



3rd QUARTER
INTERIM REPORT

2014

| | |
|---|-----------------------------------|
| Beginning of the Interim Report Period: | 1.1.2014 |
| End of the Interim Report Period: | 30.09.2014 |
| Beginning of the financial year: | 1.1.2014 |
| End of the financial year: | 31.12.2014 |
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| Auditor: | AS PricewaterhouseCoopers |

SKANO
GROUP

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OUTLINE

Skano Group AS concern is engaged in the manufacture of building materials, retail trade of furniture and furnishing as well as manufacture of furniture. Skano Group AS is a holding company consisting of two subsidiaries Skano Fibreboard OÜ and Skano Furniture Factory OÜ, which in turn own subsidiaries Suomen Tuulileijona OY and Skano Furniture OÜ.

Skano Fibreboard OÜ produces and distributes two independent softboard-based product categories: fibre-boards for insulation and soundproofing, and interior finishing panels for walls and ceilings. Suomen Tuulileijona OY is the distributor of Skano's fibreboard products in Finland.

Skano Furniture Factory OÜ owns a furniture factory in Pärnu producing original, premium price level home furniture made of timber. Skano Furniture OÜ consists of a furniture retail store chain operating in Ukraine and the Baltics

The principal markets of the company are Scandinavia, Russia, Great Britain and the Baltics. The long-term customers and co-operation partners of Skano Group AS are distinguished representatives of their respective fields.

The shares of Skano Group AS have been listed on Tallinn Stock Exchange since 5 June 1997. On 19 September 2007, the division of Skano Group AS took place and the shares of separated production enterprise have been listed again in the main list of Tallinn Stock Exchange according to the decision of Tallinn Stock Exchange Listing Committee as of 20 September 2007 and trading with the shares commenced on 25 September 2007. In September 2013 a restructuring process of Skano Group AS was conducted, where current fibreboard and furniture factory divisions were transferred to newly established subsidiaries Skano Fibreboard OÜ and Skano Furniture Factory OÜ.

The majority owner of Skano Group AS is OÜ Trigon Wood. Largest shareholder of OÜ Trigon Wood and the entities with significant influence over the Group are: AS Trigon Capital, Veikko Laine Oy, Hermitage Eesti OÜ, Thominvest Oy and SEB's Finnish costumers.



MANAGEMENT REPORT

THE THIRD QUARTER IN SHORT

Consolidated net sales of the third quarter of 2014 was 4.97 mil. euros, representing a 5% decrease on the third quarter compared to the same period in 2013. At the same time, consolidated EBITDA amounted to 165 thousand euros (EBITDA 354 thousand euros in Q3 2013).

The sales in Skano Fibreboard OÜ Pärnu factory (incl. Isotex) was 2.0 mil. euros, decreased as compared to the respective period last year by 17%, the operating profit of the third quarter was 48 thousand euros compared with the operating profit 134 thousand euros last year.

The turnover of Skano Fibreboard OÜ Püssi factory was 1.4 mil. euros, representing 27% increase in the third quarter compared to the same period in 2013. Operating loss amounted to 24 thousand euros compared with the operating loss 118 thousand euros last year.

Sales mainly decreased in Russia by 26% due to deteriorated economic and political situation. Our main foreign markets are still weak due to the general economic situation in Europe. We have continuously expanded the list of our target markets and made considerable efforts in product development to obtain certificates necessary for different markets. In the third quarter we also conducted product testing and tuning of production process in both factories in order to achieve a lower production cost.

The priority of the management of the company is continuously to ensure the sales of the production of both factories in order to guarantee the maximum production capacity and efforts are taken in this direction on an on-going basis.

In July 2014 Skano Fibreboard OÜ acquired full control over Suomen Tuulileijona OY. Suomen Tuulileijona OY is the wholesaler of Skano fibreboard products in Finland. The acquisition has no significant impact to our position in the Finnish wholesale market but was done to secure our ongoing sales in Finland.

The turnover of Skano Furniture Factory OÜ in Pärnu decreased in the third quarter by 21% and amounted to 1,1 mil. euros. The operating loss of the third quarter was 65 thousand euros as in 2013 the operating profit of the same period was 112 thousand euros. Profitability was impacted by low sales volumes. Sales in the third quarter of 2014 decreased mostly in Russia due to weak demand by 34% as compared to 2013, also sales to Finland decreased 7%. Sales to the subsidiary (Baltics and Ukraine) increased by 14% as compared to the same period in 2013. In addition to seeking new sales possibilities in the current markets the company has made considerable effort to enter into totally new markets. Today sale in new markets is not covering the gap from our main markets.

The turnover of Skano Furniture OÜ retail chain increased 2% as compared to the same period last year being 556 thousand euros, operating loss was 14 thousand euros compared with the sales 547 thousand and operating loss 24 thousand euros in the third quarter of 2013. Current year third quarter operating loss contains also a loss from a drop of currency exchange rate of hryvnia 20 thousand euros (realized loss from currency exchange rate 32 thousand euros in the same period of 2013). Retail sale increased everywhere in Baltics but decreased in Ukraine due to escalated conflict. The sales of Skano Furniture Factory OÜ own furniture still forms a considerable part of the retail sale and it enables the furniture factory to operate much more profitably than it would be possible without its own retail chain.



INCOME STATEMENT

Consolidated net sales of the third quarter in 2014 was 4.97 mil. euros (5.23 mil. euros in same period of 2013) representing a 5% decrease compared to Q3 2013. The Group's gross margin in the third quarter of 2014 was 18.4% compared to 19.3% in the third quarter of 2013. Consolidated operating loss amounted to 58 thousand euros (operating profit 128 thousand euros from main activities in same period 2013). The consolidated operating margin of net sales was -1.2% (2.4% from main activities in Q3 2013).

Consolidated net loss amounted to 135 thousand euros (compared to net profit 71 thousand euros in Q3 2013), and the net margin was -2.7% (1.4% in Q3 2013).

POSITION OF FINANCIAL STATEMENT

As of 30.09.2014 the total assets of Skano Group AS amounted to 15.5 mil. euros (30.09.2013: 14.9 mil. euros). The liabilities of the company accounted for 57.5% (30.09.2013: 53.1%) thereof, i.e. 8.9 mil. euros (30.09.2013: 7.8 mil. euros).

Receivables and prepayments have increased by 0.1 mil. euros i.e. 6% increase with 12 months.

Inventories have increased with 12 months by 0,2 mil. euros compared to last year, amounting to 3.5 mil. euros on 30.09.2014. (30.09.2013: 3.3 mil. euros). Property, plant and intangibles decreased by 0.3 mil. euros mainly as a result of depreciation.

Short-term loans have increased by 0.95 mil. euros and amounted to 1.65 mil. euros in 30.09.2014 which was result of increase of factoring liabilities of Suomen Tuulileijona OY recently acquired and usage of bank overdraft (30.09.2013: 0.7 mil. euros). Supplier payables, tax liabilities, other payables, including payables to employees, and provisions amounted to 2.9 mil. euros (30.09.2013: 2.6 mil. euros).

Long-term loans have decreased by 0.2 mil euros and amounted to 4.1 mil. euros in 30.09.2014 (30.09.2013: 4.3 mil. euros). The decrease was due to principal payments mounted to 0.2 mil. euros.

Current and non-current liabilities increased by 1.1 mil. euros to 8.9 mil. euros (30.09.2013: 7.8 mil. euros).



DIVISIONAL REVIEW:

NET SALES BY BUSINESS SEGMENTS

| | <i>th EUR</i> | | <i>% of net sales</i> | |
|----------------------------|---------------|--------------|-----------------------|---------------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Skano Fibreboard OÜ | 3,369 | 3,514 | 67.8% | 67.2% |
| Skano Furniture Factory OÜ | 1,119 | 1,419 | 22.5% | 27.1% |
| Skano Furniture OÜ retail | 556 | 547 | 11.2% | 10.5% |
| Suomen Tuulileijona OY | 1,376 | 0 | 27.7% | 0.0% |
| Elimination | (1,452) | (249) | (29.2%) | (4.8%) |
| TOTAL | 4,986 | 5,231 | 100.0% | 100.0% |

NET SALES BY GEOGRAPHICAL SEGMENTS

| | <i>th EUR</i> | | <i>% of net sales</i> | |
|----------------------|---------------|--------------|-----------------------|---------------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Finland | 1,867 | 1,730 | 37.5% | 33.1% |
| Russia | 1,061 | 1,506 | 21.4% | 28.8% |
| Estonia | 806 | 841 | 16.2% | 16.1% |
| Great Britain | 286 | 219 | 5.8% | 4.2% |
| Latvia | 168 | 179 | 3.4% | 3.4% |
| Sweden | 158 | 110 | 3.2% | 2.1% |
| Lithuania | 143 | 96 | 2.9% | 1.8% |
| Ukraine | 92 | 201 | 1.9% | 3.8% |
| SAR | 62 | 0 | 1.2% | 0.0% |
| United Arab Emirates | 45 | 0 | 0.9% | 0.0% |
| Singapore | 42 | 0 | 0.8% | 0.0% |
| Saudi Arabia | 34 | 0 | 0.7% | 0.0% |
| Other countries | 204 | 349 | 4.1% | 6.7% |
| TOTAL | 4,968 | 5,231 | 100.0% | 100.0% |

Regarding the markets, turnover has increased in Finland, Great Britain, Sweden and Lithuania. The turnover has decreased in most in Russia and Ukraine.

PROFIT BY BUSINESS SEGMENTS

| <i>th EUR</i> | Q3 2014 | Q3 2013 |
|-------------------------|--------------|------------|
| Skano Furniture factory | (65) | 112 |
| Skano Furniture retail | (14) | (24) |
| Skano Fibreboard | 24 | 16 |
| Suomen Tuulileijona OY | (12) | 0 |
| Elimination | 9 | 24 |
| TOTAL | (58) | 128 |
| Net financial costs | (77) | (57) |
| Income tax | 0 | 0 |
| NET PROFIT | (135) | 71 |



SKANO FIBREBOARD

The net sales of Skano Fibreboard in the third quarter of 2014 amounted to 3.4 mil. euros and operating profit to 24 thousand euros. In the same period last year, the turnover of Skano Fibreboard totaled to 3.5 mil. euros and the operating profit from main activities 16 thousand euros. The aim of acquisition of Suomen Tuulileijona OY (distributor of our production in Finland) was to secure our position in Finland, which is one of our core markets.

The biggest drop in sales in the third quarter compare to last year took place in Russia, 26% respectively due to general political situation and weakened purchase power in Russia for import goods.

NET SALES BY GEOGRAPHICAL SEGMENTS

| | <i>th EUR</i> | | <i>% of net sales</i> | |
|---|---------------|--------------|-----------------------|---------------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Finland (incl. to Suomen Tuulileijona OY) | 1,298 | 1,339 | 38.5% | 38.2% |
| Russia | 623 | 841 | 18.5% | 23.9% |
| Estonia | 476 | 581 | 14.2% | 16.5% |
| Great Britain | 250 | 194 | 7.4% | 5.5% |
| Sweden | 158 | 110 | 4.7% | 3.1% |
| Latvia | 83 | 100 | 2.5% | 2.8% |
| SAR | 62 | 0 | 1.8% | 0.0% |
| Lithuania | 45 | 17 | 1.3% | 0.5% |
| United Arab Emirates | 45 | 0 | 1.3% | 0.0% |
| Ukraine | 42 | 46 | 1.2% | 1.3% |
| Singapore | 42 | 0 | 1.2% | 0.0% |
| Other countries | 245 | 286 | 7.4% | 8.2% |
| TOTAL | 3,369 | 3,514 | 100.0% | 100.0% |

| <i>th EUR</i> | Net sales | | Operating Profit | |
|--|--------------|--------------|------------------|-----------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Pärnu Fibreborad factory | 1,421 | 1,685 | 36 | 63 |
| Püssi Fibreboard factory | 1,395 | 1,104 | (24) | (118) |
| Pärnu interior boards factory (Isotex) | 553 | 725 | 12 | 71 |
| Not allocated | 0 | 0 | 0 | 0 |
| TOTAL | 3,369 | 3,514 | 24 | 16 |

The net sales of the Pärnu fibreboard factory and interior board's line decreased 17% in the third quarter of 2014 compared to the same quarter of 2013 and amounted to 2.0 mil. euros.

The turnover of Püssi fibreboard factory amounted to 1.4 mil. euros growing 27% compared to the same quarter in 2013 and operating loss amounted to 24 thousand euros (turnover 1.1 mil. euros and operating loss 118 thousand euros in Q3 2013). Output of Püssi Fibreboard factory grew in the third quarter but the main challenge is still to secure Püssi Fibreboard factory with sufficient sales volumes and optimizing production portfolio and efficiency.



SKANO FURNITURE

FURNITURE RETAIL SALES

Skano Group AS retail business is operated by a private limited company Skano Furniture OÜ and its subsidiaries in Latvia, Lithuania and Ukraine. Skano has totally 10 stores in Tallinn (2), Tartu, Pärnu, Riga, Vilnius, Kiev (2), Kharkiv and Dnipropetrovs'k at the end of the third quarter in 2014.

RETAIL SALES BY COUNTRIES

| | <i>th EUR</i> | | <i>% of net sales</i> | | <i>Number of stores</i> | |
|--------------|---------------|------------|-----------------------|---------------|-------------------------|-----------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 | 30.09.14 | 30.09.13 |
| Estonia | 323 | 234 | 58.1% | 42.8% | 4 | 4 |
| Latvia | 85 | 79 | 15.3% | 14.4% | 1 | 1 |
| Lithuania | 98 | 79 | 17.6% | 14.4% | 1 | 1 |
| Ukraine | 50 | 155 | 9.0% | 28.4% | 4 | 4 |
| TOTAL | 556 | 547 | 100.0% | 100.0% | 10 | 10 |

The furniture retail sale amounted to 556 thousand euros in the third quarter of 2014 and operating loss 14 thousand euros (sales 547 thousand euros and operating loss 24 thousand euros in Q3 2013). Current year third quarter operating loss 14 thousand euros contains also loss from drop of currency exchange rate of hryvnia 20 thousand euros (realized loss from currency exchange rate 32 thousand euros in the same period of 2013).

FURNITURE PRODUCTION

The net sales of the Skano Furniture Factory in the third quarter amounted to 1.1 mil. euros and operating loss to 65 thousand euros. In the same period last year, the turnover of the factory amounted to 1.4 mil. euros and the profit to 112 thousand euros. As compared to the previous year the turnover of the factory has decreased 21%. In the third quarter the sales decreased especially in Russia by 34% and in Finland by 7% due to colder economic and political environment and weaker demand for durable goods.

FURNITURE FACTORY SALES BY COUNTRIES

| | <i>th EUR</i> | | <i>% of net sales</i> | |
|-----------------|---------------|--------------|-----------------------|---------------|
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Russia | 438 | 665 | 39.1% | 46.9% |
| Finland | 362 | 391 | 32.4% | 27.6% |
| Other countries | 35 | 114 | 3.1% | 8.0% |
| Subsidiaries | 284 | 249 | 25.4% | 17.5% |
| TOTAL | 1,119 | 1,419 | 100.0% | 100.0% |



FORECAST AND DEVELOPMENT

SKANO FIBREBOARD. Sales of Skano Fibreboard in Q4 2014 will slightly decrease compared to sales of the same period last year. The main reason behind decrease is a fire in Pärnu fibreboard factory on the 17th of November, which we can restart at the beginning of January 2015. Current production break will cause a partial deficit in sale of Pärnu factory's production. Total direct fire damage to buildings and equipment is estimated to amount less than 100 thousand euros but exact damage report for insurance company is being prepared. According to our insurance agreement our own responsibility is 10% but 10 thousand euros as minimum.

In addition to production portfolio the management's priority is to improve energy efficiency in the production process, where 2014 last quarter investment and improvement program is aimed.

Further escalation of conflict in Ukraine impacts negatively to fibreboard sales in our main markets Finland and Russia. Despite of geopolitical developments we are taking actions to enter into new export markets.

SKANO FURNITURE RETAIL SALES. We expect total retail sale in Q4 2014 to decrease slightly compared to the sale of the same period last year as we expect bigger negative impact to sales from Ukraine due to political and economic instability.

SKANO FURNITURE FACTORY. In the fourth quarter of 2014 we expect significantly smaller sales of the furniture factory compared to the same period in 2013 because of the deteriorated economic situation in the near regions, in Finland due to general economic situation and in Russia due to conflict in Ukraine, which has material impact on local purchasing power and general trade with EU.

Sales to new markets in Q4 2014 are not covering the lag from our main markets. In 2015 our goal is to compensate with sales in new markets the gap from our main markets in Russia and Finland. In addition to seeking sales possibilities in new markets, we are refreshing our furniture series and developing alternative sales channels.

INVESTMENTS

During the nine months of 2014 investments into fixed assets amounted to a total of 492 thousand euros. In the same period of 2013 investments amounted to 295 thousand euros.

PEOPLE

On the 30th of September in 2014 Concern employed 342 people (353 people in the same time last year). The average number of personnel in nine months of 2014 was 351 (2013: 352).

During first nine months in 2014, wages and salaries amounted to 3.7 mil. euros (3.5 mil. euros in the same period of the last year).



Payments made to management and supervisory board members of all group companies with relevant taxes were as follows:

| <i>th EUR</i> | 9 m 2014 | 9 m 2013 |
|--|------------|------------|
| Board member and other remuneration | 140 | 182 |
| Social tax and unemployment insurance premiums | 46 | 60 |
| TOTAL | 186 | 242 |



FINANCIAL HIGHLIGHTS

| <i>th EUR</i> | 9 m 2014 | 9 m 2013 | 9 m 2012 |
|------------------------------|----------|----------|----------|
| Income statement | | | |
| Revenue | 15,669 | 14,329 | 14,148 |
| EBITDA | 696 | 440 | 862 |
| EBITDA margin | 4.4% | 3.1% | 6.1% |
| Operating profit | 29 | (242) | 119 |
| Operating margin | 0.2% | (1.7%) | 0.8% |
| Net profit | (179) | (415) | (90) |
| Net margin | (1.1%) | (2.9%) | (0.6%) |
| Balance sheet (30.09) | | | |
| Total assets | 15,503 | 14,916 | 16,201 |
| Return on assets | (1.2%) | (2.8%) | (0.6%) |
| Equity | 6 586 | 7 090 | 7 602 |
| Return on equity | (2.7%) | (5.9%) | (1.2%) |
| Debt-to-equity ratio | 57.5% | 52.5% | 53.1% |
| Share (30.09) | | | |
| Closing price | 0.93 | 1.30 | 1.37 |
| Earnings per share | (0.04) | (0.09) | (0.02) |
| Price-earnings ratio | (23.25) | (14.44) | (68.50) |
| Book value of a share | 1.46 | 1.58 | 1.69 |
| Market to book ratio | 0.64 | 0.82 | 0.81 |
| Market capitalization | 4 184 | 5 849 | 6 164 |

EBITDA = Earnings before interest, taxes, depreciation and amortization

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-equity ratio = Liabilities / Total assets

Earnings per share = Net profit / Total shares

Price-earnings ratio = Closing price / Earnings per share

Book value of a share = Equity / Total shares

Market to book ratio = Closing price / Book value of a share

Market capitalization = Closing price * Total shares



FINANCIAL RISKS

INTEREST RATE RISK

Skano Group AS's interest rate risk depends, above all, on changes in EURIBOR (Euro Interbank Offered Rate) because most of its loans are linked to EURIBOR. At 30 September 2014, 1 months' EURIBOR was 0.007 and at 30 September 2013 0.128. Interest rates are reviewed on the basis of changes in EURIBOR on monthly basis on the 30th of each month.

The interest rate risk also depends on the overall economic situation in Estonia and on changes in the banks' average interest rates. Skano Group AS has a cash flow risk arising from the interest rate risk because most loans have a floating interest rate. Management believes that the cash flow risk is not significant. Therefore, no hedging instruments are used.

CURRENCY RISK

The foreign exchange risk is the risk that the company may have significant loss as a result of fluctuating foreign exchange rates. Currency risk increases with the increase of the number of stores of Skano due to the use of local currencies in the market. Subsidiaries assets and liabilities outside Estonia are subject to currency risk and mainly due to subsidiary in Ukraine. Skano Group AS's foreign currency risk from other operations is low because most export-import contracts are nominated in euros.

RISK OF THE ECONOMIC ENVIRONMENT

The risk of the economic environment for the Fiberboard Division depends on general developments in the construction market; the risk for Furniture Division depends on the expectations of the customers towards economic welfare in future. Due to recent process of Europe's economy and the conflict in Ukraine the risk of economic environment has increased significantly.

FAIR VALUE

The management estimates, that the fair values of cash, accounts payable, short-term loans and borrowings do not materially differ from their carrying amounts. The fair values of long-term loans do not materially differ from their carrying amounts because their interest rates correspond to the interest rate risks prevailing on the market.



GROUP STRUCTURE

SHARES IN SUBSIDIARIES

| Country of location | Skano Fibreboard OÜ | Skano Furniture Factory OÜ | Skano Furniture OÜ | OÜ Isotex | Suomen Tuulileijona OY | SIA Skano | UAB Skano LT | TOV Skano Ukraine |
|--------------------------------|---------------------|----------------------------|--------------------|-----------|------------------------|-----------|--------------|-------------------|
| | Estonia | Estonia | Estonia | Estonia | Finland | Latvia | Lithuania | Ukraine |
| Number of shares at 30.09.2013 | - | - | 1 | 1 | - | 1 | 100 | 1 |
| Ownership at 30.09.2013 (%) | - | - | 100 | 100 | - | 100 | 100 | 100 |
| Number of shares at 30.09.2014 | 1 | 1 | 1 | 1 | 1 | 1 | 100 | 1 |
| Ownership at 30.09.2014 (%) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Skano Furniture OÜ is engaged with the retail trade of furniture in Estonia. The company owns four furniture stores – one in Järve Keskus in Tallinn, one in Rocca Al Mare Kaubanduskeskus in Tallinn, one in Tartu E-Kaubamaja and one on the first floor of the headquarters of Skano Group AS in Pärnu. Skano Furniture OÜ holds 100% of the shares in enterprises SIA Skano, UAB Skano LT and TOV Skano Ukraine.

SIA Skano is engaged in the retail sale of furniture in Latvia, Riga since November 2005. UAB Skano LT started in May 2007 and retail of furniture in Vilnius. TOV Skano Ukraina started in June 2007 and retail of furniture in Kharkiv, Kiev and Dnipropetrovs'k.

OÜ Isotex was established to allow former division to operate independently under their own trademarks and to facilitate their development. In connection with restructuring, use of the subsidiary has been abandoned. OÜ Isotex did not have any operations in the financial year 2014 and 2013.

Skano Group AS established in 2013 two subsidiaries – Skano Fibreboard OÜ and Skano Furniture Factory OÜ. Skano Group AS is the sole shareholder of both subsidiaries. The management board members of both subsidiaries are the same persons form the current management board of Skano Group AS. Pursuant to the restructuring plan, Skano Group AS transferred the production of fibreboard and furniture to the newly established subsidiaries in September. On the 13th of August 2013 at the Extraordinary General Meeting approved the increase of share capital of newly established subsidiaries by non-monetary contribution. The object of the non-monetary contribution is the set of assets of the fibreboard and furniture production units.

Skano Fibreboard OÜ acquired 100% of Suomen Tuulileijona OY in July 2015 that was our distribution partner in Finland for fibreboard products. The contract for this transaction was signed on June 30 and actual control over the company was obtained in July.



FINANCIAL STATEMENTS DECLARATION OF THE MANAGEMENT BOARD

The Management Board of Skano Group AS confirms that the prepared consolidated unaudited Interim Report for the 3rd quarter of 2014, which is presented on pages 4 to 26, has been correctly prepared, and represents and warrants that to the best of their knowledge:

- the accounting policies applied in the preparation of the consolidated financial statements comply with International Financial Reporting Standards as adopted by the European Union;
- the consolidated financial statements give a true and fair view of the financial positions of the Group and Skano Group AS and the results of their operations and their cash flows;
- the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
- Skano Group AS and its subsidiaries are going concerns.

Chairman of Management board

Martin Kalle



Member of Management board

Gert Kuus



Member of Management board

Gregory Devine Grace



28th of November 2014



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|--|-------------------|-------------------|-------------------|
| Cash and bank | 509 | 355 | 165 |
| Receivables and prepayments (Note 1) | 1,761 | 1,368 | 1,672 |
| Inventories (Note 2) | 3,487 | 2,974 | 3,249 |
| Total current assets | 5,757 | 4,697 | 5,086 |
| Investment property (Note 3) | 407 | 408 | 185 |
| Tangible fixed assets (Note 4) | 9,309 | 9,505 | 9,627 |
| Intangible fixed assets (Note 5) | 30 | 26 | 18 |
| Total fixed assets | 9,746 | 9,939 | 9,830 |
| TOTAL ASSETS | 15,503 | 14,636 | 14,916 |
| Debt obligations (Note 6) | 1,651 | 1,919 | 694 |
| Payables and prepayments (Note 7) | 2,897 | 2,255 | 2,557 |
| Short-term provisions (Note 8) | 3 | 14 | 3 |
| Total current liabilities | 4,551 | 4,188 | 3,254 |
| Non-current debt obligations (Note 6) | 4,127 | 3,413 | 4,328 |
| Non-current provisions (Note 8) | 239 | 230 | 244 |
| Total non-current liabilities | 4,366 | 3,643 | 4,572 |
| Total liabilities | 8,917 | 7,831 | 7,826 |
| Share capital at nominal value (Note 9) | 2,699 | 2,699 | 2,699 |
| Issue premium | 364 | 364 | 364 |
| Statutory capital reserve | 288 | 288 | 288 |
| Currency translation | (32) | 8 | 2 |
| Retained profits | 3,446 | 4,152 | 4,152 |
| Net profit (loss) for the year (Note 10) | (179) | (706) | (415) |
| Total equity | 6,586 | 6,805 | 7,090 |
| TOTAL LIABILITIES AND EQUITY | 15,503 | 14,636 | 14,916 |



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| <i>th EUR</i> | 3rd Q 2014 | 3rd Q 2013 | 9 m 2014 | 9 m 2013 |
|--|------------------------------|------------------------------|-----------------|-----------------|
| RETURN ON SALES (Note 11) | 4,968 | 5,231 | 15,669 | 14,329 |
| Cost of production sold | (4,053) | (4,223) | (12,772) | (12,064) |
| Gross profit | 915 | 1,008 | 2,897 | 2,265 |
| Marketing expenses | (785) | (660) | (2,237) | (1,889) |
| General administrative expenses | (141) | (169) | (472) | (556) |
| Other income | 21 | 37 | 44 | 98 |
| Other expenses | (68) | (88) | (203) | (160) |
| Operating profit (loss) (Note 11) | (58) | 128 | 29 | (242) |
| Financial income and financial expenses | (77) | (57) | (208) | (172) |
| Profit (loss) before taxes | (135) | 71 | (179) | (414) |
| Prepaid income tax | 0 | 0 | 0 | (1) |
| NET PROFIT (LOSS) FOR THE PERIOD | (135) | 71 | (179) | (415) |
| Basic earnings per share (Note 10) | (0.03) | 0.02 | (0.04) | (0.09) |
| Diluted earnings per share (Note 10) | (0.03) | 0.02 | (0.04) | (0.09) |
| Other comprehensive income: | | | | |
| Currency translation differences | (16) | 10 | (40) | 23 |
| TOTAL COMPREHENSIVE INCOME | (151) | 81 | (219) | (392) |



CONSOLIDATED CASH FLOW STATEMENT

| <i>th EUR</i> | 9 m 2014 | 9 m 2013 |
|--|-----------------|-----------------|
| Cash flow from operations | | |
| Net profit (loss) before taxes | (179) | (414) |
| <i>Adjustments for:</i> | | |
| Depreciation of fixed assets (Note 3; 4; 5) | 685 | 682 |
| Loss on disposals of fixed assets (Note 4) | 0 | 1 |
| Interest expense | 206 | 172 |
| Operating profit (loss) before changes in operating capital | 712 | 441 |
| Change in operations-related receivables and prepayments (Note 1) | (393) | 120 |
| Change in inventories (Note 2) | (513) | 54 |
| Change in operations-related liabilities and prepayments | 640 | 633 |
| Cash generated from operations | 446 | 1,248 |
| Interest paid | (206) | (172) |
| Income tax | 0 | (1) |
| Total cash flow from operations | 240 | 1,075 |
| Cash flow from investments | | |
| Acquisition of fixed assets (Note 4; 5) | (492) | (295) |
| Total cash flow from investments | (492) | (295) |
| Cash flow from financing activities | | |
| Raise a loan (Note 6) | 539 | 0 |
| Repayment of loans (Note 6) | (75) | (773) |
| Settlement of finance lease liabilities (Note 6) | (18) | (23) |
| Total cash flow from financing activities | 446 | (796) |
| TOTAL CASH FLOW | 194 | (16) |
| Currency translation differences | (40) | 23 |
| CASH AT BEGINNING OF PERIOD | 355 | 158 |
| CASH AT END OF PERIOD | 509 | 165 |



CONSOLIDATED STATEMENT OF CHANGES EQUITY

| <i>th EUR</i> | Share capital | Share premium | Statutory capital reserve | Currency translation | Retained earnings | Total |
|---|---------------|---------------|---------------------------|----------------------|-------------------|--------------|
| Balance at 31.12.2012 | 2,699 | 364 | 288 | (21) | 4,152 | 7,482 |
| Comprehensive income (loss) for 9 months 2013 | 0 | 0 | 0 | 23 | (415) | (392) |
| Balance at 30.09.2013 | 2,699 | 364 | 288 | 2 | 3,737 | 7,090 |
| Balance at 31.12.2013 | 2,699 | 364 | 288 | 8 | 3,446 | 6,805 |
| Comprehensive income (loss) for 9 months 2014 | 0 | 0 | 0 | (40) | (179) | (219) |
| Balance at 30.09.2014 | 2,699 | 364 | 288 | (32) | 3,267 | 6,586 |



NOTES TO THE CONSOLIDATED INTERIM REPORT

ACCOUNTING POLICIES AND MEASUREMENT BASES

The consolidated financial statements prepared for the period ended 30 September 2014 include the financial information of the Company and its subsidiaries (together referred to as the Group): Skano Fibreboard OÜ, Skano Furniture Factory OÜ, Skano Furniture OÜ, Suomen Tuulileijona OY, OÜ Isotex and Skano Furniture OÜ's wholly-owned subsidiaries SIA Skano, UAB Skano LT and TOV Skano Ukraine. The Group manufactures and distributes furniture and softboard made of wood.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies were applied for both the Interim Report and the Annual Report for the financial year that ended on 31.12.2013. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting.

According to the assessment of the Management Board, Skano Group AS is a going concern and the Interim Report for the 3rd quarter of 2014 gives a true and fair view of the financial position of Skano Group AS and the results of its operations. The present Interim Report has not been audited.

The Interim Report has been presented in thousands of euros.

NOTE 1 RECEIVABLES AND PREPAYMENTS

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|----------------------|-------------------|-------------------|-------------------|
| Customer receivables | 1,386 | 956 | 1,277 |
| Prepaid taxes | 308 | 312 | 349 |
| Other receivables | 40 | 65 | 15 |
| Prepaid services | 27 | 35 | 31 |
| TOTAL | 1,761 | 1,368 | 1,672 |

NOTE 2 INVENTORIES

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|---|-------------------|-------------------|-------------------|
| Raw materials and other materials | 787 | 914 | 953 |
| Work-in-progress: production | 622 | 586 | 564 |
| Work-in-progress: real estate development | 0 | 0 | 214 |
| Finished goods | 1,740 | 1,231 | 1,249 |
| Goods purchased for resale | 217 | 196 | 201 |
| Goods in transit | 162 | 104 | 27 |
| Prepayments to suppliers | 45 | 29 | 41 |
| Write-off reserve for inventories | (86) | (86) | 0 |
| TOTAL | 3,487 | 2,974 | 3,249 |



NOTE 3 INVESTMENT PROPERTY

| | <i>th EUR</i> |
|---|---------------|
| Cost at 31.12.2012 | 469 |
| Accumulated depreciation at 31.12.2012 | (284) |
| Net book amount at 31.12.2012 | 185 |
| Cost at 30.09.2013 | 469 |
| Accumulated depreciation at 30.09.2013 | (284) |
| Net book amount at 30.09.2013 | 185 |
| Cost at 31.12.2013 | 752 |
| Accumulated depreciation at 31.12.2013 | (344) |
| Net book amount at 31.12.2013 | 408 |
| Depreciation in 9 months of 2014 | (1) |
| Cost at 30.09.2014 | 752 |
| Accumulated depreciation at 30.09.2014 | (345) |
| Net book amount at 30.09.2014 | 407 |

Costs of maintenance for nine months of 2014 were 23 thousand euros and 13 thousand euros in the same period of 2013. Rental income from investment properties for nine months of 2014 were 41 thousand euros and 12 thousand euros in the same period of 2013.

NOTE 4 TANGIBLE FIXED ASSETS

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|--------------------------------|-------------------|-------------------|-------------------|
| Land | 226 | 226 | 226 |
| Buildings and constructions | 2,396 | 2,529 | 2,567 |
| Machinery, plant and equipment | 6,391 | 6,609 | 6,629 |
| Other equipment and fixtures | 33 | 25 | 23 |
| Construction in progress | 263 | 116 | 182 |
| TOTAL | 9,309 | 9,505 | 9,627 |

| | <i>Th EUR</i> |
|--|---------------|
| Cost at 31.12.2012 | 19,400 |
| Accumulated depreciation at 31.12.2012 | (9,390) |
| Net book amount at 31.12.2012 | 10,010 |
| Acquired in 9 months of 2013 | 295 |
| Write-off 9 months of 2013 | (20) |
| Depreciation in 9 months of 2013 | (677) |
| Write-off of accumulated amortization 9 months of 2013 | 19 |



| | |
|--|-----------------|
| Cost at 30.09.2013 | 19,675 |
| Accumulated depreciation at 30.09.2013 | (10,048) |
| Net book amount at 30.09.2013 | 9,627 |
| Cost at 31.12.2013 | 19,762 |
| Accumulated depreciation at 31.12.2013 | (10,257) |
| Net book amount at 31.12.2013 | 9,505 |
| Acquired in 9 months of 2014* | 482 |
| Write-off 9 months of 2014 | (6) |
| Depreciation in 9 months of 2014 | (678) |
| Write-off of accumulated amortization 9 months of 2014 | 6 |
| Cost at 30.09.2014 | 20,238 |
| Accumulated depreciation at 30.09.2014 | (10,929) |
| Net book amount at 30.09.2014 | 9,309 |

*On the 30th of September the binding liabilities of acquiring the tangible assets are 115 thousand euros.

NOTE 5 INTANGIBLE FIXED ASSETS

| | |
|---|---------------|
| | <i>th EUR</i> |
| Cost at 31.12.2012 | 90 |
| Accumulated depreciation at 31.12.2012 | (67) |
| Net book amount at 31.12.2012 | 23 |
| Depreciation in 9 months of 2013 | (5) |
| Cost at 30.09.2013 | 90 |
| Accumulated depreciation at 30.09.2013 | (72) |
| Net book amount at 30.09.2013 | 18 |
| Cost at 31.12.2013 | 100 |
| Accumulated depreciation at 31.12.2013 | (74) |
| Net book amount at 31.12.2013 | 26 |
| Acquired in 9 months of 2014 | 10 |
| Depreciation in 9 months of 2014 | (6) |
| Cost at 30.09.2014 | 110 |
| Accumulated depreciation at 30.09.2014 | (80) |
| Net book amount at 30.09.2014 | 30 |

Intangible assets include computer software not directly linked to the hardware.



NOTE 6 DEBT OBLIGATIONS

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|------------------------------|-------------------|-------------------|-------------------|
| Current liabilities | 1,651 | 1,919 | 694 |
| incl non-convertible debt | 6 | 24 | 6 |
| Non-current debt obligations | 4,127 | 3,413 | 4,328 |
| incl non-convertible debt | 15 | 15 | 39 |
| TOTAL | 5,778 | 5,332 | 5,022 |

NOTE 7 PAYABLES AND PREPAYMENTS

| <i>th EUR</i> | 30.09.2014 | 31.12.2013 | 30.09.2013 |
|-----------------------|-------------------|-------------------|-------------------|
| Supplier payables | 1,460 | 942 | 1,528 |
| Payables to employees | 430 | 312 | 383 |
| Taxes payables | 534 | 345 | 305 |
| Other payables | 258 | 159 | 216 |
| Customer prepayments | 215 | 497 | 125 |
| TOTAL | 2,897 | 2,255 | 2,557 |

NOTE 8 PROVISIONS

| | <i>th EUR</i> |
|------------------------------------|---------------|
| Balance at 31.12.2012 | 248 |
| Incl current portion | 12 |
| non-current portion | 236 |
| Used during the 9 months 2013 | (19) |
| Increased during the 9 months 2013 | 9 |
| Interest cost 9 months 2013 | 9 |
| Balance at 30.09.2013 | 247 |
| Incl current portion | 3 |
| non-current portion | 244 |
| Balance at 31.12.2013 | 244 |
| Incl current portion | 14 |
| non-current portion | 230 |
| Used during the 9 months 2014 | (21) |
| Increased during the 9 months 2014 | 10 |
| Interest cost 9 months 2014 | 9 |
| Balance at 30.09.2014 | 242 |
| Incl current portion | 3 |
| non-current portion | 239 |



Provisions relate to the compensations for loss of working capacity of former employees after work accidents. The total amount of the provision has been estimated considering the number of persons receiving the compensation, extent of their disability, their former level of salary, level of pension payments, and estimations of the remaining period of payments.

NOTE 9 SHARE CAPITAL

| | Number of shares | Share capital |
|--------------------|------------------|---------------|
| | <i>pcs</i> | <i>th EUR</i> |
| Balance 30.09.2014 | 4,499,061 | 2,699 |
| Balance 31.12.2013 | 4,499,061 | 2,699 |
| Balance 30.09.2013 | 4,499,061 | 2,699 |

The share capital of Skano Group AS totaled 2,699,436.60 euros that were made up of 4,499,061 shares with the nominal value of 0.60 euros each; the maximum share capital outlined in the Articles of Association is 10,797,744 euros. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends.

As at 30.09.2014, the Group had 532 shareholders (30.09.2013: 583 shareholders) of which with more than 5% ownership interest were:

- Trigon Wood OÜ with 2,682,192 shares or 59.62% (30.09.2013: 59.62%)

The number of shares owned by the members of the Management Board and Supervisory Board of Skano Group AS was as follows:

- Ülo Adamson 0 shares (2013: 0 shares)
- Joakim Johan Helenius 20,000 shares (2013: 20,000 shares)
- Heiti Riisberg 87,000 shares (2013: 87,000 shares)
- Pekka Armas Soikkeli 0 shares (2013: 0 shares)
- Martin Kalle 4,331 shares (2013: 4,331 shares)
- Gregory Devine Grace 0 shares (2013: 0 shares)
- Gert Kuus 0 shares (2013: 0 shares)

NOTE 10 EARNINGS PER SHARE

| <i>EUR</i> | 30.09.2014 | 30.09.2013 |
|--|-------------------|-------------------|
| Basic earnings per share | (0.04) | (0.09) |
| Diluted earnings per share | (0.04) | (0.09) |
| Book value of share | 1.46 | 1.58 |
| Price/earnings ratio (P/E) | (23.25) | (14.44) |
| Closing price of the share of Skano Group AS on Tallinn Stock Exchange at 30.09* | 0.93 | 1.30 |

Basic earnings per share have been calculated by dividing the net profit (loss) for the reporting period with the number of shares:



Basic earnings per share for 9 months of 2014 = (179,179) / 4,499,061 = (0.04) euros
Basic earnings per share for 9 months of 2013 = (415,171) / 4,499,061 = (0.09) euros

Diluted earnings per share equal the basic earnings per share because the Group does not have any potential ordinary shares with a dilutive effect on the earnings per share.

Price/earnings ratio (P/E) for 9 months of 2014 = 0.93 / (0.04) = (23.25)

Price/earnings ratio (P/E) for 9 months of 2013 = 1.30 / (0.09) = (14.44)

* The share of Skano Group AS has been listed on Tallinn Stock Exchange starting from 25.09.2007.

NOTE 11 SEGMENTS

Operating segments have been determined based on the reports reviewed by the management board that are used to make strategic decision. The management board considers the business based on the types of products and services as follows:

Skano Fibreboard (FB) manufactures and sells to wholesale customers general construction boards based on soft woodfibre boards, and interior finishing boards. The fibreboard factories are located in Estonia.

Suomen Tuulileijona (STOY) is engaged in resales of fibreboard products in Finland.

Skano Furniture factory (FF) is engaged in the production and wholesales of household furniture. The factory is located in Estonia.

Skano Furniture retail (FR) is engaged in retail sales of furniture in Estonia, Latvia, Lithuania and Ukraine.

Skano Group (SG) the holding company.

The secondary segment of the Group is defined according to the geographical location of customers.

BUSINESS SEGMENT BY THE TYPES OF PRODUCT/SERVICE – PRIMARY SEGMENT:

| th EUR | Furniture factory | | Furniture retail | | Fibreboard | | Suomen Tuulileijona | | Skano Group | | Eliminations | | SEGMENTS TOTAL | |
|---------------------------------|-------------------|----------|------------------|----------|------------|----------|---------------------|----------|-------------|----------|--------------|----------|----------------|----------|
| | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 | 9 m 2014 | 9 m 2013 |
| Revenue from external customers | 3,671 | 4,091 | 1,707 | 1,715 | 8,916 | 8,523 | 1,375 | 0 | 0 | 0 | 0 | 0 | 15,669 | 14,329 |
| Inter-segment revenue | 859 | 835 | 0 | 0 | 1,238 | 84 | 1 | 0 | 50 | 0 | 0 | 0 | 2,148 | 919 |
| Operating profit/loss | 198 | 278 | (308) | 32 | (133) | (565) | (12) | 0 | (12) | 0 | 296 | 13 | 29 | (242) |
| Segment assets | 3,432 | 3,540 | 817 | 680 | 10,502 | 10,765 | 937 | 0 | (136) | (28) | (49) | (41) | 15,503 | 14,916 |
| Segment liabilities | 2,239 | 2,485 | 331 | 195 | 4,629 | 4,512 | 705 | 0 | 1,013 | 634 | 0 | 0 | 8,917 | 7,826 |



BUSINESS SEGMENT BY THE GEOGRAPHICAL LOCATION OF CUSTOMERS – SECONDARY SEGMENT:

| th EUR | 9 months 2014 | | | | | 9 months 2013 | | | | |
|-----------------|---------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|----------|---------------|
| | FF | FR | FB | STOY | TOTAL | FF | FR | FB | STOY | TOTAL |
| Finland | 1,366 | 0 | 3,420 | 1,375 | 6,161 | 1,602 | 0 | 2,774 | 0 | 4,376 |
| Russia | 2,125 | 0 | 1,569 | 0 | 3,694 | 2,253 | 0 | 2,119 | 0 | 4,372 |
| Estonia | 57 | 946 | 1,354 | 0 | 2,357 | 56 | 793 | 1,317 | 0 | 2,166 |
| Great Britain | 36 | 0 | 743 | 0 | 779 | 31 | 0 | 796 | 0 | 827 |
| Sweden | 0 | 0 | 433 | 0 | 433 | 0 | 0 | 352 | 0 | 352 |
| Latvia | 0 | 212 | 215 | 0 | 427 | 0 | 202 | 209 | 0 | 411 |
| Ukraine | 0 | 285 | 107 | 0 | 392 | 0 | 422 | 100 | 0 | 522 |
| Lithuania | 0 | 264 | 76 | 0 | 340 | 0 | 298 | 58 | 0 | 356 |
| Taiwan | 0 | 0 | 168 | 0 | 168 | 0 | 0 | 23 | 0 | 23 |
| Netherlands | 0 | 0 | 141 | 0 | 141 | 0 | 0 | 305 | 0 | 305 |
| Arabia | 21 | 0 | 80 | 0 | 101 | 4 | 0 | 10 | 0 | 14 |
| Germany | 0 | 0 | 75 | 0 | 75 | 0 | 0 | 131 | 0 | 131 |
| Japan | 0 | 0 | 71 | 0 | 71 | 0 | 0 | 32 | 0 | 32 |
| France | 13 | 0 | 50 | 0 | 63 | 0 | 0 | 19 | 0 | 19 |
| South Africa | 0 | 0 | 62 | 0 | 62 | 0 | 0 | 17 | 0 | 17 |
| Australia | 0 | 0 | 51 | 0 | 51 | 0 | 0 | 5 | 0 | 5 |
| Kazakhstan | 43 | 0 | 0 | 0 | 43 | 127 | 0 | 0 | 0 | 127 |
| Singapore | 0 | 0 | 42 | 0 | 42 | 0 | 0 | 0 | 0 | 0 |
| Malaysia | 0 | 0 | 35 | 0 | 35 | 0 | 0 | 0 | 0 | 0 |
| Saudi Arabia | 0 | 0 | 34 | 0 | 34 | 0 | 0 | 0 | 0 | 0 |
| Denmark | 0 | 0 | 32 | 0 | 32 | 0 | 0 | 48 | 0 | 48 |
| Oman | 0 | 0 | 27 | 0 | 27 | 0 | 0 | 0 | 0 | 0 |
| Belorussia | 6 | 0 | 18 | 0 | 24 | 18 | 0 | 7 | 0 | 25 |
| Hungary | 0 | 0 | 23 | 0 | 23 | 0 | 0 | 21 | 0 | 21 |
| Kuwait | 0 | 0 | 19 | 0 | 19 | 0 | 0 | 0 | 0 | 0 |
| Norway | 0 | 0 | 18 | 0 | 18 | 0 | 0 | 0 | 0 | 0 |
| Other countries | 4 | 0 | 53 | 0 | 57 | 0 | 0 | 180 | 0 | 180 |
| TOTAL | 3,671 | 1,707 | 8,916 | 1,375 | 15,669 | 4,091 | 1,715 | 8,523 | 0 | 14,329 |

NOTE 12 RELATED PARTY TRANSACTIONS

The following parties are considered to be related parties:

- Parent company OÜ Trigon Wood and owners of the parent company;
- Other entities in the same consolidation group;
- Members of the Management, the Management Board and the Supervisory Board of Skano Group AS Group and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;
- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

Largest shareholder of OÜ Trigon Wood and the entities with significant influence over the Group are: AS Trigon Capital (30.13%), Veikko Laine Oy (26.49%), Hermitage Eesti OÜ (12.64%), Thominvest Oy (11.94%) and SEB's Finnish costumers (10.96%).



Benefits (incl. tax expenses) to members of the Management and Supervisory Board of all consolidation group entities:

| <i>th EUR</i> | 9 m 2014 | 9 m 2013 |
|---------------------|------------|------------|
| Short-term benefits | 140 | 182 |
| Social security tax | 46 | 60 |
| TOTAL | 186 | 242 |

Including others, the members of the Management Board of Skano Group AS will receive severance pay amounting from 1 to 3-month remuneration according to the contracts.

Skano Group AS purchased rental and other services from related parties:

| <i>th EUR</i> | 9 m 2014 | 9 m 2013 |
|--------------------|-----------|-----------|
| Purchased services | 23 | 31 |
| TOTAL | 23 | 31 |

Balances with related parties:

| <i>th EUR</i> | 30.09.2014 | 30.09.2013 |
|-------------------|------------|------------|
| Services payables | 12 | 12 |
| TOTAL | 12 | 12 |

