Tulikivi

Interim Report 1–9/2018:

Tulikivi Corporation
Interim Report 1–9/2018: Net sales decreased in Q3, outlook for whole year unchanged
26 October 2018 at 1 p.m.

- The Tulikivi Group's third-quarter net sales were EUR 6.4 million (EUR 7.0 million in Q3/2017). Its operating profit was EUR -0.3 (0.3) million and its result before taxes was EUR -0.5 (0.1) million in the third quarter.
- The Tulikivi Group's net sales in January–September 2018 were EUR 19.9 million (EUR 20.7 million in January–September 2017),
its operating result was EUR -0.5 (-0.4) million and its result before taxes was EUR -1.1 (-0.9) million.
- Net cash flow from operating activities was EUR 0.4 (0.4) million in the third quarter and EUR 1.1 (1.1) million January–September 2018.
- Order books at the end of the review period amounted to EUR 3.9 (3.4) million.
- Sales of the new Karelia and Pielinen fireplace collections continued to develop well, both in exports and domestically.
- Future outlook unchanged: Net sales are expected to increase in 2018, and the operating profit is expected to be positive.

Key financial ratios	1-9/18	1-9/17	Change, %	1-12/17	7-9/18	7-9/17	Muutos, %
Sales, MEUR	19.9	20.7	-4.2 %	29.3	6.4	7.0	-8.9
Operating profit/loss, MEUR	-0.5	-0.4	-49.2 %	-0.4	-0.3	0.3	-215.7
Profit before tax, MEUR	-1.1	-0.9	-13.9 %	-1.2	-0.5	0.1	-661.4
Total comprehensive income for the period, MEUR	-1.1	-1.0	-7.1 %	-1.3	-0.5	0.1	-898.4
Earnings per share, Euro	-0.02	-0.02		-0.02	-0.01	0.00	
Net cash flow from operating activities, MEUR	1.1	1.1		1.9	0.4	0.4	
Equity ratio, %	28.1	31.0		30.7			
Net indebtness ratio, %	146.4	133.8		135.3			
Return on investments, %	-2.6	-1.6		-1.2	-1.2	1.0	

Comments by Heikki Vauhkonen, Managing Director:

The overall fireplace market in our principal market areas has decreased slightly since the beginning of 2018. The autumn fireplace season started slowly after the long and hot summer, which is why our net sales were lower than expected in the third quarter.

For this reason, our sales margin also decreased year-on-year in the third quarter. An unfavourable geographic sales mix and a decrease in inventories had a negative effect on profitability. We were able to decrease fixed costs as planned.

Our order books have increased year-on-year and our new collections have been well received, which will enable us to increase our net sales and improve profitability in the fourth quarter of 2018.

In Central Europe, the new Karelia and Pielinen collections have substantially increased dealers' and consumers' interest towards Tulikivi products. This has enabled us to open new dealer locations and reactivate old ones. These collections have increased our market share in Central Europe.

The products in the collections are based on modern Scandinavian design and feature a new soapstone surface finish technique. The Pielinen products are compact and easy to install. They are particularly well suited for the Central European market, as well as markets where there is no expertise in installing heat-retaining fireplaces.

The flow of fireplace orders from Finland in the third quarter remained at the previous year's level. Thanks to updated collections, changes to distribution channels and closer cooperation with the home-building industry, we have been able to increase our market share despite a challenging market. These measures are expected to further increase domestic sales in the fourth quarter.

The company's incoming orders totalled EUR 7.1 (7.2) million in the third quarter.

Tulikivi's order books at the end of the review period amounted to EUR 3.9 (3.4) million.

The new fireplace collections have been very well received in Finland and abroad. Low-rise construction is not expected to increase significantly in Finland despite the good general economic situation. We are continuing our efforts to enhance sales efficiency in Finland to increase renovation sales.

The highly successful development work on the Karelia and Pielinen collections provides us with an opportunity to increase our market share and profitability in both Finland and exports in 2018.

Interim Report 1–9/2018:

Operating environment

The recovery of low-rise construction and renovation projects, as well as the improvement in consumer confidence, have increased construction activity in Finland. Low-rise construction has begun to increase in the EU, which will boost the performance of the fireplace market in the near future. Demand for Tulikivi products is growing in Russia, but is dependent on the exchange rate of the rouble.

Net sales and result

The Tulikivi Group's third-quarter net sales were EUR 6.4 million (EUR 7.0 million in Q3/2017). Its operating profit was EUR -0.3 (0.3) million and its result before taxes was EUR -0.5 (0.1) million in the third quarter. The overall fireplace market in our principal market areas has decreased slightly since the beginning of 2018. The autumn fireplace season started slowly after the long and hot summer, which is why our net sales were lower than expected in the third quarter.

For this reason, our sales margin also decreased year-on-year in the third quarter. An unfavourable geographic sales mix and a decrease in inventories had a negative effect on profitability. We were able to decrease fixed costs as planned.

Due to seasonal fluctuation in fireplace sales, the second half of the year is stronger than the first, in terms of both net sales and operating profit. The Group's net sales in January–September 2018 were EUR 19.9 million (EUR 20.7 million in January–September 2017). Its operating result was EUR -0.5 (-0.4) million, and its result before taxes was EUR -1.1 (-0.9) million.

Tulikivi's order books at the end of the review period amounted to EUR 3.9 (3.4) million. The company's incoming orders totalled EUR 7.1 (7.2) million in the third quarter. Orders increased for interior stone products and saunas and decreased for heater lining stones and fireplaces.

Net sales in Finland in the review period were EUR 9.4 (10.0) million, or 47.4% (48.3%) of total net sales. The flow of fireplace orders from Finland in the third quarter remained at the previous year's level. Thanks to updated collections, changes to distribution channels and closer cooperation with the home-building industry, we have been able to increase our market share despite a challenging market. These measures are expected to further increase domestic sales in the fourth quarter.

Net sales in export markets in January–September 2018 were EUR 10.5 (10.7) million, or 52.6% (51.7%) of total net sales. The principal export countries were Germany, Russia, France, Sweden and Denmark. In Central Europe, the new Karelia and Pielinen collections have substantially increased dealers' and consumers' interest towards Tulikivi products. This has enabled us to open new dealer locations and reactivate old ones. These collections have increased our market share in Central Europe.

The products in the collections are based on modern Scandinavian design and feature a new soapstone surface finish technique. The Pielinen products are compact and easy to install. They are particularly well suited for the Central European market, as well as markets where there is no expertise in installing heat-retaining fireplaces.

In Russia, net sales in euros decreased year-on-year. The decrease was mainly due to the weakening of the rouble against the euro.

The new fireplace collections have been very well received in Finland and abroad. Low-rise construction is not expected to increase significantly in Finland despite the good general economic situation. We are continuing our efforts to enhance sales efficiency in Finland to increase renovation sales.

The highly successful development work on the Karelia and Pielinen collections provides us with an opportunity to increase our market share and profitability in both Finland and exports in 2018.

Financing

Net cash flow from operating activities was EUR 0.4 (0.4) million in the third quarter and EUR 1.1 (1.1) million in January–September 2018. Working capital decreased by EUR 0.8 (0.8) million during the review period. Inventories decreased by EUR 1.0 million during the review period. Working capital totalled EUR 1.5 (3.0) million at the end of the review period.

Loan repayments totalled EUR 0.3 (0.6) million in the review period. Interest-bearing debt was EUR 15.4 (15.8) million at the end of the review period, and net financial expenses were EUR 0.6 (0.6) million in the review period. The equity ratio at the end of the review period was 28.1% (31.0%). The ratio of interest-bearing net debt to equity, or gearing, was 146.4% (133.8%). The current ratio was 0.5 (1.3), and equity per share was EUR 0.17 (0.19). At the end of the review period, the Group’s cash and other liquid assets came to EUR 0.7 (0.5) million.

The company’s current three-year financing agreement runs until 31 December 2018. The financing agreement includes covenants concerning EBITDA, the equity ratio and the ratio of debt to EBITDA, for example. As previously agreed, the company started negotiations with its financiers on a new financing agreement on 30 August 2018. If a new agreement cannot be reached by 31 December 2018, the loans will mature on 30 June 2019 at the latest. In accordance with the IFRS, the company recognised all of its non-current financial liabilities as current financial liabilities in its half year financial report on 30 June 2018.

Investments and product development

The Group’s investments totalled EUR 0.8 (1.1) million during the review period. In February 2018, the company presented the new products of the Karelia fireplace collection at the Verona international trade fair for wood-burning stoves and fireplaces. The new Saramo models with wide, horizontal doors, as well as the Senso fireplace control unit, attracted considerable interest.

The control unit makes it easier to use the fireplace and reduces emissions. The new models meet the strictest European emission standards.

Research and development expenditure in January–September 2018 was EUR 0.6 (0.8) million, or 3.2% (4.1%) of net sales. EUR 0.3 (0.3) million of this was capitalised on the balance sheet.

Suomussalmi talc reserves

On 20 April 2017, Tulikivi announced its decision to study opportunities to exploit the talc reserves in the Suomussalmi deposit. Tulikivi's soapstone reserves in Suomussalmi have talc reserves that are believed to be suitable for talc production. On 13 June 2017, Tulikivi announced that according to analyses conducted by the Geological Survey of Finland, the talc grades of the deposit correspond to previous talc projects carried out in Finland in terms of talc content, yield and brightness. Based on the new test results and the drilling tests that were carried out for the purpose of soapstone production, Tulikivi estimates that there are approximately 20 million tonnes of talc ore in Suomussalmi. On 24 August 2017, Tulikivi announced that during summer 2017, it had explored potential partners' interest in exploiting the Suomussalmi talc deposit on the basis of the Geological Survey of Finland's analysis and the earlier drilling tests.

In September 2017, based on the feedback received, Tulikivi's Board of Directors launched preparations for the sale of the talc deposit. As part of this process, the company ordered an official ore study of part of the Haaponen deposit in Suomussalmi from the Geological Survey of Finland in February 2018 that meets the international JORC code. The initial stage of the study will cover a roughly six-million-tonne portion of the talc deposit. The purpose of the study is to verify the concentration capacity of the deposit for the purposes of talc production. Other studies will also be conducted concerning talc quarrying and concentration. The project has been granted EUR 0.1 million in EU structural funding.

Tulikivi announced on 25 September 2018 that it had appointed Initia Ltd to provide financial advice on the sale of the Suomussalmi talc deposit as of 24 September 2018. Evaluation of the success or financial impact of sales is premature.

Personnel

The Group had an average of 198 (208) employees during the review period. Salaries and bonuses during the review period totalled EUR 6.1 (6.3) million. The number of personnel will be adjusted through lay-offs in accordance with the level of demand. Apart from temporary lay-offs, no members of the office staff are currently laid off. The Tulikivi Group has an incentive pay scheme for all employees. The company also has a stock option scheme for the management that was launched in 2013.

Annual General Meeting

Tulikivi Corporation's Annual General Meeting, held on 19 April 2018, resolved not to distribute a dividend on the 2017 financial year. Jaakko Aspara, Markku Rönkkö, Paula Salastie, Reijo Svanborg, Jyrki Tähtinen and Heikki Vauhkonen were elected as members of the Board of Directors. The Board elected Jyrki Tähtinen as its Chairman. The auditor appointed was KPMG Oy Ab, Authorised Public Accountants, with Kirsi Jantunen, APA, as principal auditor.

In response to the company's equity falling below 50% of its share capital, the Annual General Meeting decided on restructuring measures. In accordance with the Board of Directors' proposal, the Annual General Meeting decided that the Board shall continue the measures it has already initiated and investigate other measures to restructure the company when the parent company's equity is below 50% of its share capital.

The Annual General Meeting authorised the Board of Directors to decide on issuing new shares and on the transfer of Tulikivi Corporation shares held by the company in accordance with the proposals of the Board. Tulikivi can issue new shares or transfer treasury shares as follows: a maximum of 15,656,622 Series A shares and a maximum of 2,304,750 Series K shares.

The authorisation includes the right to decide on a directed rights issue, deviating from the shareholders' right of pre-emption, provided that there is compelling financial reason for the company. The authorisation also includes the right to decide on a bonus issue to the company itself, where the number of shares issued to the company is no more than one tenth of the total number of the company's shares.

The authorisation also includes the right to issue special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act, which would give entitlement to Tulikivi shares against payment or by setting off the receivable. The authorisation includes the right to pay the company's share rewards. The Board is authorised to decide on other matters concerning share issues. The authorisation is valid until the 2019 Annual General Meeting.

Treasury shares

The company did not purchase or assign any treasury shares during the review period. At the end of the review period, the total number of Tulikivi shares held by the company was 124,200 Series A shares, corresponding to 0.2% of the company's share capital and 0.1% of all voting rights.

Near-term risks and uncertainties

The Group's most significant risk is a decline in net sales in the principal market areas. A potential halt in the resumed growth in new construction and renovation projects would affect the demand for Tulikivi products in Finland. The slower-than-predicted recovery of the markets in Central Europe and the uncertain economic situation in Russia also affect the demand for fireplaces.

Improving the Group's financing position and securing the continuation of financing require an improvement in profitability. If the company's business operations and result do not develop as planned, the repayment of its loans may create a greater burden on the company's cash flow than anticipated. A further risk is that the company will not succeed in negotiating a sufficient repayment programme and terms with its financiers.

With regard to the company's foreign currency risk, the most significant currencies are the Russian rouble and the US dollar. About 90% of the company's cash flow is in euros, meaning that the company's exposure to foreign currency risks is very low. A weakening of currencies may have an adverse effect on the sales margin.

The risks have been described in more detail on page 82 of the 2017 annual report.

Future outlook unchanged

Net sales are expected to increase in 2018, and the operating profit is expected to be positive.

FINANCIAL STATEMENT Jan-Sep 2018. SUMMARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Eur million	1-9/18	1-9/17	Change. %	1-12/17	7-9/18	7-9/17
Sales	19.9	20.7	-4.2	29.3	6.4	7.0
Other operating income	0.2	0.2		0.3	0.0	0.1
Increase/decrease in inventories in finished goods and in work in progress	-0.5	0.4		0.2	-0.1	0.2
Production for own use	0.4	0.3		0.7	0.0	0.0
Raw materials and consumables	-4.9	-4.9		-7.0	-1.6	-1.6
External services	-2.4	-2.7		-4.1	-1.0	-1.1
Personnel expenses	-7.4	-7.9		-10.8	-2.2	-2.3
Depreciation and amortisation	-1.4	-1.6		-2.1	-0.5	-0.5
Other operating expenses	-4.3	-4.9		-7.0	-1.3	-1.6
Operating profit/loss	-0.5	-0.4	-49.2	-0.4	-0.3	0.3
Percentage of sales	*-2.7 %*	*-1.7 %*		*-1.3 %*	*-5.1 %*	*4.0 %*
Finance income	0.0	0.0		0.0	0.0	0.0
Finance expense	-0.6	-0.6		-0.8	-0.2	-0.2
Share of the profit of associated company	0.0	0.0		0.0	0.0	0.0
Profit before tax	-1.1	-0.9	-13.9	-1.2	-0.5	0.1
Percentage of sales	*-5.4 %*	*-4.5 %*		*-4.0 %*	*-7.8 %*	*1.3 %*
Direct taxes	0.0	0.0		-0.1	0.0	0.0
Profit/loss for the period	-1.1	-1.0	-8.9	-1.2	-0.5	0.1
Other comprehensive income						
Items that may later have effect on profit or loss						
Interest rate swaps	0.0	0.1		0.1	0.0	0.0
Translation difference	0.0	-0.1		-0.1	0.0	0.0
Total comprehensive income for the period	-1.1	-1.0	-7.1	-1.3	-0.5	0.1
Earnings per share attributable to the equity holders of the parent company, EUR, basic and diluted	-0.02	-0.02		-0.03	-0.01	0.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (EUR million)	9/18	9/17	12/17
Non-current assets			
Property, plant and equipment			
Land	0.8	0.8	0.8
Buildings	3.5	4.0	3.9
Machinery and equipment	1.8	2.4	2.3
Other tangible assets	1.0	0.9	0.9
Intangible assets			
Goodwill	4.2	4.2	4.2
Other intangible assets	9.7	9.3	9.6
Investment properties	0.1	0.1	0.1
Available-for sale-investments	0.0	0.0	0.0
Receivables			
Other receivables	0.0	0.1	0.2
Deferred tax assets	3.2	3.2	3.2
Total non-current assets	24.3	25.0	25.1
Current assets			
Inventories	7.2	8.1	8.1
Trade receivables	3.6	3.1	2.2
Current income tax receivables	0.0	0.0	0.0
Other receivables	1.0	0.8	0.6
Cash and cash equivalents	0.7	0.5	0.6
Total current assets	12.5	12.5	11.5
Total assets	36.8	37.5	36.6

EQUITY AND LIABILITIES (EUR million)	9/18	9/17	12/17
Equity			
Share capital	6.3	6.3	6.3
The invested unstricted equity fund	14.4	14.4	14.4
Revaluation reserve	0.0	0.0	0.0
Treasury shares	-0.1	-0.1	-0.1
Translation difference	0.0	0.1	0.1
Retained earnings	-10.6	-9.2	-9.5
Total equity	10.0	11.4	11.2
Non-current liabilities			
Deffered income tax liabilities	0.8	0.8	0.8
Provisions	0.3	0.5	0.3
Interest-bearing debt	0.0	15.2	0.0
Other debt	0.0	0.1	0.1
Total non-current liabilities	1.0	16.5	1.1
Current liabilities			
Trade and other payables	10.4	9.0	8.7
Short-term interest bearing debt	0.0	0.0	0.0
Current liabilities	15.4	0.6	15.7
Total current liabilities	25.8	9.6	24.4
Total liabilities	26.8	26.1	25.5
Total equity and liabilities	36.8	37.5	36.6

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR million)

	1-9/18	1-9/17	1-12/17
Cash flows from operating activities			
Profit for the period	-1.1	-1.0	-1.2
Adjustments			
Non-cash transactions	1.3	1.3	1.6
Interest expenses and interest income and taxes	0.5	0.6	0.9
Change in working capital	0.9	0.8	1.5
Interest paid and received and taxes paid	-0.6	-0.6	-0.8
Net cash flow from operating activities	1.1	1.1	1.9
Cash flows from investing activities			
Investment in property, plant and equipment and intangible assets	-0.8	-0.8	-1.5
Grants received for investments and sales of property, plant and equipment	0.1	0.0	0.0
Net cash flow from investing activities	-0.7	-0.8	-1.5
Cash flows from financing activities			
Proceeds from non-current and current borrowings	0.0	0.0	0.0
Repayment of non-current and current borrowings	-0.3	-0.6	-0.7
Dividends paid and treasury shares	0.0	0.0	0.0
Net cash flow from financing activities	-0.3	-0.6	-0.7
Change in cash and cash equivalents	0.1	-0.3	-0.3
Cash and cash equivalents at beginning of period	0.6	0.9	0.9
Cash and cash equivalents at end of period	0.7	0.5	0.6

Consolidated statement of changes in equity (EUR Million)

	Share capital	The invested unstricted equity fund	Revaluetion reserve	Treasury shares	Translations diff.	Retained earnings	Total
Equity Jan. 1, 2018	6.3	14.4	0.0	-0.1	0.1	-9.5	11.2
Adoption of IFRS 15						0.0	0.0
Equity Jan. 1, 2018	6.3	14.4	0.0	-0.1	0.1	-9.5	11.1
Total comprehensive income for the period			0.0		0.0	-1.1	-1.1
Transactions with the owners							
Dividends paid						0.0	0.0
Equity Sep. 30, 2018	6.3	14.4	0.0	-0.1	0.0	-10.6	10.0
Equity Jan. 1, 2017	6.3	14.4	-0.1	-0.1	0.2	-8.3	12.4
Total comprehensive income for the period			0.1		-0.1	-1.0	-1.0
Transactions with the owners							
Dividends paid						0.0	0.0
Equity Sep. 30, 2017	6.3	14.4	0.0	-0.1	0.1	-9.3	11.4

Key financial ratios and share ratios

	1-9/18	1-9/17	7-9/18	7-9/17	1-12/17
Earnings per share, EUR	-0.02	-0.02	-0.01	0.00	-0.02
Equity per share, EUR	0.17	0.19	0.17	0.19	0.19
Return on equity, %	-13.5	-11.1	-4.8	0.6	-10.5
Return on investments, %	-2.6	-1.6	-1.2	1.0	-1.2
Equity ratio, %	28.1	31.0			30.7
Net debtness ratio, %	146.4	133.8			135.3
Current ratio	0.5	1.3			0.5
Gross investments, MEUR	0.8	1.1			1.5
Gross investments, % of sales	4.0	5.1			5.1
Research and development costs, MEUR	0.6	0.8			1.0
%/sales	3.2	4.1			3.6
Outstanding orders, MEUR	3.9	3.4			2.9
Average number of staff	198	208			208
Rate development of shares, EUR					
Lowest share price, EUR	0.13	0.19			0.18
Highest share price, EUR	0.21	0.26			0.26
Average share price, EUR	0.17	0.22			0.22
Closing price, EUR	0.16	0.21			0.19
Market capitalization at the end period, 1000 EUR	9 799	12 666			11 591
(Supposing that the market price of the K-share is the same as that of the A-share)					
Number of the shares traded, (1000 pcs)	7 874	20 577			28 244
% of total amount of A-shares	15.2	39.7			54.5
Number of shares average	59 747 043	59 747 043	59 747 043	59 747 043	59 747 043
Number of the shares at the end of period	59 747 043	59 747 043	59 747 043	59 747 043	59 747 043

Notes to the financial statements

The information presented in the interim report is unaudited.

This interim report has been prepared in accordance with the standard IAS 34 *Interim Financial Reporting*. The company has applied the standards IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* as of 1 January 2018. The company has chosen cumulative effect as its IFRS 15 approach, which means that the accumulated effect is recognised on 1 January 2018, the initial date of applying the standard. The amendments to standards do not have a material effect on the company's net sales or operating profit. Otherwise Tulikivi has applied the same IFRS accounting principles in this interim report release as in its previous consolidated financial statements. The key figures presented in the interim report have been calculated using the same formulas as the financial statements for 2017. As there are no non-recurring expenses in this or the previous review period, no figures based on non-recurring expenses are presented. The formulas can be found on page 86 of the Annual Report 2017.

	1-9/2018	1-9/2017	1-12/2017
Sales, MEUR			
Finland	9.4	10.0	13.4
Other european countries	9.9	10.1	15.0
North America	0.6	0.6	0.9
Total	19.9	20.7	29.3

Income taxes (EUR million)

	1-9/18	1-9/17	1-12/17
Taxes for current and previous reporting periods	0.0	0.0	0.1
Deferred taxes	0.0	0.0	0.0
Total	0.0	0.0	0.1

Commitments (EUR million)

	9/18	9/17	12/17
Loans from credit institutions and other long term debts and loan guarantees, with related mortgages and pledges	15.4	15.8	15.7
Mortgages granted and collaterals pledged	35.8	35.8	35.8
Other given guarantees and pledges on behalf of own liabilities	0.5	0.5	0.5
Derivates			
Interest rate swpas: nominal value	0.0	6.3	1.9
Interest rate swaps; fair value	0.0	0.0	0.0

The fair value of derivatives is the gain or loss for closing the contract based on market rates on the interim report's balance sheet date. Derivatives contracts belong to Level 2 of the fair value hierarchy. Available-for-sale financial assets are investments in unlisted shares. They are valued at acquisition cost because their fair value cannot be reliably determined.

Provisions (EUR million)

	Environmental provision	Warranty provision
	9/18	9/18
Provisions Jan. 1.	0.2	0.1
Increase in provisions	0.0	0.0
Used Provisions	0.0	0.0
Discharge on reserves	0.0	0.0
Provisions Sep. 30.	0.2	0.1

	9/18
Non-current provisions	0.3
Current provisions	0.0
Total	0.3

Changes in tangible assets are classified as follows (EUR million):

	1-9/18	1-9/17	1-12/17
Acquisition costs	0.1	0.6	0.5
Proceeds from sale	0.0	0.0	-0.1
Total	0.1	0.6	0.4

Changes in intangible assets are classifies as follows (EUR million):

	1-9/18	1-9/17	1-12/17
Acquisition costs, net	0.7	0.5	1.0
Amortisation loss	0.0	0.0	0.0
Total	0.7	0.5	1.0

Share capital
Share capital by share series

	Shares, Number	Percentage, % shares capital	Percentage, % votes	Percentage, EUR share capital
Series K shares (10 votes)	7,682,500	12.8	59.5	810,255
Series A shares (1 vote)	52,188,743	87.2	40.5	5,504,220
Total 30 September 2018	59,871,243	100.0	100.0	6,314,475

There have been no changes in Tulikivi Corporation's share capital during the review period. According to the Articles of Association, the dividend paid on Series A shares shall be EUR 0.0017 higher than the dividend paid on Series K shares. The A share is listed on Nasdaq Helsinki. At the end of the review period, the company held 124,200 Series A shares.

Related party transactions (EUR 1,000)
There are no transactions with associated companies.

Transactions with other related parties
Tulikivi Corporation is a founder member of the Finnish Stone Research Foundation. The company has leased offices and storage facilities from a property owned by the Foundation and the North Karelia Educational Federation of Municipalities. The rent paid for these facilities was EUR 24,000 (24,000) in the review period. The rent corresponds to market rents. The company's sales of services and land leases from the Foundation came to EUR 2,000 (2,000).

Management benefits (EUR 1,000)

	1–9/18	1–9/17
Board members' and Managing Director's salaries and other short-term employee benefits	208	196

Principal shareholders on 30 September 2018

Name of shareholder	Shares	Percentage of votes
1. Vauhkonen Heikki	6,873,839	45.9%
2. Elo Mutual Pension Insurance Company	4,545,454	3.5%
3. Ilmarinen Mutual Pension Insurance Company	3,720,562	2.9%
4. Elo Eliisa	3,108,536	5.7%
5. Toivanen Jouko	2,531,259	2.7%
6. Finnish Cultural Foundation	2,258,181	2.4%
7. Susanna Mutanen	1,643,800	6.8%
8. Fennia Mutual Insurance Company	1,515,151	1.2%
9. Nikkola Jarkko	1,410,000	1.1%
10. EVK-Capital Oy	800,000	0.6%
Others	31,465,961	27.2%

The companies included in the Group are the parent company Tulikivi Corporation, Tulikivi U.S. Inc. and OOO Tulikivi. Group companies also include Tulikivi GmbH and The New Alberene Stone Company, Inc., which are dormant.

TULIKIVI CORPORATION

Board of Directors

Distribution: Nasdaq Helsinki
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