



Interim Report

1-9 | 2023

Continued growth
in fee profit

CapMan

CapMan Plc 26 October 2023

CapMan Plc 1–9 2023 Interim Report

Results and significant events in 1–9 2023

- Group turnover was MEUR 45.3 1 January–30 September 2023 (MEUR 47.8 1 January–30 September 2022) and decreased by 5 per cent.
- Group turnover excluding carried interest, i.e., fee income was MEUR 42.3 (42.3).
- Operating profit was MEUR 9.5 (MEUR 45.6).
- Fee profit, i.e., operating profit excluding carried interest and fair value changes, was MEUR 8.3 (MEUR 7.7) and increased by 7 per cent.
- Management Company business turnover was MEUR 37.2 (MEUR 38.8). Operating profit was MEUR 11.7 (MEUR 14.7).
- Service business turnover was MEUR 7.8 (MEUR 8.8). Operating profit was MEUR 4.4 (MEUR 4.9).
- Investment business operating loss was MEUR 2.1 (operating profit MEUR 32.0).
- Diluted earnings per share were 4.4 cents (22.0 cents).
- Assets under management were EUR 5.0 billion on 30 September 2023.

TURNOVER 1–9 2023

€45.3m
(€47.8m)

ASSETS UNDER MANAGEMENT
30 SEP 2023 (31 DEC 2022)

€5.0 bn
(€5.0 bn)

TURNOVER EXCL. CARRIED
INTEREST 1–9 2023

€42.3m
(€42.3m)

FEE PROFIT
1–9 2023

€8.3m
(€7.7m, +7%)

CEO's comment:

"I am satisfied with the growth in management fee income and fee-based profitability. Our own funds also developed positively in 2023.

The result was achieved in globally uncertain markets. The increased geopolitical tensions have made our operating environment more unpredictable. At the same time, the outlook for interest and inflation rates has stabilised following rapid rises in Europe over the last year. This improves the predictability of our operations.

Recent transaction activity of our funds demonstrates that we have succeeded in implementing our investment strategies despite the slowdown in the market. During the past year, we have completed seven new fund investments and four exits, of which the most recent were an investment in a logistics centre project in Sweden from the CapMan Nordic Real Estate III fund and an exit from a warehouse property in Denmark by CapMan Nordic Property Income.

Continued growth in fee profit

Stable and predictable fee income is the core of our business. Management fees as well as fees from the CaPS Procurement Services business continued to markedly increase during the first nine months of 2023.

A positive development of fee income, combined with a moderate rise of expenses, increased our fee profit by seven per cent.

Improving fee profit remains one of the key focus areas of our business also in the future. Thanks to the good fee profit development, the operative cash flow was again stronger than during the reference period.

Carried interest for the first nine months of 2023 was received in summer following exits from the Growth I fund. We have several exits ongoing from funds that are either in carry or are approaching carry and expect additional carried interest over the next 12 months as these exits come to fruition.

Nordic private markets gain international interest in particular

The long-term views of private markets are positive, although the current market environment has prolonged fundraising processes. International investors, in particular, are willing to invest in Nordic private markets, and several large institutions have selected us as their trusted partner.

Investor demand for CapMan's products has remained at a good level, and we have raised approx. MEUR 260 in new capital for our infrastructure, real estate and private equity funds and mandates in 2023, while also successfully promoting new projects in all our investment areas. We are expecting new commitments into several ongoing fundraising projects during the remaining months of the year.

Value creation continued positive in our own funds, external funds still in the red

Investments in CapMan's own funds on average saw positive development. Fair value changes without external fund investments were +EUR 2.7 million, equalling an appreciation of two percent. The negative trend of the fair value of external – predominantly venture capital – funds was reversed during the third quarter, although the change in fair values remained negative compared to the end of last year. Due to this, the fair

values of investments decreased by one percent in total during the first nine months of 2023.

Work on sustainable development is reflected in the results

We have continued to promote sustainable development in our business as well as in measuring outcomes.

As an example of this positive development, our funds succeeded well in the annual Global Real Estate Sustainability Benchmark (GRESB) assessments. All of the six assessed real estate funds improved their scores, and three of the funds – CapMan Hotels II, CapMan Nordic Property Income and BVK Residential Mandate – achieved a rating of four out of five stars. Our first infrastructure fund improved its scores and was with its four-star rating once more in the top quartile among its European peers.

We are implementing our vision of becoming the most responsible private asset company in the Nordics by integrating sustainability into all aspects of business at CapMan and in our portfolio companies. It is great to see that this dedicated work is reflected also in independent evaluations.

The updated distribution policy to support our strategic goals

Our balance sheet is strong and our liquidity is at a good level.

We are committed to CapMan's growth strategy with its central objective of doubling assets under management to EUR 10 billion during the strategy period. Growing assets under management increase management fees and thereby operating profit and shareholder value.

This objective is based on a combination of organic growth and mergers and acquisitions. The long-term outlook of the Nordic private assets market is positive, and the asset class continues to grow despite the current economic outlook, attracting new and more diverse investor

groups. The investor demand for CapMan's products remains strong and we have good opportunities for strengthening our position further as a trusted local partner for our international investors.

A strong balance sheet supports the achievement of the strategic objectives. An active use of the balance sheet by, among others, investing in CapMan's own funds enables faster growth of investment areas. Consequently, the Board of Directors has decided to transition to a more earnings-driven distribution policy that best supports the long-term growth objectives of the company.

CapMan's updated distribution policy is to pay sustainable distributions that grow over time. CapMan's objective is to distribute at least 70 per cent of the Group's profit attributable to equity holders of the company excluding the impact of fair value changes, subject to the distributable funds of the parent company. In addition, CapMan may pay out distributions accrued from investment operations, taking into consideration foreseen cash requirements for future investments.

We are in an excellent position to achieve our strategic objectives while also participating in the development of a sustainable society by investing in growing, responsibly managed companies, as well as in functional infrastructure and real estate that promote sustainable development."

Pia Käll

CEO, CapMan Plc

CapMan Plc 1–9 2023 Interim Report

Group turnover and result in 1–9 2023

CapMan Group's turnover totalled MEUR 45.3 in the period spanning 1 January–30 September 2023 (1 January–30 September 2022: MEUR 47.8). The 5 per cent decrease in turnover was due to lower carried interest income and lower service income compared to the first nine months last year.

Expenses were MEUR 34,1 (MEUR 34,6) in total and consisted of material and services, personnel expenses, depreciations and amortisations, and other operating expenses. The decrease in expenses was mainly due to lower salaries and compensation while other expenses remained at level with the comparison period. Expenses related to material and services were MEUR 1.3 (MEUR 0.7). Personnel expenses, including employer contributions, were MEUR 24.0 (MEUR 24.9). Depreciations and amortisations were MEUR 1.1 (MEUR 1.2). Other operating expenses amounted to MEUR 7.6 (MEUR 7.8).

Fair value changes of investments were MEUR –1.8 (MEUR +32.4) in the first nine months of 2023.

The Group's operating profit was MEUR 9.5 (MEUR 45.6). The decrease from the comparison period was mainly due to negative fair value changes. Fee profit increased from the comparison period and was MEUR 8.3 (MEUR 7.7), growth 7 per cent.

Financial income and expenses amounted to MEUR –0.9 (MEUR –4.2) 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 8.6 (MEUR 41.5) and profit after taxes was MEUR 8.4 (MEUR 36.0).

Diluted earnings per share were 4.4 cents (22.0 cents).

A quarterly breakdown of turnover and profit, together with turnover, operating profit/loss, and profit/loss by segment for the period, alternative performance measures 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 nine months of 2023 totalled MEUR 37.2 (MEUR 38.8). The slight decrease was due to lower carried interest income compared to the first nine months of last year.

Fee income was MEUR 34.2 (MEUR 33.3) and grew by 3 per cent. New capital in funds and investment programmes raised in 2022 and 2023, as well as other asset management services, contributed favourably to fee income for the period.

Carried interest in the first nine months of 2023 was MEUR 3.0 (MEUR 5.5) mainly due to exits from the CapMan Growth I fund. In the comparison period, CapMan received carried interest income mainly from the CapMan Growth I and CapMan Nordic Real Estate funds, which transferred to carry during 2022.

Of the turnover, 91 per cent was income based on long-term contracts booked over time (85 per cent).

Operating expenses of the Management Company business amounted to MEUR 25.5 (MEUR 24.1).

Operating profit of the Management Company business was MEUR 11.7 (MEUR 14.7). The decrease was mainly due to lower carried interest income during the period.

Service business

Turnover generated by Service business totalled MEUR 7.8 (MEUR 8.8), a 11 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 18 per cent (29 per cent).

Operating expenses of the Service business amounted to MEUR 3.5 (MEUR 4.3).

The operating profit of the Service business was MEUR 4.4 (MEUR 4.9).

Investment business

Fair value of fund investments was MEUR 165.2 on 30 September 2023 (30 September 2022: MEUR 170.8). Fair value changes were entirely driven by fund investments and were MEUR –1.8 (MEUR +32.4) in the first nine months of 2023, corresponding to a 1.0 per cent decrease in value (1 January–30 September 2022: +22.8 per cent). CapMan's own funds have on average developed positively over the first nine months of 2023 especially due to the favourable development of portfolio companies in CapMan's infrastructure and private equity funds. Overall, the fair value change of investments was slightly negative for the period, principally driven by the negative changes in valuation of external, predominantly

venture capital funds. Fair value changes were positive in the third quarter of 2023.

CapMan invested a total of MEUR 14.9 in its funds in the first nine months of 2023 (MEUR 25.0). CapMan received distributions from funds totalling MEUR 16.8 (MEUR 22.2). The amount of remaining commitments that have yet to be called totalled MEUR 79.3 as at 30 September 2023 (30 September 2022: MEUR 87.9). Capital calls, distributions and remaining commitments are detailed in the Tables section of this report.

Operating loss for the Investment business was MEUR 2.1 (profit MEUR 32.0).

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 invest in external funds where it has a competitive advantage in terms of access or fund terms.

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 September 2023

CapMan's balance sheet totalled MEUR 252.5 as at 30 September 2023 (30 September 2022: MEUR 273.3). Non-current assets amounted to MEUR 186.2 (MEUR 199.8), 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 beginning of 2023.

As at 30 September 2023, fund investments at fair value totalled MEUR 165.2 (MEUR 170.8 as at 30 September 2022). Other financial assets at fair value were MEUR 0.4 (MEUR 0.4).

Long-term receivables amounted to MEUR 5.6 (MEUR 6.2).

Current assets amounted to MEUR 66.3 (MEUR 73.5). Cash in hand and at banks amounted to MEUR 47.0 (MEUR 52.7).

CapMan's interest-bearing net debt amounted to MEUR 47.2 as at 30 September 2023 (MEUR 40.6). CapMan's total interest-bearing debt as at 30 September 2023 is outlined in Table 1.

Table 1: CapMan's interest bearing debt

	Debt amount 30 Sep 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 September 2023. The senior bond issued in 2022 is linked to sustainability targets, which CapMan achieved in April 2023.

Trade and other payables totalled MEUR 24.7 on 30 September 2023 (30 September 2022: MEUR 24.7).

The Group's cash flow from operations totalled MEUR +14.0 for the first nine months of 2023 (MEUR +6.0). 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 +5.4 (MEUR –3.1) 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 +19.4 (MEUR +2.9) and reflects the development in the Management Company business, Service business and Investment business. Cash flow from financing was MEUR –28.3 (MEUR –16.1) 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.

Sustainability principles and their implementation of real estate and infrastructure funds managed by CapMan are evaluated in an annual GRESB (Global Real Estate Sustainability Benchmark) assessment. All six real estate funds that participated improved their scores and three funds: CapMan Nordic Property Income Fund, CapMan Hotels II Fund and BVK Residential Mandate received four stars out of five. CapMan Nordic Real Estate II and III funds as well as CapMan Residential fund received three-star ratings.

CapMan Nordic Infrastructure I fund improved its GRESB-score and was at four stars within the top quartile among its European peers. CapMan Nordic Infrastructure II fund is still in the beginning of its investment period and participated exclusively in the management reporting assessment, where it achieved top scores.

Four of the funds assessed – CapMan Nordic Property Income, CapMan Hotels II, CapMan Residential and CapMan Nordic Infrastructure II – are

classified as Article 8 funds under the EU Sustainable Finance Disclosure Regulation, which means that they have a clear sustainability strategy.

CapMan strives to be a diverse, equal and inclusive work community. Success is measured by employee satisfaction, among others. In 2023, CapMan achieved a 51 eNPS score for work satisfaction, which exceeded the 50 eNPS target level but decreased slightly from the score of 58 eNPS in 2022.

Assets under management as at 30 September 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. In addition, changes in fair values impact the assessment of assets under management of open-ended funds as well as wealth management.

Assets under management was MEUR 5,021 as at 30 September 2023 (31 December 2022: MEUR 5,039). The development of assets under management was flat during the first nine months of 2023. A total of MEUR 255 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, occasional

redemptions, 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)

	30.9.23 (MEUR)	31.12.22 (MEUR)
Real Estate	3,050	3,187
Private Equity & Credit	966	933
Infra	548	442
Wealth Management	456	478
Total assets under management	5,021	5,039

Key figures 30 September 2023

CapMan's return on equity was 8.5 per cent on 30 September 2023 (30 September 2022: 36.2 per cent) and return on investment was 5.5 per cent (26.7 per cent). Equity ratio was 48.8 per cent (51.3 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 3: CapMan's key figures

	30.9.23	30.9.22	31.12.22
Earnings per share, € cents	4.4	22.3	25.1
Diluted earnings per share, € cents	4.4	22.0	24.8
Adjusted diluted earnings per share, € cents	4.4	22.0	26.4
Shareholders' equity / share, € cents	75.4	86.6	90.2
Share issue adjusted number of shares, avg.	158,482,075	157,395,390	157,560,284
Return on equity, %	8.5	36.2	30.5
Return on equity, comparable, %	8.5	36.2	32.4
Return on investment, %	5.5	26.7	23.1
Return on investment, comparable, %	5.5	26.7	24.2
Equity ratio, %	48.8	51.3	52.7
Net gearing, %	39.3	29.7	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 was paid on 22 September 2023. Decisions regarding the distribution of funds have been described in greater detail in the stock exchange releases on the decisions taken by the General Meetings issued on 15 March 2023 and 13 September 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 nine months of 2023.

Share capital totalled EUR 771,586.98 as at 30 September 2023. CapMan had 158,849,387 shares outstanding as at 30 September 2023 (158,054,968 shares as at 30 September 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 September 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 63,381 as at 30 September 2023 (30 September 2022: EUR 65,485). No changes occurred in the number of own shares held by CapMan Plc during the first nine months of 2023.

Trading and market capitalisation

CapMan Plc's shares closed at EUR 2.41 on 30 September 2023 (30 September 2022: EUR 2.49). The trade-weighted average price for the first nine months of 2023 was EUR 2.70 (EUR 2.72). The highest price paid was EUR 3.09 (EUR 3.19) and the lowest EUR 2.34 (EUR 2.22). The number of CapMan Plc shares traded totalled 13.5 million (24.4 million), valued at MEUR 36.5 (MEUR 66.3).

The market capitalisation of CapMan Plc shares as at 30 September 2023 was MEUR 382.8 (30 September 2022: MEUR 392.8).

Shareholders

The number of CapMan Plc shareholders increased by 6 per cent from the comparison period and totalled 31,526 as at 30 September 2023 (30 September 2022: 29,847).

Personnel

CapMan employed 180 people on average in the first nine months of 2023 (1 January–30 September 2022 average: 184), of whom 131 (141) 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 2 (20) persons during the first nine months of 2023.

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 first nine months of 2023, 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 2023.

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 1–9 2023

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

In 2023, CapMan Special Situations I fund achieved a final close at MEUR 78. Fundraising continued in several funds open for new commitments. CapMan Nordic Infrastructure II fund has raised MEUR 264 in commitments. Commitments to the CapMan Residential fund were at

MEUR 810. CapMan Wealth Services Investment Programmes have received MEUR 188 in commitments in total.

In September 2023, Mika Koskinen became the new Managing Partner of CapMan Wealth Services and a member of the CapMan Plc Management Group. Christian Borgström stepped down from the Management Group and remains a Senior Partner in the company. In September, Johan Pålsson announced his resignation as Managing Partner of CapMan Buyout as he will take on new responsibilities outside of CapMan.

Events after 30 September 2023

In October 2023, CapMan updated its distribution policy. CapMan's updated distribution policy is to pay sustainable distributions that grow over time. CapMan's objective is to distribute at least 70 per cent of the Group's profit attributable to equity holders of the company excluding the impact of fair value changes, subject to the distributable funds of the parent company. In addition, CapMan may pay out distributions accrued from investment operations, taking into consideration foreseen cash requirements for future investments. As in recent years, the distribution would be paid out semi-annually. Previously, CapMan's policy was to pay an annually growing dividend.

CapMan's Board of Directors expects to propose to the 2024 AGM a distribution of 8–12 cents per share be paid to its shareholders for 2023, which would correspond to a total distribution of MEUR 12.7–19.1. As in recent years, the distribution may consist of a dividend and an equity repayment. The Board of Directors will present a proposal regarding the distribution of funds to the AGM and the actual distribution is based on the decision by the AGM.

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 and retain 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 • Changes in key investment personnel may impede fundraising
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 updated distribution policy is to pay sustainable distributions that grow over time. CapMan's objective is to distribute at least 70 per cent of the Group's profit attributable to equity holders of the company excluding the impact of fair value changes, subject to the distributable funds of the parent company. In addition, CapMan may pay out distributions accrued from investment operations, taking into consideration foreseen cash requirements for future investments. As in recent years, the distribution would be paid out semi-annually. Previously, CapMan's policy was to pay an annually growing dividend.

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.

Based on the updated distribution policy, CapMan's Board of Directors expects to propose to the 2024 AGM a distribution of 8–12 cents per share be paid to its shareholders for 2023, which would correspond to a total distribution of MEUR 12.7–19.1. As in recent years, the distribution may consist of a dividend and an equity repayment. The Board of Directors will present a proposal regarding the distribution of funds to the AGM and the actual distribution is based on the decision by the AGM.

Helsinki, 26 October 2023

CAPMAN PLC
Board of Directors

CapMan Group's Financial Statements Bulletin for the period 1 January–31 December 2023 is published on Wednesday 7 February 2024.

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Group Statement of comprehensive income (IFRS)

€ ('000)	7-9/23	7-9/22	1-9/23	1-9/22	1-12/22
Management fees	9 721	9 932	30 165	28 410	38 847
Sale of services	3 724	4 938	12 100	13 893	19 072
Carried interest	257	1 025	3 023	5 490	9 613
Turnover	13 703	15 894	45 287	47 793	67 532
Material and services	-519	-292	-1 321	-678	-985
Other operating income	0	0	78	2	2
Personnel expenses	-6 982	-7 709	-24 013	-24 912	-34 571
Depreciation, amortisation and impairment	-350	-392	-1 112	-1 180	-4 180
Other operating expenses	-1 995	-2 867	-7 626	-7 824	-11 236
Fair value changes of investments	948	8 033	-1 785	32 445	36 547
Operating profit	4 805	12 668	9 508	45 644	53 108
Financial income and expenses	-114	-497	-949	-4 157	-5 475
Result before taxes	4 691	12 171	8 558	41 488	47 633
Income taxes	-1 066	-1 445	-176	-5 525	-6 585
Result for the period	3 625	10 725	8 382	35 963	41 049
Other comprehensive income:					
Translation differences	60	-72	-118	-240	-295
Total comprehensive income	3 685	10 653	8 263	35 723	40 754

€ ('000)	7-9/23	7-9/22	1-9/23	1-9/22	1-12/22
Profit attributable to:					
Equity holders of the company	3 385	10 201	7 027	35 162	39 616
Non-controlling interest	240	524	1 355	801	1 433
Total comprehensive income attributable to:					
Equity holders of the company	3 446	10 129	6 909	34 921	39 321
Non-controlling interest	240	524	1 355	801	1 433
Earnings per share for profit attributable to the equity holders of the Company:					
Earnings per share, cents	2,1	6,4	4,4	22,3	25,1
Diluted, cents	2,1	6,4	4,4	22,0	24,8

Group balance sheet (IFRS)

€ ('000)	30.9.23	30.9.22	31.12.22
ASSETS			
Non-current assets			
Tangible assets	4 514	3 462	3 571
Goodwill	7 886	15 314	7 886
Other intangible assets	16	592	100
Investments at fair value through profit and loss			
Investments in funds	165 207	170 779	169 063
Other financial assets	434	393	434
Receivables	5 600	6 204	5 545
Deferred income tax assets	2 565	3 088	1 790
	186 221	199 833	188 389
Current assets			
Trade and other receivables	19 166	20 770	20 718
Financial assets at fair value through profit and loss	151	0	65
Cash and bank	47 002	52 723	55 571
	66 319	73 493	76 353
Assets held for sale			5 769
Total assets	252 541	273 326	270 512

€ ('000)	30.9.23	30.9.22	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	21 114	35 425	35 425
Translation difference	-700	-527	-582
Retained earnings	58 296	60 823	65 473
Total capital attributable to the Company's equity holders	118 450	135 461	140 056
Non-controlling interests	1 393	1 457	2 088
Total equity	119 843	136 918	142 144
Non-current liabilities			
Deferred income tax liabilities	6 584	8 040	8 418
Interest-bearing loans and borrowings	92 748	92 243	91 854
Other non-current liabilities	5 652	7 267	7 343
	104 984	107 551	107 615
Current liabilities			
Trade and other payables	24 737	24 742	18 446
Interest-bearing loans and borrowings	1 405	1 118	1 112
Current income tax liabilities	1 572	2 997	478
	27 714	28 857	20 036
Liabilities associated with assets held for sale			717
Total liabilities	132 698	136 408	128 367
Total equity and liabilities	252 540	273 326	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					35 162	35 162	801
Other comprehensive income for the year							
Currency translation differences				-240		-240	
Total comprehensive income for the year				-240	35 162	34 921	801
Share issue			4			4	7
Performance Share Plan					-1 456	-1 456	
Dividends and return of capital			-17 297		-6 620	-23 917	-1083
Transactions with non-controlling interests					131	131	115
Equity on 30 September 2022	772	38 968	35 425	-527	60 823	135 461	1 457
Equity on 1 January 2023	772	38 968	35 425	-582	65 473	140 056	2 088
Result for the year					7 027	7 027	1 355
Other comprehensive income for the year							
Currency translation differences				-118		-118	
Total comprehensive income for the year				-118	7 027	6 909	1 355
Performance Share Plan					-1 393	-1 393	
Dividends and return of capital			-14 311		-12 819	-27 130	-2 043
Equity on 30 September 2023	772	38 968	21 114	-700	58 296	118 450	1 393

Statement of cash flow (IFRS)

€ ('000)	1-9/23	1-9/22	1-12/22
Cash flow from operations			
Result for the financial period	8 382	35 963	41 049
Adjustments for:			
Share-based payments	725	2 396	2 727
Depreciation and amortisation	1 112	1 180	4 180
Fair value changes of investments	1 785	-32 445	-36 547
Financial income and expenses	949	4 157	5 475
Income taxes	176	5 525	6 585
Other non-cash items	-156	37	-52
Adjustments, total	4 592	-19 150	-17 632
Change in working capital:			
Change in current non-interest-bearing receivables	4 650	-7 640	-8 054
Change in current trade payables and other non-interest-bearing liabilities	1 211	1 003	-2 215
Interest paid	-2 143	-1 982	-3 955
Taxes paid	-2 684	-2 174	-3 149
Cash flow from operations	14 009	6 021	6 044
Cash flow from investing activities			
Proceeds from sale of subsidiaries	4 202	0	322
Investments in tangible and intangible assets	-26	322	-333
Investments at fair value through profit and loss	2 109	-183	3 039
Long-term loan receivables granted	-1 410	-2 600	-844
Proceeds from long-term receivables	17	-728	175
Interest received	490	35	83
Cash flow from investing activities	5 383	-3 080	2 441
Cash flow from financing activities			
Share issue	0	11	
Proceeds from borrowings	11	39 779	39 791
Repayment of long-term loan	0	-31 520	-31 520
Payment of lease liabilities	-843	-870	-1 189
Dividends paid and return of capital	-27 519	-23 500	-25 073
Cash flow from financing activities	-28 335	-16 078	-17 992
Change in cash and cash equivalents	-8 944	-13 138	-9 507
Cash and cash equivalents at start of year	55 944	65 207	65 207
Translation difference	2	654	244
Cash and cash equivalents at end of period	47 002	52 723	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. Such alternative performance measures are, for example, adjusted operating profit, adjusted profit for the period, and adjusted earnings per share. In addition, CapMan discloses alternative performance measures that have been derived from the beforementioned adjusted performance measures by further adding or deducting some income statement items that have been adjusted to exclude possible items impacting comparability. This kind of alternative performance measure is fee profit, which is adjusted operating profit or loss deducted with carried interest and fair value changes of investments.

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 7-9/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	10 829	2 499		118	13 446
Carried interest	257				257
Turnover	11 086	2 499		118	13 703
Turnover, internal					
Materials and services		-519			-519
Other operating income		0			0
Personnel expenses, of which	-4 830	-397	-69	-1 686	-6 982
Salaries and bonuses	-4 830	-397	-69	-1 425	-6 721
Share-based payment				-261	-261
Depreciation, amortisation and impairment	-247	-23	-3	-78	-350
Other operating expenses	-1 260	-79	-21	-635	-1 995
Internal service fees	-1 170	-54		1 224	0
Fair value changes of investments			948		948
Operating profit (loss)	3 579	1 427	856	-1 057	4 805
Financial items					-114
Income taxes					-1 066
Result for the period					3 625
Earnings per share, cents					2,1
Earnings per share, diluted, cents					2,1

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee profit:					
Operating profit (loss)					4 805
Less:					
Carried interest					-257
Fair value changes of investments					-948
Fee profit					3 600
Timing of revenue recognition from customer contracts:					
Services transferred over time	10 768	2 499		118	13 385
Services transferred at a point in time	318				318
Revenue from customer contracts, external	11 086	2 499		118	13 703

Segment information 7-9/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	11 561	3 095		214	14 869
Carried interest	1 025				1 025
Turnover	12 586	3 095		214	15 894
Turnover, internal	14	127		-141	
Materials and services		-292			-292
Other operating income		0		0	0
Personnel expenses, of which	-5 188	-690	-53	-1 778	-7 709
Salaries and bonuses	-5 188	-690	-53	-1 447	-7 378
Share-based payment			0	-331	-331
Depreciation, amortisation and impairment	-230	-98	-3	-62	-392
Other operating expenses	-1 804	-251	-50	-762	-2 867
Internal service fees	-1 134	-46		1 180	0
Fair value changes of investments			8 033		8 033
Operating profit (loss)	4 244	1 845	7 928	-1 349	12 668
Financial items					-497
Income taxes					-1 445
Result for the period					10 725
Earnings per share, cents					6,4
Earnings per share, diluted, cents					6,4

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee profit:					
Operating profit (loss)					12 668
Less:					
Carried interest					-1 025
Fair value changes of investments					-8 033
Fee profit					3 609
Timing of revenue recognition from customer contracts:					
Services transferred over time	11 451	3 095		214	14 759
Services transferred at a point in time	1 135				1 135
Revenue from customer contracts, external	12 586	3 095		214	15 894

Segment information 1-9/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	34 184	7 826		255	42 264
Carried interest	3 023				3 023
Turnover	37 207	7 826		255	45 287
Turnover, internal	3	44		-46	
Materials and services		-1 321			-1 321
Other operating income		60		19	78
Personnel expenses, of which	-16 484	-1 438	-193	-5 898	-24 013
Salaries and bonuses	-16 484	-1 438	-193	-5 174	-23 289
Share-based payment	0			-725	-725
Depreciation, amortisation and impairment	-781	-107	-11	-213	-1 112
Other operating expenses	-4 634	-506	-90	-2 397	-7 626
Internal service fees	-3 604	-116		3 720	0
Fair value changes of investments			-1 785		-1 785
Operating profit	11 706	4 442	-2 078	-4 561	9 508
Financial items					-949
Income taxes					-176
Result for the period					8 382
Earnings per share, cents					4,4
Earnings per share, diluted, cents					4,4

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee profit:					
Operating profit (loss)					9 508
Less:					
Carried interest					-3 023
Fair value changes of investments					1 785
Fee profit					8 270
Timing of revenue recognition from customer contracts:					
Services transferred over time	33 748	7 826		255	41 828
Services transferred at a point in time	3 459				3 459
Revenue from customer contracts, external	37 207	7 826		255	45 287

Segment information 1-9/2022

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	33 305	8 767		230	42 303
Carried interest	5 490				5 490
Turnover	38 795	8 767		230	47 793
Turnover, internal	54	403		-456	
Materials and services		-678			-678
Other operating income		2		0	2
Personnel expenses, of which	-15 201	-2 365	-270	-7 076	-24 912
Salaries and bonuses	-15 201	-2 365	-270	-4 679	-22 516
Share-based payment	0	0	0	-2 396	-2 396
Depreciation, amortisation and impairment	-715	-274	-7	-184	-1 180
Other operating expenses	-4 781	-807	-123	-2 113	-7 824
Internal service fees	-3 421	-164		3 585	0
Fair value changes of investments			32 445		32 445
Operating profit	14 730	4 884	32 044	-6 014	45 644
Financial items					-4 157
Income taxes					-5 525
Result for the period					35 963
Earnings per share, cents					22,3
Earnings per share, diluted, cents					22,0

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee profit:					
Operating profit (loss)					45 644
Less:					
Carried interest					-5 490
Fair value changes of investments					-32 445
Fee profit					7 709
Timing of revenue recognition from customer contracts:					
Services transferred over time	32 799	8 767		230	41 797
Services transferred at a point in time	5 996				5 996
Revenue from customer contracts, external	38 795	8 767		230	47 793

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
Fee profit:					
Adjusted operating profit					55 708
Less:					
Carried interest					-9 613
Fair value changes of investments					-36 547
Fee profit					9 549
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, totalling approx. EUR 12.7 million, was paid on September 22, 2023, and it consisted of a dividend of EUR 0.04 per share and an equity repayment of EUR 0.04 per share.

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 September 2023

	Level 1	Level 2	Level 3	Total
Investments in funds				
at Jan 1	1 197		167 866	169 063
Additions			14 932	14 932
Distributions			-16 776	-16 776
Disposals			0	0
Fair value gains/losses			-1 541	-1 541
Transfers*	-470		0	-470
at the end of period	727		164 481	165 207
Other investments				
at Jan 1	408	0	25	434
at the end of period	408	0	25	434
Current financial assets at FVTPL				
	151	0		151

* 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 104.8 million at the end of the reporting period. The fair valued included EUR 0.4 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 September 2023

Investment area	Fair Value MEUR, 30 September 2023	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	15.1	Peer group	Peer group earnings multiples	EV/EBITDA 2023 13.3x	+/- 10%	+/- 0.5 MEUR
			Discount to peer group multiples	23 %	+/- 10%	-/+ 0.3 MEUR
Buyout	27.9	Peer group	Peer group earnings multiples	EV/EBITDA 2023 5.9x	+/- 10%	+/- 3.6 MEUR
			Discount to peer group multiples	10 %	+/- 10%	-/+ 0.9 MEUR
Real Estate	43.6	Valuation by an independent valuer	FX rate	EUR/SEK 11.5325	+/- 1%	-/+ 0.1 MEUR
				EUR/DKK 7.4571	+/- 1%	-/+ 0.1 MEUR
				EUR/NOK 11.2535	+/- 1%	-/+ 0.0 MEUR
Infra	14.0	Discounted cash flows	Terminal value	EV/EBITDA 15.2x	+/- 5%	+/- 0.4 MEUR
			Discount rate; market rate and risk premium	12 %	+/- 100 bps	-/+ 1.6 MEUR
Credit	4.9	Discounted cash flows	Discount rate; market rate and risk premium	11 %	+/- 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 2023 7.1x	+/- 10%	+/- 0.2 MEUR
			Discount to peer group multiples	28 %	+/- 10%	-/+ 0.1 MEUR
Investments in funds-of-funds	17.0	Reports from PE fund management company				
Investments in external venture capital funds	39.2	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	30.9.23	30.9.22	31.12.22
Finland	131	141	141
Sweden	28	25	25
Denmark	9	7	8
Norway	2	2	2
Luxembourg	3	2	2
United Kingdom	7	7	7
In total	180	184	186

Contingent liabilities

€ ('000)	30.9.23	30.9.22	31.12.22
Securities and other contingent liabilities	61 254	61 842	62 062
Remaining commitments to funds	79 252	87 910	89 111
Remaining commitments by investment area			
Buyout	18 520	25 638	25 273
Credit	4 160	4 930	4 768
Russia	1 066	1 066	1 066
Real Estate	5 961	8 286	7 577
Other	1 563	3 554	2 181
Funds of funds	245	245	245
Growth equity	9 397	12 910	11 171
Infra	11 113	12 689	12 127
Special Situations	4 507	4 367	4 853
CapMan Wealth Services funds	16 436	8 095	13 868
External funds-of-funds	3 721	4 513	4 665
External venture capital funds	2 564	1 617	1 316
In total	79 252	87 910	89 111

Derivatives

€ ('000)	30.9.23	30.9.22	31.12.22
Fair value of derivatives			
Foreign exchange forwards	-104		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	30.9.23	30.9.22	31.12.22
Loan receivables, non-current, from related parties	239	225	235
Capital loan liability to related parties		120	120

Commitments to related parties

€ ('000)	30.9.23	30.9.22	31.12.22
Loan commitments	99	84	112

Turnover and profit quarterly

Year 2023

MEUR	1-3/23	4-6/23	7-9/23	1-9/23
Turnover	15,1	16,5	13,7	45,3
Management fees	10,8	9,7	9,7	30,2
Sales of services	4,4	4,0	3,7	12,1
Carried interest	0,0	2,8	0,3	3,0
Material and services	-0,3	-0,5	-0,5	-1,3
Other operating income	0,1	0,0	0,0	0,1
Operating expenses	-12,0	-11,5	-9,3	-32,8
Fair value changes of investments	-2,4	-0,3	0,9	-1,8
Operating profit	0,5	4,2	4,8	9,5
Financial income and expenses	-0,5	-0,3	-0,1	-0,9
Result before taxes	0,0	3,8	4,7	8,6
Result for the period	0,8	4,0	3,6	8,4

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