panostaja

Q4 FINANCIAL REPORT 13 DECEMBER 2019

AUGUST 2019–OCTOBER 2019

PANOSTAJA OYJ'S FINANCIAL STATEMENT BULLETIN

Active efforts to improve profitability – profit/loss encumbered by cost provisions

August 1, 2019–October 31, 2019 (3 months)

- Net sales increased in three of the eight segments. Net sales for the Group as a whole weakened by 6% to MEUR 49.7 (MEUR 52.8).
- EBIT improved in four of the eight segments. The entire Group's EBIT improved from the reference period, standing at MEUR 1.5 (MEUR -0.1). The profit/loss for the reference period includes the goodwill impairment loss of the Helakeskus segment in the amount of MEUR 3.0.
- Grano's net sales for the review period declined by 7% from the reference period in the previous year. EBIT totaled MEUR 1.8 (MEUR 2.6). The profit/loss includes a MEUR 1.0 provision for employer-employee negotiations.
- Selog Group and Tilatukku merged at the end of the review period.
- Earnings per share (undiluted) were -0.5 cents (-5.1 cents).
- In September, Panostaja distributed an extra dividend in the amount of MEUR 1.6 (EUR 0.03 per share).

November 1, 2018–October 31, 2019 (12 months)

- Net sales increased in three of the eight segments. Net sales for the Group as a whole increased by 3% to MEUR 190.2 (MEUR 185.2).
- EBIT improved in four of the eight segments, but the EBIT of the entire Group declined from MEUR 4.1 to MEUR 3.6.
- Over the course of the financial period, Panostaja sold KL-Varaosat Oy to Kaha Ab. A sales profit of MEUR 2.7 before taxes was recorded for the sale.
- During the financial period, Panostaja purchased a minority share in Gugguu Oy and divested Ecosir Group.
- Earnings per share (undiluted) were 3.1 cents (46.2 cents).

Proposal for the distribution of profits: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.05 per share be paid for the past financial period.

CEO Tapio Tommila:

"During the review period the total net sales of the Panostaja segments dropped by 6% from the reference period. The decline was primarily due to the weakened net sales of Grano, Carrot and Selog. Grano's net sales dropped by 7% as a result of the decline in traditional sheet printing and the volume of large-scale prints and illuminated advertisements, which was lower then in the reference period. Selog's net sales were significantly impacted by the tightened competition and the changes made at Carrot over the financial period. CoreHW was the one to achieve the most substantial growth in the period by increasing its net sales by more than 50% from the reference period.

Panostaja's EBIT for the review period was MEUR 1.5, which was an improvement of MEUR 1.6 from the review period. The profit/loss for the reference period was dragged down by the MEUR 3.0 goodwill impairment recorded for Helakeskus. The EBIT for the review period, in turn, is encumbered by the MEUR 1.0 cost provision for Grano's employer-employee negotiations and the MEUR 0.3 provision for Selog's corporate restructuring. CoreHW's strong increase in net sales was reflected by the company's operating profit, which increased to MEUR 0.3 from the MEUR 0.0 in the previous year.

Over the course of the review period, Grano completed its employer-employee negotiations for improving the group's competitiveness and operational efficiency. As a result of the negotiations, the number of employees working in Grano Group's various offices and facilities will be reduced by some 100 people. The streamlining measures are targeting roughly MEUR 4.5 in annual cost savings, more than half of which are expected to be realized in the 2020 financial period.

At the very end of the financial year, Selog Group and Tilatukku, based in the Helsinki Metropolitan Area, merged with the former assuming ownership of the latter. We believe the merger will significantly strengthen Selog Group's position on the markets and support the company's profitability development going forward. Carrot's net sales for the review period did not reach the target level, but the company has been able to focus on developing its own operations and laying a foundation for growth with the help of the new organization. We will continue to keep an eye on the development of Selog's and Carrot's net sales to ensure the correct course.

During the review period, Panostaja distributed an extra dividend at EUR 0.03 per share. In the past two years, we have completed successful divestments and acquired multiple new investment targets. Panostaja's financial position, policy on the distribution of profits and the results and outlook of the investment activities provided an excellent basis for an extra dividend.

The corporate acquisition market has remained rife with new opportunities. However, there is a wealth of investment capital on the market and the competition for good investments is fierce. In part, sellers' price expectations have also become a hindrance to follow-through with many acquisitions. We will continue to actively explore new interesting investment opportunities but remain cool-headed in terms of assessing prospective corporate acquisitions."

Investments 3 months

Grano

Grano is Finland's leading content and marketing services company

Grano's net sales for the review period were MEUR 33.3, which is a decline of 7% from the reference period (MEUR 35.7). Grano's EBIT for the fourth quarter stood at MEUR 1.8, which is a decrease of MEUR 0.8 from the reference period (MEUR 2.6). The profit/loss for the review period includes a MEUR 1.0 provision for costs related to employer-employee negotiations.

Demand in the review period remained satisfactory. The economic uncertainty is affecting customers' marketing investments. Product area specific development remained in line with the early part of the year: the volume of traditional sheet printing continued its decline, and the volumes of large-scale products and illuminated advertisements failed to reach the levels of the reference period. With regard to construction services, sales for the SokoPro media bank continued to grow. The packaging and labelling business grew, and the demand for marketing logistics services remained at a good level.

The profit/loss for the review period was lower than in the reference period, resulting from the weaker net sales. That said, the overall fixed costs for the review period were significantly below the reference period level, which improved profitability. The profit/loss for the review period also includes a MEUR 1.0 appropriation for costs related to employer-employee negotiations.

During the review period, the company initiated employer-employee negotiations targeted at all Grano Oy's operations and some of the operations of the parent company Grano Group Oy. The negotiations were completed in October, and as a result, employee numbers in the Group's various operating locations will be reduced by an estimated 100 people. The targeted savings will take full effect on an entire financial period's profitability level for the first time in the 2021 financial period.

Pekka Mettälä stepped in as the new CEO for Grano on September 18, 2019.

MEUR	**3 months**	**3 months**	**12 months**	**12 months**
	8/19-10/19	8/18-10/18	11/18-10/19	11/17–10/18
Net sales, MEUR	33.3	35.7	129.7	136.6
EBIT, MEUR	1.8	2.6	4.1	8.4
Interest-bearing net liabilities	50.9	59.1	50.9	59.1
Panostaja's holding	54.8%			

Selog

Selog is the biggest wholesaler of ceiling materials in Finland

Selog's net sales for the review period were MEUR 1.9, which was a decrease of MEUR 0.7 from the reference period (MEUR 2.6). EBIT for the review period dropped to MEUR -0.2 (MEUR 0.4) due to the one-time provisions of MEUR 0.3 related to the corporate restructuring implemented at the very end of the year.

The tightened competition continued to drag down the company's net sales during the review period. However, market demand remained at a satisfactory level. The most important event in the financial period took place toward the end in the form of a corporate acquisition which led to the merger of Selog Group and Tilatukku, an interior structure wholesaler operating in the Helsinki Metropolitan Area. Tilatukku was transferred to Selog Group's ownership, and the former owners of Tilatukku gained a 40% holding in Selog Group. At the same time, Selog's CEO Reijo Siekkinen stepped down. The second founding shareholder of Tilatukku, CEO Tomi Pirinen, assumed his duties.

The company changed its name after the review period and will from now on operate under the name Tilatukku.

MEUR	**3 months** 8/19-10/19	**3 months** 8/18-10/18	**12 months** 11/18-10/19	**12 months** 11/17–10/18
Net sales, MEUR	1.9	2.6	7.3	9.4
EBIT, MEUR	-0.2	0.4	-0.2	0.8
Interest-bearing net liabilities	0.8	0.9	0.8	0.9
Panostaja's holding	60.0%			

Helakeskus

Helakeskus is a major wholesaler of furniture fittings in Finland

Helakeskus' net sales for the review period stood at MEUR 2.1, which matches the reference period. In addition to this, operating EBIT improved slightly from the reference period to MEUR 0.2. The reported reference period net sales of MEUR -2.9 includes a group goodwill impairment loss in the amount of MEUR 3.0.

The market demand was satisfactory, but regional variation was substantial. Generally speaking, new construction has decreased while renovation work has remained at a moderate level. Consumer trade has slowed down as customers are increasingly postponing their kitchen renovations and purchases. The competitive situation continued to be fierce, especially with regard to project trade.

MEUR	**3 months** 8/19-10/19	**3 months** 8/18-10/18	**12 months** 11/18-10/19	**12 months** 11/17–10/18
Net sales, MEUR	2.1	2.1	8.0	8.2

EBIT, MEUR	0.2	-2.9	0.5	-2.7
Interest-bearing net liabilities	4.7	4.9	4.7	4.9
Panostaja's holding	100.0%			

Hygga

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

Hygga's net sales of MEUR 1.1 for the review period were MEUR 0.2 below the level of the reference period (MEUR 1.3). Correspondingly, EBIT weakened to MEUR -0.1 from MEUR 0.0 in the reference period.

As regards the clinic business, the development of net sales has remained poor. The adaptation efforts conducted at the clinic earlier improved the unit's profitability, but had a negative impact on the net sales. No significant changes in market prospects are expected in the short term. The company has made active efforts to obtain new customers by means of the Hymy contract, which is subject to a monthly fee and attempts to steer oral health care to a more preventative direction. The Kamppi clinic also has an important role in supporting the licensing business, as it provides the customers with a model of a clinic operating according to the Hygga ERP arrangement.

In terms of the licensing business during the review period, the company explored opportunities for international business opportunities by conducting market surveys in multiple countries, among other measures. A distribution partnership was also initiated in the Netherlands with Straight Dental. In Sweden, the interest toward Hygga's solutions has increased, and negotiations with new parties are under way. However, the decision-making processes related to public sector customer relationships are long. In the domestic market, the company has negotiated on a new pilot customer relationship in the general health care sector, which will begin at the start of 2020. Overall, competition in oral health care is fierce, which is pushing prices down. On the other hand, pressure from the customer base to implement cost-efficient solutions have continued to increase, which is expected to have a positive impact on the demand for the company's solutions.

MEUR	3 months 8/19-10/19	3 months 8/18-10/18	12 months 11/18-10/19	12 months 11/17–10/18
Net sales, MEUR	1.1	1.3	4.7	5.4
EBIT, MEUR	-0.1	0.0	-0.2	-0.2
Interest-bearing net liabilities	6.4	6.1	6.4	6.1
Panostaja's holding	79.8%			

Heatmasters

Heatmasters offers metal heat treatment services and technology

Heatmasters' net sales of MEUR 1.5 for the review period were MEUR 0.2 higher than in the reference period (MEUR 1.3). EBIT improved from MEUR 0.2 in the reference period to MEUR 0.3.

In service business, demand during the review period was high in Finland after the slower-than-expected third quarter. Demand was also satisfactory in Poland. In Finland, many customers got started with manufacturing prefabricated products for the large-scale maintenance outage to take place at the Neste refinery in Kilpilahti in spring 2020. The demand for equipment was also strong, and the company supplied furnaces and other devices to Saudi Arabia and South Korea.

The short-term market outlook remains good. In terms of both equipment and services, the company has already established new international customer relationships and partnerships and more are forthcoming. The preparations for the 2020 maintenance outage at the Neste refinery in Kilpilahti will continue for the winter season, and the actual outage will take place in late spring.

MEUR	**3 months**	**3 months**	**12 months**	**12 months**
	8/19-10/19	8/18-10/18	11/18-10/19	11/17–10/18
Net sales, MEUR	1.5	1.3	4.2	4.8
EBIT, MEUR	0.3	0.2	0.2	0.2
Interest-bearing net liabilities	0.2	0.4	0.2	0.4
Panostaja's holding	80.0%			

CoreHW

CoreHW provides high added value RF IC design services

CoreHW's net sales for the review period stood at MEUR 1.9, which was a 50% increase from the reference period (MEUR 1.1). Thanks to the increase in net sales, the EBIT for the fourth quarter was strong, recorded at MEUR 0.3 (MEUR 0.0).

Demand for the company's services has remained high. The short-term market outlook remains excellent, and the order book for the new financial period is strong and diverse. The company has also successfully recruited new employees, although availability on the market is scarce.

During the review period, the company also continued its own product development efforts and preparations for entry into the market. Customer interest toward the product has been cautiously positive.

MEUR	**3 months**	**3 months**	**12 months**	**12 months**
	8/19-10/19	8/18-10/18	11/18-10/19	11/17–10/18
Net sales, MEUR	1.9	1.1	5.7	3.7
EBIT, MEUR	0.3	0.0	0.4	-0.6
Interest-bearing net liabilities	3.6	3.5	3.6	3.5
Panostaja's holding	61.1%			

Carrot

Carrot Palvelut Oy provides staffing, recruitment and outsourcing services

Carrot's net sales for the review period decreased to MEUR 5.4 from MEUR 6.3 in the reference period. Net sales for the review period were equal to those of the reference period, standing at MEUR 0.1. Carrot's profit/loss has been consolidated into Panostaja Group's records starting from May 1, 2018, so reference information for the year is only available for a period of six months.

Net sales for the review period were significantly lower than in the reference period. The development measures conducted in the company and the earlier personnel changes continue to have an impact, especially with regard to sales and recruitment. Despite the lower net sales, the profit/loss was kept at the level of the reference period, as fixed costs were lower than in the reference period thanks to streamlining measures and savings implemented.

Market demand and short-term prospects have remained good. In the new financial period, the company will be aiming for an increase in net sales, once the organizational changes are complete. All things considered, the beginning winter season will be slower on the market, and the possible unstable labor market situation may also affect the company's operations in the short term.

MEUR	3 months 8/19-10/19	3 months 8/18-10/18	12 months 11/18-10/19	12 months 11/17–10/18
Net sales, MEUR	5.4	6.3	20.8	13.0
EBIT, MEUR	0.1	0.1	-0.4	-0.1
Interest-bearing net liabilities	5.0	4.1	5.0	4.1
Panostaja's holding	74.1%			

Oscar Software

Oscar Software provides ERP systems and financial management services

Oscar Software's net sales for the review period stood at MEUR 2.5 (MEUR 2.3) while its EBIT was MEUR -0.1 (MEUR 0.1). Oscar Software's profit/loss has been consolidated into Panostaja Group's records starting from May 1, 2018, so reference information is only available for a period of six months.

Demand for software and financial administration services remained at a good level for the review period. During the review period, incoming orders increased significantly compared to the reference period. Sales efforts have been actively steered toward SaaS-based contracts, which will have a negative impact on the growth of net sales and profitability in the short term but will improve them in the long run. The profit/loss for the review period is also encumbered by the personnel costs, which increased from the reference period, reflecting the company's investments in the SaaS-based operating model prescribed by its new strategy. Employees are a critical success factor, and the company will continue related investments through recruitment and process development. An employee issue was also carried out during the review period to engage key personnel and enable them to purchase a share in the company.

The short-term prospects remain good – new customers have been gained and the existing customers are active.

MEUR	3 months 8/19-10/19	3 months 8/18-10/18	12 months 11/18-10/19	12 months 11/17–10/18
Net sales, MEUR	2.5	2.3	10.1	4.4
EBIT, MEUR	-0.1	0.1	0.2	0.1
Interest-bearing net liabilities	4.2	5.1	4.2	5.1
Panostaja's holding	50.8%			

FINANCIAL DEVELOPMENT November 1, 2018–October 31, 2019

MEUR	Q4	Q4	12 months	12 months
	8/19-10/19	8/18-10/18	11/18–10/19	11/17–10/18
Net sales, MEUR	49.7	52.8	190.2	185.2
EBIT, MEUR	1.5	-0.1	3.6	4.1
Profit before taxes, MEUR	1.0	-1.1	1.7	1.5
Profit/loss for the financial period, MEUR	0.4	-1.6	2.5	27.1
Earnings per share, undiluted (EUR)	-0.01	-0.05	0.03	0.46
Equity per share (EUR)	0.96	1.02	0.96	1.02
Operating cash flow (MEUR)	3.2	4.3	10.8	8.2

AUGUST–OCTOBER 2019

Net sales for the review period weakened by 6% to MEUR 49.7 (MEUR 52.8). Exports amounted to MEUR 2.9, or 6.7% (MEUR 1.8, or 3.1%), of net sales. Net sales increased in three of the eight segments.

EBIT improved, standing at MEUR 1.5 (MEUR -0.1). EBIT improved in four of the eight investment targets. EBIT for the review period is encumbered by Grano's MEUR 1.0 provision for employer-employee negotiations. EBIT for the reference period includes the goodwill impairment loss of the Helakeskus segment in the amount of MEUR 3.0.

The profit for the review period was MEUR 0.4 (MEUR -1.6). The development of net sales and EBIT for each of our investments has been commented on separately.

In September, Panostaja's Board of Directors decided to distribute an extra dividend in the amount of MEUR 1.6 (EUR 0.03 per share).

NOVEMBER 2018–OCTOBER 2019

Net sales for the review period increased by 3% and were MEUR 190.2 (MEUR 185.2). The impact of the corporate acquisitions on the MEUR 5.0 growth in net sales stood at MEUR 15. Exports amounted to MEUR 8.2, or 4.2% (MEUR 6.1, or 3.0%), of net sales. Net sales increased in three of the eight segments.

EBIT declined slightly and was MEUR 3.6 (MEUR 4.1). EBIT improved in four of the eight investment targets. The review period's EBIT includes sales profit for Ecosir Group in the amount of MEUR 1.6. The profit/loss for the review period is encumbered by Grano's MEUR 1.0 cost provision related to employer-employee negotiations and the MEUR 0.9 impairment related to restructuring measures related to ERP systems. The profit/loss for the reference period includes a MEUR 3.0 goodwill impairment loss for the Helakeskus segment, MEUR 0.9 in sales profit from fixed assets and the recognition of the Panostaja parent company's VAT receivable at MEUR 1.3.

The profit for the review period was MEUR 2.5 (MEUR 27.1). KL-Varaosat's profit/loss for November–April, MEUR 2.7 in sales profit before taxes from KL-Varaosat's divestment and the tax expenses related to the sale, MEUR 0.8, were recorded in the income from sold operations.

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. The profit/loss for sold and discontinued operations presents the profit/loss for the KL-Varaosat and KotiSun segments, standing at a total of MEUR 27.5. Prior to separating discontinued and sold operations from continuing operations in the income statement, the consolidated net sales for the reference period were MEUR 199.7 and the EBIT was MEUR 5.3.

Division of the net sales by segment
MEUR

	Q4	**Q4**	**12 months**	**12 months**
Net sales	8/19- 10/19	8/18- 10/18	11/18– 10/19	11/17– 10/18
Grano	33.3	35.7	129.7	136.6
Selog	1.9	2.6	7.3	9.4
Helakeskus	2.1	2.1	8.0	8.2
Hygga	1.1	1.3	4.7	5.4
Heatmasters	1.5	1.3	4.2	4.8
CoreHW	1.9	1.1	5.7	3.7
Carrot	5.4	6.3	20.8	13.0
Oscar Software	2.5	2.3	10.1	4.4
Others	0.0	0.0	0.0	0.0
Eliminations	-0.1	-0.1	-0.3	-0.2
Group in total	49.7	52.8	190.2	185.2

Division of EBIT by segment

MEUR	Q4	Q4	12 months	12 months
EBIT	8/19-10/19	8/18-10/18	11/18–10/19	11/17–10/18
Grano	1.8	2.6	4.1	8.4
Selog	-0.2	0.4	-0.2	0.8
Helakeskus	0.2	-2.9	0.5	-2.7
Hygga	-0.1	0.0	-0.2	-0.2
Heatmasters	0.3	0.2	0.2	0.2
CoreHW	0.3	0.0	0.4	-0.6
Carrot	0.1	0.1	-0.4	-0.1
Oscar Software	-0.1	0.1	0.2	0.1
Others	-0.8	-0.5	-1.1	-1.8
Group in total	1.5	-0.1	3.6	4.1

Panostaja Group's business operations for the current review period are reported in nine segments: Grano, Selog, Helakeskus, Heatmasters, Hygga, CoreHW, Carrot, Oscar Software and Others (parent company and associated companies).

In the review period, two associated companies, Gugguu Group Oy and Spectra Yhtiöt Oy, issued reports to the parent company. The profit/loss of the reported associated companies in the review period was MEUR 0.2 (MEUR 0.3), which is presented on a separate row in the consolidated income statement. At the very beginning of the financial period, the company acquired a significant minority shareholding in Gugguu Oy, which manufactures ecological, high-quality children's wear. During the review period, Panostaja divested its share in Ecosir Group Oy, as an international group of investors assumed majority ownership of the company's business operations.

PERSONNEL

	October 31, 2019	October 31, 2018	Change
Average number of employees	1,969	1,927	2%
Employees at the end of the review period	1,895	2,043	-7%

Employees in each segment at the end of the review period	October 31, 2019	October 31, 2018	Change
Grano	1,089	1,128	-3%
KL-Varaosat	0	52	-100%
Selog	18	13	38%
Helakeskus	19	20	-5%
Hygga	58	77	-25%
Heatmasters	38	39	-3%
CoreHW	56	48	17%
Carrot	476	539	-12%
Oscar Software	131	118	11%
Others	10	9	11%
Group in total	1,895	2,043	-7%

Carrot's number of employees converted into full-time employees.

At the end of the review period, Panostaja Group employed a total of 1,895 persons, while the average number of personnel during the period was 1,969. 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 9.7. The parent company 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. The parent company's interest-bearing loans were MEUR 0.0.

Operating cash flow improved and stood at MEUR 10.8 (MEUR 8.2). Liquidity remained good. The Group's liquid assets were MEUR 16.4 (MEUR 19.3) and interest-bearing net liabilities MEUR 53.7

(MEUR 58.1). The gearing ratio fell and was 67.5% (69.0%). The Group's net financial expenses for the review period were MEUR -2.1 (MEUR -2.9), or 1.1% (1.6%) of net sales.

The Group's gross capital expenditure for the review period was MEUR 7.9 (MEUR 23.5), or 4.2% (12.7%) of net sales. Investments were mainly targeted at tangible and intangible assets and corporate acquisitions.

The Group's equity ratio at the end of the review period was 41.3% (40.4%). Return on equity was 3.1% (36.5%). Return on investment fell to 3.8% (18.6%). The key figures for the reference period were improved by the sale of KotiSun Group.

Financial position **MEUR**	**October 31, 2019**	**October 31, 2018**
Interest-bearing liabilities	75.2	82.5
Interest-bearing receivables	5.1	5.1
Cash and cash equivalents	16.4	19.3
Interest-bearing net liabilities	53.7	58.1
Equity (belonging to the parent company's shareholders as well as minority shareholders)	79.6	84.2
Gearing ratio, %	67.5	69.0
Equity ratio, %	41.3	40.4

GROUP STRUCTURE CHANGES

KL-Varaosat

On May 29, 2019, together with other owners of KL-Parts Oy, Panostaja signed an agreement on selling KL-Parts Oy's share capital to Oy Kaha Ab. The trade made Kaha the primary owner of KL-Parts. The management of KL-Parts will continue with the company as a minority shareholder. KL-Parts owns 100% of KL-Varaosat Oy. Panostaja Oyj's ownership in KL-Parts was 75%.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.77 (lowest quotation) and EUR 1.16 (highest quotation) during the financial period. During the review period, a total of 9,489,880 shares were exchanged, which amounts to 18.1% of the share capital. The October 2019 share closing rate was EUR 0.78. The market value of the company's share capital at the end of October 2019 was MEUR 40.8 (MEUR 52.1). At the end of October 2019, the company had 4,464 shareholders (4,487).

Development of share exchange	**4Q/2019**	**4Q/2018**	**1-4Q/2019**	**1-4Q/2018**
Shares exchanged, 1,000 pcs	5,512	1,075	9,490	9,375
% of share capital	10.7	2.4	18.1	18.0

Share	**October 31, 2019**	**October 31, 2018**
Shares in total, 1,000 pcs	52,533	52,533
Own shares, 1,000 pcs	194	391
Closing rate	0.78	1.00
Market value (MEUR)	40.8	52.1
Shareholders	4,464	4,487

10 largest shareholders (pcs)	**October 31, 2019**	**October 31, 2018**
TREINDEX OY	5,886,200	6,186,200
OY KOSKENKORVA AB	5,261,718	287,550
ILMARINEN MUTUAL PENSION INSURANCE COMPANY	4,259,000	4,259,000
FENNIA MUTUAL INSURANCE COMPANY	3,468,576	3,468,576
KOSKENKORVA, MIKKO	1,986,055	1,286,055
MALO, HANNA	1,682,207	982,207
KUMPU, MINNA	1,682,170	982,170
KOSKENKORVA, MAIJA	1,347,542	2,847,542
KOSKENKORVA, MAUNO	1,340,769	1,340,769
KOSKENKORVA, MATTI	1,158,903	2,658,903

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on January 31, 2019 in Tampere. The number of Board members was confirmed at five (5), and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Kalle Reponen 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 2020. 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, 2017–October 31, 2018 and resolved that the shareholders be paid EUR 0.05 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 own shares in one or more installments so that the number of the company's own shares to be acquired may not exceed 5,200,000 in total, which corresponds to about 9.9% of the company's total share capital. 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 1, 2018 to decide on the acquisition of the company's own shares is cancelled by this authorization. The authorization remains valid until July 31, 2020.

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 number of shares is 52,533,110 in total.

The total number of own shares held by the company at the end of the review period was 193,594 (at the beginning of the financial period 390,756). The number of the company's own shares corresponded to 0.4% 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 1, 2018, Panostaja Oy relinquished a total of 152,371 individual shares as share bonuses to the company management on December 15, 2018. On December 15, 2018, the company relinquished to the Board members a total of 10,000 shares as meeting compensation. In accordance with the General Meeting's decision of January 31, 2019 and the Board's decision, Panostaja relinquished a total of 10,526 shares on March 8, 2018, a total of 11,765 shares on June 7, 2019 and a total of 12,500 shares on September 6, 2019 as meeting compensation.

EVENTS AFTER THE REVIEW PERIOD

After the review period, Panostaja's CIO Juha Sarsama resigned to take a position with another employer.

MARKET PROSPECTS

Finland's financial development has remained reasonably strong, but the increased uncertainty of the global economy and worldwide deterioration of confidence have placed a damper on growth prospects. The dwindled export growth and weakened outlook of the export markets are having a negative impact on investment demand. However, the economy is expected to continue its growth, supported by domestic demand. The development of construction volume dropped to a negative level in 2019, and the situation is anticipated to worsen in 2020. The construction of housing, commercial premises and warehouses is expected to slow down significantly, but industrial construction and public service construction are thought to maintain their growth. The challenges with labor availability persist in some fields. The short-term development of demand in the various segments has been evaluated in more detail in conjunction with the prospects for the 2020 financial period. As regards the corporate acquisition market, plenty of opportunities are available and the market is active.

MOST SIGNIFICANT NEAR-TERM BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of Panostaja Group's management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its investments, to react to them and to utilize the business opportunities that they present. Risks are classified as factors that may endanger or impede Panostaja or its investments from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, investments, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2018 annual report. Financial risks are discussed in greater detail in the Notes to the 2018 Financial Statements.

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

Market risks, industries of the investments: Economic trend expectations in the fields of existing business areas are strongly tied to the prospects of customer enterprises. Panostaja's prospects across the segments vary from good to poor. 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. Net sales are divided into nine different investments whose cyclical nature varies. The Group's business structure partially evens out economic fluctuations. General and investment-specific market risks can, however, affect the Group's result and financial development. The expected market situation is taken into account by adapting operations and costs to market demand and by safeguarding the financial position. Regarding changes in the global economy, Panostaja also sees opportunities to improve its market position, for example through corporate acquisitions.

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

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

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 realization of the desired changes.

OUTLOOK FOR THE 2020 FINANCIAL PERIOD

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:

- The demand for CoreHW, Oscar Software, Carrot and Heatmasters will remain good.
- Demand for Grano, Hygga, Selog and Helakeskus will remain satisfactory.

Panostaja Oyj

Board of Directors

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

Panostaja Oyj

Tapio Tommila

CEO

All forecasts and assessments presented in this financial statement 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

EUR 1,000	3 months	3 months	12 months	12 months
	8/19- 10/19	8/18- 10/18	11/18– 10/19	11/17– 10/18
Net sales	49,693	52,765	190,231	185,227
Other operating income	189	134	2,490	2,836
Costs in total	48,365	52,996	189,118	183,966
Depreciations, amortizations and impairment	2,695	5,608	11,495	12,582
EBIT	**1,517**	**-98**	**3,602**	**4,096**
Financial income and expenses	-583	-1,112	-2,082	-2,940
Share of associated company profits	20	63	150	350
Profit before taxes	954	-1,146	1,671	1,507
Income taxes	269	-671	-1,283	-1,848
Profit/loss from continuing operations	1,223	-1,817	387	-342
Profit/loss from sold operations	-812	208	2,146	27,457
Profit/loss from discontinued operations	0	0	0	0
Profit/loss for the financial period	411	-1,609	2,533	27,116
Attributable to				
Shareholders of the parent company	-283	-2,652	1,640	24,069
Minority shareholders	693	1,043	893	3,046
Earnings per share from continuing operations EUR, undiluted	0.010	-0.055	-0.010	-0.065
Earnings per share from continuing operations EUR, diluted	0.010	-0.055	-0.010	-0.065
Earnings per share from discontinued	-0.016	0.004	0.041	0.527

operations EUR, undiluted				
Earnings per share from sold operations EUR, undiluted	-0.016	0.004	0.041	0.525
Earnings per share from continuing and discontinued operations EUR, undiluted	-0.005	-0.051	0.031	0.462
Earnings per share from continuing and discontinued operations EUR, diluted	-0.005	-0.051	0.031	0.460
EXTENSIVE INCOME STATEMENT				
Items of the extensive income statement	411	-1,609	2,533	27,116
Translation differences	-132	-190	-132	-190
Extensive income statement for the period	279	-1,799	2,401	26,926
Attributable to				
Shareholders of the parent company	-415	-2,842	1,508	23,879
Minority shareholders	693	1,043	893	3,046

BALANCE SHEET **EUR 1,000**	**October 31, 2019**	**October 31, 2018**
ASSETS		
Non-current assets		
Goodwill	93,685	94,838
Other intangible assets	14,525	16,569
Property, plant and equipment	14,359	17,525
Interests in associated companies	3,342	1,140
Deferred tax assets	6,007	6,453
Other non-current assets	8,057	8,525
Non-current assets total	139,975	145,049
Current assets		
Stocks	7,158	9,474

Trade and other receivables	29,844	34,783
Financial assets recorded at fair value through profit and loss	8,394	11,000
Cash and cash equivalents	7,988	8,348
Current assets total	**53,383**	**63,605**
ASSETS IN TOTAL	**193,360**	**208,656**
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	13,550	13,393
Translation difference	-353	-292
Retained earnings	26,928	29,500
Total	50,341	52,816
Minority interest	29,211	31,341
Equity total	**79,552**	**84,158**
Liabilities		
Imputed tax liabilities	6,204	5,655
Non-current liabilities	54,361	63,831
Current liabilities	53,243	55,011
Liabilities total	**113,809**	**124,498**
EQUITY AND LIABILITIES IN TOTAL	**193,360**	**208,656**

CASH FLOW STATEMENT EUR 1,000	October 31, 2019	October 31, 2018
Profit/loss for the financial period before the minority share	2,533	27,116
Adjustments:		
Depreciations	11,495	12,650
Financial income and costs	2,082	2,957
Share of associated company profits	-150	-350
Taxes	1,283	2,086
Sales profits and losses from property, plant and equipment	-1,876	-718
Other earnings and expenses with no payment attached	-3,158	-27,606
Operating cash flow before change in working capital	**12,209**	**16,135**
Change in working capital		
Change in non-interest-bearing receivables	3,620	1,866
Change in non-interest-bearing liabilities	743	-6,877
Change in stocks	166	261
Change in working capital	4,529	-4,750
Operating cash flow before financial items and taxes	16,738	11,384
Financial items and taxes:		
Interest paid	-2,972	-2,882
Interest received	244	207
Taxes paid	-3,168	-495
Financial items and taxes	-5,896	-3,170
Operating net cash flow	**10,842**	**8,214**
Investments		
Investments in intangible and tangible assets	-5,129	-6,473
Sales of intangible and tangible assets	206	2,897
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-1,283	-17,001
Sale of subsidiaries with time-of-sale liquid assets deducted	4,106	39,397
Acquisition and divestment of associated companies	701	0
Financial assets acquired and sold entered at fair value through profit and loss	0	0

Capital gains from sales of other shares	5	70
Loans receivable and repayments granted	1,076	-3,080
Investment net cash flow	**-319**	**15,808**
Finance		
Share issue	400	3,186
Loans drawn	2,725	10,492
Loans repaid	-11,464	-34,023
Disposal of own shares	184	69
Dividends paid	-5,334	-3,854
Finance net cash flow	**-13,489**	**-24,130**
Change in liquid assets	-2,966	-108
Liquid assets at the beginning of the period	19,348	19,466
Effect of exchange rates	-1	-10
Liquid assets at the end of the period	**16,381**	**19,348**

EQUITY

EUR 1,000	Share capital	Premium fund	Invested unrestricted equity fund	Translation differences	Retained earnings	Minority shareholders' interest	Total
Equity November 1, 2017	5,569	4,646	13,325	-157	7,546	33,522	64,451
Profit for the financial period					24,069	3,046	27,116
Profit and costs recorded during the financial period, total					24,069	3,046	27,116
Dividends paid					-2,084		-2,084

Dividends paid for minority shareholders						-1,785	-1,785
Repayment of capital							
Disposal of own shares			68				68
Reward scheme					11		11
Translation differences				-135	-55		-190
Other changes					356		356
Share of minority shareholders resulted from the acquisition of subsidiaries						3,179	3,179
Selling of shares of subsidiaries owned that have not resulted in loss of controlling interest						-5,829	-5,829
Acquisitions of minority shareholdings					-341	-792	-1,133
Other changes in equity, total			68	-135	-2,115	-5,227	-7,409
October 31, 2018	5,569	4,646	13,393	-292	29,501	31,341	84,159
Equity November 1, 2018	5,569	4,646	13,393	-292	29,501	31,341	84,159
Credit loss provision IFRS 9					-144		-144
Adjusted equity November 1, 2018	5,569	4,646	13,393	-292	29,357	31,341	84,014
Profit for the financial period					1,640	893	2,533
Profit and costs recorded during the financial period, total					1,640	893	2,533
Share issue							
Dividends paid					-4,185		-4,185
Dividends paid for minority shareholders						-1,439	-1,439

Capital repayment									
Disposal of own shares				157					157
Reward scheme						-9			-9
Translation differences					-61	-71			-132
Other changes									
Sales of subsidiary holdings that have not led to changes in control.						375		1,210	1,585
Selling of shares of subsidiaries owned resulting in loss of controlling interest						-25		-2,119	-2,144
Business operations with minority shareholders						8		437	445
Acquisitions of minority shareholdings						-166		-1,112	-1,278
Other changes in equity, total				157	-61	-2,433		-2,130	-4,467
Equity									
October 31, 2019	5,569	4,646		13,550	-353	26,928		29,211	79,552

KEY FIGURES

	October 31, 2019	October 31, 2018
EBIT, MEUR	3.6	4.1
Equity per share (EUR)	0.96	1.01
Earnings per share, undiluted (EUR)	0.03	0.46
Earnings per share, diluted (EUR)	0.03	0.46
Average number of outstanding shares during financial period, 1,000 pcs.	52,298	52,125
Number of shares at end of financial period, 1,000 pcs.	52,533	52,533
Number of shares, 1,000 pcs, on average, diluted	52,298	52,141
Return on equity, %	3.1%	36.5%
Return on investment, %	3.8%	18.6%

Gross capital expenditure in permanent assets, MEUR	7.9	23.5
% of net sales	4.2%	12.7%
Interest-bearing liabilities, MEUR	75.2	82.5
Interest-bearing net liabilities, MEUR	53.7	58.1
Equity ratio, %	41.3	40.4
Average number of employees	1,969	1,927

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 2018. The terms 'operating profit' and 'EBIT' are used to refer to the same thing. Reconciliation of interest-bearing liabilities and interest-bearing net liabilities is presented at the end of this bulletin.

GROUP DEVELOPMENT BY QUARTER
MEUR

	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Net sales	49.7	45.0	48.8	46.7	52.8	48.5	42.4	41.5
Other operating income	0.2	0.1	0.2	1.9	0.1	0.6	0.5	1.7
Costs in total	48.4	45.1	47.2	48.5	53.0	48.1	41.2	41.7
Depreciations, amortizations and impairment	2.7	3.5	2.6	2.6	5.6	2.5	2.3	2.2
EBIT	1.5	0.0	1.9	0.2	-0.1	1.0	1.6	1.5
Finance items	-0.6	-0.6	-0.5	-0.4	-1.1	-0.7	-0.6	-0.6
Share of associated company profits	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.0
Profit before taxes	1.0	-0.5	1.4	-0.2	-1.1	0.4	1.3	1.0
Taxes	0.3	-0.5	-0.4	-0.6	-0.7	-0.3	-0.4	-0.5
Profit from continuing operations	1.2	-1.0	0.9	-0.8	-1.8	0.2	0.8	0.5
Profit/loss from sold operations	-0.8	2.7	0.2	0.1	0.2	0.3	0.2	26.7
Profit/loss from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the financial period	0.4	1.7	1.1	-0.7	-1.6	0.5	1.1	27.2
Minority interest	0.7	-0.2	1.0	-0.7	1.0	0.5	0.9	0.6
Parent company shareholder interest	-0.3	1.9	0.1	-0.1	-2.7	0.0	0.2	26.5

GUARANTEES GIVEN

	October 31, 2019	October 31, 2018
Guarantees given on behalf of Group companies		
Enterprise mortgages	95,258	93,455
Pledges given	116,268	130,373
Other liabilities	5,730	7,307
Other rental agreements		
In one year	11,276	11,685
In over one year but within five years maximum	17,551	23,141
In over five years	1,368	1,748
Total	**30,195**	**36,575**

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

EUR 1,000

	11/18-10/19	11/17–10/18
Grano	129,689	136,582
Selog	7,281	9,435
Helakeskus	8,048	8,153
Hygga	4,688	5,395
Heatmasters	4,166	4,832
CoreHW	5,687	3,653
Carrot	20,845	12,956
Oscar Software	10,084	4,423
Others	0	0
Eliminations	-258	-202
Group in total	**190,231**	**185,227**

EBIT

EUR 1,000	11/18-10/19	11/17–10/18
Grano	4,086	8,412
Selog	-170	811
Helakeskus	457	-2,742
Hygga	-170	-177
Heatmasters	186	232
CoreHW	432	-640
Carrot	-375	-115
Oscar Software	229	69
Others	-1,074	-1,753
Group in total	**3,602**	**4,096**

DEPRECIATIONS

EUR 1,000	11/18-10/19	11/17–10/18
Grano	-9,697	-8,156
Selog	-35	-41
Helakeskus	-16	-3,018
Hygga	-309	-421
Heatmasters	-157	-172
CoreHW	-266	-269
Carrot	-290	-197
Oscar Software	-658	-239
Others	-67	-69
Group in total	**-11,495**	**-12,582**

INTEREST-BEARING NET LIABILITIES

EUR 1,000	October 31, 2019	October 31, 2018
Grano	50,939	59,110
Selog	811	947
Helakeskus	4,747	4,851
Hygga	6,358	6,102
Heatmasters	165	431
CoreHW	3,554	3,537
Carrot	5,043	4,125
Oscar Software	4,181	5,145
Parent company	-22,139	-26,196
Others	0	0
Group in total	**53,660**	**58,053**

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

SEGMENT INFORMATION BY QUARTER NET SALES, MEUR	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Grano	33.3	29.6	34.5	32.3	35.7	32.1	34.8	34.0
Selog	1.9	2.0	1.6	1.8	2.6	2.5	2.4	1.9
Helakeskus	2.1	2.0	2.1	1.9	2.1	1.9	2.2	1.9
Hygga	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4
Heatmasters	1.5	1.0	0.8	0.8	1.3	1.3	1.1	1.0
CoreHW	1.9	1.2	1.5	1.0	1.1	0.7	0.5	1.3
Carrot	5.4	5.6	4.6	5.3	6.3	6.7	0.0	0.0
Oscar Software	2.5	2.5	2.6	2.6	2.3	2.1	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0
Group in total	49.7	45.0	48.8	46.7	52.8	48.5	42.4	41.5

SEGMENT INFORMATION BY QUARTER EBIT, MEUR	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Grano	1.8	0.0	2.5	-0.3	2.6	1.8	2.9	1.1
Selog	-0.2	0.0	0.0	0.0	0.4	0.2	0.2	0.0
Helakeskus	0.2	0.1	0.1	0.1	-2.9	0.1	0.1	0.0
Hygga	-0.1	0.0	0.0	-0.1	0.0	0.1	0.0	-0.2
Heatmasters	0.3	0.0	0.0	-0.1	0.2	0.2	-0.1	-0.1
CoreHW	0.3	0.1	0.2	-0.3	0.0	-0.1	-0.5	0.1
Carrot	0.1	0.1	-0.2	-0.4	0.1	-0.2	0.0	0.0
Oscar Software	-0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.0
Others	-0.8	-0.5	-0.7	1.0	-0.5	-1.0	-0.8	0.6
Group in total	1.5	0.0	1.9	0.2	-0.1	1.0	1.6	1.5

Reconciliation of key figures - interest-bearing liabilities and interest-bearing net liabilities MEUR	October 31, 2019	October 31, 2018
Liabilities total	113.8	124.5
Non-interest-bearing liabilities	38.6	42.0
Interest-bearing liabilities	75.2	82.5
Trade and other receivables	29.8	34.8
Non-interest-bearing receivables	24.7	29.7
Interest-bearing receivables	5.1	5.1
Interest-bearing liabilities	75.2	82.5
Interest-bearing receivables	5.1	5.1
Cash and cash equivalents	16.4	19.3
Interest-bearing net liabilities	53.7	58.1

New standards to be implemented:

IFRS 16 Leases

Panostaja will apply the standard as of November 1, 2019. As a result of the standard, almost all lease agreements will be recorded in the balance sheet as fixed asset items, excluding agreements that are shorter than 12 months in length and low in value. Panostaja is applying a simplified implementation method, and the reference figures for the year preceding the implementation will not be adjusted. 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. Primarily, the agreements to be recorded in the new balance sheet will consist of lease agreements for premises and cars. During the review period, the Group has examined the lease agreements to be covered by the standard and strived to assess the impact of the implementation on the Group balance sheet. With the Group's current lease agreements, the boosting impact on the fixed assets in the opening balance and the interest-bearing loans stands at approx. MEUR 26. The change prescribed by the standard will also affect the income statement and cash flow classification as well as the balance-based key figures, such as gearing.

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

Panostaja has a majority holding in 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. Hygga Oy is a company providing health care services and the ERP system for health care providers. Suomen Helakeskus Oy is a major wholesaler of furniture fittings in Finland. Tilatukku (formerly Selog Oy) is a specialty supplier and wholesaler of ceiling materials. CoreHW provides high added value RF IC design services. Carrot provides staffing, recruitment and outsourcing services. Oscar Software provides ERP systems and financial management services.