panostaja

panostaja

# Q2

## Half-year Report

2 June, 2023

NOVEMBER 2022
– APRIL 2023

# Panostaja Oyj’s half-yearly report November 1, 2022–April 30, 2023

## Growth and good profitability development in the first six-month period

**FEBRUARY 2023–APRIL 2023 (3 months) in brief:**

- Net sales increased in three of the four segments. Net sales for the Group as a whole improved by 6% and were MEUR 35.0 (MEUR 33.0).
- EBIT improved in two of the four segments. The Group’s EBIT decreased from the reference period to MEUR 0.1 (MEUR 7.9). The EBIT for the reference period includes MEUR 9.4 in sales profit from the SokoPro deal.
- Comparable EBIT improved for three of the four segments (Grano adjusted with the impacts of the SokoPro divestment).
- Grano’s net sales for the review period increased by 7% from the reference period in the previous year. EBIT totaled MEUR 0.8 (MEUR 8.6). The reference period EBIT includes the SokoPro sales profit of MEUR 9.4.
- Earnings per share (undiluted) were -1.1 cents (7.2 cents).

**NOVEMBER 2022–APRIL 2023 (6 months) in brief:**

- Net sales increased in three of the four segments. Net sales for the Group as a whole increased by 2.5% to MEUR 70.5 (MEUR 68.8).
- EBIT improved in two of the four segments. The Group’s EBIT decreased from the reference period to MEUR 0.2 (MEUR 7.0). The EBIT for the reference period includes MEUR 9.4 in sales profit from the SokoPro deal.
- Comparable EBIT improved for three of the four segments (Grano adjusted with the impacts of the SokoPro divestment).
- Grano’s net sales for the review period increased by 2.4% from the reference period. EBIT was MEUR 1.6 (MEUR 9.0), including the SokoPro sales profit of MEUR 9.4. Net sales for the review period increased by 5.4% from the reference period net sales that were adjusted based on the SokoPro sale.
- Earnings per share (undiluted) were -2.5 cents (5.9 cents).

**CEO Tapio Tommila:**

“The first half of the financial period mainly progressed positively for our segments, and we have been able to push our operations toward our goals on a broad scale. Our clear focus in this financial period has been in improving the profitability of our business operations, and we have succeeded in driving profitability improvements across all of our segments – particularly with regard to Grano’s sales profit measures. Grano’s growth has also been at a good level, and the demand situation as a whole has remained stable.

At Hygga, we have put a massive amount of work into improving the profitability of the clinic business amid the pressure imposed by the challenges with employee availability in the field, and the work continued with the new CEO has begun to yield good results. At Oscar Software, we have focused on ensuring a good level of profitability, along with growing the continuously invoiced software business and investments aiming at a full transition to a cloud-based software platform. The progress has been good, but the unfortunate cyber attack on some of Oscar Software’s systems in March caused one-off costs and delayed new projects. That said, I am proud of the Oscar Software team who stepped up in the difficult situation and minimized the detriments caused to our customers. We naturally are continuing our measures to continuously improve data security at Oscar Software and all of our segments. As regards CoreHW, customer project activity for design services remained high, but our project profitability suffered somewhat due to the slow progress of certain technically challenging projects.

During the review period, we carried out a substantial additional investment in the development and commercialization of the company’s own product business by allocating almost MEUR 4 in extra funding to bolstering the product development and commercialization measures of the indoor positioning solutions. Our clear goal is to achieve significant sales volumes for component products in the next financial period.

Even though the number of completed deals has dropped from the peak levels in the corporate acquisition market, there have been fairly active discussions and new projects are being initiated. However, the high price expectations of the sellers are hampering the deals in some cases. For our part, we will continue to actively explore corporate acquisition opportunities in our own target sectors.”

## Segments 3 months

### Grano

Grano is Finland's leading content and marketing services company

Grano's net sales for the review period were MEUR 27.8, which is a decline of 7% from the reference period (MEUR 26.1). The Group's EBIT for the review period was MEUR 0.8 (MEUR 8.6). The reported EBIT for the reference period includes the sales profit for the divestment of the SokoPro business operations at the beginning of the second quarter of the previous financial period. In comparable figures, EBIT improved by MEUR 1.5 from the comparable EBIT of the reference period MEUR -0.7.

Overall market demand for print products remained satisfactory during the review period. The development in net sales compared to the reference period was strong with regard to large-scale print and digital printing operations. The demand for marketing logistics services and digital services also continued to increase, and growth in the strategic focus area of label products was also strong. On the other hand, the demand for printing services for construction continued to decline as expected, and the development in offset printing activities was weaker than in the reference period.

The project to improve sales margin levels and protect them against the increase of production factor costs due to the unusual inflation environment has also progressed well and continued to yield results in the second quarter. The increased production costs have been successfully transferred into sales prices, and the sales margin improved significantly from the weak reference period. The company is continuing its efforts related to material cost management and product pricing.

Grano is also continuing the execution of its specified strategy with the focuses of developing the Grano 360 range of solutions, increasing the packaging business, working on pricing, and optimizing production and processes. The focus areas of the strategy have been shaped into project form, and they are being driven forward systematically.

| MEUR | 3 months | 3 months | 6 months | 6 months | 12 months |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 27.8 | 26.1 | 56.3 | 55.0 | 111.5 |
| EBIT, MEUR | 0.8 | 8.6 | 1.6 | 9.0 | 8.7 |
| Interest-bearing net liabilities | 39.9 | 43.2 | 39.9 | 43.2 | 46.4 |
| Panostaja's holding | 55.2% | | | | |

The following table presents the unaudited illustrative figures of the Grano segment, which include an adjustment removing the SokoPro sales profit of MEUR 9.4 from the 2022 profit/loss. The review period figures have also been adjusted to remove the figures of the SokoPro business operations from the segment's figures.

| **MEUR / illustrative figures** | **3 months** | **3 months** | **6 months** | **6 months** | **12 months** |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 27.8 | 26.1 | 56.3 | 53.4 | 109.9 |
| EBIT, MEUR | 0.8 | -0.7 | 1.6 | -1.3 | -1.6 |

# Oscar Software

Oscar Software provides ERP systems and financial management services

Oscar Software’s net sales of MEUR 2.9 for the review period were at the level of the reference period (MEUR 2.9). The cyber attack on the company during the review period resulted in some negative effects on the
net sales development related to the business platform. The review period’s EBIT improved slightly from the reference period level, standing at MEUR -0.1 (MEUR -0.2). The direct cost impacts of the cyber attack took a negative toll on the review period’s profitability but are non-recurrent in nature.

During the review period, the general demand situation remained good and there was interest toward the company’s products and services, but the investment decisions of customers have seemingly slowed down slightly. The competitive situation on the market is fierce in place, which is reflected by the pricing, for example. Investments have been continued in the active acquisition of new customers. The operations have also been active with regard to expansions and further development projects for existing customers.

The company’s key focus, alongside sales efforts, increasing continuously invoiced software net sales and product development, will be improving delivery efficiency and good business profitability. The development of the employer image and employee wellbeing are the company’s persistent priorities, since the competition for proficient human resources between companies in the field is ongoing. The company is continuing its significant investments in the development of a cloud-based business platform.

| **MEUR** | **3 months** | **3 months** | **6 months** | **6 months** | **12 months** |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 2.9 | 2.9 | 5.9 | 5.8 | 11.2 |
| EBIT, MEUR | -0.1 | -0.2 | 0.1 | -0.3 | -0.5 |
| Interest-bearing net liabilities | 3.0 | 3.7 | 3.0 | 3.7 | 3.6 |
| Panostaja’s holding | 55.7% | | | | |

# CoreHW

CoreHW provides high added value RF IC design and consulting services

CoreHW's net sales for the review period were MEUR 2.3, which was 9% above the reference period level (MEUR 2.1). Due to the increased costs, EBIT weakened slightly from the reference period to MEUR -0.1 (MEUR 0.0).

Customer project activity continued at a high level, and the demand for design services has remained good in the review period. As before, however, there are still uncertainties related to the initiation of customer projects and the timing of their progress, and signs of the demand slowing down have been evident in customers' investment decisions. Certain technically challenging customer projects progressed slower in the review period, which impacted the recognition of net sales and weakened profitability. In addition to the uniquely high proficiency of the development teams, the competitiveness of the company's design services is strongly based on the IP portfolio built by the company. The new focus area of design services is the automotive industry, in which CoreHW has special expertise that yields added value and its own technology for sensor technology applications, in particular. There are plenty of favorable drivers for growing semiconductor demand now and in the future.

CoreHW continued the active development and commercialization of its own products. During the review period, the company gained a significant additional investment which aims to significantly strengthen the commercialization of CoreHW's own product family focused on indoor positioning solutions; the combination of a new subordinate loan from Panostaja (MEUR 2.2) and a product development loan from Business Finland will provide almost MEUR 4 of additional funding for commercialization and the development of the product family. Based on customer feedback, CoreHW's technology offers excellent performance, and the company sees that product development investments in indoor positioning applications are currently increasing substantially thanks to the availability of sufficiently reliable technology for demanding applications. There are many potential customers, even though ramping up product sales will continue to require long-term efforts and depend upon the product development cycles and commercialization of customers' end products. The investments in the commercial organization and product development that impact costs will weaken the profitability of the current financial period. In the 2024 financial period, we expect significant growth in product business net sales as a result of the growth investments.

| MEUR | 3 months | 3 months | 6 months | 6 months | 12 months |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 2.3 | 2.1 | 4.5 | 4.1 | 8.0 |
| EBIT, MEUR | -0.1 | 0.0 | -0.2 | -0.2 | -0.5 |
| Interest-bearing net liabilities | 7.5 | 6.5 | 7.5 | 6.5 | 5.8 |
| Panostaja's holding | 61.7% | | | | |

# Hygga

Hygga provides dental care and health care ERP services with a new operating concept

Hygga's net sales for the review period were MEUR 2.1, which was an 8% increase from the reference period (MEUR 2.0). EBIT also improved slightly from the reference period thanks to good net sales development, standing at MEUR 0.0 (MEUR -0.1).

There have been no significant changes in the market situation of the clinic business during the reporting period. The demand for private business has remained stable but declined slightly due to the challenges related to consumption demand. The volume of the City of Helsinki outsourcing services was good during the review period as staff availability was fairly well secured, despite the persistently challenging market situation. The company also succeeded in its measures to increase operational productivity, which are being continued with a strong emphasis.

In terms of software business, there have been no significant changes in the market situation. As a result of the health and social services reform carried out in Finland at the start of the year, the initial phase of the wellbeing services counties is still causing general uncertainty with regard to the timing of operational development projects. There is an ongoing, active dialogue with the wellbeing services counties on the possibilities of utilizing the Hygga Flow system in oral health care and basic health care. In Sweden, active discussions are also under way with multiple potential customers based on the success of the Örebro reference. As regards Finland and Sweden, the aim is to continue expanding the software business on the existing solid foundation. The review period also involved signing a framework agreement with a Belgian hospital on developing the Hygga Flow solution for radiological applications in a hospital environment.

| **MEUR** | **3 months** | **3 months** | **6 months** | **6 months** | **12 months** |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 2.1 | 2.0 | 3.9 | 4.0 | 7.3 |
| EBIT, MEUR | 0.0 | -0.1 | -0.2 | -0.3 | -0.4 |
| Interest-bearing net liabilities | 9.8 | 9.1 | 9.8 | 9.1 | 9.8 |
| Panostaja's holding | 79.8% | | | | |

# Gugguu

Gugguu designs and manufactures first-rate children’s clothing

*Gugguu is Panostaja’s associated company, which is why its figures are not incorporated into Panostaja Group in the same way as those of other segments. Instead, its result impact is presented on a separate row in the Group’s income statement. The company does not report its figures according to IFRS standards, and the figures presented here are largely indicative. In contrast to Panostaja, Gugguu’s financial period will conclude at the end of March, but the figures presented adhere to Panostaja’s financial period.*

The demand situation for Gugguu remained challenging in the review period since the purchasing power of consumers has weakened and buying behavior has become more cautious. As a result, net sales dropped almost 30% from the reference period, which was evident in both domestic and international online trade. Even though production costs have increased substantially in proportion to the development of consumer prices, the sales margin percentage was maintained at a good level. Efforts to adapt fixed costs partially compensated for the profitability impacts of the poor net sales development.

As regards the short-term market outlook, demand is expected to recover gradually in the fall and the general market outlook is seen to be satisfactory. The competitive situation on the market has eased up slightly in that some operators in the field have dropped children’s clothing entirely out of their product ranges.

| **MEUR** | **3 months** | **3 months** | **6 months** | **6 months** | **12 months** |
|---|---|---|---|---|---|
| **FAS (illustrative figures)** | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 0.8 | 1.1 | 1.7 | 2.3 | 4.6 |
| EBIT, MEUR | -0.1 | -0.1 | -0.1 | -0.1 | 0.1 |
| Panostaja’s holding | 43% | | | | |

## FINANCIAL DEVELOPMENT November 1, 2022–April 30, 2023

### KEY FIGURES

| MEUR | Q2 | Q2 | 6 MONTHS | 6 MONTHS | 12 months |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales, MEUR | 35.0 | 33.0 | 70.5 | 68.8 | 137.9 |
| EBIT, MEUR | 0.1 | 7.9 | 0.2 | 7.0 | 5.2 |
| Profit before taxes, MEUR | -0.4 | 7.4 | -0.9 | 6.0 | 3.2 |
| Profit/loss for the financial period, MEUR | -0.5 | 7.4 | -1.2 | 6.5 | 3.9 |
| Distribution: | | | | | |
| Shareholders of the parent company | -0.6 | 3.8 | -1.3 | 3.1 | 1.3 |
| Minority shareholders | 0.0 | 3.6 | 0.2 | 3.4 | 2.6 |
| Earnings per share, undiluted, EUR | -0.01 | 0.07 | -0.03 | 0.06 | 0.03 |
| Interest-bearing net liabilities | 39.7 | 35.9 | 39.7 | 35.9 | 42.3 |
| Gearing ratio, % | 71.7 | 56.9 | 71.7 | 56.9 | 72.8 |
| Equity ratio, % | 37.4 | 41.0 | 37.4 | 41.0 | 39.1 |
| Equity per share, EUR | 0.65 | 0.79 | 0.65 | 0.79 | 0.71 |

### FEBRUARY 2023–APRIL 2023

Net sales for the review period improved by 6% and were MEUR 35.0 (MEUR 33.0). Exports amounted to MEUR 3.6, or 10.2% (MEUR 2.2, or 6.3%), of net sales. Net sales increased in three of the four segments.

EBIT weakened to MEUR 1.0 (MEUR 7.9). Comparable EBIT improved for three of the four segments (Grano adjusted with the impacts of the SokoPro divestment). The EBIT for the reference period includes MEUR 9.4 in sales profit from the SokoPro deal. The profit/loss for the review period was MEUR -0.5 (MEUR 7.4).

### NOVEMBER 2022–APRIL 2023

Net sales for the review period increased by 2.5% and were MEUR 70.5 (MEUR 68.8). Exports amounted to MEUR 4.2, or 6.0% (MEUR 3.5, or 5.1%), of net sales. Net sales increased in three of the four segments.

EBIT weakened from MEUR 7.0 to MEUR 0.2. The EBIT for the reference period includes MEUR 9.4 in sales profit from the SokoPro deal.

EBIT improved in two of the four segments. The development of net sales and EBIT for each of our investments has been commented on separately. The profit/loss for the review period was MEUR -1.2 (MEUR 6.5).

**Distribution of net sales by segment**

| MEUR | Q2 | Q2 | 6 MONTHS | 6 MONTHS | 12 months |
|---|---|---|---|---|---|
| **Net sales** | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Grano | 27.8 | 26.1 | 56.3 | 55.0 | 111.5 |
| Hygga | 2.1 | 2.0 | 3.9 | 4.0 | 7.3 |
| CoreHW | 2.3 | 2.1 | 4.5 | 4.1 | 8.0 |
| Oscar Software | 2.9 | 2.9 | 5.9 | 5.8 | 11.2 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Eliminations | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 |
| **Group in total** | 35.0 | 33.0 | 70.5 | 68.8 | 137.9 |

**Distribution of EBIT by segment**

| MEUR | Q2 | Q2 | 6 MONTHS | 6 MONTHS | 12 months |
|---|---|---|---|---|---|
| **EBIT** | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Grano | 0.8 | 8.6 | 1.6 | 9.0 | 8.7 |
| Hygga | 0.0 | -0.1 | -0.2 | -0.3 | -0.4 |
| CoreHW | -0.1 | 0.0 | -0.2 | -0.2 | -0.5 |
| Oscar Software | -0.1 | -0.2 | 0.1 | -0.3 | -0.5 |
| Others | -0.5 | -0.5 | -1.1 | -1.1 | -2.2 |
| **Group in total** | 0.1 | 7.9 | 0.2 | 7.0 | 5.2 |

Panostaja Group’s business operations for the current review period are reported in five segments: Grano, Hygga, CoreHW, Oscar Software and Others (parent company and associated companies).

One associated company, Gugguu Group Oy, provided a report for the review period. The impact on profit/loss of the reported associated companies in the review period was MEUR -0.1 (MEUR -0.1), which is presented in a separate row in the consolidated income statement.The development of Gugguu’s net sales and EBIT has been commented on more specifically in the Segments section.

## PERSONNEL

| | April 30, 2023 | April 30, 2022 | Change | October 31, 2022 |
|---|---|---|---|---|
| Average number of employees | 1,227 | 1,326 | -7% | 1,324 |
| Employees at the end of the review period | 1,207 | 1,249 | -3% | 1,246 |

| **Employees in each segment at the end of the review period** | April 30, 2023 | April 30, 2022 | Change | October 31, 2022 |
|---|---|---|---|---|
| Grano | 894 | 905 | -1% | 922 |
| Hygga | 95 | 108 | -12% | 92 |
| CoreHW | 75 | 74 | 1% | 76 |
| Oscar Software | 134 | 153 | -12% | 147 |
| Others | 9 | 9 | 0% | 9 |
| Group in total | 1,207 | 1,249 | -3% | 1,246 |

At the end of the review period, Panostaja Group employed a total of 1,207 persons, while the average number of personnel during the period was 1,227. During the review period, Panostaja continued to develop its personnel in line with its strategy.

## INVESTMENTS AND FINANCE

The parent company's assets, financial securities and liquid fund units were MEUR 7.4. Additionally, the parent company has a MEUR 15.0 limit for corporate acquisitions in its use. MEUR 1.0 of the limit has been withdrawn. The parent company's interest-bearing loans were MEUR 1.0.

The Group's operating cash flow improved and was MEUR 9.0 (MEUR 1.9). Liquidity remained good. The Group's liquid assets were MEUR 14.5 (October 31, 2022: MEUR 14.3) and interest-bearing net liabilities were MEUR 39.7 (October 31, 2022: MEUR 42.3). The net gearing ratio fell and was 71.7% (October 31, 2022: 72.8%).

The Group's net financial expenses for the review period were MEUR -1.0 (MEUR -0.9), or 1.5% (1.4%) of net sales.

The Group's gross capital expenditure for the review period was MEUR 1.9 (MEUR 2.7), or 2.7% (4.0%) of net sales. The majority of the investments went into equipment.

| **Financial position MEUR** | **April 30, 2023** | **April 30, 2022** | **October 31, 2022** |
|---|---|---|---|
| Interest-bearing liabilities | 58.6 | 60.5 | 61.0 |
| Interest-bearing receivables | 4.4 | 4.5 | 4.4 |
| Cash and cash equivalents | 14.5 | 20.1 | 14.3 |
| Interest-bearing net liabilities | 39.7 | 35.9 | 42.3 |
| Equity (belonging to the parent company's shareholders as well as minority shareholders) | 55.4 | 63.1 | 58.1 |
| Gearing ratio, % | 71.7 | 56.9 | 72.8 |
| Equity ratio, % | 37.4 | 41.0 | 39.1 |

## GROUP STRUCTURE CHANGES

No changes in the Group structure.

## SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.62 (lowest quotation) and EUR 0.72 (highest quotation) during the review period. During the review period, a total of 1,671,952 shares were exchanged, which amounts to 3.2% of the outstanding share capital. The share closing rate of April 2023 was EUR 0.62. The market value of the company's share capital at the end of April 2023 was MEUR 32.7 (MEUR 32.1). At the end of April 2023, the company had 4,818 shareholders (4,572).

| Development of share exchange | 2Q/2023 | 2Q/2022 | 1-2Q/2023 | 1-2Q/2022 | 2022 |
|---|---|---|---|---|---|
| Shares exchanged, 1,000 pcs | 936 | 1,124 | 1,672 | 3,035 | 4,192 |
| % of share capital | 1.4 | 2.1 | 3.2 | 5.8 | 8.0 |

| Share | April 30, | April 30, | October 31, |
|---|---|---|---|
| Shares in total, 1,000 pcs | 53,333 | 53,333 | 53,333 |
| Own shares, 1,000 pcs | 622 | 720 | 688 |
| Closing rate | 0.62 | 0.61 | 0.60 |
| Market value (MEUR) | 32.7 | 32.1 | 31.6 |
| Shareholders | 4,818 | 4,572 | 4,682 |

## ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 7, 2023 in Tampere. The number of Board members was confirmed at five (5), and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Tommi Juusela were re-elected to the Board for the term ending at the end of the next Annual General Meeting.

As proposed by the Board, the Annual General Meeting decided to confirm the number of auditors to be one (1).

The Annual General Meeting decided to select Authorized Public Accountants Deloitte Oy as the auditor for the term concluding upon the end of the Annual General Meeting of 2024. Deloitte Oy has stated that Authorized Public Accountant Hannu Mattila will serve as the chief responsible public accountant.

Discharge from liability for the financial period November 1, 2021–October 31, 2022 was granted to the following persons: Board members Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Tommi Juusela and CEO Tapio Tommila. The Annual General Meeting decided to grant a discharge from liability to the aforementioned members of the Board and CEO.

The General Meeting resolved that the remuneration of the Board of Directors remain unchanged and that the Chairman of the Board be paid EUR 40,000 as compensation for the term ending at the end of the next Annual General Meeting, and that the other members of the Board each be paid compensation of EUR 20,000. It was further resolved at the General Meeting that approximately 40% of the compensation remitted to the members of the Board be paid on the basis of the share issue authorization given to the Board, by issuing company shares to each Board member if the Board member does not own more than one (1) percent of the company's shares on the date of the General Meeting. If the holding of a Board member on the date of the Meeting is over one percent (1%) of all company shares, the compensation will be paid in full in monetary form. It was further resolved that the travel expenses of the Board members will be paid on the maximum amount specified in the valid grounds of payment of travel expenses ordained by the Finnish Tax Administration.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2021–October 31, 2022 and resolved that the shareholders be paid EUR 0.03 per share as dividends.

The Meeting also resolved, in accordance with the proposal of the Board of Directors, that the Board be authorized to decide, at its discretion, on the potential distribution of assets to shareholders, should the company's financial status permit this, either as dividends or as repayment of capital from the invested unrestricted equity fund. The maximum distribution of assets performed on the basis of this authorization shall total no more than EUR 4,700,000. The Meeting resolved that the authorization includes the right of the Board to decide on all other terms and conditions relating to the said asset distribution and that the authorization remain valid until the start of the next Annual General Meeting.

The General Meeting approved the Board’s proposal for authorizing the Board to decide on the acquisition of the company’s own shares in one or more batches as follows:

The number of the company’s own shares to be acquired may not exceed 5,200,000 in total, which corresponds to about 9.8% of the company’s total stock of shares. By virtue of the authorization, the company’s own shares may be obtained using unrestricted equity only. The company’s own shares may be acquired at the date-of-acquisition price in public trading arranged by Nasdaq Helsinki Oy or otherwise at the prevailing market price.

The Board of Directors will decide how the company’s own shares are to be acquired. The company’s own shares may be acquired while not following the proportion of ownership of the shareholders (directed acquisition). The authorization issued at the Annual General Meeting on February 7, 2022 to decide on the acquisition of the company’s own shares is canceled by this authorization. The authorization will remain valid until August 6, 2024.

The General Meeting authorized the proposal of the Board of Directors to decide on a share issue as well as on the granting of option rights and other special rights providing entitlement to shares under the following terms:

The total number of shares issued on the basis of the authorization may not exceed 5,200,000.
The Board of Directors decides on all terms and conditions for share issues and options as well as on the terms and conditions for the granting of special rights providing entitlement to shares. This authorization concerns both the issue of new shares and the selling of the company’s own shares. Share issues and the provision of option rights as well as that of other rights providing entitlement to shares as specified in Section 1 of Chapter 10 of the Limited Liability Companies Act may take place deviating from the shareholders’ pre-emptive right to subscription (directed issue).

The authorization issued at the Annual General Meeting on February 7, 2022 to decide on share issues as well as the provision of special option rights and other rights to shares is canceled by this authorization. The authorization will remain valid until August 6, 2024.

## SHARE CAPITAL AND THE COMPANY'S OWN SHARES

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The number of shares is 53,333,110 in total.

The total number of own shares held by the company at the end of the review period was 622,279 (at the beginning of the financial period 687,798). Personal shares corresponded to 1.2% of the share quantity and the number of votes at the end of the entire review period.

In accordance with the decisions by the General Meeting and the Board on February 7, 2022, Panostaja Oy relinquished a total of 33,773 individual shares as share bonuses to the company management on December 16, 2022. On December 16, 2022, the company relinquished to the Board members a total of 31,746 shares as meeting compensation.

## EVENTS AFTER THE REVIEW PERIOD

No significant events after the review period.

## MOST SIGNIFICANT NEAR-TERM BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of Panostaja Group's management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its investments, to react to them and to utilize the business opportunities that they present. Risks are classified as factors that may endanger or impede Panostaja or its investments from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, investments, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2022 annual report. Financial risks are discussed in greater detail in the Notes to the 2022 Financial Statements.

**Market risks, general:** General market risks are mainly tied to the continuing uncertainty resulting from Finland's economic situation and the global economic situation, political risks, changes in the price of raw materials, and the financial market risks, as well as their potential impact on achieving the goals set for investments. The change in the financial markets and the tightening on credit issue may hamper the realization of corporate acquisitions and the availability of finance for working capital.

**Market risks, industries of the investments:** Economic trend expectations in the fields of existing business areas are strongly tied to the prospects of customer enterprises. Panostaja's prospects across the segments vary from good to satisfactory. Panostaja regularly assesses the risks for each investment and, based on the updated risk assessment, takes the necessary remedial action. The current uncertainties caused by inflation pressure and increased risks of supply chain disruptions have increased the short-term risks impacting the demand and cost structure. Active efforts are being made to manage these risks through pre-emptive investigation of mitigating measures.

**Strategic risks:** Panostaja represents the Finnish SME sector extensively. Net sales are divided into four different investments with differing cycles. The Group's business structure partially evens out economic fluctuations. General and investment-specific market risks can, however, affect the Group's result and financial development. The expected market situation is taken into account by adapting operations and costs to market demand and by safeguarding the financial position. Regarding changes in the global economy, Panostaja also sees opportunities to improve its market position, for example through corporate acquisitions.

**Financial risks:** As a consequence of its operations, the Group is exposed to many financial risks. The aim of risk management is to limit the adverse effects of changes in financial markets on the result and financial development of the Group. The Group's revenue and operative cash flows are mainly independent of fluctuations in market interest rates. The Group's loan portfolio currently consists almost fully of variable-interest loans. Some of our investments use interest rate swaps and interest rate ceiling agreements. In the long term, Panostaja Group's number of interest rate hedges or diversification into variable- and fixed-interest loans must be sufficient with regard to the market situation and outlook. The Group mainly operates in the eurozone and so is only exposed to foreign exchange risks resulting from changes in exchange rates to a slight degree. Credit loss risks continue to represent a significant uncertainty factor for some of our investments.

**Corporate acquisitions:** Panostaja actively seeks SMEs and aims to increase and create value through organic growth, corporate acquisitions and correctly-timed divestments. The market still provides sufficient opportunities for corporate acquisitions, and Panostaja Group aims to implement its growth strategy by means of controlled acquisitions in current investments, and new potential investments are also being actively studied. Preparation for divestments is being continued as part of the ownership strategies of investments. Risks related to corporate acquisitions are managed by investing carefully according to specific investment criteria, thorough analysis of the potential acquisition and the target market, and through efficient integration processes. Panostaja has specified harmonized guidelines and a corporate acquisitions process for the preparation and implementation of corporate acquisitions.

If unsuccessfully managed, risks concerning the corporate acquisitions may affect the development and financial performance of the Group and its investment targets. The Group also aims to grow through corporate acquisitions. The goodwill associated with corporate acquisitions entered in the consolidated balance sheet amounts to approximately MEUR 47.5. Goodwill is not written off annually on a regular basis but, instead of depreciations, an impairment test is performed at least annually, or when there are indications of amortization. Values are normally checked during the second half of the year in connection with the budgeting process. Such a change might make goodwill write-downs necessary.

**Non-life risks:** Non-life risks are managed in Panostaja Group through insurance and Group guidelines, which set policies for the different areas.

**Operative risks:** Changes in the market situations of the investments can lead to situations where the net sales of the company temporarily drop under the desired level. The risk is that the investments will not be able to adapt their operations to the changed situation quickly enough, which then leads to a significant decrease in profitability. Investments strive to prepare themselves for the changes in demand by maintaining an adjustment plan as part of their yearly planning. Panostaja has also specified an operating model for restoring the financial performance, which is applied if the deviation from performance is significant.The implementation of development projects that are part of the development of the operations of the investments also involves risks that can lead to not achieving the desired benefits on time. For these development projects, Panostaja has developed a process and tools that aim to ensure the realization of the desired changes.

**Pandemic risk:** Pandemics can have direct and indirect effects on the segments' business operations, and the scope and severity of the impacts varies between segments. The coronavirus pandemic and the restriction measures related to it limit the business activities of Panostaja and its segments, and the restrictions impede the sale, use and delivery of products and services. The pandemic and related restrictions may impair the performance and financial standing of the customers and suppliers of Panostaja's segments, which may harm Panostaja's operations.

**War in Ukraine:** Russia's invasion of Ukraine increases economic uncertainty in Finland and across the globe. The war may have negative impacts on the macroeconomic environment in which Panostaja's companies operate, and it may weaken Panostaja Group's ability to predict the development of its business operations. Panostaja Group's companies do not have operations in Russia or Ukraine.

**OUTLOOK FOR THE 2023 FINANCIAL PERIOD**

As regards the corporate acquisition market, new opportunities are available and the market is active. SMEs will still need to utilize ownership arrangements and growth opportunities, but the consistently high market liquidity and the high price expectations of sellers, which tend to follow changes in economic trends with some delay, make the operating environment challenging for corporate acquisitions. We will continue exploring new possible investment targets in accordance with our strategy and assess divestment possibilities as part of the ownership strategies of the investment targets.

It is thought that the demand situation for different investments will develop in the short term as follows:

- The demand for Oscar Software and CoreHW decline to satisfactory.
- The demand of Grano and Hygga will remain satisfactory.

The demand situation presented above involves uncertainties relating to any geopolitical and macroeconomic impacts that are difficult to anticipate. The effects of the war in Ukraine and the related economic sanctions and geopolitical tensions will increase economic uncertainty in Finland and abroad, which may negatively impact segment demand or the availability of materials, and thereby material prices and delivery capabilities. If strengthened and prolonged, the inflation may have a negative impact on the purchasing power of consumers and the willingness of companies to make investments, which may weaken the demand situation of our segments from the estimate provided above.

Panostaja Oyj

Board of Directors

For further information, contact CEO Tapio Tommila, +358 (0)40 527 6311

Panostaja Oyj

Tapio Tommila

CEO

**ACCOUNTING PRINCIPLES**

This financial statement bulletin has been prepared in compliance with the IFRS accounting and valuation principle based on the IAS 34 standard.

The six-month review does not include all notes to the October 31, 2022 consolidated financial statements, due to which it must be read together with the annual financial statements. The six-month review adheres to the same preparation principles as the previous annual financial statements.

The financial information presented in this six-month report has not been audited.

**INCOME STATEMENT**

**EUR 1,000**

| | Q2 | Q2 | 6 MONTHS | 6 MONTHS | 12 months |
|---|---|---|---|---|---|
| | 2/23-4/23 | 2/22-4/22 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Net sales | 35,033 | 32,975 | 70,490 | 68,753 | 137,929 |
| Other operating income | 319 | 11,199 | 555 | 11,565 | 12,357 |
| Costs in total | 31,945 | 32,950 | 64,473 | 66,531 | 130,476 |
| Depreciations, amortizations and impairment | 3,296 | 3,339 | 6,401 | 6,795 | 14,642 |
| EBIT | **111** | **7,885** | **171** | **6,993** | 5,169 |
| Financial income and expenses | -477 | -469 | -1,033 | -938 | -2,024 |
| Share of associated company profits | -64 | -30 | -80 | -76 | 35 |
| Profit/loss before taxes | **-430** | **7,386** | **-942** | **5,979** | **3,180** |
| Income taxes | -93 | 32 | -231 | 146 | 390 |
| Profit/loss from continuing operations | -522 | 7,417 | -1,173 | 6,126 | 3,570 |
| Profit/loss from sold operations | 0 | 0 | 0 | 366 | 366 |
| Profit/loss for the financial period | **-522** | **7,417** | **-1,173** | **6,492** | **3,936** |
| | | | | | |
| Distribution | | | | | |
| Parent company shareholders | -569 | 3,796 | -1,339 | 3,111 | 1,331 |
| Minority shareholders | 46 | 3,621 | 166 | 3,381 | 2,605 |
| | | | | | |
| Earnings per share from continuing operations EUR, undiluted | -0.011 | 0.072 | -0.025 | 0.052 | 0.018 |
| Earnings per share from continuing operations EUR, diluted | -0.011 | 0.072 | -0.025 | 0.052 | 0.018 |
| Earnings per share from sold and discontinued operations EUR, undiluted | 0.000 | 0.000 | 0.000 | 0.007 | 0.007 |
| Earnings per share from sold operations EUR, diluted | 0.000 | 0.000 | 0.000 | 0.007 | 0.007 |
| Earnings per share from continuing and sold and discontinued operations EUR, undiluted | -0.011 | 0.072 | -0.025 | 0.059 | 0.025 |
| Earnings per share from continuing and sold and discontinued operations EUR, diluted | -0.011 | 0.072 | -0.025 | 0.059 | 0.025 |

| EXTENSIVE INCOME STATEMENT | | | | | |
|---|---|---|---|---|---|
| Result for the period | -522 | 7,417 | -1,173 | 6,492 | 3,936 |
| Items of the extensive income statement that may later be changed to entries at fair value through profit and loss | | | | | |
| Translation differences | -114 | -32 | -114 | -32 | -47 |
| Extensive income statement for the period | -636 | 7,385 | -1,287 | 6,460 | 3,889 |
| Distribution | | | | | |
| Parent company shareholders | -683 | 3,764 | -1,453 | 3,079 | 1,284 |
| Minority shareholders | 46 | 3,621 | 166 | 3,381 | 2,605 |

**BALANCE SHEET**

**EUR 1,000**

| | **April 30, 2023** | **April 30, 2022** | **October 31, 2022** |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| **Non-current assets** | | | |
| Goodwill | 47,319 | 47,502 | 47,493 |
| Other intangible assets | 6,989 | 7,279 | 6,949 |
| Property, plant and equipment | 35,692 | 36,312 | 37,272 |
| Interest in associated companies | 2,597 | 2,566 | 2,677 |
| Deferred tax assets | 8,565 | 8,118 | 8,550 |
| Other non-current assets | 4,824 | 4,282 | 4,583 |
| **Non-current assets total** | **105,986** | **106,059** | **107,525** |
| | | | |
| **Current assets** | | | |
| Stocks | 6,168 | 5,624 | 5,925 |
| Trade and other receivables | 22,249 | 23,205 | 22,690 |
| Financial assets at fair value through profit and loss | 6,726 | 12,260 | 10,126 |
| Cash and cash equivalents | 7,770 | 7,821 | 4,219 |

| | | | |
|---|---|---|---|
| **Current assets total** | 42,912 | 48,910 | 42,959 |
| **ASSETS IN TOTAL** | **148,900** | **154,971** | **150,487** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| Equity attributable to parent company shareholders | | | |
| Share capital | 5,569 | 5,569 | 5,569 |
| Share premium account | 4,646 | 4,646 | 4,646 |
| Invested unrestricted equity fund | 13,811 | 13,753 | 13,773 |
| Translation difference | -319 | -148 | -249 |
| Retained earnings | 10,538 | 17,640 | 13,407 |
| Total | 34,246 | 41,460 | 37,146 |
| | | | |
| Minority shareholders' interest | 21,111 | 21,671 | 20,980 |
| **Equity total** | **55,357** | **63,131** | **58,126** |
| | | | |
| **Liabilities** | | | |
| Deferred tax liabilities | 6,131 | 5,980 | 6,171 |
| Non-current liabilities | 45,976 | 46,658 | 46,330 |
| Current liabilities | 41,437 | 39,202 | 39,860 |
| **Liabilities total** | 93,544 | 91,839 | 92,361 |
| **EQUITY AND LIABILITIES IN TOTAL** | **148,900** | **154,971** | **150,487** |

| CASH FLOW STATEMENT | 6 months | 6 months | 12 months |
|---|---|---|---|
| EUR 1,000 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
| Operating net cash flow | 9,019 | 1,881 | 2,942 |
| | | | |
| Investment net cash flow | -1,796 | 43,642 | 41,171 |
| | | | |
| Loans drawn | 1,159 | 753 | 105 |
| Loans repaid | -6,617 | -29,181 | -30,459 |
| Share issue | 0 | 0 | 0 |
| Disposal of own shares | 115 | -2 | 230 |
| Dividends paid and capital repayments | -1,728 | -11,231 | -13,863 |
| Finance net cash flow | -7,072 | -39,662 | -43,988 |
| Change in cash flows | 151 | 5,861 | 126 |

*the lease agreement liabilities pursuant to IFRS 16 are presented in the financial cash flow.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR 1,000 | Equity attributable to parent company shareholders | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Share capital** | **Share premium account** | **Invested unrestricted equity fund** | **Translation differences** | **Retained earnings** | **Total** | **Minority shareholders' interest** | **Equity total** |
| **Equity as of November 1, 2021** | **5,569** | **4,646** | **13,719** | **-82** | **15,623** | **39,474** | **28,270** | **67,744** |
| VAT adjustments for the 2018–2019 financial periods | | | | | 449 | 449 | 42 | 491 |
| Adjusted equity at November 1, 2021 | | | | | 16,072 | 39,923 | 28,312 | 68,235 |
| **Extensive income** | | | | | | | | |
| Profit/loss for the financial period | | | | | 3,111 | 3,111 | 3,381 | 6,492 |
| Translation differences | | | | -66 | 34 | -32 | | -32 |
| **Extensive income for the financial period total** | 0 | 0 | 0 | -66 | 3,145 | 3,079 | 3,381 | 6,460 |
| **Transactions with shareholders** | | | | | | | | |
| Dividend distribution | | | | | -1,577 | -1,577 | -8,636 | -10,213 |
| Disposal of own shares | | | | | | 0 | -1,012 | -1,012 |
| Other changes | | | 34 | | | 34 | | 34 |
| Reward scheme | | | | | | 0 | | 0 |
| **Transactions with shareholders, total** | 0 | 0 | 34 | 0 | -1,577 | -1,543 | -9,648 | -11,191 |
| **Changes to subsidiary holdings** | | | | | | | | |
| Changes in shares of subsidiaries owned resulting in loss of controlling interest | | | | | | 0 | -373 | -373 |
| **Equity as of April 30, 2022** | **5,569** | **4,646** | **13,753** | **-148** | **17,640** | **41,459** | **21,672** | **63,131** |
| | | | | | | | | |
| **Equity as of November 1, 2022** | **5,569** | **4,646** | **13,773** | **-249** | **13,407** | **37,146** | **20,980** | **58,126** |
| **Extensive income** | | | | | | | | |
| Profit/loss for the financial period | | | | | -1,339 | -1,339 | 166 | -1,173 |
| Translation differences | | | | -70 | -44 | -114 | | -114 |
| **Extensive income for the financial period total** | 0 | 0 | 0 | -70 | - 1,383 | -1,453 | 166 | -1,287 |
| **Transactions with shareholders** | | | | | | | | |
| Dividend distribution | | | | | -1,581 | -1,581 | -147 | -1,728 |
| Repayment of capital | | | | | | | | |
| Other changes | | | | | | | -26 | -26 |
| Disposal of own shares | | | 20 | | | 20 | | 20 |
| Reward scheme | | | 18 | | | 18 | | 18 |
| **Transactions with shareholders, total** | 0 | 0 | 38 | | -1,581 | -1,543 | -173 | -1,716 |
| **Changes to subsidiary holdings** | | | | | | | | |
| Sales of shares in subsidiaries without change in controlling interest | | | | | 93 | 93 | 170 | 263 |
| Changes in shares of subsidiaries owned resulting in loss of controlling interest | | | | | | 0 | -373 | -373 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Acquisitions of minority shareholdings | | | | | 2 | 2 | -32 | 30 |
| **Equity as of April 30, 2023** | **5,569** | **4,646** | **13,811** | **-319** | **10,538** | **34,245** | **21,111** | **55,357** |

| KEY FIGURES | April 30, 2023 | April 30, 2022 | October 31, 2022 |
|---|---|---|---|
| EBIT, MEUR | 0.2 | 7.0 | 5.2 |
| Equity per share, EUR | 0.65 | 0.79 | 0.71 |
| Earnings per share, undiluted, EUR | -0.03 | 0.06 | 0.03 |
| Earnings per share, diluted, EUR | -0.03 | 0.06 | 0.03 |
| Average number of outstanding shares during financial period, 1,000 pcs. | 52,694 | 52,601 | 52,620 |
| Number of shares at the end of the financial period, 1,000 pcs. | 53,333 | 53,333 | 53,333 |
| Number of outstanding shares, 1,000 pcs., on average, diluted | 52,694 | 52,601 | 52,620 |
| Return on equity, % | -4.1% | 19.8% | 6.3% |
| Return on investment, % | 0.5% | 10.9% | 4.2% |
| Gross investments in permanent assets, MEUR | 1.9 | 2.7 | 4.7 |
| % of net sales | 2.7% | 4.0% | 3.4% |
| Interest-bearing liabilities, MEUR | 58.6 | 60.5 | 61.0 |
| Interest-bearing net liabilities, MEUR | 39.7 | 35.9 | 42.3 |
| Equity ratio, % | 37.4 | 41.0 | 39.1 |
| Average number of employees | 1,227 | 1,326 | 1,324 |

Key figures provide a brief overview of the business development and financial position of a company. Formulae for calculating key figures have been presented in the financial statement of the financial period 2022. The terms ‘operating profit’ and ‘EBIT’ are used to refer to the same thing. Reconciliation of interest-bearing liabilities and interest-bearing net liabilities is presented at the end of this bulletin.

**GROUP DEVELOPMENT BY QUARTER**
**MEUR**

| MEUR | Q2/23 | Q1/23 | Q4/22 | Q3/22 | Q2/22 | Q1/22 | Q4/21 | Q3/21 |
|---|---|---|---|---|---|---|---|---|
| Net sales | 35.0 | 35.5 | 36.8 | 32.4 | 33.0 | 35.8 | 35.4 | 30.7 |
| Other operating income | 0.3 | 0.2 | 0.4 | 0.4 | 11.2 | 0.4 | 0.5 | 0.8 |
| Costs in total | 31.9 | 32.5 | 33.2 | 30.8 | 33.0 | 33.6 | 28.7 | 27.6 |
| Depreciations, amortizations and impairment | 3.3 | 3.1 | 4.6 | 3.3 | 3.3 | 3.5 | 4.2 | 3.3 |
| EBIT | 0.1 | 0.1 | -0.6 | -1.2 | 7.9 | -0.9 | 3.0 | 0.6 |
| Finance items | -0.5 | -0.6 | -0.6 | -0.5 | -0.5 | -0.5 | -0.4 | -0.5 |
| Share of associated company profits | -0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 |
| Profit before taxes | -0.4 | -0.5 | -1.2 | -1.6 | 7.4 | -1.4 | 2.7 | 0.1 |
| Taxes | -0.1 | -0.1 | 0.2 | 0.0 | 0.0 | 0.1 | 1.1 | -0.3 |
| Profit from continuing operations | -0.5 | -0.7 | -1.0 | -1.6 | 7.4 | -1.3 | 3.7 | -0.3 |
| Profit/loss from sold operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | -0.2 | 0.6 |
| Profit/loss from discontinued operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Profit for the financial period | -0.5 | -0.7 | -1.0 | -1.6 | 7.4 | -0.9 | 3.6 | 0.4 |
| Minority interest | 0.0 | 0.1 | -0.4 | -0.4 | 3.6 | -0.2 | 1.6 | 0.1 |
| Parent company shareholder interest | -0.6 | -0.8 | -0.6 | -1.2 | 3.8 | -0.7 | 1.9 | 0.3 |

**GUARANTEES AND CONTINGENCIES ISSUED**

| EUR 1,000 | April 30, 2023 | April 30, 2022 | October 31, 2022 |
|---|---|---|---|
| Guarantees given on behalf of Group companies | | | |
| Enterprise mortgages | 160,380 | 159,780 | 168,053 |
| Pledges given | 54,151 | 99,593 | 58,204 |
| Other liabilities | 607 | 131 | 1,172 |

## SEGMENT INFORMATION

The segmentation of Panostaja Group is based on investments with majority holdings that produce products and services that differ from each other. The investments in which Panostaja has majority holdings compose the company's operation segments. In addition to that there is the segment Others, in which associated companies and non-allocated items are reported, including the parent company.

| NET SALES<br>EUR 1,000 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
|---|---|---|---|
| Grano | 56,287 | 54,956 | 111,498 |
| Hygga | 3,858 | 3,987 | 7,336 |
| CoreHW | 4,457 | 4,069 | 7,990 |
| Oscar Software | 5,938 | 5,794 | 11,197 |
| Others | 0 | 0 | 0 |
| Eliminations | -50 | -53 | -92 |
| Group in total | 70,490 | 68,753 | 137,929 |

| EBIT<br>EUR 1,000 | 11/22-4/23 | 11/21-4/22 | 11/21-10/22 |
|---|---|---|---|
| Grano | 1,601 | 8,967 | 8,682 |
| Hygga | -188 | -324 | -372 |
| CoreHW | -228 | -214 | -476 |
| Oscar Software | 112 | -311 | -493 |
| Others | -1,126 | -1,126 | -2,172 |
| Group in total | 171 | 6,993 | 5,169 |

**Interest-bearing net liabilities by segment**

| EUR 1,000 | April 30, 2023 | April 30, 2022 | October 31, 2022 |
|---|---|---|---|
| Grano | 39,923 | 43,232 | 46,389 |
| Hygga | 9,783 | 9,126 | 9,846 |
| CoreHW | 7,540 | 6,479 | 5,803 |
| Oscar Software | 3,018 | 3,707 | 3,620 |
| Parent company | -20,968 | -26,992 | -23,684 |
| Others | 414 | 369 | 371 |
| **Group in total** | 39,710 | 35,921 | 42,345 |

The interest-bearing net liabilities for operations sold and discontinued in the reference period are presented in the row Others. The impact of the IFRS 16 standard on the Group's net liabilities is MEUR 34.2 (MEUR 33.3).

**Write-downs per segment**

| EUR 1,000 | April 30, 2023 | April 30, 2022 | October 31, 2022 |
|---|---|---|---|
| Grano | -5,129 | -5,607 | -12,178 |
| Hygga | -300 | -280 | -570 |
| CoreHW | -289 | -214 | -482 |
| Oscar Software | -647 | -623 | -1,265 |
| Others | -36 | -70 | -147 |
| **Group in total** | -6,401 | -6,795 | -14,642 |

The impact of the IFRS 16 standard on the Group's depreciations is MEUR 4.6 (MEUR 4.3).

**SEGMENT INFORMATION BY QUARTER**
**NET SALES, MEUR**

| | Q2/23 | Q1/23 | Q4/22 | Q3/22 | Q2/22 | Q1/22 | Q4/21 | Q3/21 |
|---|---|---|---|---|---|---|---|---|
| Grano | 27.8 | 28.5 | 29.8 | 26.8 | 26.1 | 28.9 | 28.6 | 25.1 |
| Hygga | 2.1 | 1.7 | 1.7 | 1.7 | 2.0 | 2.0 | 2.2 | 2.0 |
| CoreHW | 2.3 | 2.2 | 2.6 | 1.3 | 2.1 | 2.0 | 1.8 | 1.2 |
| Oscar Software | 2.9 | 3.1 | 2.8 | 2.6 | 2.9 | 2.9 | 2.9 | 2.5 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Eliminations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Group in total | 35.0 | 35.5 | 36.8 | 32.4 | 33.0 | 35.8 | 35.4 | 30.7 |

**SEGMENT INFORMATION BY QUARTER**
**EBIT, MEUR**

| | Q2/23 | Q1/23 | Q4/22 | Q3/22 | Q2/22 | Q1/22 | Q4/21 | Q3/21 |
|---|---|---|---|---|---|---|---|---|
| Grano | 0.8 | 0.8 | -0.5 | 0.3 | 8.6 | 0.3 | 3.8 | 1.1 |
| Hygga | 0.0 | -0.2 | 0.1 | -0.2 | -0.1 | -0.2 | 0.2 | 0.0 |
| CoreHW | -0.1 | -0.1 | 0.5 | -0.8 | 0.0 | -0.2 | -0.2 | -0.3 |
| Oscar Software | -0.1 | 0.2 | -0.1 | -0.1 | -0.2 | -0.1 | 0.0 | -0.1 |
| Others | -0.5 | -0.6 | -0.6 | -0.5 | -0.5 | -0.6 | -0.8 | -0.1 |
| Group in total | 0.1 | 0.1 | -0.6 | -1.2 | 7.9 | -0.9 | 3.0 | 0.6 |

| **Reconciliation of key figures – interest-bearing liabilities and interest-bearing net liabilities MEUR** | **April 30, 2023** | **April 30, 2022** | **October 31, 2022** |
|---|---|---|---|
| Liabilities total | 93.6 | 91.8 | 92.4 |
| Non-interest-bearing liabilities | 34.9 | 31.3 | 31.3 |
| Interest-bearing liabilities | 58.6 | 60.5 | 61.0 |
| | | | |
| Trade and other receivables | 22.2 | 23.2 | 22.7 |
| Non-interest-bearing receivables | 17.8 | 18.7 | 18.3 |
| Interest-bearing receivables | 4.4 | 4.5 | 4.4 |
| | | | |
| Interest-bearing liabilities | 58.6 | 60.5 | 61.0 |
| Interest-bearing receivables | 4.4 | 4.5 | 4.4 |
| Cash and cash equivalents | 14.5 | 20.1 | 14.3 |
| Interest-bearing net liabilities | 39.7 | 35.9 | 42.3 |

*Panostaja is an investment company developing Finnish companies in the growing service and software sectors as an active shareholder. The company aims to be the most sought-after partner for business owners selling their companies as well as for the best managers and investors. Together with its partners, Panostaja increases the Group's shareholder value and creates Finnish success stories.*

*Panostaja has a majority holding in four investment targets. Grano Oy is the most versatile expert of content services in Finland. Hygga Oy is a company providing health care services and the ERP system for health care providers. CoreHW provides high added value RF IC design services. Oscar Software provides ERP systems and financial management services.*