

Q4

panostaja

FINANCIAL STATEMENT

November 2016–October 2017

December 14, 2017



PANOSTAJA OYJ'S FINANCIAL STATEMENT BULLETIN

Busy quarter in corporate acquisitions

August 1, 2017–October 31, 2017 (3 months)

- KotiSun continued its profitable growth during the review period, its net sales increasing by 27% from the corresponding period last year.
- As a result of corporate acquisitions, Grano's net sales for the review period increased by 50% from the reference period. The net sales were encumbered by the costs of the acquisitions and the provision for the employer-employee negotiations.
- Grano continued to implement its corporate acquisition strategy, purchasing the business operations of Lönnberg Painot Oy and Brand Factory Finland Oy during the review period.
- Panostaja acquired an eighth investment by purchasing the majority shareholding in CoreHW Oy, which engineers high-performance electronics.
- Net sales increased in seven of the eight investments. Net sales for the review period increased by 34% to MEUR 58.9 (MEUR 43.8).
- EBIT improved in five of the eight investments, and the entire Group's EBIT increased slightly from the level of the reference period, standing at MEUR 3.2 (MEUR 2.9). The EBIT for the review period was encumbered by costs related to the preparation and implementation of the corporate restructurings, which amounted to a total of MEUR 1.6.
- MEUR 3.1 was recorded for the losses caused by Takoma during the review period as a tax receivable through profit and loss, and the profit/loss of the business operations discontinued during the review period includes a MEUR 0.8 proportional share from the bankruptcy estates of Takoma Gears Oy and Takoma Oyj.
- Earnings per share (undiluted) were 6.8 cents (3.0 cents)

November 1, 2016–October 31, 2017 (12 months)

- Net sales increased in seven of the eight investments. Net sales for the Group as a whole increased by 19.0% to MEUR 193.2 (MEUR 162.3).
- EBIT increased in six of the eight investments. EBIT for the entire Group weakened from MEUR 10.1 to MEUR 9.5.
- Takoma's cash position became critical, and the company filed for bankruptcy. The profit/loss of the financial period is encumbered by Takoma's loss of MEUR 1.6, which is recorded under discontinued operations.
- Earnings per share (undiluted) were 3.5 cents (6.9 cents) The additional purchase price of Flexim Security Oy is included in the result of the period.

Proposal for the distribution of profits: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.04 per share be paid for the past financial period.

CEO Juha Sarsama: Busy quarter in corporate acquisitions

"During the last quarter of the review period, the total net sales of the investments increased by 34% from the reference period. As in previous quarters, the most significant factor influencing the growth of net sales was the impact of Grano's corporate acquisitions, but growth was also wide-ranging in other segments. Net sales increased in seven of the eight investments.

EBIT for the final quarter of the period increased from MEUR 2.9 in the reference period to MEUR 3.2, although the result was significantly weighed down by the unusually large expenses related to the corporate acquisitions. As a result, the profitability of the investment targets developed largely as expected over the course of the review period. However, we will continue measures to improve Megaklinikka's profitability and ensure an upturn in Grano's bottom line.

During the review period, Grano acquired the business operations of Brand Factory Finland Oy and Lönnberg Painot Oy. After the corporate acquisitions, Grano initiated efforts to carry out the identified streamlining and integration measures. The operational restructuring and streamlining measures target about MEUR 4 in annual cost savings, slightly less than half of which are estimated to be realized in the 2018 financial year.

During the review period, Panostaja invested in wireless technology by purchasing a majority holding in CoreHW Oy, a company designing high-performance electronics. In addition to a profitable and modern core business, the company has excellent opportunities for productization. We find the opportunities afforded by high-level technological expertise to be extremely interesting as equipment and applications utilizing the Internet of Things are becoming more commonplace.

Activity on the corporate acquisition market has continued on a good level, and the supply of new investments has been active. However, there is a large amount of investment capital on the market and the competition for investments is fierce. When investing through our own balance, our flexible operating model gives us the opportunity to assess our corporate acquisition strategy according to the market situation. We will continue to actively explore interesting investments, but we will also carefully consider and assess every opportunity for a corporate acquisition. Moreover, we feel that the active market situation provides an excellent opportunity to investigate a number of select divestment opportunities."

Investments 3 months

Grano



Grano is Finland's leading content and marketing services company

Grano's net sales for the review period stood at MEUR 33.6, growth from the corresponding period being 47%. The key reasons for the increase in net sales were Lönnberg Painot Oy, which was acquired in September, and Oy Fram Ab, Kuopion Neon2 Oy and the business operations of Brand Factory Finland Oy, which were purchased earlier in the year. Grano's EBIT for the fourth quarter was at the level of the corresponding period in the previous year, standing at MEUR 1.9.

There were significant differences in net sales development of various services and segments. Among the business operations, the large prints segment is growing fastest and construction services are also in demand. As a whole, the demand for Grano has perked up, but there are still significant monthly fluctuations.

Despite the strong growth in net sales, the fourth quarter EBIT remained at the level of the previous year. The result was encumbered by MEUR 0.5 in corporate acquisition costs and MEUR 0.4 in provisions for employer-employee negotiations. The result was also weighed down by marketing investments and the development of electronic services. During the review period, some previously subcontracted operations were insourced thanks to the Lönnberg acquisition, which improved the profitability of the review period.

According to its growth strategy for the period, Grano acquired the business operations of Brand Factory Finland Oy and Lönnberg Painot Oy. In the fall, efforts were made to eliminate the overlaps resulting from the corporate acquisitions through wide-ranging employer-employee negotiations within the company. The impact of the negotiations that ended in October 2017 on human resources is estimated to be approximately 100 person-years. The operational restructuring and streamlining measures target about MEUR 4 in annual cost savings, slightly less than half of which are estimated to be realized in the 2018 financial year.

MEUR	3 months 8/17-10/17	3 months 8/16-10/16	12 months 11/16-10/17	12 months 11/15-10/16
Net sales, MEUR	33.6	22.8	105.3	88.2
EBIT, MEUR	1.9	1.9	6.3	7.8
Interest-bearing net liabilities	55.8	34.4	55.8	34.4
Panostaja's holding	52.8%			

KotiSun

KotiSun offers heating, plumbing and sewer renewal services for



KotiSun's net sales for the review period were MEUR 12.5, growth from the corresponding period being 27%. As it was earlier in the year, growth was strong particularly in the sewer business, which expanded to many new cities during the financial period. In Sweden, too, the sale of sewer renovations has begun to increase nicely after the summer. The sale of service water and heating network renovations did not develop entirely as expected as sales resources have been specifically focused on the sewer business and Kotivo. The sales resources for service water and heating network renovations have been increased during the review period, but the deficit has not yet been entirely filled. Kotivo's service offering was expanded to also cover electrical renovations.

EBIT for the review period increased to MEUR 2.4 from MEUR 1.9 in the reference period. The value is partly weighed down by equipment depreciations that have increased heavily due to the expansion of business (growth of MEUR 0.4 in the fourth quarter), as well as the launching of Kotivo and the new business in Sweden. The EBIT for the review period is improved by the recognition of the unrealized portion of Kotivo's additional purchase price, standing at MEUR 0.2.

~~Overall, the market situation in the review period was good, and there were no significant changes in the~~

MEUR	3 months 8/17-10/17	3 months 8/16-10/16	12 months 11/16-10/17	12 months 11/15-10/16
Net sales, MEUR	12.5	9.8	42.5	31.9
EBIT, MEUR	2.4	1.9	6.6	5.8
Interest-bearing net liabilities	9.9	8.2	9.9	8.2
Panostaja's holding	56.6%			

KL-Varaosat

KL-Varaosat is a wholesaler and retailer of car spare parts for MB, BMW and



KL-Varaosat's net sales for the review period were MEUR 3.6, growth from the corresponding period being 6%. The growth is largely a result of sales development in the new operating locations and Volvo spare parts. EBIT for the review period decreased to MEUR 0.3 from MEUR 0.4 in the reference period.

Demand in the review period was as expected: The atmosphere and expectations on the market were positive, but it is characteristic for the field for there to be a delay in these developments being realized as actual growth in demand. The proportion of the brands represented by KL in the car population has increased nicely, which will increase the target group in the future.

KL-Varaosat's strategic projects to develop the ServicePartner repair shop network and electronic trade proceeded as planned. The ServicePartner repair shop cooperation has developed well. The collaboration, which has now expanded to developing the competence and tools and updating the visual appearances of repair shops, has brought in new customers. Online trade is increasing thanks to the new electronic spare parts list and online store, which were launched early in the year.

MEUR	3 months	3 months	12 months	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	3.6	3.4	13.5	13.0
EBIT, MEUR	0.3	0.4	1.0	1.0
Interest-bearing net liabilities	0.6	1.3	0.6	1.3
Panostaja's holding	75.0%			

Selog



Selog is the biggest wholesaler of ceiling materials in Finland

Selog's net sales for the review period were MEUR 2.8, growth from the corresponding period being 5%. EBIT stood at MEUR 0.3, which was an improvement of MEUR 0.1 from the previous year.

Professional purchasing efforts have succeeded in maintaining a good level of profitability. The company's customers have continued to have a good amount of demand during the review period.

MEUR	3 months	3 months	12	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	2.8	2.7	10.8	10.3
EBIT, MEUR	0.3	0.2	0.8	0.7
Interest-bearing net liabilities	0.0	0.2	0.0	0.2

Panostaja's holding

60.0%

Helakeskus



Helakeskus is a major wholesaler of furniture fittings in Finland

Helakeskus' net sales for the review period were MEUR 2.3, which was a 7% decrease from the reference period. EBIT remained at MEUR 0.2, i.e., at the level of the corresponding period last year.

The market situation remained good in the review period. However, competition has continued to be relatively intense. Demand is strongest for large-scale projects. The domestic furniture sector, in turn, has been in significant decline for a long time, which has partially affected the development of Helakeskus' net sales.

S. Martti Niemi began as the new CEO of Helakeskus after the end of the review period.

MEUR	3 months	3 months	12 months	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	2.3	2.4	8.9	9.8
EBIT, MEUR	0.2	0.2	0.5	0.3
Interest-bearing net liabilities	5.5	5.5	5.5	5.5
Panostaja's holding	100.0%			

Megaklinikka

Megaklinikka offers dental care with a new concept



Megaklinikka's net sales of MEUR 1.3 for the review period were at the level of the reference period. EBIT increased from MEUR -0.6 in the reference period to MEUR -0.2.

The situation on the basic dental care market in Helsinki has remained challenging, and the competition for customers is fierce. During the last quarter of the financial period, private dental clinic visits increased by 9% from the reference period due to the exceptionally poor August in the reference period. The Kamppi clinic will continue measures to increase customer numbers and improve profitability.

The licensing business has grown steadily. The prospects for expanding the licensing business in Finland remain good, even though the competition is starting to become more intense.

MEUR	3 months	3 months	12	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	1.3	1.3	6.0	4.7
EBIT, MEUR	-0.2	-0.6	-1.6	-1.5
Interest-bearing net liabilities	5.9	5.1	5.9	5.1
Panostaja's holding	79.8%			

Heatmasters

Heatmasters offers metal heat treatment services and technology



Heatmasters' net sales for the review period were MEUR 1.8, growth from the corresponding period being 35%. Outages at three process facilities in Finland as well as two large furnace deliveries took place during the fourth quarter. The profitability of the Polish sector developed significantly more poorly than expected. Net sales were slightly positive and MEUR 0.3 better than in the reference period.

The winter months are typically a season of low demand for heating services. In terms of the outlook, the upcoming winter season is also expected to be slow.

A decision was made to close the facility in Houston, since the result development did not match expectations. However, the sale of equipment to the United States will continue as normal even with no actual office in the country. Heatmasters released a new portable multi-purpose heating device at the Schweissen & Schneiden trade fair held in Germany in September 2017.

MEUR	3 months	3 months	12	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	1.8	1.3	5.3	4.5

EBIT, MEUR	0.0	-0.3	-0.2	-1.0
Interest-bearing net liabilities	0.9	0.6	0.9	0.6
Panostaja's holding	80.0%			

CoreHW



CoreHW provides high-added value RF IC design services

During the review period, Panostaja acquired a majority shareholding in CoreHW Oy. Established in 2013, CoreHW is a company that 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). The CEO of the company is Tomi-Pekka Takalo. Panostaja's holding is 63.0%.

The company was incorporated into the Panostaja Group as of September 1, 2017, which is why no reference information is available. The company's reported net sales in the financial period were MEUR 1.0 and EBIT stood at MEUR 0.0. CoreHW's net sales are encumbered by the costs of the corporate acquisition, MEUR 0.2.

During the 12-month period of November 1, 2016-October 31, 2017, the company's net sales were MEUR 5.0 and EBIT MEUR 0.7. This 12-month period includes 10 months that preceded the incorporation into

MEUR	3 months	3 months	12	12 months
	8/17-10/17	8/16-10/16	11/16-10/17	11/15-10/16
Net sales, MEUR	1.0		1.0	
EBIT, MEUR	0.0		0.0	
Interest-bearing net liabilities	2.3		2.3	
Panostaja's holding	63.0%			

FINANCIAL DEVELOPMENT November 1, 2016–October 31, 2017

MEUR	Q4	Q4	12 months	12 months
	8/17– 10/17	8/16– 10/16	11/16– 10/17	11/15– 10/16
Net sales, MEUR	58.9	43.8	193.2	162.3
EBIT, MEUR	3.2	2.9	9.5	10.1
Profit before taxes, MEUR	2.5	2.5	7.5	8.3
Profit/loss for the financial period, MEUR	5.3	3.1	6.9	9.2
Earnings per share, undiluted (EUR)	0.07	0.03	0.04	0.07
Equity per share (EUR)	0.59	0.77	0.59	0.77
Operating cash flow (MEUR)	7.8	4.6	15.6	9.6

AUGUST 2017–OCTOBER 2017

Net sales for the review period increased by 34% and were MEUR 58.9 (MEUR 43.8). The impact of the corporate acquisitions on the MEUR 15.1 growth in net sales stood at MEUR 10.3. Exports amounted to MEUR 1.6, or 2.5% (MEUR 1.7, or 3.9%), of net sales. Net sales increased in seven of the eight investments.

EBIT improved to MEUR 3.2 (MEUR 2.9). EBIT improved in five of the eight investments. The development of net sales and EBIT for each of our investments has been commented on separately.

The profit/loss of Panostaja Oyj (Others segment) is encumbered in the review period by the MEUR 0.9 in costs of preparing for possible future divestments.

MEUR 3.1 was recorded for the losses caused by Takoma during the review period as a tax receivable through profit and loss.

The profit/loss of the business operations discontinued during the review period includes a MEUR 0.8 proportional share from the bankruptcy estates of Takoma Gears Oy and Takoma Oyj.

The profit for the review period was MEUR 5.3 (MEUR 3.1).

NOVEMBER 2016–OCTOBER 2017

Net sales for the review period increased by 19% and were MEUR 193.2 (MEUR 162.3). The impact of the corporate acquisitions on the MEUR 30.9 growth in net sales stood at MEUR 17.4. Exports amounted to MEUR 3.6, or 2.7% (MEUR 6.7, or 4.1%), of net sales. Net sales increased in seven of the eight investments.

EBIT weakened from MEUR 10.1 to MEUR 9.5. EBIT improved in six of the eight investments. The development of net sales and EBIT for each of our investments has been commented on separately.

The profit for the review period was MEUR 6.9 (MEUR 9.2). The result of the corresponding period includes the additional selling price of MEUR 3.7 (after taxes and expenses) regarding the selling of Flexim Security.

The income statement for operations sold during the reference period has been separated from the income statement for continuing operations and the profit/loss for them is presented on the row Earnings from discontinued operations in accordance with the IFRS standards. In the result of the review period for discontinued operations, the result of the Takoma segment, MEUR -1.6 in total, has been presented. Prior to separating discontinued and sold operations from continuing operations in the income statement, the consolidated net sales for the reference period were MEUR 172.5 and the EBIT was MEUR 9.0.

Division of the net sales by segment

MEUR	Q4	Q4	12 months	12 months
	8/17–	8/16–	11/16–	11/15–
Net sales	10/17	10/16	10/17	10/16
Grano	33.6	22.8	105.3	88.2
KotiSun	12.5	9.8	42.5	31.9
KL-Varaosat	3.6	3.4	13.5	13.0
Selog	2.8	2.7	10.8	10.3
Helakeskus	2.3	2.4	8.9	9.8
Megaklinikka	1.3	1.3	6.0	4.7
Heatmasters	1.8	1.3	5.3	4.5

CoreHW	1.0	0.0	1.0	0.0
Others	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	-0.1	-0.1
Group in total	58.9	43.8	193.2	162.3

**Division of EBIT by segment
MEUR**

	Q4	Q4	12 months	12 months
	8/17–	8/16–	11/16–	11/15–
EBIT	10/17	10/16	10/17	10/16
Grano	1.9	1.9	6.3	7.8
KotiSun	2.4	1.9	6.6	5.8
KL-Varaosat	0.3	0.4	1.0	1.0
Selog	0.3	0.2	0.8	0.7
Helakeskus	0.2	0.2	0.5	0.3
Megaklinikka	-0.2	-0.6	-1.6	-1.5
Heatmasters	0.0	-0.3	-0.2	-1.0
CoreHW	0.0	0.0	0.0	0.0
Others	-1.7	-0.7	-4.0	-2.9
Group in total	3.2	2.9	9.5	10.1

Panostaja Group's business operations for the current review period are reported in nine segments: Grano, KotiSun, Selog, Helakeskus, KL-Varaosat, Heatmasters, Megaklinikka, CoreHW and Others (parent company and associated companies).

There were no significant changes in the net sales of the segment Others. In the review period, three associated companies issued reports: Juuri Partners Oy, Ecosir Group Oy and Spectra Yhtiöt Oy. The profit/loss of the reported associated companies in the review period was MEUR 0.3 (MEUR 0.1), which is presented on a separate row in the consolidated income statement.

PERSONNEL

	October 31, 2017	October 31, 2016	Change
Average number of employees	1,622	1,337	21%
Employees at the end of the review period	1,810	1,434	26%

Employees in each segment at the end of the review period	October 31, 2017	October 31, 2016	Change
Grano	1,122	789	42%
KotiSun	422	298	42%
KL-Varaosat	48	48	0%
Selog	14	15	-7%
Takoma	0	83	-100%
Helakeskus	23	24	-4%
Megaklinikka	84	119	-29%
Heatmasters	43	49	-12%
CoreHW	45	0	
Others	9	9	0%
Group in total	1,810	1,434	26%

At the end of the review period, Panostaja Group employed a total of 1,810 persons, while the average number of personnel during the period was 1,434. During the review period, Panostaja continued to develop its personnel in line with its strategy.

INVESTMENTS AND FINANCE

The parent company's assets, financial securities and liquid fund units were MEUR 4.9. Additionally, the parent company has a MEUR 7.7 limit for corporate acquisitions in its use.

The Group's operating cash flow improved and was MEUR 15.6 (MEUR 9.6). Liquidity remained good. The Group's liquid assets were MEUR 19.5 (MEUR 26.6) and interest-bearing net liabilities MEUR 88.6 (MEUR 50.1). Net gearing increased and was 137.5% (70.4%). The rise in net gearing resulted primarily from the corporate acquisitions in the review period, distribution of dividends during the review period and the payment of the hybrid loan. The Group's net financial expenses for the review period were MEUR -2.3 (MEUR -1.9), or 1.2% (1.2%) of net sales.

The Group's gross capital expenditure for the financial period was MEUR 39.0 (MEUR 10.9), or 20.2% (6.7%) of net sales. Investments were mainly targeted at corporate acquisitions and equipment investments.

Financial position MEUR	October 31, 2017 October 31, 2016	
Interest-bearing liabilities	111.6	80.9
Interest-bearing receivables	3.5	4.3
Cash and cash equivalents	19.5	26.6
Interest-bearing net liabilities	88.6	50.1
Equity (belonging to the parent company's shareholders as well as minority shareholders)	64.5	71.1
Gearing ratio, %	137.5	70.4
Equity ratio, %	28.8	38.1
Return on equity, %	10.1	13.1
Return on investment, %	5.9	9.4

GROUP STRUCTURE CHANGES

CoreHW

On September 15, 2017, Panostaja Oyj signed an agreement on acquiring the share capital of CoreHW Oy, which designs radio frequency (RF) microchips and antennas for wireless technologies. The company's business is divided into design services, consulting and the development of proprietary and licensed technologies (IP).

After the trade, Panostaja will own 63% of the entity formed through the restructuring. In conjunction with the arrangement, the company was capitalized in order to enable the current product development plans. The value of the company's entire share capital (100%) was approx. MEUR 5.2.

Takoma

Panostaja's subsidiaries Takoma Oyj and Takoma Gears Oy filed bankruptcy petitions. On March 21, 2017, Pirkanmaa district court declared the companies bankrupt.

After Takoma had been declared bankrupt, Panostaja's control over Takoma ended, and Takoma was categorized as a discontinued operation in accordance with IFRS standards. In addition to Takoma Oyj's shares, Panostaja Oyj wrote-off all receivables from Takoma Oyj and Takoma Gears Oy.

Panostaja received proportional share certificates from the trustee of the Takoma Oyj and Takoma Gears Oy bankruptcy estates in the last quarter of the financial period. According to these certificates, Panostaja will receive approximately MEUR 0.8 in proportional shares from the estates. Previously during the second quarter of 2017, Panostaja wrote down all of its receivables from Takoma Gears Oy and Takoma Oyj, which means that the proportional share of MEUR 0.8 was recorded in the profit/loss of the discontinued operations of the final quarter of 2017. The profit/loss of Takoma division's discontinued operations during the whole financial period was -1.6 MEUR.

Based on the proportional share certificates, proportional shares will not be received for any receivables from Takoma Gears Oy and Takoma Oyj written down by Panostaja in the 2017 financial period, or for Takoma Oyj shares. Panostaja will deduct the depreciation of the loan receivables and shares in the taxation for 2017, and it recorded a MEUR 3.1 deferred tax receivable through profit and loss for the final quarter of 2017 on the basis of these losses.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.82 (lowest quotation) and EUR 0.98 (highest quotation) during the financial period. During the review period, a total of 7,863,788 shares were exchanged, which amounts to 15.1% of the share capital. The October 2017 share closing rate was EUR 0.91. The market value of the company's share capital at the end of October 2017 was MEUR 47.5 (MEUR 48.3). At the end of October 2017, the company had 4,095 shareholders (3,708).

Development of share exchange	4Q/2017	4Q/2016	1-4Q/2017	1-4Q/2016
Shares exchanged, 1,000 pcs	2,071	1,008	7,864	5,959
% of share capital	2.4	1.9	15.1	11.5

Share	October 31,	October 31,
Shares in total, 1,000 pcs	52,533	52,533
Own shares, 1,000 pcs	471	355
Closing rate	0.91	0.92
Market value (MEUR)	47.5	48.3
Shareholders	4,095	3,708

10 largest shareholders (pcs)	October 31,	October 31, 2016
TREINDEX OY	6,186,200	5,679,200
ETERA MUTUAL PENSION INSURANCE COMPANY	4,259,000	4,259,000
FENNIA MUTUAL INSURANCE COMPANY	3,468,576	3,468,576
KOSKENKORVA, MAIJA	2,847,542	3,387,542
KOSKENKORVA, MATTI	2,658,903	4,048,903

KOSKENKORVA, MAUNO	1,340,769	1,340,769
OP-HENKIVAKUUTUS OY	1,318,347	1,023,888
KOSKENKORVA, MIKKO	1,286,055	1,455,055
JOHTOPANOSTUS OY	1,030,000	1,030,000
MALO, HANNA	982,207	1,151,207

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on January 31, 2017 in Tampere. The number of Board members was confirmed at six (6), and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen, Hannu Tarkkonen and Antero (Antti) Virtanen were re-elected to the Board for the term ending at the end of the next Annual General Meeting.

Auditing service network PricewaterhouseCoopers Oy and Authorized Public Accountant Markku Launis were elected as auditors for the period ending at the end of the next Annual General Meeting. Auditing service network PricewaterhouseCoopers Oy has stated that Authorized Public Accountant Lauri Kallaskari will serve as the chief responsible public accountant.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2015–October 31, 2016 and resolved that the shareholders be paid EUR 0.04 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 granted exemption from liability to the members of the Board and to the CEO.

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

In addition, the Board was authorized to decide on the acquisition of the company's shares in one or more instalments so that the number of the company's own shares acquired may not exceed 5,200,000 in total, which corresponds to about 9.9% of the company's total stock of shares. By virtue of the authorization, the company's own shares may be obtained using unrestricted equity only. The company's own shares may be acquired at the date-of-acquisition price in public trading arranged by NASDAQ

Helsinki Oy or otherwise at the prevailing market price. The Board of Directors will decide how the company's own shares are to be acquired. The company's own shares may be acquired while not following the proportion of ownership of the shareholders (directed acquisition). The authorization issued at the Annual General Meeting of February 2, 2016 to decide on the acquisition of the company's own shares is cancelled by this authorization. The authorization remains valid until July 31, 2018.

It was resolved at the General Meeting in accordance with Chapter 4 Section 10 Clause 2 of the Companies Act that the right to the so-called ownerless shares on the common book-entry account, which belong to the book-entry system, are lost in a way defined in Chapter 4 Section 10 Clause 2 in the Companies Act. The General Meeting authorized the Board to take all measures required by this decision. After the decision, the company's own regulations concerning the company's own shares held by the company will be applied to the shares that were on the common book-entry account. Before the decision, there were 188,950 shares in total in the common book-entry account. Thus after the decision, as these shares have become the company's own shares held by the company, the total amount of the company's own shares held by the company is 512,706.

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

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares is 52,533,110.

The total number of shares held by the company at the end of the review period was 470,512 (at the beginning of the financial period 355,183). The number of the company's own shares corresponded to 0.9% 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 2, 2016, Panostaja Oy relinquished a total of 18,240 individual shares as share bonuses to the company management on December 12, 2016. On December 12, 2016, the company relinquished to the Board members a total of 13,187 shares, on March 2, 2017, a total of 13,954 shares, on June 2, 2017, a total of 14,286 shares, and on September 8, 2017, a total of 13,954 shares as meeting compensation, bringing the total of relinquished shares to 73,621.

EQUITY HYBRID LOAN

On May 27, 2013, the Group issued an equity convertible subordinated loan to the value of MEUR 7.5. The equity convertible subordinated loan has no maturity date, but the Group is entitled, but not obliged, to redeem the loan within four years. Based on the contract, the annual interest is 9.75%. Interest is only paid if the company decides to distribute dividends. If dividends are not distributed, the Group will decide separately on the payment of interest. In the consolidated financial statements, the loan is classified as equity and interest is presented as dividend. Equity hybrid loan was repaid on May 29, 2017.

EVENTS AFTER THE REVIEW PERIOD

CONDITIONAL ASSETS

In 2014, the Tax Administration issued a decision stating that Panostaja Oyj is not entitled to VAT deductions. Based on the aforementioned decision, Panostaja Oyj refrained from deducting a total of approx. MEUR 1.3 in value-added tax included in acquisitions during the financial periods between November 1, 2014 and October 31, 2017. Panostaja Oyj appealed the Tax Administration's decision to the Administrative Court, where the Tax Administration's decision was overturned. The Supreme Administrative Court did not grant the Tax Administration a right of appeal in the decision issued in November 2017. As a result of this decision, the Tax Administration will refund the value-added taxes that were not deducted, including interest, and Panostaja Oyj will record a one-time earning of approx. MEUR 1.3 for the first quarter of the 2018 financial period. Panostaja Oyj will also correct the income taxation for the company's previous tax years by adding the deducted value-added taxes to the taxable business income.

The CEO change of Helakeskus Oy

On November 24, 2017, Panostaja announced that S. Martti Niemi (M. Sc. (Econ.), born 1961) had been invited to become the Chief Executive Officer of Suomen Helakeskus Oy. Niemi will assume his duties as CEO no later than December 15, 2017. Suomen Helakeskus Oy's current CEO Hannu Rantanen will continue in his position until the arrival of his new counterpart, after which he will leave the employment of Panostaja Group.

MARKET PROSPECTS

The economic situation and atmosphere in Finland have continued to develop in a positive way, and the foundation for economic growth is extensive. The perking up of the market situation has been most visible in our investments serving construction, but there have been brighter views on a larger scale as well. However, some of the investments operate in fields with a delayed cycle, which means that we are expecting it to take time for the positive economic developments to manifest in these areas. Due to the threats related to political risks and the financial market, the long-term development of the economy is still uncertain. Activity on the corporate acquisition market has continued on a good level during the review period, and the supply of new investments has been active.

MOST SIGNIFICANT NEAR-FUTURE BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of Panostaja Group's management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its investments, to react to them and to utilise the business opportunities that they present. Risks are classified as factors that may endanger or impede Panostaja or its investments from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, investments, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2016 annual report. Financial risks are discussed in greater detail in the Notes to the 2016 Financial Statements.

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

Market risks, industries of the investments: Economic trend expectations in the fields of existing business areas are strongly tied to the prospects of customer enterprises. Expectations for the financial situation are still partly characterised by an unusually high level of uncertainty. The prospects of Panostaja's various investments vary from good to weak. Panostaja regularly assesses the risks for each investment and, based on the updated risk assessment, takes the necessary remedial action.

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

Financial risks: As a consequence of its operations, the Group is exposed to many financial risks. The aim of risk management is to limit the adverse effects of changes in financial markets on the result and financial development of the Group. The Group's revenue and operative cash flows are mainly independent of fluctuations in market interest rates. The interest risk of the Group mainly constitutes borrowing, which is spread over variable and fixed-interest loans. Some of our investments use interest rate swaps and interest rate ceiling agreements. The Group mainly operates in the eurozone and so is only slightly exposed to foreign exchange risks resulting from changes in exchange rates. Credit loss risks continue to represent a significant uncertainty factor for some of our investments. This risk is increased by the tightness of credit issue to SMEs.

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

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

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

on time. For these development projects, Panostaja has developed a process and tools that aim to ensure the realisation of the desired changes.

OUTLOOK FOR THE 2018 FINANCIAL PERIOD

Activity on the corporate acquisition market has continued on a good level during the review period, and the supply of new investments has been active. The need to exploit ownership arrangements and growth opportunities in SMEs will continue, and as our own activity complements the supply of possible acquisitions from outside, there are plenty of possibilities for corporate acquisitions on the market. Panostaja aims to implement its growth strategy by means of controlled acquisitions in current investments, and new potential investments are also being actively studied. Divestment possibilities are actively evaluated as well, on a somewhat larger scale than before, as a part of the owner strategies of the investments.

The demand situation for different investments is thought to develop in the short term as follows:

- The demand for KotiSun, Selog, Helakeskus and CoreHW remains good
- The demand for Grano, KL-Varaosat and Heatmaster will remain satisfactory
- Demand for Megaklinikka will remain weak

Panostaja Oyj

Board of Directors

For further information, contact CEO Juha Sarsama: tel. +358 (0)40 774 2099.

Panostaja Oyj

Juha Sarsama

CEO

All forecasts and assessments presented in this interim report bulletin are based on the current outlook of Panostaja and the views of the management of the various investments with regard to the state of the economy and its development. The results attained may be substantially different.

ACCOUNTING PRINCIPLES

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

The information in the financial statement bulletin has not been audited.

INCOME STATEMENT

	12		12	
EUR 1,000	3 months	3 months	months	
	8/17–	8/16–	11/16–	11/15–
	10/17	10/16	10/17	10/16
Net sales	58,872	43,804	193,173	162,277
Other operating income	850	232	1,597	1,370
Costs in total	56,498	41,128	185,267	153,512
Depreciations, amortisations and impairment	3,271	1,790	9,969	6,722
EBIT	3,225	2,907	9,502	10,135
Financial income and expenses	-827	-418	-2,250	-1,933
Share of associated company profits	113	28	278	107
Profit before taxes	2,511	2,518	7,530	8,309
Income taxes	2,018	917	969	-1,498
Profit/loss from continuing operations	4,529	3,435	8,499	6,811
Profit/loss from sold operations	0	9	0	3,750
Profit/loss from discontinued operations	783	-382	-1,646	-1,341
Profit/loss for the financial period	5,312	3,061	6,853	9,221
Attributable to				
Shareholders of the parent company	3,547	1,692	2,136	4,154
Minority shareholders	1,765	1,369	4,717	5,067
Earnings per share from continuing operations EUR, undiluted	0.053	0.013	0.066	0.035
Earnings per share from continuing operations EUR, diluted	0.053	0.013	0.066	0.035
Earnings per share from discontinued operations EUR, undiluted	0.015	0.017	-0.031	0.034
Earnings per share from sold operations EUR, undiluted	0.015	0.017	-0.031	0.034
Earnings per share from continuing and discontinued operations EUR, undiluted	0.068	0.030	0.035	0.069

Earnings per share from continuing and discontinued operations EUR, diluted	0.068	0.030	0.035	0.069
EXTENSIVE INCOME STATEMENT				
Items of the extensive income statement	5,312	3,061	6,853	9,221
Translation differences	-20	41	-20	41
Extensive income statement for the period	5,292	3,102	6,833	9,262
Attributable to				
Shareholders of the parent company	3,527	1,733	2,117	4,195
Minority shareholders	1,765	1,369	4,717	5,067

BALANCE SHEET

EUR 1,000

October 31, 2017 October 31, 2016

ASSETS		
Non-current assets		
Goodwill	94,714	78,406
Other intangible assets	13,485	9,673
Property, plant and equipment	23,234	13,308
Interests in associated companies	4,037	3,759
Deferred tax assets	11,328	6,974
Other non-current assets	6,772	7,538
Non-current assets total	153,571	119,659
Current assets		
Stocks	12,698	11,043
Trade and other receivables	38,418	30,004
Cash and cash equivalents	19,466	26,573
Current assets total	70,582	67,620
ASSETS IN TOTAL	224,154	187,279

EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders		
Share capital	5,569	5,569
Share premium account	4,646	4,646
Invested unrestricted equity fund	13,325	13,260
Equity convertible loan		7,390
Translation difference	-157	-124
Retained earnings	7,546	9,277
Total	30,929	40,017
Minority interest	33,522	31,128
Equity total	64,451	71,145
Liabilities		
Imputed tax liabilities	4,621	2,611
Non-current liabilities	94,034	65,772
Current liabilities	61,047	47,750
Liabilities total	159,702	116,134
EQUITY AND LIABILITIES IN TOTAL	224,154	187,279

CASH FLOW STATEMENT

October 31,
October 31, 2017 2016

Profit/loss for the financial period before the minority share	6,853	9,221
Adjustments:		
Depreciations	9,969	7,371
Financial income and costs	2,250	2,112
Share of associated company profits	-278	-107
Taxes	-969	1,486
Sales profits and losses from property, plant and equipment	-102	-5,459
Other earnings and expenses with no payment attached	2,022	671
Operating cash flow before change in working capital	19,746	15,295
Change in working capital		
Change in non-interest-bearing receivables	-5,575	-1,024
Change in non-interest-bearing liabilities	8,570	3,297
Change in stocks	-1,288	986
Change in working capital	1,707	3,259
Operating cash flow before financial items and taxes	21,452	18,555
Financial items and taxes:		
Interest paid	-2,432	-3,756
Interest received	70	305
Taxes paid	-3,465	-5,456
Financial items and taxes	-5,827	-8,908
Operating net cash flow	15,626	9,647
Investments		
Investments in intangible and tangible assets	-10,823	-9,606
Sales of intangible and tangible assets	739	872
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-28,137	-1,285
Sale of subsidiaries with time-of-sale liquid assets deducted	2,351	5,029
Acquisition of associated companies	0	0
Financial assets acquired and sold entered at fair value through profit and loss	0	6,606
Capital gains from sales of other shares	14	11

Loans receivable and repayments granted	341	-331
Investment net cash flow	-35,516	1,296
Finance		
Share issue	3,090	325
Hybrid loan	-7,500	0
Loans drawn	39,987	31,550
Loans repaid	-16,259	-31,323
Disposal of own shares	61	658
Dividends paid	-6,595	-9,580
Finance net cash flow	12,785	-8,370
Change in liquid assets	-7,105	2,572
Liquid assets at the beginning of the period	26,573	24,001
Effect of exchange rates	-2	0
Liquid assets at the end of the period	19,465	26,573

EQUITY

EUR 1,000	Share capital	Premium fund	Invested unrestricted equity fund	Translation differences	Retained earnings	Other funds	Minority shareholders' interest	Total
Equity	5,569	4,646	12,602	-124	7,816	7,390	32,001	69,900
November 1, 2015								
Profit for the financial period					4,195		5,067	9,221
Profit and costs recorded during the financial period, total					4,195		5,067	9,221
Share issue			581					581
Dividends paid					-2,562			-2,562

Dividends paid for minority shareholders							-7,053	-7,053
Repayment of capital								
Interest on equity convertible loan					-731			-731
Disposal of own shares			77					77
Reward scheme					15			15
Translation differences					41			41
Other changes					158		92	250
Selling of shares of subsidiaries owned that have not resulted in loss of controlling interest					550		1,417	1,967
Selling of shares of subsidiaries owned resulting in loss of controlling interest							-65	-65
Share of minority shareholders resulted from the acquisition of subsidiaries							118	118
Acquisitions of minority shareholdings					-164		-332	-496
Other changes in equity, total			646	0	-2,693		-5,940	-7,975
October 31, 2016	5,569	4,646	13,260	-124	9,277	7,390	31,127	71,145
Equity								
November 1, 2016	5,569	4,646	13,260	-124	9,277	7,390	31,127	71,145
Profit for the financial period					2,137		4,717	6,853
Profit and costs recorded during the financial period, total					2,137		4,717	6,853
Share issue								
Dividends paid					-2,081			-2,081
Dividends paid for minority shareholders							-4,188	-4,188

shareholders

Capital repayment							-558	-558
Interest on equity convertible loan and repayment			-841	-7,390				-8,231
Disposal of own shares	65							65
Reward scheme			15					15
Translation differences		-33	13					-20
Other changes			179					179
Share of minority shareholders resulted from the acquisition of subsidiaries							1,399	1,399
Selling of shares of subsidiaries owned resulting in loss of controlling interest							602	602
Selling of shares of subsidiaries owned that have not resulted in loss of controlling interest			416				1,835	2,251
Acquisitions of minority shareholdings			-1,569				-1,412	-2,981
Other changes in equity, total	65	-33	-3,868	-7,390			-2,322	-13,548
Equity								
October 31, 2017	5,569	4,646	13,325	-157	7,546	0	33,522	64,451

KEY FIGURES

	October 31, 2017	October 31, 2016
EBIT, MEUR	9.5	10.1
Equity per share (EUR)	0.59	0.77
Earnings per share, undiluted (EUR)	0.04	0.07
Earnings per share, diluted (EUR)	0.04	0.07
Average number of outstanding shares during financial period, 1,000 pcs.	52,082	51,735
Number of shares at end of financial period, 1,000 pcs.	52,533	52,533
Share issues during financial period, 1,000 pcs		581
Number of shares, 1,000 pcs, on average, diluted	52,082	51,735
Return on equity, %	10.1	13.1
Return on investment, %	5.9	9.4
Gross capital expenditure In permanent assets, MEUR	39.0	10.9
% of net sales	20.2%	6.3%
Interest-bearing liabilities, MEUR	111.6	80.9
Interest-bearing net liabilities, MEUR	88.6	50.1
Equity ratio, %	28.8	38.1
Average number of employees	1,622	1,337

Key figures provide a brief overview of the business development and financial position of a company. Formulae for calculating key figures have been presented in the financial statement of the financial period 2016. Reconciliation of interest-bearing liabilities and interest-bearing net liabilities is presented at the end of this bulletin.

ACQUIRED BUSINESSES**Acquisition cost calculation for CoreHW**

On September 15, 2017, Panostaja Oyj announced that it had signed an agreement on acquiring the share capital of CoreHW Oy, which designs RF (radio frequency) microchips and antennas for wireless technologies. After the trade, Panostaja will own 63% of the entity formed through the restructuring.

The value of the company's entire share capital (100%) is approx. MEUR 5.2. At the time of the closing of the books, the overall purchase price was estimated to be MEUR 5.2. Based on an acquisition cost

calculation, the fair value of the net assets acquired is MEUR 1.8, resulting in a goodwill of MEUR 3.4. The fair values of MEUR 0.7 recorded for the consolidation were related to customer relationships and technology. CoreHW has been incorporated into the Panostaja Group as of September 1, 2017.

Consideration given MEUR

Consideration paid	5.2
Conditional consideration	0.0
Consideration in total	5.2
Acquired assets and liabilities	
Permanent assets	0.0
Customer relationships	0.7
Machinery and equipment	0.1
Stocks	0.0
Current receivables	0.7
Cash and cash at bank	0.9
Total assets	2.4
Non-current liabilities	0.0
Current liabilities	0.5
Deferred tax liabilities	0.1
Total liabilities	0.6
Net assets	1.8
Goodwill	3.4

Acquisition cost calculation for Lönnberg Painot

On August 18, 2017, Panostaja Oyj's subsidiary Grano Group Oy signed an agreement on the acquisition of the entire share capital of Lönnberg Painot Oy, a company providing printing services. The sale price of the shares is MEUR 12.8. Once the arrangement has been carried out, Panostaja Oyj's shareholding in Grano Group will stand at 52.8%.

Based on an acquisition cost calculation, the fair value of the net assets acquired is MEUR 3.0, resulting in a goodwill of MEUR 9.8. The fair values of MEUR 2.0 recorded for the consolidation were related to customer relationships.

Consideration given MEUR

Consideration paid	12.8
Conditional consideration	0.0
Consideration in total	12.8
Acquired assets and liabilities	
Permanent assets	3.0
Customer relationships	2.0
Machinery and equipment	0.9
Stocks	1.5
Current receivables	3.8
Cash and cash at bank	0.2
Total assets	11.4
Non-current liabilities	3.3
Current liabilities	4.5
Deferred tax liabilities	0.6
Total liabilities	8.4
Net assets	3.0
Goodwill	9.8

GROUP DEVELOPMENT BY QUARTER MEUR

MEUR	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16
Net sales	58.9	44.0	46.6	43.7	43.8	39.3	41.6	37.6

Other operating income	0.8	0.3	0.2	0.3	0.2	0.1	0.6	0.5
Costs in total	56.5	41.6	43.9	43.3	41.1	36.7	39.2	36.5
Depreciations, amortisations and impairment	3.3	2.6	2.1	1.9	1.8	1.7	1.7	1.6
EBIT	3.2	2.7	2.9	0.7	2.9	2.7	3.0	1.5
Finance items	-0.8	-0.5	-0.4	-0.5	-0.4	-0.5	-0.4	-0.6
Share of associated company profits	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Profit before taxes	2.5	2.3	2.5	0.2	2.5	2.2	2.7	0.9
Taxes	2.0	-0.4	-0.3	-0.3	0.9	-0.8	-1.1	-0.6
Profit from continuing operations	4.5	1.8	2.2	-0.1	3.4	1.5	1.6	0.3
Profit/loss from sold operations	0.0	0.0	0.0	0.0	0.0	0.5	1.6	1.6
Profit/loss from discontinued operations	0.8	0.0	-2.1	-0.4	-0.4	-0.3	-0.4	-0.2
Profit for the financial period	5.3	1.8	0.2	-0.5	3.1	1.7	2.8	1.6
Minority interest	1.8	1.0	1.6	0.3	1.4	0.9	1.5	1.3
Parent company shareholder interest	3.5	0.8	-1.4	-0.8	1.7	0.8	1.3	0.4

GUARANTEES GIVEN

	October 31, 2017	October 31, 2016
Guarantees given on behalf of Group companies		
Enterprise mortgages	82,642	87,180
Pledges given	137,159	131,117
Other liabilities	18,495	12,715
Other rental agreements		
In one year	10,246	7,096
In over one year but within five years maximum	22,215	16,202
In over five years	2,651	2,126
Total	35,112	25,424

SEGMENT INFORMATION

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

NET SALES 11/16-10/17 11/15-10/16

EUR 1,000

Grano	105,345	88,153
KotiSun	42,455	31,869
KL-Varaosat	13,540	13,043
Selog	10,764	10,271
Helakeskus	8,912	9,822
Megaklinikka	5,964	4,746
Heatmasters	5,300	4,498
CoreHW	994	0
Others	0	8
Eliminations	-100	-132
Group in total	193,173	162,277

EBIT 11/16-10/17 11/15-10/16

EUR 1,000

Grano	6,299	7,838
KotiSun	6,593	5,778
KL-Varaosat	1,045	1,022
Selog	805	651
Helakeskus	546	328
Megaklinikka	-1,644	-1,528
Heatmasters	-202	-1,033
CoreHW	25	0
Others	-3,964	-2,921
Group in total	9,502	10,135

DEPRECIATIONS

11/16-10/17 11/15-10/16

EUR 1,000

Grano	-5,916	-4,078
KotiSun	-2,714	-1,177
KL-Varaosat	-100	-108
Selog	-200	-202
Helakeskus	-73	-93
Megaklinikka	-640	-737
Heatmasters	-220	-252
CoreHW	-34	0
Others	-72	-74
Group in total	-9,969	-6,722

INTEREST-BEARING NET LIABILITIESOctober 31,
2017 October 31, 2016**EUR 1,000**

Grano	55,830	34,400
KotiSun	9,874	8,228
KL-Varaosat	572	1,316
Selog	-43	235
Helakeskus	5,534	5,460
Megaklinikka	5,854	5,085
Heatmasters	868	618
CoreHW	2,296	0
Parent company	7,769	-8,898
Others	71	3,654
Group in total	88,623	50,098

The interest-bearing net liabilities for operations discontinued in the reference period are presented in the row Others.

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

	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16
Grano	33.6	23.1	25.4	23.3	22.8	20.8	23.3	21.2
KotiSun	12.5	9.5	10.4	10.0	9.8	7.9	7.6	6.5
KL-Varaosat	3.6	3.5	3.2	3.2	3.4	3.2	3.3	3.2
Selog	2.8	2.9	2.4	2.6	2.7	2.8	2.5	2.3
Helakeskus	2.3	2.2	2.4	2.1	2.4	2.3	2.8	2.4
Megaklinikka	1.3	1.6	1.6	1.4	1.3	1.1	1.2	1.1
Heatmasters	1.8	1.3	1.3	0.9	1.3	1.2	1.1	0.9
CoreHW	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Group in total	58.9	44.0	46.6	43.7	43.8	39.3	41.6	37.6

**SEGMENT INFORMATION BY
QUARTER
EBIT, MEUR**

	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16
Grano	1.9	1.4	2.4	0.6	1.9	1.6	3.0	1.3
KotiSun	2.4	1.1	1.5	1.7	1.9	1.4	1.3	1.2
KL-Varaosat	0.3	0.3	0.2	0.2	0.4	0.2	0.2	0.2
Selog	0.3	0.3	0.1	0.1	0.2	0.2	0.1	0.1
Helakeskus	0.2	0.2	0.2	0.0	0.2	0.2	-0.2	0.1
Megaklinikka	-0.2	0.0	-0.6	-0.8	-0.6	-0.2	-0.4	-0.3
Heatmasters	0.0	0.0	0.0	-0.3	-0.3	-0.2	-0.2	-0.3
CoreHW	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.7	-0.7	-0.8	-0.8	-0.7	-0.6	-0.8	-0.8
Group in total	3.2	2.7	2.9	0.7	2.9	2.7	3.0	1.5

Reconciliation of key figures - interest-bearing liabilities and interest-bearing net liabilities **October 31,**
MEUR **2017 October 31, 2016**

Liabilities total	159.7	116.1
Non-interest-bearing liabilities	48.1	35.2
Interest-bearing liabilities	111.6	80.9
Trade and other receivables	38.4	30.0
Non-interest-bearing receivables	34.9	25.7
Interest-bearing receivables	3.5	4.3
Interest-bearing liabilities	111.6	80.9
Interest-bearing receivables	3.5	4.3
Cash and cash equivalents	19.5	26.6
Interest-bearing net liabilities	88.6	50.1

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

Panostaja has a majority holding in eight investment targets. Grano Oy is the most versatile expert of content services in Finland. Heatmasters Group offers heat treatment services for metals in Finland and internationally, as well as produces, develops and markets heat treatment technology. KL-Varaosat is an importer, wholesale dealer and retailer of original spare parts and supplies for Mercedes Benz, BMW and Volvo cars. KotiSun Oy is Finland's leading company in service water, heating and sewer network building technology renovations for houses. Megaklinikka Oy is a company providing health care services and the ERP system for healthcare providers. Suomen Helakeskus Oy is a major wholesaler of furniture fittings in Finland. Selog Oy is a specialty supplier and wholesaler of ceiling materials. CoreHW provides high-added value RF IC design services