

# **Koskisen Corporation**

Interim report

1 January–30 June 2024

# **Koskisen's profit level was satisfactory considering the circumstances – profitability was negatively affected by the high price of wood raw material**

## **April–June 2024 in brief**

- Revenue increased and amounted to EUR 77.8 (73.9) million.
- EBITDA decreased and amounted to EUR 9.4 (13.8) million.
- The EBITDA margin was 12.0 per cent (18.6).
- Adjusted EBITDA amounted to EUR 9.3 (13.7) million.
- The adjusted EBITDA margin was 12.0 per cent (18.5).
- Operating profit amounted to EUR 6.9 (11.7) million, representing 8.9 per cent (15.9) of revenue.
- The profit for the financial period amounted to EUR 4.9 (9.8) million.
- Basic earnings per share were EUR 0.21 (0.43).

## **January–June 2024 in brief**

- Revenue decreased and amounted to EUR 141.5 (147.1) million.
- EBITDA decreased and amounted to EUR 14.9 (26.4) million.
- The EBITDA margin was 10.5 per cent (18.0).
- Adjusted EBITDA amounted to EUR 14.9 (26.3) million.
- The adjusted EBITDA margin was 10.5 per cent (17.9).
- Operating profit amounted to EUR 10.0 (22.4) million, representing 7.1 (15.2) per cent of revenue.
- The profit for the financial period amounted to EUR 7.2 (18.6) million.
- Basic earnings per share were EUR 0.31 (0.81).

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	4-6 2024	4-6 2023	Change, %	1-6 2024	1-6 2023	Change, %	1-12 2023
Revenue	77.8	73.9	5.3	141.5	147.1	-3.8	271.3
EBITDA	9.4	13.8	-32.0	14.9	26.4	-43.5	33.0
EBITDA margin, %	12.0	18.6		10.5	18.0		12.2
Adjusted EBITDA	9.3	13.7	-31.8	14.9	26.3	-43.5	33.1
Adjusted EBITDA margin, %	12.0	18.5		10.5	17.9		12.2
Operating profit (EBIT)	6.9	11.7	-41.1	10.0	22.4	-55.1	24.4
Operating profit (EBIT) margin, %	8.9	15.9		7.1	15.2		9.0
Profit for the period	4.9	9.8	-49.8	7.2	18.6	-61.4	20.2
Basic earnings per share, EUR	0.21	0.43		0.31	0.81		0.88
Diluted earnings per share, EUR	0.21	0.42		0.31	0.80		0.87
Gross investments	5.4	6.2		9.9	14.9		32.1
Equity per share, EUR				6.4	6.3		6.4
Return on capital employed (ROCE), %				5.8	22.2		12.1
Working capital, end of period				44.4	39.7		37.9
Net cash flow from operating activities				8.6	6.5		14.9
Equity ratio, %				53.3	57.4		54.8
Gearing, %				8.8	-8.1		-1.8

## CEO Jukka Pahta:

Koskisen Group's second-quarter profitability weakened year-on-year, with adjusted EBITDA amounting to EUR 9.3 (13.7) million. The achieved level of profitability can be considered satisfactory given the challenging operating environment and the high cost level. The adjusted EBITDA margin was 12.0 per cent (18.5). As summer approached, demand remained stable and there was a slight uptick in the market, particularly with regard to sawn timber. Nevertheless, uncertainty continued and, in particular, the recovery of the construction sector has been slower than expected.

The profitability of the Sawn Timber Industry segment decreased slightly year-on-year, with EBITDA amounting to EUR 1.6 (1.7) million. Profitability was weakened by the continued high raw material prices and the slower-than-anticipated ramp-up of the new sawmill.

The world market prices of sawn timber increased slightly when compared to the previous quarter, but they are still at a low level when compared to the historically high costs of the wood raw material used. Inventory levels in industry and the supply chain increased as a result of industrial action that took place in the early part of the year. The reduction of these accumulated inventories continued in the second quarter. Deliveries postponed due to the industrial action were made in June at the latest, which increased revenue in the second quarter.

In wood sourcing, raw material reserves and inventories were at a good level, and raw material supply was in line with plans. Demand for pulpwood and wood chips remained strong, while the demand for energy fractions was tempered by the end of the heating season.

Progress was made on the ramp-up of the new sawmill, and we achieved the production target set for the quarter. Shift-specific efficiency levels were still below target. We expect that the targeted production level, corresponding to an annual output of 400,000 m<sup>3</sup>, will be achieved by the end of the third quarter.

Development investments in the Sawn Timber Industry segment progressed according to plan. The new channel dryer related to the expansion of sawmill capacity was commissioned at the end of the second quarter. The construction of the new log yard progressed according to plan. The log yard and its related functions are expected to be completed at the beginning of 2025. The Sawn Timber Industry segment's functions will then be located in one place, making it possible to develop the new sawmill into one of Finland's most competitive production facilities of its kind. The new log yard will significantly reduce transport costs related to internal logistics and the associated emissions, for example.

The profitability of the Panel Industry segment decreased year-on-year, with EBITDA amounting to EUR 8.1 (12.2) million. The EBITDA margin was 19.6 (27.6) per cent. Profitability was weakened by a slight reduction in volumes. The market situation for plywood remained strong and the price level remained unchanged in the second quarter. For chipboard products, which are more dependent on the demand for construction, demand has remained below the normal level. Production was scaled back as necessary.

We decided to invest approximately EUR 3 million in the Kore business, which produces interior solutions for light commercial vehicles and is part of the Panel Industry segment. The investment is allocated to a new production unit to be established in Skwierzyna, Poland. The new facilities will make it possible to scale up production capacity to more than double the current level. 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. Expanding the Kore business is one of the growth paths of our recently updated strategy. The aim is to achieve profitable growth for Kore through new products and customer relationships.

Koskisen specified its strategic growth paths and related measures for the strategy period 2024–2027. The strategic priorities are to create value for customers, develop the existing operations and take bold steps forward. The financial targets previously set by Koskisen until the end of 2027 remain unchanged.

As part of the strategy process, we set targets and indicators for the material sustainability topics. Monitoring the targets and indicators will support the goal-driven development of our operations in an increasingly sustainable direction. Koskinen's comprehensive sustainability programme was published at the end of June. Our products, which are made from renewable raw materials and bind carbon for a long time, play a significant role in the green transition, which creates growing demand for renewable materials.

## Market situation

### *Softwood sawn timber*

Continued economic uncertainty and the resulting reduced construction activity have had a negative impact on the demand for softwood sawn timber and kept product prices low. Thanks to active sales efforts, Koskisen has managed to keep the demand for its products at a level which allows the sawn timber production to continue without additional production interruptions. The purchase prices of softwood logs were on an upward trajectory during the second quarter and remain very high relative to the market price of sawn timber. Due to the good inventory situation and high prices, the overall purchasing volumes in Koskisen's wood procurement were lower than in the corresponding period last year.

### *Birch plywood and chipboard*

EU sanctions on Russia and anti-dumping duties imposed on certain third countries for imports of birch plywood originating in Russia affect the supply of birch plywood in the European market. The demand for birch plywood is expected to remain good in spite of the general uncertainty. The downward trend in construction has had a negative impact on the demand for chipboard. The availability of Finnish birch logs still remained tight, but as a result of our own active procurement, the raw material situation is has improved when compared to the corresponding period last year. The demand for energy wood and pulpwood has remained strong, and this has increased their prices.

## Economic development

### April–June 2024

Consolidated revenue increased in April–June and amounted to EUR 77.8 (73.9) million. The increase in revenue was mainly due to the postponement of deliveries to the second quarter, caused by the strike that took place in the first quarter.

Adjusted EBITDA declined to EUR 9.3 (13.7) million. The decrease in EBITDA was mainly due to the lower price level of sawn timber when compared to the reference period, the high price of wood raw material and the lower delivery volumes of birch plywood.

Operating profit came to EUR 6.9 (11.7) million. Depreciation, amortisation and impairment amounted to EUR 2.5 (2.1) million. Profit before income tax amounted to EUR 6.2 (12.3) million, and income tax for the period amounted to EUR 1.3 (2.5) million. The profit for the financial period came to EUR 4.9 (9.8) million and earnings per share were EUR 0.21 (0.43).

### January–June

Consolidated revenue declined in January–June and amounted to EUR 141.5 (147.1) million. The decrease in revenue was mainly due to delivery volumes in the Panel Industry segment being lower than in the comparison period.

Adjusted EBITDA declined to EUR 14.9 (26.3) 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 10.0 (22.4) million. Depreciation, amortisation and impairment amounted to EUR 4.9 (4.0) million. Profit before income tax amounted to EUR 9.0 (22.6) million, and income tax for the period amounted to EUR 1.8 (4.0) million. The profit for the financial period came to EUR 7.2 (18.6) million and earnings per share were EUR 0.31 (0.81).

## Balance sheet, cash flow and financing

At the end of the review period, Koskisen's equity ratio was 53.3 (57.4) per cent, and gearing was 8.8 (-8.1) per cent.

Cash flow from operating activities amounted to EUR 8.6 (6.5) million in January–June. The effect of the change in working capital was EUR -5.9 (-15.5) million. The most significant item contributing to the increase in working capital was the increase in inventories, which was mainly due to normal cyclical variation. Cash

flow from financing activities amounted to EUR -11.8 (-13.8) million, the largest item being dividend payment. Cash flow from investment activities came to EUR -8.3 (-21.4) million.

Interest-bearing liabilities at the end of the period amounted to EUR 68.2 (59.2) million, and liquid assets totalled EUR 55.2 (70.9) million. Interest-bearing net liabilities amounted to EUR 6.9 (-11.8) million.

Koskisen's liquidity has remained strong. At the end of the review period, available liquidity amounted to EUR 55.2 (70.9) million, comprising cash and cash equivalents of EUR 24.2 (45.9) million, deposits of EUR 20.0 (15.0) million and a capital redemption contract of EUR 11.0 (10.0) million. In addition, the company has an unused account limit of EUR 7.2 million.

## **Investments**

Gross investments amounted to EUR 5.4 (6.2) million for April–June and to EUR 9.9 (14.9) million for January–June. 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 12.5 million related to the new sawmill, and EUR 5.9 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	4–6 2024	4–6 2023	Change, %	1–6 2024	1–6 2023	Change, %	1–12 2023
Revenue (external)	36.4	29.6	22.8	65.4	61.7	5.9	122.4
EBITDA	1.6	1.7	-7.2	2.2	3.2	-31.9	3.3
EBITDA, %	4.3	5.7		3.4	5.3		2.7
Personnel at the end of the period	176	200	-12.0	176	200	-12.0	173
Deliveries of sawn timber and processed products, 1,000 m <sup>3</sup>	90.0	71.6	25.7	139.5	140.0	-0.4	277.6

### Financial and operational development in April–June

Revenue increased and amounted to EUR 36.4 (29.6) million. The revenue for the review period includes deliveries that were postponed to the second quarter due to industrial action earlier in the year. The price level of sawn timber was on a par with the comparison period, strengthening slightly. Revenue was increased by the continued strengthening of the prices of pulpwood and energy wood sold to third parties in wood procurement.

EBITDA decreased to EUR 1.6 (1.7) million. The decrease in EBITDA was mainly due to increased raw material costs. The slower-than-anticipated ramp-up of the new sawmill also reduced the productivity of sawmill operations. The EBITDA margin was 4.3 per cent (5.7).

The demand for sawn timber was slightly below the normal level for the time of year. Prices strengthened in the second quarter, but the deliveries during the quarter included some deliveries that had been postponed from the first quarter. Inventory levels remained low in industry. Construction activity remained at a low level.

The ramp-up of the new sawmill has progressed, albeit slower than anticipated. However, by the end of the quarter, production had largely reached the projected daily production volumes. Shift-specific production volumes were still below the target level, but the production line was operated in three shifts to compensate for that. The decrease in personnel was largely due to the deployment of the new sawmill due to increased automation.

The prices of softwood logs increased during the quarter. In wood sourcing, raw material reserves and inventories were at a good level, and raw material supply was in line with plans. Due to the good inventory situation and high prices, the overall purchasing volumes in wood procurement were lower than in the comparison period.

In the bioenergy market, deliveries decreased as the heating season came to an end. During the summer season, deliveries of energy fractions are seasonally at a low level.

### Financial and operational development in January–June

Revenue increased and amounted to EUR 65.4 (61.7) million.

EBITDA decreased to EUR 2.2 (3.2) million.

The slowdown in the construction sector was clearly evident in the modest demand in the Sawn Timber Industry segment. In spite of the weakened demand situation, sawn timber production continued without

reductions in production volumes, and inventory levels remained reasonable.

The direct strike concerning production activities in the early part of the year had a minor impact on sawmill production, and some of the processes were kept running normally. 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>4–6 2024</b>	4–6 2023	Change, %	<b>1–6 2024</b>	1–6 2023	Change, %	<b>1–12 2023</b>
Revenue (external)	41.4	44.2	-6.4	76.1	85.3	-10.8	148.8
EBITDA	8.1	12.2	-33.5	13.4	22.0	-39.3	29.3
EBITDA, %	19.6	27.6		17.6	25.8		19.7
Personnel at the end of the period	664	650	2.2	664	650	2.2	638
Deliveries of panel products (excl. Kore), 1.000 m <sup>3</sup>	36.1	40.3	-10.4	67.8	78.2	-13.4	132.5

## Financial and operational development in April–June

Revenue decreased to EUR 41.4 (44.2) million. The decrease in revenue was mainly due to reduced delivery volumes, the stabilisation of market prices and the limited availability of wood raw material, particularly in the early part of the quarter. The revenue for the review period includes deliveries that were postponed to the second quarter due to industrial action earlier in the year.

EBITDA declined to EUR 8.1 (12.2) million. The decrease in EBITDA was mainly due to lower volumes and higher raw material costs when compared to the reference period. The EBITDA margin was 19.6 (27.6) per cent.

The demand for birch plywood products remained at a good level in the second quarter. The demand for chipboard declined due to the weak cyclical situation in the construction sector, but it nevertheless remained at a satisfactory level. Chipboard production was limited if necessary. In the Kore business, demand strengthened year-on-year, driven by strong market demand for light transport equipment and new customer relationships.

In response to the growing demand, Koskisen is investing approximately EUR 3 million in the Kore business. The investment is allocated to machinery at a new production unit to be established in Skwierzyna, Poland. The production facilities have already been completed, and a long-term lease with a purchase option has been signed for the facilities.

The new production unit will expand the production facilities from the current size of 3,000 m<sup>2</sup> to 8,000 m<sup>2</sup>. The new facilities will make it possible to scale up production capacity to more than double the current level. 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 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 developed favourably in the second quarter. At the end of the quarter, raw material inventories were at a higher level than in the comparison period.



## Financial and operational development in January–June

Revenue decreased to EUR 76.1 (85.3) million.

EBITDA declined to EUR 13.4 (22.0) million.

The demand for higher value-added products has remained good in various customer segments and end uses. The slowdown in the construction sector is still reflected in the demand for chipboard in particular. Demand in the automotive industry has picked up, and investments to increase transport capacity are 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.

As part of the updated strategy, key sustainability targets to be achieved by 2027 were also established for the company. They are as follows: 1) We implement biodiversity measures in the forest environment, 2) We reduce CO2 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. The achievement of the targets will be monitored through the indicators set for them.

## **Personnel**

The Koskisen Group had an average of 899 (917) employees in April–June 2024 and 917 (926) employees at the end of June.

## **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 June 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 1,799,791 of the company's shares were traded on the Helsinki Stock Exchange between 1 January and 30 June 2024, corresponding to 7.8 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 6.31. The share turnover was EUR 11,357,733. At the end of the review period, the market capitalisation of the company was EUR 179,596,240.

## **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 preparing for corporate sustainability reporting (CSRD) in the current financial year. In addition to ensuring the compliance of reporting, the ongoing preparatory work supports the achievement of Koskisen's strategic goals and the overall management of sustainability.

## **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 will also act as assurance provider of the company's sustainability reporting in the financial year 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, 16 August 2024

Board of Directors of Koskisen Corporation

## Financial information

Part corresponding to IAS 34

### Consolidated statement of comprehensive income

EUR thousand	Note	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Revenue</b>	2	<b>77,821</b>	<b>73,888</b>	<b>141,522</b>	<b>147,080</b>	<b>271,275</b>
Other operating income	3	547	963	1,013	2,458	4,050
Changes in inventories of finished goods and work in progress		-1,509	-1,083	3,770	1,788	922
Change in fair value of forest assets		-31	523	-117	193	870
Materials and services		-43,459	-37,954	-85,223	-79,574	-156,769
Employee benefit expenses		-12,883	-12,651	-24,837	-24,885	-46,890
Depreciation, amortisation and impairments		-2,463	-2,065	-4,872	-4,040	-8,607
Other operating expenses		-11,121	-9,906	-21,218	-20,650	-40,455
<b>Operating profit (loss)</b>		<b>6,902</b>	<b>11,715</b>	<b>10,037</b>	<b>22,370</b>	<b>24,396</b>
Finance income	7	753	1,446	1,552	1,948	4,573
Finance costs	7	-1,412	-873	-2,577	-1,749	-4,910
Finance costs, net		<b>-659</b>	<b>573</b>	<b>-1,025</b>	<b>200</b>	<b>-337</b>
<b>Profit (loss) before income tax</b>		<b>6,242</b>	<b>12,288</b>	<b>9,012</b>	<b>22,569</b>	<b>24,059</b>
Income tax expense		-1,313	-2,464	-1,827	-3,963	-3,829
<b>Profit (loss) for the period</b>		<b>4,929</b>	<b>9,824</b>	<b>7,185</b>	<b>18,607</b>	<b>20,230</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to profit or loss</b>						
Translation differences		0	150	21	146	335
<b>Other comprehensive income for the period, net of tax</b>		<b>0</b>	<b>150</b>	<b>21</b>	<b>146</b>	<b>335</b>
<b>Total comprehensive income for the period</b>		<b>4,930</b>	<b>9,974</b>	<b>7,207</b>	<b>18,753</b>	<b>20,565</b>
<b>Profit (loss) for the period attributable to:</b>						
Owners of the parent company		4,929	9,824	7,185	18,607	20,230
<b>Profit (loss) for the period</b>		<b>4,929</b>	<b>9,824</b>	<b>7,185</b>	<b>18,607</b>	<b>20,230</b>
<b>Total comprehensive income for the period attributable to:</b>						
Owners of the parent company		4,930	9,974	7,207	18,753	20,565
<b>Total comprehensive income</b>		<b>4,930</b>	<b>9,974</b>	<b>7,207</b>	<b>18,753</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	6	0.21	0.43	0.31	0.81	0.88
Diluted earnings per share, EUR	6	0.21	0.42	0.31	0.80	0.87

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

## Consolidated balance sheet

EUR thousand	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	103,961	83,682	97,508
Forest assets		3,475	2,924	3,599
Right-of-use assets		32,878	26,074	26,159
Intangible assets		1,147	1,296	1,308
Financial assets at fair value through profit or loss	7	583	1,576	960
Other receivables		2	23	11
Deferred tax assets		149	105	88
<b>Total non-current assets</b>		<b>142,196</b>	<b>115,680</b>	<b>129,634</b>
<b>Current assets</b>				
Inventories		40,783	31,841	37,544
Trade receivables	7	32,156	28,621	23,365
Other receivables		6,211	5,949	10,427
Financial assets at fair value through profit or loss	7	10,971	10,032	10,625
Income tax receivables		670	337	1,839
Deposits	7	20,000	15,000	20,000
Cash and cash equivalents	7	24,217	45,904	35,771
<b>Total current assets</b>		<b>135,009</b>	<b>137,684</b>	<b>139,571</b>
<b>TOTAL ASSETS</b>		<b>277,205</b>	<b>253,364</b>	<b>269,205</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6	1,512	1,512	1,512
Legal reserve		16	16	16
Reserve for invested unrestricted equity	6	73,843	73,843	73,843
Treasury shares	6	-3	-	-3
Cumulative translation difference		166	-45	144
Retained earnings		64,760	51,047	51,487
Profit (loss) for the period		7,185	18,607	20,230
<b>Total equity attributable to owners of the parent company</b>		<b>147,479</b>	<b>144,980</b>	<b>147,229</b>
<b>Total equity</b>		<b>147,479</b>	<b>144,980</b>	<b>147,229</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	7	27,916	28,130	31,310
Lease liabilities	7	28,316	24,018	23,857
Other long-term employee benefits		3,281	3,182	3,124
Deferred tax liabilities		6,300	3,923	5,697
Provisions		150	103	150
<b>Total non-current liabilities</b>		<b>65,963</b>	<b>59,356</b>	<b>64,138</b>
<b>Current liabilities</b>				
Borrowings	7	7,902	5,000	6,401
Lease liabilities	7	4,073	2,017	2,132
Derivative liabilities		47	-	-
Advances received		729	570	639
Trade payables	7	27,975	18,560	25,411
Trade payables, payment system	7	6,014	7,567	7,396
Other payables		17,002	14,430	15,811
Income tax liabilities		-	824	13
Provisions		22	58	35
<b>Total current liabilities</b>		<b>63,763</b>	<b>49,028</b>	<b>57,838</b>
<b>Total liabilities</b>		<b>129,726</b>	<b>108,385</b>	<b>121,976</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>277,205</b>	<b>253,364</b>	<b>269,205</b>

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

## Consolidated statement of changes in equity

### 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, 2024	1,512	16	73,843	-3	144	71,717	147,229	147,229
Profit (loss) for the period	-	-	-	-	-	7,185	7,185	7,185
<b>Other comprehensive income for the period</b>								
Cumulative translation difference	-	-	-	-	21	-	21	21
<b>Total comprehensive income</b>	-	-	-	-	21	7,185	7,207	7,207
<b>Transactions with owners:</b>								
Dividend distribution	-	-	-	-	-	-7,368	-7,368	-7,368
Share-based payments	-	-	-	-	-	411	411	411
<b>Total transactions with owners</b>	-	-	-	-	-	-6,957	-6,957	-6,957
<b>Equity at Jun 30, 2024</b>	<b>1,512</b>	<b>16</b>	<b>73,843</b>	<b>-3</b>	<b>166</b>	<b>71,946</b>	<b>147,479</b>	<b>147,479</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	-	-	-	-	-	18,607	18,607	18,607
<b>Other comprehensive income for the period</b>								
Cumulative translation difference	-	-	-	-	146	-	146	146
<b>Total comprehensive income</b>	-	-	-	-	146	18,607	18,753	18,753
<b>Transactions with owners:</b>								
Dividend distribution	-	-	-	-	-	-9,895	-9,895	-9,895
Share-based payments	-	-	-	-	-	310	310	310
<b>Total transactions with owners</b>	-	-	-	-	-	-9,585	-9,585	-9,585
<b>Equity at Jun 30, 2023</b>	<b>1,512</b>	<b>16</b>	<b>73,843</b>	<b>-</b>	<b>-45</b>	<b>69,653</b>	<b>144,980</b>	<b>144,980</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	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Cash flow from operating activities</b>						
<b>Profit (loss) for the period</b>		<b>4,929</b>	<b>9,824</b>	<b>7,185</b>	<b>18,607</b>	<b>20,230</b>
<b>Adjustments:</b>						
Depreciation, amortisation and impairment		2,463	2,065	4,872	4,040	8,607
Change in the fair value of the forest assets		31	-523	117	-193	-870
Gains and losses from sale of non-current assets	3	-53	-146	-53	-275	-328
Interest and other finance income and costs	7	659	-573	1,025	-200	337
Income taxes		1,313	2,464	1,827	3,963	3,829
Change in other long-term employee benefits		54	53	108	106	-6
Share-based payments		216	161	411	310	751
Other adjustments		-4	-8	-10	-7	134
<b>Adjustments total</b>		<b>4,679</b>	<b>3,492</b>	<b>8,296</b>	<b>7,745</b>	<b>12,454</b>
Changes in net working capital:						
Change in trade and other receivables		-3,517	2,886	-4,985	-130	1,079
Change in trade and other payables		4,955	-7,322	2,270	-17,795	-9,722
Change in inventories		4,513	8,286	-3,228	2,420	-3,266
Utilised provision		5	-9	-14	45	68
Interest received		588	484	1,117	621	1,417
Interest paid		-1,556	-1,273	-2,236	-1,877	-4,106
Other financial items received		208	461	421	572	390
Arrangement fees and other financing costs paid		-84	-439	-104	-645	-201
Income taxes paid		-654	-1,832	-127	-3,046	-3,408
<b>Net cash flow from operating activities</b>		<b>14,066</b>	<b>14,558</b>	<b>8,596</b>	<b>6,517</b>	<b>14,936</b>
<b>Cash flow from investing activities</b>						
Purchases of property, plant and equipment and intangible assets	5	-5,171	-3,594	-8,805	-7,242	-17,067
Proceeds from sale of non-current assets		461	809	461	950	1,023
Payments for financial assets at fair value through profit or loss		-	-10,000	-	-10,000	-10,000
Proceeds from financial assets at fair value through profit or loss		-	-	-	9,892	9,892
Investments in deposits		-	-5,000	-	-20,000	-35,000
Repayment of deposits		-	5,000	-	5,000	15,000
<b>Net cash from investing activities</b>		<b>-4,710</b>	<b>-12,785</b>	<b>-8,344</b>	<b>-21,399</b>	<b>-36,152</b>
<b>Cash flow from financing activities</b>						
Acquisition of treasury shares	6	-	-	-	-	-3
Repayment of borrowings	7	-2,500	-2,000	-2,500	-2,000	-4,500
Repayments of lease liabilities	7	-695	-1,665	-1,942	-1,862	-3,165
Dividends paid		-7,368	-9,895	-7,368	-9,895	-9,895
<b>Net cash from financing activities</b>		<b>-10,562</b>	<b>-13,560</b>	<b>-11,810</b>	<b>-13,757</b>	<b>-17,563</b>
<b>Net change in cash and cash equivalents</b>		<b>-1,207</b>	<b>-11,787</b>	<b>-11,558</b>	<b>-28,639</b>	<b>-38,780</b>
Cash and cash equivalents at the beginning of the period		25,426	57,664	35,771	74,527	74,527
Effects of exchange rate changes on cash and cash equivalents		-2	26	4	16	24
<b>Cash and cash equivalents at the end of period</b>		<b>24,217</b>	<b>45,904</b>	<b>24,217</b>	<b>45,904</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	Apr 1 - Jun 30, 2024			Apr 1 - Jun 30, 2023			Jan 1 - Jun 30, 2024			Jan 1 - Jun 30, 2023			Jan 1 - Dec 31, 2023		
	External	Internal	Total	External	Internal	Total	External	Internal	Total	External	Internal	Total	External	Internal	Total
Panel industry	41,401	6	41,407	44,248	2	44,251	76,118	6	76,124	85,334	4	85,337	148,786	9	148,795
Sawn timber industry	36,398	7,982	44,380	29,637	6,476	36,113	65,362	14,960	80,322	61,708	13,354	75,062	122,400	24,823	147,223
<b>Segments total</b>	<b>77,799</b>	<b>7,987</b>	<b>85,787</b>	<b>73,885</b>	<b>6,479</b>	<b>80,364</b>	<b>141,480</b>	<b>14,966</b>	<b>156,446</b>	<b>147,042</b>	<b>13,358</b>	<b>160,400</b>	<b>271,186</b>	<b>24,832</b>	<b>296,018</b>
Other	21	157	179	3	143	146	41	373	414	38	325	363	89	577	666
Elimination of internal sales		-8,145	-8,145		-6,622	-6,622		-15,338	-15,338		-13,683	-13,683		-25,410	-25,410
<b>Total</b>	<b>77,821</b>	<b>-</b>	<b>77,821</b>	<b>73,888</b>	<b>-</b>	<b>73,888</b>	<b>141,522</b>	<b>-</b>	<b>141,522</b>	<b>147,080</b>	<b>-</b>	<b>147,080</b>	<b>271,275</b>	<b>-</b>	<b>271,275</b>

#### Revenue by geographical areas

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
Finland	25,974	26,865	55,966	58,669	111,206
Japan	7,298	4,978	10,088	9,634	21,116
Germany	8,181	5,977	12,774	11,538	20,320
Poland	4,937	1,881	7,742	6,256	11,556
Other EU-countries	22,486	23,435	40,386	42,836	75,419
Other countries	8,946	10,751	14,566	18,147	31,658
<b>Total</b>	<b>77,821</b>	<b>73,888</b>	<b>141,522</b>	<b>147,080</b>	<b>271,275</b>

## EBITDA by segments

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
Panel Industry	8,109	12,196	13,383	22,033	29,282
Sawn Timber Industry	1,560	1,681	2,213	3,249	3,274
<b>Segments total</b>	<b>9,669</b>	<b>13,877</b>	<b>15,596</b>	<b>25,282</b>	<b>32,556</b>
Other <sup>1)</sup>	-305	-97	-688	1,128	3,204
Eliminations	-	-	-	-	-2,757
<b>Total</b>	<b>9,364</b>	<b>13,779</b>	<b>14,909</b>	<b>26,410</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	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
EBITDA	9,364	13,779	14,909	26,410	33,003
Depreciation, amortisation and impairments	-2,463	-2,065	-4,872	-4,040	-8,607
<b>Operating profit (loss)</b>	<b>6,902</b>	<b>11,715</b>	<b>10,037</b>	<b>22,370</b>	<b>24,396</b>

## 3. Other operating income

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
Sale of emission allowances	359	453	669	1,616	2,385
Gains on disposal of property, plant and equipment	53	283	53	412	484
Grants received	8	52	8	52	294
Firewood sales to forest owners	37	25	124	167	263
Realisation of electricity hedges	-	-	-	-	220
Compensations received	10	42	12	53	106
Lease income	25	20	51	37	93
Other	54	88	97	122	205
<b>Total</b>	<b>547</b>	<b>963</b>	<b>1,013</b>	<b>2,458</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	-	376	3,143	-	6,386	9,905
Disposals	-	-	-1,374	-	-6	-1,380
Reclassifications	-	730	1,989	2	-2,721	-
Translation differences	1	14	6	0	1	23
<b>Cost at Jun 30, 2024</b>	<b>2,715</b>	<b>83,278</b>	<b>106,412</b>	<b>7,449</b>	<b>21,663</b>	<b>221,517</b>
<b>Accumulated depreciation and impairment at Jan 1, 2024</b>	<b>-</b>	<b>-40,130</b>	<b>-71,096</b>	<b>-4,235</b>	<b>-</b>	<b>-115,462</b>
Depreciation	-	-1,040	-1,815	-208	-	-3,063
Accumulated depreciation of disposals and reclassifications	-	0	974	-	-	974
Translation differences	-	-3	-2	-0	-	-5
<b>Accumulated depreciation and impairment at Jun 30, 2024</b>	<b>-</b>	<b>-41,173</b>	<b>-71,939</b>	<b>-4,443</b>	<b>-</b>	<b>-117,555</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 Jun 30, 2024</b>	<b>2,715</b>	<b>42,105</b>	<b>34,473</b>	<b>3,005</b>	<b>21,663</b>	<b>103,961</b>

Gross investments for property, plant and equipment amounted to EUR 9.9 (14.7) million during January to June 2024. 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 12.5 million related to the new sawmill and EUR 5.9 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	32	384	65	40	14,136	14,657
Disposals	-63	-441	-284	-287	-4	-1,079
Reclassifications	-	33	588	1,793	-6,622	-4,208
Translation differences	6	100	24	3	5	137
<b>Cost at Jun 30, 2023</b>	<b>2,708</b>	<b>61,316</b>	<b>95,471</b>	<b>7,611</b>	<b>34,255</b>	<b>201,361</b>
<b>Accumulated depreciation and impairment at Jan 1, 2023</b>	-	<b>-39,870</b>	<b>-71,297</b>	<b>-4,412</b>	-	<b>-115,579</b>
Depreciation	-	-585	-1,744	-160	-	-2,489
Accumulated depreciation of disposals and reclassifications	-	119	284	-	-	403
Impairment	-	-	-	-	-	-
Translation differences	-	-18	6	-2	-	-14
<b>Accumulated depreciation and impairment at Jun 30, 2023</b>	-	<b>-40,354</b>	<b>-72,752</b>	<b>-4,573</b>	-	<b>-117,679</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 Jun 30, 2023</b>	<b>2,708</b>	<b>20,962</b>	<b>22,720</b>	<b>3,038</b>	<b>34,255</b>	<b>83,682</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>-39,870</b>	<b>-71,297</b>	<b>-4,412</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>-40,130</b>	<b>-71,096</b>	<b>-4,235</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. 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>Jun 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 extraordinary 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 installment of the fee 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 bonus to Koskisen's CFO corresponds to 9,000 shares, half of which was paid in cash to cover the withholding tax.

	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 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)	4,929,481	9,824,357	7,185,281	18,606,688	20,230,125
Weighted average number of shares outstanding during the period	23,024,073	23,011,659	23,019,697	23,009,769	23,010,189
Diluted weighted average number of shares outstanding during the period	23,291,231	23,169,390	23,286,855	23,122,939	23,182,729
<b>Basic earnings per share (EUR)</b>	<b>0.21</b>	<b>0.43</b>	<b>0.31</b>	<b>0.81</b>	<b>0.88</b>
<b>Diluted earnings per share (EUR)</b>	<b>0.21</b>	<b>0.42</b>	<b>0.31</b>	<b>0.80</b>	<b>0.87</b>

## 7. Financial assets and liabilities

EUR thousand	Fair value hierarchy level	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
		Carrying value	Carrying value	Carrying value
<b>Financial assets measured at amortised cost</b>				
Trade receivables	-	32,156	28,621	23,365
Deposits <sup>1)</sup>	-	20,000	15,000	20,000
Cash and cash equivalents	-	24,217	45,904	35,771
<b>Total financial assets measured at amortised cost</b>		<b>76,373</b>	<b>89,525</b>	<b>79,136</b>
<b>Financial assets measured at fair value through profit or loss</b>				
Capital redemption contracts	1	10,771	10,032	10,625
Derivatives	2	770	1,563	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>11,554</b>	<b>11,608</b>	<b>11,585</b>
<b>Financial liabilities measured at amortised cost</b>				
Loans from financial institutions	2	35,818	33,130	37,711
Lease liabilities	-	32,390	26,036	25,989
Trade payables	-	27,975	18,560	25,411
Trade payables, payment system	-	6,014	7,567	7,396
<b>Total financial liabilities measured at amortised cost</b>		<b>102,197</b>	<b>85,293</b>	<b>96,507</b>
<b>Financial liabilities measured at fair value through profit or loss</b>				
Derivative liabilities	2	47	-	-
<b>Total financial liabilities measured at fair value through profit or loss</b>		<b>47</b>	<b>-</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. Loans related to the sawmill investment have increased. These are recognised in the balance sheet in accordance with the project's percentage of completion.

The table below shows the maturity of the financial liabilities.

EUR thousand	Q3-Q4 /2024	2025	2026	2027	2028	2029-	Total contractual cash flows	Carrying amount
<b>Jun 30, 2024</b>								
Loans from financial institutions	5,170	9,760	14,452	3,623	3,469	5,464	41,939	35,818
Lease liabilities	3,115	4,927	4,263	3,916	3,772	26,691	46,683	32,390
Derivative liabilities	47	-	-	-	-	-	47	47
Trade payables	27,975	-	-	-	-	-	27,975	27,975
Trade payables, payment system <sup>1)</sup>	6,113	-	-	-	-	-	6,113	6,014
<b>Total</b>	<b>42,419</b>	<b>14,688</b>	<b>18,715</b>	<b>7,538</b>	<b>7,241</b>	<b>32,155</b>	<b>122,756</b>	<b>102,243</b>

EUR thousand	Q3-Q4 /2023	2024	2025	2026	2027	2028-	Total contractual cash flows	Carrying amount
<b>Jun 30, 2023</b>								
Loans from financial institutions	3,401	7,339	7,828	12,592	1,854	6,038	39,052	33,130
Lease liabilities	2,247	3,778	3,337	2,700	2,480	26,412	40,954	26,036
Trade payables	18,560	-	-	-	-	-	18,560	18,560
Trade payables, payment system <sup>1)</sup>	7,682	-	-	-	-	-	7,682	7,567
<b>Total</b>	<b>31,891</b>	<b>11,117</b>	<b>11,165</b>	<b>15,292</b>	<b>4,333</b>	<b>32,450</b>	<b>106,249</b>	<b>85,293</b>

EUR thousand	2024	2025	2026	2027	2028	2028-	Total contractual cash flows	Carrying amount
<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	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Finance income</b>					
Interest income	359	719	774	1,081	2,299
Foreign exchange gains	128	325	215	429	879
Gains on capital redemption contracts	60	32	146	32	625
Gains on interest rate derivatives	205	307	412	307	606
Gains on foreign currency derivatives	-	60	4	97	162
Other finance income	1	3	1	3	3
<b>Total</b>	<b>753</b>	<b>1,446</b>	<b>1,552</b>	<b>1,948</b>	<b>4,573</b>
<b>Finance costs</b>					
Interest expenses from lease liabilities	-509	-534	-1,008	-1,067	-2,079
Foreign exchange losses	-112	-234	-154	-512	-961
Interest expenses from borrowings 1)	-539	-	-1,001	-	-934
Losses on interest rate derivatives	-122	4	-122	-	-554
Losses on foreign currency derivatives	-72	-23	-175	-66	-175
Other financial expenses	-58	-86	-116	-104	-206
<b>Total</b>	<b>-1,412</b>	<b>-873</b>	<b>-2,577</b>	<b>-1,749</b>	<b>-4,910</b>
<b>Finance income and costs total</b>	<b>-659</b>	<b>573</b>	<b>-1,025</b>	<b>200</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.

### Contingent liabilities and liability commitments

EUR thousand	Jun 30, 2024	Jun 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 11,8 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 contemplated 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	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Items affecting comparability</b>					
Costs related to reorganisations	-	-	-	-	326
The gain (-) or loss (+) from sale of businesses or significant fixed assets	-48	-109	-48	-109	-190
<b>Items affecting comparability</b>	<b>-48</b>	<b>-109</b>	<b>-48</b>	<b>-109</b>	<b>137</b>

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>EBITDA</b>					
Operating profit (loss)	6,902	11,715	10,037	22,370	24,396
Depreciation, amortisation and impairments	2,463	2,065	4,872	4,040	8,607
<b>EBITDA</b>	<b>9,364</b>	<b>13,779</b>	<b>14,909</b>	<b>26,410</b>	<b>33,003</b>

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>EBITDA margin, per cent</b>					
EBITDA	9,364	13,779	14,909	26,410	33,003
Revenue	77,821	73,888	141,522	147,080	271,275
<b>EBITDA margin, per cent</b>	<b>12.0 %</b>	<b>18.6 %</b>	<b>10.5 %</b>	<b>18.0 %</b>	<b>12.2 %</b>

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Adjusted EBITDA</b>					
Operating profit (loss)	6,902	11,715	10,037	22,370	24,396
Depreciation, amortisation and impairments	2,463	2,065	4,872	4,040	8,607
Items affecting comparability	-48	-109	-48	-109	137
<b>Adjusted EBITDA</b>	<b>9,316</b>	<b>13,670</b>	<b>14,861</b>	<b>26,301</b>	<b>33,140</b>

EUR thousand	Apr 1 - Jun 30, 2024	Apr 1 - Jun 30, 2023	Jan 1 - Jun 30, 2024	Jan 1 - Jun 30, 2023	Jan 1 - Dec 31, 2023
<b>Adjusted EBITDA margin, per cent</b>					
Adjusted EBITDA	9,316	13,670	14,861	26,301	33,140
Revenue	77,821	73,888	141,522	147,080	271,275
<b>Adjusted EBITDA margin, per cent</b>	<b>12.0 %</b>	<b>18.5 %</b>	<b>10.5 %</b>	<b>17.9 %</b>	<b>12.2 %</b>