panostaja

FINANCIAL STATEMENTS

and investor information

2021

2021 FINANCIAL STATEMENTS AND INVESTOR INFORMATION

FOR THE FINANCIAL PERIOD
NOVEMBER 1, 2020–OCTOBER 31, 2021

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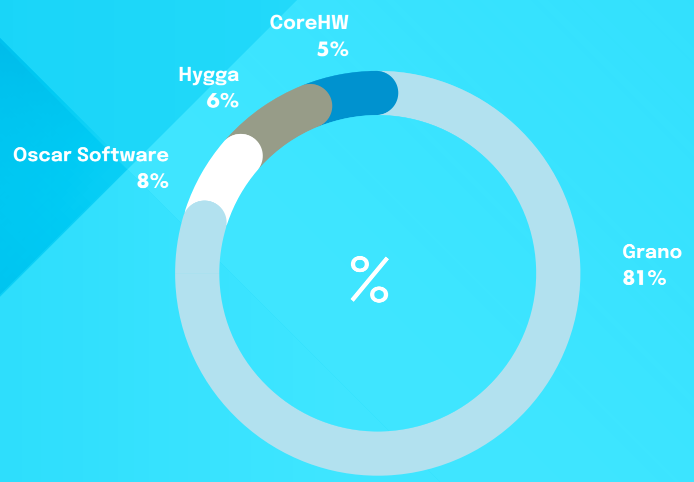
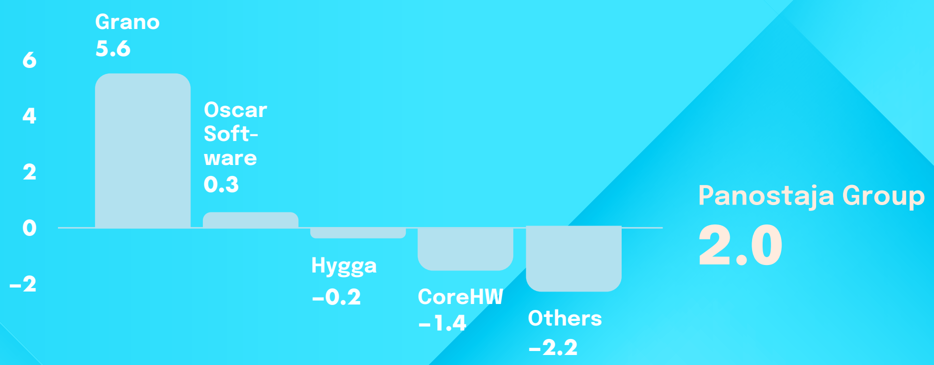
DISTRIBUTION OF NET SALES



DISTRIBUTION OF EBIT

MEUR



PANOSTAJA GROUP

NET SALES

133 M€

PROFIT FOR THE FINANCIAL PERIOD

-1.0 M€

PERSONNEL

1,229

	October 31.2021	October 31.2020
Net sales, MEUR	133.0	132.9
EBIT, MEUR	2.0	4.1
Profit before taxes, MEUR	0.0	1.8
Profit/loss from continuing operations, MEUR	0.0	0.5
Profit/loss from sold or discontinued operations, MEUR	-0.9	-4.0
Profit/loss for the financial period, MEUR	-1.0	-3.4
Earnings per share, undiluted (EUR)	-0.03	-0.08
Equity per share (EUR)	0.75	0.82

Annual report of Panostaja Oyj's Board of Directors

THE GROUP'S ECONOMIC DEVELOPMENT

Panostaja Group's net sales for the finished review period were MEUR 133.0 (MEUR 132.9). Exports amounted to MEUR 6.2, or 4.7% (MEUR 7.8, or 5.9%), of net sales.

Two of the four segments exceeded the cumulative net sales level of the reference period. The most important factors behind the moderate development were Grano's persistently poor demand for sheet printing and large-scale prints due to the pandemic, which could not be fully compensated for by the increased net sales of other currently smaller product groups, and CoreHW's delayed sale of design services due to the pandemic making it difficult to arrange customer meetings and slowing down decision-making among customers. The aforementioned challenges in net sales development were somewhat compensated for by the strong growth in Hygga's net sales as the clinic business volumes increased as a result of the outsourced oral health care services agreement made with the City of Helsinki.

EBIT declined and was MEUR 2.0 (MEUR 4.1). Two segments out of four exceeded the EBIT for the reference period. Despite the poor net sales development resulting from the weak demand, Grano was able to improve its profitability thanks to higher material margins and the efficient management of fixed costs. Hygga, too, improved its EBIT slightly over the reference period, but profitability was weighed down by the ramp-up of service production for the City of Helsinki outsourced services agreement, which encumbered the cost efficiency of the operations temporarily. CoreHW's EBIT dropped significantly from the reference period due to low net sales. Furthermore, Oscar Software's EBIT dropped clearly from the reference period as the company invested in recruiting new professionals while sales lagged behind the targeted growth.

The loss from discontinued operations was MEUR -0.9. The consolidated income statement does not include the income statement for operations sold and held for sale in 2020. Instead, the result is entered separately in the consolidated income statement under 'Profit/loss from sold or discontinued operations.'

The Group's net financial expenses for the review period were MEUR -2.2 (MEUR -2.5). The Group's liquidity declined, and operating cash flow was MEUR 3.2 (MEUR 28.6).

During the financial year, the Group employed an average of 1,480 (1,728) people. At the end of the financial period, the Group employed 1,229 (1,558) persons.

The net sales of the parent company, Panostaja Oyj, amounted to MEUR 0.0 (MEUR 0.0). The EBIT was MEUR -1.6 (MEUR -2.0). The parent company's loss in the financial period was MEUR -3.5 (MEUR -4.4).

IMPACTS OF COVID-19

The wide-ranging national and regional restrictions imposed due to the coronavirus pandemic have impacted the economic behavior of companies and consumers significantly and caused general uncertainty regarding the development of the demand situation of products and services. Moreover, the demand and supply disruptions resulting from the pandemic have caused uncertainty in terms of the availability and pricing of components. Panostaja and its segments are working to ensure the health security of their staff through a variety of arrangements, such as remote work methods suitable for the pandemic as well as restrictions on meetings. In addition to this, the companies have responded to the weaker demand through cost adaptation measures and taken action to secure key material procurement arrangements. The companies have also implemented a wide range of measures to secure funding. In the review period, the coronavirus pandemic continued to impact the development of the Panostaja segments' net sales through low demand, slow customer negotiations and decisions, and caution brought on by the uncertainty regarding the general market situation.

Panostaja tests intangible and tangible assets for impairment whenever there are signs that their value may have decreased. Goodwill and other intangible assets with infinite useful life are tested for impairment at least once a year. For the purposes of the testing, goodwill and intangible assets with infinite useful life are allocated to cash-generating units. The amount recoverable by cash-generating units is based on calculations of service value. Formulating these calculations requires the use of estimates. Panostaja has recognized the impairment risk with regard to certain segments and prepared estimates on their future prospects. According to the current estimate, there has not been a need for a write-down.

GROUP STRUCTURE

HELAKESKUS

On February 18, 2021, Panostaja signed an agreement on selling the share capital of Helakeskus Oy to HTF Group Oy. This also entailed Panostaja divesting all of its business operations specializing in the import of fittings and the provision of related services. Suomen Helakeskus Oy was a fully-owned subsidiary of Suomen Helasto Oy, a company fully owned by Panostaja.

HEATMASTERS

Panostaja signed an agreement on selling the entire share capital of Heatmasters Oy and Heatmasters Poland Sp. z o.o. to Jali Priht and the group of investors he put together. At the same time, Panostaja divested its heat treatment segment. Heatmasters Oy and Heatmasters Poland Sp. z o.o. are subsidiaries fully owned by Heatmasters Group, which is in Panostaja's ownership. The trade involved Panostaja relinquishing its ownership in the company entirely.

CARROT

In November after the end of the financial period, Panostaja has signed an agreement to sell Carrot Palvelut Group Oy's shares to shareholders of the company who are actual persons. Carrot Palvelut Group Oy serves as the parent company of the Carrot HR services group.

As a result of the deal, Panostaja's ownership in Carrot Palvelut Group Oy will drop to 19%. The financial statements present the Carrot segment as a held-for-sale investment.

PANOSTAJA GROUP'S BUSINESS SEGMENTS

Panostaja Group's segmentation is based on investment targets in majority ownership. The segments are also monitored as separate business operations.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. Panostaja Group's business segments are Grano, Hygga, CoreHW, Oscar Software and Others. The Group's segment reporting is based on its business segments.

GRANO

Grano is the most versatile content service specialist in Finland, providing marketing and communications solutions that promote the customers' sales, brand and profit – everything from digital to print services. The company's services cover all content projects that support business from start to finish, from creative design to production, publication, result measurement and asset management – across all digital and print channels essential to the customer's target audience. Grano provides its services in more than 20 localities in Finland. The company's head office is located in Helsinki. It also operates in Tallinn. Pekka Mettälä served as Grano Group's CEO during the financial period. At the end of the review period, Panostaja's shareholding in Grano Group stood at 55.2%.

During the financial year 2021, demand for Grano's services varied significantly between quarters and product areas. After the slow winter period, demand improved to a reasonable level in the spring. In the fourth quarter, the demand recovered compared to the previous quarter. Among the business operations, growth was the strongest in packaging and labelling operations, translation services, electronic document management solutions and printing services for construction. Net sales for traditional sheet printing and large-scale print product groups continued to suffer from a drop in demand due to the coronavirus pandemic. Grano's total net sales decreased by 2% from the reference year, standing at MEUR 107.9 (MEUR 109.9).

Despite the slight drop in net sales, Grano's net sales ended up higher than in the reference period at MEUR 5.6 (MEUR 4.8). The net sales were bolstered by the materials margin, which was better than in the reference period, lower fixed costs and decreased depreciations. In relation to the efforts to centralize production, a mandatory provision of MEUR 0.6 was recorded in the depreciations.The profit/loss for the reference period was partially improved by significant layoff savings and the pandemic aid received.

During the financial period, the company continued operational development efforts it had begun earlier. Sales activities were organized into customer clusters, and the centralization of print production was continued in the Helsinki Metropolitan Area.

At the end of the financial period, the segment employed 901 (940) staff.

HYGGA

Hygga offers an entirely new kind of ERP system as a licensed service to public and private dental care and health care providers. It also runs a dental clinic in Kamppi, Helsinki, with an entirely new service concept based on the proprietary ERP system. The clinic's operations are based on a customer-centered approach in which the customer is offered all dental care services in one visit, with top quality and without having to wait in line. The company's CEO is Jussi Heiniö. At the end of the review period, Panostaja's shareholding in the Group stands at 79.8%.

In the review period, Hygga nearly doubled its net sales from MEUR 4.1 to MEUR 8.1. The increase in net sales is due to the outsourced oral health care services agreement made with the City of Helsinki, for which service production began at the start of the financial period. Hygga's EBIT improved slightly from the reference period, standing at MEUR -0.2 (MEUR -0.3). The first-year ramp-up of the outsourced services operations partially dragged down the company's profitability.

As regards the clinic business, the market situation has been challenging for the entire year, and customer volumes have varied according to the phases of the pandemic. The initiation of the outsourced service production for the City of Helsinki was the financial period's most important project during the financial period. Among other factors, the challenges with recruiting skilled dental care personnel slowed down the growth of the clinic's net sales.

As regards the licensing business, the outlook remains bright in Finland and especially on an international scale.That said, the progress of new contracts stalled for almost the entire year as customers focused on urgent health care needs due to the coronavirus pandemic.Domestically, the company's focus is especially on the development of service solutions for general health care. For example, public health service providers in Porvoo utilize the Hygga Flow operating model. As regards the Aster project which was reported on earlier, however, Hygga will not be continuing the development efforts, as the entire project fell apart after the Central Finland Health Care District decided against it. Within the scope of the project, Hygga was responsible for providing a patient information system for oral health care and supplying the Hygga Flow ERP system.There is interest in Hygga's solutions throughout Europe, and new opportunities are now being expected in the Netherlands and Belgium in particular. Excellent project results have already been secured in Sweden, where Hygga hired a representative this year to support market growth.

At the end of the financial period, the segment employed 96 (79) staff.

COREHW

CoreHW provides high-added value design services in the RF IC sector, developing RF microchips and antenna technology and offering related consulting services. The company's business is divided into design services, consulting and the development of proprietary and licensed technologies (IP). CoreHW has offices in four cities: Tampere, Helsinki, Oulu and Turku. The CEO of the company is Tomi-Pekka Takalo. At the end of the review period, Panostaja's holding in the segment stands at 61.1%.

The review period was financially difficult for CoreHW: net sales dropped by more than 20%, landing at MEUR 6.1 (MEUR 8.1).As a result of the low net sales, EBIT declined heavily to MEUR -1.4 (MEUR 0.5).The coronavirus restrictions put foreign travel and international trade fairs on hold far into the fall, which made CoreHW's sales even more difficult. Availability issues with semiconductors, on the other hand, resulted in the product manufacturing plans of customers' projects having to be postponed.However, the demand for the company's design services has remained high with no change in sight.The most important success of the year was the first patent granted to a CoreHW product. In product business, two new product prototypes were tested with excellent results.The company also managed to recruit new professionals during the financial period, even though the number of employees was not increased as much as in the previous year.

At the end of the financial period, the segment employed 73 (72) staff.

OSCAR SOFTWARE

Oscar Software is a software service company specialized in the development of enterprise resource planning (ERP) systems and various business services. In addition to the diverse ERP systems, Oscar provides financial management and HR services as well as software for webstores and services for online business. Oscar has a wide customer base, which includes SMEs from various sectors. The company has around 800 customers, its HQ is located in Tampere and it has offices in Helsinki and Turku. Riikka Kivimäki served as the CEO of the company.At the end of the review period, Panostaja's holding in the segment stands at 58.3%.

Oscar Software's net sales for the review period was at the level of the previous year at MEUR 11.0 (MEUR 11.0).Over the course of the financial period, the demand for ERP software business and outsourced financial administration services has been moderate. Despite the coronavirus pandemic, many customers have continued normal development efforts with the company. Oscar Software updated its internal structures and modified its operations heavily. The changes stemmed from a desire for increased customer orientation in terms of products and services. In practice, this has meant process development, new recruitments and the training of current personnel. EBIT dropped significantly from the reference period to MEUR 0.3 (MEUR 1.1).The decline in EBIT is largely explained by the substantial investments in recruiting new experts. Furthermore, considerable adaptation measures were carried out during the reference period, which improved profitability in the short term.

At the end of the financial period, the segment employed 149 (127) staff.

OTHERS

The net sales of the Others segment remained close to the level of the reference period. One associated company, Gugguu Group Oy, provided a report for the review period. The profit/loss of the reported associated companies in the review period was MEUR 0.2 (MEUR 0.2), which is presented on a separate row in the consolidated income statement.

FINANCE

Operating cash flow deteriorated and was MEUR 3.2 (MEUR 28.6). Liquidity remained good. The Group's liquid assets were MEUR 14.2 (MEUR 34.3) and interest-bearing net liabilities MEUR 56.3 (MEUR 64.0). Interest-bearing liabilities decreased with the divestment of business operations. The gearing ratio fell and was 83.1% (90.1%). The Group's net financial expenses for the review period were MEUR -2.2 (MEUR -2.5), or 1.7% (1.9%) of net sales.

Panostaja has a MEUR 15.0 corporate acquisition limit, which enables the withdrawal of three-year loans to fund Panostaja's corporate acquisitions and/or additional investments in the Group's companies. MEUR 15.0 of Panostaja's corporate acquisition limit remains to be withdrawn.

The Group's equity ratio at the end of the review period was 37.2% (33.6%). Return on equity was -1.4% (-4.6%). Return on investment improved to 0.8% (0.3%).

INVESTMENTS AND DEVELOPMENT EXPENSES

The Group's gross capital expenditure for the review period was MEUR 5.0 (MEUR 4.7), or 3.7% (3.5%) of net sales. Investments were mainly targeted at tangible and intangible assets. During the financial period, MEUR 2.9 (MEUR 2.8) of development expenses were activated.

RELATED PARTY LOANS AND LIABILITIES

At the time of closing the books, there were no payables to related-party companies outside the Group. The totals and the main loan conditions of the loans issued to management are presented in Note 35 to the financial statements.

RISKS

The Group takes controlled risks to utilize opportunities for business operations in an optimal manner. The Group's conventional business risks concern the market and competitive situations of the investment targets, customer and supplier risks, corporate acquisitions and the risks involved in related financing.

The four investment targets in which Panostaja has a majority shareholding operate in different fields. The aim is to ensure that the Group's financial performance is not substantially dependent on the development and results of a single investment target but, depending on the market conditions and as a business area grows, its significance for the Group is emphasized, which may mean that the risk is substantial. The Group's financial performance and development are not normally dependent on a single customer, but losing one or more important customers may have financial consequences for the results and development of a single investment target.

The general trend development and especially the development of the Finnish economy may have a significant effect on the Group's financial performance and development. The Group's results and development are also affected by the seasonal nature of the business. The seasonal variations of the business operations have the effect that ordinarily the first half of the year is weaker than the second. The continuous changes in competition, such as price competition and new rivals for an individual investment target, may affect the Group's financial performance and development, although the Group and its investment targets work continuously to develop their activities to meet the competitive situation. The risks involved in the price and availability of the raw materials that the different investment targets use in their operations may also significantly influence the financial performance and development of a single investment target, but will normally not affect the whole Group's development and results in any substantial way.

Exchange rate, interest, financial and credit loss risks have normally no significant effect on the Group's financial performance and development, but they may have a substantial influence on the financial performance and development of a single investment target. The Group and its various investment targets strive significantly to hedge against these risks in different ways, but it is not always possible.

The risks connected to the Group's staff may influence the Group's and its investment targets' development and financial performance if the Group is unsuccessful in the recruitment of key persons and other employees or in committing them to the Group.

If unsuccessfully managed, the risk of weakening reputation or trust due to negative publicity or the realization of some other risk may impact the development and financial result of the Group or its segments. Risks related to reputation are managed by maintaining an ethical corporate culture, ensuring timely and sufficient communications, implementing compliance activities and instructions, understanding the expectations of interest groups and preparing crisis management plans.

If unsuccessfully managed, risks concerning the environment may affect the development and financial performance of the Group and its investment targets. The Group complies with the legislation concerning environmental issues and takes the responsibilities they bring into account especially carefully and in all its operations strives to observe the principles of sustainable development. The Group has no knowledge of any significant risks concerning environmental issues.

The Group has extensive insurance coverage that covers material damage in accordance with the insurance terms and conditions. The insurance level of property risks is monitored regularly. If unsuccessful in managing them, risks concerning guarantees, suspension, product liability and repair may affect the development and financial performance of the Group and its investment targets. All Group companies endeavor to minimize these risks by investing in the management of the supply chain, the quality of their own activities, product development and the regular assessment of risks. If possible, such risks are covered by insurance protection.

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 80.1. 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.

Official regulations may affect the development and financial performance of the Group and its investment targets. Amendments to regulations are followed carefully within the Group and the different investment targets, and efforts are made to react to them in advance if possible.

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 5, 2021 in Tampere. The number of Board members was confirmed at five (5), and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva and Tarja Pääkkönen were re-elected to the Board for the term ending at the end of the next Annual General Meeting, and Tommi Juusela as a new member of the Board.

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 2022. 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, 2019–October 31, 2020 was granted to the following persons: Board members Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Hannu-Kalle (Kalle) Reponen and CEO Tapio Tommila for the period January 1, 2019–October 31, 2020. The Annual General Meeting decided to grant a discharge from liability to the aforementioned members of the Board and CEO.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2019–October 31, 2020 and resolved that the shareholders be paid EUR 0.03 per share as dividends.

The Meeting also resolved that the Board of Directors 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 totals EUR 4,700,000. The authorization includes the right of the Board to decide on all other terms and conditions relating to said asset distribution. The authorization will remain valid until the beginning of the next Annual General Meeting.

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.

As proposed by the Board, the Annual General Meeting decided to authorize the Board to decide on the acquisition of the company's own shares in one or more installments on the following conditions:The total number of shares issued on the basis of the authorization may not exceed 5,200,000. 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 6, 2020 to decide on the acquisition of the company's own shares is canceled by this authorization. The authorization will remain valid until August 4, 2022.

The General Meeting resolved to authorize the Board of Directors to decide on a share issue of no more than 5,200,000 shares as well as on the granting of rights of option and other special rights providing entitlement to shares. 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 6, 2020 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 4, 2022.

Immediately upon the conclusion of the General Meeting, the company's Board held an organizing meeting in which Jukka Ala-Mello was elected Chairman and Eero Eriksson Vice Chairman.

SHARE CAPITAL AND THE COMPANY'S OWN SHARES

Under the authorization provided by the Annual General Meeting, Panostaja Oyj's Board of Directors decided on February 5, 2021 to carry out a free-of-charge share issue of 800,000 shares, pursuant to Chapter 9, Section 20 of the Limited Liability Companies Act, to the company itself.

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares was 53,033,110.

The total number of own shares held by the company at the end of the review period was 771,155 (at the beginning of the financial period 110,824). The number of the company's own shares corresponded to 1.5% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions by the General Meeting and the Board on February 6, 2020, Panostaja Oy relinquished a total of 85,946 individual shares as share bonuses to the company management on December 14, 2020. On December 14, 2020, the company relinquished to the Board members a total of 12,987 shares as meeting compensation. In accordance with the Board decision of February 5, 2021, Panostaja relinquished a total of 13,514 shares on March 17, 2021, a total of 13,889 shares on June 4, 2021 and a total of 13,333 shares on September 3, 2021 as meeting compensation.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.67 (lowest quotation) and EUR 0.99 (highest quotation) during the financial period. During the review period, a total of 8,254,582 shares were exchanged, which amounts to 15.7% of the share capital. The October 2021 share closing rate was EUR 0.69. The market value of the company's share capital at the end of October 2021 was MEUR 36.3 (MEUR 37.2). At the end of October 2021, the company had 4,605 shareholders (4,697).

BOARD'S PROPOSAL TO THE GENERAL MEETING

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.03 per share be paid for the past financial period.

The Board also proposes that the General Meeting authorize the Board of Directors 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. It is proposed that the authorization include the right of the Board to decide on all other terms and conditions relating to said asset distribution. It is also proposed that the authorization remain valid until the start of the next Annual General Meeting.

Panostaja Oyj's Annual General Meeting will be held on February 7, 2022 in Tampere.

EVENTS AFTER THE REVIEW PERIOD

On November 9, 2021, Panostaja signed an agreement to sell Carrot Palvelut Group Oy's shares to shareholders of the company who are actual persons. Carrot Palvelut Group Oy serves as the parent company of the Carrot HR services group.

As a result of the deal, Panostaja's ownership in Carrot Palvelut Group Oy will drop to 19%. Carrot will continue operations as an independent group, and the primary owner from now on will be Jouni Arolainen. Carrot Palvelut Group has been owned by Panostaja since 2018.

The Board and CEO Pekka Mettälä of the Panostaja segment Grano have mutually agreed that Mettälä will be leaving his post as Grano's CEO. The company's Board has appointed Senior Vice President Kimmo Kolari as the temporary CEO and initiated the process of finding a new CEO.

PROSPECTS FOR THE NEXT FINANCIAL YEAR

As regards the corporate acquisition market, plenty of opportunities are available and the market is active.The need to leverage ownership arrangements and growth opportunities will persist for SMEs, but the high market liquidity and increased price expectations of sellers are making the operating environment more 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:

- Oscar Software's demand will remain good.
- Hygga's, Grano's and CoreHW's will remain satisfactory.

The demand information presented above involves uncertainties relating to the possible escalation of the COVID-19 pandemic. This may impact the future development of Grano and Hygga, in particular, and rapidly and dramatically change the estimate provided above.

REPORT ON NON-FINANCIAL INFORMATION

In this report, we provide information on how Panostaja as a Group handles environmental and social matters as well as employees, human rights and anti-corruption efforts.
Panostaja's Board of Directors approves the report on an annual basis. The report is issued by the parent company for the entire Group, covering the period from November 1, 2020 to October 31, 2021.

Based on Directive 2014/95/EU, the Accounting Act requires listed companies to report on the aforementioned matters. As regards each of them, the company must report the following, for example:

- operating principles (policies) and the due diligence (DD) methods applied
- risks and risk management
- results
- the most important key figures in terms of business, other than KPIs

ENVIRONMENT	SOCIAL MATTERS AND EMPLOYEES	HUMAN RIGHTS	ANTI-CORRUPTION EFFORTS
Energy consumption	Occupational safety and health	Human rights	Anti-corruption and -bribery efforts
Carbon footprint	Absences due to illness	Ethical guidelines	Ethical guidelines
	Employee training	Training attendance	Training attendance
	Employee satisfaction		

**In this context, KPI (Key Performance Indicator) is a key figure specified by Panostaja for non-financial information.*

Panostaja companies strive to adhere to the principle of continuous improvement. This means taking a systematic approach with regard to problems or challenges and their possible causes. The correct resources are used to plan and implement preventive and corrective measures. In addition to the above, results are monitored and analyzed to ensure the success and sustainability of the operations.

Panostaja has published an ethical Code of Conduct on its website. The Code of Conduct includes guidelines regarding our principles and practices, as well as our responsibilities toward our business environment, employees, business partners and society.

BUSINESS MODEL

Panostaja is an investment company developing Finnish SMEs in the role of an active shareholder. At Panostaja, ownership is active partnership, development of management work, identification of growth potential and facilitation of reaching full potential. To Panostaja, growth and ownership are responsible and long-term work for success.

Panostaja is committed to operating as an active owner in accordance with the principles of responsible investment. In making new investment decisions and developing our segments, we consider the relevant ESG (environmental, social, governance) factors alongside financial perspectives. We believe that considering these perspectives in our decision-making processes and ownership-related measures is essential for the long-term success of our segments and Panostaja as a whole. The aim of our responsibility efforts is to develop companies that are more valuable, competitive and responsible than ever before. In addition to risk management related to the environment, society and administration, our segments can utilize practices to broaden their revenue sources, innovate new products and methods, and reduce costs.

Panostaja actively seeks financially healthy companies it believes can rise to the top tier of its field with the Group's support. Panostaja provides business-related and strategic expertise to the company, along with tools that support management. Panostaja also assists the companies in securing financing and implementing corporate acquisitions. The increased owner value is realized upon divestment after the development phase.

Financial responsibility within the group refers to continuous efforts to ensure operational profitability. Profitable operations enable continuous development in order to maintain the competitiveness of the business operations. This is also a requirement for the Group being able to take care of its personnel, fulfil its responsibilities toward society and partners, and take the necessary responsibility for the development of environmental matters. Panostaja adheres to the effective acts, decrees and regulations.

The financial goal must be reached by responsible and ethical means, with due consideration to environmental and social responsibilities. In the long term, responsible operations according to the principles of sustainable development is the cornerstone of profitable business.Panostaja's principles of responsible investment describe our approach to responsible business activities. The document presents the decision-making and ownership practices applied in Panostaja's operations.

ENVIRONMENTAL MATTERS

Panostaja Group is aware of its responsibility in environmental matters and strives to consistently reduce its environmental load and foster the principles of sustainable development. Panostaja's most significant environmental impacts are related to energy consumption, use of printing materials, and the distribution and transportation of products. The company seeks to prevent and minimize detrimental environmental effects through efficient operations and materials use as well as responsible procurement arrangements. The Group aims to protect and conserve the environment by complying with environmental law, improving the energy efficiency of its operations and reducing the amount of generated waste. This area is covered by Panostaja's Code of Conduct. Panostaja's subsidiary Grano uses a certified environmental management system ISO14001:2015. The principles of continuous development are observed in accordance with the standard. In terms of its other subsidiaries, Panostaja is developing methods that ensure due diligence.

Panostaja has identified energy consumption and carbon footprint as the most important environmental KPIs. The Group companies operate in different fields, which is why there is variation between them in terms of energy consumption. Panostaja does not operate in an energy-intensive field of industry and estimates its environmental risk to be low.

The companies report their energy consumption for all properties involved in their operations. Consumption data is collected from energy company reports, and the companies' figures are aggregated. The Group's key figure for energy consumption (MWh) is 6,965 (10,432).

Greenhouse gas emissions are reported in accordance with the international GHG Protocol reporting principles. The Group monitors carbon dioxide emissions in adherence to the Scope 2 key figures (tn CO_2).

The relevant key figure encompasses the emissions caused by energy procured within subgroups. The energy consumption data have been obtained from the companies' electricity providers. This information has been collected from all facilities of all companies and then consolidated. Scope 2 emissions are calculated and reported in two ways:

1. Market-based (method based on contractual greenhouse gas emissions/residual mix). The market-based emission amount caused by energy consumption is 1,616 tnCO_2 (2,859)

The market-based value is calculated using the following formula:

$$\frac{\text{Energy consumption (kWh) * emission factor (gCO}_2\text{/kWh)}}{1{,}000{,}000}$$

2. Location-based (method based on average greenhouse gas emissions from Finnish energy production). The emission amount caused by location-based energy consumption is 1,042 tnCO_2. (1,471)

The location-based emission value is calculated by multiplying the energy consumption with the average emission factor of Finnish energy production 131 g CO_2/kWh. In 2020, the emission factor was 141 g CO_2/kWh.

The most significant reason for the change in power consumption and greenhouse gas emissions is the divestment of three of the Group's business operations and the decrease in the volume of print production.

The Group will provide the information required by Chapter 3a, Section 2(7) of the Accounting Act as part of the annual report in the form of a separate statement pursuant to Chapter 3a, Section 5 of the Act. The separate statement will be published on the company's website no later than within six months of the closing date.

SOCIAL MATTERS AND EMPLOYEES

The persistent coronavirus pandemic continued to reflect Panostaja's operations. Immediately after the escalation of the pandemic, the Group companies implemented precautions to protect the health and well-being of their staff and customers and ensure the functionality of services. Where possible, the companies continued remote work arrangements and sought to minimize workplace contact. The companies were able to adapt to the extraordinary circumstances without any service interruptions.

The Group has identified risks related to employee health, occupational safety and the work environment. The Group's Code of Conduct details relevant principles, practices and responsibilities.

Social responsibility is a key factor in terms of employee well-being. Panostaja wishes to create safe and healthy work conditions that are based on respect and fairness.

Panostaja does not tolerate any forms of harassment, threats, bullying or discrimination. The company respects its employees and treats them equally. Panostaja provides its employees with equal opportunities to advance their careers, regardless of their gender, age, values or other personal characteristics.
The Group strives to promote work well-being and improve the quality of working life within the work community. The equal treatment of personnel and the promotion of equality are the principles guiding supervisory work. Management work also considers the varying life situations, values and expectations among employees of different ages.

Panostaja takes care of work well-being by investing in high-quality management and supervisory work, smooth interaction and internal communications, and a healthy and trusting atmosphere at work.

Training and discussion events are organized for the management personnel of the companies each year. Coaching to supervisors and mentors is also provided. Panostaja Academy organized training for supervisors over the course of the financial period. During the past financial period and reference period, the sessions were primarily held remotely.

Employee satisfaction and related factors have been studied since 2013. Toward the end of 2020, Panostaja switched to the more agile Pulssi survey. The Pulssi survey was carried out every other month during the financial period. The purpose of the survey is to measure work satisfaction and well-being among the staff of Panostaja companies. The more concise survey that is conducted more than only once a year enables proactive measures and more focused responses to a variety of issues.

Work satisfaction has remained good for the entire nine-year-period during which surveys have been carried out. Work atmosphere and its development within the companies is also monitored through occupational health.

The Group finds it important that the employees are competent enough to perform their tasks in a responsible manner. Therefore, orientation training is provided to new employees and staff training is organized actively. Training is considered an element of day-to-day work activities. The Group companies have their own training systems, and employees have personal development plans.

The companies pay attention to preventive health care and encourage their employees to engage in sports and exercise. They also have in place an early support model aimed at ensuring the recognition of factors related to work capability and well-being and their sufficiently early recognition. It is important to Panostaja to ensure that employees are enthusiastic about their own work and the work atmosphere remains good.

Each subgroup must handle matters related to occupational safety and health at individual workplaces.

Panostaja monitors employee absences and work-related accidents on a monthly basis. HR management records employee absences, any accidents that occur and average training days among personnel. The occupational health service issues regular reports on the statistics it collects. This information is used to derive the following non-financial key figures for the Group:

The change in the key figures from the reference year is primarily due to the divestment of three subgroups during the financial period and remote work arrangements throughout the Group as the pandemic intensified. For the same reason, there have been far fewer training events than before.

Lost time incident frequency
*Number of work accidents that led to at least one day of sick leave / working hours completed * 1,000,000*
Absences during illness or injury and in relation to the illness of a child are counted toward the time of absences for the financial period.
Sickness absence rate %
*Number of sick days in the financial period November 1–October 31 / (theoretical regular working hours during the financial period in days) * 100*

	2021	2020	2019	2018	2017
Number of work accidents	16	53	91	85	47
Work accidents in proportion to working hours *(Lost time incident frequency)*	6.8	17.7	25.1	21.7	17.6
Sickness absence rate %	2.4	3.4	3.2	2.7	2.8
Number of training days	1,129	1,138	1,853	1,518	459

HUMAN RIGHTS

Panostaja has estimated its risk in relation to respecting human rights to be low. That said, there is always the risk that the Group may violate human rights in its own operations or through its supply chain. These infringements may have a negative effect on individual persons and harm Panostaja's reputation.

Panostaja respects all internationally recognized human rights and strives to construct its methods and practices in a manner that ensures the consideration of human rights across all of the company's operations. The Group observes the labor legislation, collective agreements and rights defined in the Universal Declaration of Human Rights, adopted by the United Nations, that include equality between people, prohibition of discrimination and freedom of religion and opinion. In its Code of Conduct, Panostaja provides guidelines to employees on how to report possible infringements. No human rights violations were reported in 2021.

In its Code of Conduct, Panostaja prohibits all activities that may violate human rights. At the end of the financial period, 58% of the Group's entire staff (91% in the reference year) have completed training on the content of the Code of Conduct. The significantly lower figure is the result of a change in Grano's completion practice. Grano has reinstated the practice that requires each employee to complete the Code of Conduct course again every year. As all staff members have not had the time to react to the change, the number of people who have completed the course is slightly lower than in previous years.

ANTI-CORRUPTION AND -BRIBERY EFFORTS

Panostaja adheres to the effective acts, decrees and regulations. Panostaja's companies always compete in a fair and honest manner in compliance with competition law. The Group's companies do not participate in cartels or discuss contract terms, prices or other matters related to competition with our competitors. Panostaja prohibits corruption and bribery in all our operations, and we do not accept services, goods, trips or anything else from any of our cooperation partners or suppliers that exceeds the limits of normal hospitality This area is covered by Panostaja's Code of Conduct.

The identification and assessment of corruption-related risks are part of the general risk assessment measures conducted by Panostaja and business units. However, corruption and bribery can occur in Panostaja's own operations or its supply chain. Cases of corruption and bribery may lead to legal sanctions. Although, based on these assessments, Panostaja's own operations and services do not entail a high risk of corruption, it strives to incorporate responsible business practices into all areas of its operations.

Panostaja has provided guidelines to employees on how to report possible infringements. No infringements related to bribery were reported during the financial period or the reference period.

Key figures

KEY FIGURES OF PANOSTAJA GROUP

		2021	2020	2019
Net sales, MEUR		133.0	132.9	147.5
EBIT, MEUR		2.0	4.1	0.1
% of net sales		1.5	3.1	0.0
Profit for the financial period, MEUR		-1.0	-3.4	2.5
Return on equity (ROE), %		-1.4	-4.6	3.1
Return on investment (ROI), %		0.8	0.3	3.8
Equity ratio, %		37.2	33.6	41.3
Gearing, %		83.1	90.1	67.5
Current ratio		1.0	1.0	1.0
Gross capital expenditure, MEUR		5.0	4.7	7.9
% of net sales		3.7%	3.5%	4.3%
Avg. no. of Group employees		1,480	1,727	1,969
Earnings per share (EPS), EUR, undiluted	*	-0.03	-0.08	0.03
Earnings per share (EPS), EUR, diluted	*	-0.03	-0.08	0.03
Equity per share, EUR		0.75	0.82	0.96
Dividend per share, EUR	1)	0.03	0.03	0.05
Dividend per share, EUR				0.03
Dividend/Earnings % undiluted		-92.7	-36.1	159.2
Dividend/Earnings % diluted		-92.7	-36.1	159.2
Extra dividend/Earnings % diluted				95.5
Extra dividend/Earnings % diluted				95.5
Effective dividend income %		4.3	4.2	6.4
Average number of outstanding shares in the financial period (1,000)		52,525	52,392	52,298
Number of shares at the end of the financial period (1,000)		53,333	52,533	52,533
Closing rate for the financial period, EUR		0.69	0.71	0.78
Lowest share price, EUR		0.67	0.51	0.77
Highest share price, EUR		0.99	1.00	1.16
Average share price in the financial period, EUR		0.73	0.75	0.86
Market value of stock, MEUR		36.3	37.2	40.8
Shares exchanged, 1,000		8,255	5,808	9,499
Shares exchanged, %		15.7	11.1	18.1

1) Board of Directors' proposal

* Audited key figure

Key figures provide a brief overview of the business development and financial position of a company as well as profit distribution. The key figures for the 2019 financial period have not been changed due to divestment or discontinuation of businesses during the past financial period.

FORMULAE FOR CALCULATING KEY FIGURES

Return on investment (ROI) %	=	Profit/loss after financial items + financial costs + profit/loss on discontinued operations x 100 / Balance sheet total - non-interest bearing liabilities (average in the financial period)
Return on equity (ROE) %	=	Profit for the financial period x 100 / Equity (average in the financial period)
Equity ratio, %	=	Equity x 100 / Balance sheet total - advances received
Interest-bearing net liabilities	=	Interest-bearing liabilities - interest-bearing receivables - financial assets
Gearing, %	=	Interest-bearing net liabilities / Equity
Equity per share	=	Equity attributable to parent company shareholders / Adjusted number of shares on the balance sheet date
Earnings per share (EPS)	=	Result for the financial period attributable to parent company shareholders / Adjusted number of shares on average during the financial period
Current ratio	=	Current assets / Current liabilities
Dividend per share	=	Dividend distributed in the financial period / Adjusted number of shares on the balance sheet date
Dividend / Earnings %	=	Dividend / share x 100 / Earnings per share (EPS)
Effective dividend income, %	=	Dividend / share x 100 / Share price on the balance sheet date

RECONCILIATION OF KEY FIGURES – INTEREST-BEARING LIABILITIES AND INTEREST-BEARING NET LIABILITIES

MEUR	October 31, 2021	October 31, 2020
Liabilities total	107.5	140.9
Non-interest-bearing liabilities	32.2	37.6
Interest-bearing liabilities	**75.3**	**103.4**
Trade and other receivables	25.2	22.9
Non-interest-bearing receivables	20.4	17.8
Interest-bearing receivables	**4.8**	**5.1**
Interest-bearing liabilities	75.3	103.4
Interest-bearing receivables	4.8	5.1
Cash and cash equivalents	14.2	34.3
Interest-bearing net liabilities	**56.3**	**64.0**

Financial statements

For the financial period November 1, 2020–October 31, 2021

CONSOLIDATED INCOME STATEMENT, IFRS

(EUR 1,000)	Note	November 1, 2020–October 31, 2021	November 1, 2019–October 31, 2020
Net sales		**132,984**	**132,916**
Other operating income	9	2,073	789
Materials and services		38,060	39,160
Employee benefit expenses	11	64,802	59,465
Depreciations, amortizations and impairment	12	14,568	16,040
Other operating expenses	13	15,606	14,958
EBIT		**2,020**	**4,081**
Financial income	14	258	348
Financial expenses	15	-2,463	-2,856
Share of associated company profits	10	206	233
Profit before taxes		**21**	**1,807**
Income taxes	16	-62	-1,275
Profit/loss from continuing operations		**-42**	**532**
Profit/loss from sold and discontinued operations	7	-918	-3,970
Profit/loss for the financial period		**-959**	**-3,438**
Attributable to			
Shareholders of the parent company		-1,700	-4,351
Minority shareholders		741	913
Earnings per share calculated from the profit belonging to the shareholders of the parent company:			
Earnings per share from continuing operations, EUR	17		
Undiluted		-0.019	-0.011
Diluted		-0.019	-0.011
Earnings per share on continuing and discontinued EUR operations	17		
Undiluted		-0.013	-0.072
Diluted		-0.013	-0.072
Earnings per share from discontinued operations, EUR	17		
Undiluted		-0.032	-0.083
Diluted		-0.032	-0.083
Earnings per share on continuing and discontinued EUR			
Result for the period		**-959**	**-3,438**
Items of the extensive income statement that may later be changed to entries at fair value through profit and loss			
Translation differences		-165	-5
Extensive income for the period		**-1,124**	**-3,443**
Attributable to			
Shareholders of the parent company		-1,865	-4,356
Minority shareholders		741	913

The notes constitute an integral part of the financial statements

CONSOLIDATED BALANCE SHEET, IFRS

(EUR 1,000)	Note	October 31, 2021	October 31, 2020
ASSETS			
Non-current assets			
Goodwill	18	80,140	88,010
Other intangible assets	18	10,284	12,633
Property, plant and equipment	19	26,402	32,177
Interests in associated companies	20	2,642	3,575
Other non-current assets	21	4,097	5,818
Deferred tax assets	23	8,062	6,248
Non-current assets total		**131,628**	**148,462**
Current assets			
Stocks	24	5,157	6,330
Trade and other receivables	25	25,048	22,868
Tax assets based on taxable income for the period	25	115	40
Cash and cash equivalents	26	14,224	34,255
Current assets total		**44,544**	**63,494**
Held-for-sale non-current asset items		6,668	0
Assets in total		**182,842**	**211,958**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	27	5,569	5,569
Share premium account	27	4,646	4,646
Invested unrestricted equity fund	27	13,719	13,612
Translation difference		-82	-282
Retained earnings		15,623	19,282
Total		**39,473**	**42,827**
Minority shareholders' interest		**28,270**	**28,185**
Equity total		**67,744**	**71,012**
Non-current liabilities			
Deferred tax liabilities	23	6,318	6,727
Financial liabilities	28	55,153	71,119
Non-current liabilities total		61,472	77,847
Current liabilities			
Current financial liabilities	28	20,274	32,264
Tax liabilities based on taxable income for the period		332	232
Trade payables and other liabilities	29	25,449	30,605
Current liabilities total		**46,056**	**63,100**
Liabilities total		**107,528**	**140,947**
Held-for-sale non-current liabilities		7,571	0
Equity and liabilities in total		**182,842**	**211,958**

The notes constitute an integral part of the financial statements

CONSOLIDATED CASH FLOW STATEMENT, IFRS

(EUR 1,000)	Note	2021	2020
Business operations			
Profit/loss for the financial period		-1,700	-4,351
Adjustments:			
Depreciations	12	14,568	20,340
Financial income and costs	14, 15	2,205	2,843
Share of associated company profits	10	-206	-233
Taxes	16	62	1,230,1
Minority share		741	913
Sales profits and losses from property, plant and equipment	9, 13	-763	-40
Other earnings and expenses with no payment attached		752	745
Operating cash flow before change in working capital		**15,659**	**21,447**
Change in working capital			
Change in non-interest-bearing receivables		-4,028	5,681
Change in non-interest-bearing liabilities		-92	-4,152
Change to tax authority's payment arrangement debts		-4,786	8,251
Change in stocks		-1,091	238
Change in working capital		**-9,996**	**10,019**
Operating cash flow before financial items and taxes		5,662	31,465
Financial items and taxes:			
Interest paid		-2,261	-2,753
Interest received		53	202
Taxes paid		-211	-338
Financial items and taxes		**-2,420**	**-2,890**
Operating net cash flow		**3,242**	**28,575**
Investments			
Investments in intangible and tangible assets		-4,981	-4,490
Sales of intangible and tangible assets		631	176
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	6	0	-226
Sale of subsidiaries with time-of-sale liquid assets deducted	7	2,965	540
Sale of associated companies		1,521	1
Loans receivable and repayments granted		761	2,135
Investment net cash flow		**897**	**-1,865**
Finance			
Share issue		61	0
Loans drawn		2,148	11,867
Loans repaid		-15,411	-7,966
Repayments of lease liabilities		-8,000	-9,257
Acquisition of the company's own shares		-532	-264
Dividends paid		-2,443	-3,214
Finance net cash flow		**-24,176**	**-8,834**
Change in liquid assets		-20,037	17,877
Liquid assets at the beginning of the period		34,255	16,381
Effect of exchange rates		5	-3
Liquid assets at the end of the period		**14,224**	**34,255**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Note	Share capital	Share premium account	Invested unrestricted equity fund	Translation differences	Retained earnings	Total	Minority shareholders' interest	Equity total
Equity as of November 1, 2019		**5,569**	**4,646**	**13,550**	**-353**	**26,928**	**50,413**	**29,211**	**79,552**
VAT adjustments for the 2018-2019 financial periods						-511			
Adjusted equity as of November 1, 2019		**5,569**	**4,646**	**13,550**	**-353**	**26,416**	**49,828**	**29,211**	**79,040**
Extensive income									
Profit/loss for the financial period						-4,351	-4,351	913	-3,438
Translation differences					71	76	-5		-5
Extensive income for the financial period total		**0**	**0**	**0**	**71**	**-4,427**	**-4,356**	**913**	**-3,443**
Transactions with shareholders									
Dividend distribution	27					-2,619	-2,620	-751	-3,371
Disposal of own shares	27, 35			62			62		62
Reward scheme	35					64	64		64
Transactions with shareholders, tota		**0**	**0**	**62**	**0**	**-2,555**	**-2,493**	**-751**	**-3,244**
Selling of shares of subsidiaries owned resulting in loss of controlling interest							0	-935	-935
Acquisitions of minority share-holdings	8					-152	-152	-253	-405
Adjusted equity as of October 31, 2020		**5,569**	**4,646**	**13,612**	**-282**	**19,282**	**42,827**	**28,185**	**71,012**

*The equity for the reference period includes an adjustment regarding value-added tax deducted from the parent company's other expenses for the 2018–2019 financial periods based on tax auditing.

EUR 1,000	Note	Share capital	Share premium account	Invested unrestricted equity fund	Translation differences	Retained earnings	Total	Minority shareholders' interest	Equity total
Adjusted equity as of November 1, 2020		**5,569**	**4,646**	**13,612**	**-282**	**19,282**	**42,827**	**28,185**	**71,012**
Extensive income									
Profit/loss for the financial period						-1,700	-1,700	741	-959
Translation differences					200	-365	-165		-165
Extensive income for the financial period total		**0**	**0**	**0**	**200**	**-2,065**	**-1,865**	**741**	**- 1,124**
Transactions with shareholders									
Dividend distribution	27					-1,576	-1,576	-415	-1,991
Disposal of own shares	27, 35			107			107		107
Reward scheme	35					63	63		63
Transactions with shareholders, total		**0**	**0**	**107**	**0**	**-1,513**	**-1,406**	**-415**	**-1,821**
Changes to subsidiary holdings									
Sales of shares in subsidiaries without change in controlling interest						17	17	18	35
Acquisitions of minority share-holdings	8					-99	-99	-259	-358
Equity as of October 31, 2021		**5,569**	**4,646**	**13,719**	**-82**	**15,623**	**39,474**	**28,270**	**67,744**

Notes to the consolidated financial statements

1. BASIC INFORMATION ABOUT THE COMPANY

The parent company, Panostaja Oyj, invests in Finnish SMEs primarily by purchasing majority shareholdings in them. Panostaja Oyj, together with its subsidiaries, (hereinafter referred to as "Panostaja" or "the Group") form a group whose primary market area is Finland. Panostaja has a majority holding in four investment targets at the time of closing the books.

Panostaja Oyj is a Finnish public corporation operating under the legislation of the Finnish state. The company's shares have been quoted publicly since 1989. The shares are quoted on the Nasdaq Helsinki stock exchange. The company's registered office is in Tampere and the address of its head office is Kalevantie 2, 33100 Tampere. A copy of its consolidated financial statements is available at this address. At its meeting of December 13, 2021, Panostaja Oyj's Board of Directors approved these consolidated financial statements for publishing. Under the Finnish Limited Liability Companies Act, the shareholders may approve or reject the financial statements at the Annual General Meeting held after its publication on February 7, 2022. The AGM also has the opportunity to decide on implementing changes to the financial statements.

2. ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), and the IAS and IFRS standards, as well as the SIC and IFRIC interpretations, valid as of October 31, 2021, have been complied with. The International Financial Reporting Standards refer to the standards approved for application in the EU and the interpretations given on them in the Finnish Accounting Act and the provisions based on it in accordance with the procedure enacted in EU Regulation No 1606/2002. The notes to the consolidated financial statements also comply with the requirements of the Finnish legislation on accounting and corporations which complement the IFRSs.

The consolidated financial statements have been prepared based on the original acquisition costs, with the exception of the financial assets and liabilities recorded at fair value through profit and loss. Compiling financial statements in accordance with the IFRSs requires the Group's management to prepare certain estimates and to use discretion in applying the accounting principles.

The data about such discretion the management have used in applying the Group's accounting principles for the preparation of the financial statements, and which most affect the consolidated financial statements, are presented in Accounting Principles under the section "Accounting principles requiring the management's judgement and the principal uncertainties of estimates."

CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements include the parent company Panostaja Oyj and all its subsidiaries.

Subsidiaries are companies in which the Group has a controlling interest. This controlling interest arises when the Group owns more than half of the voting power, or it otherwise has a controlling interest. The existence of potential voting power has also been taken into consideration in estimating the conditions for the emergence of a controlling interest, when the instruments warranting potential voting power are realizable at the time of observation. Controlling interest refers to the right to dictate the principles of the company's finances and business activities to gain benefits from its operations.

The Group's inter-group shareholding has been eliminated by the acquisition method. The consideration given and the acquired company's separately identifiable assets and equity and liabilities have been valued at fair value at the time of purchase. The expenses connected to the acquisition, apart from the costs incurred by the issuance of liability or equity securities, are recognized as expenditure. The consideration given does not include business operations which are processed as separate from the acquisition. The effect thereof has been observed in connection with the acquisition through profit and loss. Any conditional additional purchase price is valued at fair value at the time of purchase and is classified either as a liability or equity. An additional purchase price that is categorized as a liability is valued at fair value on the closing date of each reporting period, and the profit or loss arising from this is recognized through profit and loss or in other items of extensive income. An additional purchase price that has been classified as equity will not be revalued.

Subsidiaries acquired are integrated in the consolidated financial statements from the moment when the Group has gained a controlling interest, and disposed subsidiaries until such time when the controlling interest ends. All of the Group's intracompany transactions, receivables, liabilities and unrealized gains as well as its internal profit distribution are eliminated when preparing the consolidated financial statements. Unrealized losses are not eliminated if the loss results from amortization. The distribution of the financial-year profit or loss to the owners of the parent company and minority shareholders is presented in a separate income statement, and the distribution of extensive income to the owners of the parent company and minority shareholders is presented in connection with the extensive income statement. Any minority shareholders' interest in the procured item is valued either at fair value or to the amount that corresponds to the proportion of minority shareholders' interest in the separately identifiable net assets of the procured item. The valuation principle is determined separately for each corporate acquisition. Extensive income is allocated to the owners of the parent company and minority shareholders, even if this results in the minority shareholders' interest being negative. The proportion of equity belonging to minority shareholders is presented in the balance sheet as a separate item as part of equity. The changes to the parent company's holding in a subsidiary which do not result in the loss of the controlling interest are treated as business operations concerning equity.

When an acquisition takes place in stages, any previous holding is valued at fair value, and the profit or loss arising from this is recognized through profit and loss. When the Group loses its controlling interest in a subsidiary, the remaining investment is valued at the fair value on the date of the loss of the controlling interest, and the difference arising from this is recognized through profit and loss.

ASSOCIATED COMPANIES

Associated companies are enterprises in which the Group has substantial authority. Substantial authority is created when the Group owns more than 20% of the company's voting power, or when the Group has considerable influence in some other manner without having a controlling interest. Associated companies are integrated in the consolidated financial statements using the equity method. If the Group's share of the associated company's loss exceeds the book value of the investment, the investment is recognized in the balance sheet at zero value and losses exceeding the book value are not combined, unless the Group has committed itself to fulfilling the associated company's obligations.

Unrealized profits between the Group and an associate have been eliminated following the holding the Group has. An investment in an associated company includes the goodwill arising from the acquisition. In the Group's income statement, the result corresponding to the Group's holding is presented in the row Share of associated company profits.

SEGMENT REPORTING

The Group's segment reporting is based on its business segments. Reports on these business segments are prepared in a manner in line with the internal reporting submitted to the highest operational decision-maker. Panostaja's Senior Management Team has been defined as the highest operational decision-making body that is responsible for allocating resources to segments and assessing their results.

AMOUNTS IN FOREIGN CURRENCY

The consolidated financial statements are prepared in euros, which is the functional and presentation currency of the Group's parent company. Foreign currency transactions are recorded in the functional currency using the rate of exchange prevailing on the date of transaction. At each balance sheet date, monetary receivables and liabilities are translated using the rate on the closing date. The exchange differences arising from such translations are recorded in the income statement. The foreign exchange gains and losses of operations are included in the comparable items above operating profit. Non-monetary items are translated using the rate of the transaction date.

Income statements of foreign Group companies have been translated into euros at the average exchange rate for the period, while balance sheets have been translated using the closing rates of the balance sheet date. The translation of the profit for the financial year using different currencies in the income statement, the extensive income statement and equity causes a translation difference that is recognized in the other items of the extensive income statement, and it is included in equity in the item 'Translation differences.' The translation differences arising from the elimination of the acquisition costs of foreign subsidiaries and from the translation of equity items accrued after the acquisition are recorded in the items of the extensive income statement. When a foreign unit is sold in part or in full, the translation differences accumulated in equity are recognized through profit and loss as an adjustment of classification as part of sales profit or loss.

NET SALES AND RECOGNITION PRINCIPLES

Net sales consist of income from the sale of products and services at fair value, adjusted according to indirect taxes and discounts. Within the Group, earnings from product sales are primarily recorded once the essential risks and benefits related to ownership of the goods as well as their right of possession and actual control have been transferred to the buyer and payment is likely. Correspondingly, earnings from services are generally recorded once the services have been rendered. The recognition principles of segment-specific net sales are presented in conjunction with segment information in Note 5.

EBIT

The IAS 1 standard on the presentation of financial statements does not define the concept of operating profit or loss. The Group has defined it as follows: EBIT is the net sum arrived at when other operating income is added to net sales and the following expenses deducted from it: acquisition costs adjusted by the changes in the stocks of finished or incomplete goods, expenses incurred in manufacture for the company's own use, employee benefit expenses, depreciation and any amortization or impairment losses or other operating expenses. All other income statement items besides those mentioned above are presented under operating profit. Exchange rate differences are included in EBIT if they arise from business-related items; in other cases, they are recognized in financial items.

INCOME TAXES

Tax expense consists of the taxes based on taxable income and deferred tax liabilities for the financial period. Taxes are recognized through profit and loss, except when they relate directly to the items recorded in equity or other items of the extensive income. In such cases, tax is also recorded in these items.

Deferred taxes are calculated on temporary differences between the book values of assets and liabilities and the tax value of assets and liabilities. Deferred taxes are recorded by the balance sheet date using statutory tax rates. However, deferred tax liabilities are not recorded when an asset item or a liability to be initially recognized in bookkeeping is in question, and when the integration of business operations is not in question, and when the recording of such an asset item or liability item does not affect the accounting result nor taxable income at the time the business transaction takes place.

The most important temporary differences arise from the valuation of the net assets of acquired companies at fair value, and from appropriations and unexploited tax losses. Deferred tax assets are recognized to the extent that it is probable that future taxable income will become available against which the temporary differences may be utilized. In this respect, the requirements for recognizing deferred tax assets are always estimated on the last trading day of the reporting period.

NON-CURRENT ASSET ITEMS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current asset items (or disposal groups) are classified as held for sale when their recoverable amount, equivalent to their book value, will be recovered mainly from their sale and when their sale is extremely probable. If their recoverable amount which corresponds to their book value will mainly be accrued from their sale instead of their continuous use, they are presented at their book value or fair value less costs to sell, depending on which is smaller. Depreciations from non-current asset items are cancelled on the date of classification.

A discontinued operation is a part of the Group that has been disposed of or that has been classified as held for sale and that represents an important separate business area or geographical area of operation, or is a part of one coordinated plan that concerns the renunciation of an important separate business area or geographical area of operation, or is a subsidiary that has been acquired with the sole purpose of reselling it. The profit from discontinued operations is presented in a row of its own in the consolidated income statement.

GOODWILL AND OTHER INTANGIBLE ASSETS

The goodwill arising from the integration of operations is recorded in the amount that makes the combined amount of the consideration given, minority shareholders' interest in the procured item and the proportion owned previously exceed the acquired net assets.

Instead of recording goodwill depreciations, goodwill is tested at least once a year for amortization, and it is valued at its original acquisition cost less amortizations. For the purpose of impairment testing, goodwill is allocated to cash-generating units.

Research expenditure is recognized as an expense in the income statement for the period in which it incurs. Development costs are activated when they can reliably be expected to benefit the Group financially in the future and when their acquisition costs can be determined reliably, and when other IAS 38 criteria, such as the product's technical and financial execution criteria, are met. Other development expenditure is recognized as expenses. Development costs that have been previously recorded as expenses are not activated in later financial periods.

Other intangible assets that have limited financial useful lives are recorded in the balance sheet and recognized as expenses in the income statement, marked as depreciations on a straight-line basis, during their financial useful lives. All the company's intangible assets have a limited financial useful life.

Intangible rights include software licenses, joining fees and customer relationships. Other intangible assets include computer software.

The standard times for planned depreciations of intangible assets:
Development costs 5–10 years
Intangible rights 3–5 years
Other intangible assets 5–10 years

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are valued at original acquisition cost less depreciations, amortizations and impairment. Depreciations on a straight-line basis are made on property, plant and equipment within their estimated financial useful lives. No depreciations are made on land.

The estimated financial useful lives are as follows:
Buildings 20–25 years
Plant and equipment 3–5 years
Other tangible assets 3–10 years

The depreciation values and financial useful lives of property, plant and equipment are estimated and adjusted at least at the end of each financial period, and if they differ significantly from previous estimates they will be altered accordingly.

The sales profits and losses of property, plant and equipment are determined by comparing their sales price to their book value, and they are presented in the income statement as other operating income or expenses.

RENTAL AGREEMENTS

Rental agreements where the lessor carries a significant share of the risks and rewards integral to ownership are classified as other rental agreements. Rental liabilities related to other rental agreements are not recorded in the balance sheet, and the related rents are recognized in the income statement as equal-sized items over the lease term.

IFRS 16 LEASES

Rental agreements. According to IFRS 16, all leases are to be presented in the lessee's balance sheet. The standard requires companies to record the relevant asset items and lease liabilities in the balance sheet. These are valuated at the current value of upcoming rent payments. Any write-downs from asset items are recorded in the income statement. The interest costs arising from lease liabilities are also recorded in the income statement.

As a result of the standard, almost all lease agreements have been recorded in the balance sheet as fixed asset items, excluding agreements that are shorter than 12 months in length and low in value. However, the lease agreement concepts in the agreements to be addressed as liabilities and those detailed in IFRS 16 differ, which is why the number of agreements recorded in the balance sheet may differ from the number of liabilities. The agreements recorded in the balance sheet consist of lease agreements for premises, equipment and cars.

In accordance with the applicable financial statement principles, the Group will record the lease agreements in the balance sheet as lease liabilities and asset items. The rent payments are presented as loan repayments and related interest costs. The rent payments are presented in the financial cash flow and the rent-related interests in the business cash flow. Rent payments related to short-term and low-value lease agreements, as well as variable rents, are presented in the business cash flow.

The nominal value of the lease liabilities is valued at the current value of rent payments. Rent payments do not include variable rents. Variable rents that are not included in the original lease liability value are recorded directly in the income statement. The lease period is the non-cancellable period of the lease agreement, with an extension or cancellation option if the lessee can be reasonably expected to use the extension option. The lease periods for lease agreements effective until further notice are determined based on the realistic estimates of the management. The relevant rent payments have been discounted based on the Group's estimated extra credit interest.

AMORTIZATION OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet closing date, the Group assesses whether there are indications that the carrying amount of an asset item may not be recoverable. If such indications exist, the recoverable amount of the asset item in question will be measured. The recoverable amount is also assessed yearly with reference to the following asset items, regardless of whether there are indications of impairment: goodwill, intangible assets with indefinite useful lives and incomplete intangible assets. The impairment need is examined at the level of cash-generating units.

An impairment loss is recognized if the book value of the asset item or cash-generating unit exceeds the recoverable amount. Impairment losses are recorded in the income statement. An impairment loss of a cash-generating unit is first allocated to decrease the goodwill directed at the cash-generating unit, and thereafter to symmetrically decrease the other asset items of the unit. On the recognition of an impairment loss, the financial useful life of the asset item depreciated is reassessed.

The recoverable amount of tangible and intangible assets is determined either so that it is their fair value less costs to sell, or a higher service value. In determining service value, the estimated deferred cash flows are discounted to their current value based on discount rates which reflect the average capital cost before tax of the cash-generating unit in question. The discount rates used have been determined before taxes, and the special risk of the cash-generating unit in question is also taken into consideration in calculating them.

Impairment loss connected to property, plant and equipment and other intangible assets except goodwill is cancelled if a change has occurred in the estimates used in determining the amount recoverable from an asset item. Impairment loss is cancelled no higher than to the amount that would have been determined as the book value of an asset item (less depreciation) if impairment losses had not been recognized for it in previous years. Impairment loss recorded for goodwill will not be cancelled.

GOVERNMENT ALLOWANCES

Allowances for the acquisition of tangible or intangible assets are reduced from the book value of the asset item in question where there is reasonable reliability that the grant will be received and that the Group will meet all the conditions set for receiving the grant. Allowances are recognized in the form of smaller depreciations during the service life of the asset item.

STOCKS

Stocks are valued at the acquisition cost or a lower net realizable value. Net realizable value is the estimated sales price obtainable in conventional business, from which the estimated costs resulting from manufacturing the item for sale and the estimated costs necessary for carrying out the sale have been deducted.

The value of stocks has been determined using the FIFO method and it includes all the direct costs resulting from the acquisition, as well as other indirect focused costs. In addition to the purchase cost of materials, direct labor costs and other direct expenses, the acquisition cost of manufactured stocks includes a proportion of the general expenses of production, but not the outlay for sales or financing. The value of stocks has been reduced as far as obsolescent property is concerned.

FINANCIAL DERIVATIVES

The Group has no essential derivative agreements other than interest rate swaps.

Derivative agreements are initially recognized in accounting at fair value on the day that the Group becomes a party to a contract, and they are further valued at fair value at a later date. The Group does not apply hedge accounting to interest rate swaps, because they do not meet the conditions for hedge accounting defined in IFRS 9. In such a case, a change in the fair value of hedging instruments is immediately recognized in financing income and costs through profit and loss.

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

Financial assets have been classified into the following groups in accordance with the IFRS 9 Financial Instruments standard: allocated acquisition cost, fair value through profit and loss and financial assets recognized at fair value through other extensive profit/loss items. The classification has been made based on the purpose of the acquisition and the cash flow properties in conjunction with the original acquisition. Financial assets maturing within 12 months are included in current assets.

Purchases and sales of financial assets are recognized based on the trading day, i.e., the day when the Group undertakes to purchase or sell an asset item. Financial assets are not recognized in the balance sheet after the rights to the cash flows of the investment have ceased or been transferred to another party and the Group has transferred a substantial part of the risks and rewards involved in ownership to another party.

Fund investments and derivatives to which hedge accounting is not applied are classified as financial assets at fair value through profit and loss. The Group has no essential derivative agreements other than interest rate swaps. Derivative agreements are initially recognized in accounting at fair value on the day that the Group becomes a party to a contract, and they are further valued at fair value at a later date. The change in fair value is recorded under financial income and expenses in the income statement. The fund investments include interest rate fund shares.

The financial assets recognized through allocated acquisition cost include loan receivables, sale receivables, accrued income and other receivables. Impairments of sales receivables are recorded under expected credit losses based on a simplified model described in Note 25 Trade and other receivables. Sales receivables and agreement-based asset items are derecognized as final credit losses, as payment for them cannot be reasonably expected. Indications of this include the debtor's significant financial troubles, the likelihood of bankruptcy, negligence of payments or delay of payments in excess of 360 days. Impairment losses arising from trade receivables and agreement-based asset items are presented in the income statement under other business costs.

The Group recognizes investments in unquoted shares as financial assets at fair value through profit and loss, which means that profit or loss resulting from a change in fair value can be recorded under other extensive income statement items instead of classifying them as items to be recognized through profit and loss in conjunction with the sale. Dividends from shares are recorded under financial income when the right to receive dividends has been created. They are current assets, unless the management intends to keep the investment in question for a period longer than 12 months from the balance sheet date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, short-term bank deposits and other current, extremely liquid investments whose initial maturity is no more than three months. Used bank account limits are presented in other non-current liabilities. The Group has estimated the credit loss arising from the liquid assets to be negligible.

FINANCIAL LIABILITIES

Initially, loans are recognized in accounting at fair value, less transaction costs. After this, they are valued in allocated acquisition costs using the effective interest method; the difference between payment received (less transaction costs) and the amount repayable is recognized as interest costs during the loan period.

Loans are classified as current, unless the Group has an absolute right to postpone their payment to at least 12 months from the balance sheet date.

Liability costs are recognized as expenses once they materialize. The liability expenses resulting directly from the acquisition, construction or manufacture of an asset item that fulfills the conditions set are activated as part of the asset's acquisition costs when they are likely to produce deferred financial benefits and when the costs can be reliably determined.

Due to the COVID-19 pandemic, some of the Group companies have made arrangements with the tax authorities for tax-related payments. These liabilities are included in other interest-bearing liabilities.

EQUITY

The Group classifies the instruments it issues based on their nature either as equity or as a financial liability. An equity instrument is any agreement which demonstrates the right to a share of an organization's assets after the deduction of all its liabilities. Costs that concern the issue or acquisition of the Group's own equity instruments are presented as an equity deductible item. If the Group buys back its own equity instruments, the acquisition cost for these instruments is deducted from equity.

PENSION LIABILITIES

The Group's pension schemes have been classified as payment-based schemes. A payment-based pension scheme refers to an arrangement in which the company makes fixed payments to a separate corporation. The company is under no legal or actual obligation to pay additional charges if the separate corporation in question does not have enough funds to pay everyone the benefits relating to their work that they have made payments on during the present or earlier financial periods. The payments made to the payment-based scheme are recognized as the expenses of the financial period during which the payment is made.

SHARE-BASED PAYMENTS

The Group has incentive schemes in which payments are made as equity instruments. Expenses incurred by business operations that are paid as equity are determined based on the fair value of the grant date. The company determines fair value using an appropriate pricing method. An expense resulting from business operations paid as equity and a corresponding increase in equity is recognized during the period when the work is performed and/or when the conditions based on the performance of the work are met. This period ends on the date when the persons involved are fully entitled to remuneration ("Time of the origin of entitlement"). The expenses accrued that are recorded by each balance sheet date from business operations that are paid as equity reflect the extent to which the time of the origin of entitlement has elapsed, and the Group's best estimate on the number of the equity instruments to which this right will eventually be created. The impact on profit/loss is presented in the Group's income statement under expenses arising from employee benefits.

PROVISIONS

Provisions are recognized when a company, as a result of past events, has a legal or actual obligation, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision corresponds to the best estimate of the costs that are required for the fulfillment of the existing obligation on the balance sheet date.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLIED

Since November 1, 2020, the Group has applied the following new and amended standards and interpretations.

Definition of 'material' – amendments to IAS 1 and IAS 8
Effective as of January 1, 2020

IASB has made some amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. According to the changes, a consistent definition of materiality must be used in all conceptual frameworks of reporting, in addition to clarifying when information is material and amending IAS 1 with instructions on immaterial information.

The amendments specifically clarify that:

- the reference to obscuring information applies to situations where the impact is similar to omitting or misstating, and that the company must assess materiality considering the financial statements as a whole; and that
- the "primary users of general purpose financial statements" are those to whom the financial statements are intended, and it is specified that these parties include "many existing and potential investors, lenders and other creditors" which must largely meet their needs for financial information by means of the financial statements intended for general use.

Definition of a business – amendments to IFRS 3
Effective as of January 1, 2020

According to the updated definition of business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of "output" is amended to emphasize the production of goods and services to customers and the accrual of investment revenue and other income. It does not include revenue received in the form of smaller expenses and other financial benefits. As a result of the changes, a larger portion of acquisitions will be treated as asset acquisition.

Updated Conceptual Framework for Financial Reporting
Effective as of January 1, 2020

IASB has released an updated Conceptual Framework for Financial Reporting, the implementation of which began immediately in decisions regarding the issue of standards. The essential changes are as follows:

- increasing the emphasis of the responsible stewardship of a company as a goal in financial reporting
- restoring caution as an element of neutrality
- defining the reporting entity, which can be a legal unit or part thereof
- updating the definitions of assets and liabilities
- removing the recording threshold based on probability and adding to the instructions regarding derecognition
- adding instructions on various valuation criteria
- stating that profit or loss is a primary performance indicator and that earnings and expenses recorded in other extensive profit/loss items should be recognized through profit and loss when this increases the significance of the financial statements or improves accurate presentation.

Changes will not be made to any effective standard. However, the updated framework must be applied as of January 1, 2020 by companies that use the framework to define any such financial statement principles that are applied to business activities, events and circumstances and that are not otherwise addressed in the standards. These companies must consider whether or not the preparation principles they utilize are still appropriate under the updated framework.

The management does not expect the adoption of the listed standards to have a significant impact on the Group's financial statements in the coming financial periods.

PUBLISHED AND UPDATED IFRS STANDARDS THAT ARE NOT YET IN EFFECT

IFRS 17 Insurance Contracts	
IFRS 4 amendment	IFRS 9 postponed application
IFRS 10 and IAS 28 amendments	Sale or transfer of asset items between an investor company and its associated companies or joint ventures.
IAS 1 amendment	Classification of liabilities as short-term and long-term liabilities
IFRS 3 amendment	Reference to a conceptual framework
IAS 16 amendment	Earnings before the start of the intended use
IAS 37 amendment	Loss-making contracts – expenses required to fulfil a contractual obligation *
Annual improvements to IFRS standards 2018–2020	Changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41 standards
Changes to standards IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 due to the reference rate update	
IAS 1 amendment and IFRS Practice Statement 2	Presentation of creation principles
IAS 8 amendment	Definition of accounting estimates
IAS 12 amendment	Calculated tax related to assets and liabilities arising from the same business operations

3. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The Group's financial risks comprise credit and counterparty risk, interest rate risk and liquidity risk. Credit and counterparty risk comprises payments of trade receivables coming from customers, the centralization of the customer base and co-operative banks approved as counterparties. Group companies operate primarily in the eurozone and so are only exposed to transaction risk stemming from exchange rate fluctuations, principally resulting from export activity, to a slight degree. The Group has no significant investments in foreign companies, so it is not exposed to significant translation risk. The effects of changes in interest rates on the value of interest-bearing liabilities and receivables and on the amount of future interest payments cause interest risk.

Panostaja's management of financial risks is handled in a centralized manner within the framework of the parent company's financial operations, under the leadership of Panostaja's Chief Financial Officer. The CFO actively monitors the subsidiaries' financial risks and actively participates in the process of securing funding and the implementation of hedges with the management of subsidiaries. The CFO also supports the management of Panostaja's subsidiaries in other matters related to financial management. The Group subsidiaries do not utilize a mutual fund allocation scheme, and their financial arrangements are independent of each other. The parent company may, by separate decision, allocate its funds to subsidiaries in the form of additional funding based on their financial and liquidity needs. The general principles of the Group's risk management are approved by the Board of Directors and their practical implementation is the responsibility of the parent company together with the subsidiaries.

EXCHANGE RATE RISK

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.

INTEREST RATE RISK

The Group's income and operating cash flow is largely independent of fluctuations in market interest rates. The Group's interest risk primarily constitutes borrowing. At the end of the financial year, liabilities stood at MEUR 46.363 (MEUR 60.352). MEUR 42.794 of the liabilities are variable-interest loans. MEUR 3.569 of the liabilities are fixed-interest loans.

INTEREST RATE RISK SENSITIVITY ANALYSIS

The following table illustrates how any moderate change in interest rates, other variables remaining constant, would affect the Group's result as a consequence of changes to the cost of interest on debts with floating interest rates. Interest rate risk sensitivity is presented after taxes.

EUR 1,000	1% higher Income statement	2% higher Income statement	1% lower Income statement
Effect of change to interest rate			
2021	**-371**	**-665**	**371**
2020	-447	-894	447

CREDIT RISK

Credit risk is managed at Group level, with the exception of risk associated with trade receivables. The companies in the Group check the creditworthiness of customers at least when the customer relationship is being established. To minimize credit risk, the aim is to obtain effective collateral if a customer's creditworthiness so requires. The Group has long-established business relationships with its major customers. The Group has no significant risk concentration. Credit risk is primarily focused on outstanding receivables. The maturity distribution of sales receivables is presented in Note 25 to the financial statements

The risk associated with the Group's liquid assets and derivative agreements is low, since these financial agreements are only concluded with banks with a good credit rating in accordance with the Group's risk management principles.

LIQUIDITY RISK

The Group's most important loan covenants are reported to financiers every three, six and twelve months. If the Group breaches the terms and conditions of a loan covenant, the creditor may demand the accelerated repayment of the loans. Management regularly checks the fulfilment of loan covenant terms and conditions. The Group's parent company has provided securities to financiers on behalf of its subsidiaries as security for creditors (Note 34 to the financial statements).

The loan covenant terms are related to the key figure of the Group's separate company or subgroup, the ratio between interest-bearing loans and operation margin (interest-bearing loans/operating margin) and equity ratios or Panostaja Group's equity ratio and the ratio of interest-bearing net liabilities and operating margin.

Negligence related to liabilities, and breaches of contract: During the financial period, the loan covenant was violated in two subgroups.However, with regard to the loans of two subgroups, totaling MEUR 6.4, consent has been received from the financiers that they will not demand the accelerated repayment of the loans before the end of the financial period. Arrangements concerning liabilities and breaches of contract are presented in Note 28 to the financial statements.

The Group constantly assesses and monitors the amount of finance required for its operations, so that it will have sufficient liquidity to finance its business and repay its loans when they fall due. Efforts are made to guarantee the availability and flexibility of finance through adequate credit limits and by using different sources and forms of finance in the procurement of finance. At the time of the closing of the books, the Group's subsidiaries had MEUR 9.1 of unused credit limits at their disposal.

Panostaja also has a MEUR 15 corporate acquisition limit, which enables the withdrawal of three-year loans to fund Panostaja's corporate acquisitions and/or additional investments in the Group's companies. MEUR 15.0 of Panostaja's corporate acquisition limit remains to be withdrawn.

CAPITAL MANAGEMENT

The aim of the Group's capital management is to ensure that the business has the prerequisites for operating normally and to increase the share value over the long term. The capital structure is influenced through dividend distribution, the purchase of own shares, capital repayments, share issues and loan withdrawals and repayments. In Panostaja's operating model, decisions on acquiring and divesting investments are also an important part of capital management. Panostaja's goal is to persistently increase the value of its investments and, over the long term, implement divestments that lead to significant increases in value and strengthen the capital structure.

The trend in the Group's capital structure is monitored with equity ratio and gearing. The Group's equity ratio was 37.2% (33.6%) and its gearing ratio 83.1% (90.1%).

The drop in the gearing ratio was impacted by the removal of the liabilities of divested business operations.

(EUR 1,000)	2021	2020
Interest-bearing financial liabilities	75,301	103,355
Interest-bearing receivables	4,792	5,102
Cash and cash equivalents	14,224	34,255
Interest-bearing net liabilities	56,285	63,998
Equity total	67,744	71,012
Gearing ratio	**83.1%**	**90.1%**

4. THE ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT DISCRETION AND THE KEY UNCERTAINTIES RELATING TO ESTIMATES

In preparing the consolidated financial statements and related notes, the management of the company must prepare estimates and make assumptions. Any estimates prepared and discretion exercised are founded on previous experience and other factors, such as presumptions about future events. The estimates prepared and discretion applied are examined on a regular basis. Below is a description of the most important areas in which estimates and discretion have been applied.

VALUATION OF ACQUIRED ASSETS AT FAIR VALUE

IFRS 3 requires the supplier to enter any intangible asset as separate from goodwill, if the entry criteria are met. Recognizing an intangible right at fair value requires the management's estimate of future cash flows. As far as possible, the management has applied the available market values as the basis for the allocation of an acquisition cost in determining fair value. Whenever this is not possible, which is typical with intangible assets especially, valuation is based on the asset item's historical revenue and its intended use in future business. Valuations are founded on discounted cash flows and estimated transfer and replacement prices, and require the management's estimates and assumptions on the future use of the asset items and their effects on the company's financial status.

CONDITIONAL PURCHASE PRICES CONCERNING CORPORATE ACQUISITIONS

Management uses significant discretion when assessing the fair value of possible conditional additional purchase prices on the closing day of each reporting period. At the end of the financial period, there were no conditional additional purchase prices for the Group companies.

IMPAIRMENT TESTS

Intangible and tangible assets are tested for impairment whenever there are signs that their value may have decreased. Goodwill and other intangible assets with infinite useful life are tested for impairment at least once a year. For the purposes of the testing, goodwill and intangible assets with infinite useful life are allocated to cash-generating units. The amount recoverable by cash-generating units is based on calculations of service value. Formulating these calculations requires the use of estimates. Although the presumptions applied in accordance with the management's vision are appropriate, the estimated recoverable amounts may differ significantly from those materializing in the future (Note 18 to the financial statements).

VALUATION OF STOCKS

It is the management's principle to enter any impairment loss from slowly moving and outdated stocks on the basis of the management's best estimation of the potentially unusable stocks possessed at the balance sheet date. The management bases its estimation on a systematic and continuous monitoring and evaluation. The company also applies a valuation code founded on the stocks' turnover ratio. Depreciations have not been recorded for stocks during the financial period.

RECOVERABILITY OF DEFERRED TAX ASSETS

Deferred tax assets are only recognized if it is more likely that they will be realized than not, which is determined by whether sufficient taxable income accumulates in the future. The assumptions for accrual of taxable income are based on the evaluations and assumptions of the management.

These evaluations and suppositions involve risk and uncertainty, and it is therefore possible that changes in circumstances bring about changes to assumptions, and this may in turn affect the deferred tax receivables recorded in the balance sheet as well as any other as yet unrecognized tax losses and temporary differences.

If the taxable income of Group companies turns out to be less than what management predicted when deferred tax receivables were being determined, the value of the receivables will fall or they will become completely worthless. In that case, the amounts entered on the balance sheet may have to be canceled through profit and loss.

There are MEUR 8.1 worth of deferred tax assets on the balance sheet of Panostaja Group. The deferred tax assets are itemized in Note 23.

MANAGEMENT ESTIMATES RELATED TO RENTAL AGREEMENTS

In accordance with the applicable IFRS 16 standard, the Group will record the lease agreements in the balance sheet as lease liabilities and asset items. The nominal value of the lease liabilities is valued at the current value of rent payments. The lease period is the non-cancellable period of the lease agreement, with an extension or cancellation option if the lessee can be reasonably expected to use the extension option. The lease periods for lease agreements effective until further notice are determined based on the realistic estimates of the management. During the transition period, rent payments were discounted at the estimated interest of additional credit.

5. SEGMENT INFORMATION

The four segments 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. Panostaja Group's business segments are Grano, Hygga, CoreHW, Oscar Software and Others.

These reported segments have been formed because they produce products and services that differ from each other. The transactions between segments have taken place on normal commercial terms and conditions.

Reports on these business segments are prepared in a manner in line with the internal reporting submitted to the highest operational decision-maker. Senior operational decision-making is represented by the Senior Management Team of the Panostaja Group.

The Group has determined Grano Group as a subgroup involving a significant minority shareholding, as specified in IFRS 12. The Grano Group subgroup's financial information is presented in this segment note under the Grano business segment. To specify, the financial information of the subgroup in question corresponds with the segment-specific information in question.

The shares of minority shareholders in the Grano Group subgroup's profit and equity, respectively, stand at MEUR 1.8 and MEUR 26.7.

BUSINESS SEGMENTS

Net sales and recognition principles

Net sales consist of income from the sale of products and services at fair value, adjusted according to indirect taxes and discounts. The Group's terms of payment are conventional and payments are made relatively quickly. The customer agreements do not involve significant financial components. The amount and timing of sales earnings are not subject to the management's discretion to any significant degree. Exports account for approximately MEUR 6 of the Group's net sales.

- The asset items related to customer contracts (sales receivables and non-invoiced sales included in accrued income) are presented in Note 25. The liabilities related to customer contracts (advances received) are presented in Note 29.
- Grano's earnings primarily come from the sale of printing services as well as digital marketing and content services. Earnings from product sales are recorded once the essential risks and benefits related to ownership of the goods as well as their right of possession and actual control have been transferred to the buyer and payment is likely. Earnings from services are recorded once the services have been rendered.
- Revenue in the Hygga segment comes from the production of oral health care services and selling licenses to its own ERP system. Earnings from services are recorded once the services have been rendered. The IFRS 15 standard affects the timing of the recognition of commissioning or establishing projects carried out in connection to the sale of software services. However, the identified revenue streams from commissioning and establishment projects are not significant in terms of their quantity.
- Revenue in the CoreHW segment comes from the design service of microchips and antennas used in radiotechnology. Earnings from services are recorded once the services have been rendered. The company records sales income from long-term design projects over time as the company is entitled to receive payment for services provided by that point and the Group does not have alternative uses for the product of the performed service. Long-term projects are recognized over time based on their degree of completion, which is determined based on the proportions of investments made and total investments to be expected.
- Revenue in the Oscar Software segment mainly comes from the sale of licenses and services related to the proprietary ERP system as well as financial management, HR and other online trade services. Earnings from services are recorded once the services have been rendered. The IFRS 15 standard is likely to have a small impact on the timing of the recognition of single-charge licenses and the commissioning and establishment projects implemented in connection to their sale, which will occur over a longer period of time. In the reporting period, the recognition's impact on the company's profit/loss was EUR 13,000.
- The Others segment presents the figures of Panostaja's parent company. In addition to this, the row includes the figures of possible non-operative Group companies and other non-allocated items. The impact on profit/loss of associated companies not allocated to business segments are also presented on this row. In the reference year figures, the Others row also includes the assets, liabilities and employee numbers of sold business operations.
- The Eliminations row presents eliminations of internal items between segments as well as other group-level adjustments.

BUSINESS SEGMENTS 2021

2021 (EUR 1,000)	Net sales total	Internal net sales	External net sales	Depreciations, amortizations and impairment	EBIT	Financial income and expenses	Share of associated company profits	Income tax	Profit/loss from continuing operations	Assets	Liabilities	Employees at the end of the period
Grano	107,853	12	107,841	-12,484	5,579					126,855	86,808	901
Hygga	8,122	0	8,122	-576	-210					6,417	11,454	96
CoreHW	6,111	0	6,111	-429	-1,432					8,323	8,045	73
Oscar Software	11,009	92	10,917	-1,086	287					12,096	7,482	149
Others	0	0	0	6	-2,204		206			38,038	10,195	10
Eliminations		-104	-7	0	0					-8,887	-8,887	
Group in total	**133,095**	**-0**	**132,984**	**-14,568**	**2,020**	**-2,205**	**206**	**-62**	**-42**	**182,842**	**115,098**	**1,229**

BUSINESS SEGMENTS 2020

2020 (EUR 1,000)	Net sales total	Internal net sales	External net sales	Depreciations, amortizations and impairment	EBIT	Financial income and expenses	Share of associated company profits	Income tax	Profit/loss from continuing operations	Assets	Liabilities	Employees at the end of the period
Grano	109,919	21	109,898	-13,586	4,760		0			145,542	109,021	940
Hygga	4,146	0	4,146	-464	-262					5,097	9,484	79
CoreHW	8,059	0	8,059	-758	470					8,305	6,405	72
Oscar Software	10,992	162	10,829	-1,145	1,141					12,059	7,267	127
Others	0	0	0	-87	-2,028		233			48,136	15,950	340
Eliminations		-199	-16	0	0					-7,181	-7,181	
Group in total	**133,115**	**-16**	**132,916**	**-16,040**	**4,081**	**-2,508**	**233**	**-1,275**	**532**	**211,958**	**140,946**	**1,558**

* In the reference year, the Others row includes the assets and liabilities of discontinued operations and their staff.

6. ACQUIRED BUSINESSES

No subsidiary acquisitions were made in the financial period or reference period.

7. DIVESTMENTS OF SUBSIDIARIES AND BUSINESS OPERATIONS, AND DISCONTINUED OPERATIONS

Divestments of business operations in the 2021 financial period

HELAKESKUS

On February 18, 2021, Panostaja signed an agreement on selling the entire share capital of Suomen Helakeskus Oy to HTF Group Oy. This also entailed Panostaja divesting all of its business operations specializing in the import of fittings and the provision of related services. Panostaja Group recorded a sales loss of MEUR 1.0 from the transaction.

In the consolidated financial statements, the result of the Helakeskus segment is presented in the section 'Result from Sold and Discontinued Operations' in the financial periods that ended on October 31, 2021 and October 31, 2020.

The result of sold businesses, profit resulting from its divestment and the share of cash flows were as follows:

MEUR

Profit/loss of the Helakeskus segment	November 1, 2020–February 18, 2021	November 1, 2019–October 31, 2020
Earnings	1.8	7.6
Costs	-1.8	-7.6
Profit before taxes	0.0	0.0
Taxes	0.0	0.0
Profit after taxes	0.0	0.0
Disposal loss	-2.3	
Tax expenditure related to disposal	1.3	
Profit/loss from discontinued operations	-1.0	0.0
Helakeskus segment's cash flows until the moment of sale		
Operating cash flow	0.0	0.8
Investment cash flow	0.0	-0.1
Funding cash flow	-0.1	0.0
Total cash flows	-0.1	0.7
The effect of the sale of the Helakeskus segment on the financial position of the Group:	18.2.2021	
Property, plant and equipment	0.0	
Intangible assets	3.1	
Stocks	1.9	
Deferred tax assets	0.0	
Other assets	0.9	
Cash and cash equivalents	0.7	
Sold liabilities	-1.8	
Net assets	4.8	
Consideration received as cash	2.5	
Cash and cash equivalents from divested unit	-0.7	
Net cash flow from corporate divestments	1.8	

HEATMASTERS

The result of sold businesses, profit resulting from its divestment and the share of cash flows were as follows:

MEUR

Profit/loss of the Heatmasters segment	November 1, 2020–June 8, 2021	November 1, 2019–October 31, 2020
Earnings	2.9	4.0
Costs	-2.5	-3.9
Profit before taxes	0.3	0.0
Taxes	0	0.0
Profit after taxes	0.4	0.1
Disposal loss	-0.1	
Tax expenditure related to disposal	0.7	
Profit/loss from discontinued operations	1.0	0.1
Heatmasters segment's cash flows until the moment of sale		
Operating cash flow	-1.4	0.7
Investment cash flow	-0.7	-0.2
Funding cash flow	2.1	-0.1
Total cash flows	0.1	0.4
The effect of the sale of the Heatmasters segment on the financial position of the Group:	**June 8, 2021**	
Property, plant and equipment	0.4	
Intangible assets	0.3	
Stocks	0.3	
Deferred tax assets	0.0	
Other assets	1.9	
Cash and cash equivalents	0.4	
Sold liabilities	-1.8	
Net assets	1.5	
Consideration received as cash	1.4	
Cash and cash equivalents from divested unit	-0.4	
Net cash flow from corporate divestments	1.0	

CARROT

On November 9, 2021, Panostaja fulfilled an agreement to sell Carrot Palvelut Group Oy's shares to shareholders of the company who are actual persons. Carrot Palvelut Group Oy serves as the parent company of the Carrot HR services group. As a result of the deal, Panostaja's ownership in Carrot Palvelut Group Oy will drop to 19%.

In the financial statements, the Carrot segment is presented under discontinued operations, pursuant to IFRS 5, as the sale was found to be highly likely at the time of closing the books. Carrot's assets and liabilities are presented under long-term held-for-sale asset items and liabilities in the consolidated balance sheet.

The result of held-for-sale businesses, profit resulting from its divestment and the share of cash flows were as follows:

MEUR

Profit/loss of the Carrot segment	November 1, 2020–October 31, 2021	November 1, 2019–October 31, 2020
Earnings	7.8	14.5
Costs	-8.8	-18.7
Profit before taxes	-0.9	-4.2
Taxes	0.0	0.0
Profit after taxes	-0.8	-4.2
Profit/loss from discontinued operations	-0.8	-4.2
Carrot segment's cash flows until the moment of classification		
Operating cash flow	-1.3	0.1
Investment cash flow	0.0	0.0
Funding cash flow	1.6	-0.1
Total cash flows	0.3	0.0
Impact of the discontinuation of the Carrot segment on the Group's financial standing:	**October 31, 2021**	
Property, plant and equipment	0.3	
Intangible assets	5.0	
Stocks	0.0	
Deferred tax assets	0.0	
Other assets	1.0	
Cash and cash equivalents	0.4	
Held-for-sale liabilities	-8.8	
Net assets	-2.1	

Distribution of the profits/losses of all discontinued operations among minority shareholders and parent company owners

(EUR 1,000)	2021	2020
Profit/loss from sold and discontinued operations to minority shareholders	-222	-212
Profit/loss from sold and discontinued operations to parent company owners	-696	-3,758
Profit/loss from sold and discontinued operations in total	-918	-3,970

Divestments of business operations in the 2020 financial period

TILATUKKU

On April 9, 2020, Panostaja signed an agreement on selling Tilatukku Group Oy's share capital to the company's acting management. Panostaja Oyj's shareholding in Tilatukku Group Oy was 60%. The trade involved Panostaja relinquishing its ownership in the company entirely. Panostaja Group recorded a sales loss of MEUR 0.5 from the transaction.

In the consolidated financial statements, the result of the Tilatukku segment is presented in the section 'Profit/loss from Discontinued Operations' in the financial periods that ended on October 31, 2020 and October 31, 2019.

The result of sold businesses, profit resulting from its divestment and the share of cash flows were as follows:

MEUR

Profit/loss of the Tilatukku segment	November 1, 2019–April 9, 2020	November 1, 2018–October 31, 2019
Earnings	4.2	7.3
Costs	-4.0	-7.5
Profit before taxes	0.2	-0.2
Taxes	0.0	0.0
Profit after taxes	0.1	-0.2
Disposal loss	-0.5	
Tax expenditure related to disposal	0.0	
Profit/loss from discontinued operations	-0.4	-0.2
Cash flows of the Tilatukku segment up to the time of sale		
Operating cash flow	0.5	0.8
Investment cash flow	-0.3	0.0
Funding cash flow	-0.4	-0.6
Total cash flows	-0.2	0.2

The effect of the sale of the Tilatukku segment on the financial position of the Group:	April 9, 2020
Property, plant and equipment	0.1
Intangible assets	2.3
Stocks	0.6
Deferred tax assets	0.0
Other assets	1.4
Cash and cash equivalents	0.4
Sold liabilities	-2.5
Net assets	2.3
Consideration received as cash	0.9
Cash and cash equivalents from divested unit	-0.4
Net cash flow from corporate divestments	0.5

8. DISPOSALS AND ACQUISITIONS OF SUBSIDIARY HOLDINGS WITHOUT CHANGE IN CONTROLLING INTEREST

FINANCIAL PERIOD 2021

Oscar Software Holdings Oy claimed the shares of a minority shareholder and recorded them as its own shares. In addition to this, the company organized a small share issue for an employee. After this, Panostaja's shareholding in the Oscar group stands at 58.3%.

Panostaja Oyj claimed the shares of a minority shareholder in Heatmasters Group Oy, increasing its holding in the company to 100.0%.

	2021 (EUR 1,000)
Divested or acquired minority shareholders' interest	244
Consideration received or paid	-325
Effect of the change in ownership on retained earnings	**-81**

FINANCIAL PERIOD 2020

Panostaja Oyj claimed the shares of a minority shareholder in Grano Group Oy, increasing its holding in Grano Group Oy to 55.2%.

Oscar Software Holdings Oy claimed the shares of a minority shareholder and recorded them as its own shares. After the acquisition, Panostaja's shareholding in the Oscar group is 54.5%.

The following table shows the total effect of the change in shareholding on Group earnings:

	2020 (EUR 1,000)
Divested or acquired minority shareholders' interest	329
Consideration received or paid	-481
Effect of the change in ownership on retained earnings	**-152**

9. OTHER OPERATING INCOME

(EUR 1,000)	2021	2020 Adjusted *)
Associated company sales profits	411	0
Sales profits on tangible assets	361	110
Received allowances	607	249
Other income	694	430
Total	**2,073**	**789**

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

10. SHARE OF ASSOCIATED COMPANY PROFITS

Details of the company's associated companies are given in Note 20. Investments in associated companies.

11. EMPLOYEE BENEFIT EXPENSES

The Group has payment-based pension schemes, the payments of which are recorded in the income statement in the relevant period.

Details of the employee benefits, including share-based payments, of management considered related parties are given in Note 35. Related party disclosures

During the financial year, the Group employed an average of 1,480 (1,726) people. At the end of the financial period, it employed 1,229 (1,558) persons. The figures for the reference year include the staff employed by the sold business operations (226 people).

(EUR 1,000)	2021	2020 Adjusted *)
Salaries and bonuses	53,869	49,863
Pension costs - payment-based arrangements	9,019	7,873
Other social security expenses	1,915	1,729
Total	**64,802**	**59,465**

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

12. DEPRECIATIONS, AMORTIZATIONS AND IMPAIRMENT

(EUR 1,000)	2021	2020 Adjusted *)
Depreciation by asset group:		
Property, plant and equipment		
Buildings and structures	5,380	5,736
Machinery and equipment	3,715	4,831
Intangible assets		
Development expenses	1,740	1,312
Intangible rights	1,367	2,157
Other capitalized long-term expenditure	1,642	1,744
Total	**13,844**	**15,780**

Impairments by asset group:		
Property, plant and equipment		
Buildings and structures	626	
Other tangible assets		
Intangible assets		
Development expenses	98	225
Intangible rights	0	35
Other capitalized long-term expenditure		
Total	**724**	**260**

Total depreciations, amortizations and impairment by asset group:		
Property, plant and equipment		
Buildings and structures	6,006	5,736
Machinery and equipment	3,715	4,831
Intangible assets		
Development expenses	1,838	1,537
Intangible rights	1,367	2,192
Other capitalized long-term expenditure	1,642	1,744
Total	**14,568**	**16,040**

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

13. OTHER OPERATING EXPENSES

(EUR 1,000)	2021	2020 Adjusted *)
Rental costs	1,328	458
External services	6,597	6,492
Other expense items	7,681	8,008
Total	**15,606**	**14,958**

Auditing fees	160	235
Other fees	10	80
Fees paid to auditors total, continuing operations	170	315

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

14. FINANCIAL INCOME

(EUR 1,000)	2021	2020 Adjusted *)
Interest earned	258	348
Changes in fair value from financial assets recorded at fair value through profit and loss		
- interest derivatives, not in hedge accounting	0	0
- from financial assets that are managed based on fair value	0	0
Total	**258**	348

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

15. FINANCIAL EXPENSES

(EUR 1,000)	2021	2020 Adjusted *)
Foreign exchange losses	2	0
Impairment losses from loan receivables	158	23
Interest expenses for finance lease liabilities	634	390
Interest expenses for other financial liabilities	1,669	2,443
Total	**2,463**	**2,856**

*) The comparative data presented in the financial statements regarding the income statement and cash flow for 2020 has been adjusted due to the Helakeskus, Heatmasters and Carrot subgroups being presented as sold operations.

16. INCOME TAXES

(EUR 1,000)	2021	2020
Direct tax	-243	-539
Taxes in previous periods	5	2
Deferred taxes		
Incurred and resolved tempo-rary taxes	175	-694
Income taxes total	**-62**	**-1,230**

Balancing statement between the tax expense in the income statement and the taxes calculated using the Finnish tax rate of 20.0% Reconciliation:

Profit before taxes	21	-1,798
Income tax on Group income at the tax rate in Finland before taxes	-4	360
Non-taxable income	830	399
Non-deductible expenses	- 1,002	-954
Goodwill impairments	0	-660
Unrecognized deferred tax assets from tax losses	262	-419
Share of associated company profits	41	47
Incurred and resolved temporary differences in deferred tax assets and liabilities	-184	-3
Taxes for previous periods	-5	
Taxes in the income statement	**-62**	**-1,230**

The figures for discontinued operations are not distinguishable in the information for the reference year.

17. EARNINGS PER SHARE

Undiluted earnings per share (EPS) are calculated by dividing the profit for the period attributable to the parent company shareholders by the weighted average of the number of shares outstanding during the period. The fair value of a share is based on the average price of a share for the financial year.

	2021	2020
Continuing operations	-1,004	-593
Discontinued operations	-696	-3,758
Profit for the financial period attributable to parent company shareholders (EUR 1,000),	-1,700	-4,351
Profit used when calculating profit per share	-1,700	**-4,351**
Profit used when calculating profit per share adjusted with the diluting effect	**-1,700**	**-4,351**
Number of shares at the end of the financial period	53,333	52,533
of which held by company	771	111
Weighted average number of shares outstanding, 1,000 pcs	52,525	52,392
Share-based payments, 1,000 pcs	37	65
Weighted average number of shares outstanding, 1,000 pcs	52,562	52,457
Earnings per share calculated from the profit belonging to the shareholders of the parent company:		
Earnings per share from continuing operations, EUR		
Undiluted	-0.019	-0.011
Diluted	-0.019	-0.011
Earnings per share from sold and disconti-nued operations, EUR		
Undiluted	-0.013	-0.072
Diluted	-0.013	-0.072
Earnings per share from sold and disconti-nued operations, EUR		
Undiluted	-0.032	-0.083
Diluted	-0.032	-0.083

18. INTANGIBLE ASSETS

(EUR 1,000)	Goodwill	Intangible	Development expenses	Other intangible	Total
Acquisition cost as of November 1, 2020	**100,484**	**24,327**	**10,130**	**12,484**	**147,424**
Additions		53	2,828	208	3,089
Deduction			-99	-23	-122
Effect of the company sale or discontinuation	-3,286		-63	-85	-3,434
Effect of held-for-sale business operations	-4,591	-379			-4,970
Transfer between balance sheet groups			69	-33	36
Acquisition cost October 31, 2021	**92,607**	**24,001**	**12,865**	**12,551**	**142,023**
Accumulated depreciations, amortizations and impairment November 1, 2020	-12,474	-21,425	-4,050	-8,830	-46,779
Depreciations, amortizations and impairment for the period					0
Depreciations in the financial period		-1,367	-1,740	-1,642	-4,749
Deductions				19	
Effect of company acquisition					
Effect of the company sale or discontinuation			15	-12	3
Impairment			-98		-98
Accumulated depreciations, amortizations and impairment October 31, 2021	**-12,474**	**-22,792**	**-5,873**	**-10,465**	**-51,604**
Book value as of October 31, 2021	**80,133**	**1,208**	**6,992**	**2 086**	**90,419**
Acquisition cost as of November 1, 2019	**102,852**	**24,314**	**7,315**	**11,516**	**145,996**
Additions		42	2,802	782	3,626
Effect of the company sale or discontinuation	-2,368	-29		-18	-2,415
Transfer between balance sheet groups			13	204	217
Exchange rate differences					0
Acquisition cost October 31, 2020	**100,484**	**24,327**	**10,130**	**12,484**	**147,424**
Accumulated depreciations, amortizations and impairment November 1, 2019	-9,167	-19,054	-2,508	-7,056	-37,785
Depreciations, amortizations and impairment for the period					0
Depreciations in the financial period		-2,400	-1,317	-1,744	-5,461
Effect of the company sale or discontinuation		29		4	33
Impairment	-3,307		-225	-34	-3,566
Accumulated depreciations, amortizations and impairment October 31, 2020	**-12,474**	**-21,425**	**-4,050**	**-8,830**	**-46,779**
Book value as of October 31, 2020	**88,010**	**2,902**	**6,080**	**3,654**	**100,643**

GOODWILL IMPAIRMENT TEST

Goodwill has been allocated to the following cash-flow producing units (or groups within units):

MEUR	2021	2020
Grano	67.0	67.0
Oscar Software	7.1	7.1
CoreHW	3.4	3.4
Hygga	2.6	2.6
Carrot	-	4.6
Helakeskus	-	3.0
Heatmasters	-	0.3
Total	**80.1**	**88.0**

Impairment testing of goodwill in the financial period was undertaken for the situation on September 30. The recoverable amount through business operations has been determined in an impairment test with the help of service value. The determined anticipated cash flows are based on the vision of the Group's management on the development of the next three years. The subsequent years after the forecast period have been extrapolated using a 2% growth estimate.

The key variables used in calculating service value are budgeted net sales and budgeted operating profit. In terms of operating profit, the cost savings and other benefits produced by restructuring activities which have already been implemented, or to which a commitment has been made, were also taken into account. Future outgoing cash flows taking place after the time of observation are not linked to these reorganization efforts to any significant extent.

Panostaja divested its majority shareholding in the Carrot segment after the end of the financial period. For this reason, the Carrot segment's goodwill can no longer be reported on the goodwill row of the balance sheet. Instead, it is presented in the financial statements under held-for-sale assets.

In the context of calculating the service value, Grano's net sales is expected to grow rapidly at first and later settle at a moderate rate of growth. Grano's EBIT is expected to improve as a result of operational streamlining measures. The discount rate used in the calculations is 8.2% (6.8%) before taxes.

Hygga's net sales are expected to grow significantly in the forecast periods, especially in terms of the clinic business. EBIT is also expected to increase for the clinic and licensing business. The discount rate used in the calculations is 9.4% (9.5%) before taxes.

In this examination, CoreHW's net sales are expected to increase primarily for design operations and profitability is anticipated to improve significantly from the 2021 level. The discount rate used in the calculations is 8.5% (7.6%) before taxes.

Oscar Software's net sales and profitability are expected to increase substantially in the review period. The discount rate used in the calculations is 10.4% (10.1%) before taxes.

The service value determined with the test of the company's units that have been analyzed through continuous testing has been greater than their book value in all units. Moderate changes to the key parameters used in the test calculations do not result in the asset items' book value exceeding the recoverable amount accruable from them. Due to the current low interest level, however, it is clear that the sensitivity of the impairment tests will increase as the interest rates climb.

The management has conducted a sensitivity analysis in relation to growth presumptions following the forecast period and the discount rate used, while other assumptions remain unchanged:

Grano: If the expected growth after the forecast period were dropped to 1% and the discount rate increased 3.0 percentage points, the recoverable amount would match the book value of the assets being tested.

Hygga: If the expected growth after the forecast period were dropped to 1% and the discount rate increased 21.4 percentage points, the recoverable amount would match the book value of the assets being tested.

CoreHW: If the expected growth after the forecast period were dropped to 1% and the discount rate increased 1.7 percentage points, the recoverable amount would match the book value of the assets being tested.

Oscar Software: If the expected growth after the forecast period were dropped to 1% and the discount rate increased 11.6 percentage points, the recoverable amount would match the book value of the assets being tested.

19. PROPERTY, PLANT AND EQUIPMENT

(EUR 1,000)	Land areas	Buildings and premises	Machinery and equipment	Other tangible assets	Advance payments fixed assets	Total
Acquisition cost as of November 1, 2020	**194**	**26,111**	**46,857**	**282**	**1,014**	**74,458**
Additions			808		1,084	1,892
Additions to asset items		3,872				3,872
Effect of company acquisition						0
Effect of the company sale or discontinuation	-14	-1,148	-2,573		-42	-3,777
Effect of held-for-sale business operations		-290				-290
Deductions		-96	-137			-233
Transfers between balance sheet groups			108		-143	-35
Exchange rate differences			26			26
Acquisition cost October 31, 2021	**180**	**28,449**	**45,089**	**282**	**1,913**	**75,913**
Accumulated depreciations, amortizations and impairment November 1, 2020	**-180**	**-6,263**	**-34,682**	**-208**	**-947**	**-42,280**
Depreciations in the financial period		-5,380	-3,715			-9,095
Effect of the company sale or discontinuation		163	2,394			2,557
Effect of held-for-sale business operations			-21			-21
Deductions			-43			-43
Exchange rate differences			-2			-2
Amortizations		-626				-626
Accumulated depreciations, amortizations and impairment October 31, 2021	**-180**	**-12,106**	**-36,069**	**-208**	**-947**	**-49,510**
Book value as of October 31, 2021	**0**	**16,343**	**9,020**	**74**	**966**	**26,402**
Acquisition cost as of November 1, 2019	**194**	**0**	**44,026**	**282**	**1,090**	**45,592**
Additions			2,909		383	3,292
Additions to asset items		27,366	432			27,798
Effect of the company sale or discontinuation		-530	-317			-847
Deductions		-722	-227		-63	-1,012
Transfers between balance sheet groups			179		-396	-217
Exchange rate differences		-3	-145			-148
Other changes						0
Acquisition cost October 31, 2020	**194**	**26,111**	**46,857**	**282**	**1,014**	**74,458**
Accumulated depreciations, amortizations and impairment November 1, 2019	**-179**	**0**	**-29,898**	**-208**	**-947**	**-31,232**
Depreciations in the financial period			-4,944			-4,944
Depreciations of asset items		-6,267	-109			-6,376
Effect of the company sale or discontinuation			225			225
Deductions			-79			-79
Exchange rate differences	-1	4	123			126
Accumulated depreciations, amortizations and impairment October 31, 2020	**-180**	**-6,263**	**-34,682**	**-208**	**-947**	**-42,280**
Book value as of October 31, 2020	**14**	**19,848**	**12,175**	**74**	**67**	**32,177**

In accordance with the applicable financial statement principles, the Group will record the lease agreements in the balance sheet as lease liabilities and asset items. The rent payments are presented as loan repayments and related interest costs. The lease period is the non-cancellable period of the lease agreement, with an extension or cancellation option if the lessee can be reasonably expected to use the extension option. The lease periods for lease agreements effective until further notice are determined based on the realistic estimates of the management. The relevant rent payments have been discounted based on the Group's estimated extra credit interest.

Property, plant and equipment	Premises	Machinery and equipment	2021 Total
Acquisition cost Nov 1	**26,111**	**20,568**	**46,679**
Additions during the financial period	3,872	730	4,602
Deductions during the financial period	-1,534	-250	-1,784
Acquisition cost Oct 31	**28,449**	**21,048**	**49,497**
Accrued depreciations Nov 1	-6,263	-12,015	-18,278
Depreciations in the financial period	-5,380	-2,594	-7,974
Depreciations, amortizations and impairment for the period	-626		-626
Deductions during the financial period	163	63	226
Accrued depreciations October 31	**-12,106**	**-14,546**	**-26,652**
Book value as of October 31	**16,343**	**6,502**	**22,845**
Book value as of November 1	**19,848**	**8,552**	**28,400**

Income statement amounts included in rental agreements	2021	2020
Depreciations	-7,974	-8,775
Amortizations	-626	
Interest expenses for lease liabilities	-634	-830
Other operating cost items, rent	-1,060	-457
Outgoing cash flow from rental agreements		
Payments of lease liabilities	-8,720	-7,894
Items recorded in the income statement, excluding depreciations	-1,068	-1,287

20. INVESTMENTS IN ASSOCIATED COMPANIES

(EUR 1,000)	2021	2020
Book value as of November 1	3,575	3,342
Share of the profit of the financial period	206	233
Additions	0	0
Deductions	-1,139	0
Book value as of October 31	**2,643**	**3,575**

Associated company

October 31, 2021	Registered office	Shareholding	Assets	Equity	Liabilities	Net sales	Profit/loss
Gugguu Oy	Oulu	43,0%	6,983	4,231	2,752	4,251	436
Maker3D	Helsinki	32,6%	625	38	587	2,394	-22

Gugguu is a company established in 2012 that designs and manufactures first-rate children's clothing from ecological high-quality materials. The company's products include indoor and outdoor clothing for children as well as children's accesories. Panostaja's shareholding in the company stands at 43%.

Grano's subsidiary Grano 3D merged with Maker3D on September 30, 2019. Through the exchange of shares, the company became one of Grano's associated companies (shareholding 32.6%). Maker3D designs and manufactures high-quality 3D-printable products. The consolidation is based on the financial statements prepared on April 30, 2021. This does not impact the Group significantly.

Over the course of the financial period, Panostaja divested associated company Spectra, in which it had a 39.0% shareholding. The dividends paid by Spectra during the review period stood at EUR 27,000.

21. OTHER NON-CURRENT ASSETS

(EUR 1,000)	2021	2020
Loan receivable	3,238	4,816
Held-for-sale investments	216	216
Other receivables	642	786
Total	**4,097**	**5,818**

Under other receivables, Panostaja Oyj has a receivable of MEUR 0.5 from the Group's Senior Management Team in relation to the reward scheme. There are more details concerning the reward scheme in Note 35. Related party disclosures.

HELD-FOR-SALE INVESTMENTS

Investments in unquoted shares:	2021	2020
At the start of the financial period, November 1	216	224
Additions caused by the merging of businesses	0	0
Additions	0	0
Deductions	0	-8
At the end of the financial period, October 31	**216**	**216**

22. FINANCIAL ASSETS RECORDED AT FAIR VALUE THROUGH PROFIT AND LOSS

(EUR 1,000)	2021	2020
At the start of the financial period, November 1	6,366	8,394
Changes in fair value		
- realized	9	-14
- unrealized		-14
Additions	2,643	2,000
Deductions	-3,050	-4,000
At the end of the financial period, October 31	**5,968**	**6,366**

The financial assets recorded at fair value through profit and loss include an investment in the S-Pankki Lyhyt Korko investment fund. The fund mainly consists of short-term interest bond funds and investments in company loan funds. The fund is low-risk and the investment can be withdrawn at any time. At the end of the financial year, the fund held MEUR 6.0 in investments.

23. DEFERRED TAX ASSETS AND LIABILITIES

Changes to deferred taxes in the financial period:

Deferred tax assets	Losses confirmed or to be confirmed in taxation	Other items	Total
November 1, 2019	**582**	**5,435**	**6,017**
Recorded in the income statement	-3	234	231
October 31, 2020	**579**	**5,669**	**6,248**
Recorded in the income statement	38	-197	-159
Discontinued operations	1,995	-22	1,971
October 31, 2021	**2,612**	**5,450**	**8,062**

Deferred tax liabilities:	Fair value allocations	Varying tax depreciations	Discontinued business operations	Acquired business operations	Total
November 1, 2019	**1,789**	**4,415**	**0**		**6,204**
Recorded in the income statement	-458	1,194			736
Discontinued operations			-213		-213
Adjustment from changes in the tax rate					
October 31, 2020	**1,331**	**5,609**	**-213**		**6,727**
Recorded in the income statement	-286	-48			-334
Discontinued operations			-75		-75
October 31, 2021	**1,045**	**5,561**	**-288**		**6,318**

A tax receivable in the amount of MEUR 2.2 has been recognized for subsidiary losses that have been or will be confirmed. Deferred tax receivables have not been recognized for the MEUR 0.3 in total confirmed losses of subsidiaries. MEUR 2.0 in deferred tax assets has been recorded based on the taxable sales losses of subsidiaries divested during the financial period. As regards losses to be confirmed for the financial period, the recoverability of the deferred tax assets is based on Panostaja Oyj's coming sales profits, on which the management has prepared a written estimate that indicates the recoverability to be likely. The unused tax losses will expire between 2025 and 2030.

24. STOCKS

(EUR 1,000)	2021	2020
Materials and supplies	3,212	3,089
Unfinished products	1,463	648
Finished products and goods	479	2,586
Other stocks	3	7
Total	**5,157**	**6,330**

The Group did not record stock impairments for the 2021 financial year or the reference period.

25. TRADE AND OTHER RECEIVABLES

The book value of trade receivables and other receivables corresponds to the maximum amount for the credit risk associated with them on the balance sheet date.

(EUR 1,000)	2021	2020
Trade receivables	19,197	19,008
Loans receivable	1,456	188
Accrued income	3,655	3,140
Receivables from associated companies	0	0
Tax assets based on taxable income for the period	115	40
Other receivables	677	533
Total	**25,099**	**22,908**

Aging of trade receivables

(EUR 1,000)	2021	2020
Not past due	17,734	17,042
Past due 1–30 days	1,267	1,659
Past due 31–180 days	144	243
Past due 181–360 days	72	87
Past due over a year	57	65
Credit loss provision and ECL in total	-77	-88
Balance sheet value of trade receivables	**19,197**	**19,008**

The companies have recorded impairment losses of EUR 49,000 from trade receivables in the financial period (EUR 160,000 in 2020). The amortizations have affected invoices over a year past due as well as receivables from companies with a bankruptcy or corporate restructuring decision.

In defining the credit loss provision, the Group applies the simplified method permitted by IFRS 9, in which the pending credit loss is recorded to match the total credit losses anticipated for the entire validity period. The model for assumed credit losses is based on the amount of historical losses and the payment behavior of customers. The Group has recorded a credit loss provision of EUR 77,000 in accordance with IFRS 9 (EUR 88,000 in 2020).

October 31, 2021 (EUR 1,000)	Not matured	1-30	31-180	181-360	yli 360	Total
Gross book value	17,734	1,267	144	71	57	19,274
Deductible item regarding the loss	9	2	3	7	57	77

Material items contained in accrued income

(EUR 1,000)	2021	2020
Salaries and social charges	13	5
Annual rebates	2	117
Advances	1,263	1,209
Non-invoiced sales	275	0
Others	2,102	1,809
Total	**3,655**	**3,140**

The balance sheet value of receivables is essentially the equivalent of their fair value.

26. CASH AND CASH EQUIVALENTS

(EUR 1,000)	2021	2020
Financial assets S-Pankki Korko investment fund	5,968	6,366
Cash in hand and bank accounts	8,255	27,889
Total	**14,224**	**34,255**

27. NOTES ON EQUITY

At the end of the financial period, Panostaja Oyj's share capital was EUR 5,568,681.60 and the total number of shares was 52,333,110.

SHARE PREMIUM ACCOUNT

The maximum amount paid by the shareholders in connection with share issues that exceeds the nominal value of the shares has been recorded in the share premium account. The amounts recorded in the share premium account relate to the share issues under the former Finnish Limited Liability Companies Act (734/1978), which was in force until August 31, 2006.

In cases where option rights were decided when the old Companies Act was in force, the cash payments received from share subscriptions based on the options are recognized in accordance with the terms and conditions of the arrangement for share capital and the share premium account.

INVESTED UNRESTRICTED EQUITY FUND

The invested unrestricted equity fund consists of investments of the nature of equity and the amount paid by shareholders in connection with share issues decided upon following the entry-into-force on September 1, 2006 of the new Limited Liability Companies Act (624/2006), where it is not recognized in the share capital in accordance with an express decision. The invested unrestricted equity fund also contains a convertible bond loan equity component.

SHARE ISSUE

No paid share issues were carried out in either the 2021 financial period or the 2020 reference period.

SHARE SUBSCRIPTION

Share subscriptions were not carried out in the 2021 financial period or the 2020 reference period.

OWN SHARES

The purchase price of bought shares and their transaction costs are given as a deduction under invested unrestricted capital.

Under the authorization provided by the Annual General Meeting, Panostaja Oyj's Board of Directors decided on February 5, 2021 to carry out a free-of-charge share issue of 800,000 shares, pursuant to Chapter 9, Section 20 of the Limited Liability Companies Act, to the company itself.At the end of the 2021 financial period, there were 771,155 of the company's own shares (110,824).

In accordance with the decisions by the General Meeting and the Board on February 6, 2020, Panostaja Oy relinquished a total of 85,946 individual shares as share bonuses to the company management on December 14, 2020. On December 14, 2020, the company relinquished to the Board members a total of 12,987 shares as meeting compensation. In accordance with the Board decision of February 5, 2021, Panostaja relinquished a total of 13,514 shares on March 17, 2021, a total of 13,889 shares on June 4, 2021 and a total of 13,333 shares on September 3, 2021 as meeting compensation.

DIVIDENDS

The dividend paid for the 2020 financial period stood at MEUR 1.6 in total (EUR 0.03 per share). MEUR 0.4 in dividends was paid to minority shareholders in subsidiaries.

The dividend paid for the 2019 financial period stood at MEUR 2.6 in total (EUR 0.05 per share). MEUR 0.8 in dividends was paid to minority shareholders in subsidiaries.

Dividends paid to minority shareholders	2021	2020
Heatmasters Group Oy	170	0
Grano Group Oy	0	506
Grano Diesel Oy	245	245
Total	**415**	**751**

EQUITY CORRECTIONS TO PREVIOUS FINANCIAL PERIODS THROUGH ADJUSTMENT

In the reference period, the Group's equity was adjusted by a total amount of MEUR 0.5 according to value-added taxes levied on the company for previous financial periods 2018-2019 based on tax auditing.

28. FINANCIAL LIABILITIES

(EUR 1,000)	2021	2020
Non-current financial liabilities valued at acquisition cost		
Loans from financial institutions	36,197	47,028
Other interest-bearing liabilities	1,996	2,712
Lease liabilities	16,388	20,905
Other loans	572	474
Total	**55,153**	**71,120**
Current financial liabilities valued at acquisition cost		
Installments on non-current financial loans	7,514	8,988
Other loans from financial institutions	2,652	15,298
Other interest-bearing liabilities	2,713	-
Lease liabilities	7,395	7,977
Total	**20,274**	**32,264**

The fair value of liabilities is presented in Note 32. The fair values of financial assets and liabilities.

The weighted average of interest rates on October 31, 2021 was 2.4% (October 31, 2020: 2.5%). At the time of closing the books, the Group's financial liabilities stood at MEUR 46.363. Of this, MEUR 42.794 were variable-interest loans and MEUR 3.569 were fixed-interest loans. Interest-bearing non-current and current liabilities are in euros.

ARRANGEMENTS CONCERNING LIABILITIES AND BREACHES OF CONTRACT

CoreHW Group Oy's MEUR 2.7 loans involve a covenant term on equity ratio and key figure on interest-bearing net liabilities / operating margin. At the time of closing the books, the company did not meet the required covenant term. However, the financier has, before the end of the financial period, consented to not maturing the liabilities in question due to a breach of covenant.

Oscar Software Holdings Group Oy's liabilities in the amount of MEUR 3.6 involve a covenant term, key figures, interest-bearing net liabilities/operating margin. At the time of closing the books, the company did not meet the required covenant term. However, the financier has, before the end of the financial period, consented to not maturing the liabilities in question due to a breach of covenant.

Maturity analysis of non-current liabilities

Repayments including interest (EUR 1,000)	Loans from financial institutions 2021	Loans from financial institutions 2020	Lease liabilities 2021	Lease liabilities 2020	Other loans 2021	Other loans 2020
< 1 year	8,672	9,255	7,395	7,977	2,713	23,483
1–2 years	11,115	14,853	3,825	4,938	2,442	6,768
2–3 years	7,221	7,421	3,825	4,938	0	0
3–4 years	21,022	25,999	3,825	4,938	0	0
4–5 years	356	1,210	3,788	4,938	0	0
> 5 years	1,969	554	1,125	1,153		
	50,355	**59,292**	**23,786**	**28,882**	**5,155**	**30,251**

29. TRADE PAYABLES AND OTHER LIABILITIES

(EUR 1,000)	2021	2020
Provisions	0	0
Advances received	734	679
Trade payables	9,103	9,305
Accruals and deferred income	11,150	13,751
Other current liabilities	4,795	7,102
Total	**25,782**	**30,876**

Material items contained in accruals and deferred income

(EUR 1,000)	2021	2020
Annual holiday pay and social costs	7,994	10,026
Accrued wages and salaries	919	1,323
Accrued interest	1	83
Accrued taxes	2	68
Accrued employee pension	1,264	1,362
Other items	970	889
Total	**11,150**	**13,751**

30. PROVISIONS

The Group did not have loss-making contracts or guarantee provisions in the financial period or reference period.

31. MATURITIES OF LEASE LIABILITIES

(EUR 1,000)	2021	2020
Gross amount of lease liabilities – minimum rents by maturity date:		
In one year	7,854	8,777
Between one and five years	15,887	20,361
In over five years	1,125	1,165
Total	**24,866**	**30,303**
Future financial costs of lease liabilities	-1,084	-1,421
Current value of lease liabilities	**23,783**	**28,882**
The current value of the lease liabilities will mature as follows		
In one year	7,395	7,977
Between one and five years	15,262	19,751
In over five years	1,125	1,154
Total	**23,783**	**28,882**

The property, plant and equipment listing includes asset items acquired using lease liabilities.

In accordance with the applicable financial statement principles, the Group will record the lease agreements in the balance sheet as lease liabilities and asset items. The rent payments are presented as loan repayments and related interest costs.

The nominal value of the lease liabilities is valued at the current value of rent payments. Rent payments do not include variable rents. Variable rents that are not included in the original lease liability value are recorded directly in the income statement. The lease period is the non-cancellable period of the lease agreement, with an extension or cancellation option if the lessee can be reasonably expected to use the extension option. The lease periods for lease agreements effective until further notice are determined based on the realistic estimates of the management. Rent payments are discounted at the estimated interest of additional credit.

32. FAIR VALUES FOR FINANCIAL ASSETS AND LIABILITIES

2021 Balance sheet item

(EUR 1,000)	Note	At fair value through profit and loss	At fair value through other extensive profit/loss items	At allocated acquisition cost	Book values of balance sheet items	Fair value
Non-current financial assets						
Other non-current assets	21			3,881	3,881	4,013
Held-for-sale investments	21		216		216	216
Current financial assets						
Trade and other receivables	25				0	0
Short-term investments	22	5,968			5,968	5,968
Financial assets total		**5,968**	**216**	**3,881**	**10,065**	**10,197**
Non-current financial liabilities						
Loans from financial institutions	28			36,197	36,197	36,339
Other interest-bearing liabilities				1,996	1,996	1,996
Lease liabilities	28			16,388	16,388	16,388
Other non-current liabilities	28			572	572	572
Current liabilities						
Installments on non-current financial loans	28			7,514	7,514	7,514
Other interest-bearing liabilities				2,652	2,652	2,652
Lease liabilities				7,395	7,395	7,395
Other current liabilities				2,713	2,713	2,713
Derivative agreements	29	45			45	45
Financial liabilities total		**45**	**0**	**75,427**	**75,472**	**75,614**

* The non-current financial liabilities include MEUR 16.4 in leasing liabilities.
* The current financial liabilities include MEUR 7.4 in leasing liabilities.

2020 Balance sheet item

(EUR 1,000)	Note	At fair value through profit and loss	At fair value through other extensive profit/loss items	At allocated acquisition cost	Book values of balance sheet items	Fair value
Non-current financial assets						
Other non-current assets	21			5,602	5,602	5,734
Held-for-sale investments			216		216	216
Current financial assets					**0**	
Trade and other receivables	25				0	0
Short-term investments	22	6,366			6,366	6,366
Financial assets total		**6,366**	**216**	**5,602**	**12,184**	**12,316**
Non-current financial liabilities						
Loans from financial institutions	28			47,028	47,028	49,889
Other interest-bearing liabilities	28			20,905	20,905	20,905
Lease liabilities	28			473	473	473
Other non-current liabilities						
Current liabilities						
Installments on non-current financial loans	28			8,988	8,988	8,988
Other interest-bearing liabilities				15,298	15,298	15,298
Lease liabilities				7,977	7,977	7,977
Other current liabilities					0	0
Derivative agreements	29	88			88	88
Financial liabilities total		**88**	**0**	**100,669**	**100,757**	**103,618**

The fair values of trade receivables, other current receivables, trade payables and other current liabilities correspond to their book value, because the effect of discounting is not essential, taking into account the maturity of the receivables. Their fair value is therefore not specified in the Notes.

The fair values of other receivables and liabilities valued at allocated acquisition cost are set by discounting their future cash flows on the balance sheet day using market interest rates, at which the company would get a similar loan on the date of the closing of the books or, with regard to receivables, market interest rates at which the company could grant a loan to a counterparty on the date of the closing of the books.

The process of determining the fair value of items valued at fair value on the balance sheet is explained in Note 33.

33. THE FAIR VALUE HIERARCHY FOR FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

	Fair values at the end of the period under review **31.10.2021**		
(EUR 1,000)	Level 1	Level 2	Level 3
Financial assets recorded at fair value through profit and loss			
Interest rate swaps			
Interest rate fund shares			
Held-for-sale investments			
Short-term investments	5,968	0	
Investments in unquoted shares		0	216
Total	**5,968**	**0**	**216**
Financial liabilities recorded at fair value through profit and loss			
Interest rate swaps		45	
Total	**0**	**45**	**0**

	Fair values at the end of the period under review **31.10.2020**		
(EUR 1,000)	Level 1	Level 2	Level 3
Financial assets recorded at fair value through profit and loss			
Interest rate swaps			
Interest rate fund shares			
Held-for-sale investments			
Short-term investments	6,366		
Investments in unquoted shares		0	216
Total	**6,366**	**0**	**216**
Financial liabilities recorded at fair value through profit and loss			
Interest rate swaps		88	
Total	**0**	**88**	**0**

The fair values under Level 1 in the hierarchy are based completely on the quoted prices for the same asset items or liabilities on existing markets.
Level 2 fair values are based on input data other than the quoted prices contained in Level 1, yet on information that is verifiable either directly or indirectly for the asset item or liability concerned. Fund investments are valued based on the valuation reports of fund management companies. Derivatives are valued using the discounted cash flow method.
Level 3 fair values are based on a price other than that available on the market, and they might contain assessments made by management.

HELD-FOR-SALE NON-CURRENT FINANCIAL ASSETS

Held-for-sale non-current financial assets are all investments in unquoted shares. The fair value does not substantially differ from the acquisition cost.

34. GUARANTEES AND CONTINGENCIES

(EUR 1,000)	2021	2020
Guarantees given on behalf of Group companies		
Enterprise mortgages given by subsidiaries	176,534	94,255
Pledges given	102,640	112,920
Other liabilities	730	4,944

The pledges given include subsidiary shares pledged by subsidiaries worth MEUR 102.6. The nominal or book value of a collateral has been used as the value of liabilities.

(EUR 1,000)	2021	2020
Other rental agreements		
In one year	1,810	2,380
In over one year but within five years maximum	101	2,059
In over five years	997	275
Total	**2,908**	**4,714**
Total for loans from institutions	46,363	56,016

35. RELATED PARTY DISCLOSURES

The Group's related parties include the parent company as well as the subsidiaries, associated companies and joint ventures. Alongside companies with control and significant influence, corresponding power is exercised by natural persons. In addition to any persons exercising control and significant influence, the company's related parties include key persons in the management of the company and its parent company.

Individuals with rights and responsibilities relating to the planning, management and control of the activities of the corporation in question are regarded as key persons. Examples of key persons are members of the Board and Senior Management

Team as well as the chief executive officer and senior vice president.

Close family members of key persons (and persons exercising control/influence) are also considered to be related parties. Marital or common law spouses and the children or other dependents of the person or their spouse, for example, are regarded as family members. In addition to family members (and persons exercising control/influence) the company's circle of related parties includes companies in which a key person or their spouse, individually or together, exercises control or significant influence.

REMUNERATION

The Board of Directors of Panostaja Oyj decides on the principles underlying the reward scheme for the CEO and members of the Senior Management Team. The management's reward and commitment schemes consist of salary, employee benefits and share rewards. The retirement pension is determined in accordance with the Employees Pensions Act (TyEL).

Panostaja Oyj's Annual General Meeting decides on rewards to members of the Board on an annual basis. Rewards to Board members are based on an annual proposal submitted by the largest shareholders (at least 10%) to the General Meeting, which then decides the annual reward level.

According to the share remuneration scheme, a total of 36,812 Panostaja shares will be issued to members of the Senior Management Team in December 2021. A potential bonus may also be paid in cash to cover the taxes and tax-like payments arising from the bonus.

At the time of closing the books on October 31, 2021, the members of the Senior Management Team held in their personal ownership, or in the ownership of a company where they have a controlling interest, 500,000 Panostaja shares related to the remuneration system that they have undertaken to retain in their ownership for the duration of the system's period of validity. The Management's share ownership within the incentive and commitment scheme is distributed as follows:

Comito Oy (Tapio Tommila)	300,000 pcs
Minna Telanne	200,000 pcs
Total	**500,000 pcs**

The members of the Senior Management Team have financed their investments themselves, in part, and through company loans, in part, and they bear the genuine corporate risk with respect to the investment they have made in the scheme.

LOANS TO RELATED PARTIES

(EUR 1,000)	2021	2020
At the start of the financial period	608	1 107
Loans granted during the financial period	0	0
Loans repaid and amortizations	-16	-499
Transfer of loans to external receivables	-142	
Debited interest	3	5
Interest payments received during the financial period	-3	-5
At the end of the financial year	**450**	**608**

The loan conditions for key management personnel are as follows:

Name	Amount of loan	Conditions of repayment	Interest
Comito Oy (Tapio Tommila)	307	Repayment in full at the end of the loan period	0,250
Minna Telanne	144	Repayment in full at the end of the loan period	0,250
Total	**450**		

On October 31, 2021, company shares with a fair value of MEUR 0.3 represented the collateral on loans granted

MANAGEMENT TEAM'S SALARIES AND BONUSES

(EUR 1,000)	2021	2020
Salaries and other current employee benefits	1,074	698
Share-based benefits	66	23
Total	**1,140**	**721**
Salaries and bonuses		
CEO Tapio Tommila	249	220
CEO's performance-based employer's statutory pension expenditure	44	32
Members of the Board of Directors		
Ala-Mello Jukka	40	40
Eriksson Eero	20	20
Juusela Tommi	15	
Pääkkönen Tarja	20	20
Reponen Hannu-Kalle	2	20
Koskenkorva Mikko	20	20

It was resolved at Panostaja Oyj's General Meeting on February 5, 2021, regarding payment of meeting compensation, 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 1% of the company's shares on the date of the General Meeting. If the holding of a Board member on the date of the General Meeting is over one percent of all company shares, the compensation will be paid in full in monetary form. In addition, the Board of Directors of Panostaja Oyj decided at an organizing meeting held immediately after the General Meeting to implement the decision taken at the General Meeting regarding the compensation of the Board members as regards shares, so that the compensation is always sent four times a year on the day following publication of an interim report/financial statements for the year.

On March 18, 2020, the shareholders of Panostaja subsidiary CoreHW Group authorized the Board of Directors to decide on the granting of an option right to subscribe to no more than 100,000 new company shares, as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. Each option right will entitle the recipient to subscribe one new company share at a unit price of EUR 19.79. The granting date is August 12, 2020. The option rights have been granted for a weighty financial reason, as referred to in Chapter 10.1, Section 1 of the Limited Liability Companies Act. The aim of the measures is to engage the company's key personnel in the long-term development of the company's operations and the efforts combine the goals of the management and shareholders. The option rights do not provide any rights regarding later share issues, options or rights, when company assets are distributed as specified in Chapter 13, Section 1.1 of the Limited Liability Companies Act, in the event of a merger or division of the company, or in the context of minority shareholder redemption, as described in Chapter 18 of the Limited Liability Companies Act.

36. SUBSIDIARIES AS OF OCTOBER 31, 2021

	Registered office	Share of voting power	Parent company's share holding %
Parent company			
Panostaja Oyj	**Tampere**		
Subsidiaries			
Carrot Itä-Suomi Oy	Kuopio	74.1	74.1
Carrot Joensuu Oy	Joensuu	74.1	74.1
Carrot Jyväskylä Oy	Jyväskylä	74.1	74.1
Carrot Keski-Uusimaa Oy	Hyvinkää	74.1	74.1
Carrot Länsi-Suomi Oy	Pori	74.1	74.1
Carrot Oulu Oy	Oulu	74.1	74.1
Carrot Palvelut Group Oy	Tampere	74.1	74.1
Carrot Palvelut Oy	Helsinki	74.1	74.1
Carrot Pirkanmaa Oy	Tampere	74.1	74.1
Carrot Pohjanmaa Oy	Vaasa	74.1	74.1
Carrot Pohjois-Suomi Oy	Oulu	74.1	74.1
Carrot Rakennus Oy	Helsinki	74.1	74.1
Carrot Satakunta Oy	Turku	74.1	74.1
Carrot Tampere Oy	Tampere	74.1	74.1
Carrot Teollisuus Oy	Helsinki	74.1	74.1
Carrot Uusimaa Oy	Helsinki	74.1	74.1
Carrot Varsinais-Suomi Oy	Turku	74.1	74.1
Silmu Talent Oy	Helsinki	74.1	74.1
CoreHW Group Oy	Tampere	61.1	61.1
CoreHW Oy	Tampere	61.1	61.1
CoreHW Semiconductor Oy	Tampere	61.1	61.1
Grano Group Oy	Helsinki	55.2	55.2
Grano Oy	Helsinki	55.2	55.2
Grano Diesel Oy (Granon omistus)	Helsinki	51.0	51.0
Grano Digital Oü	Tallinn, Estonia	55.2	55.2
Copynet Finland Oy	Helsinki	55.2	55.2
Suomen Arkistovoima Oy	Turku	55.2	55.2
Hygga Group Oy	Helsinki	79.8	79.8
Hygga Oy	Helsinki	79.8	79.8
Extech	Helsinki	79.8	79.8
Megakliniken Sverige AB	Stockholm, Sweden	79.8	79.8
Miikan Jekku Oy (Heatmasters Group Oy)	Tampere	100.0	100.0
Oscar Software Holdings Oy	Tampere	58.3	58.3
Oscar Software Oy	Tampere	58.3	58.3
Suomen Helasto Oy	Seinäjoki	100.0	100.0

The subgroup subsidiary holdings are presented in the table in accordance with the holding of the Panostaja subgroup's parent company. More specific information on relationships of ownership of subgroup subsidiaries can be found in the financial statements of each respective subgroup.

37. JUDICIAL EVENTS

A value-added tax inspection was conducted within the Panostaja parent company concerning the financial periods 2018-2019. In 2020, the tax authority decided on the partial limitation of the right to deduct value-added taxes and demanded the payment of an approximate amount of MEUR 0.6 in value-added taxes deducted during the years under review, including interest. The decision has been appealed.

38. EVENTS AFTER THE FINANCIAL PERIOD

On November 9, 2021, Panostaja signed an agreement to sell Carrot Palvelut Group Oy's shares to shareholders of the company who are actual persons. Carrot Palvelut Group Oy serves as the parent company of the Carrot HR services group.

As a result of the deal, Panostaja's ownership in Carrot Palvelut Group Oy will drop to 19%. Carrot will continue operations as an independent group, and the primary owner from now on will be Jouni Arolainen. Carrot Palvelut Group has been owned by Panostaja since 2018.

The Board and CEO Pekka Mettälä of the Panostaja segment Grano have mutually agreed that Mettälä will be leaving his post as Grano's CEO. The company's Board has appointed Senior Vice President Kimmo Kolari as the temporary CEO and initiated the process of finding a new CEO.

PARENT COMPANY INCOME STATEMENT

INCOME STATEMENT

(EUR 1,000)	Note	November 1, 2020–October 31, 2021	November 1, 2019-October 31, 2020
Other operating income	1.1.	**1,224**	**245**
Staff expenses	1.2.	-1,645	-1,340
Depreciations, amortizations and impairment	1.3.	-28	-38
Other operating expenses	1.4.	-1,129	-889
OPERATING PROFIT/LOSS		**-1,579**	**-2,021**
Financial income and costs	1.5.	1,884	-2,563
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**-3,464**	**-4,584**
Appropriations	1.6.	0	200
Income taxes	1.7.	0	9
PROFIT/LOSS FOR THE FINANCIAL PERIOD		**-3,464**	**-4,375**

PARENT COMPANY BALANCE SHEET

ASSETS

(EUR 1,000)	Note	October 31, 2021	October 31, 2020
PERMANENT ASSETS			
Intangible assets	2.1.	20	28
Tangible assets	2.2.	68	116
Investments	2.3.	35,685	36,979
PERMANENT ASSETS TOTAL		**35,772**	**37,123**
CURRENT ASSETS			
Non-current receivables	2.4.	10,246	10,966
Current receivables	2.5.	2,945	2,598
Short-term investments	2.6.	5,968	6,366
Cash and cash at bank		175	2,395
CURRENT ASSETS TOTAL		**19,335**	**22,125**
TOTAL ASSETS		**55,107**	**59,447**

LIABILITIES

(EUR 1,000)	Note	October 31, 2021	October 31, 2020
EQUITY	2.7		
Share capital		5,569	5,569
Share premium account		4,691	4,691
Invested unrestricted equity fund		16,970	16,865
Profit/loss for the previous financial periods		29,776	35,726
Profit/loss for the financial period		-3,464	-4,375
EQUITY TOTAL		**53,542**	**58,476**
MANDATORY PROVISIONS		908	0
LIABILITIES	2.8		
Non-current		42	42
Current		615	929
LIABILITIES TOTAL		**657**	**971**
TOTAL LIABILITIES		**55,107**	**59,447**

CASH FLOWSTATEMENT OF PARENT COMPANY

OPERATING CASH FLOW

(EUR 1,000)	November 1, 2020–October 31, 2021	November 1, 2019-October 31, 2020
OPERATING CASH FLOW		
Profit/loss for the financial period before appropriations and taxes	**-3,464**	**-4,375**
Adjustments:	**1,182**	**2,424**
Planned depreciations	28	38
Sales profits	-835	-87
Sales losses	0	58
Financial income and expenses (+/-)	1,884	2,563
Appropriations total	0	-200
Taxes	0	-9
Other earnings and expenses with no payment attached	104	62
Cash flow before change in working capital	**-2,281**	**-1,951**
Change in working capital:		
Change in current non-interest-bearing operating receivables	62	-71
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-320	-47
Operating cash flow before financial items and taxes:	**-2,540**	**-2,069**
Interests and payments for other financial costs of business operations	-142	-108
Interests and other earnings from business operations	106	144
Direct taxes paid	0	-52
Cash flow before appropriations	-2,576	-2,085
OPERATING CASH FLOW	**-2,576**	**-2,085**
INVESTMENT CASH FLOW		
Investments in tangible and intangible assets	0	-46
Investments in subsidiaries	0	-226
Capital gains from the disposal of tangible and intangible assets	42	51
Capital gains from the disposal of subsidiaries	0	924
Capital gains from the disposal of associated companies	1,521	0
Loans granted	-1 950	-452
Loans receivable repaid	494	2,507
Paid dividends	1,228	1,028
INVESTMENT CASH FLOW	**1,335**	**3,785**
FINANCIAL CASH FLOW		
Group contributions received	200	0
Dividends paid	-1,576	-2,619
FINANCIAL CASH FLOW	**-1,376**	**-2,619**
CHANGE IN CASH AND CASH EQUIVALENTS	**-2,617**	**-918**
Cash and cash equivalents at the beginning of the financial period	**8,761**	**9,679**
CHANGE IN CASH AND CASH EQUIVALENTS	**-2,617**	**-918**
Cash and cash equivalents at the end of the financial period	**6,144**	**8,761**

NOTES TO THE FINANCIAL STATEMENTS, OCTOBER 31, 2021

Panostaja Group's parent company is Panostaja Oyj, registered office in Tampere, Finland. Panostaja's consolidated financial statements can be obtained at the address Kalevantie 2, 33100 Tampere.

VALUATION PRINCIPLES

Current fixed assets are entered in acquisition costs in the balance sheet with planned depreciations deducted. Fixed asset shares are valued at their acquisition price with possible impairments deducted.

PENSIONS

Statutory pension insurance for staff is managed by an external pension insurance company.

DEPRECIATIONS

Statutory pension insurance for staff is managed by an external pension insurance company. Pension costs are entered as a cost in the year of accrual. Planned depreciation periods are:

Intangible rights	3 y
Goodwill	5–10 y
Other capitalized long-term expenditure	5–10 y
Buildings	20–40 y
Machinery and equipment	3–10 y
Other tangible assets	3–10 y

NOTES TO THE INCOME STATEMENT 1.1.–1.7.

1.1. Other operating income

(EUR 1,000)	2021	2020
Profits from sale of fixed assets	835	87
Support received	0	7
Others	388	151
	1,224	**245**

1.2. Staff expenses

(EUR 1,000)	2021	2020
Salaries and bonuses	1,390	1,117
Pension costs	195	148
Other social security expenses	60	75
	1,645	**1,340**
During the financial period, the company employed on average		
Clerical staff	10	10

The compensations of the CEO and Board as well as loans to related parties are itemized in Note 35 to the consolidated financial statements.

1.3. Depreciations, amortizations and impairment

(EUR 1,000)	2021	2020
Planned depreciations		
Other capitalized long-term expenditure	8	9
Machinery and equipment	20	28
	28	**38**

1.4. Other operating expenses

(EUR 1,000)	2021	2020
Other operating expenses internal	78	90
Other operating expenses	338	300
Marketing costs	54	62
Data management costs	65	76
Costs for expert services	467	175
Loss on disposal of fixed asset shares	0	58
Rental costs	128	129
Other operating expenditure total	**1,129**	**889**
Auditor's fees		
auditing fees	64	43
other services	0	17
	64	**60**

1.5. Financial income and costs

(EUR 1,000)	2021	2020
Dividend yields		
From companies in the same Group	680	548
From associated companies	46	0
From others	0	4
Dividend yields total	**726**	**552**
Other interest yields		
From companies in the same Group	431	465
From companies in the same Group	187	251
Other interest yields total	**618**	**716**
Other financial income		
From companies in the same Group	18	49
Other financial income total	18	49
Other interest and financial yields total	**636**	**764**
Interest expenses		
From companies in the same Group	**81**	**0**
Interest expenses total	**81**	**329**
Other financial expenses		
For others	240	108
Other financial expenses	**240**	**108**
Interest costs and other financial costs total	**321**	**108**
Impairments of Group shares and receivables	2 925	3 771
Financial income and costs total	**-1,884**	**-2,563**

The impairments of Group shares and receivables primarily consist of the impairment of Carrot Group Oy's share capital and loan receivables.

1.6. Appropriations

(EUR 1,000)	2021	2020
Group contribution	0	200

1.7. Income taxes

(EUR 1,000)	2021	2020
Income taxes from previous financial period	0	9

NOTES TO THE BALANCE SHEET 2.1.– 2.9.

2.1. Intangible assets

(EUR 1,000)	2021	2020
Intangible rights		
Acquisition cost Nov 1	59	59
Additions Nov 1–Oct 31	0	0
Deductions Nov 1–Oct 31	0	0
Acquisition cost Oct 31	59	59
Accrued planned depreciations Nov 1	-54	-54
Planned depreciations Nov 1–Oct 31	0	0
Book value as of Oct 31	**5**	**5**
Other capitalized long-term expenditure		
Acquisition cost Nov 1	408	405
Additions Nov 1–Oct 31	0	4
Deductions Nov 1–Oct 31	0	0
Acquisition cost Oct 31	408	408
Accrued planned depreciations Nov 1	-385	-376
Planned depreciations Nov 1–Oct 31	-8	-9
Book value as of Oct 31	**15**	**23**
Intangible assets total		
Acquisition cost Nov 1	468	464
Additions Nov 1–Oct 31	0	4
Deductions Nov 1–Oct 31	0	0
Acquisition cost Oct 31	468	468
Accrued planned depreciations Nov 1	-440	-430
Planned depreciations Nov 1–Oct 31	-8	-9
Book value as of Oct 31	**20**	**28**

2.2 Tangible assets

(EUR 1,000)	2021	2020
Machinery and equipment		
Acquisition cost Nov 1	848	851
Additions Nov 1–Oct 31	0	43
Deductions Nov 1–Oct 31	-28	-45
Acquisition cost Oct 31	820	848
Accrued planned depreciations Nov 1	-767	-738
Planned depreciations Nov 1–Oct 31	-20	-28
Book value as of Oct 31	**34**	**82**
Other tangible assets		
Acquisition cost Nov 1	34	34
Additions Nov 1–Oct 31	0	0
Deductions Nov 1–Oct 31	0	0
Acquisition cost Oct 31	34	34
Accrued planned depreciations Nov 1		
Planned depreciations Nov 1–Oct 31	0	0
Book value as of Oct 31	**34**	**34**
Tangible assets total		
Acquisition cost Nov 1	882	885
Additions Nov 1–Oct 31	0	43
Deductions Nov 1–Oct 31	-28	-45
Acquisition cost Oct 31	854	882
Accrued planned depreciations Nov 1	-767	-738
Planned depreciations Nov 1–Oct 31	-20	-28
Book value as of Oct 31	**68**	**116**

2.3. Investments

(EUR 1,000)	2021	2020
Interests in companies in the same Group		
Acquisition cost Nov 1	34,653	37,127
Additions Nov 1–Oct 31	0	2,196
Amortizations Nov 1–Oct 31	-594	- 3,771
Deductions Nov 1–Oct 31	0	-900
Acquisition cost Oct 31	**34,059**	**34,653**
Interests in associated companies		
Acquisition cost Nov 1	2,205	2,205
Deductions Nov 1–Oct 31	-700	0
Acquisition cost Oct 31	**1,505**	**2,205**
Other shares and interests		
Acquisition cost Nov 1	121	121
Acquisition cost Oct 31	**121**	**121**
Investments total		
Acquisition cost Nov 1	36,979	39,453
Additions Nov 1–Oct 31	0	2,196
Amortizations Nov 1–Oct 31	-594	-3,771
Deductions Nov 1–Oct 31	-700	900
Acquisition cost Oct 31	**35,685**	**36,979**

Panostaja Oyj's holdings in other companies on October 31, 2021 are itemized in Note 36 to the consolidated financial statements.

2.4. Non-current receivables

(EUR 1,000)	2021	2020
Subordinated loans receivable from companies in the same Group	4,812	4,842
Loans receivable from companies in the same Group	2,256	1,309
Loans receivable	3,177	4,816
	10,246	**10,966**

2.5. Current receivables

(EUR 1,000)	2021	2020
Trade receivables from companies in the same Group	185	365
Trade receivables	69	21
Loans receivable from companies in the same Group	250	0
Group contributions	0	200
Other receivables	28	12
Dividend receivables from companies in the same Group	0	548
Other loans receivable	1,256	170
Interest receivables from companies in the same Group	180	107
Accrued income	977	1,174
	2,945	**2,598**

Accrued income essential items		
Interest receivables from insider loans	7	7
Interest receivables from other loans receivable	96	99
Passed-on costs	798	989
Other insurance premium advances	0	2
Cost scheduling	75	78
	977	**1 174**

2.6. Short-term investments

(EUR 1,000)	2021	2020
Other shares and interests		
Investment fund shares	5,968	6,366

2.7. Equity

(EUR 1,000)	2021	2020
Share capital Nov 1	5,569	5,569
Share capital Oct 31	**5,569**	**5,569**
Share premium account Nov 1 - Oct 31	4,691	4,691
Invested unrestricted equity fund Nov 1	16,865	16,803
Rewards to Senior Management Team as own shares	65	23
Board bonuses as own shares	39	39
Invested unrestricted equity fund Oct 31	**16,970**	**16,865**
Retained earnings/loss Nov 1	31,351	38,857
Tax audit on value-added taxes 2018-2019	0	-511
Dividend distribution	-1,576	-2,619
Profit/loss for the financial period	**29,776**	**35,726**
Profit/loss for the financial period	-3,464	-4,375
Equity total	**53,542**	**58,476**
Distributable unrestricted equity Oct 31	**43,282**	**48,216**

The company has one type of share. The company's shares are included in the joint book-entry system. The total number of shares is 53,033,110.

2.8. Mandatory provisions

(EUR 1,000)	2021	2021
Other mandatory provisions	908	0

The company has recorded a mandatory provision related to the restructuring of Group loans.

2.9. Liabilities

(EUR 1,000)	2021	2020
2.9.1. Non-current liabilities		
Other non-current liabilities	3	3
	3	**3**
Liabilities owed to companies in the same Group		
Other liabilities	39	39
	39	**39**
Non-current liabilities total	**42**	**42**
2.9.2. Current liabilities		
Trade payables	96	63
Other liabilities	31	541
Accruals and deferred income	485	323
	613	**928**
Liabilities owed to companies in the same Group		
Trade payables	3	1
	3	**1**
Material items contained in accruals and deferred income		
Annual holiday salaries and social costs	147	152
Scheduling of non-wage labor costs	50	43
Bonus allocation	70	122
Severance pay	206	0
Accrued interest	13	6
	485	**323**
Current liabilities total	**615**	**929**

Other notes

(EUR 1,000)	2021	2020
Guarantees and contingencies		
On behalf of Group companies		
Guarantees given	525	3,266
Rental liabilities		
In one year	166	166
More than one and within 5 years	69	235
Other pledges given		
As security for own liabilities	1	1

Proposal by the Board of the parent company on the processing of the result and distribution of profits of the financial period

Panostaja Oyj's distributable assets, including the profit for the current and past financial periods of EUR 26,311,970.19 and EUR 16,969,587.34 in the invested unrestricted equity fund, amount to EUR 43,281,557.53.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.03 per share be paid to the shareholders for the past financial period.

The Board also proposes that the General Meeting authorize the Board of Directors 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.

It is proposed that the authorization include the right of the Board to decide on all other terms and conditions relating to said asset distribution. It is also proposed that the authorization remain valid until the start of the next Annual General Meeting

Tampere, December 13, 2021

Jukka Ala-Mello
Chairman of the Board

Mikko Koskenkorva

Eero Eriksson

Tarja Pääkkönen

Tommi Juusela

Tapio Tommila
CEO

FINANCIAL STATEMENT ENTRY

A report has today been issued about the audit performed.

Tampere, December 13, 2021

Deloitte Oy
Audit firm

Hannu Mattila
Authorized Public Accountant

Audit report

For Panostaja Oyj's Annual General Meeting

AUDIT OF FINANCIAL STATEMENTS

Report

We have audited Panostaja Oyj's (business ID 0585148-8) financial statements for the financial period November 1, 2020–October 31, 2021. The financial statements contain the Group's income statement, extensive income statement, balance sheet, cash flow statement, calculation of changes in equity and notes, including a summary of the most important principles for preparing financial statements, as well as the parent company's income statement, balance sheet, financial statement and notes. As our report, we submit that

the consolidated financial statements provide accurate and sufficient information on the Group's financial position as well as the results of its operations and its cash flows in conformity with the International Financial Reporting Standards (IFRS) approved for use in the European Union; and

the financial statements provide accurate and sufficient information on the parent company's financial position and the results of its operations in conformity with the regulations currently in effect in Finland regarding the preparation of financial statements, and they meet the statutory requirements.

Our report is consistent with the additional report submitted to the Board.

Grounds for the report

We performed the audit in conformity with the good auditing practice enforced in Finland. Our obligations under this good auditing practice are described in more detail in the section 'Duties of the auditor in auditing financial statements.'

We are independent of the parent company and the companies in the Group in accordance with the ethical requirements observed in Finland which pertain to the audit we have performed, and we have fulfilled our other ethical obligations under these requirements.

To the best of our knowledge and understanding, all non-audit services which we have provided to the parent company and the Group's companies are in compliance with the regulations enforced in Finland regarding such services, and we have not provided any prohibited non-audit services within the meaning of paragraph 1 of Article 5 of Regulation (EU) No 537/2014. The non-audit services we have provided are presented in Note 13 to the financial statements.

It is our view that we have obtained the required amount of appropriate auditing evidence for establishing a foundation for our report.

Key factors for the audit

Key factors for the audit are factors which, according to our professional discretion, were the most significant in the audit of the financial period in question. These factors were taken into account in our audit of the financial statements as a whole and in the preparation of our report on this audit. We will not provide a separate report on these factors.

We have taken the risk of the management ignoring controls into account in our auditing. This has included an assessment of whether there are any indications of the management having a tendentious attitude which poses a risk of material inaccuracy as a result of misconduct.

Key factor for the audit	How the factor has been considered in the audit
Goodwill impairment test	
See Note 18 'Goodwill impairment test' to Panostaja Oyj's consolidated financial statement. The amount of goodwill in the consolidated balance sheet in MEUR 80.1 (MEUR 88.0). The goodwill is distributed among the Group's cash-generating units as follows: MEUR 67.0 (MEUR 67.0) is formed by the goodwill allocated to Grano Group, and the goodwill of other cash-generating units totals MEUR 13.1 (MEUR 21). The management assesses the need for impairment on an annual basis. The impairment test prepared by the management did not indicate impairment. Significant management estimates are related to impairment testing, with regard to business development, cash flows and discount rate. This factor is regarded as a risk of material misstatement, as referred to in the EU regulation 537/2014, Article 10, Section 2c.	In our audit, we have assessed the impairment models prepared by the management and approved by the Board and assessed the controls related to impairment testing for each cash-generating unit. In impairment testing, the cash sum recoverable from the business operations of a cash-generating unit is based on service value calculations. The cash flows anticipated in these calculations are based on the financial plans approved by the management, which cover a period of three years. The key assumptions of the plans are the cash-generating unit's growth forecasts, cost impact of business streamlining efforts, and EBIT development forecast. We have checked the accuracy of the service value calculation model used by the company by comparing it against the requirements of the standard IAS 36 Impairment of Assets. In this context, we assessed the key assumptions for each cash-generating unit: • We compared the estimates used in the calculation against confirmed budgets and strategic plans. • We compared the discount rates used against information from external sources. • We tested the appropriateness of the calculation methods used in the impairment test calculation. • We compared the growth and profitability assumptions against historical development. • We also assessed the notes provided on impairment testing.
Valuation of subsidiary shares in Panostaja Oyj's financial statements	
See the parent company's financial statements Note 2.3 'Investments and accounting principles for the financial statements, Valuation principles.' In the parent company's balance sheet, interests in companies in the same Group stand at MEUR 34.1 (MEUR 34.7). Based on the accounting principles for the financial statements, the company's fixed asset shares are valued at their acquisition price with possible impairments deducted. Significant estimates by the management are related to the impairment testing. The management estimates the impairment need of subsidiary shares on an annual basis. An impairment in the amount of MEUR 0.6 was recorded in shares based on the impairment test prepared by the management. The impairment test prepared by the management did not indicate impairment in other respects. This factor is regarded as a risk of material misstatement, as referred to in the EU regulation 537/2014, Article 10, Section 2c.	In our audit, we assessed the impairment models prepared by the management and approved by the Board and assessed the controls related to impairment testing. • We also assessed the significant assumptions in the service value calculations prepared by the management: • We compared the growth and profitability assumptions against historical development. • We compared the net sales and EBIT estimates used in the calculation against confirmed budgets and strategic plans. • We compared the discount rates used against information from external sources. • We tested the appropriateness of the calculation methods used in the impairment test calculation.

OBLIGATIONS OF THE BOARD OF DIRECTORS AND CEO REGARDING THE FINANCIAL STATEMENTS

The board of directors and CEO are in charge of preparing the financial statements so that the consolidated financial statements provide an accurate and sufficient picture in accordance with the International Financial Reporting Standards (IFRS) approved for use in the European Union and so that the financial statements provide an accurate and sufficient picture in accordance with the regulations currently in effect in Finland regarding the preparation of financial statements and meet the statutory requirements. The board of directors and CEO are also in charge of the type of internal control which they consider to be necessary in order to prepare the financial statements without any material inaccuracies resulting from misconduct or errors.

When preparing the financial statements, the board of directors and CEO are obligated to assess the ability of the parent company and Group to continue their operation and, as applicable, present the factors that are related to the continuity of the operations and the fact that the financial statements are prepared based on this continuity. The financial statements are prepared based on the continuity of operations except if the parent company or Group is planned to be dissolved or the operations discontinued or there are no other realistic alternatives available.

DUTIES OF THE AUDITOR IN AUDITING FINANCIAL STATEMENTS

Our goal is to obtain reasonable assurance of whether the financial statements as a whole contain any material inaccuracies resulting from misconduct or errors and submit an audit report containing our statement. Reasonable assurance is a high level of assurance, but it is no guarantee that a material inaccuracy will always be recognized in audits in accordance with good auditing practice. Inaccuracies may be caused by misconduct or error, and they are considered to be material when they, alone or in combination, can be reasonably expected to impact financial decisions that are made by users based on the financial statements.

Audits that follow good auditing practice involve the use of professional discretion and retention of professional skepticism throughout the audit process. Additionally:

- We recognize and assess the risks of material inaccuracy arising from misconduct or errors, plan and carry out audit measures that respond to these risks and obtain the necessary amount of appropriate auditing evidence to base our report on. The risk of a material inaccuracy arising from misconduct being left unnoticed is greater than the risk of a material inaccuracy arising from an error being left unnoticed, as misconduct may involve joint action, falsification, deliberate omission of information or provision of incorrect information or ignorance of internal controls.
- We form an understanding of the internal controls that are relevant to the audit process in order to be able to plan audit measures that are appropriate for the situation but not with the intention of being able to provide a statement on the efficiency of the internal controls of the parent company or Group.
- We assess the adequacy of the accounting principles applied in the preparation of the financial statements and the reasonableness of the accounting estimates made by the management and the information presented on these estimates.
- We draw a conclusion of whether it was appropriate for the board of directors and CEO to prepare the financial statements based on an assumption of the continuity of operations, and, based on the auditing evidence we obtain, a conclusion of whether there is any material uncertainty related to events or conditions present which may provide significant reason to doubt the ability of the parent company or Group to continue its operations. If we conclude that material uncertainty does occur, we must draw the reader's attention to the information pertaining to the uncertainty that is presented in the financial statements in our report or, if the information pertaining to the uncertainty is insufficient, adapt our report. Our conclusions are based on auditing evidence obtained before the audit report's submission date. However, future events or conditions may lead to the parent company or Group being unable to continue its operations.
- We assess the financial statements, including all information presented therein, as well as the general presentation, structure and content of the financial statements and whether they reflect the business operations and events they are based on so as to provide an accurate and sufficient picture.
- We obtain a sufficient amount of appropriate auditing evidence from financial information pertaining to the companies or business operations belonging to the Group in order to be able to provide a report on the consolidated financial statements. We are responsible for controlling, monitoring and performing an audit of the Group. We alone are responsible for the audit report.
- We communicate with administrative bodies regarding many matters, including the planned scope and timing of the audit and significant observations made during the audit, including possible considerable deficiencies in internal controls which we recognize during the audit.
- We also confirm to the administrative bodies that we have complied with the relevant ethical requirements pertaining to independence and communicate with them regarding all relationships and other factors that may reasonably be considered to impact our independence and, as applicable, regarding relevant precautions.
- We decide which of the factors communicated to the administrative bodies were the most significant in the audit of the financial period in question and therefore essential to the audit. We describe the factors in question in our audit report, unless a regulation or provision prevents the factor in question from being publicized or when, in extremely rare cases, we find that the factor in question will not be communicated in the audit report because its adverse impacts could be reasonably expected to be greater than the general benefits arising from such communication.

Other reporting obligations

Information concerning the audit assignment
We have served as the auditors selected by the Annual General Meeting as of February 5, 2021.

Other information
The board of directors and CEO are responsible for other information. Other information covers the operations review and the information contained in the annual report, but it does not contain the financial statements or our audit report thereof. We were provided with the operations review before this audit report's submission date and expect to be provided with the annual report after the date in question. Our report concerning the audit does not cover other information.

We are obligated to read the other information specified above in connection with the audit of the financial statements and simultaneously assess whether the other information is materially inconsistent with the financial statements or the knowledge we obtain while conducting the audit or whether it otherwise appears to be materially inaccurate. With regard to the operations review, we are also obligated to assess whether the review was prepared in accordance with the regulations applicable to its preparation.

As our report, we submit that the information in the operations review and financial statements is consistent and that the operations review was prepared in accordance with the regulations applicable to its preparation.

If, based on work focused on other information that we obtain before the audit report's submission date, we conclude that the other information in question contains a material inaccuracy, we must report this fact. Regarding this matter, we have nothing to report.

Tampere, December 13, 2021

Deloitte Oy
Audit firm

Hannu Mattila
Authorized Public Accountant

Information on shares

SHARE CAPITAL AND THE COMPANY'S OWN SHARES

Under the authorization provided by the Annual General Meeting, Panostaja Oyj's Board of Directors decided on February 5, 2021 to carry out a free-of-charge share issue of 800,000 shares, pursuant to Chapter 9, Section 20 of the Limited Liability Companies Act, to the company itself.

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares was 53,033,110.

The total number of own shares held by the company at the end of the review period was 771,155 (at the beginning of the financial period 110,824). The number of the company's own shares corresponded to 1.5% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions by the General Meeting and the Board on February 6, 2020, Panostaja Oyj relinquished a total of 85,946 individual shares as share bonuses to the company management on December 14, 2020. On December 14, 2020, the company relinquished to the Board members a total of 12,987 shares as meeting compensation. In accordance with the Board decision of February 5, 2021, Panostaja relinquished a total of 13,514 shares on March 17, 2021, a total of 13,889 shares on June 4, 2021 and a total of 13,333 shares on September 3, 2021 as meeting compensation.

The company's shares have been publicly listed since 1989. Currently, its shares are quoted on the Nasdaq Helsinki stock exchange.

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 5, 2021 in Tampere. The number of Board members was confirmed at five (5), and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva and Tarja Pääkkönen were re-elected to the Board for the term ending at the end of the next Annual General Meeting, and Vesa Juusela was accepted as a new member.

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 2022. 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, 2019–October 31, 2020 was granted to the following persons: Board members Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Hannu-Kalle (Kalle) Reponen and CEO Tapio Tommila for the period January 1, 2019–October 31, 2020. The Annual General Meeting decided to grant a discharge from liability to the aforementioned members of the Board and CEO.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2019–October 31, 2020 and resolved that the shareholders be paid EUR 0.03 per share as dividends.

The Meeting also resolved that the Board of Directors 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 totals EUR 4,700,000. The authorization includes the right of the Board to decide on all other terms and conditions relating to said asset distribution. The authorization will remain valid until the beginning of the next Annual General Meeting.

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.

As proposed by the Board, the Annual General Meeting decided to authorize the Board to decide on the acquisition of the company's own shares in one or more installments on the following conditions:The total number of shares issued on the basis of the authorization may not exceed 5,200,000. 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 6, 2020 to decide on the acquisition of the company's own shares is canceled by this authorization. The authorization will remain valid until August 4, 2022.

The General Meeting resolved to authorize the Board of Directors to decide on a share issue of no more than 5,200,000 shares as well as on the granting of rights of option and other special rights providing entitlement to shares. 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 6, 2020 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 4, 2022.

Immediately upon the conclusion of the General Meeting, the company's Board held an organizing meeting in which Jukka Ala-Mello was elected Chairman and Eero Eriksson Vice Chairman.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.67 (lowest quotation) and EUR 0.99 (highest quotation) during the financial period. During the review period, a total of 8,254,582 shares were exchanged, which amounts to 15.7% of the share capital. The October 2021 share closing rate was EUR 0.69. The market value of the company's share capital at the end of October 2021 was MEUR 36.3 (MEUR 37.2). At the end of October 2021, the company had 4,605 shareholders (4,697).

SHARE TRADE AND RATES

	Lowest EUR	Highest EUR	Share issue adjusted trading (no. of shares)	% of shares
2021	0.67	0.99	8,254,582	15.7
2020	0.51	1.00	5,807,553	11.1
2019	0.77	1.16	9,489,880	18.1
2018	0.88	1.21	9,374,954	18.0
2017	0.82	0.98	7,863,788	15.1
2016	0.81	1.04	5,959,389	11.5
2015	0.77	0.94	6,508,111	12.7
2014	0.69	0.91	7,908,686	15.4
2013	0.66	0.86	3,814,701	7.4
2012	0.73	1.05	5,725,530	11.1
2011	0.97	1.51	3,841,477	7.7
2010	1.32	1.75	5,301,507	11.2
2009	0.89	1.4	8,108,040	17.5

Largest shareholders

20 largest shareholders October 31, 2021

		pcs	%
1	Treindex Oy	7,326,200	13.74%
2	Oy Koskenkorva Ab	5,469,798	10.26%
3	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	3,701,332	6.94%
4	Keskinäinen Vakuutusyhtiö Fennia	3,468,576	6.50%
5	Koskenkorva Mikko Matias	1,506,055	2,82%
6	Koskenkorva Maija Kristiina	1,347,542	2.53%
7	Malo Hanna Maria	1,202,207	2.25%
8	Kumpu Minna Kristiina	1,202,170	2.25%
9	Koskenkorva Matti Olavi	1,158,903	2.17%
10	Nordea Henkivakuutus Suomi Oy	1,118,000	2.10%
11	Koskenkorva Mauno Juhani	1,040,769	1.95%
12	Johtopanostus Oy	1,030,000	1.93%
13	Porkka Harri	822,000	1.54%
14	Panostaja Oyj	771,155	1.45%
15	Pravia Oy	751,665	1.41%
16	Koskenkorva Pekka Juhani	733,502	1.38%
17	LähiTapiola Keskinäinen Vakuu-tusyhtiö	674,000	1.26%
18	Hietanen Reijo Tapio	378,330	0.71%
19	Maxstar Oy	369,991	0.69%
20	Comito Oy	300,000	0.56%
		34,372,195	**64.45%**
	Other shareholders	18,960,915	
	Total	**53,333,110**	

Distribution of share ownership by size October 31, 2021

Number of shares	Shareholders pcs	%	Shares/votes pcs	%
1-1000	2,711	58.87%	1,007,886	1.89%
1001-10000	1,558	33.83%	5,203,360	9.76%
10001-100000	289	6.28%	7,503,674	14.07%
100001-500000	30	0.65%	6,294,316	11.80%
500001-	17	0.37%	33,323,874	62.48%
Total	**4,605**	**100.00%**	**53,333,110**	**100.00%**
of which nominee-registered	9		170,677	0.32%
Number of shares issued			**53,333,110**	**100.00%**

Distribution of share ownership by sector October 31, 2021

Sector class	Shareholders pcs	%	Shares/votes pcs	%
Companies	140	3.04%	16,741,939	31.39%
Financial and insurance institutions	10	0.22%	6,087,572	11.41%
Public bodies	1	0.02%	3,701,332	6.94%
Households	4,426	96.11%	26,469,842	49.63%
Non-profit organizations				
Organizations	9	0.20%	133,031	0.25%
Foreign	19	0.41%	28,717	0.05%
Total	**4,605**	**100.00%**	**53,162,433**	**99.68%**
of which nominee-registered	8		170,677	0.32%
Number of shares issued			**53,333,110**	**100.00%**

Notes

Annual Report 2021

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