Q3

Business Review

5 September, 2025

November 2024 – July 2025

Panostaja Oyj's Business Review November 1, 2024–July 31, 2025

Investment in Lenio, a provider of SaaS solutions for mobile work

MAY 2025–JULY 2025 (3 months) in brief:

- Net sales increased in two of the five segments. Net sales for the Group as a whole weakened by 2% to MEUR 30.8 (MEUR 31.6).
- EBIT improved in two segments. The entire Group's EBIT improved from the reference period, standing at MEUR 0.9 (MEUR 0.8).
- Panostaja acquired a majority stake in mobile work SaaS solution provider Lenio.
- Earnings per share (undiluted) were 0.1 cents (-0.5 cents).

NOVEMBER 2024–JULY 2025 (9 months) in brief:

- Net sales increased in two of the five segments. Net sales for the Group as a whole weakened by 2% to MEUR 96.9 (MEUR 98.5).
- EBIT improved in two segments. The entire Group's EBIT improved slightly from the reference period, standing at MEUR 0.9 (MEUR 0.8).
- Earnings per share (undiluted) were -1.7 cents (-8.8 cents). The profit/loss includes a write-down of roughly MEUR 3.1 in loan receivables.

CEO Tapio Tommila:

"During the period under review, we acquired a majority stake in Lenio, a provider of an ERP SaaS solution for the operational management of mobile work. Our cooperation with Lenio is off to a good start, and we see significant growth potential in Lenio's customer base in the coming years. Lenio aims to achieve a significant market position in its field in Finland and international growth through a highly scalable business model. Panostaja's investment supports Lenio's growth strategy. The growth funding will enable Lenio to introduce new features to its product, expand its offering and strengthen its commercial organization. Together with the management, Panostaja's goal is to create a notable story of growth in the Finnish SaaS field.

As in the first half of the year, the market environment in the third quarter of the financial year continued to reflect heightened uncertainty. In our investment portfolios, investment decisions are still slow in the client base and client demand has so far shown no signs of recovery. Overall, net sales for the third quarter of the year decreased slightly, to MEUR 30.8.

In the third quarter, net sales increased in two out of five of our segments. Overall, net sales fell 2% relative to the reference period. Oscar Software's net sales improved slightly from the reference period and CoreHW's good customer project activity in design services and customer deliveries in the product business significantly improved net sales from the reference period.

Overall, EBIT for the review period improved from the reference period despite a slight drop in net sales to MEUR 0.9 (MEUR 0.8). EBIT improved in two of our five target companies. CoreHW's EBIT improved to MEUR 0.1 (MEUR -0.1). Grano's EBIT also improved from the reference period, reaching MEUR 0.9 (MEUR 0.8). Oscar Software's EBIT weakened slightly from the reference period to MEUR 0.5 (MEUR 0.6). Hygga's EBIT for the review period remained at the level of the reference period.

Oscar Software's new cloud-based ERP system Oscar P1 was launched during the review period and has been piloted for the first customers. For CoreHW's product business, we completed product certification in our main market areas. In addition, we successfully completed an extended pilot delivery to two health care facilities in the US market.

The calm phase in the corporate acquisition market has continued throughout the review period, mirroring the early part of the financial period, 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.

Due to the current extended financial period, we will publish our half-year report for the 12 months (from November 1, 2024, to October 31, 2025) on December 12, 2025."

Segments 3 months

Oscar Software

Oscar Software provides ERP systems and financial management services

Oscar Software's net sales of MEUR 2.9 for the review period were at the level of the reference period. The review period's EBIT dropped slightly from the reference period level, standing at MEUR 0.5 (MEUR 0.6).

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 third quarter. The operations were at a moderate level with regard to expansions and further development projects for existing customers. The uncertain market outlook has kept customers hesitant to start major investment projects.

The growth in the net sales of continuously 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. Oscar Software's annually recurring revenue (ARR) from software business was MEUR 7.6 at the end of the review period(*). During the first three quarters of the financial year, ARR from software has increased by approximately 9% since the end of the previous financial year. During the 2024 financial year, the company's ARR from software increased by approximately 16%.

The company continues to actively acquire new customers in its key target groups. The development of Oscar Software's new modern ERP business platform has continued as planned during the review period. Oscar P1 was released for piloting the first functionalities in June 2025. The production planning functionalities are planned to be released 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**	**9 months**	**9 months**	**12 months**
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	2.9	2.9	8.9	8.8	12.1
EBIT, MEUR	0.5	0.6	0.9	0.9	1.4
Interest-bearing net liabilities	1.0	2.5	1.0	2.5	1.8
Panostaja's holding	58.1%				

Annually recurring revenue (ARR) from software business including transaction revenue = monthly recurring revenue (MRR) from software business at the end of the period and transaction revenue x 12

* Annually recurring revenue (ARR) from software business including transaction revenue = annual invoicing of monthly recurring revenue (MRR) from software business at the end of the period and transaction revenue x 12

Lenio

Lenio provides an SaaS solution for the management for mobile work

Lenio's net sales for the review period stood at MEUR 0.1 while its EBIT was MEUR 0.0. The company's profit/loss was incorporated into Panostaja Group's figures as of June 1, 2025, which is why no reference information is yet available.

The net sales in the review period were as expected. The demand for the company's services remained at a good level during the review period. Demand for Lenio's service offering is particularly strong in the company's target sectors, which include installation, expert services, maintenance, construction, energy and security.

Lenio aims to achieve a significant market position in Finland and international growth through a highly scalable business model. Panostaja's investment supports and expedites Lenio's growth strategy. The growth funding will enable Lenio to introduce new features to its product, expand its offering and strengthen its commercial organization.

At the end of the financial year 2024, the company's annually recurring revenue (ARR) from software was approximately MEUR 0.7(*). At the beginning of 2025, the company's ARR from software business has increased by approximately 9% from the end of the 2024 financial year.

MEUR	**3 months**	**3 months**	**9 months**	**9 months**	**12 months**
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	0.1		0.1		
EBIT, MEUR	0.0		0.0		
Interest-bearing net liabilities	-0.8		-0.8		
Panostaja's holding	54.9%				

* Annually recurring revenue (ARR) from software business = monthly recurring revenue (MRR) from software business at the end of the period x 12

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 2.3, which was a 20% increase from the reference period (MEUR 1.9). EBIT for the review period improved from the reference period to MEUR 0.1 (MEUR -0.1) thanks to a strong increase in net sales. The net sales and profitability of the review period was improved by the consistently good customer project activity in design services as well as the completed product deliveries to the United States.

Customer project activity remained at a good level in the review period. The active sales efforts of design services were continued with a focus on the proprietary IP portfolio and further development projects for existing customers. During the review period, CoreHW succeeded in winning new orders for design services from existing customers. The workload of design services is expected to remain at a good level in the next quarter.

CoreHW continued the development and commercialization of its own products in the review period. Product certifications were completed during the review period in all main market areas. During the period, extended pilot installations were carried out for two health care units in the US market. Interest in CoreHW's indoor positioning technology has remained at a high level in the Japanese market. During the review period, the company received new pilot orders from industrial customers in Japan, with pilot installations to be carried out during the last quarter of the year. We expect more extensive industrial installations to take place in 2026. With the pilot installations in the current financial year, we will have annual net sales in the product business of around MEUR 1 by the end of the financial year.

MEUR	**3 months**	**3 months**	**9 months**	**9 months**	**12 months**
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	2.3	1.9	7.5	5.7	8.6
EBIT, MEUR	0.1	-0.1	1.0	-0.7	-0.1
Interest-bearing net liabilities	10.8	10.2	10.8	10.2	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 1.4, which is a significant decrease compared to the reference period (MEUR 2.2). 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 remained at the level of the reference period and was MEUR 0.1 (MEUR 0.1).

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 from the reference period 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 are reflected in Hygga's operations in the latter half of the financial year. Competition in Finland has remained fierce, which causes significant pricing pressure. In Finland, sales efforts will continue to expand the use of Hygga Flow in oral health care and basic health care.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	1.4	2.2	4.1	6.5	8.8
EBIT, MEUR	0.1	0.1	-0.1	0.3	0.4
Interest-bearing net liabilities	9.7	9.5	9.7	9.5	9.7
Panostaja's holding	79.8%				

Grano

Grano is Finland's leading content and marketing services company

Grano's net sales for the review period were MEUR 24.1, which is a decline of 2% from the reference period (MEUR 24.7). EBIT for the review period increased slightly from the reference period's level to MEUR 0.9 (MEUR 0.8).

Demand remained weak in the industrial and construction customer segments during the period. However, among the main customer segments, demand in the commercial sector was at a good level during the period under review. A clear improvement in market prospects and demand requires the Finnish economy to return to a growth-oriented trend on a broader scale. Net sales improved compared to the reference period in large-scale printing, label printing and marketing logistics. 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 has continued to affect customers especially in the industrial sector. Moreover, public sector savings are reflected in weakened demand in the customer segment. The earlier measures to improve the company's profitability were reflected in reduced fixed expenses compared to the comparison period.

Panostaja announced on August 26, 2025 that M.Sc. (Tech.) Mika Vihervuori has been appointed as the new CEO of Grano. Vihervuori will take up his duties on October 1, 2025. The current CEO, Kimmo Kolari, will continue in his role until Vihervuori assumes his duties. Vihervuori has been on the board of Grano since 2024.

MEUR	**3 months**	**3 months**	**9 months**	**9 months**	**12 months**
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	24.1	24.7	76.4	77.5	104.6
EBIT, MEUR	0.9	0.8	0.7	1.8	3.0
Interest-bearing net liabilities	30.0	33.2	30.0	33.2	32.8
Panostaja's holding	55.2%				

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 remained very challenging during the review period. Customers' purchasing behavior has remained cautious despite the decreased inflation and interest rates. As in the first half of the year, net sales for the review period weakened from the reference period.

Demand forecasting has remained challenging as a result of cautious consumer buying behavior. 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**	**9 months**	**9 months**	**12 months**
FAS (illustrative figures)	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	0.6	0.7	1.9	2.3	3.1
EBIT, MEUR	0.0	-0.1	-0.2	-0.2	-0.2
Panostaja's holding	43%				

FINANCIAL DEVELOPMENT November 1, 2024–July 31, 2025

KEY FIGURES

MEUR

	Q3	Q3	9 months	9 months	12 months
	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Net sales, MEUR	30.8	31.6	96.9	98.5	134.0
EBIT, MEUR	0.9	0.8	0.9	0.8	2.5
Profit before taxes, MEUR	0.5	0.2	-0.4	-4.4	-3.1
Profit/loss for the financial period, MEUR	0.5	0.0	-0.5	-4.6	-3.2
Distribution:					
Shareholders of the parent company	0.1	-0.2	-0.9	-4,7	-4.0
Minority shareholders	0.4	0.2	0.4	0.0	0.7
Earnings per share, undiluted, EUR	0.00	-0.00	-0.02	-0.09	-0.08
Interest-bearing net liabilities	38.5	39.9	38.5	39.9	39.3
Gearing ratio, %	77.8	82.8	77.8	82.8	79.3
Equity ratio, %	40.0	38.1	40.0	38.1	37.8
Equity per share, EUR	0.53	0.53	0.53	0.53	0.54

Distribution of net sales by segment
MEUR

	Q3	Q3	9 months	9 months	12 months
Net sales	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Grano	24.1	24.7	76.4	77.5	104.6
Hygga	1.4	2.2	4.1	6.5	8.8
CoreHW	2.3	1.9	7.5	5.7	8.6
Oscar Software	2.9	2.9	8.9	8.8	12.1
Lenio	0.1	0.0	0.1	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	-0.1	-0.1	-0.1
Group in total	30.8	31.6	96.9	98.5	134.0

Distribution of EBIT by segment

MEUR	Q3	Q3	9 months	9 months	12 months
EBIT	5/25-7/25	5/24-7/24	11/24-7/25	11/23-7/24	11/23-10/24
Grano	0.9	0.8	0.7	1.8	3.0
Hygga	0.1	0.1	-0.1	0.3	0.4
CoreHW	0.1	-0.1	1.0	-0.7	-0.1
Oscar Software	0.5	0.6	0.9	0.9	1.4
Lenio	0.0	0.0	0.0	0.0	0.0
Others	-0.5	-0.5	-1.6	-1.5	-2.1
Group in total	0.9	0.8	0.9	0.8	2.5

Panostaja Group's business operations for the current review period are reported in six segments: Grano, Hygga, CoreHW, Oscar Software, Lenio 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 -0.1), 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.

EVENTS AFTER THE REVIEW PERIOD

Panostaja announced on August 26, 2025 that M.Sc. (Tech.) Mika Vihervuori has been appointed as the new CEO of Grano. Vihervuori will take up his duties on October 1, 2025. The current CEO, Kimmo Kolari, will continue in his role until Vihervuori assumes his duties. Vihervuori has been on the board of Grano since 2024.

OUTLOOK FOR THE 2025 FINANCIAL PERIOD

Activity in the corporate acquisition market has been slow due to the uncertainty of the 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 situation for Oscar Software, Lenio, CoreHW, Hygga and Grano 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 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

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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 the business report has not been audited.

Interest-bearing net liabilities by segment EUR 1,000	July 31, 2025	July 31, 2024	October 31, 2024
Grano	30,009	33,209	32,759
Hygga	9,727	9,547	9,673
CoreHW	10,756	10,194	10,935
Oscar Software	959	2,522	1,804
Lenio	-755	0	0
Parent company	-12,236	-15,587	-15,832
Others	0	0	0
Group in total	38,461	39,885	39,340

The impact of the IFRS 16 standard on the Group’s net liabilities is MEUR 22.3 (MEUR 27.2).

Write-downs per segment

EUR 1,000	July 31, 2025	July 31, 2024	October 31, 2024
Grano	-7,301	-7,466	-9,915
Hygga	-493	-490	-658
CoreHW	-486	-432	-598
Oscar Software	-750	-722	-993
Lenio	-22	0	
Others	-78	-51	-70
Group in total	-9,107	-9,161	-12,233

The impact of the IFRS 16 standard on the Group’s depreciations is MEUR 6.6 (MEUR 6.6).

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 five investment targets.

Oscar Software provides ERP systems and financial management services. Lenio provides an SaaS solution for the management for mobile work. CoreHW provides high added value RF IC design and consulting services and product solutions for indoor positioning. Hygga is a company providing health care services and the ERP system for health care providers. Grano is the most versatile expert of content services in Finland.