



Half-Year Report
1-6 | 2023

**Continued fee income growth
and stable performance
in a slower market**

CapMan

CapMan Plc 3 August 2023

CapMan Plc 1–6 2023 Half-Year Report

Results and significant events in 1–6 2023

- Group turnover was MEUR 31.6 1 January–30 June 2023 (MEUR 31.9 1 January–30 June 2022) and decreased by 1 per cent.
- Group turnover excluding carried interest, i.e., fee income was MEUR 28.8 (27.4) and increased by 5 per cent.
- Operating profit was MEUR 4.7 (MEUR 33.0).
- Operating profit excluding carried interest and fair value changes was MEUR 4.7 (MEUR 4.1) and increased by 14 per cent.
- Management Company business turnover was MEUR 26.1 (MEUR 26.2). Operating profit was MEUR 8.1 (MEUR 10.5).
- Service business turnover was MEUR 5.3 (MEUR 5.7). Operating profit was MEUR 3.0 (MEUR 3.0).
- Investment business operating loss was MEUR 2.9 (operating profit MEUR 24.1).
- Diluted earnings per share were 2.3 cents (15.6 cents).
- Assets under management were EUR 5.0 billion on 30 June 2023.

TURNOVER 1–6 2023

€31.6m
(€31.9m)

ASSETS UNDER MANAGEMENT
30 JUN 2023 (31 DEC 2022)

€5.0 bn
(€5.0 bn)

TURNOVER EXCL. CARRIED
INTEREST 1–6 2023

€28.8m
(€27.4m, +5%)

OPERATING PROFIT EXCL.
CARRIED INTEREST AND FAIR
VALUE CHANGES 1–6 2023

€4.7m
(€4.1m, +14%)

CEO's comment:

“CapMan’s business developed favourably overall in the first half of 2023. Fee income grew, and the latest twelve-month operating profit excluding carried interest and fair value changes reached a new record. We received carried interest as expected from completed exits. Fair value development of own funds was positive, and we raised approx. MEUR 200 in new commitments to our funds.

The market environment has remained uncertain. The fear of continued increases to interest rates and inflation in Europe, combined with heightened geopolitical tensions, is slowing down transaction activity as well as the fundraising market through heightened return requirements and decreased valuations. The effects have been especially evident in the real estate market. Lower mid-market private equity investments and infrastructure investments have been less affected.

However, the uncertain market situation also creates good investment opportunities. We have continued to execute on our investment strategies both in terms of investments and exits. During the first half of the year, we made five new investments from our funds, the latest of which were in data centre platform Serverius by the CapMan Nordic Infrastructure II fund and in eye health operator Silmäasema by the CapMan Growth II fund. Over the same period, we have exited three investments, most recently Coronaria by the CapMan Growth I fund.

Stable and predictable fee income is the backbone of our result

We have grown our fee income over several years in a purposeful manner. The significance of these stable and predictable income streams becomes more pronounced during times of increased market uncertainty. Fee

income growth continued in the first half of 2023 and was 5 per cent higher compared to the same period last year due to growing management fees and a strong contribution from CaPS.

The growth in fee income combined with only moderate cost increases resulted in 14 per cent growth of operating income excluding carried interest and fair value changes. Our operating cash flow improved following stronger profitability and carried interest. Growing fee profits remains a core focus of our business.

Carried interest amounted to MEUR 2.8 following exits from CapMan Growth I fund. In addition, the first CapMan Nordic Real Estate fund is in carry. Every realised exit from the remaining assets in these funds generates carry. We are preparing for several exits and expect additional carried interest over the next 12 months.

Successful fundraising contributed to assets under management

Current market sentiment has led to generally longer fundraising processes. Nevertheless, investor demand for CapMan's products has remained good. We have raised a total of approx. MEUR 200 over the first half of 2023 for our infrastructure, real estate and private equity funds and mandates and successfully promoted projects across all investment areas. We expect significant commitments over the autumn into several ongoing fundraising projects.

New commitments increased assets under management; however, exits during the spring and negative fair value developments of open-ended real estate funds had the opposite effect. As of the end of June, our assets under management were EUR 5.0 billion.

Value creation in our own funds was successful, external funds had a negative impact on results

Investments in CapMan's own funds developed positively during the first half of 2023 especially due to the favourable development of infrastructure and private equity portfolio companies. The development of real estate funds was generally neutral. Fair value change without the impact of external fund investments was MEUR +3.7, which corresponds to a fair value increase of 3 percent. Overall, fair value development of investments was negative, principally driven by the drop in valuation of external, predominantly venture capital funds.

Sustainability targets in action

In June, we published our first sustainability report in accordance with GRI standards. There we present more details about our sustainability work. We have compared achievements from last year to greenhouse gas reduction targets validated by the Science Based Targets initiative and are moving in the right direction, as evidenced by several indicators. Several portfolio companies have set emission reduction targets and we have reduced emissions per square meter in our commercial real estate.

We uphold employee wellbeing and support the realisation of a diverse work environment in practice. In 2022, our portfolio companies created more than 2,500 new jobs and achieved an average employee satisfaction of 76/100. In addition to the Supplier Code of Conduct, which we announced in April, we conduct a human rights assessment in our operations as well as our investments. Sustainability factors are part of variable remuneration, in addition elements related to sustainability have been integrated in the performance targets for almost every employee starting from 2023. In a growing number of our portfolio companies, remuneration of management is linked to sustainability targets. We

consistently work towards our vision to become the most responsible private asset company in the Nordics by integrating sustainability into all aspects of business at CapMan and in our portfolio companies.

A strong balance sheet supports our strategy

Our balance sheet and liquidity are strong. At the end of June 2023, our equity ratio was 46 per cent and liquid assets MEUR 43. Distribution to shareholders was a record 17 cents per share for 2022, of which the second instalment—8 cents—is due to be paid in September.

The strong balance sheet also supports our strategic objectives, of which a central component is to double assets under management by 2027. The objective is based on the combination of strong organic growth and M&A and relies on CapMan's ability to generate attractive, long-term sustainable returns for our fund investors over business cycles. Private assets investing is a long-term business, and although the pace of growth has slowed from the peak years, the outlook for the industry remains strong. We have excellent opportunities to achieve our strategic objectives while we contribute to building sustainable societies through investing in growing, responsibly managed businesses and functioning high-quality infrastructure and real estate that promotes sustainable development.”

Pia Käll

CEO, CapMan Plc

CapMan Plc 1–6 2023 Half-Year Report

Group turnover and result in 1–6 2023

CapMan Group's turnover totalled MEUR 31.6 in the period spanning 1 January–30 June 2023 (1 January–30 June 2022: MEUR 31.9). The 1 per cent decrease in turnover was due to lower carried interest income compared to the first half last year.

Expenses were MEUR 24.2 (MEUR 23.3) in total and consisted of material and services, personnel expenses, depreciations and amortisations, and other operating expenses. The increase in expenses was mainly due to higher other operating expenses due to fundraising and business development related expenses. Expenses related to material and services were MEUR 0.8 (MEUR 0.4). Personnel expenses, including employer contributions, were MEUR 17.0 (MEUR 17.2). Depreciations and amortisations were MEUR 0.8 (MEUR 0.8). Other operating expenses amounted to MEUR 5.6 (MEUR 5.0).

Fair value changes of investments were MEUR –2.7 (MEUR +24.4) in the first half of 2023.

The Group's operating profit was MEUR 4.7 (MEUR 33.0) following negative fair value changes.

Financial income and expenses amounted to MEUR –0.8 (MEUR –3.7) and decreased due to a revaluation of a redemption liability relating to a minority share of a subsidiary. Expenses in the comparison period also included 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 3.9 (MEUR 29.3) and profit after taxes was MEUR 4.8 (MEUR 25.2).

Diluted earnings per share were 2.3 cents (15.6 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 first half of 2023 totalled MEUR 26.1 (MEUR 26.2). The slight decrease was due to lower carried interest income compared to the first half of last year.

Fee income was MEUR 23.4 (MEUR 21.7) and grew by 7 per cent. New capital in funds and investment programmes raised in 2022 and the first half of 2023, as well as other asset management services, contributed favourably to fee income for the period.

Carried interest in the first half of 2023 was MEUR 2.8 due to exits from the CapMan Growth I fund. In the comparison period, CapMan received MEUR 4.5 in carried interest income mainly from the CapMan Growth I and CapMan Nordic Real Estate funds, which transferred to carry during 2022.

Of the turnover, 88 per cent was income based on long-term contracts booked over time (81 per cent).

Operating expenses of the Management Company business amounted to MEUR 18.0 (MEUR 15.8).

Operating profit of the Management Company business was MEUR 8.1 (MEUR 10.5).

Service business

Turnover generated by Service business totalled MEUR 5.3 (MEUR 5.7), a 6 per cent decrease due to the sale of JAY Solutions, which was completed on 1 February 2023. The Service business segment includes procurement service CaPS, which grew by 19 per cent (22 per cent).

Operating expenses of the Service business amounted to MEUR 2.4 (MEUR 2.9).

The operating profit of the Service business was MEUR 3.0 (MEUR 3.0).

Investment business

Fair value of fund investments was MEUR 167.0 on 30 June 2023 (30 June 2022: MEUR 165.7). Fair value changes were entirely driven by fund investments and were MEUR –2.7 (MEUR +24.4) in the first half of 2023, corresponding to a 1.6 per cent decrease in value (1 January–30 June 2022: +17.5 per cent). CapMan’s own funds have on average developed positively over the review period especially due to the favourable development of portfolio companies in CapMan’s infrastructure and private equity funds. The development of real estate funds was generally neutral. Overall, the fair value change of investments was negative, principally driven by the negative changes in valuation of external, predominantly venture capital funds.

CapMan invested a total of MEUR 13.2 in its funds in the first half of 2023 (MEUR 19.2). CapMan received distributions from funds totalling MEUR 12.1 (MEUR 19.5). The amount of remaining commitments that have yet to be called totalled MEUR 81.5 as at 30 June 2023 (30 June 2022: MEUR

91.3). Capital calls, distributions and remaining commitments are detailed in the Tables section of this report.

Operating loss for the Investment business was MEUR 2.9 (profit MEUR 24.1).

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). Investments in real estate are valued at fair value based on appraisals made by independent external experts. Sensitivity analysis by investment area is presented in the Tables section of this report.

Balance sheet and financial position as at 31 June 2023

CapMan’s balance sheet totalled MEUR 254.6 as at 30 June 2023 (30 June 2022: MEUR 261.6). Non-current assets amounted to MEUR 189.2 (MEUR 194.2), of which goodwill totalled MEUR 7.9 (MEUR 15.3). Goodwill was written down in December 2022 due to the disposal of JAY Solutions, which was completed in the review period.

As at 30 June 2023, fund investments booked at fair value totalled MEUR 167.0 (MEUR 165.7 as at 30 June 2022). Other financial assets booked at fair value were MEUR 0.4 (MEUR 0.4).

Long-term receivables amounted to MEUR 5.7 (MEUR 6.0).

Current assets amounted to MEUR 65.3 (MEUR 67.4). Cash in hand and at banks amounted to MEUR 42.6 (MEUR 46.8).

CapMan's interest-bearing net debt amounted to MEUR 52.5 as at 30 June 2023 (MEUR 46.5). CapMan's total interest-bearing debt as at 30 June 2023 is outlined in Table 1.

Table 1: CapMan's interest bearing debt

	Debt amount 30 Jun 2023 (MEUR)	Matures latest	Annual interest (%)	Debt amount 31 Dec 2022 (MEUR)
Senior bond (issued in 2020)	50.0	Q4 2025	4.00%	50.0
Senior bond (issued in 2022)	40.0	Q2 2027	4.50%	40.0
Long-term credit facility (drawn/available)	0/20.0	Q3 2024	Reference rate + 1.75- 2.70%	0/20.0

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 30 June 2023. The senior bond issued in 2022 is linked to sustainability targets, which CapMan achieved in April 2023.

Trade and other payables totalled MEUR 28.3 on 30 June 2023 (30 June 2022: MEUR 25.4).

The Group's cash flow from operations totalled MEUR +1.6 for the first half of 2023 (MEUR –3.4). Changes in working capital contributed to the comparably larger 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 +2.1 (MEUR –8.9) 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 +3.7 (MEUR –12.3) and reflects the development in the Management Company business, Service business and Investment business. Cash flow from financing was MEUR –17.0 (MEUR –6.1) and included the payment of dividends and equity repayment.

Sustainability

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.

In June 2023, CapMan published its first sustainability report in accordance with the GRI reporting standards. The report also included a report on climate risks and opportunities according to the TCFD framework.

Environmental targets

As part of its environmental strategy, CapMan made a commitment to set Science Based Targets in line with a 1.5 °C scenario and established greenhouse gas (GHG) reduction targets, which were validated by the Science Based Targets initiative (SBTi) in April 2023. CapMan's activity has been reviewed compared to these targets for the first time for 2022.

CapMan's target is to reduce absolute Scope 1 and 2 GHG emissions 51 per cent by 2032 from the 2021 base year. In 2022, CapMan's Scope 1 and 2 GHG emissions increased by 17 per cent from the comparison year.

CapMan has also set a target that 100 per cent of all electricity sourced would be renewable by 2030. For 2022, the share of renewable electricity was 52 per cent.

In addition, CapMan has set targets for Scope 3 emissions related to its investments following the SBTi private equity sector guidance. The target is that 54.5 per cent of its eligible Private Equity and Infra investments by assets under management set SBTi validated targets by 2027, and 100 per cent by 2032. In 2022, 11 per cent of eligible portfolio companies had set GHG emission reduction targets.

For real estate, CapMan commits to reduce its real estate portfolio GHG emissions from residential buildings within its direct investment portfolio by 50 per cent per square meter by 2032 from a 2021 base year and by 72 per cent respectively from commercial buildings. In 2022, residential buildings increased GHG emissions by 7 per cent while commercial buildings reduced emissions by 28 per cent from 2021.

During 2023, CapMan will define the year when it seeks to reach net zero emissions.

CapMan's investments provide more detailed information on GHG emissions. For 2022, all portfolio companies reported their Scope 1 and 2 emissions and 95 per cent provide also their Scope 3 emissions. Scope 1, 2 and 3 emissions have been calculated for all real estate.

More comprehensive calculation of emissions improves the implementation of emission reduction activities.

Social and governance targets

CapMan strives to be a diverse, equal and inclusive work community. Success is measured by employee satisfaction, among others. In 2022, CapMan achieved a 58 eNPS score for work satisfaction, which exceeded the 50 eNPS target level.

CapMan has established an internal working group with the objective to promote diversity, equity and inclusion in the company.

To foster responsible practices in the supply chain, CapMan adopted a Supplier Code of Conduct in the beginning of 2023. The code is implemented in contracts going forward.

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 sustainability targets. In addition, CapMan has included sustainability targets as part of other variable remuneration.

In April 2023, CapMan achieved the sustainability performance targets set for its sustainability-linked bond maturing in 2027. In line with the performance targets, CapMan set GHG emission targets validated by SBTi and integrated sustainability targets as part of long-term incentive schemes.

Assets under management as at 30 June 2023

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 5,010 as at 30 June 2023 (31 December 2022: MEUR 5,039). The development of assets under management was flat during the review period. A total of MEUR 196 in new assets was raised across all investment areas. The growth in assets under management was constrained by completed exits, negative fair value changes in open-ended real estate funds and consultative wealth management, and the liquidation of old funds. Assets under management per fund type is displayed in Table 2.

Table 2: Assets under management (incl. funds and mandates)

	30.6.23 (MEUR)	31.12.22 (MEUR)
Real Estate	3,076	3,187
Private Equity & Credit	947	933
Infra	541	442
Wealth Management	447	478
Total assets under management	5,010	5,039

Key figures 30 June 2023

CapMan's return on equity was 7.4 per cent on 30 June 2023 (30 June 2022: 39.8 per cent) and return on investment was 4.1 per cent (29.7 per cent). Equity ratio was 45.7 per cent (48.4 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 3: CapMan's key figures

	30.6.23	30.6.22	31.12.22
Earnings per share, € cents	2.3	15.9	25.1
Diluted earnings per share, € cents	2.3	15.6	24.8
Adjusted diluted earnings per share, € cents	2.3	15.6	26.4
Shareholders' equity / share, € cents	73.0	80.6	90.2
Share issue adjusted number of shares, avg.	158,298,419	157,065,600	157,560,284
Return on equity, %	7.4	39.8	30.5
Return on equity, comparable, %	7.4	39.8	32.4
Return on investment, %	4.1	29.7	23.1
Return on investment, comparable, %	4.1	29.7	24.2
Equity ratio, %	45.7	48.4	52.7
Net gearing, %	45.3	36.9	26.3

Decisions of the 2023 Annual General Meeting

Decisions of the AGM regarding distribution of funds

CapMan's 2023 Annual General Meeting (AGM) decided, in accordance with the proposal of the Board of Directors, that 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, would be paid to shareholders. In total, EUR 0.17 per share would be paid to shareholders, equivalent of a total of MEUR 26.9, from distributable funds for 2022. The dividend and equity repayment is paid in two instalments six months apart. The first instalment of EUR 0.09 per share was paid on 24 March 2023 and the second instalment of EUR 0.08 per share will be paid around 22 September 2023. 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 15 March 2023.

Decisions of the AGM regarding the composition of the Board

The 2023 AGM decided that the Board of Directors comprises six members. Mr. Joakim Frimodig, 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 15 March 2023.

Amendment of the Articles of Association

The Annual General Meeting decided that Article 10 of the Articles of Association be amended to enable holding a general meeting entirely without a meeting venue as a so-called remote meeting in addition to the company's domicile Helsinki. The change has been described in greater detail in the stock exchange release regarding the decisions of the AGM issued on 15 March 2023.

Authorisations given to the Board by the AGM

The 2023 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 8.86 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 8.86 per cent of all shares in the company.

The authorisation shall remain in force until the following AGM and 30 June 2024 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 15 March 2023.

Shares and shareholders

Shares and share capital

There were no changes in CapMan's share capital during the first half of 2023.

Share capital totalled EUR 771,586.98 as at 30 June 2023. CapMan had 158,849,387 shares outstanding as at 30 June 2023 (158,054,968 shares as at 30 June 2022).

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 30 June 2023, 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 68,640 as at 30 June 2023 (20 June 2022: EUR 73,900). No changes occurred in the number of own shares held by CapMan Plc during the first half of 2023.

Trading and market capitalisation

CapMan Plc's shares closed at EUR 2.61 on 30 June 2023 (30 June 2022: EUR 2.81). The trade-weighted average price for the first half of 2023 was EUR 2.78 (EUR 2.70). The highest price paid was EUR 3.09 (EUR 3.19) and the lowest EUR 2.52 (EUR 2.22). The number of CapMan Plc shares traded totalled 9.8 million (18.6 million), valued at MEUR 27.3 (MEUR 50.3).

The market capitalisation of CapMan Plc shares as at 30 June 2023 was MEUR 413.8 (30 June 2022: MEUR 443.3).

Shareholders

The number of CapMan Plc shareholders increased by 7 per cent from the comparison period and totalled 31,390 as at 30 June 2023 (30 June 2022: 29,390).

Personnel

CapMan employed 179 people on average in the first half of 2023 (1 January–30 June 2022 average: 183), of whom 131 (140) worked in Finland and the remainder in the other Nordic countries, Luxembourg and the United Kingdom. A breakdown of personnel by country is presented in the Tables section of this report. The decrease in employees was due to the disposal of JAY Solutions completed in the beginning of February. JAY Solutions accounted for an average of 3 (21) persons during the review period.

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 development, for which the Board of Directors has set a minimum target.

In the review period, CapMan had two long-term schemes consisting of investment based long-term share-based incentive plans (Performance Share Plan) for key employees, of which one was terminated during the review period.

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 included one performance period that commenced on 1 April 2020 and ended 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 remained in force until the end of its performance period on 31 March 2023 and the thereby following payment of incentives in line with the original terms. The rewards from the plan were paid in full with company shares.

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, the achievement of sustainability

targets 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 1–6 2023

Pia Käll started as the CEO of CapMan Plc on 15 March 2023. The company's previous CEO Joakim Frimodig was elected to the Board of Directors by the 2023 Annual General Meeting and serves as full-time Chair of the Board of Directors starting from 15 March 2023.

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.

In April 2023, CapMan resolved on a directed share issue of 794,419 new shares as 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 2023.

In April 2023, CapMan announced that Mika Koskinen will join CapMan Wealth Services as Managing Partner and member of the CapMan Plc Management Group. Christian Borgström will simultaneously step down from the Management Group and remain Senior Partner in the company. The changes will take effect in September.

In May 2023, CapMan Growth I fund sold its share in Coronaria. The fund is in carry and the transaction generated carried interest for CapMan.

During the first half of 2023, CapMan Special Situations I fund achieved a final close at MEUR 78. CapMan Nordic Infrastructure II fund has raised MEUR 243 in commitments. Commitments to the CapMan Residential fund have increased to MEUR 839. CapMan Wealth Services Investment Programmes have received MEUR 170 in commitments in total.

Events after the end of the review period

There were no significant events after the end of the review period.

Significant risks and short-term uncertainties

CapMan faces many different risks and uncertainties which, if realised, could affect its strategic direction, financial position, earnings, operations and reputation. Assessment and management of risks is an integral part of CapMan's ability to conduct its operations in a successful manner. CapMan classifies risks according to various categories and identifies principal risks for each category. CapMan performs an annual review of the risk environment and reports on any material developments quarterly. An annual risk assessment and risk descriptions is presented in CapMan's 2022 annual report as well as on the website under <https://capman.com/shareholders/risks/>. A summary of risks is presented in Table 4.

Table 4: Risk classification and short-term changes

Risk classification	Principal risks	Changes in the short-term risk environment
1. Strategic risks	<ul style="list-style-type: none"> • Failure to achieve strategic or performance targets • Failure to select the correct strategy in a competitive environment • Failure to recruit key personnel • Failure to scale the business 	<ul style="list-style-type: none"> • Slowdown of the fundraising market may delay fundraising processes or reduce the amount of capital raised • The slowdown in the fundraising market is especially related to real estate funds
2. Financial risk	<ul style="list-style-type: none"> • Poor financial performance • Insufficient liquidity position • Failure to obtain financing 	<ul style="list-style-type: none"> • Uncertainty in the realisation of carry due to the prevailing transaction market • The uncertainty in the market is especially prominent in real estate transactions

3. Market risks	<ul style="list-style-type: none"> • Interest rate, inflation and asset valuation volatility • Changes in customer preferences 	<ul style="list-style-type: none"> • An increase in general uncertainty, increased interest rates and inflation • Increased volatility can impact fair values • Foreign exchange rate risk is partially realised • The increased financing risk and reduced liquidity on the market have raised risk levels especially for real estate funds • The prevailing situation may also create attractive investment opportunities
4. Operational risks	<ul style="list-style-type: none"> • Cyber threats and system errors • Inadequate or failed processes or controls • Corruption, fraud or criminal behaviour • Mistakes 	<ul style="list-style-type: none"> • No significant changes
5. Regulatory risks	<ul style="list-style-type: none"> • Adverse changes in the regulatory environment 	<ul style="list-style-type: none"> • No significant changes
6. Sustainability risks	<ul style="list-style-type: none"> • Physical and transition risks of climate change • Inefficient procedures to address safety and well-being • Human rights risks in the supply chain 	<ul style="list-style-type: none"> • An improved recognition of climate risks due to the establishment and validation of GHG emission reduction targets improves risk management • Implementation of the Supplier Code of Conduct mitigates risks in the supply chain
7. Reputational risk	<ul style="list-style-type: none"> • Negative public perception 	<ul style="list-style-type: none"> • No significant changes

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 fluctuations 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, 3 August 2023

CAPMAN PLC

Board of Directors

CapMan Group's Interim Report for the period 1 January–30 September 2023 is published on Thursday 26 October 2023.

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Group Statement of comprehensive income (IFRS)

€ ('000)	4-6/23	4-6/22	1-6/23	1-6/22	1-12/22
Management fees	9 675	9 152	20 443	18 479	38 847
Sale of services	4 016	5 369	8 375	8 955	19 072
Carried interest	2 792	3 164	2 766	4 465	9 613
Turnover	16 483	17 684	31 584	31 899	67 532
Material and services	-504	-322	-802	-387	-985
Other operating income	1	1	78	1	2
Personnel expenses	-8 103	-9 967	-17 032	-17 204	-34 571
Depreciation, amortisation and impairment	-378	-414	-762	-788	-4 180
Other operating expenses	-2 985	-2 627	-5 631	-4 957	-11 236
Fair value changes of investments	-342	9 757	-2 733	24 412	36 547
Operating profit	4 173	14 114	4 702	32 976	53 108
Financial income and expenses	-337	-1 095	-835	-3 660	-5 475
Result before taxes	3 836	13 019	3 867	29 317	47 633
Income taxes	151	-1 202	889	-4 079	-6 585
Result for the period	3 987	11 817	4 757	25 238	41 049
Other comprehensive income:					
Translation differences	-129	-141	-179	-168	-295
Total comprehensive income	3 858	11 676	4 578	25 070	40 754

€ ('000)	4-6/23	4-6/22	1-6/23	1-6/22	1-12/22
Profit attributable to:					
Equity holders of the company	3 336	11 635	3 642	24 960	39 616
Non-controlling interest	651	181	1 115	277	1 433
Total comprehensive income attributable to:					
Equity holders of the company	3 207	11 495	3 463	24 792	39 321
Non-controlling interest	651	181	1 115	277	1 433
Earnings per share for profit attributable to the equity holders of the Company:					
Earnings per share, cents	2,1	7,4	2,3	15,9	25,1
Diluted, cents	2,1	7,3	2,3	15,6	24,8

Group balance sheet (IFRS)

€ ('000)	30.6.23	30.6.22	31.12.22
ASSETS			
Non-current assets			
Tangible assets	5 564	3 754	3 571
Goodwill	7 886	15 314	7 886
Other intangible assets	44	337	100
Investments at fair value through profit and loss			
Investments in funds	167 044	165 698	169 063
Other financial assets	434	393	434
Receivables	5 688	5 995	5 545
Deferred income tax assets	2 587	2 698	1 790
	189 248	194 190	188 389
Current assets			
Trade and other receivables	22 502	20 594	20 718
Financial assets at fair value through profit and loss	220	0	65
Cash and bank	42 599	46 781	55 571
	65 321	67 375	76 353
Assets held for sale			5 769
Total assets	254 569	261 564	270 512

€ ('000)	30.6.23	30.6.22	31.12.22
EQUITY AND LIABILITIES			
Capital attributable the Company's equity holders			
Share capital	772	772	772
Share premium account	38 968	38 968	38 968
Other reserves	21 102	35 497	35 425
Translation difference	-760	-454	-582
Retained earnings	54 654	50 395	65 473
Total capital attributable to the Company's equity holders	114 735	125 177	140 056
Non-controlling interests	1 160	1 004	2 088
Total equity	115 895	126 181	142 144
Non-current liabilities			
Deferred income tax liabilities	6 375	7 653	8 418
Interest-bearing loans and borrowings	93 718	92 260	91 854
Other non-current liabilities	6 370	7 378	7 343
	106 463	107 291	107 615
Current liabilities			
Trade and other payables	28 254	25 377	18 446
Interest-bearing loans and borrowings	1 422	1 056	1 112
Current income tax liabilities	2 535	1 660	478
	32 211	28 092	20 036
Liabilities associated with assets held for sale			717
Total liabilities	138 675	135 383	128 367
Total equity and liabilities	254 569	261 564	270 512

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 2022	772	38 968	52 718	-286	33 607	125 778	1 616
Result for the year					24 960	24 960	277
Other comprehensive income for the year							
Currency translation differences				-168		-168	
Total comprehensive income for the year				-168	24 960	24 792	277
Share issue			4			4	7
Performance Share Plan					-1 787	-1 787	
Dividends and return of capital			-17 225		-6 591	-23 816	-1 012
Transactions with non-controlling interests					206	206	115
Equity on 30 June 2022	772	38 968	35 497	-454	50 395	125 177	1 004
Equity on 1 January 2023	772	38 968	35 425	-582	65 473	140 056	2 088
Result for the year					3 642	3 642	1 115
Other comprehensive income for the year							
Currency translation differences				-179		-179	
Total comprehensive income for the year				-179	3 642	3 463	1 115
Performance Share Plan					-1 654	-1 654	
Dividends and return of capital			-14 323		-12 807	-27 130	-2 043
Equity on 30 June 2023	772	38 968	21 102	-760	54 654	114 735	1 160

Statement of cash flow (IFRS)

€ ('000)	1-6/23	1-6/22	1-12/22
Cash flow from operations			
Result for the financial period	4 757	25 238	41 049
Adjustments for:			
Share-based payments	463	2 065	2 727
Depreciation and amortisation	762	788	4 180
Fair value changes of investments	2 733	-24 412	-36 547
Financial income and expenses	835	3 660	5 475
Income taxes	-889	4 079	6 585
Other non-cash items	-130	0	-52
Adjustments, total	3 775	-13 819	-17 632
Change in working capital:			
Change in current non-interest-bearing receivables	2 103	-5 110	-8 054
Change in current trade payables and other non-interest-bearing liabilities	-5 292	-6 647	-2 215
Interest paid	-1 911	-1 298	-3 955
Taxes paid	-1 847	-1 757	-3 149
Cash flow from operations	1 584	-3 393	6 044
Cash flow from investing activities			
Acquisition of subsidiaries	0	0	0
Proceeds from sale of subsidiaries	4 202	322	322
Investments in tangible and intangible assets	16	-151	-333
Investments at fair value through profit and loss	-884	-8 469	3 039
Long-term loan receivables granted	-1 376	-641	-844
Proceeds from long-term receivables	0	68	175
Interest received	196	0	83
Cash flow from investing activities	2 123	-8 872	2 441
Cash flow from financing activities			
Share issue	0	11	
Proceeds from borrowings	0	39 779	39 791
Repayment of long-term loan	0	-31 520	-31 520
Payment of lease liabilities	-570	-564	-1 189
Dividends paid and return of capital	-16 395	-13 866	-25 073
Cash flow from financing activities	-16 982	-6 161	-17 992
Change in cash and cash equivalents	-13 275	-18 426	-9 507
Cash and cash equivalents at start of year	55 944	65 207	65 207
Translation difference	-70		244
Cash and cash equivalents at end of period	42 599	46 781	55 944

Accounting principles

This unaudited half-year report 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.

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). Until February 1, 2023, Service business also included JAY Solutions, which offered reporting and back office services 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.

Segment information 4-6/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	10 871	2 707		113	13 691
Carried interest	2 792				2 792
Turnover	13 663	2 707		113	16 483
Turnover, internal					
Materials and services		-504			-504
Other operating income		1		0	1
Personnel expenses, of which	-5 524	-483	-31	-2 065	-8 103
Salaries and bonuses	-5 524	-483	-31	-1 775	-7 813
Share-based payment	0			-290	-290
Depreciation, amortisation and impairment	-264	-33	-4	-77	-378
Other operating expenses	-1 677	-115	-21	-1 171	-2 985
Internal service fees	-1 232	-32		1 263	
Fair value changes of investments			-342		-342
Operating profit (loss)	4 966	1 541	-398	-1 937	4 173
Financial items					-337
Income taxes					151
Result for the period					3 987
Earnings per share, cents					2,1
Earnings per share, diluted, cents					2,1
Timing of revenue recognition from customer contracts:					
Services transferred over time	10 714	2 707		113	13 534
Services transferred at a point in time	2 949				2 949
Revenue from customer contracts, external	13 663	2 707		113	16 483

Segment information 4-6/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	11 358	3 153		10	14 520
Carried interest	3 164				3 164
Turnover	14 522	3 153		10	17 684
Turnover, internal	29	123		-151	
Materials and services		-322			-322
Personnel expenses, of which	-5 488	-861	-92	-3 526	-9 967
Salaries and bonuses	-5 488	-861	-92	-1 669	-8 110
Share-based payment	0	0	0	-1 856	-1 856
Depreciation, amortisation and impairment	-254	-94	-3	-63	-414
Other operating expenses	-1 547	-258	-30	-792	-2 627
Internal service fees	-1 169	-75		1 244	0
Fair value changes of investments			9 757		9 757
Operating profit (loss)	6 092	1 667	9 632	-3 278	14 114
Financial items					-1 095
Income taxes					-1 202
Result for the period					11 817
Earnings per share, cents					7,4
Earnings per share, diluted, cents					7,3
Timing of revenue recognition from customer contracts:					
Services transferred over time	11 168	3 153		10	14 331
Services transferred at a point in time	3 354				3 354
Revenue from customer contracts, external	14 522	3 153		10	17 684

Segment information 1-6/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	23 355	5 327		137	28 819
Carried interest	2 766				2 766
Turnover	26 121	5 327		137	31 584
Turnover, internal	3	44		-46	
Materials and services		-802			-802
Other operating income		59		19	78
Personnel expenses, of which	-11 654	-1 041	-124	-4 212	-17 032
Salaries and bonuses	-11 654	-1 041	-124	-3 749	-16 568
Share-based payment	0			-463	-463
Depreciation, amortisation and impairment	-535	-84	-8	-135	-762
Other operating expenses	-3 374	-426	-69	-1 762	-5 631
Internal service fees	-2 434	-62		2 496	
Fair value changes of investments			-2 733		-2 733
Operating profit	8 126	3 015	-2 934	-3 504	4 702
Financial items					-835
Income taxes					889
Result for the period					4 757
Earnings per share, cents					2,3
Earnings per share, diluted, cents					2,3
Timing of revenue recognition from customer contracts:					
Services transferred over time	22 980	5 327		137	28 444
Services transferred at a point in time	3 141				3 141
Revenue from customer contracts, external	26 121	5 327		137	31 584

Segment information 1-6/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	21 744	5 673		17	27 434
Carried interest	4 465				4 465
Turnover	26 210	5 673		17	31 899
Turnover, internal	39	276		-315	
Materials and services		-387			-387
Other operating income		1		0	1
Personnel expenses, of which	-10 013	-1 675	-218	-5 298	-17 204
Salaries and bonuses	-10 013	-1 675	-218	-3 232	-15 138
Share-based payment	0	0	0	-2 065	-2 065
Depreciation, amortisation and impairment	-485	-176	-5	-122	-788
Other operating expenses	-2 977	-556	-73	-1 351	-4 957
Internal service fees	-2 288	-118		2 405	0
Fair value changes of investments			24 412		24 412
Operating profit	10 486	3 039	24 116	-4 664	32 976
Financial items					-3 660
Income taxes					-4 079
Result for the period					25 238
Earnings per share, cents					15,9
Earnings per share, diluted, cents					15,6
Timing of revenue recognition from customer contracts:					
Services transferred over time	21 349	5 673		17	27 038
Services transferred at a point in time	4 861				4 861
Revenue from customer contracts, external	26 210	5 673		17	31 899

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

Disposal of JAY Solutions

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, and it did not have a significant impact on CapMan's operating profit or financial position in the current reporting period.

As at December 31, 2022, CapMan classified assets and liabilities related to JAY Solutions Oy as non-current assets held for sale and due to revaluation of JAY Solutions' net assets, recorded an impairment loss of EUR 2.6 million to goodwill allocated to JAY Solutions in the financial year 2022. Goodwill impairment was 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.

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

The Annual General Meeting, held on 15 March 2023, decided that a dividend of EUR 0.08 per share and a repayment of invested unrestricted equity fund of EUR 0.09 per share, together totalling approx. EUR 26.9 million, will be paid for the financial year 2022 in two instalments. The first instalment of approx. EUR 14.2 million was paid on March 23, 2023, and consisted of a dividend of EUR 0.04 per share and of an equity repayment of EUR 0.05 per share. The second instalment, consisting of a dividend of EUR 0.04 per share and an equity repayment of EUR 0.04 per share, will be paid in September 2023.

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.

Financial assets measured at fair value through profit and loss

Fair value hierarchy of financial assets measured at fair value at 30 June 2023

	Level 1	Level 2	Level 3	Total
Investments in funds				
at Jan 1	1 197		167 866	169 063
Additions			13 233	13 233
Distributions			-12 110	-12 110
Fair value gains/losses			-2 590	-2 590
Transfers*	-551		0	-551
at the end of period	646		166 398	167 044
Other investments				
at Jan 1	408	0	25	434
at the end of period	408	0	25	434
Current financial assets at FVTPL	150	70		220

* 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's value 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 105.8 million at the end of the reporting period. The fair valued included EUR 0.3 million of cash.

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 (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 99.4 million at the end of the reporting period.. The fair valued included EUR 0.8 million of cash.

Sensitivity analysis of Level 3 investments at 30 June 2023

Investment area	Fair Value MEUR, 30 June 2023	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	16.2	Peer group	Peer group earnings multiples	EV/EBITDA 2023 10.2x	+/- 10%	+/- 0.5 MEUR
			Discount to peer group multiples	24 %	+/- 10%	-/+ 0.2 MEUR
Buyout	32.5	Peer group	Peer group earnings multiples	EV/EBITDA 2023 5.2x	+/- 10%	+/- 3.7 MEUR
			Discount to peer group multiples	10 %	+/- 10%	-/+ 1.0 MEUR
Real Estate	42.9	Valuation by an independent valuer	FX rate	EUR/SEK 11.8055	+/-1%	-/+ 0.1 MEUR
				EUR/DKK 7.4474	+/-1%	-/+ 0.1 MEUR
				EUR/NOK 11.704	+/-1%	-/+ 0.0 MEUR
Infra	13.7	Discounted cash flows	Terminal value	EV/EBITDA 17.3x	+/- 5%	+/- 0.5 MEUR
			Discount rate; market rate and risk premium	15 %	+/- 100 bps	-/+ 1.0 MEUR
Credit	4.8	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	3.0	Peer group	Peer group earnings multiples	EV/EBITDA 2023 8.6x	+/- 10%	+/- 0.2 MEUR
			Discount to peer group multiples	28 %	+/- 10%	-/+ 0.1 MEUR
Investments in funds-of-funds	15.7	Reports from PE fund management company				
Investments in external venture capital funds	37.8	Reports from PE fund management company				

Sensitivity analysis of Level 3 investments at 31 December 2022

Investment area	Fair Value MEUR, 31 Dec 2022	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	18.7	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

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.

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	30.6.23	30.6.22	31.12.22
Finland	131	140	141
Sweden	27	25	25
Denmark	9	7	8
Norway	2	2	2
Luxembourg	3	2	2
United Kingdom	7	7	7
In total	179	183	186

Contingent liabilities

€ ('000)	30.6.23	30.6.22	31.12.22
Securities and other contingent liabilities	61 368	62 004	62 062
Remaining commitments to funds	81 534	91 253	89 111
Remaining commitments by investment area			
Buyout	18 505	28 957	25 273
Credit	4 159	5 173	4 768
Russia	1 066	1 066	1 066
Real Estate	6 651	8 440	7 577
Other	2 181	3 554	2 181
Funds of funds	245	245	245
Growth equity	9 225	12 948	11 171
Infra	11 125	12 769	12 127
Special Situations	4 507	2 984	4 853
CapMan Wealth Services funds	17 343	8 288	13 868
External funds-of-funds	3 680	4 867	4 665
External venture capital funds	2 847	1 963	1 316
In total	81 534	91 253	89 111

Derivatives

€ ('000)	30.6.23	30.6.22	31.12.22
Fair value of derivatives			
Foreign exchange forwards	70		65
Nominal amounts of derivatives			
Foreign exchange forwards	5 798		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

There were no related party transactions during the reporting period. During the comparison period 1-6/2022, 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.

Receivables from and liabilities to related parties

1 000 EUR	30.6.23	30.6.22	31.12.22
Loan receivables, non-current, from related parties	235	225	235
Capital loan liability to related parties		120	120

Commitments to related parties

€ ('000)	30.6.23	30.6.22	31.12.22
Loan commitments	102	84	112

Turnover and profit quarterly

Year 2023

MEUR	1-3/23	4-6/23	1-6/23
Turnover	15,1	16,5	31,6
Management fees	10,8	9,7	20,4
Sales of services	4,4	4,0	8,4
Carried interest	0,0	2,8	2,8
Material and services	-0,3	-0,5	-0,8
Other operating income	0,1	0,0	0,1
Operating expenses	-12,0	-11,5	-23,4
Fair value changes of investments	-2,4	-0,3	-2,7
Operating profit	0,5	4,2	4,7
Financial income and expenses	-0,5	-0,3	-0,8
Result before taxes	0,0	3,8	3,9
Result for the period	0,8	4,0	4,8

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