



Financial Statements Bulletin 1-12 | 2023

Fee profit improved and our
growth strategy advances

CapMan

CapMan Plc 7 February 2024

CapMan Plc 2023 Financial Statements Bulletin

Results and significant events in 2023

- Group turnover was MEUR 59.4 1 January–31 December 2023 (MEUR 67.5 1 January–31 December 2022) and decreased by 12 per cent.
- Operating profit was MEUR 4.7 (MEUR 53.1). Comparable operating profit was MEUR 6.7 (MEUR 55.7).
- The decrease in operating profit was mainly due to the fair value changes of investments MEUR –6.1 (MEUR +36.5).
- Group turnover excluding carried interest, i.e., fee income was MEUR 56.2 (MEUR 57.9).
- Comparable fee profit was MEUR 9.7 (MEUR 9.5) and increased by 2 per cent.
- Diluted earnings per share were 0.8 cents (24.8 cents). Comparable diluted earnings per share were 1.9 cents (26.4 cents).
- In December, CapMan Plc agreed to acquire Dasos Capital Oy.
- Board of Directors expects the dividend distribution for 2023 to be 10 cents per share, of which 6 cents per share is proposed to be paid in the spring and 4 cents per share in the autumn following a Board resolution.

TURNOVER 2023

€59.4m
(€67.5m)

ASSETS UNDER MANAGEMENT
31 DEC 2023 (31 DEC 2022)

€5.0 bn
(€5.0 bn)

FEE INCOME 2023

€56.2m
(€57.9m)

COMPARABLE
FEE PROFIT 2023

€9.7m
(€9.5m, +2%)

CEO's comment:

"Fee profit continued to grow for the fourth consecutive year, but the result was weak overall due to fair value changes. Our growth strategy has advanced as planned despite a challenging market environment and 2024 will be a year of strong growth for CapMan.

Fee profit continued to grow

The Management Company business and procurement service CaPS developed well taking the market situation into account. Fee base was strengthened following new funds under management and CaPS's strong growth. Fee profit, which is a key metric of our business, remained on a positive track in 2023 supported by a moderate development in expenses. Fee profit has grown annually over already four consecutive years and I expect this growth to continue.

Carried interest and especially changes in fair value fell below 2022. Consequently, results for 2023 were lower in comparison. CapMan's own funds developed positively on average due to the strong development of Private Equity and Infra funds. The single most significant factor for the weaker result compared to the previous year was the fair value development of external venture capital funds, which turned negative in 2023 after a strongly positive 2022.

Interest from international investors in new funds creates growth opportunities

Despite a more challenging fundraising market, we succeeded in expanding our customer base even further among international institutional investors. During 2023, we raised nearly MEUR 400 in new assets under management. Over half of the capital came from outside

the Nordic countries and about a third from investors who made their first investment in a CapMan fund. This is a testament to the strong value creation of our funds, the ability to realise value for investors, and to make new and attractive investments despite the slow transaction market and uncertain operating environment.

Fundraising was promoted across all investment areas. At the end of 2023, we established a Social Real Estate Fund, with the aim of raising MEUR 500 over the next few years. Nordic Real Estate IV, our flagship real estate fund, is preparing for fundraising. We expect it to hold its first close in 2024 and reach a final close of MEUR 750. CapMan's second infrastructure fund continues fundraising and is now nearly MEUR 300, exceeding the size of the previous fund by 50 per cent. As for our Private Equity strategies, the Growth team has continued its impressive performance. The third fund received significant commitments in the latter part of 2023, and the fund is expected to hold its first close in early 2024. Due to these and other fundraising projects ongoing this year, assets under management are expected to grow significantly in 2024.

Expansion into natural capital following the acquisition of Dasos Capital

In December, we agreed to acquire Dasos Capital, a sustainable timberland and natural capital investor. Dasos is a leading player in terms of the breadth of its European investment portfolio, the international profile of its investors, and its strong track record. Dasos is perfectly compatible with CapMan's growth strategy and sustainability focus. CapMan's assets under management will immediately increase by

approximately MEUR 630 at the closing of the transaction. By combining Dasos's expertise in a growing asset class with CapMan's experience in scaling products, we create excellent conditions for rapid growth in a new business area.

As part of the value creation work of all our funds under management, we are promoting our mission to become the most responsible private assets company in the Nordics. At the end of 2023, we set a net-zero emissions target for 2040, 10 years earlier than the global target. The target covers our own operations as well as all CapMan's portfolio companies and assets. However, reducing emissions alone is not enough, and we are therefore one of the first in our industry to launch an initiative to promote nature-positive business models across all our investment areas.

I would like to thank CapMan's investors and shareholders for their trust and all our employees for their good work and commitment to our common goals. We continue to implement our strategy systematically and are well positioned to achieve our growth targets. Consequently, we take determined measures to build a more international, sustainable, and financially stronger private markets frontrunner."

Pia Käll

CEO, CapMan Plc

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Group turnover and result in 1–12 2023

CapMan Group's turnover totalled MEUR 59.4 in the period spanning 1 January–31 December 2023 (1 January–31 December 2022: MEUR 67.5). The 12 per cent decrease in turnover was due to lower carried interest income and lower service income compared to 2022. Management fees remained at level with 2022.

Expenses were MEUR 48.6 (MEUR 51.0) 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 1.9 (MEUR 1.0). Personnel expenses, including employer contributions, were MEUR 33.9 (MEUR 34.6). Depreciations and amortisations were MEUR 1.5 (MEUR 4.2). Other operating expenses amounted to MEUR 11.4 (MEUR 11.2). Operating expenses less items affecting comparability were MEUR 46.6 (MEUR 48.4).

Fair value changes of investments were MEUR –6.1 (MEUR +36.5) in 2023.

The Group's operating profit was MEUR 4.7 (MEUR 53.1). The decrease from the comparison year was mainly due to negative fair value changes. Operating profit less items affecting comparability was MEUR 6.7 (MEUR 55.7). Comparable fee profit increased from the comparison period and was MEUR 9.7 (MEUR 9.5), growth 2 per cent.

Financial income and expenses amounted to MEUR –0.7 (MEUR –5.5) and decreased due to a revaluation of a redemption liability relating to a minority share of a subsidiary. Expenses in the comparison year 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 4.0 (MEUR 47.6) and profit after taxes was MEUR 3.4 (MEUR 41.0).

Diluted earnings per share were 0.8 cents (24.8 cents). Comparable diluted earnings per share were 1.9 cents (26.4 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 totalled MEUR 48.2 in 2023 (MEUR 55.9). The decrease was mainly due to lower carried interest income compared to the previous year.

Fee income was MEUR 45.1 (MEUR 46.2). New capital in funds and investment programmes raised in 2023, as well as other asset management services, contributed favourably to fee income. The negative development was due to the decrease in real estate fund administration service fees.

Carried interest in 2023 was MEUR 3.1 (MEUR 9.6) mainly due to exits from the CapMan Growth Equity 2017 fund. In the comparison year,

CapMan received carried interest income mainly from the CapMan Growth Equity 2017 and CapMan Nordic Real Estate funds, which transferred to carry during 2022.

Of the turnover, 92 per cent was income based on long-term contracts booked over time (82 per cent).

Operating expenses of the Management Company business amounted to MEUR 36.0 (MEUR 33.6). Operating expenses excluding items affecting comparability amounted to MEUR 34.6 (MEUR 33.6).

Operating profit of the Management Company business was MEUR 12.2 (MEUR 22.3). Comparable operating profit was MEUR 13.7 (MEUR 22.3). The decrease was mainly due to lower carried interest income during the year.

Service business

Turnover generated by Service business totalled MEUR 10.6 (MEUR 11.1), a 5 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 17 per cent (27 per cent) during 2023.

Material and service fees from CaPS's license business amounted to MEUR 1.9 (MEUR 1.0). Operating expenses of the Service business were MEUR 2.8 (MEUR 7.7). Operating expenses excluding items affecting comparability were MEUR 2.8 (MEUR 5.1).

The operating profit of the Service business was MEUR 6.0 (MEUR 3.0). Comparable operating profit of the Service business was MEUR 6.0 (MEUR 5.6), growth 8 per cent.

Investment business

Fair value of fund investments was MEUR 158.9 on 31 December 2023 (31 December 2022: MEUR 169.1). Fair value changes were mainly driven by fund investments and were MEUR -6.1 (MEUR +36.5) in 2023, corresponding to a 3.4 per cent decrease in value (1 January-31 December 2022: +25.3 per cent). CapMan's own funds developed on average positively over 2023 especially due to the strong development of Private Equity and Infra funds. The development of Real Estate funds was on average negative due to an unfavourable market situation. Overall, fair value changes were negative due to the negative fair value development of external, predominantly venture capital funds.

CapMan invested a total of MEUR 18.1 in its funds in 2023 (MEUR 29.3). CapMan received distributions from funds totalling MEUR 17.6 (MEUR 27.6). The amount of remaining commitments that have yet to be called totalled MEUR 85.2 as at 31 December 2023 (31 December 2022: MEUR 89.1). Capital calls, distributions and remaining commitments are detailed in the Tables section of this report.

Operating loss for the Investment business was MEUR 6.6 (profit MEUR 35.7).

The majority of invested capital is in funds managed by CapMan. In addition to own funds, CapMan has invested selectively in private market funds managed by external fund managers.

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. Valuation of external funds is based on fair values reported by respective external

fund managers. Sensitivity analysis by investment area is presented in the Tables section of this report.

Balance sheet and financial position as at 31 December 2023

CapMan's balance sheet totalled MEUR 241.5 as at 31 December 2023 (31 December 2022: MEUR 270.5). Non-current assets amounted to MEUR 179.9 (MEUR 188.4), of which goodwill totalled MEUR 7.9 (MEUR 7.9).

As at 31 December 2023, fund investments at fair value totalled MEUR 158.9 (MEUR 169.1 as at 31 December 2022). Other financial assets at fair value were MEUR 0.5 (MEUR 0.4).

Long-term receivables amounted to MEUR 6.5 (MEUR 5.5).

Current assets amounted to MEUR 61.7 (MEUR 76.4). Cash in hand and at banks amounted to MEUR 41.0 (MEUR 55.6).

CapMan's interest-bearing net debt amounted to MEUR 52.8 as at 31 December 2023 (MEUR 37.4). CapMan's total interest-bearing debt as at 31 December 2023 is outlined in Table 1.

Table 1: CapMan's interest bearing debt

	Debt amount 31 Dec 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 31 December 2023. The senior bond issued in 2022 is linked to sustainability targets, which CapMan achieved in April 2023.

Trade and other payables totalled MEUR 24.2 on 31 December 2023 (31 December 2022: MEUR 18.4).

The Group's cash flow from operations totalled MEUR +12.1 in 2023 (MEUR +6.0). Higher fee profit and 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 +3.5 (MEUR +2.4) 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 +15.5 (MEUR +8.5) and reflects the development in the Management Company business, Service business and Investment business. Cash flow from financing was MEUR – 30.3 (MEUR –18.0) 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.

Progress on environmental targets

During 2023, CapMan has made progress with its climate targets in line with the Science Based Targets initiative. CapMan has set to achieve net zero emissions by 2040. The target was established at the end of 2023.

9 percent of the eligible Private Equity & Infra portfolio companies have set science-based targets for reducing greenhouse gas emissions. Emission reduction plans have been developed for real estate properties and their emission reductions will be published later in the first quarter of the year in accordance with the Science Based Targets initiative.

CapMan has launched a project to assess the dependencies, impacts, risks, and opportunities related to nature in portfolio companies and properties where environmental aspects are considered essential. As part of the nature-positive approach, CapMan has adopted the WWF

Green Office environmental management system with the aim of certifying four CapMan offices in 2024.

Progress on social targets

CapMan's employee well-being has remained high with an eNPS of 51, above the target level of 50. Employee participation was measured for the first time in 2023 and was 81 on a scale of 1-100. A policy promoting diversity, equity, and inclusion (DEI) was implemented and an internal DEI working group was established. A comprehensive assessment and analysis of human rights risks in CapMan's and value chains' operations was carried out to identify and correct any deficiencies. Although no serious violations or deficiencies were found, corrective action has been taken based on the analysis.

CapMan has set medium- and long-term percentage targets for gender diversity, including for appointments to the Management Group and Partner level. By 2025, a maximum of 70% of appointments to the Management Group and investment teams will be of one gender (if there are multiple appointments). The long-term goal (2033) is that the Management Group will consist of no more than 60% of one gender and that the proportion of female partners will be at least 20%.

Assets under management as at 31 December 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. 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 5,005 as at 31 December 2023 (31 December 2022: MEUR 5,039). A total of MEUR 391 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 occasional redemptions. Assets under management per fund type is displayed in Table 2.

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

	31.12.23 (MEUR)	31.12.22 (MEUR)
Real Estate	2,933	3,187
Private Equity & Credit	1,022	933
Infra	562	442
Wealth Management	488	478
Total assets under management	5,005	5,039

Key figures 31 December 2023

CapMan's return on equity was 2.6 per cent on 31 December 2023 (31 December 2022: 30.5 per cent) and the comparable return on equity was 4.0 per cent (32.4 per cent). Return on investment was 2.1 per cent (23.1 per cent) and the comparable return on investment was 3.0 per cent (24.2 per cent). Equity ratio was 47.8 per cent (52.7 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

	31.12.23	31.12.22
Earnings per share, € cents	0.8	25.1
Diluted earnings per share, € cents	0.8	24.8
Comparable diluted earnings per share, € cents	1.9	26.4
Shareholders' equity / share, € cents	72.6	90.2
Share issue adjusted number of shares, avg.	158,573,903	157,560,284
Return on equity, %	2.6	30.5
Return on equity, comparable, %	4.0	32.4
Return on investment, %	2.1	23.1
Return on investment, comparable, %	3.0	24.2
Equity ratio, %	47.8	52.7
Net gearing, %	45.9	26.3

Proposal of the Board of Directors regarding distribution of funds

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.

The Board of Directors' resolution proposal to the Annual General Meeting (AGM) to be held on 27 March 2024 is a combined proposal of a dividend distribution and an authorisation for the Board of Directors to decide on distribution of an additional dividend. The Board of Directors expects the overall dividend distribution to be EUR 0.10 per share for 2023.

The Board of Directors proposes to the AGM that a dividend in the total amount of EUR 0.06 per share would be paid for 2023. The payment date would be 9 April 2024.

The Board of Directors further proposes to the AGM that the Board of Directors be authorised to decide on an additional dividend in the maximum amount of EUR 0.04 per share. The authorisation would be effective until the end of the next Annual General Meeting. The Board of Directors intends to resolve on the additional dividend in its meeting scheduled for 18 September 2024.

CapMan's distributable funds amounted to MEUR 37.5 on 31 December 2023.

Publication of the Financial Statements and the Report of the Board of Directors, and the Annual General Meeting for 2024

CapMan Group's Financial Statements and the Report of the Board of Directors for 2023 will be published as part of the company's Annual Report for 2023 in February 2024 during week 10. CapMan Plc's 2024 Annual General Meeting (AGM) will be held on Wednesday 27 March

2024 at 10:00 a.m. in Helsinki. The Notice to the Annual General Meeting and other proposals of the Board of Directors to the Annual General Meeting are published by 6 March 2024 the latest. Complete financial statements, as required under the terms of the Finnish Companies Act, will be available on CapMan's website by 6 March 2024 the latest.

Corporate Governance Statement

CapMan Plc's Corporate Governance Statement will be published separately from the Report of the Board of Directors as part of the company's Annual Report for 2023 during week 10 and will be available on the company's website by 6 March 2024 the latest.

Decisions of the 2023 Annual General Meeting

Decisions of the AGM regarding distribution of funds

CapMan's 2023 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 2023.

Share capital totalled EUR 771,586.98 as at 31 December 2023. CapMan had 158,849,387 shares outstanding as at 31 December 2023 (158,054,968 shares as at 31 December 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 31 December 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 60,225 as at 31 December 2023 (31 December 2022: EUR 71,270). No changes occurred in the number of own shares held by CapMan Plc during 2023.

Trading and market capitalisation

CapMan Plc's shares closed at EUR 2.29 on 31 December 2023 (31 December 2022: EUR 2.71). The trade-weighted average price for 2023 was EUR 2.49 (EUR 2.66). The highest price paid was EUR 3.09 (EUR 3.19) and the lowest EUR 1.92 (EUR 2.22). The number of CapMan Plc shares traded totalled 22.2 million (36.2 million), valued at MEUR 55.2 (MEUR 96.4).

The market capitalisation of CapMan Plc shares as at 31 December 2023 was MEUR 363.8 (31 December 2022: MEUR 427.5).

Shareholders

The number of CapMan Plc shareholders increased by 2 per cent from the comparison period and totalled 31,157 as at 31 December 2023 (31 December 2022: 30,608).

There were no flagging notifications in 2023.

As of 31 December 2023, the Board of Directors and Management Group owned 4,166,990 CapMan shares in total either directly or through controlling interest companies, which corresponded to 2.6 per cent of all shares and votes outstanding.

Personnel

CapMan employed 183 people on average in 2023 (1 January–31 December 2022 average: 186), of whom 133 (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.

The number of employees has increased in other functions. JAY Solutions accounted for an average of 2 (20) persons during 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.

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 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 Executive 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 Equity 2017 fund sold its share in Coronaria. The fund is in carry and the transaction generated carried interest for CapMan.

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.

Fundraising continued in several funds open for new commitments. Most commitments were raised for CapMan Nordic Infrastructure II fund, which reached MEUR 272 at the end of 2023. CapMan established a new CapMan Social Real Estate fund at the end of 2023, which stands at MEUR 55 following an initial investment. The fund continues fundraising targeting EUR 500 million of equity commitments and total investment capacity of nearly EUR 1 billion over the coming years.

In October 2023, CapMan updated its distribution policy. CapMan's updated distribution policy is to pay sustainable distributions that grow over time.

In December, CapMan announced an acquisition of Dasos Capital Oy and an expansion into natural capital. The acquisition is expected to close during the first half of 2024. The debt free purchase price is EUR 35 million. In addition, CapMan has committed to paying an additional earn-out consideration of a maximum EUR 5 million based on incurred management fee turnover in 2025 and 2026. The equity price for Dasos' shares is paid in shares of CapMan by a directed share issue and a cash consideration.

Events after 31 December 2023

In January 2024, an Extraordinary General Meeting of shareholders resolved in accordance with the Board of Directors' proposal that the Board of Directors be authorised to decide to issue a maximum of 20 000 000 new shares by way of a directed share issue in deviation from the shareholders' pre-emptive right. The shares to be issued under the authorisation would be directed to the current shareholders of Dasos Capital Oy in proportion to the number of Dasos Capital Oy shares sold by them to CapMan. The directed share issue is expected to be realised in the first half of 2024 in conjunction to the closing of the acquisition.

The completion of the acquisition is also conditional on, among others, the approval by the Finnish Competition and Consumer Authority. The approval was obtained in February 2024.

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 at the end of the financial year and reports on any material developments quarterly. An annual risk assessment and risk descriptions is presented on the website under <https://capman.com/shareholders/risks/>. A summary of risks is presented in Table 4.

Table 4: Risk classification and principal risks

Risk classification	Principal risks
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
2. Financial risk	<ul style="list-style-type: none"> • Poor financial performance • Insufficient liquidity position • Failure to obtain financing
3. Market risks	<ul style="list-style-type: none"> • Interest rate, inflation and asset valuation volatility • Changes in customer preferences • Fluctuations of the transaction market • Failure in fundraising
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
5. Regulatory risks	<ul style="list-style-type: none"> • Adverse changes in the regulatory environment
6. Sustainability risks	<ul style="list-style-type: none"> • Failure to invest in sustainable assets and ESG related incidents or lack of appropriate ESG approach in portfolio companies • Unreasonable increase in costs to comply with sustainability and reporting requirements
7. Reputational risk	<ul style="list-style-type: none"> • Negative public perception

Long-term financial objectives

CapMan's 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.

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.

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.

Outlook estimate for 2024

CapMan's objective is to improve results in the long term, taking into consideration annual fluctuations related to the nature of the business. 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 asset-specific development and exits from 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. For these reasons, CapMan does not provide numeric estimates for 2024.

CapMan estimates assets under management to grow in 2024. The company estimates fee profit also to grow in 2024. These estimations do not include possible items affecting comparability.

Helsinki, 7 February 2024

CAPMAN PLC
Board of Directors

CapMan Group's Interim Report for the period 1 January–31 March 2024 is published on Thursday 3 May 2024.

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Group Statement of comprehensive income (IFRS)

€ ('000)	10-12/23	10-12/22	1-12/23	1-12/22
Management fees	8 869	10 437	39 034	38 847
Sale of services	5 105	5 179	17 204	19 072
Carried interest	103	4 123	3 126	9 613
Turnover	14 077	19 739	59 364	67 532
Material and services	-535	-306	-1 856	-985
Other operating income	1	0	79	2
Personnel expenses	-9 908	-9 659	-33 921	-34 571
Depreciation, amortisation and impairment	-379	-3 000	-1 491	-4 180
Other operating expenses	-3 736	-3 413	-11 362	-11 236
Fair value changes of investments	-4 330	4 102	-6 115	36 547
Operating profit	-4 811	7 462	4 697	53 108
Financial income and expenses	262	-1 318	-687	-5 475
Result before taxes	-4 548	6 144	4 010	47 633
Income taxes	-441	-1 060	-618	-6 585
Result for the period	-4 990	5 084	3 392	41 049
Other comprehensive income:				
Translation differences	130	-55	11	-295
Total comprehensive income	-4 860	5 029	3 403	40 754

€ ('000)	10-12/23	10-12/22	1-12/23	1-12/22
Profit attributable to:				
Equity holders of the company	-5 681	4 452	1 346	39 616
Non-controlling interest	692	631	2 047	1 433
Total comprehensive income attributable to:				
Equity holders of the company	-5 552	4 398	1 356	39 321
Non-controlling interest	692	631	2 047	1 433
Earnings per share for profit attributable to the equity holders of the Company:				
Earnings per share, cents	-3,6	2,8	0,8	25,1
Diluted, cents	-3,6	2,8	0,8	24,8

Group balance sheet (IFRS)

€ ('000)	31.12.23	31.12.22
ASSETS		
Non-current assets		
Tangible assets	4 142	3 571
Goodwill	7 886	7 886
Other intangible assets	10	100
Investments at fair value through profit and loss		
Investments in funds	158 907	169 063
Other financial assets	508	434
Receivables	6 525	5 545
Deferred income tax assets	1 896	1 790
	179 874	188 389
Current assets		
Trade and other receivables	20 382	20 718
Financial assets at fair value through profit and loss	275	65
Cash and bank	41 017	55 571
	61 673	76 353
Assets held for sale	0	5 769
Total assets	241 547	270 512

€ ('000)	31.12.23	31.12.22
EQUITY AND LIABILITIES		
Capital attributable the Company's equity holders		
Share capital	772	772
Share premium account	38 968	38 968
Other reserves	21 114	35 425
Translation difference	-570	-582
Retained earnings	52 914	65 473
Total capital attributable to the Company's equity holders	113 197	140 056
Non-controlling interests	1 928	2 088
Total equity	115 125	142 144
Non-current liabilities		
Deferred income tax liabilities	5 991	8 418
Interest-bearing loans and borrowings	92 470	91 854
Other non-current liabilities	484	7 343
	98 945	107 615
Current liabilities		
Trade and other payables	24 155	18 446
Interest-bearing loans and borrowings	1 386	1 112
Current income tax liabilities	1 936	478
	27 477	20 036
Liabilities associated with assets held for sale	0	717
Total liabilities	126 422	128 367
Total equity and liabilities	241 547	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					39 616	39 616	1 433
Other comprehensive income for the year							
Currency translation differences				-295		-295	
Total comprehensive income for the year				-295	39 616	39 321	1 433
Performance Share Plan					-1 126	-1 126	
Dividends and return of capital			-17 297		-6 755	-24 052	-1083
Transactions with non-controlling interests			4		131	135	122
Equity on 31 December 2022	772	38 968	35 425	-582	65 473	140 056	2 088
Equity on 1 January 2023	772	38 968	35 425	-582	65 473	140 056	2 088
Result for the year					1 346	1 346	2 047
Other comprehensive income for the year							
Currency translation differences				11		11	
Total comprehensive income for the year				11	1 346	1 357	2 047
Performance Share Plan					-1 148	-1 148	
Dividends and return of capital			-14 312		-12 819	-27 131	-2 043
Equity on 31 December 2023	772	38 968	21 114	-570	52 914	113 197	1 928

Statement of cash flow (IFRS)

€ ('000)	1-12/23	1-12/22
Cash flow from operations		
Result for the financial period	3 392	41 049
Adjustments for:		
Share-based payments	970	2 727
Depreciation and amortisation	1 491	4 180
Fair value changes of investments	6 115	-36 547
Financial income and expenses	687	5 475
Income taxes	618	6 585
Other non-cash items	-214	-52
Adjustments, total	9 666	-17 632
Change in working capital:		
Change in current non-interest-bearing receivables	6 319	-8 054
Change in current trade payables and other non-interest-bearing liabilities	-263	-2 215
Interest paid	-4 373	-3 955
Taxes paid	-2 658	-3 149
Cash flow from operations	12 084	6 044
Cash flow from investing activities		
Acquisition of subsidiaries	-207	0
Proceeds from sale of subsidiaries	4 202	322
Investments in tangible and intangible assets	-26	-333
Investments at fair value through profit and loss	172	3 039
Long-term loan receivables granted	-1 522	-844
Proceeds from long-term receivables	47	175
Interest received	786	83
Cash flow from investing activities	3 452	2 441
Cash flow from financing activities		
Share issue	0	
Proceeds from borrowings	11	39 791
Repayment of long-term loan	0	-31 520
Payment of lease liabilities	-1 165	-1 189
Dividends paid and return of capital	-29 194	-25 073
Cash flow from financing activities	-30 317	-17 992
Change in cash and cash equivalents	-14 782	-9 507
Cash and cash equivalents at beginning of period	55 944	65 207
Translation difference	-146	244
Cash and cash equivalents at end of period	41 017	55 944

Accounting principles

This financial statements release is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements.

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, such as amortisation and impairment of intangible assets recognised in the purchase price allocation, or costs related to major development projects, such as reorganisation costs. Items impacting comparability include also 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 10-12/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	10 924	2 781		270	13 974
Carried interest	103				103
Turnover	11 027	2 781		270	14 077
Turnover, internal					
Materials and services		-535			-535
Other operating income		1			1
Personnel expenses, of which	-7 064	-461	-153	-2 231	-9 908
Salaries and bonuses	-7 064	-461	-153	-1 986	-9 663
Share-based payment				-245	-245
Depreciation, amortisation and impairment	-267	-20	-4	-88	-379
Other operating expenses	-2 014	-131	-50	-1 542	-3 736
Internal service fees	-1 177	-27		1 203	0
Fair value changes of investments			-4 330	0	-4 330
Operating profit (loss)	506	1 607	-4 535	-2 388	-4 811
Items impacting comparability:					
Reorganisation costs	1 466			12	1 478
Acquisition related expenses				566	566
Items impacting comparability, total	1 466			577	2 043
Adjusted operating profit (loss)	1 972	1 607	-4 535	-1 811	-2 767
Financial items					262
Income taxes					-441
Result for the period					-4 990

€ ('000)	Management company business	Service business	Investment business	Other	Total
Items impacting comparability:					
Reorganisation costs					1 179
Acquisition related expenses					566
Items impacting comparability, total					1 744
Adjusted loss for the period					-3 245
Earnings per share, cents					-3,6
Items impacting comparability, cents					1,1
Adjusted earnings per share, cents					-2,5
Earnings per share, diluted, cents					-3,6
Items impacting comparability, cents					1,1
Adjusted earnings per share, diluted, cents					-2,5
Fee profit:					
Adjusted operating loss					-2 767
Less:					
Carried interest					-103
Fair value changes of investments					4 330
Fee profit					1 459
Timing of revenue recognition from customer contracts:					
Services transferred over time	10 697	2 781		270	13 747
Services transferred at a point in time	329				329
Revenue from customer contracts, external	11 027	2 781		270	14 077

Segment information 10-12/2022

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

€ ('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					7 684
Earnings per share, cents					2,8
Items impacting comparability, cents					1,7
Adjusted earnings per share, cents					4,5
Earnings per share, diluted, cents					2,8
Items impacting comparability, cents					1,6
Adjusted earnings per share, diluted, cents					4,4
Fee profit:					
Operating profit (loss)					10 062
Less:					
Carried interest					-4 123
Fair value changes of investments					-4 102
Fee profit					1 838
Timing of revenue recognition from customer contracts:					
Services transferred over time	12 823	2 350		323	15 496
Services transferred at a point in time	4 243				4 243
Revenue from customer contracts, external	17 066	2 350		323	19 739

Segment information 1-12/2023

€ ('000)	Management company business	Service business	Investment business	Other	Total
Fee income	45 108	10 606		524	56 238
Carried interest	3 126				3 126
Turnover	48 234	10 606		524	59 364
Turnover, internal	3	44		-46	
Materials and services		-1 856			-1 856
Other operating income		60		19	79
Personnel expenses, of which	-23 548	-1 899	-346	-8 129	-33 921
Salaries and bonuses	-23 548	-1 899	-346	-7 160	-32 952
Share-based payment	0			-970	-970
Depreciation, amortisation and impairment	-1 048	-127	-14	-302	-1 491
Other operating expenses	-6 648	-637	-139	-3 938	-11 362
Internal service fees	-4 781	-143		4 923	0
Fair value changes of investments			-6 115	0	-6 115
Operating profit (loss)	12 212	6 048	-6 614	-6 949	4 697
Items impacting comparability:					
Reorganisation costs	1 466			12	1 478
Acquisition related expenses				566	566
Items impacting comparability, total	1 466			577	2 043
Adjusted operating profit (loss)	13 678	6 048	-6 614	-6 372	6 740
Financial items					-687
Income taxes					-618

€ ('000)	Management company business	Service business	Investment business	Other	Total
Result for the period					3 392
Items impacting comparability:					
Reorganisation costs					1 179
Acquisition related expenses					566
Items impacting comparability, total					1 744
Adjusted profit for the period					5 137
Earnings per share, cents					0,8
Items impacting comparability, cents					1,1
Adjusted earnings per share, cents					1,9
Earnings per share, diluted, cents					0,8
Items impacting comparability, cents					1,1
Adjusted earnings per share, diluted, cents					1,9
Fee profit:					
Adjusted operating profit					6 740
Less:					
Carried interest					-3 126
Fair value changes of investments					6 115
Fee profit					9 729
Timing of revenue recognition from customer contracts:					
Services transferred over time	44 445	10 606		524	55 576
Services transferred at a point in time	3 788				3 788
Revenue from customer contracts, external	48 234	10 606		524	59 364

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 financial year 2023.

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

As at December 31, 2023, CapMan Plc's distributable funds amounted to approximately EUR 37.5 million. The Board of Directors' resolution proposal to the General Meeting is a combined proposal of a dividend distribution and an authorisation for the Board of Directors to decide on distribution of an additional dividend. The Board of Directors expects the overall dividend distribution to be EUR 0.10 per share for the financial period ended 31 December 2023. The Board of Directors proposes to the General Meeting that a dividend in the total amount of EUR 0.06 per share would be paid for the financial period that ended on 31 December 2023 based on the balance sheet adopted for 2023. The dividend would be paid to a shareholder who on the record date of the payment, 2 April 2024, is registered as a shareholder in the shareholders' register of the Company maintained by Euroclear Finland Oy. The payment date would be 9 April 2024. The Board of Directors further proposes to the General Meeting that the Board of Directors be authorised to decide on an additional dividend in the maximum amount of EUR 0.04 per share. The authorisation would be effective until the end of the next Annual General Meeting. The Board of Directors intends to resolve on the additional dividend in its meeting scheduled for 18 September 2024.

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.

Events after balance sheet date

On 21 December 2023, CapMan signed an agreement regarding the acquisition of all the shares of Dasos Capital Oy from the company's current shareholders. The acquisition is intended to be completed during the first half of 2024, following the completion of the approvals by the Finnish Competition and Consumer Authority and the Finnish Financial Supervisory Authority as well as consents from certain investors of certain funds managed by Dasos. The Finnish Competition and Consumer Authority approved the transaction in the beginning of February 2024. The Purchase Price is anticipated to be approximately EUR 41.6 million, including adjustments for net debt/cash at closing and certain customary other post-closing adjustments. According to the authorisation given to the Board of Directors, as resolved by CapMan Plc's Extraordinary General Meeting held on January 18, 2024, CapMan will pay Purchase Price by a directed share issue of maximum 20 million shares to the current shareholders of Dasos in addition to a cash component. In addition, CapMan has committed to paying an additional earn-out consideration of a maximum EUR 5 million based on management fee turnover incurred in 2025 and 2026. The additional consideration will be paid later in 2026 and 2027 in CapMan's shares.

Financial assets measured at fair value through profit and loss

Fair value hierarchy of financial assets measured at fair value at 31 December 2023

	Level 1	Level 2	Level 3	Total
Investments in funds				
at Jan 1	1 197		167 866	169 063
Additions			18 097	18 097
Distributions			-17 615	-17 615
Disposals			-3 975	-3 975
Fair value gains/losses			-5 926	-5 926
Transfers*	-217		-520	-737
at the end of period	980		157 927	158 907
Other investments				
at Jan 1	408	0	25	434
Additions	46			46
Fair value gains/losses	28			28
at the end of period	482	0	25	508
Current financial assets at FVTPL	159	116		275

* 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 100.9 million at the end of the reporting period. The fair valued included EUR 0.1 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 31 December 2023

Investment area	Fair Value MEUR, 31 December 2023	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	15.2	Peer group	Peer group earnings multiples	EV/EBITDA 2023 11.2x	+/- 10%	+/- 0.8 MEUR
			Discount to peer group multiples	22 %	+/- 10%	-/+ 0.3 MEUR
Buyout	28.3	Peer group	Peer group earnings multiples	EV/EBITDA 2023 6.5x	+/- 10%	+/- 3.7 MEUR
			Discount to peer group multiples	11 %	+/- 10%	-/+ 0.9 MEUR
Real Estate	40.4	Valuation by an independent valuer	FX rate	EUR/SEK 11.0960	+/-1%	-/+ 0.1 MEUR
				EUR/DKK 7.4529	+/-1%	-/+ 0.1 MEUR
				EUR/NOK 11.2405	+/-1%	-/+ 0.0 MEUR
Infra	10.1	Discounted cash flows	Terminal value	EV/EBITDA 15.1x	+/- 5%	+/- 1.1 MEUR
			Discount rate; market rate and risk premium	13 %	+/- 100 bps	-/+ 1.9 MEUR
Credit	6.0	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	3.1	Peer group	Peer group earnings multiples	EV/EBITDA 2023 7.4x	+/- 10%	+/- 0.2 MEUR
			Discount to peer group multiples	28 %	+/- 10%	-/+ 0.1 MEUR
Investments in funds-of-funds	16.0	Reports from PE fund management company				
Investments in external venture capital funds	38.7	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	31.12.23	31.12.22
Finland	133	141
Sweden	28	25
Denmark	10	8
Norway	2	2
Luxembourg	3	2
United Kingdom	7	7
In total	183	186

Contingent liabilities

€ ('000)	31.12.23	31.12.22
Securities and other contingent liabilities	61 239	62 062
Remaining commitments to funds	85 190	89 111
Remaining commitments by investment area		
Buyout	17 941	25 273
Credit	3 127	4 768
Russia	1 066	1 066
Real Estate	5 916	7 577
Other	1 489	2 181
Funds of funds	245	245
Growth equity	19 243	11 171
Infra	10 151	12 127
Special Situations	4 507	4 853
CapMan Wealth Services funds	15 511	13 868
External funds-of-funds	3 703	4 665
External venture capital funds	2 290	1 316
In total	85 190	89 111

Derivatives

€ ('000)	31.12.23	31.12.22
Fair value of derivatives		
Foreign exchange forwards	116	65
Nominal amounts of derivatives		
Foreign exchange forwards	5 320	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.

Related parties

Transactions with related parties

In 2023, CapMan recorded fees, totalling approximately EUR 7 thousand, for financial and legal services to Momea Invest Oy, a controlled entity of Olli Liitola, member of the Board of Directors of CapMan Plc. During the previous year 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	31.12.23	31.12.22
Loan receivables, non-current, from related parties	242	235
Capital loan liability to related parties		120

Commitments to related parties

€ ('000)	31.12.23	31.12.22
Loan commitments	98	112

Turnover and profit quarterly

Year 2023

MEUR	1-3/23	4-6/23	7-9/23	10-12/23	1-12/23
Turnover	15,1	16,5	13,7	14,1	59,4
Management fees	10,8	9,7	9,7	8,9	39,0
Sales of services	4,4	4,0	3,7	5,1	17,2
Carried interest	0,0	2,8	0,3	0,1	3,1
Material and services	-0,3	-0,5	-0,5	-0,5	-1,9
Other operating income	0,1	0,0	0,0	0,0	0,1
Operating expenses	-12,0	-11,5	-9,3	-14,0	-46,8
Fair value changes of investments	-2,4	-0,3	0,9	-4,3	-6,1
Operating profit (loss)	0,5	4,2	4,8	-4,8	4,7
Financial income and expenses	-0,5	-0,3	-0,1	0,3	-0,7
Result before taxes	0,0	3,8	4,7	-4,5	4,0
Result for the period	0,8	4,0	3,6	-5,0	3,4

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