Honkarakenne Group Half-Year Report H1 2026

Honkarakenne Oyj's Half-Year Report 1 Jan. – 30 Jun. 2026

Operational profit improved, increased order book doesn't show in net sales yet

Summary

Net sales for the first half of 2026 decreased by 5% to EUR 15.8 million (H1 2025: 16.7). Operational EBIT, excluding non-recurring items, was EUR -2.2 million (-2.8), and the profit before taxes was EUR -2.4 million (-2.9).

Order book increased by 35.4% from the end of December last year (24.8) and 28% of June last year. Order book amounted to EUR 33.6 million (26.2) at the end of the review period.

January-June 2026

- Honkarakenne Group's net sales in January–June amounted to EUR 15.8 million (16.7).
- Operational EBIT was EUR -2.2 million (-2.8). The result for the review period includes non-recurring costs of EUR 0.2 million (0.0) related to the change of CEO.
- EBIT was EUR -2.4 million (-2.8) and profit before taxes was EUR -2.4 million (-2.9).
- Earnings per share was EUR -0.40 (-0.39).
- The Group's equity ratio was 41,7% (52.3) and net financial liabilities of EUR 2.2 million (-0.8).

Honkarakenne Group's net sales and operational profit for 2026 are expected to be higher than in the previous year. The magnitude of both is particularly affected by the timing of deliveries of large orders, such as OnWood's more than one hundred log structures, between 2026 and 2027.

GROUP'S KEY FIGURES	1–6/2026	1–6/2025	1–12/2025
Net sales, EUR million	15.8	16.7	37.2
Operational EBIT, EUR million	-2.2	-2.8	-3.9
EBIT, EUR million	-2.4	-2.8	-4.0
Profit/loss before taxes, EUR million	-2.4	-2.9	-4.4
Average number of employees	153	158	159
Average number of employees FTE	150	155	156
Earnings per share, EUR	-0.40	-0.39	-0.70
Equity ratio, %	41,7	52.3	53.1
Return on equity, %	-26.3	-18.6	-34.0
Equity per share, EUR	1.22	1.93	1.62
Gearing ratio, %	30.8	-7.4	10.4

Honkarakenne Oyj's CEO Magnus Hindström commented on the half-year report as follows:

"My first weeks as Honkarakenne's CEO have reinforced my understanding of the company's strengths: a well-known brand, skilled personnel, a competitive product range, and a strong market position. Although the operating environment remains challenging, we see several positive signs in the development of our business.

However, I am not satisfied with our earnings performance. The operational result for the first half of the year was EUR -2.2 million, and the company has been loss-making even before this period. Improving profitability is our most important task, and we will work hard to achieve it.

Our current earnings challenge is not only cyclical but also structural. Our cost structure is designed for operations significantly larger than current levels. This requires adjusting the cost structure to the business volume. To address this, we are immediately stepping up the actions under our profitability program for the remainder of the year.

However, we have developed well in a few areas. The order book at the end of June was EUR 33.6 million, up 28% year-on-year. Domestic orders increased in both the consumer and project businesses. Exports account for about a fifth of our net sales, and their impact on our earnings is significant. The amount of net sales and earnings for the rest of the year will be determined by how much of the order book is converted into deliveries by the end of the year.

During the review period, we also took an important step by initiating and expanding cooperation with our partner networks. Our cooperation with OnWood Oy expands our offering to industrial wood construction solutions and supports our goal of growing international business and higher value-added sales. Our first significant supply agreement demonstrates the market's interest in our new concept solutions.

Our focus for the remainder of the year is on adjusting the cost structure, strengthening cash flow, and increasing exports and B2B business. We are also initiating an update to the company's strategy.

Although improving profitability is our most important short-term goal, the strengthened order book and ongoing efficiency and development projects give us confidence that we are building a foundation for sustainable growth and improved earnings development."

Net Sales

Honkarakenne Group's net sales for the first half of 2026 decreased by 5.3% to EUR 15.8 million (16.7).

Honkarakenne presents its set sales data divided in two geographical segments: Finland and Exports. Below we present net sales based on this division.

NET SALES DEVELOPMENT

Net sales distribution, %	1–6/2026	1–6/2025	1-12/2025
Finland	81%	80%	75%
Exports	19%	20%	25%
Total	100 %	100 %	100%

Net sales, MEUR	1-6/2026	1-6/2025	Change	1–12/2025
Finland	12.8	13.4	-5%	28.0
Exports	3.0	3.3	-8%	9.2
Total	15.8	16.7	-5%	37.2

Finland also includes billet sales and the sale of process by-products for recycling. Exports include all other countries except Finland.

Order Book

Group's order book grew 28% from the comparison year and amounted to EUR 33.6 million (26.2). The order book increased by 35% from EUR 24.8 million at the end of December last year. This was influenced by the improved sales of domestic consumer business and project business compared to last half of the previous year.

Order book refers to orders with a delivery date within the next 24 months. Some orders may have a financing or building permit condition.

Profit and Profitability Development

Operational profit of the reporting period remained at EUR 2.2 million (2.8). Operating profit for the review period stood at EUR -2.4 million (-2.8) and the profit before taxes was EUR -2.4 million (-2.9). The earnings for the review period include non-recurring costs of EUR 0.2 million related to the change of CEO.

The profitability program launched in autumn 2025 contributed to the improved result compared to the comparison period. The net sales being weighted towards domestic consumer business negatively impacted profitability, as exports remained below the comparison period.

Due to personnel layoffs and other cost-cutting measures, fixed costs for the review period decreased compared to the corresponding period.

Financing and Investment

At the end of the review period, Honkarakenne's financial position was at a satisfactory level. The Group's equity ratio was 41.7% (52.3%). The net gearing ratio was 30.8% (-7.4%) and the Group's net financial liabilities amounted to EUR 2.2 million (-0.8). The Group's liquid assets totalled EUR 1.5 million (5.0).

At the end of the reporting period, the parent company had EUR 1.3 million (1.7) remaining in financial institution loans that were raised to finance the non-settling production line. The Group also has a EUR 3.0 million overdraft facility, of which EUR 0.7 million was in use at the end of the review period. Honkarakenne manages its seasonal liquidity risk with an overdraft limit. With long-term financing loans, the company secures long-term strategic business and investment commitments.

The Group's gross investments amounted to EUR 0.1 million (0.7), excluding right-of-use assets in accordance with the IFRS 16 standard and received investment grants. Investments mainly relate to the replacement investment in the non-settling log production line at the Karstula factory. A EUR 0.6 million investment grant decision has been received from the Central Finland ELY Centre for the replacement investment in the non-settling log production line, of which a EUR 0.2 million advance payment was received in 2024.

Products and Market Areas

During the review period, potential market areas were mapped for building concepts completed in 2025, especially those intended for professional construction. These include the Honka MultiStorey construction concept, the Honka Attached Houses concept, and the Honka Public Buildings concept. In addition, efforts continued to promote the Honka Grand Design series, which features international architecture and larger-scale models, in international markets.

The Woodism® design concept was finalized in the spring. This concept and the accompanying series of detached house and leisure home models were launched in early spring for international and Finnish markets. The Woodism® concept combines modern architecture, wood-emphasizing interior design, Honka's non-settling design log, healthy living, and other new products into a comprehensive living experience.

Honka's operations are certified with the ISO 9001 quality standard and the ISO 14001 environmental standard.

In Finland, net sales were 5% lower than in the same period last year at EUR 12.8 million (13.4). The decline in net sales was a result of a lower order book for deliveries in early 2026 and deliveries shifting from spring to autumn.

Orders received in Finland were substantially higher than in the comparison period in both the consumer business and the project business. The operating environment is still awaiting a stronger recovery in construction. However, demand and the order book have been growing. There are still delays and shifts in construction start decisions, which affect delivery schedules.

In project construction, domestic demand shows signs of picking up, and project starts are turning more favourable. New orders for leisure homes, detached houses, and project business are estimated to rise to a higher level than last year for the remainder of the year.

In exports, net sales were 8% lower than in the corresponding period of the previous year at EUR 3.0 million (3.3).

The decline in net sales was primarily due to the varying delivery schedules of projects in production. These included individual detached houses and leisure homes delivered mainly to Asia, Europe and the USA.

Orders received were at the comparison period's level, and regional variations across different export countries were significant. In Europe, demand has somewhat picked up, which has also led to larger orders than before. Demand and orders received from Asia decreased from the previous year.

Uncertainty regarding the recovery of the operating environment continued during the review period.

Strategy

Honkarakenne's strategy will be updated during the second half of the year. At the time of review, the company's strategic goals are:

- Strengthening customer experience
- Effectiveness in everything
- Renewable Honka spirit
- Managed international operations

Honkarakenne's vision is to offer truly the best living. The company's mission is to improve the quality of people's lives and housing.

Seasonal Nature of Our Business

Honkarakenne operates in a business that is seasonal by nature. Especially in Finland, construction mostly takes place during summer, so there are more deliveries in summer and autumn than during the winter. Considering the existing market and demand conditions, the company aims to even out this seasonality, especially with export activities. During the review period, the company's market situation was challenging in all its areas.

Research and Development

Group's R&D costs in January-June were EUR 0.3 million (0.2), which was 2.2% (1.0%) of net sales.

During the review period, the technical solutions of the new non-settling Honka Fusion+ log, launched the previous year, were further developed, especially for the needs of large public buildings. In addition, design tools and guidelines for professionals were implemented, including for the publicly available Prodlib product library.

A new ETA (European Technical Assessment) approval was granted for the Honka house product. ETA approval is a technical approval for construction products valid in the EU, which enables CE marking for products and facilitates the passage of the company's products through the official processes of different countries.

Honka's development projects aim to increase the use of wood in construction to promote climate targets. Wood is a renewable raw material, and wood construction is part of sustainable use of forests.

The Group has not capitalised development costs during the financial period.

Personnel

The Group's average number of personnel, measured as full-time employees (FTE), totalled 150 (155) persons during the first half of the year. Group's average number of personnel, measured by employment relationships, was 153 (158) during the first half of the year.

During the review period, the parent company's personnel were subject to both short- and long-term layoffs. Personnel layoffs were part of the company's profitability program launched in autumn 2025, which adjusted the company's cost structure to respond to the downturn in construction. Personnel layoffs will also continue in the second half of the year.

The company has an ongoing share-based incentive plan that ends at the end of year 2026. There were no expenses related to the incentive scheme during the financial year or the comparison period.

In February, the parent company's Board of Directors decided to reward all its employees based on the exceptionally well-developed occupational safety and the safety observations made. The company's accident frequency rate in 2025 was 5. The bonuses were paid through the staff fund to the persons covered by it after the Annual General Meeting in May.

The employee well-being survey was conducted towards the end of the spring season. The number of responses received reached an excellent level and was 90%, and eNPS was -18 (2024: 11). Based on the responses, their review and goal setting, we will promote things that improve job satisfaction. One foundation of Honka's operations is motivated and healthy personnel who feel that their work is meaningful.

Executive Group

During the review period the Executive Group consisted of: Marko Saarelainen, CEO (until 2.8.2026); Eino Hekali, Vice President, Product; Maarit Jylhä, CFO; Petri Perttula, Business Vice President; and Juhani Saukko, Business Vice President.

Honkarakenne's Board of Directors appointed Magnus Hindström, MSE, as the company's new CEO at the beginning of April, and he started in the position on 3 August 2026.

Honkarakenne Oyj's Annual General Meeting, Board of Directors and Auditors

Honkarakenne Oyj's Annual General Meeting was held at Honkarakenne's Tuusula office on 23 April 2026. The General Meeting adopted the financial statements, approved the remuneration report, and granted discharge from liability for 2025 to the members of the Board of Directors and the President and CEO. The Annual General Meeting decided that no dividend be paid for the financial year ended 31 December 2025.

Five members were elected to the Board: Jouni Grönroos, Arto Halonen, Kai Koskinen, Kari Saarelainen and Rose-Mari Saarelainen. At the Board's organising meeting, Jouni Grönroos was selected as the Chairman of the Board of Directors and Arto Halonen as the Vice Chairman of the Board of Directors. At the same meeting, the Board of Directors decided that it would not establish committees.

Ernst & Young Oy, member of the Finnish Institute of Authorised Public Accountants, was re-appointed as auditor of the company, with Osmo Valovirta, APA, as chief auditor.

Authorisations of the Board of Directors

On 23 April 2026 the Annual General Meeting authorised the Board of Directors to decide on the purchase of no more than 400.000 of the company's own B shares using funds from the company's unrestricted shareholders' equity. In addition, the Annual General Meeting authorised the Board of Directors to decide on rights issue or bonus issue and on the granting of special rights entitling to shares in one or more instalments under the terms and conditions in Chapter 10, section 1 of the Companies Act. Under the authorisation, the Board of Directors may issue a maximum of 1,500,000 new shares and/or transfer old B shares held by the company inclusive of any shares that may be issued. These two authorisations remain in force until the next Annual General Meeting, however expiring at the latest on 30 June 2027.

Shares, Share Capital and Own Shares

During the review period, Honkarakenne Oyj's shares numbered 6,211,419, of which 300,096 were class A shares and 5,911,323 class B shares. The company's share capital has not changed, remaining at EUR 9,897,936.00. Each class B share entitles to one (1) vote and a class A share to twenty (20) votes, bringing to total number of votes conferred by the shares during the review period to 11,913,243.

Honkarakenne's class B shares are listed on Nasdaq Helsinki Ltd's Small Cap list with the ticker HONBS. The highest price of the listed class B share was EUR 3.15, and the lowest price was EUR 2.18. The closing price at the balance sheet date was EUR 2.63. The market capitalisation of the stock at the end of the financial year was EUR 15.5 million. The traded class B shares was EUR 1.1 million and the trading volume was 0.5 million shares.

Honkarakenne has not acquired its own shares during the review period. At the end of the report period, the parent company held 321,052 of its own Series B shares with a total purchase price of EUR 1,186,556.34. Own shares account for 5.17% of all Honkarakenne shares and 2.69% of all votes. The acquisition cost of own shares reduces the free equity of both the parent company and the Group.

Flagging Notifications

No flagging notifications were received during the review period.

Corporate Governance

Honkarakenne Oyj complied with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association in 2026. For more information about corporate governance, go to www.honka.fi.

Short-term Risks and Uncertainties

The risks and uncertainties of Honkarakenne relate to negative changes in the operating environment of the Group and its customers, increased costs of raw materials and components, their availability, and the functioning of the overall supply chains. If demand falls from the current level in the operating environment and costs remain high, it may have significant effects on the Group's earnings development, costs of financing and its availability.

The economic uncertainty in the Group's operating environment is negatively reflected in business and consumer confidence. Economic risks continue to be driven by consumer confidence in their economy and employment concerns, inflation, interest rates, and availability of financing for construction.

The uncertainty of the military aggression initiated by Russia and all its effects on business are difficult to assess. Replacing the order book lost in the Russian and Ukrainian market area with other export markets may be prolonged or uncertain in the current global situation. If the war is prolonged, expands, or new conflict areas emerge, these could have a material adverse effect on the Group's business, financial position, and operating profit. The effects of the Persian Gulf crisis on the company have so far been limited but may increase if the crisis continues or expands.

The valuation of items in the balance sheet is based on the management's current estimates. Any changes to these estimates may affect the company's financial performance.

Reporting

This report contains statements that relate to the future, and these statements are based on hypotheses that the company's management holds currently, and on the decisions and plans that are currently in place. Although the management believes that the hypotheses relating to the future are well-founded, there is no guarantee that the said hypotheses will prove to be correct.

The half-year report has not been audited and the figures are unaudited.

Figures in brackets refer to the corresponding period one year earlier, unless otherwise stated.

Honkarakenne complies with the Guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA). An APM is a financial measure of performance other than a financial measure defined or specified in IFRS. Therefore 'operational' is used here. The company classifies significant business transactions that are considered to affect comparisons between different reporting periods as adjustment items. Such transactions include significant reorganisation expenses, significant impairment losses or reversals thereof, significant capital gains and losses on assets, and other significant non-customary income or expenses.

This half-year report bulletin has been prepared in accordance with IAS 34. The half-year report bulletin should be read together with the 2025 financial statements. The accounting policies used in preparing the financial statements are the same as in the financial statements for 2025, with the exception of standards and interpretations that have come into force on 1 January 2026 or thereafter. The impact of the new standards and interpretations is described later in the section "New standards and interpretations".

Events After the Reporting Period

Magnus Hindström, who was appointed as the new CEO of Honkarakenne Oyj in April, started in his position on 3 August 2026. Marko Saarelainen, who served as CEO from 2015 until 2 August 2026, moved to Japan as the new CEO of Honka Japan Inc., a fully owned subsidiary of Honkarakenne Oyj.

Outlook for 2026 (published 20 August 2026)

Net sales and operational profit for 2026 are expected to be higher than in the previous year. Operational profit refers to operating profit from which non-recurring items have been eliminated to improve comparability.

The Group does not provide more detailed numerical guidance on the net sales or the result.

In addition to external factors, the company's own measures will influence developments in the remainder of the year. The most important of these are adjusting the cost structure, cash flow strengthening and increasing exports and B2B business. The most significant external factors include the general development of the operating environment and the economy, the price development and availability of raw materials and components, the functionality of overall supply chains, regulatory developments, the availability of financing, and consumer confidence.

HONKARAKENNE OYJ

Board of directors

Consolidated Comprehensive Income Statement

Unaudited

EUR million	1-6/2026	1-6/2025	1–12/2025
Net sales	15.8	16.7	37.2
Other operating income	0.2	0.2	0.5
Change in inventory	1.2	0.9	-0.2
Use of materials and goods	-12.4	-12.8	-25.9
Employee benefit expences	-3.8	-4.1	-8.2
Depreciation and impairment	-1.1	-1.1	-2.2
Other operating expences	-2.4	-2.6	-5.2
Operating profit/loss	-2.4	-2.8	-4.0
Financial income	0.0	0.0	0.1
Financial expences	-0.0	-0.1	-0.4
Share of associated companies' profit or loss	0.0	0.0	-0.1
Profit/loss before taxes	-2.4	-2.9	-4.4
Income taxes	0.0	0.6	0.3
Profit/loss for the period	-2.4	-2.3	-4.1
Other items of comprehensive income that may be re-classified subsequently to profit or loss:			
Translation differences related to foreign subsidiaries	0.2	0.1	-
Total comprehensive income for the period	-2.2	-2.2	-4.1
Allocated to			
Shareholders of the parent company	-2.2	-2.3	-4.1
Non-controlling interests	-	-	-
	-2.2	-2.3	-4.1
Allocated to			
Shareholders of the parent company	-2.2	-2.2	-4.1
Non-controlling interests	-	-	-
	-2.2	-2.2	-4.1
Earnings per share calculated on the profit attributable to shareholders of the parent company:			
undiluted earnings per share (EUR)	-0.40	-0.39	-0.70
diluted earnings per share (EUR)	-0.40	-0.39	-0.70

The company has two share series: A shares and B shares, which have different rights to dividend. Profit distribution of EUR 0.20 per share will be first paid for B shares, then EUR 0.20 per share for A shares, followed by equal distribution of remaining profit between all shares.

Consolidated Statement of Financial Position

Unaudited

EUR million	30.6.2026	30.6.2025	31.12.2025
Assets			
Non-current assets			
Property, pland and equipment	9.6	11.3	10.4
Goodwill	0.1	0.1	0.1
Other intangible assets	0.5	0.7	0.6
Shares in associated companies	0.4	0.5	0.4
Receivables	0.1	0.3	0.3
Deferred tax assets	1.8	2.1	1.7
	12.4	14.9	13.4
Current assets			
Inventories	5.5	5.4	4.3
Trade and other receivables	2.7	2.9	1.6
Tax receivables	0.0	0.0	0.0
Cash and cash equivalents	1.5	5.0	2.5
	9.8	13.3	8.4
Total assets	22.1	28.1	21.8
Shareholders’ equity and liabilities			
Equity attributable to owners of the parent company			
Share capital	9.9	9.9	9.9
Share premium fund	0.5	0.5	0.5
Reserve for invested unrestricted equity	4.2	4.2	4.2
Treasury shares	-1.2	-1.2	-1.2
Translation differences	0.2	0.1	0.1
Retained earnings	-6.4	-2.2	-4.0
	7.2	11.3	9.6
Share of non-controlling interests	-	-	-
Total equity	7.2	11.3	9.6
Non-current liabilities			
Deferred tax liability	0.0	0.0	-
Provisions	0.3	0.3	0.3
Financial liabilities	3.1	3.4	2.7
	3.3	3.7	3.0
Current liabilities			
Accounts payable and other liabilities	11.0	12.3	8.5
Current tax liabilities	0.0	0.0	0.0
Short-term financial liabilities	0.7	0.7	0.7
	11.7	13.1	9.3
Total liabilities	15.0	16.8	12.3
Total equity and liabilities	22.1	28.1	21.8

Consolidated Statement of Changes in Equity

Abridged
Unaudited

EUR 1,000	Shareholder's equity								
	a)	b)	c)	d)	e)	f)	Total	g)	Total equity
Total equity, 1 Jan. 2025	9,898	520	4,162	191	-1,187	85	13,669	-	13,669
Total equity	-	-	-	-	-	-2,255	-2,255	-	-2,255
Translation differences	-	-	-	-70	-	-	-70	-	-70
Total equity, 30 Jun. 2025	9,898	520	4,162	121	-1,187	-2,171	11,344	-	11,344

	Shareholder's equity								
	a)	b)	c)	d)	e)	f)	Total	g)	Total equity
Total equity, 1 Jan. 2026	9,898	520	4,162	-131	-1,187	-3,704	9,558	-	9,558
Total equity	-	-	-	-	-	-2,376	-2,376	-	-2,376
Translation differences	-	-	-	-1	-	-	-1	-	-1
Total equity, 30 Jun. 2026	9,898	520	4,162	-132	-1,187	-6,080	7,181	-	7,181

a) Share capital
b) Share premium fund
c) Reserve for invested unrestricted equity
d) Translation differences
e) Own shares
f) Retained earnings
g) Non-controlling interests

Consolidated Cash Flow Statement

Abridged
Unaudited

EUR million	1-6/2026	1-6/2025	1-12/2025
From operations	-1.1	1.5	-0.4
From investments, net	-0.1	-0.9	-1.2
From financial activities, total	0.3	-0.4	-0.8
Loan withdrawals	0.7	-	-
Loan repayments	-0.2	-0.1	-0.4
Repayments of lease liabilities	-0.2	-0.3	-0.4
Change in liquid assets	-0.9	0.2	-2.4
Impact of exchange rate fluctuations on cash assets	-0.0	-0.2	-0.1
Impact of stock exchange price changes on cash assets	-	-	0.0
Change in liquid assets	-0.9	0.0	-2.5
Liquid assets at the end of period *)	1.5	5.0	2.5
Liquid assets at the beginning of period	2.5	5.0	5.0
Change in liquid assets	-0.9	0.0	-2.5

Notes To the Report

Accounting policies

This half-year report bulletin has been prepared in accordance with IAS 34. The half-year report bulletin should be read together with the 2025 financial statements. The accounting policies used in preparing the financial statements are the same as in the financial statements for 2025, with the exception of standards and interpretations that have come into force on January 1 2026 or thereafter. The impact of the new standards and interpretations is described later in the section “New stardards and interpretations”.

The Financial Statement Bulletin has not been audited and the figures are unaudited.

The figures presented in the bulletin are rounded, so the sum of individual figures may differ from the amount shown.

Figures in brackets refer to the corresponding period one year earlier, unless otherwise stated.

New standards and interpretations

The new standards or interpretations effective as of 1 January 2026 did not have a material impact on the figures presented for the review period.

Alternative Performance Measures

Honkarakenne complies with the Guidelines on Alternative Performance Measures (APM) issued by the European Securities and Markets Authority (ESMA). An APM is a financial measure of performance other than a financial measure defined or specified in IFRS. Therefore, instead of the previous term ‘adjusted’, the term ‘operational’ is used. The company classifies significant business transactions that are considered to affect comparisons between different reporting periods as adjustment items. Such transactions include significant reorganisation expenses, significant impairment losses or reversals thereof, significant capital gains and losses on assets, and other significant non-customary income or expenses.

In Honkarakenne’s view, Alternative Performance Measures provide significant additional information to management, investors, securities analysts and other parties on Honkarakenne’s operational result, financial position and cash flows, and are frequently used by analysts, investors and other parties. Return on equity, equity ratio, net financial liabilities and gearing are presented as supplementary key figures, as in the company’s view they are useful indicators for assessing Honkarakenne’s ability to acquire financing and pay its debts. In addition, gross investments and R&D expenditure provide additional information on needs related to Honkarakenne’s operational cash flow.

Segments

Honkarakenne has two geographical operating segments that are combined into one segment for reporting purposes. Geographically, sales are divided as follows: Finland and Exports. As management’s internal reporting complies with IFRS reporting, separate reconciliations are not presented.

Other Notes to the Report

Related Party Transactions

The Group's related parties consist of subsidiaries and associated companies; the company's manage-ment and any companies in which they exert influence; and those involved in the Saarelainen share-holder agreement and any companies controlled by them. The management personnel considered to be related parties comprise the Board of Directors, President & CEO, and the company's Executive Group. The pricing of goods and services in transactions with related parties conforms to market-based pricing.

During the review period, ordinary business transactions with related parties were made as follows: sales of goods and services to related parties amounted to EUR 0.1 million (0.1) and purchases from related parties to EUR 0.2 million (0.2). Financial statement of the Group includes EUR 0.0 million (0.0) liabilities to related parties and EUR 0.0 million (0.0) receivables from related parties. No bad debts were recognised from related parties in 2026 or 2025. At the time of financial statements, the parent company has claims from subsidiaries of EUR 0,8 million (1.5) and debts to subsidiaries of EUR 0.1 million (0.1).

Group's Tangible Assets

Unaudited

EUR million	30.6.2026	30.6.2025	31.12.2025
Acquisition cost, 1 Jan.	57.5	56.8	56.8
Increases	0.1	0.6	0.9
Decreases	0.0	0.0	-0.2
Acquisition cost, 30 Jun.	57.6	57.5	57.5
Accumulated depreciation, 1 Jan.	-47.2	-45.2	-45.2
Accumulated depreciation of decreases	0.0	0.0	0.0
Depreciation for the financial period	-0.8	-1.0	-2.0
Accumulated write-downs at the end of the financial year	-48.0	-46.1	-47.2
Book value, 1 Jan.	10.4	11.7	11.7
Book value, 30 Jun.	9.6	11.3	10.4

Treasury shares

Honkarakenne has not acquired its own shares during the review period. At the end of the report period, the parent company held 321,052 of its own Series B shares with a total purchase price of EUR 1,186,556.34. Own shares account for 5.17% of all company shares and 2.69% of all votes. The purchase cost of own shares has been deducted from shareholders' equity in the consolidated financial statements.

Group's Contingent Liabilities

Unaudited EUR million	30.6.2026	30.6.2025	31.12.2025
Own liabilities			
Real estate mortgages	5.5	6.0	5.5
Business mortgages	2.2	2.2	2.2
Other guarantees	3.0	2.9	3.0
Off-balance sheet lease liabilities	0.1	0.1	0.2

Group's Key Figures

Unaudited		1.1.-30.6.2026	1.1.-30.6.2025	1–12/2025
Net sales	EUR million	15.8	16.7	37.2
Operational EBIT	EUR million	-2.2	-2.8	-3.9
	% of net sales	-13.9	-16.7	-10.6
EBIT	EUR million	-2.4	-2.8	-4.0
	% of net sales	-14.9	-16.7	-10.7
Profit/loss before taxes	EUR million	-2.4	-2.9	-4.4
	% of net sales	-15.0	-17.1	-11.8
Profit/loss for the period	EUR million	-2.4	-2.3	-4.1
Earnings/share	EUR	-0.40	-0.39	-0.70
ROE	%	-26.3	-18.6	-34.0
ROI	%	-13.1	-13.2	-22.9
Equity ratio	%	41,7	52.3	53.1
Equity / share	EUR	1.22	1.93	1.62
Net financial liabilities	EUR million	2.2	-0.8	1.0
Net gearing	%	30.8	-7.4	10.4
Gross investments	EUR million	0.1	0.7	0.9
	% of net sales	0.5	4.1	2.5
Order book	EUR million	33.6	26.2	24.8
Average number of employees	White-collar	103	107	108
	Blue-collar	49	51	51
	Total	153	158	159
Average number of personnel in person-years	White-collar	103	105	107
	Blue-collar	47	50	49
	Total	150	155	156
Adjusted number of shares				
(1,000)	At end of period	5 882	5 882	5 890
	Average during period	5 882	5 882	5 890

Gross investments are presented excluding right-of-use assets and investment grants received in accordance with the IFRS 16 standard. During the reporting period there were no investment grants. Own shares held by the Group are excluded from the number of shares.

Formulas for Key Indicator Calculation

Earnings/share:

$$\frac{\text{Profit/loss for the period attributable to owners of parent}}{\text{Average number of outstanding shares}}$$

Return on equity -%:

$$\frac{\text{Profit/loss for the period under review}}{\text{Total equity, average}} \times 100$$

Equity/share:

$$\frac{\text{Shareholder's equity}}{\text{Number of outstanding shares at the end of the period}}$$

Equity ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$$

Net financial liabilities: Interest-bearing financial liabilities – cash assets

Gearing, %:

$$\frac{\text{Interest-bearing financial liabilities – cash assets}}{\text{Total equity}} \times 100$$