaging 15 per cent over the cycle.
<b>Balance sheet</b>	Maintaining a strong balance sheet.
<b>Dividend policy</b>	Attractive dividend of at least one-third of the net profit each year.

### *Market*

Sustainability-related themes will open up new growth opportunities in Koskisen's relevant markets. The green transition and related regulations are the primary drivers of growth for timber products. A significant part of Koskisen's sawn timber is used in construction, binding carbon for a long time. Birch plywood, in turn, is widely used as a renewable raw material in commercial and transport vehicles, as well as various construction and interior decoration solutions. In addition to being used in construction, approximately half of Koskisen's chipboard products are used in furniture and furnishings, for which wood is a responsible, sustainable and increasingly sought-after material.

The global demand for softwood sawn timber is expected to grow by an average of 1.9 per cent per year. Demand in the birch plywood market, on the other hand, is expected to grow globally by 2.3 per cent per year.

### *On the path to sustainable growth*

On 14 May 2024, Koskisen published its updated strategic growth paths and related actions for the strategy period 2024–2027. The core priorities of the growth strategy are to 1) create value for customers, 2) develop the existing operations and 3) take bold steps forward.

Value creation for customers is achieved through high-quality and customised products, customer-oriented services and innovative solutions. The development of the company's existing operations is focused on enhancing competitiveness and differentiation, product development and the effective implementation of new initiatives. Taking bold steps forward includes investments and potential acquisitions.

The specified strategy supports Koskisen's previously set ambitious goal of achieving a growth leap by the end of 2027. The in-depth strategy work provides the company with a clear direction for achieving this sustainable growth.

One of the key drivers of growth is the new sawmill and the development of the activities that are closely related to it. The new sawmill is the heart of the company's integrated and synergistic business. Increasing sawmill production volumes will also ensure the availability of wood raw material for the needs of the Panel Industry segment through increased wood sourcing volumes and the side streams of sawmill production.

Growth in both the Sawn Timber Industry segment and the Panel Industry segment will be achieved primarily through higher volumes, new wood-based products and the expansion of customer relationships. Naturally, the company will invest in the continuous development of its operations.

The market for the wood products produced by Koskisen is large in scale and ever-growing, driven by the green transition, urbanisation as well as the development of commerce and transport. Wood products that bind carbon for a long time are a key part of a more sustainable circular bioeconomy.

Koskisen helps its customers succeed, mitigate climate change and adapt to the future through its products and services. Further developing the sustainability of the company's operations and value chain through goal-driven sustainability efforts is also a key aspect of the strategy.

The key sustainability targets to be achieved by 2027 were incorporated into Koskisen's strategy. They are as follows: 1) We implement biodiversity measures in the forest environment, 2) We reduce CO<sub>2</sub> emissions in our own activities and our value chain, 3) We make wise use of wood, down to the last particle of sawdust, 4) We promote a safe work environment, and 5) We support well-being at work and competence development. Further targets related to sustainable development have been specified in the Group's sustainability programme. The achievement of the targets will be monitored through the indicators set for them.

## Personnel

The Koskisen Group had an average of 951 (908) employees in July–September 2024 and 945 (897) employees at the end of September. The increase in personnel was mainly related to the expansion of the Kore business in the Panel Industry.

## Short-term risks and uncertainties

The Group's most significant short-term risks are related to the availability of raw materials and the management of price changes, negative changes in the general geopolitical situation, the general weakening of the market situation and its effect on market demand, the solvency of customers and the purchasing power of consumers, the delivery capability of suppliers and service providers, the labour market situation, the seasonality of operations, changes in business areas and customer relationships, and the success of the ramp-up of production at the new sawmill. More information on Koskisen Corporation's risks and uncertainties is provided on pages 83–86 of the Annual Report 2023 and in note 3 to the financial statements, starting from page 115.

## Shares and ownership

Koskisen's share capital amounts to EUR 1,512,000. On 30 September 2024, the total number of issued shares was 23,025,159 and the total number of outstanding shares was 23,024,073. The company has one series of shares. One share carries one vote at the general meeting. The shares have no nominal value. The company's shares have been listed on Nasdaq Helsinki Oy as of 1 December 2022.

### *Treasury shares*

The company holds 1,086 treasury shares.

### *Share price and turnover*

A total of 1,884,166 of the company's shares were traded on the Helsinki Stock Exchange between 1 January and 30 September 2024, corresponding to 8.2 per cent of the total number of shares. The highest share price was EUR 7.98 and the lowest EUR 5.94. The average price of the shares traded was EUR 6.35. The share turnover was EUR 11,967,562. At the end of the review period, the market capitalisation of the company was EUR 169,004,667.

## Sustainability and reporting of non-financial indicators

In its strategy, Koskisen is committed to promoting the green transition throughout the value chain, from raw material sourcing to final products. The most important sustainability measures at Koskisen are primarily related to the material and raw material efficiency of its own operations and production, minimising emissions, as well as products made from renewable raw materials that bind carbon for a long time.

In raw material procurement, Koskisen invests in the sustainable use of forests. Product development emphasises material efficiency, examples of which include utilising the company's own by-products as raw material in production and energy production, and fossil-free raw materials. In recent years, Koskisen has invested heavily in the use of renewable energy.

Wood products bind carbon for decades. Koskisen's carbon handprint, which illustrates its positive emissions impacts, was more than twice as large as its carbon footprint, which reflects its negative emissions impacts, in 2023. Koskisen reported on its efforts related to sustainability themes and its key sustainability indicators in its Sustainability Review 2023.

On 27 June 2024, Koskisen published a comprehensive sustainability programme that is based on the results of a double materiality assessment and material sustainability topics. The key focus areas of the programme are as follows: 1) wise use of natural resources and promotion of biodiversity, 2) climate change mitigation and adaptation to the future, 3) investments in sustainable circular bioeconomy solutions, and 4) development of occupational safety, well-being at work and competence. Koskisen's sustainability programme is published in full on the company's website at <https://koskisen.fi/en/sustainability/sustainabilityprogramme>.

The company continues to prepare for reporting in compliance with the Corporate Sustainability Reporting Directive (CSRD) during the current financial year. In addition to ensuring the regulatory compliance of reporting, the ongoing preparations support the achievement of Koskisen's strategic objectives and sustainability management.

## **Annual General Meeting 2024**

The Annual General Meeting of Koskisen Corporation was held in Helsinki on 16 May 2024. The Annual General Meeting adopted the financial statements and the consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2023. The Annual General Meeting approved the remuneration report for the financial year 2023.

### *Resolution on the use of the profit shown on the balance sheet*

The Annual General Meeting decided that a dividend of EUR 0.32 per share be paid based on the adopted balance sheet for the financial year 2023 and that the profit be recorded in retained earnings. The record date for the payment of the dividend was 20 May 2024, and the dividend was paid on 27 May 2024.

### *Remuneration of the members of the Board of Directors*

The Annual General Meeting decided that the remuneration of the Board of Directors would be kept unchanged as follows: the remuneration of the Chairman of the Board of Directors shall be EUR 5,000 per month and the other members EUR 2,500 per month. The remuneration of the Chairman of the Audit Committee shall be EUR 3,500 per month.

In addition, the Chairman of the Board of Directors shall be paid a meeting fee of EUR 1,000 per meeting and the other members a fee of EUR 500 per meeting. Equivalent meeting fees shall also be paid for the meetings of the Board of Directors' committees. No fee shall be paid for decisions made without convening a meeting.

Compensation for expenses shall be paid in accordance with the company's valid travel policy.

### *Composition of the Board of Directors*

The Annual General Meeting confirmed the number of members of the Board of Directors as six (6).

Pekka Kuusniemi, Kari Koskinen, Eva Wathén, Kalle Reponen, Hanna Masala and Hanna Sievinen were re-elected to the Board of Directors of Koskisen Corporation.

Pekka Kuusniemi was elected as the Chairman of the Board of Directors.

### *Election of the auditor and the auditor's remuneration*

The Annual General Meeting decided to re-elect the authorised public accountant firm PricewaterhouseCoopers Oy as the company's auditor. PricewaterhouseCoopers Oy has indicated that it will appoint Markku Launis, Authorised Public Accountant, as the principally responsible auditor of the company. PricewaterhouseCoopers Oy also serves as Koskisen's sustainability reporting auditor for the financial period 2024. The Annual General Meeting decided to pay the auditor's fees according to an invoice approved by the company.

### *Authorisations granted to the Board of Directors*

The Annual General Meeting decided to grant to the Board of Directors the authorisations described in the notice to the Annual General Meeting with regard to authorising the Board of Directors to resolve on the

repurchase of company's own shares and authorising the Board of Directors to resolve on a share issue and the granting of options and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act. The authorisations are valid until 30 June 2025.

#### *Minutes of the Annual General Meeting*

The minutes of the Annual General Meeting are available on the company's website at [koskisen.fi/agm2024](https://koskisen.fi/agm2024).

#### *The organisational meeting of the Board of Directors*

In the organisational meeting held after the Annual General Meeting, the Board of Directors elected Hanna Sievinen as its Vice Chairman.

The following persons were elected as members of the Board of Directors' Audit Committee: Hanna Sievinen as Chairman and Hanna Masala and Eva Wathén as members.

#### **Events following the review period**

The company had no significant events after the period.

Helsinki, 15 November 2024

Board of Directors of Koskisen Corporation

## Financial information

Part corresponding to IAS 34

### Consolidated statement of comprehensive income

EUR thousand	Note	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Revenue</b>	2	<b>67,762</b>	<b>55,493</b>	<b>209,284</b>	<b>202,573</b>	<b>271,275</b>
Other operating income	3	447	212	1,460	2,671	4,050
Changes in inventories of finished goods and work in progress		-887	1,456	2,883	3,245	922
Change in fair value of forest assets		184	64	67	257	870
Materials and services		-42,565	-36,707	-127,789	-116,281	-156,769
Employee benefit expenses		-11,232	-10,427	-36,069	-35,312	-46,890
Depreciation, amortisation and impairments		-3,197	-2,308	-8,070	-6,348	-8,607
Other operating expenses		-10,075	-8,751	-31,293	-29,401	-40,455
<b>Operating profit (loss)</b>		<b>437</b>	<b>-966</b>	<b>10,474</b>	<b>21,404</b>	<b>24,396</b>
Finance income	8	979	1,047	2,531	2,995	4,573
Finance costs	8	-1,999	-1,394	-4,576	-3,142	-4,910
Finance costs, net		<b>-1,020</b>	<b>-346</b>	<b>-2,045</b>	<b>-147</b>	<b>-337</b>
<b>Profit (loss) before income tax</b>		<b>-583</b>	<b>-1,313</b>	<b>8,429</b>	<b>21,257</b>	<b>24,059</b>
Income tax expense		136	353	-1,690	-3,609	-3,829
<b>Profit (loss) for the period</b>		<b>-446</b>	<b>-959</b>	<b>6,739</b>	<b>17,647</b>	<b>20,230</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to profit or loss</b>						
Translation differences		21	-163	43	-17	335
<b>Other comprehensive income for the period, net of tax</b>		<b>21</b>	<b>-163</b>	<b>43</b>	<b>-17</b>	<b>335</b>
<b>Total comprehensive income for the period</b>		<b>-425</b>	<b>-1,122</b>	<b>6,782</b>	<b>17,631</b>	<b>20,565</b>
<b>Profit (loss) for the period attributable to:</b>						
Owners of the parent company		-446	-959	6,739	17,647	20,230
<b>Profit (loss) for the period</b>		<b>-446</b>	<b>-959</b>	<b>6,739</b>	<b>17,647</b>	<b>20,230</b>
<b>Total comprehensive income for the period attributable to:</b>						
Owners of the parent company		-425	-1,122	6,782	17,631	20,565
<b>Total comprehensive income</b>		<b>-425</b>	<b>-1,122</b>	<b>6,782</b>	<b>17,631</b>	<b>20,565</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent company:</b>						
Basic earnings per share, EUR	7	-0.02	-0.04	0.29	0.77	0.88
Diluted earnings per share, EUR	7	-0.02	-0.04	0.29	0.76	0.87

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated balance sheet

EUR thousand	Note	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	108,562	86,104	97,508
Forest assets		3,659	2,986	3,599
Right-of-use assets		34,107	26,228	26,159
Intangible assets		1,110	1,313	1,308
Financial assets at fair value through profit or loss	8	207	1,401	960
Other receivables		8	18	11
Deferred tax assets		63	106	88
<b>Total non-current assets</b>		<b>147,714</b>	<b>118,156</b>	<b>129,634</b>
<b>Current assets</b>				
Inventories		41,060	36,924	37,544
Trade receivables	8	32,279	28,868	23,365
Other receivables		11,037	7,665	10,427
Financial assets at fair value through profit or loss	8	11,465	10,140	10,625
Income tax receivables		1,185	2,394	1,839
Deposits	8	-	20,000	20,000
Cash and cash equivalents	8	31,517	37,350	35,771
<b>Total current assets</b>		<b>128,543</b>	<b>143,341</b>	<b>139,571</b>
Assets held for sale	6	497	-	-
<b>TOTAL ASSETS</b>		<b>276,755</b>	<b>261,497</b>	<b>269,205</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	7	1,512	1,512	1,512
Legal reserve		16	16	16
Reserve for invested unrestricted equity	7	73,843	73,843	73,843
Treasury shares	7	-3	-3	-3
Cumulative translation difference		187	-208	144
Retained earnings		65,043	51,225	51,487
Profit (loss) for the period		6,739	17,647	20,230
<b>Total equity attributable to owners of the parent company</b>		<b>147,337</b>	<b>144,032</b>	<b>147,229</b>
<b>Total equity</b>		<b>147,337</b>	<b>144,032</b>	<b>147,229</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	8	27,138	27,427	31,310
Lease liabilities	8	30,001	23,821	23,857
Other long-term employee benefits		3,359	3,262	3,124
Deferred tax liabilities		7,263	4,352	5,697
Provisions		151	98	150
<b>Total non-current liabilities</b>		<b>67,912</b>	<b>58,960</b>	<b>64,138</b>
<b>Current liabilities</b>				
Borrowings	8	8,024	5,726	6,401
Lease liabilities	8	3,222	2,043	2,132
Derivative liabilities		-	102	-
Advances received		877	575	639
Trade payables	8	26,892	25,655	25,411
Trade payables, payment system	8	6,183	7,594	7,396
Other payables		16,282	16,713	15,811
Income tax liabilities		-	61	13
Provisions		27	36	35
<b>Total current liabilities</b>		<b>61,506</b>	<b>58,504</b>	<b>57,838</b>
<b>Total liabilities</b>		<b>129,418</b>	<b>117,465</b>	<b>121,976</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>276,755</b>	<b>261,497</b>	<b>269,205</b>

The consolidated balance sheet should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

EUR thousand	Share capital	Legal reserve	Reserve for invested unrestricted equity	Treasury shares	Cumulative translation difference	Retained earnings	Total equity attributable to owners of the parent company	Total equity
Equity at Jan 1, 2024	1,512	16	73,843	-3	144	71,717	147,229	147,229
Profit (loss) for the period	-	-	-	-	-	6,739	6,739	6,739
<b>Other comprehensive income for the period</b>								
Cumulative translation difference	-	-	-	-	43	-	43	43
<b>Total comprehensive income</b>	-	-	-	-	43	6,739	6,782	6,782
<b>Transactions with owners:</b>								
Dividend distribution	-	-	-	-	-	-7,368	-7,368	-7,368
Share-based payments	-	-	-	-	-	694	694	694
<b>Total transactions with owners</b>	-	-	-	-	-	-6,674	-6,674	-6,674
<b>Equity at Sep 30, 2024</b>	<b>1,512</b>	<b>16</b>	<b>73,843</b>	<b>-3</b>	<b>187</b>	<b>71,782</b>	<b>147,337</b>	<b>147,337</b>

### Attributable to owners of the parent company

EUR thousand	Share capital	Legal reserve	Reserve for invested unrestricted equity	Treasury shares	Cumulative translation difference	Retained earnings	Total equity attributable to owners of the parent company	Total equity
Equity at Jan 1, 2023	1,512	16	73,843	-	-191	60,631	135,811	135,811
Profit (loss) for the period	-	-	-	-	-	17,647	17,647	17,647
<b>Other comprehensive income for the period</b>								
Cumulative translation difference	-	-	-	-	-17	-	-17	-17
<b>Total comprehensive income</b>	-	-	-	-	-17	17,647	17,631	17,631
<b>Transactions with owners:</b>								
Dividend distribution	-	-	-	-	-	-9,895	-9,895	-9,895
Share-based payments	-	-	-	-	-	488	488	488
Acquisition of treasury shares	-	-	-	-3	-	-	-3	-3
<b>Total transactions with owners</b>	-	-	-	-3	-	-9,407	-9,410	-9,410
<b>Equity at Sep 30, 2023</b>	<b>1,512</b>	<b>16</b>	<b>73,843</b>	<b>-</b>	<b>-208</b>	<b>68,872</b>	<b>144,032</b>	<b>144,032</b>

**Attributable to owners of the parent company**

EUR thousand	Share capital	Legal reserve	Reserve for invested unrestricted equity	Treasury shares	Cumulative translation difference	Retained earnings	Total equity attributable to owners of the parent company	Total equity
Equity at Jan 1, 2023	1,512	16	73,843	-	-191	60,631	135,811	135,811
Profit (loss) for the period	-	-	-	-	-	20,230	20,230	20,230
<b>Other comprehensive income for the period</b>								
Cumulative translation difference	-	-	-	-	335	-	335	335
<b>Total comprehensive income</b>	-	-	-	-	335	20,230	20,565	20,565
<b>Transactions with owners:</b>								
Osingonjako	-	-	-	-	-	-9,895	-9,895	-9,895
Share-based payments	-	-	-	-	-	751	751	751
Acquisition of treasury shares	-	-	-	-3	-	-	-3	-3
<b>Total transactions with owners</b>	-	-	-	-3	-	-9,144	-9,148	-9,148
<b>Equity at Dec 31, 2023</b>	<b>1,512</b>	<b>16</b>	<b>73,843</b>	<b>-3</b>	<b>144</b>	<b>71,717</b>	<b>147,229</b>	<b>147,229</b>

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## Consolidated statement of cash flows

EUR thousand	Note	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Cash flow from operating activities</b>						
<b>Profit (loss) for the period</b>		<b>-446</b>	<b>-959</b>	<b>6,739</b>	<b>17,647</b>	<b>20,230</b>
<b>Adjustments:</b>						
Depreciation, amortisation and impairment		3,197	2,308	8,070	6,348	8,607
Change in the fair value of the forest assets		-184	-64	-67	-257	-870
Gains and losses from sale of non-current assets	3	6	6	-48	-269	-328
Interest and other finance income and costs	8	1,020	346	2,045	147	337
Income taxes		-136	-353	1,690	3,609	3,829
Change in other long-term employee benefits		54	53	162	160	-6
Share-based payments		283	178	694	488	751
Other adjustments		-4	-2	-14	-9	134
<b>Adjustments total</b>		<b>4,236</b>	<b>2,471</b>	<b>12,532</b>	<b>10,217</b>	<b>12,454</b>
Changes in net working capital:						
Change in trade and other receivables		-5,033	-1,882	-10,018	-2,012	1,079
Change in trade and other payables		-1,713	9,026	558	-8,768	-9,722
Change in inventories		-259	-5,148	-3,487	-2,728	-3,266
Utilised provisions		6	-27	-8	18	68
Interest received		275	290	1,392	911	1,417
Interest paid		-986	-595	-3,223	-2,472	-4,106
Other financial items received		202	-189	623	383	390
Arrangement fees and other financing costs paid		-106	567	-210	-77	-201
Income taxes paid		673	-2,036	547	-5,082	-3,408
<b>Net cash flow from operating activities</b>		<b>-3,151</b>	<b>1,519</b>	<b>5,445</b>	<b>8,036</b>	<b>14,936</b>
<b>Cash flow from investing activities</b>						
Purchases of property, plant and equipment and intangible assets	5	-6,499	-4,253	-15,303	-11,495	-17,067
Proceeds from sale of non-current assets		-	-6	461	945	1,023
Payments for financial assets at fair value through profit or loss		-	-	-	-10,000	-10,000
Proceeds from financial assets at fair value through profit or loss		-	-	-	9,892	9,892
Investments in deposits		-	-15,000	-	-35,000	-35,000
Repayment of deposits		20,000	10,000	20,000	15,000	15,000
<b>Net cash from investing activities</b>		<b>13,501</b>	<b>-9,259</b>	<b>5,157</b>	<b>-30,658</b>	<b>-36,152</b>
<b>Cash flow from financing activities</b>						
Acquisition of treasury shares	7	-	-3	-	-3	-3
Repayment of borrowings	8	-1,625	-	-4,125	-2,000	-4,500
Repayments of lease liabilities	8	-1,431	-748	-3,373	-2,610	-3,165
Dividends paid		-	-	-7,368	-9,895	-9,895
<b>Net cash from financing activities</b>		<b>-3,055</b>	<b>-751</b>	<b>-14,865</b>	<b>-14,509</b>	<b>-17,563</b>
<b>Net change in cash and cash equivalents</b>		<b>7,296</b>	<b>-8,491</b>	<b>-4,263</b>	<b>-37,130</b>	<b>-38,780</b>
Cash and cash equivalents at the beginning of the period		24,217	45,904	35,771	74,527	74,527
Effects of exchange rate changes on cash and cash equivalents		4	-63	9	-47	24
<b>Cash and cash equivalents at the end of period</b>		<b>31,517</b>	<b>37,350</b>	<b>31,517</b>	<b>37,350</b>	<b>35,771</b>

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the Interim report

### 1. General information and basis of preparation

The group's interim financial information concerning Koskisen Corporation and its subsidiaries (Koskisen, the group) has been prepared in accordance with IAS 34 Interim Financial Reporting standard and the preparation principles presented in the group's 2023 financial statements. The reforms and annual improvements to the IFRS standards that entered into force on 1 January 2024 do not have a significant impact on the figures presented. The interim financial information does not include all the supplementary information presented in the consolidated financial statements for the period ended 31 December 2023, and the interim information must be read together with the consolidated financial statements.

The preparation of interim information requires management to use estimates and exercise judgements, which have an impact on the application of the accounting policies and the amounts of assets, liabilities, income and expenses presented. The actual results may differ from these estimates. When preparing the interim data, the significant accounting estimates, and judgment-based decisions made by the management are the same as those applied in the consolidated financial statements prepared for the financial year ended 31 December 2023.

All amounts presented have been rounded, and therefore the sum of individual figures may deviate from the presented total figure.

The Interim report is unaudited.

### 2. Segment information and revenue

#### Revenue by segments

EUR thousand	Jul 1 - Sep 30, 2024			Jul 1 - Sep 30, 2023			Jan 1 - Sep 30, 2024			Jan 1 - Sep 30, 2023			Jan 1 - Dec 31, 2023		
	External	Internal	Total	External	Internal	Total	External	Internal	Total	External	Internal	Total	External	Internal	Total
Panel industry	33,135	9	33,144	30,534	1	30,535	109,253	15	109,268	115,868	5	115,872	148,786	9	148,795
Sawn timber industry	34,603	6,301	40,904	24,936	5,290	30,226	99,965	21,261	121,225	86,644	18,645	105,289	122,400	24,823	147,223
<b>Segments total</b>	<b>67,738</b>	<b>6,310</b>	<b>74,048</b>	<b>55,469</b>	<b>5,292</b>	<b>60,761</b>	<b>209,218</b>	<b>21,276</b>	<b>230,494</b>	<b>202,511</b>	<b>18,650</b>	<b>221,161</b>	<b>271,186</b>	<b>24,832</b>	<b>296,018</b>
Other	25	193	218	24	122	146	66	566	632	62	447	509	89	577	666
Elimination of internal sales		-6,503	-6,503		-5,414	-5,414		-21,842	-21,842		-19,097	-19,097		-25,410	-25,410
<b>Total</b>	<b>67,762</b>	<b>-</b>	<b>67,762</b>	<b>55,493</b>	<b>-</b>	<b>55,493</b>	<b>209,284</b>	<b>-</b>	<b>209,284</b>	<b>202,573</b>	<b>-</b>	<b>202,573</b>	<b>271,275</b>	<b>-</b>	<b>271,275</b>

#### Revenue by geographical areas

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
Finland	26,386	22,878	82,352	81,546	111,206
Japan	5,919	5,055	16,006	14,690	21,116
Germany	6,756	4,405	19,530	15,942	20,320
Poland	3,814	2,582	11,556	8,838	11,556
Other EU-countries	16,825	14,908	57,211	57,744	75,419
Other countries	8,063	5,665	22,628	23,812	31,658
<b>Total</b>	<b>67,762</b>	<b>55,493</b>	<b>209,284</b>	<b>202,573</b>	<b>271,275</b>

## EBITDA by segments

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
Panel Industry	1,769	2,599	15,152	24,632	29,282
Sawn Timber Industry	1,668	-953	3,881	2,296	3,274
<b>Segments total</b>	<b>3,437</b>	<b>1,646</b>	<b>19,033</b>	<b>26,929</b>	<b>32,556</b>
Other <sup>1)</sup>	198	-305	-490	823	3,204
Eliminations	-	-	-	-	-2,757
<b>Total</b>	<b>3,634</b>	<b>1,341</b>	<b>18,543</b>	<b>27,751</b>	<b>33,003</b>

<sup>1)</sup> Includes the fully owned subsidiary Kosava-Kiinteistöt Oy, which provides real estate management services to the parent company, as well as part of the group's centralised operations that are not allocated to segments.

## Reconciliation of EBITDA to operating profit (loss)

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
EBITDA	3,634	1,341	18,543	27,751	33,003
Depreciation, amortisation and impairments	-3,197	-2,308	-8,070	-6,348	-8,607
<b>Operating profit (loss)</b>	<b>437</b>	<b>-966</b>	<b>10,474</b>	<b>21,404</b>	<b>24,396</b>

## 3. Other operating income

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
Sale of emission allowances	315	-	984	1,616	2,385
Gains on disposal of property, plant and equipment	-	-6	53	406	484
Grants received	49	68	56	120	294
Firewood sales to forest owners	42	45	166	213	263
Realisation of electricity hedges	-	-	-	-	220
Compensations received	11	33	23	86	106
Lease income	24	21	75	58	93
Other	6	51	103	173	205
<b>Total</b>	<b>447</b>	<b>212</b>	<b>1,460</b>	<b>2,671</b>	<b>4,050</b>

#### 4. Share-based incentive plans

On 25 April 2022, the Board of Directors of Koskisen Corporation decided on a share-based incentive program in place for its key employees for the years 2022 to 2026. The incentive program consists of three three year earning periods, which are from 2022 to 2024, from 2023 to 2025 and from 2024 to 2026.

On 13 May 2024, the Board of Directors resolved on the criteria and targets as well as the key employees eligible for the incentive program for the third earning period. The potential receipt and amount of the reward is based, in alignment with the growth strategy, on increase in net sales and accumulated adjusted EBITDA from 1 January 2024 to 31 December 2026 and the person's continued employment with the company.

The Board of Directors of Koskisen Corporation decided on 27 June 2024 to add new participants to the earning period 2024–2026, after which the maximum number of participants will be 25. After the change, the maximum number of shares to be distributed for the earning period is a total of 331.000 gross shares. In addition, the Board of Directors decided to add one participant to the earning period 2022–2024, after which the total number of participants will be seven participants. After the change, the maximum number of shares to be distributed for the earning period is a total of 156.000 gross shares.

#### 5. Property, plant and equipment

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
<b>Cost at Jan 1, 2024</b>	<b>2,714</b>	<b>82,158</b>	<b>102,648</b>	<b>7,446</b>	<b>18,004</b>	<b>212,970</b>
Additions	12	1,239	5,366	16	10,571	17,203
Disposals	-	-	-1,380	-	-140	-1,520
Reclassifications	-	767	15,347	31	-16,159	-13
Reclassification to assets held for sale	-	-	-3,536	-	-	-3,536
Translation differences	2	29	13	1	2	47
<b>Cost at Sep 30, 2024</b>	<b>2,727</b>	<b>84,193</b>	<b>118,458</b>	<b>7,494</b>	<b>12,279</b>	<b>225,151</b>
<b>Accumulated depreciation and impairment at Jan 1, 2024</b>	-	<b>-40,130</b>	<b>-71,096</b>	<b>-4,235</b>	-	<b>-115,462</b>
Depreciation	-	-1,574	-3,011	-312	-	-4,898
Accumulated depreciation of disposals and reclassifications	-	-0	974	-	-	974
Reclassification to assets held for sale	-	-	3,039	-	-	3,039
Impairment	-	-	-232	-	-	-232
Translation differences	-	-7	-4	-1	-	-11
<b>Accumulated depreciation and impairment at Sep 30, 2024</b>	-	<b>-41,711</b>	<b>-70,330</b>	<b>-4,548</b>	-	<b>-116,589</b>
<b>Carrying value at Jan 1, 2024</b>	<b>2,714</b>	<b>42,028</b>	<b>31,551</b>	<b>3,211</b>	<b>18,004</b>	<b>97,508</b>
<b>Carrying value at Sep 30, 2024</b>	<b>2,727</b>	<b>42,482</b>	<b>48,128</b>	<b>2,946</b>	<b>12,279</b>	<b>108,562</b>

Gross investments for property, plant and equipment amounted to EUR 17.2 (19.0) million during January to September. The investments were related to the construction of the new log yard, the channel dryer, the renewal of the beginning of the second planing mill and the new sawmill, among other things. At the end of the period, advance payments and work in progress included EUR 10.8 million related to the construction of the new log yard.

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
<b>Cost at Jan 1, 2023</b>	<b>2,734</b>	<b>61,241</b>	<b>95,078</b>	<b>6,061</b>	<b>26,741</b>	<b>191,854</b>
Additions	33	4,835	857	40	13,251	19,017
Disposals	-61	-1,044	-628	-296	-4	-2,033
Reclassifications	-	14,895	788	2,085	-22,297	-4,529
Translation differences	1	21	-30	1	2	-6
<b>Cost at Sep 30, 2023</b>	<b>2,707</b>	<b>79,947</b>	<b>96,066</b>	<b>7,891</b>	<b>17,693</b>	<b>204,303</b>
<b>Accumulated depreciation and impairment at Jan 1, 2023</b>	<b>-</b>	<b>-39,870</b>	<b>-71,297</b>	<b>-4,412</b>	<b>-</b>	<b>-115,579</b>
Depreciation	-	-1,019	-2,698	-254	-	-3,971
Accumulated depreciation of disposals and reclassifications	-	722	628	9	-	1,359
Impairment	-	-	-35	-	-	-35
Translation differences	-	-3	29	-0	-	26
<b>Accumulated depreciation and impairment at Sep 30, 2023</b>	<b>-</b>	<b>-40,170</b>	<b>-73,373</b>	<b>-4,657</b>	<b>-</b>	<b>-118,199</b>
<b>Carrying value at Jan 1, 2023</b>	<b>2,734</b>	<b>21,370</b>	<b>23,781</b>	<b>1,650</b>	<b>26,741</b>	<b>76,275</b>
<b>Carrying value at Sep 30, 2023</b>	<b>2,707</b>	<b>39,777</b>	<b>22,693</b>	<b>3,234</b>	<b>17,693</b>	<b>86,104</b>

  

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
<b>Cost at Jan 1, 2023</b>	<b>2,734</b>	<b>61,241</b>	<b>95,078</b>	<b>6,061</b>	<b>26,741</b>	<b>191,854</b>
Additions	33	7,648	8,604	120	15,303	31,708
Disposals	-61	-1,613	-3,738	-825	-4	-6,241
Reclassifications	0	14,738	2,688	2,085	-24,044	-4,533
Translation differences	8	144	16	5	8	182
<b>Cost at Dec 31, 2023</b>	<b>2,714</b>	<b>82,158</b>	<b>102,648</b>	<b>7,446</b>	<b>18,004</b>	<b>212,970</b>
<b>Accumulated depreciation and impairment at Jan 1, 2023</b>	<b>-</b>	<b>-39,870</b>	<b>-71,297</b>	<b>-4,412</b>	<b>-</b>	<b>-115,579</b>
Depreciation	-	-1,503	-3,523	-358	-	-5,385
Accumulated depreciation of disposals and reclassifications	-	1,272	3,738	538	-	5,548
Impairment	-	-	-35	-	-	-35
Translation differences	-	-28	21	-3	-	-10
<b>Accumulated depreciation and impairment at Dec 31, 2023</b>	<b>-</b>	<b>-40,130</b>	<b>-71,096</b>	<b>-4,235</b>	<b>-</b>	<b>-115,462</b>
<b>Carrying value at Jan 1, 2023</b>	<b>2,734</b>	<b>21,370</b>	<b>23,781</b>	<b>1,650</b>	<b>26,741</b>	<b>76,275</b>
<b>Carrying value at Dec 31, 2023</b>	<b>2,714</b>	<b>42,028</b>	<b>31,551</b>	<b>3,211</b>	<b>18,004</b>	<b>97,508</b>

## 6. Assets held for sale

The machines and equipment of the decommissioned old sawmill have been classified as assets held for sale during the period. A sales contract has been made for these, according to which they will be dismantled and transferred to the new owner during the current year and 2025, and ownership will be transferred in accordance with the agreed payment schedule.

An asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use of the asset. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups and its sale must be highly probable. These assets, or the assets and liabilities in the disposal group, are presented separately in the consolidated balance sheet and are valued at the lower of its carrying amount and fair value less costs to sell. Depreciation is not performed on long-term assets classified as held for sale or being part of a disposal group classified as held for sale.

## 7. Equity and earnings per share

EUR thousand	Total number of shares outstanding (pcs)	Treasury shares (pcs)	Total number of issued shares (pcs)	Share capital	Reserve for invested unrestricted equity
Jan 1, 2023	23,002,659	-	23,002,659	1,512	73,843
Directed share issue without consideration, management	9,000	-	9,000	-	-
Acquisition of treasury shares	-1,086	1,086	-	-	-
Dec 31, 2023	23,010,573	1,086	23,011,659	1,512	73,843
Directed share issue without consideration, management	13,500	-	13,500	-	-
<b>Sep 30, 2024</b>	<b>23,024,073</b>	<b>1,086</b>	<b>23,025,159</b>	<b>1,512</b>	<b>73,843</b>

Koskisen Corporation has one series of shares and all shares are equally entitled to dividends. One share carries one vote at the general meeting.

On 16 February 2024 Koskisen Corporation's Board of Directors decided on a free share issue directed to the company's CEO and CFO as part of management remuneration based on the authorisation given by the annual general meeting on 11 May, 2023. The issued shares were registered in the trade register on 28 February 2024. The total number of shares increased to 23,025,159 shares when the CEO and CFO were given 13,500 new shares. The value of the second instalment of the reward related to the completion of the listing to Koskisen's CEO corresponds to 18,000 shares, half of which was paid in cash to cover the withholding tax. The value of the second installment of the reward to Koskisen's CFO corresponds to 9,000 shares, half of which was paid in cash to cover the withholding tax.

	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Earning per share</b>					
Profit (loss) for the period attributable to the owners of the parent company (EUR)	-446,429	-959,234	6,738,853	17,647,453	20,230,125
Weighted average number of shares outstanding during the period	23,024,073	23,010,632	23,021,531	23,010,060	23,010,189
Diluted weighted average number of shares outstanding during the period	23,230,378	23,183,475	23,227,471	23,182,903	23,182,729
<b>Basic earnings per share (EUR)</b>	<b>-0.02</b>	<b>-0.04</b>	<b>0.29</b>	<b>0.77</b>	<b>0.88</b>
<b>Diluted earnings per share (EUR)</b>	<b>-0.02</b>	<b>-0.04</b>	<b>0.29</b>	<b>0.76</b>	<b>0.87</b>

## 8. Financial assets and liabilities

EUR thousand	Fair value hierarchy level	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
		Carrying value	Carrying value	Carrying value
<b>Financial assets measured at amortised cost</b>				
Trade receivables	-	32,279	28,868	23,365
Deposits <sup>1)</sup>	-	-	20,000	20,000
Cash and cash equivalents	-	31,517	37,350	35,771
<b>Total financial assets measured at amortised cost</b>		<b>63,796</b>	<b>86,218</b>	<b>79,136</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Capital redemption contracts	1	11,120	10,140	10,625
Derivatives	2	539	1,388	947
Other assets measured at fair value through profit or loss	3	14	14	14
<b>Total financial assets measured at fair value through profit or loss</b>		<b>11,672</b>	<b>11,541</b>	<b>11,585</b>
<b>Financial liabilities measured at amortised cost</b>				
Loans from financial institutions	2	35,162	33,153	37,711
Lease liabilities	-	33,223	25,864	25,989
Trade payables	-	26,892	25,655	25,411
Trade payables, payment system	-	6,183	7,594	7,396
<b>Total financial liabilities measured at amortised cost</b>		<b>101,460</b>	<b>92,265</b>	<b>96,507</b>
<b>Financial liabilities measured at fair value through profit or loss</b>				
Derivative liabilities	2	-	102	-
<b>Total financial liabilities measured at fair value through profit or loss</b>		<b>-</b>	<b>102</b>	<b>-</b>

<sup>1)</sup> Time deposits with a maturity of over three months

The fair value of the loans from financial institutions has been determined by discounting the future cash flows at the estimated market interest rate at the time of reporting. The company has estimated that the contractual interest rate of the loans is reasonably close to the market interest rate and has not made an adjustment to the discount rate at which the fair values are determined, in which case the fair values of the loans correspond to their nominal value. Since the company's loans from financial institutions have variable interest rates, the rise in market interest rates during the period has been directly reflected in the group's interest expenses and has therefore not affected the fair value of the loans.

The fair value of derivatives is estimated based on the present value of future cash flows, using market prices on the valuation date, and the fair value of capital redemption contracts is estimated on the basis of counterparty quotes. Changes in the fair value of derivatives and capital redemption contracts are recognised in financial income and expenses, which are detailed below.

The fair value hierarchy levels are given in the table above.

Koskisen's loans from financial institutions contain covenants that have been fulfilled in the presented periods.

### Changes in financial liabilities

The change in financial liabilities during the period is mainly due to loan repayments.

The table below shows the maturity of the financial liabilities.

EUR thousand	Q4						Total contractual cash flows	Carrying amount
	/2024	2025	2026	2027	2028	2029-		
<b>Sep 30, 2024</b>								
Loans from financial institutions	3,258	9,679	14,384	3,567	3,426	5,448	39,762	35,162
Lease liabilities	1,420	6,227	4,663	4,405	4,316	27,212	48,244	33,223
Trade payables	26,892	-	-	-	-	-	26,892	26,892
Trade payables, payment system <sup>1)</sup>	6,314	-	-	-	-	-	6,314	6,183
<b>Total</b>	<b>37,884</b>	<b>15,906</b>	<b>19,047</b>	<b>7,972</b>	<b>7,743</b>	<b>32,660</b>	<b>121,211</b>	<b>101,460</b>

EUR thousand	Q4						Total contractual cash flows	Carrying amount
	/2023	2024	2025	2026	2027	2028-		
<b>Sep 30, 2023</b>								
Loans from financial institutions	3,313	7,389	7,871	12,627	1,882	6,079	39,162	33,153
Lease liabilities	991	4,765	3,379	2,791	2,545	25,969	40,440	25,864
Derivative liabilities	102	-	-	-	-	-	102	102
Trade payables	25,655	-	-	-	-	-	25,655	25,655
Trade payables, payment system <sup>1)</sup>	7,744	-	-	-	-	-	7,744	7,594
<b>Total</b>	<b>37,805</b>	<b>12,153</b>	<b>11,250</b>	<b>15,418</b>	<b>4,427</b>	<b>32,049</b>	<b>113,103</b>	<b>92,368</b>

EUR thousand							Total contractual cash flows	Carrying amount
	2024	2025	2026	2027	2028	2028-		
<b>Dec 31, 2023</b>								
Loans from financial institutions	7,877	9,237	13,993	3,246	3,180	5,086	42,619	37,711
Lease liabilities	4,979	3,523	2,848	2,565	2,458	23,472	39,846	25,989
Trade payables	25,411	-	-	-	-	-	25,411	25,411
Trade payables, payment system <sup>1)</sup>	7,437	-	-	-	-	-	7,437	7,396
<b>Total</b>	<b>45,704</b>	<b>12,759</b>	<b>16,841</b>	<b>5,811</b>	<b>5,639</b>	<b>28,559</b>	<b>115,313</b>	<b>96,507</b>

<sup>1)</sup>Trade payables under the payment system are payable on demand, so the company reports them as short-term debt. Accumulated interest and interest for the 45 days notice period have been added to the contractual cash flows of these.

### Interest rate risk management

Koskisen's loans from financial institutions expose the group to cash flow interest rate risk. There have been no changes in Koskisen's interest rate risk hedging policy, but the group's management constantly evaluates the magnitude of open risk and the need for additional hedging. Koskisen has interest rate swaps with a total nominal value of EUR 30 million. The changes in the fair value of the interest rate swaps offset the income state effects of the loan's interest rate changes, protecting the group from interest rate risk, even though the swaps are not one-to-one with the group's loans from financial institutions. The interest rate swap agreements are valid until 2025.



## Finance income and costs

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Finance income</b>					
Interest income	267	509	1,041	1,590	2,299
Foreign exchange gains	63	268	278	794	879
Gains on capital redemption contracts	348	108	495	140	625
Gains on interest rate derivatives	194	65	607	372	606
Gains on foreign currency derivatives	106	97	110	97	162
Other finance income	-0	0	1	3	3
<b>Total</b>	<b>979</b>	<b>1,047</b>	<b>2,531</b>	<b>2,995</b>	<b>4,573</b>
<b>Finance costs</b>					
Interest expenses from lease liabilities	-588	-503	-1,596	-1,570	-2,079
Foreign exchange losses	-219	-110	-373	-622	-961
Interest expenses from borrowings <sup>1)</sup>	-942	-405	-1,943	-405	-934
Losses on interest rate derivatives	-307	-58	-429	-58	-554
Losses on foreign currency derivatives	102	-266	-73	-333	-175
Other financial expenses	-45	-51	-161	-155	-206
<b>Total</b>	<b>-1,999</b>	<b>-1,394</b>	<b>-4,576</b>	<b>-3,142</b>	<b>-4,910</b>
<b>Finance income and costs total</b>	<b>-1,020</b>	<b>-346</b>	<b>-2,045</b>	<b>-147</b>	<b>-337</b>

<sup>1)</sup>Interest expenses from borrowings are capitalised fully for the sawmill investment for the period 1 January – 30 June 2023.

## 9. Contingent liabilities and liability commitments

EUR thousand	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
<b>Liabilities for which collaterals have been given</b>			
Loans from financial institutions	18,000	23,000	20,500
<b>Account and guarantee limits in use at the balance sheet date</b>			
Account limit	-	-	-
Guarantee limit	83	83	83
<b>Mortgages</b>			
Real estate mortgages	307,200	307,200	307,200
Company mortgages	181,551	181,551	181,551
<b>Guarantees</b>			
Advance payment, delivery, etc. guarantees	83	83	83

Koskisen has committed to a total of EUR 6.4 million in payments related to investments. The commitments are mainly related to the log yard in Järvelä.

## Calculation formulas for key figures

Items affecting comparability are unusual material items outside the ordinary course of business that relate to (i) costs related to reorganisations, (ii) impairment charges, (iii) the gain or loss from the sale of businesses or significant fixed assets and (iv) costs related to the Listing. Items affecting comparability is presented to reflect the underlying business performance of Koskisen and to enhance comparability between periods. Koskisen believes that items affecting comparability provide meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

EBITDA = Operating profit (loss) + Depreciation, amortisation and impairments

EBITDA is an indicator used to measure Koskisen's performance.

EBITDA margin, per cent = 
$$\frac{\text{EBITDA}}{\text{Revenue}} \times 100$$

EBITDA margin is an indicator used to measure Koskisen's performance.

Adjusted EBITDA = EBITDA + Items affecting comparability

Adjusted EBITDA is an indicator used to measure Koskisen's performance. Adjusted EBITDA is presented in addition to EBITDA to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBITDA provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

Adjusted EBITDA margin, per cent = 
$$\frac{\text{Adjusted EBITDA}}{\text{Revenue}} \times 100$$

Adjusted EBITDA margin is an indicator used to measure Koskisen's performance. Adjusted EBITDA margin is presented in addition to EBITDA margin to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBITDA margin provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

EBIT margin, per cent = 
$$\frac{\text{Operating profit (loss)}}{\text{Revenue}} \times 100$$

EBIT margin is an indicator used to measure Koskisen's performance.

Adjusted EBIT = Operating profit (loss) + Items affecting comparability

Adjusted EBIT is an indicator used to measure Koskisen's performance. Adjusted EBIT is presented in addition to operating profit (loss) to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBIT provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

$$\text{Adjusted EBIT margin, per cent} = \frac{\text{Adjusted EBIT}}{\text{Revenue}} \times 100$$

Adjusted EBIT margin is an indicator used to measure Koskisen's performance. Adjusted EBIT margin is presented in addition to EBIT margin to reflect the underlying business performance and to enhance comparability between periods. Koskisen believes that adjusted EBIT margin provides meaningful supplemental information by excluding items outside the ordinary course of business that reduce comparability between periods.

$$\text{Basic earnings per share, EUR} = \frac{\text{Profit (loss) for the period attributable to owners of the parent company}}{\text{Weighted average number of ordinary Shares outstanding during the period}}$$

Basic earnings per Share reflects the distribution of Koskisen's results to its shareholders.

$$\text{Diluted earnings per share, EUR} = \frac{\text{Profit (loss) for the period attributable to owners of the parent company}}{\text{Weighted average number of ordinary Shares outstanding during the period + Weighted average number of all dilutive instruments potentially to be converted into Shares}}$$

Diluted earnings per share reflects the distribution of Koskisen's results to its shareholders.

$$\text{Capital employed} = \text{Total assets} - \text{Current liabilities}$$

Capital employed reflects the capital tied to Koskisen's operations and it is used to calculate return on capital employed.

$$\text{Liquid assets} = \text{Current financial assets at fair value through profit or loss} + \text{Deposits} + \text{Cash and cash equivalents}$$

Liquid assets reflects the amount of cash and other assets that are readily convertible to cash.

Net debt = Borrowings + Lease liabilities - Liquid assets

Net debt is an indicator used to assess Koskisen's total external debt financing.

Net debt/EBITDA, ratio = 
$$\frac{\text{Net debt}}{\text{EBITDA (last 12 months)}} \times 100$$

Net debt/EBITDA is an indicator used to assess the level of Koskisen's financial risk and the level of Koskisen's indebtedness.

Working capital = Inventories + Trade receivables + Other receivables - Advances received - Trade payables - Trade payables, payment system

Working capital is an indicator used to monitor the level of direct net working capital tied to Koskisen's operations.

Equity ratio, per cent = 
$$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$$

Equity ratio measures Koskisen's solvency and ability to meet its liabilities in the long term.

Gearing, per cent = 
$$\frac{\text{Net debt}}{\text{Total equity}} \times 100$$

Gearing is a measure used to assess Koskisen's financial leverage.

Return on capital employed, per cent = 
$$\frac{\text{Operating profit (loss) (last 12 months)}}{\text{Capital employed (average for the last 12 months)}} \times 100$$

Return on capital employed reflects the return of capital tied to Koskisen's operations.

## Reconciliation of Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures as at the dates and for the periods indicated:

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Items affecting comparability</b>					
Costs related to reorganisations	89	32	89	32	326
The gain (-) or loss (+) from sale of businesses or significant fixed assets	-	-	-48	-109	-190
<b>Items affecting comparability</b>	<b>89</b>	<b>32</b>	<b>41</b>	<b>-77</b>	<b>137</b>

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>EBITDA</b>					
Operating profit (loss)	437	-966	10,474	21,404	24,396
Depreciation, amortisation and impairments	3,197	2,308	8,070	6,348	8,607
<b>EBITDA</b>	<b>3,634</b>	<b>1,341</b>	<b>18,543</b>	<b>27,751</b>	<b>33,003</b>

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>EBITDA margin, per cent</b>					
EBITDA	3,634	1,341	18,543	27,751	33,003
Revenue	67,762	55,493	209,284	202,573	271,275
<b>EBITDA margin, per cent</b>	<b>5.4 %</b>	<b>2.4 %</b>	<b>8.9 %</b>	<b>13.7 %</b>	<b>12.2 %</b>

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Adjusted EBITDA</b>					
Operating profit (loss)	437	-966	10,474	21,404	24,396
Depreciation, amortisation and impairments	3,197	2,308	8,070	6,348	8,607
Items affecting comparability	89	32	41	-77	137
<b>Adjusted EBITDA</b>	<b>3,724</b>	<b>1,374</b>	<b>18,585</b>	<b>27,674</b>	<b>33,140</b>

EUR thousand	Jul 1 - Sep 30, 2024	Jul 1 - Sep 30, 2023	Jan 1 - Sep 30, 2024	Jan 1 - Sep 30, 2023	Jan 1 - Dec 31, 2023
<b>Adjusted EBITDA margin, per cent</b>					
Adjusted EBITDA	3,724	1,374	18,585	27,674	33,140
Revenue	67,762	55,493	209,284	202,573	271,275
<b>Adjusted EBITDA margin, per cent</b>	<b>5.5 %</b>	<b>2.5 %</b>	<b>8.9 %</b>	<b>13.7 %</b>	<b>12.2 %</b>