Q2

Half-year Report

5 June, 2025

November 2024 – April 2025

Panostaja Oyj's Half Year Report
November 1, 2024–April 30, 2025

Good profitability development continued at CoreHW and Oscar Software

FEBRUARY 2025–APRIL 2025 (3 months) in brief:

- Net sales increased in three of the four segments. Net sales for the Group as a whole weakened by 1% to MEUR 33.5 (MEUR 33.7).
- EBIT improved in two segments. The entire Group's EBIT improved from the reference period, standing at MEUR 0.7 (MEUR 0.4).
- Grano's net sales for the review period improved by 1% from the reference period. EBIT totaled MEUR 0.7 (MEUR 0.8).
- Earnings per share (undiluted) were -0.4 cents (-6.7 cents). The profit/loss includes a write-down of roughly MEUR 3.1 in loan receivables.

NOVEMBER 2024–APRIL 2025 (6 months) in brief:

- Net sales increased in two out of four segments. Net sales for the Group as a whole weakened by 1% to MEUR 66.1 (MEUR 67.0).
- EBIT improved in two out of four segments. The entire Group's EBIT declined slightly from the reference period, standing at MEUR -0.1 (MEUR 0.0).
- Grano's net sales for the review period dropped by 1% from the reference period. EBIT totaled MEUR -0.2 (MEUR 1.0).
- Earnings per share (undiluted) were -1.8 cents (-8.4 cents).

CEO Tapio Tommila:

"The heightened uncertainty of the market environment continued throughout the first half of the financial period, and the general economic development showed no significant signs of recovery in the second quarter. Within the customer bases of our segments, investment decisions remained slow and customer demand continued to be slightly lower than usual. As a whole, net sales for the second quarter of the year decreased slightly, amounting to MEUR 33.5.

Net sales for the second quarter of the financial period increased in three of our four segments. Overall, net sales decreased by 1% compared to the reference period. Grano's net sales improved slightly, settling at MEUR 26.7. Grano's demand situation continued to fluctuate during the review period. Oscar Software's net sales were slightly better than in the reference period. There is still caution within the company's customer base in terms of new investments. The growth of the net sales from continuously invoiced software turnover, which is a strategic focus, continued in line with expectations. The development of the new modern ERP business platform, Oscar P1, has also continued according to plans. As regards CoreHW, the good development continued in the second quarter of the financial year, supporting the level of total net sales. Hygga's net sales decreased to MEUR 1.3 from last year's MEUR 2.4. The most significant factor behind the decline in net sales was the City of Helsinki's outsourced services agreement that concluded at the end of the previous financial year.

Overall, EBIT for the review period improved from the reference period despite a slight drop in net sales to MEUR 0.7 (MEUR 0.4). EBIT improved in two of our four target companies. The most significant increase in EBIT took place at CoreHW, which improved its EBIT to MEUR 0.3 (MEUR -0.4). The growth in EBIT was mainly driven by project activity in design services, which remained at a good level. Oscar Software's EBIT also improved slightly from the reference period. Grano's EBIT decreased to MEUR 0.7 (MEUR 0.8). Hygga's EBIT dropped to MEUR -0.1 (MEUR 0.2) due to significantly lower net sales. The company will continue to change the clinic business back toward private clinic business.

The calm phase in the corporate acquisition market has continued throughout the first half of the year, and the number of targets has remained lower than usual. We have continued in accordance with our strategic theme, emphasizing our own active project flow to renew our portfolio through new investments focused on the service and software sectors."

Segments 3 months

Grano

Grano is Finland's leading content and marketing services company

Grano's net sales for the review period were MEUR 26.7, which is an increase of 1% from the reference period (MEUR 26.5). EBIT for the review period dropped slightly from the reference period's level to MEUR 0.7 (MEUR 0.8).

The demand situation remained weak in the review period for most of Grano's main customer segments. The demand situation in industry and construction continued to be weak, but demand in the commercial sector was at a good level. The clear improvement of market demand will require a more expansive upward trend in the Finnish economy. The development of net sales compared to the reference period was strong for large-scale printing and illuminated ads. On the other hand, the demand for sheet printing and construction-related printing services remained poor in the review period.

The general instability regarding the market situation and trade policy has especially affected customers in the industrial sector. We estimate the effects of possible tariffs on Grano's demand to be limited. Public sector savings are reflected in weakened demand in the customer segment. The municipal and regional elections in the second quarter of the year supported demand during the review period.

The measures taken to improve the company's profitability were reflected in reduced fixed expenses compared to the comparison period. In part, the profitability of the review period was still burdened by the costs related to the internal arrangements implemented at the beginning of the financial year and the transfer of operations.

MEUR	**3 months**	**3 months**	**6 months**	**6 months**	**12 months**
	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	26.7	26.5	52.3	52.8	104.6
EBIT, MEUR	0.7	0.8	-0.2	1.0	3.0
Interest-bearing net liabilities	29.8	33.7	29.8	33.7	32.8
Panostaja's holding	55.2%				

Oscar Software

Oscar Software provides ERP systems and financial management services

Oscar Software's net sales of MEUR 3.1 for the review period were at the level of the reference period. The review period's EBIT improved slightly from the reference period level, standing at MEUR 0.3 (MEUR 0.2).

The general demand in the review period remained satisfactory in the company's key customer segments. The competitive situation continued to be tense in places during the second quarter. The operations were at a moderate level with regard to expansions and further development projects for existing customers.

Interest in Oscar Software's products and services has remained at a good level. The uncertain general market situation has maintained the uncertainty of customers to start larger investment projects.

The growth in the net sales of continuous invoiced software, which is key to Oscar Software, continued as expected, but the development in the sale of expert work remained modest in the review period. This particularly results from the challenges in realizing larger customer deployments. The company continues to actively acquire new customers in its target groups. The development of Oscar Software's new modern ERP business platform has continued as planned during the review period. The first functionalities of Oscar P1 will be released in June 2025. The product design functionalities will be released as planned later in 2025. The current year is significant for the company in terms of progressing its cloud-based business platform.

MEUR	**3 months**	**3 months**	**6 months**	**6 months**	**12 months**
	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	3.1	3.1	6.0	6.0	12.1
EBIT, MEUR	0.3	0.2	0.5	0.3	1.4
Interest-bearing net liabilities	1.1	3.0	1.1	3.0	1.8
Panostaja's holding	57.6%				

CoreHW

CoreHW provides high added value RF IC design and consulting services and product solutions for indoor positioning

CoreHW's net sales for the review period were MEUR 2.4, which was a 28% increase from the reference period (MEUR 1.8). EBIT for the review period improved from the reference period to MEUR 0.3 (MEUR -0.4) thanks to a strong increase in net sales. The net sales and profitability of the review period was particularly improved by the consistently good customer project activity in design services.

Customer project activity remained at a good level in the review period. The active sales efforts of design services were continued in the review period with a focus on the proprietary IP portfolio and further development projects for existing customers. Thanks to active sales work, the company's offer base remained at a good level. The company managed to obtain new design projects and smaller, preliminary research assignments during the review period.

CoreHW continued the development and commercialization of its own products in the review period. During the review period, the first pilot installations of products were carried out in the Japanese market. Interest in CoreHW's indoor positioning technology has increased significantly in the Japanese market, following the product launch and successful pilot installations in the latter half of the last financial year. As regards indoor positioning technology, the company is focusing on acquiring the first reference customers from the health care market in the United States. The company will complete the product development phase of indoor positioning products and finalize product certification in the coming months. We will be aiming for significant net sales in the product business in the current financial period.

MEUR	3 months	3 months	6 months	6 months	12 months
	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	2.4	1.8	5.2	3.9	8.6
EBIT, MEUR	0.3	-0.4	1.0	-0.5	-0.1
Interest-bearing net liabilities	10.1	9.7	10.1	9.7	10.9
Panostaja's holding	54.8%				

Hygga

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

Hygga's net sales for the review period were MEUR 1.3, which is a significant decrease compared to the reference period (MEUR 2.4). The decrease in net sales is due to the discontinuation of the City of Helsinki's outsourced services business at the end of the previous financial year. EBIT declined from the reference period, standing at MEUR -0.1 (MEUR 0.2).

The demand situation for the clinic business in the private sector continued to develop positively during the review period, even though the volume of the clinic business decreased significantly after the end of the City of Helsinki's outsourced services agreement upon the conclusion of the previous financial period. In the review period, the company continued the return to private clinic business, which was started in the first quarter. This is supplemented by oral health care services for service voucher customers. During the review period, the development of the cost structure was also continued to respond to the changed customer volume.

As regards the software business, the market situation remained very difficult due to the efforts of the domestic wellbeing services counties to save in costs. The financial effects of the previously implemented Hygga Flow contracts' termination and discontinuation decisions will be reflected in Hygga's operations, especially in the latter half of the financial year. Competition in Finland has remained fierce, which causes significant pricing pressure. In Finland, the dialogue with the wellbeing services counties will be continued on the possibilities of utilizing the Hygga Flow system in oral health care and basic health care.

MEUR	**3 months**	**3 months**	**6 months**	**6 months**	**12 months**
	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	1.3	2.4	2.8	4.4	8.8
EBIT, MEUR	-0.1	0.2	-0.2	0.3	0.4
Interest-bearing net liabilities	9.5	9.7	9.5	9.7	9.7
Panostaja's holding	79.8%				

Gugguu

Gugguu designs and manufactures first-rate children's clothing

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

The general demand situation in Gugguu's customer segment has remained very challenging during the review period. Customers' purchasing behavior has remained cautious despite the decreased inflation and interest rates. The net sales of the review period weakened significantly from the reference period in line with the first quarter of the year.

Anticipating demand has continued to be extremely difficult due to the declined purchasing power of consumers. The company's efforts to adapt fixed costs will support its profitability also in a market environment with a lower net sales level.

Significant changes are not expected in the short-term market outlook. The spending behavior of customers is expected to remain cautious. The generally poor market situation has weakened the operational preconditions of companies in the textile field, and many competitors have gone bankrupt or ended their operations. In some respects, this development can be seen to support the future market standing of companies such as Gugguu that have a strong brand and position.

MEUR	**3 months**	**3 months**	**6 months**	**6 months**	**12 months**
FAS (illustrative figures)	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	0.5	0.7	1.2	1.6	3.1
EBIT, MEUR	-0.1	-0.1	-0.2	-0.1	-0.2
Panostaja's holding	43%				

FINANCIAL DEVELOPMENT November 1, 2024–April 30, 2025

KEY FIGURES

MEUR	Q2	Q2	6 months	6 months	12 months
	2/25-4/25	2/24-4/24	11/24-4/25	11/23-4/24	11/23-10/24
Net sales, MEUR	33.5	33.7	66.1	67.0	134.0
EBIT, MEUR	0.7	0.4	-0.1	0.0	2.5
Profit before taxes, MEUR	0.1	-3.4	-0.9	-4.5	-3.1
Profit/loss for the financial period, MEUR	0.1	-3.5	-1.0	-4.6	-3.2
Distribution:					
Shareholders of the parent company	-0.2	-3.6	-1.0	-4.4	-4.0
Minority shareholders	0.3	0.1	-0,0*	-0.2	0.7
Earnings per share, undiluted, EUR	-0.00	-0.07	-0.02	-0.08	-0.08
Interest-bearing net liabilities	35.8	40.1	35.8	40.1	39.3
Gearing ratio, %	73.7	83.2	73.7	83.2	79.3
Equity ratio, %	38.2	35.4	38.2	35.4	37.8
Equity per share, EUR	0.53	0.54	0.53	0.54	0.54

*The minority share in the review period was EUR -25,000.

FEBRUARY 2025–APRIL 2025

Net sales for the review period dropped by 1% and were MEUR 33.5 (MEUR 33.7). Exports amounted to MEUR 1.8, or 5.3% (MEUR 1.9, or 5.5%), of net sales. Net sales increased in three of the four segments.

The reported EBIT for the review period totaled MEUR 0.7 (MEUR 0.4). EBIT improved in two of the four segments. The development of net sales and EBIT for each of our segments has been commented on separately. The profit for the review period was MEUR 0.1 (MEUR -3.5). The profit/loss includes a write-down of roughly MEUR 3.1 in loan receivables.

NOVEMBER 2024–APRIL 2025

Net sales for the review period dropped by 1% and were MEUR 66.1 (MEUR 67.0). Exports amounted to MEUR 3.9, or 5.9% (MEUR 3.8, or 5.6%), of net sales. Net sales increased in two out of four segments.

The reported EBIT for the financial period totaled MEUR -0.1 (MEUR 0.0). EBIT improved in two of the four segments. The development of net sales and EBIT for each of our segments has been commented on separately. The profit for the review period was MEUR -1.0 (MEUR -4.6).

Distribution of net sales by segment
MEUR

Net sales	Q2 2/25- 4/25	Q2 2/24- 4/24	6 months 11/24- 4/25	6 months 11/23- 4/24	12 months 11/23- 10/24
Grano	26.7	26.5	52.3	52.8	104.6
Hygga	1.3	2.4	2.8	4.4	8.8
CoreHW	2.4	1.8	5.2	3.9	8.6
Oscar Software	3.1	3.1	6.0	6.0	12.1
Others	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	-0.1	-0.1
Group in total	33.5	33.7	66.1	67.0	134.0

Distribution of EBIT by segment

MEUR

EBIT	Q2 2/25- 4/25	Q2 2/24- 4/24	6 months 11/24- 4/25	6 months 11/23- 4/24	12 months 11/23- 10/24
Grano	0.7	0.8	-0.2	1.0	3.0
Hygga	-0.1	0.2	-0.2	0.3	0.4
CoreHW	0.3	-0.4	1.0	-0.5	-0.1
Oscar Software	0.3	0.2	0.5	0.3	1.4
Others	-0.5	-0.5	-1.1	-1.1	-2.1
Group in total	0.7	0.4	-0.1	0.0	2.5

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

One associated company, Gugguu Group Oy, provided a report for the review period. The impact on profit/loss of the reported associated companies in the review period was MEUR -0.1 (MEUR -0.0), which is presented in a separate row in the consolidated income statement. The development of Gugguu's net sales and EBIT has been commented on more specifically in the Segments section.

PERSONNEL

	April 30, 2025	April 30, 2024	Change	October 31, 2024
Average number of employees	1,063	1,163	-9%	1,135
Employees at the end of the review period	1,044	1,137	-8%	1,081

Employees in each segment at the end of the review period	April 30, 2025	April 30, 2024	Change	October 31, 2024
Grano	755	824	-8%	778
Hygga	78	111	-30%	103
CoreHW	81	75	8%	73
Oscar Software	120	118	2%	118
Others	10	9	11%	9
Group in total	1,044	1,137	-8%	1,081

At the end of the review period, Panostaja Group employed a total of 1,044 persons, while the average number of personnel during the period was 1,063. During the review period, Panostaja continued to develop its personnel in line with its strategy.

INVESTMENTS AND FINANCE

The Group's operating cash flow was MEUR 7.3 (MEUR 7.8). Liquidity remained good. The Group's liquid assets were MEUR 7.8 (October 31, 2024: MEUR 9.1) and interest-bearing net liabilities were MEUR 35.8 (October 31, 2024: MEUR 39.3). The net gearing ratio fell slightly and was 73.7% (October 31, 2024: 79.3%).

The Group's net financial expenses for the review period were MEUR -0.7 (MEUR -4.4), or 1.1% (6.6%) of net sales. The net financing costs of the review period include a roughly MEUR 3.1 write-down of the loan receivables from the loan granted in connection to the sale of KotiSun Group.

The Group's gross capital expenditure for the review period was MEUR 2.3 (MEUR 1.9), or 3.5% (2.9%) of net sales. Investments were mainly targeted at tangible and intangible assets. The investments do not include fixed assets pursuant to IFRS 16.

Financial position MEUR	April 30, 2025	April 30, 2024	October 31, 2024
Interest-bearing liabilities	45.1	53.2	49.8
Interest-bearing receivables	1.5	1.3	1.4
Cash and cash equivalents	7.8	11.8	9.1
Interest-bearing net liabilities	35.8	40.1	39.3
Equity (belonging to the parent company's shareholders as well as minority shareholders)	48.5	48.2	49.6
Gearing ratio, %	73.7	83.2	79.3
Equity ratio, %	38.2	35.4	37.8

The parent company's assets, financial securities and liquid fund units were MEUR 2.7. The parent company's interest-bearing loans were MEUR 2.2.

GROUP STRUCTURE CHANGES

No changes in the Group structure.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.33 (lowest quotation) and EUR 0.41 (highest quotation) during the review period. During the review period, a total of 1,613,599 shares were exchanged, which amounts to 5.9% of the average share capital for the financial period. The share closing rate of April 2025 was EUR 0.36. The market value of the company's share capital at the end of April 2025 was MEUR 19.1 (MEUR 21.6). At the end of April 2025, the company had 4,548 shareholders (4,712).

Development of share exchange	2Q/2025	2Q/2024	1-2Q/2025	1-2Q/2024	2024
Shares exchanged, 1,000 pcs	1,614	1,146	3,146	2,874	4,657
% of share capital	5.9	2.2	5.9	5.4	8.8

Share	April 30,	April 30,	October 31,
Shares in total, 1,000 pcs	53,333	53,333	53,333
Own shares, 1,000 pcs	323	539	488
Closing rate	0.36	0.41	0.47
Market value (MEUR)	19.1	21.6	24.8
Shareholders	4,548	4,712	4,602

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj’s Annual General Meeting was held on February 5, 2025 in Tampere. The number of Board members was confirmed at five (5), and Mikko Koskenkorva, Tarja Pääkkönen and Tommi Juusela were re-elected to the Board for the term ending at the end of the next Annual General Meeting. Juha Sarsama and Saga Forss were elected to the Board as new members.

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

The Annual General Meeting decided to select Authorized Public Accountants Deloitte Oy as the auditor for the term concluding upon the end of the Annual General Meeting of 2025. Deloitte Oy has stated that Authorized Public Accountant Hannu Mattila will serve as the chief responsible public accountant.

Discharge from liability for the financial period November 1, 2023–October 31, 2024 was granted to the following persons: Board members Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Tarja Pääkkönen and Tommi Juusela and CEO Tapio Tommila. The Annual General Meeting decided to grant a discharge from liability to the aforementioned members of the Board and CEO.

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

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2023–October 31, 2024 and resolved that no dividend be paid to the shareholders.

The General Meeting decided, in accordance with the Board’s proposal, to extend the financial period that started on November 1, 2024 to end on December 31, 2025. After this, the company’s financial period will be a calendar year in accordance with the proposed amendment to the articles of association.

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

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

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

The Board of Directors will decide how the company's own shares are to be acquired. The company's own shares may be acquired while not following the proportion of ownership of the shareholders (directed acquisition). The authorization issued at the Annual General Meeting on February 7, 2024 to decide on the acquisition of the company's own shares is canceled by this authorization. The authorization will remain valid until August 5, 2026.

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

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

The authorization issued at the Annual General Meeting on February 7, 2024 to decide on share issues as well as the provision of special option rights and other rights to shares is canceled by this authorization. The authorization will remain valid until August 6, 2026.

SHARE CAPITAL AND THE COMPANY'S OWN SHARES

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

The total number of shares held by the company at the end of the review period was 322,782 (at the beginning of the financial period 487,787). The number of the company's own shares corresponded to 0.6% 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 7, 2024, Panostaja Oyj relinquished a total of 40,005 individual shares as share bonuses to the company management on December 16, 2024. On December 16, 2024, the company relinquished to the Board members a total of 50,000 shares as meeting compensation.

Panostaja Oyj's Board of Directors decided on a directed share issue and on March 14, 2025 sold a total of 75,000 of its own shares to the members of the management team or to the company under their control. The decision on the directed share issue was based on the authorization provided to the Board by the Annual General Meeting on February 5, 2025.

EVENTS AFTER THE REVIEW PERIOD

No significant events after the review period.

MOST SIGNIFICANT NEAR-TERM BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of Panostaja Group’s management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its investments, to react to them and to utilize the business opportunities that they present. Risks are classified as factors that may endanger or impede Panostaja or its investments from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, investments, personnel or other stakeholder groups. A more detailed report on Panostaja’s risk management policy and the most significant risks was published in the 2024 annual report. Financial risks are discussed in greater detail in the notes to the 2024 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. Furthermore, changes in customs policy increase uncertainty in the market. 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 various segments are currently estimated to be satisfactory. Panostaja regularly assesses the risks for each investment and, based on the updated risk assessment, takes the necessary remedial action. The current uncertainties caused by the market situation has increased the short-term risks impacting the demand and cost structure of the investments. Active efforts are being made to manage these risks through pre-emptive investigation of mitigating measures.

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

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

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

If unsuccessfully managed, risks concerning the corporate acquisitions may affect the development and financial performance of the Group and its investment targets. The Group also aims to grow through corporate acquisitions. The goodwill associated with corporate acquisitions entered in the consolidated balance sheet amounts to approximately MEUR 47.6. Goodwill is not written off annually on a regular basis but, instead of depreciations, an impairment test is performed at least annually, or when there are indications of amortization. Values are normally checked during the second half of the year in connection with the budgeting process. Such a change may make goodwill write-downs necessary.

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

Operative risks: Changes in the market situations of the investments can lead to situations where the net sales of the company temporarily 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.

War in Ukraine: Russia’s war of aggression on Ukraine increases economic uncertainty in Finland and across the globe. Despite recent efforts at ceasefire negotiations, the negative effects of the war on the macroeconomic environment in which Panostaja’s companies operate may remain negative. This may weaken Panostaja Group’s ability to predict the development of its business. Panostaja Group’s companies do not have operations in Russia or Ukraine.

OUTLOOK FOR THE 2025 FINANCIAL PERIOD

Activity in the corporate acquisition market has been slow due to the uncertain economic outlook, and the availability of new segments has declined. The consistently high liquidity of the market and the continuously high price expectations of the sellers have contributed to making the operating environment challenging for corporate acquisitions. That said, the need for SMEs to utilize ownership arrangements and growth opportunities will continue and, as the economic outlook improves, the corporate acquisition market is expected to recover. We will continue to actively explore 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 Grano, Oscar Software, CoreHW and Hygga will remain satisfactory.

The demand situation presented above involves uncertainties relating to any geopolitical and macroeconomic impacts that are difficult to anticipate. In addition to this, the instability of international trade and customs policy increases the uncertainty of the current financial year. The effects of the Russia's war of aggression on Ukraine as well as related economic sanctions and geopolitical tensions will increase economic uncertainty in Finland and abroad, which may negatively impact segment demand or the availability of materials, and thereby material prices and delivery capabilities. The general economic volatility may have a negative impact on the purchasing power of consumers and the willingness of companies to make investments, which may weaken the demand situation of our segments from the estimate provided above.

Panostaja Oyj

Board of Directors

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

Panostaja Oyj

Tapio Tommila

CEO

ACCOUNTING PRINCIPLES

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

The financial statement bulletin does not include all notes to the October 31, 2024 consolidated financial statements, due to which it must be read together with the annual financial statements. The financial statement bulletin adheres to the same preparation principles as the previous annual financial statements.

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

INCOME STATEMENT EUR 1,000	Q2	Q2	6 months	6 months	12 months
	2/25- 4/25	2/24- 4/24	11/24- 4/25	11/23- 4/24	11/23- 10/24
Net sales	33,451	33,683	66,146	66,966	134,027
Other operating income	0	519	549	995	1,446
Costs in total	29,671	30,807	60,670	61,893	120,702
Depreciations, amortizations and impairment	3,083	3,041	6,081	6,069	12,233
EBIT	**697**	**354**	**-57**	**0**	2,538
Financial income and expenses	-512	-3,744	-712	-4,434	-5,477
Share of associated company profits	-37	-56	-111	-88	-126
Profit before taxes	**149**	**-3,446**	**-880**	**-4,523**	**-3,066**
Income taxes	-85	-64	-114	-86	-149
Profit/loss from continuing operations	63	-3,510	-994	-4,609	-3,215
Profit/loss from discontinued operations	0	0	0	0	0
Profit/loss for the financial period	**63**	**-3,510**	**-994**	**-4,609**	**-3,215**
Attributable to					
Shareholders of the parent company	-232	-3,562	-969	-4,419	-3,953
Minority shareholders	295	53	-25	-190	738
Earnings per share from continuing operations EUR, undiluted	-0.004	-0.068	-0.018	-0.084	-0.075
Earnings per share from continuing operations EUR, diluted	-0.004	-0.068	-0.018	-0.084	-0.075
Earnings per share from sold and discontinued operations EUR, undiluted	0.000	0.000	0.000	0.000	0.000
Earnings per share from sold operations EUR, diluted	0.000	0.000	0.000	0.000	0.000
Earnings per share from continuing and sold and discontinued operations EUR, undiluted	-0.004	-0.068	-0.018	-0.084	-0.075
Earnings per share from continuing and sold and discontinued operations EUR, diluted	-0.004	-0.068	-0.018	-0.084	-0.075
EXTENSIVE INCOME STATEMENT					
Result for the period	63	-3,510	-994	-4,609	-3,215
Translation differences	-31	12	-31	12	30
Extensive income statement for the period	32	-3,498	-1,025	-4,597	-3,185
Attributable to					
Shareholders of the parent company	-263	-3,550	-1,000	-4,407	-3,923
Minority shareholders	295	53	-25	-190	738

BALANCE SHEET

EUR 1,000	April 30, 2025	April 30, 2024	October 31, 2024
ASSETS			
Non-current assets			
Goodwill	47,569	47,569	47,569
Other intangible assets	9,089	8,012	8,314
Property, plant and equipment	24,103	29,971	27,351
Interests in associated companies	1,553	1,703	1,665
Deferred tax assets	9,534	9,219	9,520
Other non-current assets	1,381	1,539	1,417
Non-current assets total	93,229	98,011	95,835
Current assets			
Stocks	6,430	5,647	5,288
Trade and other receivables	20,661	21,433	21,685
Cash and cash equivalents	7,828	11,823	9,082
Current assets total	34,919	38,904	36,055
ASSETS IN TOTAL	**128,149**	**136,916**	**131,891**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	5,569	5,569	5,569
Share premium account	4,646	4,646	4,646
Invested unrestricted equity fund	13,935	13,850	13,870
Translation difference	-263	-376	-359
Retained earnings	4,095	4,563	5,031
Total	27,982	28,252	28,757
Minority interest	20,562	19,934	20,873
Equity total	**48,544**	**48,187**	**49,632**
Liabilities			
Imputed tax liabilities	6,092	6,058	6,088
Non-current liabilities	34,498	42,053	36,825
Current liabilities	39,017	40,620	39,347
Liabilities total	79,606	88,730	82,260
EQUITY AND LIABILITIES IN TOTAL	**128,149**	**136,916**	**131,891**

CASH FLOW STATEMENT	6 months	6 months	12 months
EUR 1,000	**11/24-4/25**	**11/23-4/24**	**11/23-10/24**
Operating net cash flow	7,307	7,785	12,271
Investment net cash flow	-2,310	-1,168	-3,154
Loans drawn	607	1,085	1,366
Loans repaid	-6,778	-6,189	-11,688
Share issue	198	0	0
Acquisition and disposal of own shares	65	-45	-67
Dividends paid and capital repayments	-343	-64	-64
Finance net cash flow	-6,251	-5,213	-10,454
Change in cash flows	-1,255	1,404	-1,337

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)

	Share capital	Share premium account	Invested unrestricted equity fund	Translation differences	Retained earnings	Total	Minority shareholders' interest	Equity total
Equity as of November 1, 2023	**5,569**	**4,646**	**13,829**	**-384**	**8,876**	**32,536**	**20,101**	**52,637**
Extensive income								
Profit/loss for the financial period					-4,419	-4,419	-190	-4,609
Translation differences				8	4	12		12
Extensive income for the financial period total	0	0	0	8	- 4,415	-4,407	-190	-4,597
Transactions with shareholders								
Dividend distribution							-64	-64
Other changes					139	139	111	250
Disposal of own shares			21			21		21
Reward scheme								
Transactions with shareholders, total	0	0	21		139	160	47	207
Changes to subsidiary holdings								

Sales of shares in subsidiaries without change in controlling interest								
Acquisitions of minority shareholdings					-36	-36	-24	-60
Equity as of April 30, 2024	**5,569**	**4,646**	**13,850**	**-376**	**4,564**	**28,253**	**19,934**	**48,187**

Equity as of November 1, 2024	**5,569**	**4,646**	**13,870**	**-359**	**5,031**	**28,757**	**20,873**	**49,632**
Extensive income								
Profit/loss for the financial period					-969	-969	-25	-994
Translation differences				96	-127	-31		-31
Extensive income for the financial period total	0	0	0	96	-1,096	-1,000	-25	-1,025
Transactions with shareholders								
Dividend distribution							-343	-343
Repayment of capital								
Share issue			30			30		30
Disposal of own shares			20			20		20
Reward scheme			15			15		15
Transactions with shareholders, total	0	0	65		0	65	-343	-278
Changes to subsidiary holdings								
Sales of shares in subsidiaries without change in controlling interest					159	159	58	217
Equity as of April 30, 2025	**5,569**	**4,646**	**13,935**	**-263**	**4,095**	**27,982**	**20,562**	**48,544**

KEY FIGURES

	April 30, 2025	April 30, 2024	October 31, 2024
EBIT, MEUR	-0.1	0.0	2.5
Equity per share (EUR)	0.53	0.54	0.54
Earnings per share, undiluted (EUR)	-0.02	-0.08	-0.08
Earnings per share, diluted (EUR)	-0.02	-0.08	-0.08
Average number of outstanding shares during financial period, 1,000 pcs.	52,932	52,781	52,809
Number of shares at the end of the financial period, 1,000 pcs.	53,333	53,333	53,333
Number of outstanding shares, 1,000 pcs., on average, diluted	52,932	52,781	52,849
Return on equity, %	-4.0%	-18.3%	-6.3%
Return on investment, %	0.6%	-5.7%	2.8%
Gross investments in permanent assets, MEUR	2.3	1.9	3.8
% of net sales	3.5%	2.9%	2.8%
Interest-bearing liabilities, MEUR	45.1	53.2	49.8
Interest-bearing net liabilities, MEUR	35.8	40.1	39.3
Equity ratio, %	38.2	35.4	37.8
Average number of employees	1,063	1,163	1,135

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 2024. 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

	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Net sales	33.5	32.7	35.5	31.6	33.7	33.3	34.2	31.5
Other operating income	0.0	0.7	0.3	0.2	0.5	0.5	0.2	0.1
Costs in total	29.7	31.1	31.0	27.8	30.8	31.1	32.1	28.9
Depreciations, amortizations and impairment	3.1	3.0	3.1	3.1	3.0	3.0	3.1	3.2
EBIT	0.7	-0.8	1.7	0.8	0.4	-0.4	-0.8	-0.5
Finance items	-0.5	-0.2	-0.4	-0.6	-3.7	-0.7	-0.6	-0.6
Share of associated company profits	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.9	0.0
Profit before taxes	0.1	-1.0	1.3	0.2	-3.4	-1.1	-2.3	-1.1
Taxes	-0.1	0.0	0.1	-0.2	-0.1	0.0	0.9	0.0
Profit from continuing operations	0.1	-1.1	1.4	0.0	-3.5	-1.1	-1.4	-1.1
Profit/loss from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.1	-1.1	1.4	0.0	-3.5	-1.1	-1.4	-1.1
Minority interest	0.3	-0.3	0.7	0.2	0.1	-0.2	-0.7	-0.3
Parent company shareholder interest	-0.2	-0.7	0.7	-0.2	-3.6	-0.9	-0.8	-0.8

GUARANTEES AND CONTINGENCIES ISSUED

EUR 1,000	April 30, 2025	April 30, 2024	October 31, 2024
Guarantees given on behalf of Group companies			
Enterprise mortgages	160,017	156,514	161,067
Pledges given	77,100	76,070	75,624
Other liabilities	619	620	1,140

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	11/24-4/25	11/23-4/24	11/23-10/24
Grano	52,278	52,797	104,637
Hygga	2,756	4,398	8,819
CoreHW	5,188	3,860	8,600
Oscar Software	5,973	5,962	12,064
Others	0	0	0
Eliminations	-49	-51	-93
Group in total	66,146	66,966	134,027

EBIT EUR 1,000	11/24-4/25	11/23-4/24	11/23-10/24
Grano	-195	1,009	2,989
Hygga	-199	259	439
CoreHW	974	-530	-117
Oscar Software	479	320	1,359
Others	-1,116	-1,059	-2,131
Group in total	-57	0	2,538

Interest-bearing net liabilities by segment EUR 1,000	**April 30, 2025**	**April 30, 2024**	**October 31, 2024**
Grano	29,845	33,732	32,759
Hygga	9,549	9,727	9,673
CoreHW	10,054	9,749	10,935
Oscar Software	1,124	2,964	1,804
Parent company	-14,779	-16,089	-15,832
Others	0	0	0
Group in total	35,793	40,082	39,340

The impact of the IFRS 16 standard on the Group's net liabilities is MEUR 23.7 (MEUR 28.90).

Write-downs per segment

EUR 1,000	April 30, 2025	April 30, 2024	October 31, 2024
Grano	-4,906	-4,959	-9,915
Hygga	-333	-325	-658
CoreHW	-320	-283	-598
Oscar Software	-485	-469	-993
Others	-37	-33	-70
Group in total	-6,081	-6,069	-12,233

The impact of the IFRS 16 standard on the Group's depreciations is MEUR 4.4 (MEUR 4.4).

SEGMENT INFORMATION BY QUARTER
NET SALES, MEUR

	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Grano	26.7	25.6	27.2	24.7	26.5	26.3	27.9	24.9
Hygga	1.3	1.4	2.3	2.2	2.4	2.0	2.0	1.9
CoreHW	2.4	2.8	2.9	1.9	1.8	2.0	1.5	2.0
Oscar Software	3.1	2.9	3.2	2.9	3.1	2.9	2.8	2.7
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group in total	33.5	32.7	35.5	31.6	33.7	33.3	34.2	31.5

SEGMENT INFORMATION BY QUARTER
EBIT, MEUR

	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Grano	0.7	-0.9	1.2	0.8	0.8	0.2	0.2	0.2
Hygga	-0.1	-0.1	0.1	0.1	0.2	0.1	0.0	0.1
CoreHW	0.3	0.7	0.6	-0.1	-0.4	-0.2	-0.6	-0.3
Oscar Software	0.3	0.2	0.5	0.6	0.2	0.1	0.2	0.1
Others	-0.5	-0.6	-0.6	-0.5	-0.5	-0.6	-0.5	-0.5
Group in total	0.7	-0.8	1.7	0.8	0.4	-0.4	-0.8	-0.5

Reconciliation of key figures – interest-bearing liabilities and interest-bearing net liabilities

MEUR	April 30, 2025	April 30, 2024	October 31, 2024
Liabilities total	79.6	88.7	82.2
Non-interest-bearing liabilities	34.5	35.6	32.4
Interest-bearing liabilities	45.1	53.2	49.8
Trade and other receivables	20.7	21.4	21.7
Non-interest-bearing receivables	19.2	20.2	20.3
Interest-bearing receivables	1.5	1.3	1.4
Interest-bearing liabilities	45.1	53.2	49.8
Interest-bearing receivables	1.5	1.3	1.4
Cash and cash equivalents	7.8	11.8	9.1
Interest-bearing net liabilities	35.8	40.1	39.3

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

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