



Financial Statements Bulletin
1-12 | 2022

CapMan

Record result – CapMan exceeded all financial objectives, Board proposes to increase distribution for the 10th consecutive year

CapMan Plc 2022 Financial Statements Bulletin

Results and significant events in 1–12 2022

- Group turnover was MEUR 67.5 1 January–31 December 2022 (MEUR 52.8 1 January–31 December 2021) and increased by 28 per cent.
- Operating profit was MEUR 53.1 (MEUR 44.6). Operating profit excluding items affecting comparability was MEUR 55.7 (MEUR 44.6) and increased by 25 per cent.
- Management Company business turnover was MEUR 55.9 (MEUR 43.6). Operating profit was MEUR 22.3 (MEUR 13.2).
- Service business turnover was MEUR 11.1 (MEUR 8.6). Operating profit was MEUR 3.0 (MEUR 4.2). Operating profit excluding items affecting comparability was MEUR 5.6 (MEUR 4.2).
- Investment business operating profit was MEUR 35.7 (MEUR 32.7).
- Diluted earnings per share were 24.8 cents (21.4 cents). Diluted earnings per share excluding items affecting comparability was 26.4 cents (21.4 cents).
- Assets under management was EUR 5.0 billion on 31 December 2022.
- CapMan's Board of Directors proposes that distribution for the year 2022 would be 17 cents per share, of which dividend would be 8 cents per share and equity repayment 9 cents per share.

TURNOVER 1–12 2022

€67.5m
(€52.8m, +28%)

COMPARABLE OPERATING
PROFIT 1–12 2022

€55.7m
(€44.6m, +25%)

ASSETS UNDER MANAGEMENT
31 DEC 2022

€5.0 bn
(€4.9 bn)

COMPARABLE RETURN ON
EQUITY 1–12 2022

32.4%
(29.4%)

CEO's comment:

“CapMan achieved record results in 2022. Turnover was MEUR 68, growth of 28 per cent from 2021 and adjusted operating profit was MEUR 56, growth of 25 per cent. The profitability of all business segments improved from last year and we exceeded all our long-term financial targets. The weakened market outlook and increased uncertainty has so far had only a modest impact on CapMan's performance.

” *CapMan achieved record results in 2022.*

Assets under management exceeded EUR 5.0 billion at the end of 2022. Over the past year, we have raised more than MEUR 650 in new capital. Investor demand for CapMan's products has remained favourable. We expect assets under management to grow also in 2023, despite the increased uncertainty prevalent in the fundraising market.

Fee-based profitability continued its steady growth and reached a new record level at the end of 2022. Comparable growth was 26 per cent from 2021 due to growing management fees and the well-developing Service business. We expect fee-based profitability to improve significantly over the coming years.

Carried interest was MEUR 10 for the year and their share of CapMan's earnings mix demonstrates notable growth. Two funds transferred to carry in 2022 and these have several assets remaining, which we are ready to

exit. In addition, many other funds are approaching carry and we expect some of them to start generating carry in the next 12 months.

The fair value changes of investments from our balance sheet were MEUR +37 in 2022 as a result of successful long-term value creation. Recent market development has had a negative impact on fair values through lower valuation benchmarks. However, this has been more than offset by strong operational performance in several portfolio companies and many successful exits. The resulting fair value changes have thus been distinctly net-positive. Approx. 30 per cent of capital raised in our funds is “dry powder” yet to be deployed and we foresee several attractive capital allocation opportunities in the prevailing market conditions.

Our balance sheet and liquidity are strong. At the end of 2022, our equity ratio was 53 per cent and liquid assets close to MEUR 60. CapMan's objective is to pay an annually increasing dividend and the Board of Director's proposes a distribution of 17 cents per share to shareholders for 2022. This would mean that CapMan's distribution of funds to shareholders has increased for ten consecutive years.

Following our updated strategy, we have placed sustainability at the core of our operations. Our vision is to be the most responsible private assets company in the Nordics. We develop tools and processes that promote sustainable investment and value creation, expand our investment policies and guidelines, and continue to measure our impact. I am proud that over the past year, we have set carbon neutrality targets for CapMan, exceeded our target level for employee satisfaction and introduced sustainability-linked elements as part of remuneration.

Overall, I am very pleased with CapMan's performance for 2022. The results have been achieved in a challenging operating environment shadowed by war in Europe, increasing interest rate levels and inflation, and recession concerns. Following these developments, the M&A, transaction and fundraising activity have slowed down. Nevertheless, the unlisted market continues to interest a broader group of investors and we are confident in our ability to grow and to generate attractive long-term returns for our customers and shareholders over business cycles.

Today, I announced my resignation as CEO as I plan to become Chair of CapMan Board of Directors, conditional to the decision by the Annual General Meeting. I am proud of the current state of our company. Over the past six years, CapMan has strengthened its Nordic profile, internationalised its investor base, improved fund returns and more than doubled in turnover. As a consequence, the total return of CapMan's share has been approx. 20 per cent p.a. over the past six years.

”

Overall, I am very pleased with CapMan's performance for 2022. The results have been achieved in a challenging operating environment shadowed by war in Europe, increasing interest rate levels and inflation, and recession concerns.

We seek to double our assets under management over the next five years. The objective is based on the combination of strong organic growth and M&A and relies on the attractive fundamentals of the unlisted market and CapMan's strong position. The long-term growth prospects of our business are great, and I am confident that we will be successful in achieving our ambitious plans together with our new CEO Pia Kåll.”

Joakim Frimodig

CEO, CapMan Plc

CapMan Plc

1–12 2022 Financial Statements Bulletin

Group turnover and result in 1–12 2022

CapMan Group's turnover totalled MEUR 67.5 in the period spanning 1 January–31 December 2022 (1 January–31 December 2021: MEUR 52.8). The 28 per cent increase in turnover was mainly due to an increase in fee income and carried interest compared to the previous year.

Operating expenses were MEUR 51.0 (MEUR 42.1) in total and consisted of personnel expenses, depreciations and amortisations, and other operating expenses.

Personnel expenses, including employer contributions, were MEUR 34.6 (MEUR 30.6). The growth was mainly due to a higher headcount as well as MEUR 1.4 in expenses from the early payment of the vested reward shares from the 2020 incentive plan.

Depreciations and amortisations were MEUR 4.2 (MEUR 1.5) and included an impairment of goodwill in the amount of MEUR 2.6 related to the disposal of the JAY Solutions business after the financial year.

Other operating expenses amounted to MEUR 11.2 (MEUR 10.0).

Fair value changes of investments were MEUR +36.5 in 2022 (MEUR +33.9).

Following the strong development in turnover, controlled cost development and positive fair value changes, the Group's operating profit was MEUR 53.1 (MEUR 44.6). Operating profit excluding items affecting comparability was MEUR 55.7 (MEUR 44.6).

Financial income and expenses amounted to MEUR -5.5 (MEUR -4.0). Financial expenses increased mainly due to a MEUR 1.2 write-down of loan receivables from an investment team operating in Russia and formerly part of CapMan Group.

Profit before taxes was MEUR 47.6 (MEUR 40.6) and profit after taxes was MEUR 41.0 (MEUR 35.4). Profit after taxes excluding items affecting comparability was MEUR 43.6 (MEUR 35.4).

Diluted earnings per share were 24.8 cents (21.4 cents). Diluted earnings per share excluding items affecting comparability were 26.4 cents (21.4 cents).

A quarterly breakdown of turnover and profit, together with turnover, operating profit/loss, and profit/loss by segment for the period as well as items affecting comparability are available in the Tables section of this report.

Management Company business

Turnover generated by the Management Company business for the financial year 2022 totalled MEUR 55.9 (MEUR 43.6). The 28 per cent increase was mainly due to an increase in carried interest and fee income from the previous year.

Fee income was MEUR 46.2 (MEUR 40.8) and grew by 13 per cent. New capital in funds and programmes, as well as other asset management services, contributed favourably to fee income for the year.

Carried interest income for the year totalled MEUR 9.6 (MEUR 2.9), mainly from the CapMan Growth Equity 2017 and CapMan Nordic Real Estate funds, which transferred to carry during 2022.

Of the turnover, 82 per cent was based on income booked over time (91 per cent in 2021). The comparatively lower share of turnover booked over

time was due to a higher share of carried interest in 2022 compared to the previous year.

Operating expenses of the Management Company business amounted to MEUR 33.6 (MEUR 30.7). Operating profit of the Management Company business was MEUR 22.3 (MEUR 13.2) and grew by 69 per cent.

Service business

Turnover generated by Service business totalled MEUR 11.1 (MEUR 8.6 in 2021). All turnover was based on long-term contracts and grew by 29 per cent due to growth of CaPS and JAY Solutions.

CapMan and non-controlling shareholders of JAY Solutions agreed on the sale of JAY Solutions to Bas Invest AB at the end of 2022 and the transaction was completed on 1 February 2023. CapMan owned 60 per cent of JAY Solutions before the transaction. The purchase consideration was MEUR 8, in addition to which the sellers are entitled to an additional consideration of MEUR 0.5, should JAY Solutions reach operating targets as established together with the buyer. Following the closing of the transaction after the end of the financial year, CapMan has recorded a MEUR 2.6 impairment of goodwill during the financial year. The disposal of JAY Solutions is not expected to have an impact on CapMan's financial position or results for 2023. Starting from 2023, CapMan's Service business only includes the procurement service CaPS.

Operating expenses of the Service business amounted to MEUR 7.7 (MEUR 5.1), of which 2.6 was an item affecting comparability resulting from the disposal of JAY Solutions.

The operating profit of the Service business was MEUR 3.0 (MEUR 4.2). Excluding items affecting comparability, operating profit was MEUR 5.6 (MEUR 4.2) and grew by 35 per cent.

Investment business

Fair value of fund investments was MEUR 169.1 on 31 December 2022 (31 December 2021: MEUR 130.0). Fair value changes were entirely driven by fund investments in 2022 and were MEUR +36.5 (MEUR +33.9), corresponding to a 25.3 per cent increase in value (1 January–31 December 2021: +26.9 per cent). The positive development of CapMan's own funds is mainly due to completed exits and a very favourable development of many portfolio companies. Valuations have also been adjusted downward following changes in peer group valuations, due to which the positive fair value changes have been more modest during the second half of 2022. The valuation of external funds has increased particularly due to financing rounds and partial exits completed during 2022.

CapMan invested a total of MEUR 29.3 in its funds in 2022 (MEUR 20.9). CapMan received distributions from funds totalling MEUR 27.6 (MEUR 23.5 and disposals MEUR 16.5). The amount of remaining commitments that have yet to be called totalled MEUR 89.1 as at 31 December 2022 (31 December 2021: MEUR 90.3). Capital calls, distributions and remaining commitments are detailed in the Tables section of this report.

Operating profit for the Investment business was MEUR 35.7 (MEUR 32.7).

Table 1: CapMan's investments booked at fair value as at 31 December 2022

	Fair value 31 Dec 2022 (MEUR)
Fund investments	169.1
Other long-term investments	0.4
Total	169.5

The majority of invested capital is in funds managed by CapMan. In addition to own funds, CapMan invests selectively in private market funds managed by external fund managers. This strategy provides diversification benefits as external funds are a complement to CapMan's investments into own funds in terms of strategy and/or geography. CapMan strives to have a business connection between CapMan and external funds that CapMan invests in.

Investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG). Sensitivity analysis by investment area is presented in the Tables section of this report.

Balance sheet and financial position as at 31 December 2022

CapMan's balance sheet totalled MEUR 270.5 as at 31 December 2022 (31 December 2021: MEUR 240.3). Non-current assets amounted to MEUR 188.4 (MEUR 159.8), of which goodwill totalled MEUR 7.9 (MEUR 15.3). Goodwill was written down following the disposal of JAY Solutions.

As at 31 December 2022, fund investments booked at fair value totalled MEUR 169.1 (MEUR 130.0 as at 31 December 2021).

Other financial assets booked at fair value were MEUR 0.4 (MEUR 0.4).

Long-term receivables amounted to MEUR 5.5 (MEUR 10.1) and decreased due to a write-down of loan receivables from an investment team operating in Russia and formerly part of the Group, as well as the transfer of receivables from long-term to short-term, among others.

Current assets amounted to MEUR 76.4 (MEUR 80.4). Cash in hand and at banks amounted to MEUR 55.6 (MEUR 65.2).

The assets of JAY Solutions, including its goodwill – MEUR 5.8 – and its liabilities – MEUR 0.7 – were classified as assets held for sale and associated liabilities at the end of 2022. The disposal of JAY Solutions was completed on 1 February 2023.

CapMan's interest-bearing net debt amounted to MEUR 37.4 as at 31 December 2022 (MEUR 17.8). CapMan's total interest-bearing debt as at 31 December 2022 is outlined in Table 2.

Table 2: CapMan's interest bearing debt

	Debt amount 31 Dec 2022 (MEUR)	Matures latest	Annual interest (%)	Debt amount 31 Dec 2021 (MEUR)
Senior bond (issued in 2018)	-	-	4.13%	31.5
Senior bond (issued in 2020)	50.0	Q4 2025	4.00%	50.0
Senior bond (issued in 2022)	40.0	Q2 2027	4.50%	-
Long-term credit facility (drawn/available)	0/20.0	Q3 2024	1.75- 2.70%	0/20.0

CapMan's interest bearing net debt increased due to the issue of a MEUR 40.0 sustainability-linked bond maturing in 2027. The proceeds of the bond were used for the voluntary redemption of the senior bond maturing in 2023 and general company purposes.

CapMan's bonds and long-term credit facility include financing covenants, which are conditional on the company's equity ratio and net gearing ratio. CapMan honoured all covenants as at 31 December 2022.

Trade and other payables totalled MEUR 18.5 on 31 December 2022 (31 December 2021: MEUR 16.7).

The Group's cash flow from operations totalled MEUR +6.0 for 2022 (MEUR +11.0). Withholding taxes due to the early payment of the vested reward shares from the 2020 incentive plan as well as other changes in working capital contributed to the comparably smaller inflows of cash from operations. CapMan receives management fees from funds semi-

annually, in January and July, which is shown under working capital in the cash flow statement.

Cash flow from investments totalled MEUR +2.4 (MEUR +19.2) and includes, *inter alia*, investments and repaid capital received by the Group. CapMan makes investments mainly through its investment company and its investments and cash on hand are classified as fund investments.

Cash flow before financing totalled MEUR +8.5 (MEUR +30.2) and reflects the development in the Management Company business, Service business and Investment business. Cash flow from financing was MEUR -18.0 (MEUR -23.0) and included the drawdown and repayment of debt as well as the payment of dividends and equity repayment.

Sustainability

Following the updated strategy responsibility is at the core of all activities. CapMan's vision is to become the most responsible private assets company in the Nordics. A strategic objective is to integrate sustainability into all operations and implement it in the product offering, fundraising, investment activities, fund management, services and the development of personnel and work environment, among others.

As part of its environmental commitment, CapMan made a commitment to set Science Based Targets in line with a 1.5 °C scenario in the beginning of 2022 and has now established a roadmap and timeline for meeting the commitment. The plan is now under validation by the Science Based Targets initiative. As part of the process, CapMan establishes interim reduction targets for 2027 and 2032 and will during 2023 define the year when CapMan seeks to reach net zero emissions.

Monitoring employee satisfaction is a critical component of assessing CapMan's social responsibility. CapMan reached an eNPS score of 58 in 2022, which reflects a high willingness among employees to recommend CapMan as an employer. The score increased from the latest achieved measurement of 41.

In addition, CapMan has included guidance regarding diversity, equity and inclusion in its people and recruitment policies and started a process for increasing awareness regarding these topics among employees.

In order to promote good governance, CapMan has introduced sustainability metrics as part of variable remuneration. Part of long-term share-based incentives are determined following the achievement of ESG targets.

CapMan continues to integrate sustainability targets and key sustainability risks into its investment decisions. As part of the process, CapMan has developed tools that promote sustainable investment, value creation and risk management, expanded investment policies and established new guidelines and processes at both CapMan Group and portfolio companies and assets.

ESG targets established in the beginning of 2022 are monitored at Group and investment team level and achievements for 2022 are reported as part of CapMan's sustainability report published in Spring 2023.

Assets under management as at 31 December 2022

Assets under management refers to the remaining investment capacity, mainly equity, of funds and capital already invested at acquisition cost or at fair value, when referring to mandates and open-ended funds. Assets under management is calculated based on the capital, which forms the

basis for management fees, and includes primarily equity without accounting for the funds' debt. The practice for calculating assets under management was updated at the end of 2022 to include all fee generating assets managed by CapMan Wealth Services. The comparison period figures have been adjusted accordingly. Assets increase as fundraising for new funds progresses or as investments are executed under investment mandates and declines as exits are completed.

Assets under management was MEUR 5,039 as at 31 December 2022 (31 December 2021: MEUR 4,908). The increase in assets under management was mainly due to the establishment of and commitments to new funds. The increase was modest due to completed exits, negative fair value changes in open-ended real estate funds and the liquidation of old funds during 2022. Assets under management per fund type is displayed in Table 3.

Table 3: Assets under management (incl. funds and mandates)

	31.12.22 (MEUR)	31.12.21 (MEUR)
Real Estate	3,187	3,060
Private Equity & Credit	933	1,069
Infra	442	355
Other	478	424
Total assets under management	5,039	4,908

Key figures 31 December 2022

CapMan's return on equity was 30.5 per cent on 31 December 2022 (31 December 2021: 29.4 per cent) and comparable return on equity 32.4 per cent (29.4 percent). Return on investment was 23.1 per cent (21.2 per cent) and comparable return on investment was 24.2 per cent (21.2 per cent). Equity ratio was 52.7 per cent (53.3 per cent).

According to CapMan's long-term financial targets, the target level for the company's return on equity is on average over 20 per cent. The objective for the equity ratio is more than 50 per cent.

Table 4: CapMan's key figures

	31.12.22	31.12.21
Earnings per share, cents	25.1	21.9
Diluted, cents	24.8	21.4
Adjusted diluted earnings per share, cents	26.4	21.4
Shareholders' equity / share, cents	90.2	81.4
Share issue adjusted number of shares, avg.	157,560,284	156,579,585
Return on equity, %	30.5	29.4
Return on equity, comparable, %	32.4	29.4
Return on investment, %	23.1	21.2
Return on investment, comparable, %	24.2	21.2
Equity ratio, %	52.7	53.3
Net gearing, %	26.3	14.0

Proposal of the Board of Directors regarding distribution of funds

CapMan Plc's objective is to distribute an annually growing dividend to shareholders. CapMan Plc's Board of Directors will propose to the Annual General Meeting (AGM) to be held on 15 March 2023 that a total of EUR

0.17 per share would be paid to shareholders, equivalent of a total of MEUR 26.9, from distributable funds for 2022. The distribution of funds would be divided into a dividend of EUR 0.08 per share, equivalent to a total of approx. MEUR 12.6 as well as an equity repayment of EUR 0.09 per share to be returned from the invested unrestricted equity fund, equivalent to a total of approx. MEUR 14.2. CapMan's distributable funds amounted to MEUR 45.7 on 31 December 2022. The dividend would be paid in two instalments.

Publication of the Financial Statements and the Report of the Board of Directors, and the Annual General Meeting for 2023

CapMan Group's Financial Statements and the Report of the Board of Directors for 2022 will be published as part of the company's Annual Report for 2022 in February 2023 during week 8. CapMan Plc's 2022 AGM will be held on Wednesday 15 March 2023 at 10:00 a.m. in Helsinki. The Notice to the Annual General Meeting and other proposals of the Board of Directors to the Annual General Meeting are published by 21 February 2023 the latest. Complete financial statements, as required under the terms of the Finnish Companies Act, will be available on CapMan's website by 21 February 2023 the latest.

Corporate Governance Statement

CapMan Plc's Corporate Governance Statement will be published separately from the Report of the Board of Directors as part of the company's Annual Report for 2022 during week 8 and will be available on the company's website by 21 February 2023 the latest.

Decisions of the 2022 Annual General Meeting

Decisions of the AGM regarding distribution of funds

CapMan's 2022 Annual General Meeting (AGM) decided, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.04 per share, equivalent to a total of approx. MEUR 6.3 as well as an equity repayment of EUR 0.11 per share to be returned from the invested unrestricted equity fund, equivalent to a total of approx. MEUR 17.2, would be paid to shareholders. In total, EUR 0.15 per share would be paid to shareholders, equivalent of a total of MEUR 23.6, from distributable funds for 2021. The dividend and equity repayment were paid in two instalments six months apart. The first instalment was paid on 25 March 2022 and the second instalment was paid on 23 September 2022. Decisions regarding the distribution of funds have been described in greater detail in the stock exchange release on the decisions taken by the General Meetings issued on 16 March 2022.

Decisions of the AGM regarding the composition of the Board

The 2022 AGM decided that the Board of Directors comprises six members. Mr. Andreas Tallberg, Mr. Johan Bygge, Ms. Catarina Fagerholm, Mr. Johan Hammarén, Ms. Mammu Kaario and Mr. Olli Liitola were elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting. The Board composition and remuneration have been described in greater detail in the stock exchange releases regarding the decisions of the AGM and the organisational meeting of the Board issued on 16 March 2022.

Authorisations given to the Board by the AGM

The 2022 AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledges of the company's shares.

The number of own shares to be repurchased and/or accepted as pledge on the basis of the authorisation shall not exceed 14,000,000 shares in total, which on the day of the AGM corresponded to approximately 8.94 per cent of all shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation.

The AGM also authorised the Board to decide on the issuance of shares and other special rights entitling to shares. The number of shares to be issued on the basis of the authorisation shall not exceed 14,000,000 shares in total, which on the day of the AGM corresponded to approximately 8.94 per cent of all shares in the company.

The authorisation shall remain in force until the following AGM and 30 June 2023 at the latest.

Further details on these authorisations can be found in the stock exchange release on the decisions taken by the AGM issued on 16 March 2022.

Shares and shareholders

Shares and share capital

There were no changes in CapMan's share capital during 2022.

Share capital totalled EUR 771,586.98 as at 31 December 2022. CapMan had 158,054,968 shares outstanding as at 31 December 2022 (156,617,293 shares as at 31 December 2021).

All shares generate equal voting rights (one vote per share) and rights to a dividend and other distribution to shareholders. CapMan Plc's shares are included in the Finnish book-entry system.

Company shares

As at 31 December 2022, CapMan Plc held a total of 26,299 CapMan shares, representing 0.02 % of shares and voting rights. The market value of own shares held by CapMan was EUR 71,270 as at 31 December 2022 (31 December 2021: EUR 79,949). No changes occurred in the number of own shares held by CapMan Plc during 2022.

Trading and market capitalisation

CapMan Plc's shares closed at EUR 2.71 on 31 December 2022 (31 December 2021: EUR 3.04). The trade-weighted average price for 2022 was EUR 2.66 (EUR 2.78). The highest price paid was EUR 3.19 (EUR 3.27) and the lowest EUR 2.22 (EUR 2.24). The number of CapMan Plc shares traded totalled 36.2 million (31.3 million), valued at MEUR 96.4 (MEUR 87.0).

The market capitalisation of CapMan Plc shares as at 31 December 2022 was MEUR 427.5 (31 December 2021: MEUR 475.3).

Shareholders

The number of CapMan Plc shareholders increased by 9 per cent from 2021 and totalled 30 608 as at 31 December 2022 (31 December 2021: 28,137).

There were no flagging notifications in 2022.

As of 31 December 2022, the Board of Directors and Management Group owned 5,873,426 CapMan shares in total either directly or through controlling interest companies, which corresponded to 3.7 per cent of all shares and votes outstanding.

Personnel

CapMan employed 186 people on average in 2022 (1 January–31 December 2021 average: 161), of whom 141 (125) worked in Finland and the remainder in the other Nordic countries, Luxembourg and the United Kingdom. The figures include 20 people (21) employed by JAY Solutions. A breakdown of personnel by country is presented in the Tables section of this report.

Remuneration and incentives

CapMan's remuneration scheme consists of short-term and long-term incentive schemes.

The short-term scheme covers all CapMan employees, excluding the CEO of the company, and its central objective is earnings per share, for which the Board of Directors has set a minimum target.

CapMan has two long-term schemes consisting of investment based long-term share-based incentive plans (Performance Share Plan) for key employees.

In the investment based long-term share-based incentive plans the participants are committed to shareholder value creation by investing a significant amount in CapMan Plc shares.

CapMan's 2020 investment-based long-term incentive plan includes one performance period that commenced on 1 April 2020 and ends on 31 March 2023. An early payment of the vested reward shares from the 2020 incentive plan was conducted in April 2022 to facilitate participants' investment into the new 2022 investment-based long-term incentive plan. Irrespective of the early payment, the 2020 plan will remain in force until

the end of its performance period on 31 March 2023 in line with the original terms.

CapMan's 2022 investment-based long-term incentive plan includes three performance periods that commenced on 1 April 2022 and end on 31 March 2023, 2024 and 2025, respectively. The participants may earn a performance-based reward from each of the performance periods and a matching reward from the 2022–2025 period. The rewards from the plan will be paid fully in company shares in 2024, 2025 and 2026.

The aim of the 2022 investment-based long-term incentive plan is to align remuneration with CapMan's sustainability agenda, to retain the plan participants in the company's service, and to offer them a competitive reward plan based on owning, earning and accumulating the company's shares.

The prerequisite for receiving a reward on the basis of the plans is that a participant acquires company's shares or allocates previously owned company's shares up to the number determined by the Board of Directors. The performance-based reward from the plans is based on the company share's Total Shareholder Return and on a participant's employment or service upon reward payment. The Board shall resolve whether new shares or existing shares held by the company are given as reward. The target group of the plans consists of approximately 20 people, including the members of the Management Group.

More information about the share-based incentive plan can be found on CapMan's website at www.capman.com.

Other significant events in 2022

CapMan has raised a total of MEUR 168 in the first closing of the Infra II fund. The fund invests in infrastructure in the energy, transportation and digital communications sectors in the Nordics consistent with the first Infra fund. The fund has a target size of MEUR 400 and fundraising for the fund continues.

CapMan Residential fund grew to MEUR 816. CapMan also established a new long-term Social Real Estate fund that invests in real estate with a social policy goal in the Nordics. The first commitments for the fund are expected in the first half of 2023.

The CapMan Special Situations fund reached MEUR 71 at the end of 2022.

In October 2022, CapMan Infra I fund's exit from Norled was closed. In September 2022, Growth I fund exited Avidly and Buyout VIII fund Fortaco.

Scala Fund Advisory Oy, a wholly owned subsidiary of CapMan Plc, merged into its parent company in September 2022.

In September 2022, CapMan announced its new strategy and updated financial objectives. The new strategy was outlined during the company's Capital Markets Day.

In June 2022, the CapMan Growth Equity 2017 fund was transferred into carry following the exit from Picosun. The fund has eight assets remaining and CapMan receives carried interest from each exit.

In April 2022, CapMan issued a MEUR 40 sustainability-linked bond. The proceeds from the bond were used for a voluntary redemption of its MEUR 31.5 senior bond due in 2023 and general financing purposes and it significantly extended the maturity of CapMan's loan portfolio.

In April 2022, CapMan resolved on a directed share issue of 1,437,675 new shares as early payment of the vested reward shares from the 2020 incentive plan to CapMan Group management and selected key employees. The new shares were registered with the Trade Register on 4 May 2022. The 2020 incentive plan will incur MEUR 2.0 in costs for the full year 2022, of which MEUR 1.4 for the second quarter of 2022 is related to the payment of the vested reward. The Board of Directors of CapMan Plc resolved to establish a new Performance Share Plan 2022–2025 for CapMan Group management, as well as selected Group key employees.

The 2013 vintage CapMan Nordic Real Estate fund was transferred into carry. The fund has three assets remaining and CapMan receives carried interest from each exit.

In March 2022, Nest Capital III, a Nordic private debt fund, held its final close at MEUR 109.

Events after the end of the financial year

In February 2023, CapMan Plc and non-controlling shareholders of JAY Solutions sold their share of CapMan's subsidiary JAY Solutions to Swedish Bas Invest AB. The disposal of JAY Solutions is not expected to have a significant impact on CapMan's result for 2023 or its financial position.

The Board of Directors of CapMan Plc has decided to appoint Pia Kåll, M.Sc. (Eng.), (born 1980) as the CEO of the company as of 15 March 2023. Andreas Tallberg, who has served as the Chair of the Board of Directors since 2017, has announced that he is not available for re-election to the Board of Directors. CapMan's Shareholders' Nomination Board proposes to the company's 2023 Annual General Meeting that CapMan's

current CEO Joakim Frimodig be elected as a member of the company's Board of Directors. The proposed members of the Board of Directors have stated that if the Annual General Meeting decides on the composition of the Board of Directors in accordance with the proposal of the Shareholders' Nomination Board, the Board of Directors will elect Frimodig as Chair from among its members. Frimodig would serve as full-time Chair of the Board of Directors as of 15 March 2023.

Significant risks and short-term uncertainties

General risks

Private equity investment is generally subject to a risk of non-liquid investments, among others, which means uncertainty of the realisation of any increase in value, a risk concerning general economic development and market situation and a risk concerning the economy and political situation of target countries. The most significant short-term risk is the Russian invasion of Ukraine and the ongoing Covid-19 pandemic and related restrictions, which both impact general market sentiment and development and, as such also CapMan's business. Risks related to CapMan's business are detailed below.

Market risks

Investment operations carried out by CapMan are subject to general market risk. Market values can change, for example, because of fluctuations in the equity, fixed income, currency and real estate markets. Changes in market values impact the result of CapMan through the appreciations of its investment assets.

Changes in the equity markets influence the valuation of unlisted portfolio companies because the valuation methods used by funds include the share values of suitable listed companies. Economic uncertainty may have

a direct impact on the success of the funds administered by CapMan, on the success of CapMan's investment activities, and also on the assets available for investment or solvency of the current and potential investors of the funds.

Rising inflation and its potential impact on long-term interest rates may raise yield expectations and reduce willingness to invest. In addition, rising inflation may negatively impact cost efficiency in portfolio companies and at CapMan.

The Russian invasion of Ukraine and the resulting increase in geopolitical uncertainty may weaken investor interest also towards the Nordic countries.

Risks related to the success of the business

The business operations of the CapMan Group have a material risk of failure regarding the establishment of new private equity funds and their fundraising. Successful fundraising is important to management fees and creates opportunities for receiving carried interest income in the future. For example, poor performance of investments made by funds managed by CapMan, increasing competition or reasons that are independent of CapMan may make it more difficult to raise funds from new or current investors in the future.

Gaining new customers or the launch of new investment areas, products or service businesses may also fail, which may prevent or hamper the realisation of CapMan's growth objectives. Large customers or customer concentration in open-ended funds may diminish the growth outlook of such funds, should one or several customers decide to redeem their units.

Risks related to fair value changes in portfolio companies, real estate or infrastructure investments

The values of portfolio companies can vary positively or negatively within short periods if changes occur in the peer group or in the interest in the company of potential buyers. As a result of exit processes, significant return is typically realised on successful investments also in the short term as the exit price is based on strategic value and synergies created for the buyer, and not directly on peer group multiples.

The fair values of real estate and infrastructure investments may also vary between review periods based on changes in, inter alia, demand, capacity, condition or exit process. The variations are typically smaller compared to the variations in the fair value of portfolio companies.

Risks related to carried interest and performance-based income

The timing of exits and the magnitude of the potential carried interest income is difficult to foretell. The transaction-based fees of Wealth Services may also vary significantly from period to period.

Group companies managing a fund may in certain circumstances, pursuant to the terms of the fund agreement, have to return carried interest income they have received (so-called clawback). The obligation to return carried interest income applies typically when, according to the final distribution of funds, the carried interest income received by the fund management company exceeds the carried interest it is entitled to when the fund expires.

CapMan recognises revenue from carried interest, to the extent that 1) carried interest is based on realised cash flows and repayment risk is estimated to be very low, 2) CapMan is entitled to carried interest, 3) a confirmation on the amount has been received and 4) CapMan is relatively

close to receiving it in cash. Returned carried interest income based on clawback conditions would, in turn, have a negative impact on CapMan's result as a potential clawback provision may not be sufficient.

Risks related to the availability or cost of financing

The company's financing agreements include financing covenants and other conditions. Violation of covenants related to financing agreements and a failure to fulfil other contractual terms may cause the cost of financing to increase significantly and even jeopardise continued financing for CapMan.

An unforeseen decrease in inbound cashflow for CapMan or a faster than expected realisation of commitments could have a negative impact on CapMan's liquidity, which, in turn, would increase the need for additional financing and result in higher financing costs or force the company to dispose of its investments at suboptimal prices.

Other risks related to operations and the development of business areas

Other sources of uncertainty related to CapMan's operations and business areas are related to structural changes in the business environment, and other potential events that, when realised, may trigger the materialisation of such risks. Such changes and events may be, for example, inability to retain and attract key personnel, technological development, digitalisation, sustainability risks, and cyber security risks that may lead to inability to adequately meet customer expectations, downtime of services, interrupted processes, losses as a consequence of, for example, criminal activity and/or reputational damages.

In addition, changes in the regulatory environment may have a significant effect on CapMan's business operations.

The impact of the Russian invasion of Ukraine on CapMan's business

Following the Russian invasion of Ukraine, CapMan has in April 2022 written down MEUR 3.4 of investments in former CapMan Russia funds on its balance sheet as well as a MEUR 1.2 of loan receivables from an investment team operating in Russia and formerly part of CapMan Group. The balance of both items is now zero. CapMan's operations do not have other direct links to Ukraine or Russia. The Russian invasion of Ukraine may impact CapMan's business through, among others, the following earnings streams mainly due to the increase in geopolitical uncertainty.

Management fees: Management fees per fund are determined at the establishment of a fund and are paid to the management company, i.e., CapMan, twice per year based on the original fund size, including commitments, over the fund's investment period (generally five years) following which management fees are determined based on the at-cost value of the underlying portfolio. These fees are long-term and highly predictable, and we see little volatility in the near/mid-term.

Future management fees are affected mainly by new fundraisings and exits from existing funds. If ongoing fundraising projects are postponed or delayed due to increased geopolitical uncertainty, management fee growth prospects may be affected. Exits following the end of the investment period reduce the aggregate at-cost price of the remaining portfolio, on which management fees are based. If exits are delayed due to increased uncertainty in the market, management fees remain stable.

In addition to investments in CapMan Russia funds, which have been written down, funds managed by CapMan do not have direct investments or other significant exposure to Ukraine or Russia.

Fees from wealth advisory services: Fees from wealth advisory services are mainly based on long-term contracts and the impact of the invasion is limited for the time being. Transaction-based fees are more susceptible to market risk and are therefore more volatile.

Carried interest income: The increased uncertainty, the impact on value creation in the portfolio and delayed exit processes due to geopolitical uncertainty may impact the timing and magnitude of carried interest from funds. CapMan does not provide guidance regarding carried interest.

Service business fees: Service fees are based on long-term contracts and are less susceptible to the impact of the invasion.

Investment business income: Investment business income is defined in the income statement as the change in fair value of investments and consists of both realised and unrealised changes. Due to the Russian invasion of Ukraine, CapMan wrote down the value of its fund investments in two old Russia funds. However, the geopolitical uncertainty may impact the investment business also indirectly, although mid and/or long-term impacts and their scope are difficult to assess. Because unlisted assets are valued less frequently than listed assets, the impact of short-term market shocks and volatility is in general less pronounced in these asset classes compared to the listed market. However, the effects may, in turn, take longer to process and unlisted assets may lag the listed market in the return to so-called normal levels.

Financial objectives

CapMan's objective is to pay an annually increasing dividend to its shareholders.

The combined growth objective for the Management Company and Service businesses is more than 15 per cent p.a. on average. The objective for

return on equity is more than 20 per cent p.a. on average. CapMan's equity ratio target is more than 50 per cent.

Outlook estimate for 2023

CapMan expects to achieve these financial objectives gradually and key figures are expected to show fluctuation on an annual basis considering the nature of the business. CapMan estimates assets under management to grow in 2023. The company's objective is to grow operating profit excluding carried interest income and fair value changes. These estimations do not include possible items affecting comparability.

Carried interest income from funds managed by CapMan and the return on CapMan's investments have a substantial impact on CapMan's overall result. In addition to portfolio company and asset-specific development and exits from portfolio companies and assets, various factors outside of the portfolio's and CapMan's control influence fair value development of CapMan's overall investments, as well as the magnitude and timing of carried interest.

CapMan's objective is to improve results in the long term, taking into consideration annual fluctuations related to the nature of the business. For these and other above-mentioned reasons, CapMan does not provide numeric estimates for 2023.

Helsinki, 2 February 2023

CAPMAN PLC

Board of Directors

CapMan Group's Interim Report for the period 1 January–31 March 2023 is published on Friday 28 April 2023.

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Group Statement of comprehensive income (IFRS)

€ ('000)	10-12/22	10-12/21	1-12/22	1-12/21
Management fees	10 437	10 504	38 847	36 585
Sale of services	5 179	3 886	19 072	13 341
Carried interest	4 123	325	9 613	2 858
Turnover	19 739	14 715	67 532	52 784
Material and services	-306		-985	
Other operating income	0	3	2	22
Personnel expenses	-9 659	-9 056	-34 571	-30 632
Depreciation, amortisation and impairment	-3 000	-386	-4 180	-1 476
Other operating expenses	-3 413	-3 141	-11 236	-9 969
Fair value changes of investments	4 102	10 106	36 547	33 912
Operating profit	7 462	12 241	53 108	44 642
Financial income and expenses	-1 318	-1 148	-5 475	-4 042
Result before taxes	6 144	11 093	47 633	40 600
Income taxes	-1 060	-1 739	-6 585	-5 239
Result for the period	5 084	9 354	41 049	35 362
Other comprehensive income:				
Translation differences	-55	-11	-295	-39
Total comprehensive income	5 029	9 343	40 754	35 322

€ ('000)	10-12/22	10-12/21	1-12/22	1-12/21
Profit attributable to:				
Equity holders of the company	4 452	9 028	39 616	34 320
Non-controlling interest	631	326	1 433	1 042
Total comprehensive income attributable to:				
Equity holders of the company	4 398	9 017	39 321	34 281
Non-controlling interest	631	326	1 433	1 042
Earnings per share for profit attributable to the equity holders of the Company:				
Earnings per share, cents	2,8	5,7	25,1	21,9
Diluted, cents	2,8	5,6	24,8	21,4

Group balance sheet (IFRS)

€ ('000)	31.12.22	31.12.21
ASSETS		
Non-current assets		
Tangible assets	3 571	1 754
Goodwill	7 886	15 314
Other intangible assets	100	459
Investments at fair value through profit and loss		
Investments in funds	169 063	130 011
Other financial assets	434	393
Receivables	5 545	10 066
Deferred income tax assets	1 790	1 836
	188 389	159 834
Current assets		
Trade and other receivables	20 718	15 223
Financial assets at fair value through profit and loss	65	0
Cash and bank	55 571	65 207
	76 353	80 429
Assets held for sale	5 769	
Total assets	270 512	240 263

€ ('000)	31.12.22	31.12.21
EQUITY AND LIABILITIES		
Capital attributable the Company's equity holders		
Share capital	772	772
Share premium account	38 968	38 968
Other reserves	35 425	52 718
Translation difference	-582	-286
Retained earnings	65 473	33 607
Total capital attributable to the Company's equity holders	140 056	125 778
Non-controlling interests	2 088	1 616
Total equity	142 144	127 394
Non-current liabilities		
Deferred income tax liabilities	8 418	4 627
Interest-bearing loans and borrowings	91 854	82 038
Other non-current liabilities	7 343	7 552
	107 615	94 217
Current liabilities		
Trade and other payables	18 446	16 722
Interest-bearing loans and borrowings	1 112	970
Current income tax liabilities	478	959
	20 036	18 652
Liabilities associated with assets held for sale	717	
Total liabilities	128 367	112 869
Total equity and liabilities	270 512	240 263

Group Statement of Changes in Equity

Attributable to the equity holders of the Company

€ ('000)	Share capital	Share premium	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests
Equity on 1 January 2021	772	38 968	71 416	-247	1 616	112 524	742
Result for the year					34 320	34 320	1 042
Other comprehensive income for the year							
Currency translation differences				-39		-39	
Total comprehensive income for the year				-39	34 320	34 281	1 042
Share subscriptions with options			90			90	
Performance Share Plan					787	787	
Dividends and return of capital			-18 788		-3 131	-21 920	-328
Transactions with non-controlling interests					15	15	161
Equity on 31 December 2021	772	38 968	52 718	-286	33 607	125 778	1 616
Equity on 1 January 2022	772	38 968	52 718	-286	33 607	125 778	1 616
Result for the year					39 616	39 616	1 433
Other comprehensive income for the year							
Currency translation differences				-295		-295	
Total comprehensive income for the year				-295	39 616	39 321	1 433
Performance Share Plan					-1 126	-1 126	
Dividends and return of capital			-17 297		-6 755	-24 052	-1 083
Transactions with non-controlling interests			4		131	135	122
Equity on 31 December 2022	772	38 968	35 425	-582	65 473	140 056	2 088

Statement of cash flow (IFRS)

€ ('000)	1-12/22	1-12/21
Cash flow from operations		
Result for the financial period	41 049	35 362
Adjustments for:		
Share-based payments	2 727	787
Depreciation and amortisation	4 180	1 476
Fair value changes of investments	-36 547	-33 912
Financial income and expenses	5 475	4 042
Income taxes	6 585	5 239
Other non-cash items	-52	32
Adjustments, total	-17 632	-22 337
Change in working capital:		
Change in current non-interest-bearing receivables	-8 054	-1 545
Change in current trade payables and other non-interest-bearing liabilities	-2 215	6 087
Interest paid	-3 955	-3 971
Taxes paid	-3 149	-2 571
Cash flow from operations	6 044	11 025
Cash flow from investing activities		
Acquisition of subsidiaries	0	231
Proceeds from sale of subsidiaries	322	221
Investments in tangible and intangible assets	-333	-140
Investments at fair value through profit and loss	3 039	17 522
Long-term loan receivables granted	-844	-144
Proceeds from long-term receivables	175	1 389
Interest received	83	91
Cash flow from investing activities	2 441	19 170
Cash flow from financing activities		
Share issue	0	90
Proceeds from borrowings	39 791	140
Repayment of long-term loan	-31 520	0
Payment of lease liabilities	-1 189	-976
Dividends paid and return of capital	-25 073	-22 244
Cash flow from financing activities	-17 992	-22 990
Change in cash and cash equivalents	-9 507	7 205
Cash and cash equivalents at start of year	65 207	58 002
Translation difference	244	
Cash and cash equivalents at end of year	55 944	65 207

Accounting principles

This financial statements release is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements, except for the change in segment information regarding specification of turnover by segment. The management is no more following management and service fees separately on the segment level, and therefore, these turnover items will be combined into one line item named "Fee income". Figures for the comparison periods have been adjusted accordingly.

Figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

Items affecting comparability and alternative performance measures

CapMan uses alternative performance measures to denote the financial performance of its business and to improve the comparability between different periods. Alternative performance measures do not replace performance measures in accordance with the IFRS and are reported in addition to such measures. Alternative performance measures, as such are presented, are derived from performance measures as reported in accordance with the IFRS by adding or deducting the items affecting comparability and they will be nominated as adjusted.

Items affecting comparability are, among others, material items related to mergers and acquisitions or major development projects, material gains or losses related to the acquisition or disposals of business units, material gains or losses related to the acquisition or disposal of intangible assets, material expenses related to decisions by authorities and material gains or losses related to reassessment of potential repayment risk to the funds.

Items affecting comparability and alternative key figures are presented under the Segment information.

Segment information

CapMan has three operating segments: the Management company business, Service business and Investments business.

In its Management Company business, CapMan manages private equity funds and offers wealth advisory services. Private equity funds are invested by its partnership-based investment teams. Investments are mainly Nordic unlisted companies, real estate and infrastructure assets. CapMan raises capital for the funds from Nordic and international investors. CapMan Wealth Services offer comprehensive wealth advisory services related to the listed and unlisted market to smaller investors, such as family offices, smaller institutions and high net worth individuals. Income from the Management company business is derived from fee income and carried interest received from funds. The fee income include management fees related to CapMan's position as a fund management company, fees from other services closely related to fund management and fees from wealth advisory services.

In the Service business, CapMan offers procurement services and distributes software licences to companies in Finland, Sweden and the Baltics, through CapMan Procurement Services (CaPS) and technology-based analytics, reporting and back office services through JAY Solutions to investors.

Through its Investment business, CapMan invests from its own balance sheet in the private equity asset class and mainly to its own funds. Income in this business segment is generated by changes in the fair value of investments and realised returns following exits and periodic returns, such as interest and dividends.

Other includes the corporate functions not allocated to operating segments. These functions include part of the activities of group accounting, corporate communications, group management and costs related to share-based payment. Other also includes the eliminations of the intersegment transactions.

CapMan has changed the turnover specification in segment reporting so that management and service fees are combined to a single line item Fee income as of the half-year report for financial year 2022.

Segment information 10-12/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	12 943	2 350		323	15 616
Carried interest	4 123				4 123
Turnover	17 066	2 350		323	19 739
Turnover, internal	29	131		-160	
Materials and services		-306			-306
Personnel expenses, of which	-6 213	-966	-188	-2 292	-9 659
Salaries and bonuses	-6 213	-966	-188	-1 961	-9 328
Share-based payment				-331	-331
Depreciation, amortisation and impairment	-232	-2 704	-3	-61	-3 000
Other operating expenses	-1 871	-306	-241	-995	-3 413
Internal service fees	-1 198	-67		1 266	0
Fair value changes of investments			4 102		4 102
Operating profit (loss)	7 582	-1 869	3 670	-1 920	7 462
Items impacting comparability:					
Impairment of goodwill		2 600			2 600
Items impacting comparability, total		2 600			2 600
Adjusted operating profit	7 582	731	3 670	-1 920	10 062
Financial items					-1 318
Income taxes					-1 060
Result for the period					5 084
Items impacting comparability:					
Impairment of goodwill					2 600
Items impacting comparability, total					2 600
Adjusted profit for the period					7 684

€ ('000)	Management company business	Service business	Investment business	Other	Total
Earnings per share, cents					2,8
Items impacting comparability, cents					1,7
Adjusted earnings per share, cents					4,5
Earnings per share, diluted, cents					2,8
Items impacting comparability, cents					1,6
Adjusted earnings per share, diluted, cents					4,4
Timing of revenue recognition from customer contracts:					
Services transferred over time	12 823	2 350		323	15 496
Services transferred at a point in time	4 243				4 243
Revenue from customer contracts, external	17 066	2 350		323	19 739

Segment information 10-12/2021

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	11 452	2 435	0	504	14 390
Carried interest	325				325
Turnover	11 777	2 435	0	504	14 715
Turnover, internal	127	140		-267	
Other operating income		3		0	3
Personnel expenses, of which	-5 687	-886	-451	-2 031	-9 056
Salaries and bonuses	-5 687	-886	-451	-1 818	-8 843
Share-based payment				-213	-213
Depreciation, amortisation and impairment	-235	-98	-4	-50	-386
Other operating expenses	-1 797	-236	-89	-1 019	-3 141
Internal service fees	-975	-174		1 148	0
Fair value changes of investments			10 106		10 106
Operating profit	3 210	1 184	9 561	-1 714	12 241
Financial items					-1 148
Income taxes					-1 739
Result for the period					9 354
Earnings per share, cents					5,7
Earnings per share, diluted, cents					5,6
Timing of revenue recognition from customer contracts:					
Services transferred over time	11 274	2 435		504	14 213
Services transferred at a point in time	503				503
Revenue from customer contracts, external	11 777	2 435	0	504	14 715

Segment information 1-12/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	46 249	11 117		553	57 919
Carried interest	9 613				9 613
Turnover	55 861	11 117		553	67 532
Turnover, internal	83	534		-617	
Materials and services		-985			-985
Other operating income		2		0	2
Personnel expenses, of which	-21 414	-3 331	-459	-9 368	-34 571
Salaries and bonuses	-21 414	-3 331	-459	-6 641	-31 844
Share-based payment	0	0	0	-2 727	-2 727
Depreciation, amortisation and impairment	-947	-2 978	-10	-245	-4 180
Other operating expenses	-6 652	-1 114	-364	-3 106	-11 236
Internal service fees	-4 620	-231		4 851	0
Fair value changes of investments			36 547		36 547
Operating profit	22 312	3 015	35 714	-7 932	53 108
Items impacting comparability:					
Impairment of goodwill		2 600			2 600
Items impacting comparability, total		2 600			2 600
Adjusted operating profit	22 312	5 615	35 714	-7 932	55 708
Financial items					-5 475
Income taxes					-6 585
Result for the period					41 049

€ ('000)	Management company business	Service business	Investment business	Other	Total
Items impacting comparability:					
Impairment of goodwill					2 600
Items impacting comparability, total					2 600
Adjusted profit for the period					43 649
Earnings per share, cents					25,1
Items impacting comparability, cents					1,7
Adjusted earnings per share, cents					26,8
Earnings per share, diluted, cents					24,8
Items impacting comparability, cents					1,6
Adjusted earnings per share, diluted, cents					26,4
Timing of revenue recognition from customer contracts:					
Services transferred over time	45 622	11 117		553	57 293
Services transferred at a point in time	10 239				10 239
Revenue from customer contracts, external	55 861	11 117		553	67 532

Segment information 1-12/2021

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	40 771	8 619		536	49 927
Carried interest	2 858				2 858
Turnover	43 629	8 619		536	52 784
Turnover, internal	242	664		-906	
Other operating income		19		3	22
Personnel expenses, of which	-19 989	-3 371	-866	-6 405	-30 632
Salaries and bonuses	-19 989	-3 371	-866	-5 618	-29 845
Share-based payment				-787	-787
Depreciation, amortisation and impairment	-895	-340	-15	-226	-1 476
Other operating expenses	-6 086	-1 004	-333	-2 545	-9 969
Internal service fees	-3 708	-413		4 121	0
Fair value changes of investments			33 912		33 912
Operating profit	13 193	4 173	32 698	-5 422	44 642
Financial items					-4 042
Income taxes					-5 239
Result for the period					35 362
Earnings per share, cents					21,9
Earnings per share, diluted, cents					21,4
Timing of revenue recognition from customer contracts:					
Services transferred over time	39 845	8 619		536	49 001
Services transferred at a point in time	3 783				3 783
Revenue from customer contracts, external	43 629	8 619		536	52 784

Assets held for sale and impairment of goodwill

On December 22, 2022, CapMan Plc and the non-controlling shareholders of JAY Solutions Oy, subsidiary of CapMan Plc, signed an agreement to sell their ownership of JAY Solutions Oy to a Swedish company Bas Invest AB and to the management of JAY Solutions Oy. The transaction was closed on February 1, 2023. CapMan had an ownership interest of 60% in JAY Solutions Oy, but the subsidiary was consolidated in full without separating non-controlling interest because of a symmetric option arrangement. Resulting from the sale, CapMan classified assets and liabilities related to JAY Solutions Oy as non-current assets held for sale under IFRS 5 on December 31, 2022. In conjunction with this, CapMan valued these net assets to the lower of their carrying amount and their fair value less costs on disposal, and resulting from this, recorded an impairment loss of EUR 2.6 million to goodwill allocated to JAY Solutions in the financial year 2022. Goodwill impairment is reported on the line item Depreciation, amortisation and impairment in the consolidated income statement and presented as an item impacting comparability of the Service business in the segment information.

The sale of shares is not expected to have a significant impact on CapMan's operating profit or financial position in 2023.

Income taxes

The Group's income taxes in the Income Statements are calculated on the basis of current taxes on taxable income and deferred taxes. Deferred taxes are calculated on the basis of all temporary differences between book value and fiscal value.

Dividends and repayment of capital

For the financial year 2021, dividend and repayment of invested unrestricted equity fund amounted to EUR 0.15 per share or EUR 23.6 million in total. Dividend and equity repayment was paid in two instalments, the first of which, amounting to EUR 12.5 million, was paid on March 25, 2022, and the second of which, amounting to EUR 11.1 million, was paid on September 23, 2022.

The Board of Directors will propose to the Annual General Meeting to be held on 15 March 2023 that a dividend of EUR 0.08 per share, equivalent to a total of approx. EUR 12.6 million, and a repayment of invested unrestricted equity fund of EUR 0.09 per share, equivalent to a total of approx. EUR 14.2 million, would be paid to the shareholders. The aggregate amount of proposed dividends and repayment of invested unrestricted equity fund would be approx. EUR 26.9 million, and it is proposed to be paid in two instalments six months apart.

Non-current assets

Fair value hierarchy of financial assets measured at fair value at 31 December 2022

	Level 1	Level 2	Level 3	Total
Investments in funds				
at Jan 1	236		129 776	130 011
Additions			29 313	29 313
Distributions			-27 600	-27 600
Disposals			-1	-1
Fair value gains/losses			36 685	36 685
Transfers*	961		-307	654
at the end of period	1 197		167 866	169 063
Other investments				
at Jan 1	368	0	25	393
Additions	45			45
Fair value gains/losses	-5			-5
at the end of period	408	0	25	434
Current financial assets at FVTPL		65		65

* Change of cash and cash equivalents of the subsidiary CapMan Fund Investments SICAV-SIF, classified as fund investments and transfer of fund investments consisting only of cash from Level 3 to Level 1.

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets

Level 2 - Other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as price) or indirectly (that is, derived from prices).

Level 3 - The asset that is not based on observable market data
Investments in funds include the subsidiary, CapMan Fund Investments SICAV-SIF, with a fair value of EUR 99.4 million at the end of the reporting period. The fair valued included EUR 0.8 million of cash.

Fair value hierarchy of financial assets measured at fair value at 31 December 2021

	Level 1	Level 2	Level 3	Total
Investments in funds				
at Jan 1	951		115 115	116 066
Additions			20 912	20 912
Distributions			-23 542	-23 542
Disposals			-16 505	-16 505
Fair value gains/losses			34 135	34 135
Transfers*	-715		-339	-1 054
at the end of period	236		129 776	130 011
Other investments				
at Jan 1	166	0	25	191
Additions	202			202
at the end of period	368	0	25	393

* Change of cash and cash equivalents of the subsidiary CapMan Fund Investments SICAV-SIF, classified as fund investments.

The different levels have been defined as follows:

Level 1 - Quoted prices (unjusted) in active markets for identical assets

Level 2 - Other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as price) or indirectly (that is, derived from prices).

Level 3 - The asset that is not based on observable market data

Investments in funds include the subsidiary, CapMan Fund Investments SICAV-SIF, with a fair value of EUR 76.9 million at the end of the reporting period.. The fair valued included EUR 0.2 million of cash.

Sensitivity analysis of Level 3 investments at 31 December 2022

Investment area	Fair Value MEUR, 30 September 2022	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	18.6	Peer group	Peer group earnings multiples	EV/EBITDA 2022 9.3x	+/- 10%	+/- 1.3 MEUR
			Discount to peer group multiples	24 %	+/- 10%	-/+ 0.5 MEUR
Buyout	26.1	Peer group	Peer group earnings multiples	EV/EBITDA 2022 7.4x	+/- 10%	+/- 2.3 MEUR
			Discount to peer group multiples	16 %	+/- 10%	-/+ 0.6 MEUR
Real Estate	44.0	Valuation by an independent valuer	FX rate	EUR/SEK 11.1218	+/-1%	-/+ 0.1 MEUR
				EUR/DKK 7.4365	+/-1%	-/+ 0.1 MEUR
				EUR/NOK 10.5138	+/-1%	-/+ 0.0 MEUR
Infra	13.1	Discounted cash flows	Terminal value	EV/EBITDA 17.1x	+/- 5%	+/- 1.0 MEUR
			Discount rate; market rate and risk premium	15 %	+/- 100 bps	-/+ 1.0 MEUR
Credit	4.3	Discounted cash flows	Discount rate; market rate and risk premium	10 %	+/- 100 bps	- 0.1 MEUR / value change based on a change in the discount rate is not booked
Special Situations	2.9	Peer group	Peer group earnings multiples	EV/EBITDA 2022 7.6x	+/- 10%	+/- 0.2 MEUR
			Discount to peer group multiples	23 %	+/- 10%	-/+ 0.0 MEUR
Investments in funds-of-funds	16.5	Reports from PE fund management company				
Investments in external venture capital funds	42.5	Reports from PE fund management company and possible adjustment by CapMan	Company level negative adjustment for the reported value by CapMan	14 %	+/- 10%	- 0.7 MEUR / + 0.7 MEUR

Sensitivity analysis of Level 3 investments at 31 December 2021

Investment area	Fair Value MEUR, 31 Dec 2021	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	19.0	Peer group	Peer group earnings multiples	EV/EBITDA 2021 12.6x	+/- 10%	+/- 1.6 MEUR
			Discount to peer group multiples	31 %	+/- 10%	-/+ 0.8 MEUR
Buyout	10.9	Peer group	Peer group earnings multiples	EV/EBITDA 2021 8.2x	+/- 10%	+ 3.8 MEUR / - 3.7 MEUR
			Discount to peer group multiples	30 %	+/- 10%	-/+ 1.9 MEUR
Real Estate	44.0	Valuation by an independent valuer				
Infra	10.5	Discounted cash flows	Terminal value	EV/EBITDA 17.8x	+/- 5%	+/- 0.8 MEUR
			Discount rate; market rate and risk premium	13 %	+/- 100 bps	- / + 1.1 MEUR
Russia	3.4	Peer group	Peer group earnings multiples	EV/EBITDA 2021 12.3x	+/- 10%	+/- 0.3 MEUR
			Discount rate; market rate and risk premium	44 %	+/- 10%	-/+ 0.2 MEUR
Credit	1.8	Discounted cash flows	Discount rate; market rate and risk premium	9 %	+/- 100 bps	- 0.1 MEUR / value increase based on a change in the discount rate is not booked
Special Situations	1.9	Peer group	Peer group earnings multiples	EV/EBITDA 2021 16.0x	+/- 10%	+/- 0.1 MEUR
			Discount to peer group multiples	23 %	+/- 10%	-/+ 0.0 MEUR
Fund-of-funds	12.3	Reports from PE fund management company				
Investments in external venture capital funds	25.8	Reports from PE fund management company				

CapMan has made some investments also in funds that are not managed by CapMan Group companies. The fair values of these investments in CapMan's balance sheet are primarily based on the valuations by the respective fund managers. No separate sensitivity analysis is prepared by CapMan for these investments. However, CapMan evaluates the significant investments individually and makes adjustments to them if necessary. Separate sensitivity analysis is prepared by CapMan for these adjustments.

The changes in the peer group earnings multiples and the peer group discounts are typically opposite to each other. Therefore, if the peer group multiples increase, a higher discount is typically applied. Because of this, a change in the peer group multiples may not in full be reflected in the fair values of the fund investments.

The valuations are based on euro. If portfolio company's reporting currency is other than euro, P&L items used in the basis of valuation are converted applying the average foreign exchange rate for corresponding year and the balance sheet items are converted applying the rate at the time of reporting. Changes in the foreign exchange rates, in CapMan's estimate, have no significant direct impact on the fair values calculated by peer group multiples during the reporting period.

The valuation of CapMan funds' investment is based on international valuation guidelines that are widely used and accepted within the industry and among investors. CapMan always aims at valuing funds' investments at their actual value. Fair value is the best estimate of the price that would be received by selling an asset in an orderly transaction between market participants on the measurement date.

Determining the fair value of fund investments for funds investing in portfolio companies is carried out using International Private Equity and Venture Capital Valuation Guidelines (IPEVG). In estimating fair value for an investment, CapMan applies a technique or techniques that is/are appropriate in light of the nature, facts, and circumstances of the investment in the context of the total investment portfolio. In doing this, current market data and several inputs, including the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and the financial situation of the investment, are evaluated and combined with market participant assumptions. In selecting the appropriate valuation technique for each particular investment, consideration of those specific terms of the investment that may impact its fair value is required.

Different methodologies may be considered. The most applied methodologies at CapMan include available market price for actively traded (quoted) investments, earnings multiple valuation technique, whereby public peer group multiples are used to estimate the value of a particular investment, and the Discounted Cash Flows method, whereby estimated future cash flows and the terminal value are discounted to the present by applying the appropriate risk-adjusted rate. CapMan always applies a discount to peer group multiples, due to e.g. limited liquidity of the investments. Due to the qualitative nature of the valuation methodologies, the fair values are to a considerable degree based on CapMan's judgment.

The Group has a Risk and Valuation team, which monitors the performance and the price risk of the investment portfolio (financial assets entered at fair value through profit or loss) independently and objectively of the investment teams. The Risk and Valuation team is responsible for reviewing the monthly reporting and forecasts for portfolio companies. Valuation proposals are examined by the Risk and Valuation team and subsequently reviewed and decided by the Valuation Committee, which comprises at least Valuation Controller, Risk Manager and at least one CapMan AIF Manager's Board of Directors. The portfolio company valuations are reviewed in the Valuation Committee on a quarterly basis. The valuations are back tested against realised exit valuations, and the results of such back testing are reported to the Audit Committee annually.

Investments in real estate are valued at fair value based on appraisals made by independent external experts, who follow International Valuation Standards (IVS). The method most appropriate to the use of the property is always applied, or a combination of such methods. For the most part, the valuation methodology applied is the discounted cash flow method, which is based on significant unobservable inputs. These inputs include the following:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease;
Property operating expenses	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	Based on actual location size and quality of the properties and taking into account market data at the valuation date;
Terminal value	Taking into account assumptions regarding maintenance costs , vacancy rates and market rents.

On 24 February 2022, Russia began a full-scale invasion of Ukraine that is the largest conventional military attack on a sovereign state in Europe since World War II. In response, a large number of countries (including EU, the US and UK) began applying significant further sanctions on Russia with the aim of crippling the Russian economy. The conflict itself and the sanctions imposed in response is estimated to pose a substantial economic risk for the region and internationally. Direct and indirect impact of the conflict is reflected on the fair values of investee companies in form of revised earnings and cash flow forecasts. Moreover, management's judgement is reflected in investment recorded at fair value in the context of applying the discount rate to valuations based on peer group multiples.

Seasonal nature of business

Carried interest income is accrued on an irregular schedule depending on the timing of exits. An exit may have an appreciable impact on the Group's result for the full financial year.

Average personnel

By country	31.12.22	31.12.21
Finland	141	125
Sweden	25	25
Denmark	8	5
Norway	2	1
Luxembourg	2	1
United Kingdom	7	4
In total	186	161

Contingent liabilities

€ ('000)	31.12.22	31.12.21
Securities and other contingent liabilities	62 062	62 365
Remaining commitments to funds	89 111	90 340
Remaining commitments by investment area		
Buyout	25 273	35 871
Credit	4 768	2 438
Russia	1 066	1 066
Real Estate	7 577	10 558
Other	2 181	3 554
Funds of funds	245	245
Growth equity	11 171	11 298
Infra	12 127	4 952
Special Situations	4 853	3 135
CapMan Wealth Services funds	13 868	8 794
External funds-of-funds*	4 665	6 205
External venture capital funds*	1 316	2 224
In total	89 111	90 340

* Adjustments made to comparison period

Derivatives

€ ('000)	31.12.22	31.12.21
Fair value of derivatives		
Foreign exchange forwards	65	
Nominal amounts of derivatives		
Foreign exchange forwards	6 327	

CapMan uses short-term derivatives to hedge against currency changes incurred to its foreign currency denominated trade receivables. Derivatives have been valued at market value on the reporting date and are reported in current assets or liabilities. CapMan does not apply hedge accounting. In the comparison period, no derivatives were used.

Related parties

Transactions with related parties

During the reporting period, CapMan issued a long-term loan of EUR 210 thousand with a fixed interest rate to Äkäs Capital Oy, a controlled entity of Maximilian Marschan, member of the Management Group. Äkäs Capital Oy used the loan to purchase an additional 1.5% ownership share in CapMan Procurement Services (CaPS) Oy, a subsidiary of CapMan Plc. In the previous year, CapMan Plc sold an ownership interest of 0.5% in CapMan Procurement Services (CaPS) Oy to Äkäs Capital Oy. The selling price was approximately EUR 50 thousand. Also, in the previous year, Silverage Holdings Oy, a controlled entity of Christian Borgström, member of the Management Group, issued a capital loan of EUR 120 thousand with fixed interest rate to JAY Solutions Oy, a subsidiary of CapMan Plc.

Receivables from and liabilities to related parties

1 000 EUR	31.12.22	31.12.21
Loan receivables, non-current, from related parties	235	9
Capital loan liability to related parties	120	120

Commitments to related parties

€ ('000)	31.12.22	31.12.21
Loan commitments	112	66

Turnover and profit quarterly

Year 2022

MEUR	1-3/22	4-6/22	7-9/22	10-12/22	1-12/22
Turnover	14,2	17,7	15,9	19,7	67,5
Management fees	9,3	9,2	9,9	10,4	38,8
Sales of services	3,6	5,4	4,9	5,2	19,1
Carried interest	1,3	3,2	1,0	4,1	9,6
Material and services	-0,1	-0,3	-0,3	-0,3	-1,0
Other operating income	0,0	0,0	0,0	0,0	0,0
Operating expenses	-9,9	-13,0	-11,0	-16,1	-50,0
Fair value changes of investments	14,7	9,8	8,0	4,1	36,5
Operating profit	18,9	14,1	12,7	7,5	53,1
Financial income and expenses	-2,6	-1,1	-0,5	-1,3	-5,5
Result before taxes	16,3	13,0	12,2	6,1	47,6
Result for the period	13,4	11,8	10,7	5,1	41,0

Year 2021

MEUR	1-3/21	4-6/21	7-9/21	10-12/21	1-12/21
Turnover	11,3	11,9	14,9	14,7	52,8
Management fees	8,0	8,4	9,6	10,5	36,6
Sales of services	3,2	3,2	3,1	3,9	13,3
Carried interest	0,0	0,3	2,2	0,3	2,9
Other operating income	0,0	0,0	0,0	0,0	0,0
Operating expenses	-9,3	-10,2	-10,0	-12,6	-42,1
Fair value changes of investments	8,2	9,6	6,0	10,1	33,9
Operating profit	10,1	11,3	10,9	12,2	44,6
Financial income and expenses	-0,9	-1,3	-0,8	-1,1	-4,0
Result before taxes	9,3	10,1	10,2	11,1	40,6
Result for the period	7,8	8,8	9,4	9,4	35,4