Annual Report 2024

CapMan

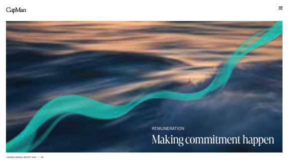
2024

Making things happen. We welcome you to our 2024 Annual Report. Here we share our progress on how we build value for the enrichment of Nordic societies.

CAPMAN IN 2024

CORPORATE GOVERNANCE STATEMENT

REMUNERATION REPORT

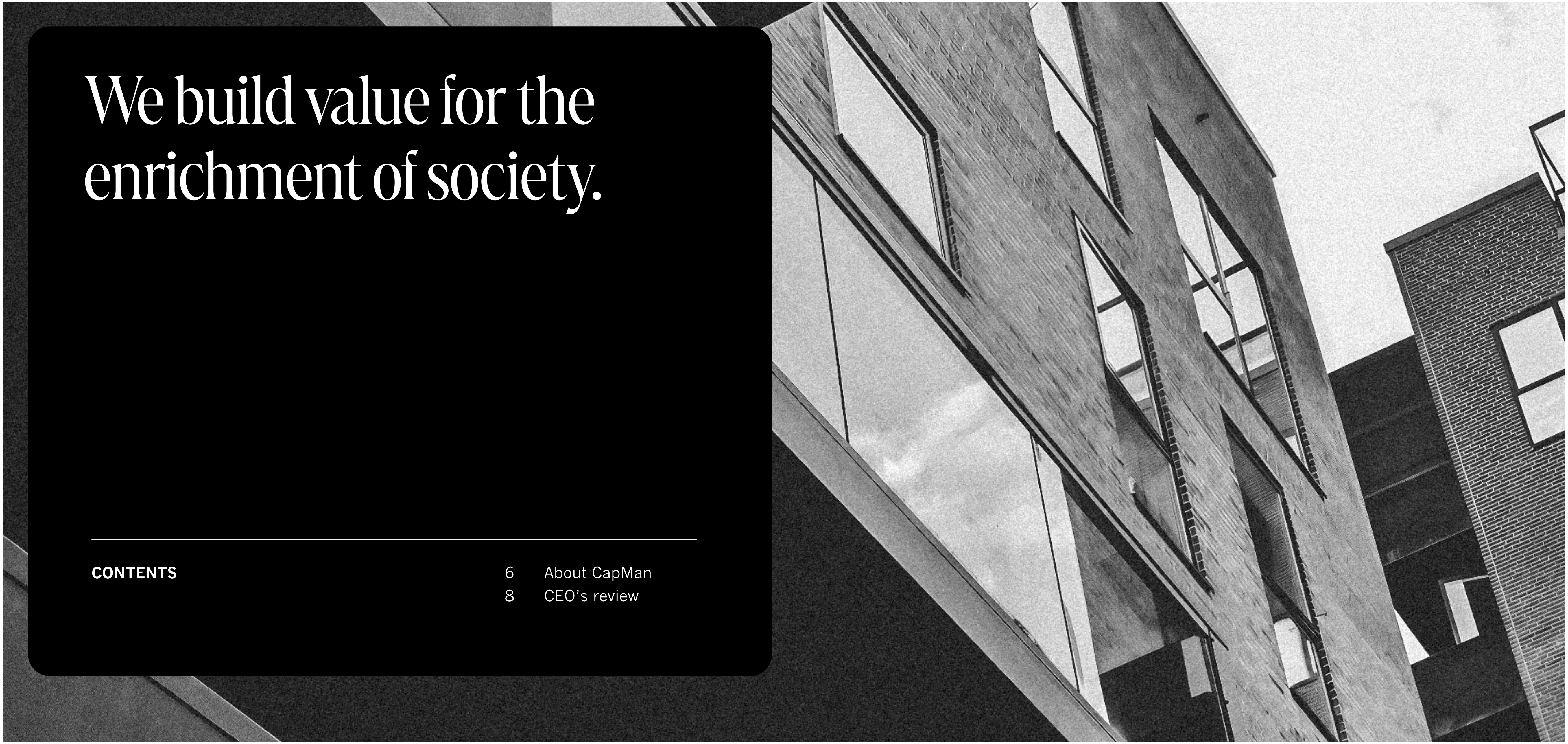


REPORT OF THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS

SUSTAINABILITY STATEMENT

CapMan



We build value for the enrichment of society.

CONTENTS

CAPMAN

CapMan

CapMan is a leading private asset management company in the Nordic region. We are a responsible, active owner focused on creating value in real estate, infrastructure, natural capital, and unlisted companies. We also offer wealth management services. Our Nordic roots go back more than 35 years, and our handprint and networks are global.

Altogether, CapMan employs approximately 200 professionals in Helsinki, Jyväskylä, Stockholm, Copenhagen, Oslo, London and Luxembourg. CapMan's stock is listed on Nasdaq Helsinki since 2001.

"Nordic roots, global handprint.

€6.1 bn
ASSETS UNDER MANAGEMENT (AUM)

~50%
AUM FROM OUTSIDE NORDICS

1989
CAPMAN GROUP FOUNDED

~440
LIMITED PARTNERS (LP) AS CUSTOMERS

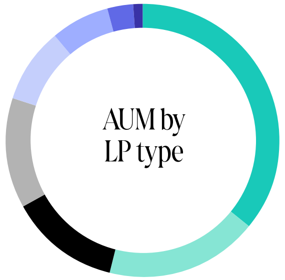
200
EMPLOYEES

About CapMan

We develop functional, human-centric real estate and infrastructure, and manage natural resource in a sustainable way. High-quality environments, utilities and a thriving nature are cornerstones for functioning societies. We build better organised, managed, and financially stable companies to contribute to overall economic well-being. More jobs and innovations equal better conditions for society.

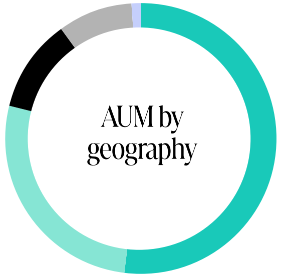
As an active owner we are driving sustainability transformations in our portfolio. An example of this is greenhouse gas reduction and net-zero targets that we have set under the Science Based Targets initiative in line with the 1.5°C scenario. We are also in all investment areas working to develop a nature positive approach that considers nature related dependencies, risks and impacts of our assets. We are dedicated to creating meaningful work in a diverse and inclusive workplace, promote the creation of new jobs and have set ambitious goals for job satisfaction, both within our operations and at our portfolio companies.

"We drive sustainability transformations in our portfolio.

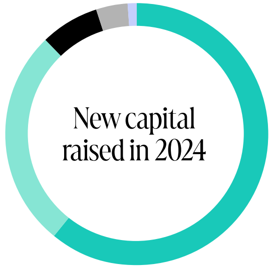


- Pension funds 36%
- Other institutional investors 18%
- Asset managers 13%
- Private investment companies 13%
- Fund of funds 9%
- Foundations 7%
- CapMan 3%
- Others 1%

- Real estate 51%
- Natural capital 12%
- Infrastructure 11%
- Private equity & credit 18%
- CapMan Wealth 8%



- Nordics 52%
- DACH 27%
- Other Europe 11%
- North America 9%
- Other 1%



- DACH 61%
- Finland 27%
- Rest of Nordics 7%
- North America 4%
- Other Europe 1%

222
REAL ESTATE PROPERTIES

49
PORTFOLIO COMPANIES

240,000
HA, LAND

€570 m
NEW CAPITAL RAISED

CONTINUES

What we do

Invest in Real Estate
We acquire transitional properties that can be enhanced through redevelopment or repurposing, as well as seek high-quality investments that generate risk-adjusted returns for investors.

Invest in Infrastructure
We offer tailored solutions for local asset owners facing funding pressure or contemplating portfolio restructuring. We mainly invest from our funds, but also execute mandate-based investments in companies beyond the focus of the fund.

Invest in Natural Capital
We manage sustainable forestry investments, natural sites and forest carbon sinks, as well as develop value in Europe and emerging markets. We see forest and natural capital investment as an environmentally and socially responsible activity that contribute to sustainable, low-carbon development while generating returns to investors.

Private Equity
Our dedicated investment teams and experienced advisor networks develop and implement growth strategies, build international organisations, execute acquisitions and arrange financing.

Wealth services
We serve investors that want to access the best private and public market solutions.

> “We build better managed companies to contribute to overall economic well-being.

CEO'S REVIEW

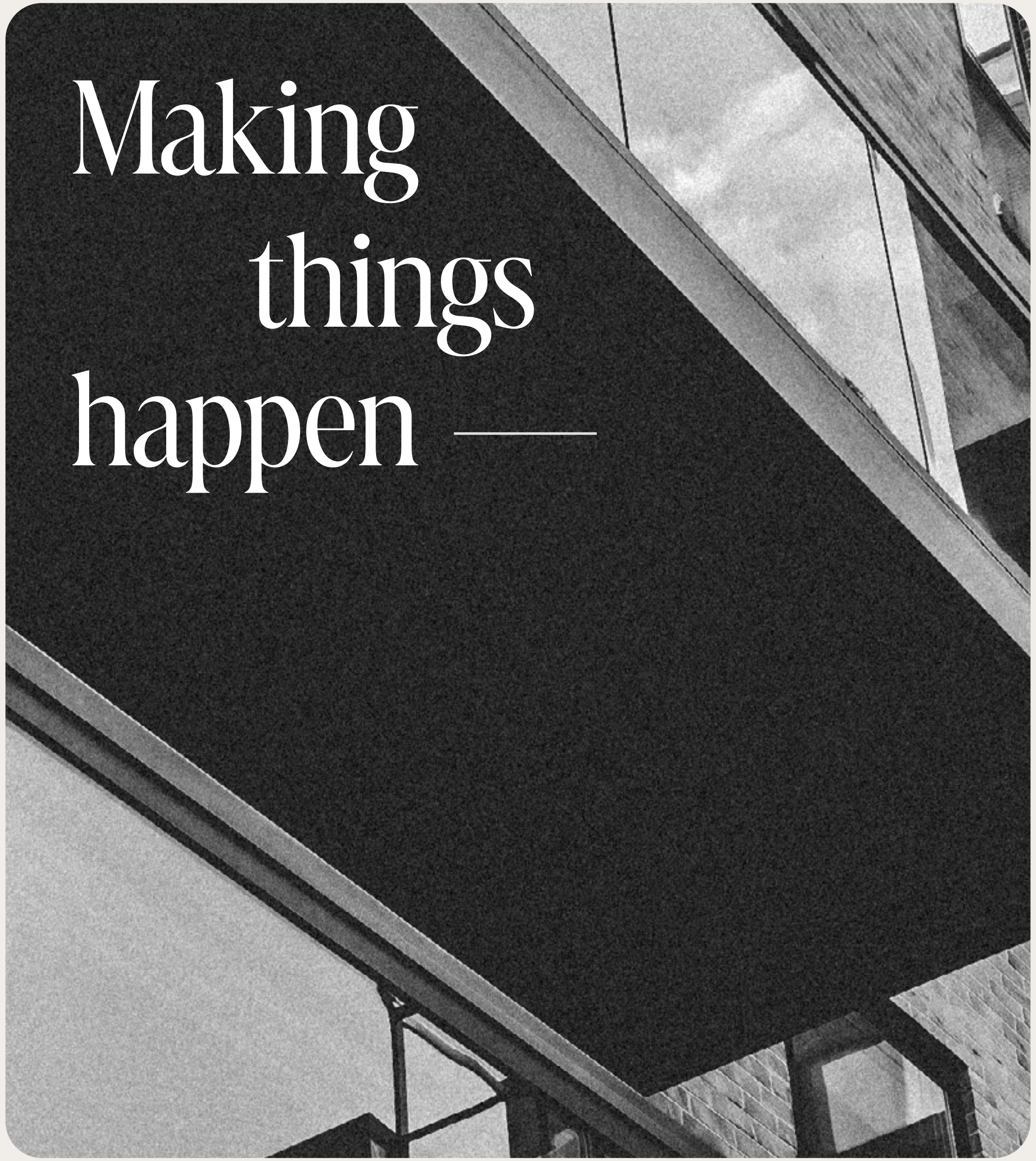
We are CapMan – we make things happen

Looking back at year 2024, I feel proud to see what we have accomplished despite the continued uncertainty and challenging market environment. We have taken several significant steps to accelerate the growth of our asset management business and executed our long-term strategy as planned. The nature of our business, private asset investing, is long-term focused and therefore requires resilience and commitment through different market cycles. The ability to seek opportunities and create value also in the slower transaction market is one of our key strengths.

We have achieved several significant strategic successes during the year. The acquisition of Dasos Capital was completed in March 2024, establishing a new investment area CapMan Natural Capital. The acquisition supports our strategy both from growth and sustainability perspectives, increasing our assets under management as well as opportunities in sustainable investment. Complementing our real estate and infrastructure investment areas with sustainable timberland and natural capital investing positions CapMan as a leader in unlisted real asset strategies in the Nordics.

In October 2024, we took a significant step in the execution of CapMan's strategy by divesting our service business CaPS for EUR 75 million. The transaction releases capital and will allow allocating more resources to accelerate the growth of our asset management business, that is at the core of our strategy. CaPS developed strongly as part of CapMan, but with limited operational links to the rest of the group, it was a natural time for the divestment. The proceeds from the transaction will be used to grow the asset management business, decrease interest bearing debt, and enable strong dividend distribution.

Our growth strategy remains ambitious, with the target to increase our assets under management to EUR 10 billion. With a strong growth of 22% this year,



CONTINUES

exceeding the overall market growth rate, and current assets under management at EUR 6.1 billion, we have truly shown our resilience and ability to grow also in a more challenging market environment.

Significant milestones in the journey towards becoming the most responsible private assets company in the Nordics

In 2024 it was especially the increased geopolitical tension in several regions that caused uncertainty in the operating environment. It is the fifth consecutive year, since the outbreak of the pandemic in 2020, in which we have operated through continuous shocks to both the economic and geopolitical environment, from increasing inflation and interest rates, rocketing energy prices, supply chain disruptions to increased political tension in various regions. During times of uncertainty like this, it is even more vital that we keep focused on the long-term vision and continue to take systematic and concrete steps towards creating a sustainable future in a way that generates strong returns for our investors over the cycles.

As a Nordic active and significant owner, we are ideally positioned to drive change towards well governed, environmentally and socially sustainable businesses and assets. Our impact comes through decisions, target-setting and finding opportunities to create value from more sustainable operating models and mitigating environmental and social challenges.

> "We have achieved several significant strategic successes during the year.

For us as a private assets manager and investor, sustainability is about working together with the stakeholders in our investment portfolio to help them transform.

CapMan wants to show leadership in tackling sustainability holistically, covering not only climate but in all our investment areas work towards nature positive approaches, that take into account the impact on all planetary boundaries, while building equitable, socially responsible businesses that respect human rights across the value chain. When it comes to emission reduction, we have made the commitment within the Science-Based Targets initiative to achieve net zero emissions by 2040, a decade ahead of the global target. This year we have also set sustainability performance targets that are linked to CapMan's Sustainability-Linked Bond Framework. The linked KPIs cover over 90% of CapMan's total emissions. This way

CONTINUES

sustainability performance is integrated in our funding, and awareness around our commitment to sustainability goals is increased, as this offers an opportunity to communicate about our work within sustainability in a dedicated and frequent manner. We have also introduced sustainability metrics as part of variable renumeration, and part of the long-term share-based incentives are determined following the achievement of sustainability targets.

Successful fundraisings and investment activity
In the beginning of March, we closed the acquisition of Dasos Capital and established Natural Capital as a new investment area for CapMan. In April, we successfully completed two flagship fundraisings. CapMan Nordic Infrastructure II fund held its final close reaching EUR 375 million, which is a doubling in size compared to the Infrastructure I fund. The investment strategy is attractive especially for international institutional investors, and around 70% of the capital in the fund comes from outside the Nordics. CapMan Growth Equity III fund held a first close above target size in February, and a final close at hard cap of EUR 130 million in April. The fast fundraising and the high quality of the investor base is a testament to the stellar performance of the strategy. In total, we raised some EUR 570 million of new capital during 2024.

Our transaction activity across strategies has stayed high with thirteen new investments and seven exits during the year. Through the investments we do from our funds and the value creation carried out in each asset during our ownership we contribute to building the society we want to see in the future. Our impact on the Nordic economies and societies is significant, with EUR 2.5 billion of aggregate turnover in 49 portfolio companies and 13,900 employees, and with 222

> “Through our investments, we contribute to building the society we want to see in the future.

properties and 10,400 tenants. In addition, CapMan Natural Capital contributes to sustainable, low-carbon development with responsibly managed 240,000 hectares of land.

CONTINUES

In the annual GRESB (Global Real Estate Sustainability Benchmark) assessment our participating Real Estate and Infrastructure funds improved their scores and are among the top funds in their respective peer groups. This is testament to our active ownership approach to integrate financial and sustainability value creation.

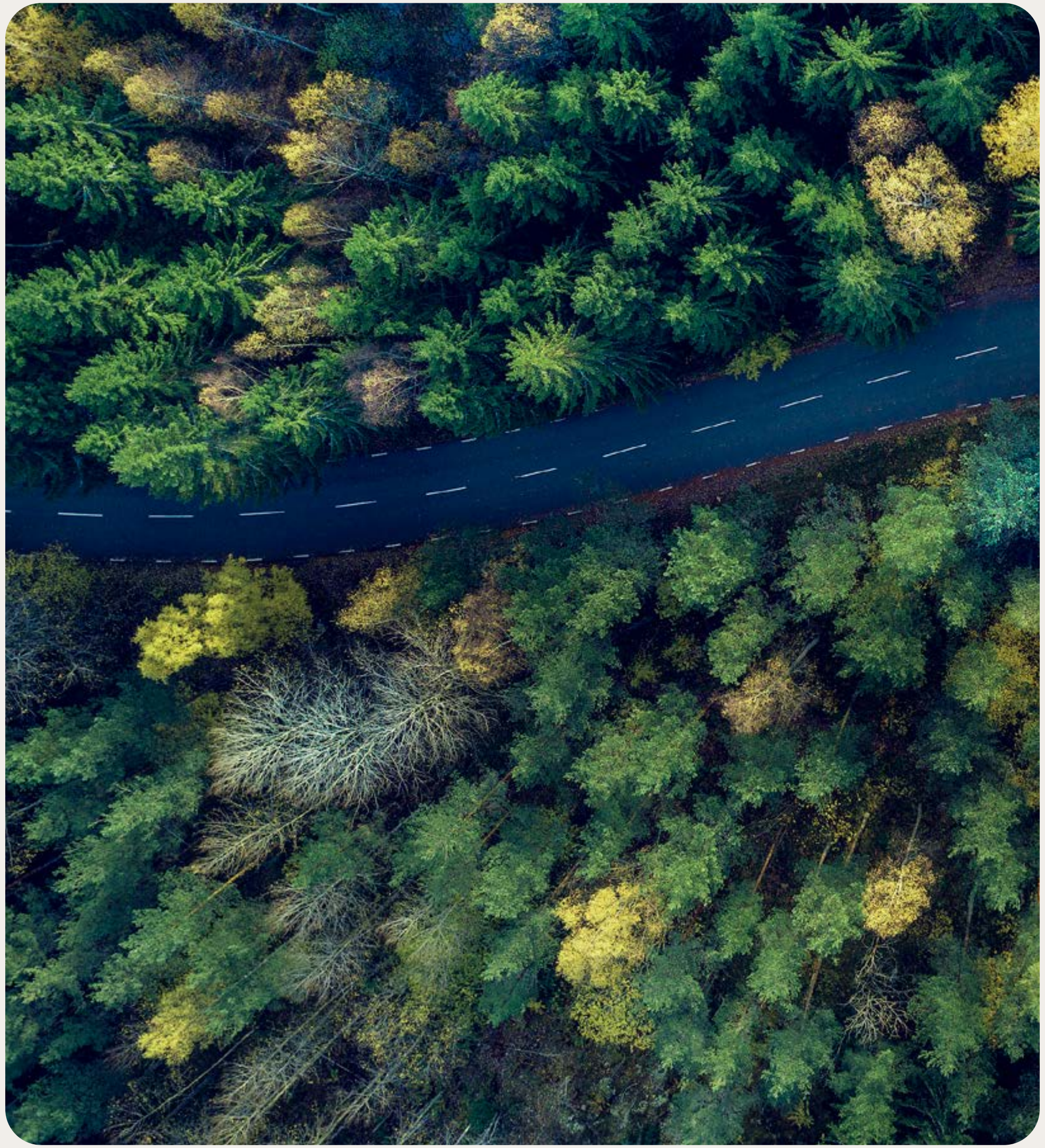
Strengthened focus on the asset management business

Over the coming years CapMan seeks to significantly grow earnings from its asset management business by a combination of continued growth and improved relative profitability, as the operations scale. As demonstrated in 2024, this is achieved by increasing the size of flagship funds, introducing new products to the market, and through selective acquisitions.

The long-term outlook for the private assets market remains strong and I look forward to elaborating on our strategic ambitions further in our next Capital Markets Day in March 2025. We are committed to continuing to build value for the enrichment of society.

PIA KÅLL | CEO, CAPMAN PLC

> "The long-term outlook for the private assets market remains strong.



CORPORATE GOVERNANCE STATEMENT

Making reliability happen

CapMan Plc – Corporate Governance Statement 2024

CapMan Plc ("CapMan") complies with the Finnish Corporate Governance Code 2025 for listed companies issued by the Securities Market Association which entered into force on 1 January 2025 (the "Code"). CapMan complies with all of the recommendations of the Code. This Corporate Governance Statement (the "Statement") has been prepared in compliance with the Code's Corporate Governance reporting guidelines, it has been reviewed by the Audit and Risk Committee of CapMan's Board of Directors (the "Board") and it is issued separately from the report by the Board. CapMan's corporate governance model also follows the Finnish laws, the Articles of Association of the company and the rules and directions of Nasdaq Helsinki Ltd.

The Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi/en. For further information regarding CapMan's corporate governance, please visit the company's website at https://www.capman.com/shareholders/governance/.

1. CapMan's governance model

CapMan is a Finnish public limited liability company headquartered in Helsinki, Finland. The parent company CapMan Plc and its subsidiaries form CapMan group. CapMan's shares are publicly listed in Nasdaq Helsinki. CapMan's governance model consists of the General Meeting of shareholders, the Board of Directors and the CEO. In the operative management of the company the CEO is supported by the management group.

2. General Meeting of the shareholders and the Articles of Association

The highest decision-making power at CapMan is held by the General Meeting of shareholders. Among other things, the General Meeting adopts the financial statements, decides on distribution of assets based on the proposal of the Board, elects the members of the Board and the auditor, decides on the discharge from liability and on amendments to the Articles of Association. The notice to the General Meeting, the documents to be presented and the proposals for the General Meeting are published on the company's website and, if needed, as a stock exchange release three weeks prior to the General Meeting at the latest.

In 2024, CapMan's Annual General Meeting (AGM) was held on 27 March in Helsinki. In total 94 shareholders representing approximately 42% of the registered share capital and voting rights attended the meeting in person or by voting in advance. The decisions are available on the company's website at https://capman.com/shareholders/governance/general-meetings/.

CapMan's Articles of Association and material related to the General Meeting are available on the company's website at the address: https://www.capman.com/shareholders/governance/.

3. Shareholders' Nomination Board

CapMan Plc's AGM decided in 2018 to establish a Shareholders' Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board to the General Meeting. The AGM also adopted a Charter for the Nomination Board. The Shareholders' Nomination Board shall serve until further notice. The term of office of the members of the Shareholders' Nomination Board expires annually after the new Shareholders' Nomination Board has been nominated.

The Shareholders' Nomination Board consists of representatives nominated by the four largest shareholders of the company and the Chairman of CapMan Plc's Board, serving as an expert member. As an expert member the Chairman of the Board of CapMan Plc does not take part in the decision-making of the Shareholders' Nomination Board.

The following members were nominated to the Shareholders' Nomination Board in September 2024: Stefan Björkman (representative of Silvertärnan Ab) (Chairman of the Nomination Board), Olli Haltia (representing Hozainum Partners Oy), Mikko Mursula (representing Ilmarinen Mutual Pension Insurance Company), and Peter Immonen (representing Dolobratos Oy Ab). Additionally, Joakim Frimodig, the Chairman of the Board of CapMan Plc, served as the expert member on the Shareholders' Nomination Board. All members nominated to the Shareholders' Nomination Board in September 2024 are men.

The Nomination Board convened five times in 2024. The Nomination Board discussed, in particular, the size, composition and diversity of the Board as well as the areas of expertise that are deemed most beneficial for the company. The Nomination Board also reviewed the remuneration of the Board and gave its proposals to the Annual General Meeting on 29 January 2024. The proposals were included in the notice to the Annual General Meeting and published as a stock exchange release.

The Charter of the Shareholders' Nomination Board is available on CapMan's website at: https://capman.com/shareholders/governance/nomination-board/

4. Board of Directors

4.1 Composition of the Board of Directors

All members of the Board are elected annually by the Annual General Meeting. There is no specific order for the appointment of Board members in the Articles of Association. According to the Articles of Association, the Board comprises at least three and at most nine members, who do not have deputies. Members are elected for a term of office, which starts at the close of the Annual General Meeting at which they were elected and ends at the close of the Annual General Meeting following their election. The Board elects a Chair and a Vice Chair from among its members. The Shareholders' Nomination Board makes the proposals on the composition of the Board and the remuneration for the Board and Committee Members to the Annual General

Meeting. The Shareholders' Nomination Board's proposals are typically published as a separate stock exchange release and are also included in the notice to convene the Annual General Meeting.

Board members' competencies relevant to the impacts of the organisation are partly reported through disclosures of Board members' backgrounds and stakeholder representation is reported through the disclosures and independence evaluation of the Board members.

The Annual General Meeting held on 27 March 2024 elected six members to the Board of Directors. Mr. Johan Bygge, Ms. Catarina Fagerholm, Mr. Joakim Frimodig, Ms. Mammu Kaario, Mr. Olli Liitola and Mr. Johan Hammarén were re-elected to the Board. At its organisational meeting on 27 March 2024, the Board elected from among its members Joakim Frimodig as its Chair and Mammu Kaario as Vice Chair. Joakim Frimodig served as the Executive Chair of the Board, and his duties included execution of CapMan's business strategy together with the CEO, especially in relation to significant growth initiatives and M&A transactions.

The biographical details of the Board members are presented in the table on page 16.

4.2 Diversity of the Board of Directors

The Shareholders' Nomination Board shall take into account the Board's diversity principles and independence requirements set forth in the Code when preparing the proposal on the Board composition to the shareholders' meeting. The company values that its Board members' have diverse backgrounds taking into account the competencies that are relevant for CapMan's business, such as know-how of the financial sector. The aim is that the Board consists of representatives of both genders and different age groups, that the Board members have versatile educational and professional backgrounds and that the Board of Directors as a whole has sufficient experience on an international operating environment.

The company considers that the composition of its Board is in its current form sufficiently aligned with the objectives set for the diversity of the Board composition. In 2024 both genders were represented in the Board. Of the Board members, 33% were women (Mammu Kaario and Catarina Fagerholm) and 67% men (Johan Bygge, Joakim Frimodig, Johan Hammarén and Olli Liitola). The Board members were between 46 and 68 years of age, their educational backgrounds were relevant to the company's operations, and they had experience on both international and local operating environments. The Shareholders' Nomination Board has not specifically reviewed the inclusion of under-represented social groups.

4.3 Independence of the Board members

The majority of the Board must be independent from the company. At least two of the members that are independent from the company shall also be independent of the company's significant shareholders.

The Board made an assessment on the independence of the Board members in its organisational meeting on 27 March 2024. According to the assessment Johan Bygge, Catarina Fagerholm and Mammu Kaario were independent of both the company and its significant shareholders. Joakim Frimodig was non-independent of the company due to his CEO position in the company during the past 3 years and his position as the Executive Chair of the company's Board of Directors. Joakim Frimodig, Johan Hammarén and Olli Liitola were non-independent of the company's significant shareholder due to their memberships in the Board of Directors of Silvertärnan Ab, which is a significant shareholder of the company.

Shares and share-based rights of each Board member and corporations over which he/she exercises control in the company and its group companies are presented in the table on page 16.

4.4 Duties and responsibilities of the Board

The Board is responsible for the administration and the proper organisation of the operations of the company. The Board is also responsible for the appropriate arrangement of the controls of the company's accounts and finances. One of the Board's key tasks is to approve, and monitor the progress of, the strategic goals, including linking those to sustainability targets. The Board has confirmed a written charter for its work, which describes the main tasks and duties, working principles and meeting practices of the Board, and an annual self-evaluation of the Board's operations and working methods.

In accordance with the charter, the main duties of the Board were to:

- appoint and dismiss the CEO
- ensure that the company has a proper organisation
- supervise the operative management
- approve strategic and financial objectives
- approve the budget
- decide on the establishment of new CapMan funds and approve CapMan's own commitments therein
- decide on fund investments to other than CapMan funds and direct investments exceeding EUR 5 million
- decide on major changes in the business portfolio
- approve annual financial and sustainability statements and interim reports
- ensure that there are proper arrangements in place to secure that the business complies with applicable rules and regulations
- approve the key principles of corporate governance, internal control, risk management as well as other key policies
- decide on the CEO's remuneration as well as on the remuneration policy for other executives and CapMan's key employees
- confirm the central duties and operating principles of the Board committees
- convene the general meetings of shareholders

The Chair of the Board ensures and monitors that the Board fulfils the tasks appointed to it under legislation and by the company's Articles of Association.

4.5 Work of the Board in 2024

In 2024, the Board of Directors met nine times. The Board had eight meetings in the composition as elected by the 2024 AGM and one meeting in the composition as elected by the 2023 AGM. The Board evaluates its work, including sustainability matters, generally in the autumn of each year to ensure that the results of the evaluation are available for the Nomination Board work. External consultants may be used in the evaluation.

The table on page 16 presents Board members' attendance at the meetings in 2024.

5. Board Committees

The Board may establish Committees to ensure efficient preparation of the matters under its responsibility. The Committees are established, and their members are elected from among the members of the Board in the Board's organisational meeting to be held after the AGM for the same term as the Board. The Committees shall consist of at least three members. The charters for each committee shall be confirmed by the Board. The Chairs of the committees report to the following Board meeting on the topics discussed in the committee meetings. Also, the materials presented, and the minutes of the committee meetings are delivered to the Board for information. The committees generally do not have autonomous decision-making power, but the Board makes the decisions within its competence collectively.

In its organisational meeting held on 27 March 2024, CapMan's Board of Directors established an Audit and Risk Committee and Remuneration Committee.

5.1 Audit and Risk Committee

The Audit and Risk Committee has been established to improve the efficient preparation of matters pertaining to financial and sustainability reporting and control.

The duties of the Audit and Risk Committee included:

- monitoring the financial position of the company
- monitoring and assessment of the financial and sustainability reporting processes
- monitoring and assessment of the company's internal control and risk management systems and compliance processes
- monitoring and assessment of the most significant financial, tax and sustainability risks
- review of the company's corporate governance statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- monitoring the assurance of the sustainability statements
- evaluating the independence of the statutory auditor or audit company, particularly the provision of non-audit services
- other communications with the auditor
- preparing the proposal for resolution on the election of the auditor and when needed the election of the sustainability assurer
- assessing the provision of sustainability reporting assurance services and monitoring their effectiveness
- defining the principles concerning the monitoring and assessment of related party transactions
- monitoring and assessment of the processes and risks relating to IT security
- evaluation of the use and presentation of alternative performance measures
- monitoring procedures for identifying the information to be reported in accordance with the sustainability reporting standards
- monitoring and assessment of any special issues allocated by the Board and falling within the competence of the audit and risk committee.

The Board has in its organisational meeting on 27 March 2024 elected Mammu Kaario (Chair), Catarina Fagerholm and Johan Bygge as members of the Audit and Risk Committee. In 2024, the Committee met six times. The table on page 16 presents the Committee members' attendance at the meetings.

All members of the Audit and Risk Committee were independent of the company and its significant shareholders. All members of the Audit and Risk Committee are experienced in demanding positions in financial administration and business management and they hold degrees suitable for Audit and Risk Committee members.

The Committee has discussed sustainability topics, such as the materiality assessment and the company's CSRD readiness, during the year in its meetings. The Committee had a training on responsibilities of the board and the audit committee in CSRD reporting in autumn 2024.

5.2 Remuneration Committee

The Remuneration Committee has been established to improve the efficient preparation of matters pertaining to the remuneration of the CEO and other executives as well as the remuneration principles applied by the company.

The main duties of the Remuneration Committee in accordance with the charter were to assist the Board by preparing the Board decision-making on:

- CEO remuneration
- company's executive remuneration principles and the remuneration of individual executives as required
- company's general remuneration principles
- Remuneration Policy and Report for the governing bodies.

The Committee further contributed to:

- ensuring the objectivity and transparency of the decision-making regarding remuneration matters in the company
- systematic alignment of remuneration principles and practice with the company strategy and long-term and short-term targets, including sustainability targets
- talent management and succession planning

The Board has in its organisational meeting on 27 March 2024 elected Joakim Frimodig (Chair), Catarina Fagerholm and Olli Liitola as members of the Remuneration Committee. The Committee met three times in 2024. The table below on page 16 presents the Committee members' attendance at the meetings.

Catarina Fagerholm is independent of the company and its significant shareholders and Olli Liitola is independent of the company. Joakim Frimodig is not independent of the company or its significant shareholder. Further information on the independence of the Board members is available in section 4.3.

Board of Directors in 2024

Name	Personal information	Shares and share-based rights as of 31 Dec 2024	Attendance at the Board meetings	Attendance at the Committee meetings
Joakim Frimodig	Chair of the Board since 2023 Member of the Board since 2023 Born: 1978 Education: BA (Oxon) Main occupation: Executive Chair of the Board of CapMan Plc Chair of the Remuneration Committee Expert member of the Shareholders' Nomination Board Non-independent of the company and the significant shareholder	1,229,168	9/9	Remuneration Committee: 3/3 Nomination Board: 5/5
Johan Bygge	Member of the Board since 2021 Born: 1956 Education: BA (Econ.) Main occupation: Board professional Member of the Audit and Risk Committee Independent of the company and significant shareholders	54,900	9/9	Audit and Risk Committee: 6/6
Catarina Fagerholm	Member of the Board since 2018 Born: 1963 Education: M. Sc. (Econ.) Main occupation: Board professional Member of the Audit and Risk Committee and Remuneration Committee Independent of the company and significant shareholders	73,011	9/9	Audit and Risk committee: 6/6 Remuneration Committee: 3/3
Johan Hammarén	Member of the Board since 2020 Born: 1969 Education: LL.M., Bachelor of Science (Econ.) Main occupation: Managing Director, Oy Hammarén & Co Ab, board professional Independent of the company and non-independent of the significant shareholder	0	9/9	
Mammu Kaario	Member of the Board since 2017 Born: 1963 Education: LL.M., MBA Main occupation: Board professional Chair of the Audit and Risk Committee Independent of the company and significant shareholders	38,071	9/9	Audit and Risk Committee: 6/6
Olli Liitola	Member of the Board since 2019 Born: 1957 Education: M.Sc. (Tech.). Main occupation: Board professional Member of the Remuneration Committee Independent of the company and non-independent of the significant shareholder	750,000	9/9	Remuneration Committee: 3/3

In addition, Johan Hammarén's controlling interest company Oy Hammarén & Co, Olli Liitola's controlling interest company Momea Invest Oy and Joakim Frimodig's controlling interest company Boldhold Oy are minority owners in Silvertärnan Ab, which owns 12.82% of the shares in CapMan Plc.

6. Chief Executive Officer (CEO)

In 2024, CapMan's CEO was Pia Kåll (born 1980, M.Sc. (Eng.)). Kåll's shares and share-based rights and those of the companies over which she exercises control are presented in the table on page 17.

The Board elects the company's CEO. The terms and conditions of the CEO's service are specified in writing in the CEO's service contract, which is approved by the Board. The CEO manages and supervises the company's business operations according to the Finnish Companies Act and in compliance with the instructions and authorisations issued by the Board. The CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. Generally, the CEO is independently responsible for the operational activities of the company and for day-to-day decisions on business activities and the implementation of these decisions. The CEO appoints the heads of business areas. The Board approves the recruitment of the CEO's immediate subordinates. The CEO cannot be elected as Chair of the Board.

7. Management Group

The main tasks of the Management Group consist of (i) coordination of team strategy, fundraising, resources, sustainability as well as coordination of marketing and brand, (ii) implementation of decisions by the Board, (iii) supporting decision-making through providing information and active participation, and (iv) sharing information within the teams and implementing decisions as agreed in the Management Group. The composition of the Management Group, responsibilities and the shares and share-based rights of the members of the Management Group and of the companies over which they exercise control in the end of the financial year of 2024 are presented in the table below.

Management Group in 2024

Name	Responsibilities	Personal information	Shares and share-based rights on 31 Dec 2024
Pia Kåll	CEO	Born: 1980 Education: M.Sc. (Eng.) Gender: Female	Shares: 331,320
Atte Rissanen	CFO	Born: 1987 Education: M. Sc. (Econ.) Gender: Male	Shares: 321,748
Heidi Sulin	COO	Born: 1979 Education: LL.M. Gender: Female	Shares: 180,172
Olli Haltia As of 1 March 2024	Managing Partner of CapMan Natural Capital	Born: 1963 Education: Ph.D. (Econ.), M.Sc. (Econ.), M.Sc. (Forest Econ.) Gender: Male	Shares: 9,031,217
Mika Koskinen	Managing Partner of CapMan Wealth	Born: 1967 Education: Lic.Sc. (Econ.) Gender: Male	Shares: 30,000
Antti Kummu	Managing Partner of CapMan Growth Equity	Born: 1976 Education: M.Sc. (Econ.), CFA Gender: Male	Shares: 81,117
Mika Matikainen	Managing Partner of CapMan Real Estate	Born: 1975 Education: M. Sc. (Econ), M.Soc.Sc Gender: Male	Shares: 204,259
Anna Olsson	Head of Sustainability	Born: 1982 Education: M.Soc.Sc. Gender: Female	Shares: 49,160
Ville Poukka	Managing Partner of CapMan Infra	Born: 1981 Education: M.Sc. (Econ.) Gender: Male	Shares: 296,787
Mari Simula	Head of Fund Investor Relations	Born: 1982 Education: M.Sc. (Tech.) Gender: Female	Shares: 440,260
Antti Uusitalo	Managing Partner of Special Situations	Born: 1982 Education: M.Sc. (Econ.) Gender: Male	Shares: 15,000

8. Internal control and risk management

The aim of CapMan's internal control and risk management is to ensure that the company's operations are efficient, appropriate, reliable and in compliance with regulation, and that risks associated with the company's business and objectives are identified and appropriately monitored and managed. The group's internal control system is an essential part of the group's management system and consists of organisation structure, policies, processes, working instructions, allocation of tasks and responsibilities, approval authorisations, manual and automated controls, monitoring reports and reviews. The Board and the CEO are responsible for the internal control and the risk management but the internal control is conducted on all levels of the organisation, in all business and support functions. Each employee is individually responsible for the compliance of policies and instructions and for reporting the faults and malpractice to his/her supervisor or other designated persons.

9. Internal control and risk management pertaining to the financial reporting

The internal control and risk management pertaining to the financial reporting process is part of CapMan's overall internal control framework. The key roles and responsibilities for internal control and risk management have been defined in the group's internal guidelines which are approved and updated by the management and/or the Board of Directors of the company.

CapMan's internal control and risk management concerning financial reporting is designed to provide, inter alia, reasonable assurance concerning the reliability, comprehensiveness and timeliness of the financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles and other requirements for listed companies. The objective is also to promote good corporate governance and risk management practices and to ensure the compliance with laws, regulation and CapMan's internal policies.

9.1 General description of the financial reporting process

CapMan's operating model is based on having a local presence in Finland, Sweden, Denmark, Norway, Luxembourg and the UK, and operating the organisation across national borders. CapMan's subsidiaries and branches in seven countries report their results on a monthly or quarterly basis to the parent company. The bookkeeping function is mainly outsourced.

Financial information is assembled, captured, analysed, and distributed in accordance with existing processes and procedures. The group has a common reporting and consolidation system that facilitates compliance with a set of common control requirements. The monthly accounting entries of the most significant subsidiaries and branches are transferred to the group's reporting system on an entry-by-entry level. The other subsidiaries submit their figures either monthly or quarterly to the group accounting to be entered to the group reporting system for consolidation. The reported figures are reviewed by subsidiaries' accountants as well as by group accounting team. Group accounting also monitors the balance sheet and income statement items by analytically reviewing the figures. The consolidated accounts of CapMan are prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

9.2 Control and risk management of the financial reporting process

The Board has the overall responsibility for the proper arrangement of internal control and risk management over financial reporting. The Board has appointed the Audit and Risk Committee to undertake the more specific tasks in relation to financial and sustainability reporting process control such as monitoring the financial statements reporting process, the supervision of the financial reporting process, overview of sustainability (including climate) risks and monitoring the efficiency of the company's internal control. The Audit and Risk Committee also reviews regularly the main features of the internal control and risk management systems pertaining to the financial reporting process.

The management of the group is responsible for the implementation of internal control and risk management processes and for ascertaining their operational effectiveness. The management is also responsible for ensuring that the company's accounting practices comply with laws and regulations and that the company's financial and sustainability matters are managed in a reliable and consistent manner.

The CEO leads the risk management process by defining and allocating responsibility areas. The CEO has nominated the group's COO as risk manager to be in charge of coordinating the overall risk management process. The risk manager reports to the Audit and Risk Committee on matters concerning internal control and risk management. The management has allocated responsibility for establishing more specific internal control policies and procedures to personnel in charge of different functions. The group's management and accounting departments possess appropriate levels of authority and responsibility to facilitate effective internal control over financial reporting.

9.3 Risk assessment and control activities

Risks related to the financial reporting process are identified through the objectives of financial reporting. The risk assessment process is designed to identify financial reporting risks and to determine how these risks should be managed. The risk assessment process also considers sustainability risks that relates to material financial outcomes. Control activities based on risk assessments are determined for all levels of the organisation. These activities include guidelines and instructions, approvals, authorisations, verifications, reconciliations, analytical reviews, and segregation of duties.

In the annual risk assessment process of the group, the identified risks are reviewed, the risk management control activities are mapped and the effects of potential new identified risks are evaluated. The objectives and responsibilities of the risk management process as well as the determination of the risk-appetite were reviewed during 2024.

9.4 Information and communication pertaining to the financial reporting

CapMan has defined the roles and responsibilities pertaining to financial reporting as a part of the group's information and communication practices. External and internal information regarding financial reporting and its internal control is gathered systematically, and relevant information on the group's transactions is provided to the management. Up-to-date information relevant for the financial reporting is presented in a timely manner to the relevant functions such as the Board and the Management Group. All external communications are carried out in accordance with the group disclosure policy, which is available on the company's website: https://capman.com/shareholders/governance/policies/

9.5 The organisation and monitoring of internal control activities

To ensure the effectiveness of internal control pertaining to financial reporting, monitoring activities are conducted at all levels of the organisation. Monitoring is performed through ongoing follow-up activities, separate evaluations or a combination of the two. Separate internal audit assignments may be initiated by the Board or management. The scope and frequency of separate evaluations depend primarily on the assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported to the management, and serious matters to the Audit and Risk Committee and the Board.

Group accounting performs monthly consistency checks of income statement and balance sheet for subsidiaries and business areas. The group accounting team also conducts management fee and cost analysis, quarterly fair value change checks, impairment and cash flow checks as well as control of IFRS and other applicable regulatory changes. The Audit and Risk Committee and the Board regularly review group-level financial reports, including comparison of actual figures with prior periods and budgets, other forecasts, monthly cash flow estimates and covenant levels. In addition, the Audit and Risk Committee monitors in more detail, among others, the reporting process (including the management's discretionary evaluations), risk management, internal control and audit.

The Risk and Valuations team, which is independent from the investment teams, is responsible for the quarterly valuation process, monitoring and forecasting fair value movements and preparing the models for and calculating carried interest income for the funds under the management of the Group.

CapMan's subsidiaries holding a license to act as alternative investment fund manager or investment firm granted by the Finnish Financial Supervisory Authority, have separate risk management and internal audit functions as required by applicable laws.

The compliance function oversees that the operations of the CapMan group comply with regulation and that the group companies will adopt the relevant new regulations promptly.

10. Other information

10.1 Procedures related to insider administration

CapMan complies with the Market Abuse Regulation's ("MAR", 596/2014) rules on managers' transactions and insider management and the guidelines for insiders issued by Nasdaq Helsinki. In addition, CapMan has its own internal policy regarding insider management. The group's compliance function is responsible for insider administration and shall e.g. monitor that employees comply with insider rules and trading restrictions, maintain project-specific insider lists, arrange internal trainings for employees on insider rules and on disclosure responsibilities of listed companies.

CapMan maintains an internal, non-public list on managers and persons closely associated with them, which are, according to MAR, obliged to disclose all transactions made with financial instruments issued by CapMan. CapMan has determined the members of the Board and the Management Group (including the CEO) as managers defined in the MAR (hereinafter "Manager(s)"). Each Manager has been instructed to inform the persons closely associated with them about the obligation to disclose transactions. CapMan publishes a release on each transaction which has been executed by a Manager or his/her closely associated person with the financial instruments issued by CapMan in case the total value of all transactions of this person exceeds EUR 20,000 within a calendar year. The total holding of CapMan's shares and share-based rights of each Manager is annually published as a part of the Annual Report.

CapMan maintains project-specific insider lists for the projects, as set out in MAR, which may have a significant effect on the prices of the financial instruments issued by CapMan. These project-specific insider lists are drafted and maintained in accordance with the MAR and CapMan's internal policies and are established following a decision to delay the disclosure of inside information. The persons added to the project-specific list and other persons who possess inside information related to CapMan, are advised not to trade in financial instruments issued by CapMan. Prior to trading in CapMan's financial instruments, each manager and employee is obliged to personally assess whether he/she is in the possession of inside information related to CapMan.

CapMan's Managers (as defined above) or employees who receive financial information related to CapMan Plc are not permitted to trade in financial instruments issued by CapMan during a closed period of 30 calendar days prior to the publication of CapMan's interim reports, half year financial report or financial statements bulletin (closed period). The publication dates are announced annually over a stock exchange release. CapMan's Managers and employees have been instructed to inform their closely associated persons regarding closed periods and trading restrictions on CapMan's financial instruments during the closed period. According to the internal trading pre-approval procedure, the Managers of CapMan group are obliged to request a written pre-approval from the group's compliance function before trading in financial instruments issued by CapMan.

10.2 Whistleblowing

CapMan has a whistleblowing channel for personnel which offers a possibility to alert CapMan about suspicions of misconduct in confidence and/or anonymously. The channel is available on the company's intranet. During 2024, one whistleblowing report was received. The report was processed in accordance with the company's whistleblowing process.

CapMan also has an external whistleblowing channel on the company's website for all stakeholders. Both internal and external channels help CapMan to promote responsible business practices. Reporting through the channels is secured and reports may be submitted anonymously.

10.3 Principles regarding Related Party Transactions

The Board has approved the principles regarding related party transactions for the company. Related party transactions are monitored by the financial administration and legal functions as part of the company's customary reporting and control processes. Any significant and out of the ordinary transaction with related parties deviating from market terms are reported to and approved by the Board. Key management personnel are instructed of the related party matters. The company maintains a list of its related parties and related-party transactions are reported in the interim reports and financial statements in accordance with regulations and financial reporting standards. Significant related-party transactions will be published as stock exchange releases.

The company's related party transactions typically involve purchase of internal services or are related to other services or products that are part of the normal business operations of the company. The company does not customarily enter into transactions with its related parties which would be significant for the company and deviate from the ordinary course of business or would be conducted in deviation from customary market terms.

10.4 Audit fees

Ernst & Young Oy, authorised public accountants, acted as auditor of the company in 2024. Ms. Kristina Sandin, APA, acted as the lead auditor. The audit fees paid to the auditor amounted to 437,000 euros (371,000 euros 2023) and the fees related to other non-audit related services amounted to 111,000 euros (90,000 in 2023).

10.5 Internal audit

Taking into account the nature and extent of the company's business CapMan has not considered it necessary to organise internal audit as a separate function. The internal audit of the licensed operations has been outsourced to an external service provider.

CapMan

REMUNERATION

Making commitment happen

CapMan – Remuneration Report 2024

This Remuneration Report ("Report") of CapMan Plc ("CapMan" or "Company") describes the implementation of the Company's Remuneration Policy and provides information on the remuneration of the Company's Board of directors ("Board") and CEO in the financial year 2024. The Report has been prepared in accordance with Finnish legislation and the Finnish Corporate Governance Code 2025. This Report will be presented at the Annual General Meeting ("AGM") on 25 March 2025 for advisory vote.

The AGM 2023 adopted the Remuneration Policy for Company's governing bodies through advisory resolution. The Remuneration Policy is available on the Company's website (www.capman.com/shareholders/governance/compensation/). The Remuneration Report 2023 was adopted through advisory resolution in the AGM 2024.

1. Introduction

1.1 Implementation of the Remuneration Policy in 2024

The AGM 2024 decided on the remuneration of the members of the Board in accordance with the proposal by the Shareholders' Nomination Board. The Shareholders' Nomination Board consists of representatives of the largest shareholders and, thereby, the Board is not involved in the preparation of its own remuneration.

According to the decision of the AGM 2024, the members of the Company's Board were paid monthly remuneration and meeting fees in 2024. In 2024, as in 2023, all remuneration was paid in cash. The Board fees are described in the table below.

Role	Monthly fee (EUR)	
	2023	2024
Chair of the Board	5,000	5,000
Vice Chair of the Board	4,000	4,000
Chair of the Audit and Risk Committee[1]	4,000	4,000
Member	3,250	3,250

Role	Meeting fee (EUR)	
	2023	2024
Chair of the Board	800	800
Chair of the Audit and Risk Committee	800	800
Chair of the Remuneration Committee	800	800
Members	400	400

[1] If he/she is not simultaneously acting as Chair or Vice Chair of the Board of Directors.

The Remuneration Committee of CapMan's Board convened three times in 2024 to prepare matters concerning the remuneration of the Company's CEO and other management. Based on the preparation of the Remuneration Committee the Board decided on short-term incentive rewards to the Company's management (other than CEO) regarding financial year 2023 which were paid in March 2024. In addition, the Board decided on the management's (other than CEO) short-term incentive programme for the financial year of 2024. In accordance with the Board's previous decision in principle, the CEO has not in recent years been included in the short-term incentive programmes. Based on the Company's current situation, the Board has outlined that the CEO's variable remuneration is to be based mainly on long-term incentives.

According to the Board's opinion, the decision-making on remuneration complied with the decision-making process described in the Remuneration Policy, and the remuneration components are consistent with the principles set out in the Policy, and there has been no deviation from the Remuneration Policy. No clawback was exercised to the remuneration of the Board or CEO.

1.2 Focus on Long-Term Remuneration with a Share-Based Incentive Programme

The Company aims at maintaining attractive, competitive, fair and sustainable remuneration which strives to achieving strategic business objectives of the Company in short-term and especially in the long-term. The Board has emphasised the significance of the strategic long-term success with sustainability as the Company's key objective by attaching the CEO's variable remuneration entirely to long-term incentive programme including sustainability performance targets. The CEO is excluded from the short-term incentive programme.

The Company had one active share-based incentive programme at the end of 2024. The program is targeted for the CEO, management group and selected key employees, altogether approximately 20 people in the CapMan Group. The aim of the programme is to align the objectives of the shareholders and the key employees in order to increase the value of the Company in the long-term. Additionally, the programme aims to retain the key employees at the Company, and to offer them a competitive reward plan that is based on each participant investing, owning, earning and accumulating their ownership of Company's shares. The contents of the programme is summarised below. Information about the programme is also available on the Company's website at https://www.capman.com/shareholders/governance/compensation/.

1.2.1 Performance Share Plan 2022–2025

The Performance Share Plan 2022–2025 (the "Plan") includes three performance periods. The performance periods commenced on 1 April 2022. Two first performance periods ended on 31 March 2023 and 31 March 2024, and the third performance period will end on 31 March 2025. 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 are paid in the Company's shares one year after each reward determination, i.e. in 2024, 2025, and 2026. The shares paid as reward may not be transferred during the one-year lock-up periods.

The prerequisite for receiving a reward from the Plan is that a participant acquired Company shares or allocated previously owned Company shares to the Plan up to the number determined by the Board. The reward is based on the Total Shareholder Return (TSR), the achievement of sustainability-linked targets, and on the participant's employment or service upon reward payment. The sustainability-linked targets are as follows:

- Set science-based targets for climate, have the targets validated by the Science Based Targets Initiative and thereafter follow the GHG emission reduction plan;
- Maintain the employee satisfaction eNPS survey at a high level on a yearly basis;
- Include relevant and quantifiable ESG targets in the CapMan Group employee bonus programme for all eligible personnel. ESG targets should count for minimum 5% of the employee evaluation score by April 2025;
- Set mid- and long-term percentage targets by the end of 2023 on gender diversity, including targets for appointments for Management Group and Partner level, and targets for new recruits throughout the CapMan organisation. CapMan should reach the mid-term target by April 2025.

The maximum reward under the Plan is 4.25× the number of shares the participant has allocated to the Plan. Of the 4.25×, a maximum of 3.5× is linked to TSR, 0.5× is the matching part and 0.25× is linked to the achievement of the four sustainability-linked targets with equal weights (i.e. 25% each).

Current CEO, Pia Kåll, has participated in the Plan in her previous role as a member of the Management Group with the maximum number of shares determined by the Board (30 000 shares) until 15 March 2023. In connection with her appointment as the CEO in March 2023, the Board determined to increase the maximum number of the shares she is allowed to allocate to the Plan to 250 000 shares in aggregate, and Kåll participated accordingly.

1.3 Development of Remuneration

The development of remuneration of the Company's Board members and CEO compared to the development of average remuneration of the Company's personnel and the Company's financial development over the past five financial years are presented in the table below.

Key figures	2020	2021	2022	2023	2024[2]
Company key figures					
Share price on 31 December in Nasdaq Helsinki, €	2.32	3.04	2.71	2.29	1.71
Distributed dividends per share, €	0.13	0.14	0.15	0.17	0.10
TSR (Total Shareholder Return), %	3%	30%	– 5%	– 7%	– 15%
Turnover, €	42,989,000	52,784,000	67,532,000	59,364,000	57,621,000
Salaries and fees					
CEO Joakim Frimodig, annual income, € [3]	361,974	376,300	453,125	129,639	0
CEO Pia Kåll, annual income, € [4]	0	0	0	351,486	440,178
Average personnel cost, € [5]	150,664	185,373	171,204	180,060	172,200
Average board members' fees, € [6]	49,038	48,552	49,794	42,545	50,600
Share rewards [7]	**Pay-out based on 2018–2020 (PSP 2018)**		**Pay-out based on 2020–2022 (PSP 2020)**	**Pay-out based on 2022–2023 (PSP 2020 and for Frimodig PSP 2022)**	**Pay-out based on 2022–2023 (PSP 2022)**
CEO Joakim Frimodig, share rewards, €	2,241,675	0	2,343,150	1,468,916	0
CEO Pia Kåll, share rewards, € [8]	0	0	0	121,302	63,417
Personnel, share rewards, €	4,079,849	0	5,149,462	2,789,946	1,211,354

[2] 2024 figures reflect continuing operations only. The sold CaPS service business is classified as a discontinued operation as of 1 January 2024 and thus excluded from the figures.

[3] n 2023, CEO Joakim Frimodig's annual income cover the time period from 1 January to 15 March 2023. Social costs have not been included in the CEO's income figures.

[4] n 2023, CEO Pia Kåll's annual income cover the time period from 15 March to 31 December 2023. Social costs have not been included in the CEO's income figures.

[5] Personnel costs reported in the financial statements of the Company divided by the annual full-time equivalent (FTE) personnel head count, including e.g. variable remuneration and social costs (excluding share rewards).

[6] Average remuneration paid to a Board member (monthly fee and meeting fees in total). The average figure excludes the Chair of the Board's remuneration relating to their responsibility as Executive Chair during 2024.

[7] The euro values presented have been calculated using the trade volume weighted average share price of the shares on their book-entry registration date. The gross number of shares rewarded has been reduced by the amount of applicable taxes before the shares were delivered.

[8] In 2023, rewards paid from the Performance Share Plan 2020 related to Kåll's previous role as the management group member.

2. Remuneration of the Board members in 2024

The following table includes the board members' monthly fees and meeting fees paid to the members of the Board in 2024. Both fees remained unchanged from year 2023. The table also includes the compensation paid to Joakim Frimodig for the role of Executive Chair of the Board. The board members' monthly and meeting fees were paid fully in cash. In addition to the board members' monthly fees and meeting fees the members of the Board have been reimbursed for travel expenses in accordance with the Company's travel compensation policy.

The Executive Chair of the Board or the other Board members are not eligible to any additional pension payments, fringe benefits or other personnel benefits provided by the Company.

Board member	Board Service 2024	Board fee 2024, €	Meeting fees 2024, €	Other compensation in 2024, €	Total Remuneration 2024, €
Bygge Johan	1 Jan – 31 Dec	39,000	6,000	0	45,000
Fagerholm Catarina	1 Jan – 31 Dec	39,000	7,200	0	46,200
Frimodig Joakim	1 Jan – 31 Dec	60,000	9,600	209,500	279,100
Hammarén Johan	1 Jan – 31 Dec	39,000	3,600	0	42,600
Kaario Mammu	1 Jan – 31 Dec	48,000	8,400	0	56,400
Liitola Olli	1 Jan – 31 Dec	39,000	4,800	0	43,800
Total	1 Jan – 31 Dec	264,000	39,600	209,500	513,100

3. Remuneration of the CEO in 2024

The following table includes the remuneration and other financial benefits paid to Pia Kåll during 2024.

The variable remuneration paid to CEO Pia Kåll in 2024 consisted solely of long-term variable remuneration and corresponds to approximately 0.144× the fixed annual salary.

CEO Pia Kåll is entitled to an additional defined contribution-based pension plan for which the Company pays an annual premium of 10% of the participant's annual salary. The CEO's entitlement to a paid-up policy increases gradually after three years and after six years covers 100% of the cumulative additional pension saving. The retirement age of the CEO is 63 years.

Name	Fixed annual salary, €	Annual bonus, €	Shares, €	Supplementary pension, €
Kåll Pia	440,178	0	63,417	42,000

REPORT OF THE BOARD OF DIRECTORS

Making growth stories happen

Nordic roots, global handprint.

CONTENTS

Report of the Board of Directors 2024

Group turnover and result in 2024

CapMan Group's turnover totalled MEUR 57.6 in the period spanning 1 January–31 December 2024 (1 January–31 December 2023: MEUR 49.3), up 17% from the comparison period. The growth was driven by both Fee income and Carried interest which grew by 15% and 38%, respectively. CapMan has classified CaPS business as a discontinued operation in the income statement and restated the comparison periods' figures accordingly.

Operating expenses were MEUR 48.7 (MEUR 44.4) with the main items being:

- Personnel expenses MEUR 33.3 (MEUR 32.2)
- Depreciations and amortisations MEUR 2.4 (MEUR 1.4)
- Other operating expenses MEUR 13.0 (MEUR 10.9).

A large share of the increase in operating expenses was due to items impacting comparability that mainly consist of expenses related to the acquisition of Dasos Capital. Comparable operating expenses were 10% above the comparison period at MEUR 46.4 (MEUR 42.3).

Fair value changes of investments were MEUR +7.8 (MEUR –6.1), corresponding to a return of +4.5% (–3.4%) per annum.

Operating profit was MEUR 16.7 (MEUR –1.2). The comparable operating profit was MEUR 19.0 (MEUR 0.8) as Fee profit, Carried interest, and Fair value changes were all above the comparison period.

Fee profit increased by 81% from the comparison period due to Fee income growth and improving relative profitability and was MEUR 6.9.

The result for the financial year was MEUR 9.4 (MEUR –1.3). The comparable result for the financial year was MEUR 11.5 (MEUR 0.5).

Turnover, operating profit/loss, and profit/loss by segment for the year, alternative performance measures as well as items affecting comparability are described in the Notes to the Consolidated Financial Statements in section 2 Segment information.

Assets under management as at 31 December 2024

Assets under management refers to the remaining investment capacity 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. AUM is impacted by fundraising, exits and fair value changes for open-ended funds as well as wealth management.

Assets under management were MEUR 6,063 as at 31 December 2024 (31 December 2023: MEUR 5,005). The increase was due to the acquisition of Dasos Capital, which now forms the Natural Capital investment area, and some MEUR 570 of new capital raised during the period. Assets under management per fund type are displayed in Table 1.

Table 1: Assets under management (incl. funds and mandates)

	30.12.24 (MEUR)	31.12.23 (MEUR)
Real Estate	3,090	2,933
Private Equity & Credit	1,080	1,022
Natural Capital	726	n/a
Infra	648	562
Wealth Management	518	488
Total assets under management	6,063	5,005

Management Company business

In its Management Company business, CapMan manages private asset funds and offers wealth advisory services. Income from the Management company business is derived from management fees, wealth advisory fees, property- and asset management fees, and carried interest received from funds.

Fee income grew by 16% driven by management fee growth mainly due to the final closings of CapMan Nordic Infrastructure II and Growth Equity III funds as well as the acquisition of Dasos Capital completed on 1 March 2024.

Carried interest was received mainly due to exits from the Nest 2015 fund. Nearly all investments in the fund have now been exited. In the comparison period, CapMan received Carried interest mainly from the Growth Equity I fund.

Turnover grew by 18% during the period due to both Fee income and Carried interest income growth.

Operating expenses grew by 10%. Most of the growth in operating expenses is explained by the acquisition of Dasos Capital. Comparable operating profit grew to MEUR 18.3 (MEUR 13.7) mainly due to fee profit growth. Items impacting comparability mainly consist of expenses related to the acquisition of Dasos Capital.

The fee profit of the segment increased to MEUR 14.0 (MEUR 10.6) driven by fee income growth and improved relative profitability.

Service business

In the Service business, CapMan no longer have continuing active businesses. Previously included procurement services (CaPS) have been classified as a discontinued operation and therefore removed from the segment information for the reporting and comparison periods. The remaining part of the Service business contains the discounting impact of long-term trade receivables stemming from the earlier advisory services. Until 1 February 2023 the segment also included the since divested JAY Solutions.

As the segment generates no carried interest or fair value changes, the fee profit equals the operating profit of the segment, and was MEUR 0.3 (MEUR 0.3).

Investment business

Through its Investment business, CapMan invests from its own balance sheet in the private markets asset classes and mainly to its own funds. In addition to own funds, CapMan selectively invests in private market funds managed by external fund managers.

Fair value changes were MEUR 7.8 (MEUR –6.1), corresponding to a 4.5% (–3.4%) change in fair value during the reporting period.

Investments into funds managed by CapMan developed on average positively contributing MEUR 8.3 (MEUR –0.3), corresponding to a 6.9% (–0.2%) change in fair value, mainly due to positive development in private equity funds.

Investments into external funds developed negatively with fair value changes of MEUR –0.5 (MEUR –5.8), corresponding to a change of –1.0% (–10.1%).

Operating profit for the Investment business was MEUR 6.9 (MEUR –6.6).

Fee loss was MEUR –0.9 (MEUR –0.5). As the segment generates no fee income, the fee profit equals to the operating expenses of the segment.

On 31 December 2024 the fair value of CapMan's fund investments stood at MEUR 167.2 (MEUR 158.9). Of the total, MEUR 128.1 (MEUR 108.0) is invested into funds managed by CapMan and MEUR 39.1 (MEUR 50.9) is invested into external funds. The value of external fund investments decreased during the period mainly due to a secondary transaction completed in December 2024. New external fund investments are currently not planned and thereby the share of external fund investments and their impact on Group level fair value changes will decrease over time.

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 and natural capital are valued at fair value based on appraisals made by independent external experts. Valuation of external funds is based primarily on fair values reported by respective external fund managers. Sensitivity analysis by investment area is presented in the Notes to the Consolidated Financial Statements in Section 18 Investments at fair value through profit and loss.

Balance sheet and financial position as at 31 December 2024

CapMan's balance sheet totalled MEUR 343.3 as at 31 December 2024 (31 December 2023: MEUR 241.5), of which goodwill amounted to MEUR 30.1 (MEUR 7.9). Cash in hand and at banks amounted to MEUR 90.1 (MEUR 41.0).

CapMan's total equity amounted to MEUR 202.6 (MEUR 115.1). The increase in equity was mainly due to the directed share issue related to the acquisition of Dasos Capital completed on 1 March 2024. Interest-bearing net debt amounted to MEUR 12.4 (MEUR 52.8). CapMan's total interest-bearing debt as at 31 December 2024 is outlined in Table 2.

CapMan's interest bearing debt increased due to the issue of a MEUR 60.0 sustainability-linked bond maturing in 2029. The proceeds of the bond were used for the tender offer of the bond maturing in 2025 and general company purposes.

CapMan's bonds and long-term credit facility include financing covenants, which are conditional on the company's equity ratio and net gearing ratio. CapMan honoured all covenants as at 30 December 2024. The senior bonds issued in 2022 and 2024 are linked to sustainability targets. The targets of the 2022 bond were achieved in April 2023.

The Group's cash flow from operations totalled MEUR 3.2 (MEUR 12.1). 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 59.5 (MEUR 3.5), of which MEUR 59.0 is related to the divestment of CaPS completed in October 2024. Cash flow from investments also 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 from financing was MEUR –13.7 (MEUR –30.3).

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

In January 2024 CapMan made the commitment to achieve net zero emissions by 2040 for own operations (Scope 1 and 2) and for CapMan's overall real estate and infrastructure assets and portfolio companies (Scope 3) by 2040. For in-use operational net-zero emissions within the real estate portfolio the target is by 2035.

During January 2024 CapMan also became an inaugural Task Force on Nature Related Financial Disclosures (TNFD) Early

Table 2: CapMan's interest bearing debt

	Debt amount 31 December 2024 (MEUR)	Matures latest	Annual interest	Debt amount 31 Dec 2023 (MEUR)
Senior bond (issued in 2020)	–	Q4 2025	4.00%	50.0 MEUR
Senior bond (issued in 2022)	40 MEUR	Q2 2027	4.50%	40.0 MEUR
Senior bond (issued in 2024)	60 MEUR	Q2 2029	6.50%	-
Long-term credit facility (available)	(20 MEUR)	Q2 2027	1.725–2.725%	(20 MEUR)

Adopter. This means that CapMan will start making disclosures aligned with the TNFD Recommendations in the corporate reporting by financial year 2024. CapMan is in the process to develop a proprietary Nature positive approach and assessment tool for investment areas, and pilots have been conducted in certain assets and companies to test this approach. During the fourth quarter, frameworks for Real Estate, Infrastructure and Private Equity were finalised. In addition, Infrastructure sector specific transition plans as well as sector agnostic transition plans for Private Equity were finalised. Lastly, a proprietary Nature Tool that identifies nature dependencies and impacts and proposes actions on how to mitigate those was established. The results of the tool serve as an input to the transition plans that inform the asset specific risks and opportunities. CapMan Real Estate hosted and event in Stockholm during the fourth quarter presenting and discussing the results of the project, focusing on what moving towards nature positive means for real estate.

During the first quarter of 2024 CapMan Real Estate was selected among the first companies globally to participate in the Science Based Targets initiative (SBTi) Buildings pilot test. This puts CapMan on the forefront of developing tools for decarbonisation of buildings. The emission reduction plan was made during the first quarter and submitted to SBTi for feedback. In August and September 2024, CapMan was selected to be part of the piloting of SBTi's Draft Financial Institution Net Zero Standard (FINZ), providing us an opportunity to shape the way how financial institutions, and especially private market investors set the way for reaching net zero by 2050. CapMan Real Estate submitted its SBTi net-zero targets for validation in December.

In May 2024, CapMan published its new Sustainability-Linked Bond Framework under which it can issue securities with a sustainability-linkage, with KPIs that cover over 90% of CapMan's total emissions. In early June 2024, CapMan issued its second sustainability-linked bond amounting to MEUR 60.

For Real Estate and Infrastructure portfolios, EU Taxonomy aligned physical climate risk assessments were finalised during the fourth quarter. In addition, Infrastructure also finalised transition climate risks for the portfolio.

During the fourth quarter, CapMan partnered with a third-party provider for carbon removal for business related flights, which will commence during 2025.

Progress on social and governance targets

CapMan strives to be a diverse, equal, and inclusive work community. To promote good governance, CapMan has introduced sustainability metrics as part of variable renumeration. Part of the long-term share-based incentives are determined following the achievement of sustainability targets.

CapMan's Management Group with the support of CapMan's internal DEI (diversity, equity and inclusion) working group has continued its systematic work to reach our medium- and long-term diversity targets. During the first months of the year an analysis was done to identify the enablers and possible deterrents to increase the share of women in investment teams by the DEI working group interviewing female investment professionals of different tenures and across investment areas. During the second quarter of 2024 DEI topics were progressed through workshops on inclusive practices within CapMan. During the fourth quarter findings from the beforementioned analyses were presented to and discussed with the management team.

In the first quarter, a third-party Human Rights Salient Risk Assessment was finalised, covering CapMan, as well as Real Estate, Infrastructure, Private Equity, Private Debt and Wealth teams. During second half of the year, a roadmap with concrete measures was completed to close identified gaps and align with the expectations set forth in the UN Guiding Principles on Business and Human Rights and OECD Guidelines. This included CapMan Plc, Real Estate practices and guidelines for larger Infrastructure and Private Equity portfolio companies as well as SMEs. Implementation of the roadmap commenced during the fourth quarter. CapMan policies, such as the Sustainable Investment Policy, Code of Conduct, Supplier Code of Conduct and Whistleblowing policy were updated to reflect the Human Rights due diligence implemented, as well as asset class specific guidance, process documents and tools. This work ensures alignment with the Minimum Social Safeguards of the EU Taxonomy.

In June 2024, CapMan's Board of Directors approved the double materiality assessment which takes CapMan one step closer to reaching readiness to report under Corporate Sustainability Reporting Directive (CSRD), and CapMan's 2024 sustainability statement will take into consideration the requirements from the CSRD.

Key figures 31 December 2024

CapMan's return on equity was 46.2% on 31 December 2024 (31 December 2023: 2.6%) and the comparable return on equity was 7.2% (0.4%). Return on investment was 6.5% (–0.5%) and the comparable return on investment was 7.4% (0.4%). Equity ratio was 59.0% (47.8%).

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

Table 3: CapMan's key figures

	31.12.2024	31.12.2023
Earnings per share, cents	39.5	0.8
Diluted, cents	39.3	0.8
Comparable earnings per share from continuing operations, diluted, cents	4.0	–0.8
Shareholders' equity / share, cents	116.6	72.6
Share issue adjusted number of shares	173,807,362	158,573,903
Return on equity, % p.a.	46.2	2.6
Return on equity from continuing operations, comparable, % p.a.	7.2	0.4
Return on investment, % p.a.	6.5	–0.5
Return on investment from continuing operations, comparable, % p.a.	7.4	0.4
Equity ratio, %	59.0	47.8
Net gearing, %	6.1	45.9

Decisions of the 2024 Annual General Meeting

Decisions of the AGM regarding distribution of funds

CapMan's 2024 AGM decided, in accordance with the proposal of the Board of Directors, that a dividend in the total amount of EUR 0.06 per share, equivalent to a total of approx. MEUR 10.6, would be paid to shareholders based on the balance sheet adopted for 2023. In addition, the AGM authorised the Board of Directors to decide on an additional dividend in the maximum amount of EUR 0.04 per share, equivalent to a total of approx. MEUR 7.1. The Board of Directors resolved on the additional dividend on September 18, 2024, and the additional dividend of EUR 0.04 per share, totalling EUR 7.1 million, was paid on September 27, 2024. Decisions regarding the distribution of funds have been described in greater detail in the stock exchange release on the decisions taken by the AGM issued on 27 March 2024.

Decisions of the AGM regarding the composition of the Board

CapMan's 2024 AGM decided that the Board of Directors comprises six (6) members. Mr. Johan Bygge, Ms. Catarina Fagerholm, Mr. Johan Hammarén, Ms. Mammu Kaario, Mr. Olli Liitola and Mr. Joakim Frimodig were elected 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 on the decisions of the AGM and the organisational meeting of the Board issued on 27 March 2024.

Authorisations given to the Board by the AGM

CapMan's 2024 AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares as well as on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

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 notice to the Annual General Meeting corresponded to approximately 8.81% (and on the day of the Annual General Meeting to approximately 7.93%) of all shares in the company.

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 notice to the Annual General Meeting corresponded to approximately 8.81% (and on the day of the of the Annual General Meeting to approximately 7.93%) of all shares in the company.

The authorisation is effective until the end of the next annual general meeting, however no longer than until 30 June 2025.

Further details on these authorisations can be found in the stock exchange release on the decisions taken by the AGM issued on 27 March 2024.

Authorising the company's Board of Directors to decide on charitable contributions

CapMan's 2024 AGM authorised the Board of Directors to decide on contributions in the total maximum amount of EUR 50,000 for charitable or similar purposes and to decide on the recipients, purposes, and other terms of the contribution. The authorisation is effective until the next annual general meeting.

The decisions of Annual General Meeting are described in a more comprehensive manner in the stock exchange release on the decisions taken by the AGM issued on 27 March 2024.

Shares and shareholders

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.

During the financial year, CapMan issued 17,672,761 new shares in a directed share issue to the shareholders of Dasos Capital in connection with the acquisition, increasing CapMan's share capital to MEUR 35.2. Consequently, there were two flagging notices during the year. On 1 March 2024 the holdings of shares and voting rights of Hozanium Partners Oy exceeded 5% and the holdings of shares and voting rights of Ilmarinen Mutual Insurance Company fell below 5%.

Table 4: Shares and shareholders

	31 December 2024	31 December 2023
Shares and share capital		
Number of shares outstanding	176,878,210	158,849,387
Share capital, MEUR	35.2	0.8
Company shares		
Number of shares held by CapMan	26,299	26,299
Of all shares and votes	0.01%	0.02%
Market value, EUR	44,971	60,225
Trading and market capitalization		
Close price, EUR	1.71	2.29
Trade-weighted average price, year to date, EUR	1.89	2.49
Intra-year high, EUR	2.36	3.09
Intra-year low, EUR	1.67	1.92
No of shares traded, millions	26.3	22.2
Value of shares traded, MEUR	49.7	55.2
Market capitalization, MEUR	303	364
Shareholders		
Number of shareholders	28,719	31,157

Personnel

CapMan employed 200 people on average in 2024 (2023 average: 183), of whom 149 (133) 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 Consolidated Financial Statements, Section 5 Employee benefit expenses.

Remuneration and incentives

CapMan's variable remuneration 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 key objective is earnings development, for which the Board of Directors has set a minimum target.

CapMan has currently one long-term share-based incentive scheme (Performance Share Plan). The target group of the plan consists of approximately 20 key employees, including the members of the Management Group. The objective of the Performance Share Plan is to align remuneration with CapMan's earnings development and sustainability agenda, to retain the participants in the company's service, and to offer them a competitive reward plan based on owning, earning and accumulating the company's shares.

In the Performance Share Plan the participants commit to shareholder value creation by investing a significant amount in CapMan Plc shares. The prerequisite for receiving a reward from the plan is that a participant allocates newly acquired or previously owned company's shares to the plan. The Board of Directors determines the maximum allocation for each participant.

The Performance Share Plan includes three performance periods that commenced on 1 April 2022. The first period ended on 31 March 2023, the second period ended on 31 March 2024, and the third period will end on 31 March 2025. 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 in company shares in 2024, 2025 and 2026.

The performance-based reward from the Performance Share Plan is based on the company share's Total Shareholder Return, the achievement of sustainability targets and on the continuation of the 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.

More information about the Performance Share Plan can be found on in the Consolidated Financial Statements, Section 31 Share-based payment.

Other significant events in 2024

In March 2024, CapMan completed the acquisition of Dasos Capital Oy forming the new CapMan Natural Capital investment area and Mr. Olli Haltia, Partner at Natural Capital joined CapMan's Management Group. The acquisition and related directed share issue which the Board of Directors of CapMan decided on March 1st 2024, is described in greater detail on pages 35–36 in the tables section of this report.

In April 2024, the CapMan Nordic Infrastructure II fund held its final close reaching EUR 375 million, which is a doubling in size compared to the Infrastructure I fund. On April 30th the CapMan Growth Equity III fund made its final close at EUR 130 million.

In May 2024, CapMan resolved on a directed share issue of 356,062 new shares as payment of the reward shares from the 2022 Performance Share Plan to CapMan Group management and selected key employees.

The reward was earned based on the total shareholder return of CapMan during the 2022 Performance Share Plan's first performance period that commenced on 1 April 2022 and ended on 31 March 2023. The new shares were registered with the Trade Register on 7 May 2024.

In May 2024, CapMan established a new Sustainability-Linked Bond Framework under which it can issue securities with a sustainability-linkage. The selected KPIs cover over 90% of CapMan's total emissions and as such present a strong linkage to CapMan's climate work.

In June 2024, CapMan announced final tender offer results for its outstanding bond due 2025 and issued a MEUR 60 sustainability-linked bond. The proceeds from the new issue were used for the tender offer of the bond due 2025 and general company purposes. The issue of the new bond extends the maturity of CapMan's loan portfolio significantly.

In September 2024, CapMan's Board of Directors decided on the additional dividend of EUR 0.04 per share authorised by the Annual General Meeting.

In October 2024, CapMan announced the divestment of service business CaPS for MEUR 75, including an earn-out consideration of MEUR 5 subject to CaPS reaching certain operational targets during 2025. The transaction is in line with CapMan's strategy and will allow allocating more resources to accelerate the growth of the core business of private asset fund management. The transaction had a significant positive impact on CapMan's 2024 earnings, liquidity and solidity, with a positive EPS impact of approximately 33 cents in 2024 and strong cash flow impact of approximately EUR 64 million, including the received transaction proceeds and the dividend distributed from CaPS between signing and closing. The proceeds of the transaction will be used to grow the private asset fund management business, decrease interest bearing debt, and enable strong dividend distribution during the coming years. In connection with the divestment, it was announced that CapMan's Board of Directors currently expects to propose a total dividend of EUR 0.14 per share to the Annual General Meeting in 2025.

In November, CapMan announced that it will exercise its right to redeem the outstanding share of EUR 3,951,000 of the EUR 50 million notes issued in 2020 in accordance with clause 7.6 (Clean-up call option) of the terms and conditions of the Notes.

Events after the end of the financial year

There were no significant events after the end of the financial year.

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 and observed changes in the short-term risk environment are presented in Table 5.

Table 5: Risk classification, principal risks and short-term changes

Risk classification	Principal risks	Changes in the short-term risk environment
1. Strategic risks	• 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	• Acquisition of Dasos Capital has been closed during Q1–2024 and integration is ongoing.
2. Financial risk	• Poor financial performance • Insufficient liquidity position • Failure to obtain financing	• New sustainability-linked bond, issued in Q2 2024, improves liquidity position and extends the financing maturity schedule. • Proceeds received from divestment of a service business CaPS has positive impact on CapMan's earnings, liquidity and solidity.
3. Market risks	• Interest and foreign exchange rate, inflation and asset valuation volatility • Changes in customer preferences • Fluctuations of the transaction market • Failure in fundraising	• Fundraising market remains challenging. However, CapMan Growth Equity III reached its hard cap in final closing and Infra II nearly doubled its size in its final closing. Several fundraising projects to be initiated over the next 12 months. • Geopolitical uncertainty has increased during the year.
4. Operational risks	• Cyber threats and system errors • Inadequate or failed processes or controls • Corruption, fraud or criminal behaviour • Mistakes	• CapMan has streamlined its operations and divested non-core businesses, which has reduced the operational complexity.
5. Regulatory risks	• Adverse changes in the regulatory environment	• Increased uncertainty related to changes in tax treatment of carried interest in Sweden, which may impact the private assets industry. However, the direct financial impact on CapMan is estimated to be limited.
6. Sustainability risks	• 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	• No changes.
7. Reputational risk	• Negative public perception	• No changes.

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% 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% p.a. on average. The objective for return on equity is more than 20% p.a. on average. CapMan's equity ratio target is more than 50%.

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.

Proposal of the Board of Directors regarding distribution of funds

CapMan's distributable funds amounted to MEUR 88.3 on 31 December 2024. The Board of Directors resolution proposal to the Annual General Meeting to be held on 25 March 2025 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 0.14 per share for 2024, which would amount to MEUR 24.8 in total.

The Board of Directors proposes that a dividend in the total amount of EUR 0.07 per share, would be paid 3 April 2025. The Board of Directors further proposes that the Board of Directors be authorised to decide on an additional dividend in the maximum amount of EUR 0.07 per share. The Board of Directors intends to resolve on the additional dividend in its meeting scheduled for 15 September 2025.

Outlook estimate for 2025

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 2025.

CapMan estimates assets under management to grow in 2025. The company estimates fee profit also to grow in 2025. These estimations do not include possible items affecting comparability.

Helsinki, 12 February 2025
CAPMAN PLC
Board of Directors

Shares and shareholders

CapMan's largest shareholders as at 31 December 2024

	Number of shares and votes	Proportion of shares,%
Silvertärnan Ab	22,680,519	12.82%
Hozainum Partners Oy	9,012,467	5.10%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	8,672,000	4.90%
Laakkonen Mikko Kalervo	7,234,635	4.09%
Dolobratos Oy Ab	5,442,698	3.08%
Keskinäinen työeläkevakuutusyhtiö Varma	3,675,215	2.08%
Joensuun Kauppa Ja Kone Oy	3,296,466	1.86%
Vesasco Oy	3,088,469	1.75%
Valtion Eläkerahasto	2,500,000	1.41%
Keskinäinen Työeläkevakuutusyhtiö Elo	2,212,000	1.25%
10 shareholder total	67,814,469	38.34%
Total	**176,878,210**	**100.00%**
Nominee registered	5,530,780	3.13%
Shareholdings of management	13,126,190	7.42%

One flagging notification was issued during the financial year: on 1 March 2024, The holdings of shares and voting rights of Hozanium Partners Oy exceeded 5% and the holdings of shares and voting rights of Ilmarinen Mutual Insurance Company fell below 5%. An up-date information of all flagging notifications can be found at www.capman.com

Distribution of shareholdings by number of shares and sector as at 31 December 2024

Shareholding	Number of Owners	%	Number of shares	%
1–100	5,176	18.02%	235,144	0.13%
101–1,000	12,958	45.12%	6,197,131	3.50%
10,01–10,000	9,257	32.23%	29,602,137	16.74%
10,001–100,000	1,200	4.18%	28,673,234	16.21%
100,001–1,000,000	108	0.38%	28,166,397	15.92%
1,000,001–	20	0.07%	83,985,458	47.48%
On the book-entry register joint account			18,709	0.01%
Total	**28,719**	**100.00%**	**176,878,210**	**100.00%**
of which Nominee registered			5,530,780	3.13%

Sector	Number of shares and votes	%
Non-Finnish holders	316,279	0.18%
Corporations	63,086,902	35.67%
Households	80,309,650	45.40%
Non-profit and public sector institutions	19,795,917	11.19%
Financial and insurance corporations	7,819,973	4.42%
Nominee registered	5,530,780	3.13%
On the book-entry register joint account	18,709	0.01%
Total	**176,878,210**	**100.00%**
CapMan Plc's own shares	26,299	0.01%

Source: EuroClear Finland Ltd, as at 31 December 2024. Figures are based on the total number of shares 176,878,210 and total number of shareholders 28,719. CapMan Plc had 26,299 shares as at 31 December 2024.

Calculation of Key Ratios

Comparable operating profit = Operating profit – items impacting comparability

Comparable profit for the financial year = Profit for the financial year for continuing operations – items impacting comparability

Fee profit = Adjusted operating profit – carried interest – fair value gains/losses of investments

Return on equity (ROE), % =

$$\frac{\text{Profit for the financial year (incl. non-controlling interest)}}{\text{Shareholders' equity (average, incl. non-controlling interest)}} \times 100$$

Return on equity (ROE), comparable, from continuing operations % =

$$\frac{\text{Comparable profit from continuing operations for the financial year (incl. non-controlling interest)}}{\text{Shareholders' equity (average, incl. non-controlling interest)}} \times 100$$

Return on investment (ROI), % =

$$\frac{\text{Profit before taxes from continuing operations + financial income and expenses}}{\text{Total shareholders' equity + interest-bearing debt (average)}} \times 100$$

Comparable return on investment (ROI), % =

$$\frac{\text{Comparable profit before taxes from continuing operations + financial income and expenses}}{\text{Total shareholders' equity + interest-bearing debt (average)}} \times 100$$

Equity ratio, % =

$$\frac{\text{Total shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$$

Net gearing, % =

$$\frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity}} \times 100$$

Earnings per share (EPS) =

$$\frac{\text{Profit/loss for the financial year attributable to the equity holders of the parent company}}{\text{Share issue adjusted number of shares (average)}}$$

Comparable earnings per share (EPS) =

$$\frac{\text{Profit/loss for the financial year attributable to the equity holders of the parent company from continuing operations – items impacting comparability}}{\text{Share issue adjusted number of shares (average)}}$$

Shareholders' equity per share =

$$\frac{\text{Shareholders' equity attributable to the equity holders of the parent company}}{\text{Undiluted number of shares at the end of the financial year}}$$

Dividend and return of equity per share = Dividend and repayment of equity distribution decided by the Annual General Meeting

Dividend per earnings, % =

$$\frac{\text{Dividend and return of equity per share}}{\text{Earnings per share}} \times 100$$

Key figures

Key Performance Indicators for CapMan Group

MEUR	2020 restated[1]	2021 restated[1]	2022 restated[1]	2023 restated[1]	2024
Continuing operations					
Turnover	36.9	46.0	58.9	49.3	57.6
Management fees	29.0	36.6	38.8	39.0	45.9
Sale of services	7.0	6.6	10.5	7.1	7.4
Carried interest	0.9	2.9	9.6	3.1	4.3
Other operating income	0.1	0.0	0.0	0.1	0.0
Operating expenses	–33.2	–40.2	–47.9	–44.5	–48.8
Fair value gains/losses of investments	4.4	33.9	36.5	–6.1	7.8
Operating profit	8.1	39.7	47.6	–1.2	16.7
Comparable operating profit	8.1	39.7	50.2	0.8	19.0
Fee profit	2.8	2.9	4.1	3.8	6.9
Financial income and expenses	–3.1	–4.0	–5.5	–0.7	–4.3
Profit before taxes	5.0	35.7	42.1	–1.9	12.3
Profit for the financial year from continuing operations	2.9	31.4	36.7	–1.3	9.4
Return on equity (ROE), % [2]	5.2	29.4	30.5	2.6	46.2
Return on investment (ROI), comparable, from continuing operations, %	2.4	26.1	29.1	0.4	7.2
Sijoitetun pääoman tuotto jatkuvista toiminnoista, %	4.1	18.8	20.7	–0.5	6.5
Vertailukelpoinen sijoitetun pääoman tuotto jatkuvista toiminnoista, %	3.6	17.2	20.7	0.4	7.4
Equity ratio, %	51.9	53.3	52.7	47.8	59.0
Net gearing, %	22.5	14.0	26.3	45.9	6.1
Dividends and return of capital paid [3]	21.9	23.6	26.9	17.7	24.8
Personnel [2]	146	161	186	183	200

[1] Discontinued operations (CaPS Service business) have been excluded from key performance indicators based on the Income Statement, and key performance indicators have been restated accordingly, unless otherwise indicated.
[2] Key performance indicator is based on or includes both continuing and discontinuing operations, and therefore there is no need to restate prior periods.
[3] Proposal of the Board of Directors to the Annual General Meeting for the financial year 2024.

Key Ratios Per Share

	2020	2021	2022	2023	2024
Earnings per share, cents	3.3	21.9	25.1	0.8	39.5
Diluted earnings per share, cents	3.3	21.4	24.8	0.8	39.3
Earnings per share from continuing operations, cents	1.2	19.5	22.5	–1.9	2.8
Diluted earnings per share from continuing operations, cents	1.2	19.0	22.2	–1.9	2.8
Comparable diluted earnings per share from continuing operations, cents	1.2	19.0	23.9	–0.8	4.0
Shareholders' equity/share, cents	72.7	81.4	90.2	72.6	116.6
Dividend/share, cents [1)]	14.0	15.0	17.0	10.0	14.0
Dividend/earnings, % [1)]	424.2	68.5	67.7	1,250.0	35.4
Average share issue adjusted number of shares during the financial year ('000)	155,797	156,580	157,560	158,574	173,807
Share issue adjusted number of shares at year-end ('000)	156,459	156,617	158,055	158,849	176,878
Number of shares outstanding ('000)	156,433	156,591	158,029	158,823	176,852
Own shares ('000)	26	26	26	26	26

[1)] Proposal of the Board of Directors to the Annual General Meeting for the financial year 2024.

FINANCIAL STATEMENTS

Making long-term value happen

Financial Statements

Group Statement of Comprehensive Income (IFRS)

1,000 EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023 restated
Continuing operations:			
Management fees		45,892	39,034
Sale of services		7,411	7,145
Carried interest		4,318	3,126
Turnover	2, 3	**57,621**	**49,305**
Other operating income	4	6	76
Employee benefit expenses	5	–33,330	–32,169
Depreciation, amortisation and impairment	6	–2,444	–1,393
Other operating expenses	7	–12,981	–10,899
Fair value gains/losses of investments	9	7,789	–6,115
Operating profit		**16,660**	**–1,196**
Financial income and expenses	10	–4,324	–696
Result before taxes (Continuing operations)		**12,336**	**–1,892**
Income taxes	11	–2,952	607
Profit for the financial year (Continuing operations)		**9,385**	**–1,285**

1,000 EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023 restated
Discontinued operations:			
Result after taxes from discontinued operations	13	64,081	4,677
Result for the period		**73,466**	**3,392**
Other comprehensive income: Items that may be subsequently reclassified to profit or loss			
Translation difference		–84	11
Total comprehensive income		**73,382**	**3,403**
Profit attributable to:			
Equity holders of the Company		68,573	1,346
Non-controlling interest		4,893	2,047
Total comprehensive income attributable to:			
Equity holders of the Company		68,489	1,356
Non-controlling interest		4,893	2,047
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share (basic), cents	12	39.5	0.8
Earnings per share (diluted), cents	12	39.3	0.8
Earnings per share from continuing operations for profit attributable to the equity holders of the Company:			
Earnings per share, cents		2.8	–1.9
Diluted, cents		2.8	–1.9

The Notes are an integral part of the Financial Statements.

Group Balance Sheet (IFRS)

1,000 EUR	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Tangible assets	15	2,931	4,142
Goodwill	16	30,135	7,886
Other intangible assets	17	12,388	10
Investments at fair value through profit and loss	18		
Investments in funds		167,221	158,907
Other financial assets		571	508
Receivables	19	7,052	6,525
Deferred tax assets	20	1,733	1,896
		222,031	179,874
Current assets			
Trade and other receivables	21	27,360	20,382
Financial assets at fair value through profit or loss	22	3,790	275
Cash and bank	23	90,142	41,017
		121,292	61,674
Total assets		**343,322**	**241,547**

1,000 EUR	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders	24		
Share capital		35,198	772
Share premium account		38,968	38,968
Other reserves		21,114	21,114
Translation difference		–653	–570
Retained earnings		104,166	52,914
Total equity attributable to the Company's equity holders		198,793	113,197
Non-controlling interests		3,775	1,928
Total equity		202,568	115,125
Non-current liabilities			
Deferred tax liabilities	20	8,536	5,991
Interest-bearing loans and borrowings	25	101,262	92,470
Other non-current liabilities	26	547	484
		110,345	98,945
Current liabilities			
Trade and other payables	27	19,378	24,155
Interest-bearing loans and borrowings	28	1,271	1,386
Current income tax liabilities		9,760	1,936
		30,409	27,477
Total liabilities		140,754	126,422
Total equity and liabilities		**343,322**	**241,547**

The Notes are an integral part of the Financial Statements.

Group Statement of Changes in Equity (IFRS)

		Attributable to the equity holders of the Company						
1,000 EUR	**Note**	**Share capital**	**Share premium account**	**Other reserves**	**Translation difference**	**Retained earnings**	**Total**	**Non-controlling interests**
Equity on 1 January 2023	24	**772**	**38,968**	**35,425**	**–582**	**65,473**	**140,056**	**2,088**
Profit 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	–2043
Transactions with non-controlling interests						62	62	–163
Equity on 31 December 2023	24	**772**	**38,968**	**21,114**	**–570**	**52,914**	**113,197**	**1,928**
Profit for the year						68,573	68,573	4,893
Other comprehensive income for the year								
Currency translation differences					–84		–84	
Total comprehensive income for the year					**–84**	**68,573**	**68,488**	**4,893**
Directed share issue related to business combination	14	34,427					34,427	62
Performance Share Plan						25	25	
Dividends and return of capital						–18,016	–18,016	–3,986
Transactions with non-controlling interests						672	672	878
Other changes					2	–2	0	
Equity on 31 December 2024	24	**35,198**	**38,968**	**21,114**	**–653**	**104,166**	**198,793**	**3,775**

The Notes are an integral part of the Financial Statements.

Group Cash Flow Statement (IFRS)

1,000 EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operations			
Profit for the financial year		73,466	3,392
Adjustments on cash flow statement	8	–54,595	9,666
Change in working capital:			
Change in current non-interest-bearing receivables		–4,505	6,319
Change in current trade payables and other non-interest-bearing liabilities		–3,130	–263
Interest paid		–3,661	–4,373
Taxes paid		–4,391	–2,658
Cash flow from operating activities		**3,185**	**12,084**
Cash flow from investing activities			
Acquisition of subsidiaries		1,695	–207
Proceeds from sale of subsidiaries		59,068	4,202
Investments in tangible and intangible assets		–47	–26
Investments at fair value through profit and loss		–2,241	172
Long-term loan receivables granted		–1,492	–1,522
Receivables from long-term receivables		1,084	47
Interest received		1,425	786
Cash flow from investing activities		**59,492**	**3,452**

1,000 EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from financing activities			
Proceeds from borrowings	29	59,668	11
Repayment of long-term loan	29	–50,102	0
Payment of lease liabilities		–1,267	–1,165
Dividends paid and return of capital		–22,004	–29,194
Cash flow from other financing items		0	31
Cash flow from financing activities		**–13,705**	**–30,317**
Change in cash and cash equivalents		**48,972**	**–14,782**
Cash and cash equivalents at start of year		41,017	55,944
Translation difference		153	–146
Cash and cash equivalents at end of year	23	**90,142**	**41,017**

The Notes are an integral part of the Financial Statements.

Notes to the Consolidated Financial Statements

Group information

CapMan's business comprise of private equity fund management and advisory services, as well as investment business. In the Management Company Business, the funds managed by CapMan make investments in Nordic companies and in real estate and infrastructure assets in the Nordic countries. The Management Company Business also includes the wealth services offered to smaller investors. At the moment, CapMan does not have active continuing businesses in the Service Business. Through its investment business, CapMan invests in the private equity asset class, mainly in its own funds, but also selectively in funds managed by external fund managers.

The parent company of the Group is CapMan Plc and is domiciled in Helsinki, with a registered office address at Ludviginkatu 6, 00130 Helsinki, Finland.

The Consolidated Financial Statements may be viewed online at www.capman.com, or a hard copy is available from the office of the parent company.

The Consolidated Financial Statements for 2024 have been approved for publication by CapMan Plc's Board of Directors on February 12, 2025. Pursuant to the Finnish Companies Act, shareholders may adopt or reject the financial statements and make decisions on amendments to them at the Annual General Meeting.

1. Accounting policies

Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in force at December 31, 2024 as adopted by the European Union. International Financial Reporting Standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements have been prepared in accordance with the Finnish accounting standards as and where they supplement IFRS requirements.

The preparation of financial statements in conformity with IFRS requires the Group's management to make estimates and assumptions when applying CapMan's accounting principles, and these are presented in more detail under 'Use of estimates'.

The Consolidated Financial Statements have been prepared under the historical cost convention, except for financial assets and liabilities valued at fair value through profit or loss. The information in the Consolidated Financial Statements is presented in thousands of euros. Figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

New and amended standards and interpretations applied in financial year ended

The Group has applied the following amended standards and interpretations that have come into effect as of January 1, 2024.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, which introduced disclosure requirements about a company's supplier finance arrangements.
- Amendments to IAS 1 Presentation of Financial Statements, which specify how a company is to determine, in the statement of financial position, debt and other liabilities with an uncertain settlement date.
- Amendments to IFRS 16 Leases, which specify how the seller-lessee subsequently measures sale and leaseback transactions.

The above mentioned amendments had no material impact on the consolidated financial statements.

Adoption of new and amended standards and interpretations applicable in future financial years

The Group has not yet adopted the new and amended standards and interpretations already issued by the IASB, such as IFRS 18 Presentation and Disclosure in Financial Statements. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. The Group expects IFRS 18 to have a limited impact on the structure and subtotals of the consolidated income statement and disclosures given with regards to management-defined performance measures, but does not expect other amendments or new standards to have a material impact on the Group's financial statements.

Consolidation principles

As CapMan has determined it meets the definition of an investment entity, its subsidiaries are classified either as operating subsidiaries, that are considered to be an extension of the Parent's operations, and as such, they are consolidated or investment entity subsidiaries, that are fair valued through profit or loss. The types of subsidiaries and their treatment in CapMan's consolidated accounts are as follows:

- Subsidiaries that provide fund management services (fund managers) or manage direct investments are considered to be an extension of the Parent's business and as such, they are consolidated;
- Subsidiaries that provide fund management services (fund managers) and which also hold direct investments in the funds are consolidated and the investments in the funds are fair valued through profit or loss;
- Subsidiaries that provide fund investment advisory services (advisors) are considered to be an extension of the Parent's business and as such, they are consolidated;
- Investment entity subsidiaries (CapMan Fund Investments SICAV-SIF), through which CapMan makes its own fund investments, are valued at fair value through profit or loss.

Significant judgment applied by management in the preparation of the consolidated financial statements – investment entity basis
CapMan qualifies as an investment entity as defined by IFRS 10, because the corner stone of its business purpose is to obtain capital from investors to its closed-end private equity funds and to provide investment management services to those funds to gain both capital appreciation and investment income. Direct investments represent a relatively small part compared to total assets under management. CapMan obtains funds from many external investors for investment purposes. Documented exit strategies exist for each fund's portfolio investments. Each fund's portfolio investments and the real estate investments are fair valued and such fair value information is provided both to the fund investors on reporting date and also for CapMan's internal management reporting purposes. In addition, management has assessed that the following characteristics further support investment entity categorization: CapMan holds several investments itself in the funds, investments in the funds are held by several investors, the investors are not related parties and the investments are held mostly in form of equity.

Significant judgment applied by management in the preparation of the consolidated financial statements – control over funds
One of the most significant judgments management made in preparing the Company's consolidated financial statements is the determination that Company does not have control over the funds under its management. Control is presumed to exist when a parent has power over the investee, has exposure to variable returns from the fund and is able to use its power to affect the level of returns.

CapMan manages the funds against management fee received from the investors on the basis of the investment management mandate negotiated with the investors and it also makes direct investments in the funds under its management. Accordingly, CapMan was required to determine, whether it is acting primarily as a principal or as an agent in exercising its power over the funds.

In the investment management mandate the investors have set detailed instructions in all circumstances relating to the management of the fund limiting the actual influence of the general partner at very low. In general, having a qualified majority, investors have a right to replace the general partner and/or fund manager. The remuneration CapMan is entitled to is commensurate with the services it provides and corresponds to remuneration customarily present in arrangements for similar services on an arm's length basis. CapMan's direct investment (typically between of 1% to 5%) in the funds and thus the share of the variability of the returns compared with the other investors is relatively small. As an investor in the fund CapMan has no representation nor voting rights as it has been specifically excluded in the investment management mandate.

Therefore, management has concluded that despite it from formal perspective exercises power over the funds by controlling the general partner of the fund, its actual operational ability is limited in the investment management mandate in a manner that the general partner is considers to act as an agent. Furthermore, CapMan's exposure to variable returns from the fund and its power to affect the level of returns is very low for the reasons described above. Therefore, CapMan has determined that it does not have control over the funds under its management.

Subsidiaries
Subsidiaries are consolidated using the acquisition method. All intercompany transactions are eliminated in the Consolidated Financial Statements. Profit or loss, together with all other comprehensive income-related items, are booked to the owners of the parent company or owners not holding a controlling interest in the companies concerned. Non-controlling interests are presented in the Consolidated Balance Sheet under equity separately from equity attributable to the owners of the parent company.

Subsidiaries and businesses acquired during the year are consolidated from the date on which the Group acquires a controlling interest, and in the case of companies and businesses divested by the Group during the financial year up to the date on which CapMan's controlling interest expires.

Associates
An associated company is an entity in which the Group has significant influence but does not hold a controlling interest. This is generally defined as existing when the Group holds, either directly or indirectly, more than 20% of a company's voting rights.

Associated companies have been consolidated in accordance with the equity method. Under this, the investment in an associated company is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of the company's net assets, less any impairment value. If the Group's share of the loss incurred by an associated company exceeds the book value of its investment, the investment is booked at zero in the balance sheet, and losses exceeding book value are not combined unless the Group is committed to meeting the obligations of the company concerned. The Group's share of the profit recorded by an associated company during the financial year in accordance with its holding in the company is presented as a separate item in the income statement after operating profit.

Segment reporting
Operating segments are reported in accordance with internal reporting presented to the chief operating decision maker. The latter is responsible for allocating resources to operating segments and evaluating their performance and is defined as the Group's Management Group, which is responsible for taking strategic decisions affecting CapMan.

Translation differences
The result and financial position of each of the Group's business units are measured in the currency of the primary economic environment for that unit ('functional currency'). The Consolidated Financial Statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Transactions in foreign currencies have been recorded in the parent company's functional currency at the rates of exchange prevailing on the date of the transactions; in practice a reasonable approximation of the actual rate of exchange on the date of the transaction is often used. Foreign exchange differences for operating business items are recorded in the appropriate income statement account before operating profit and, for financial items, are recorded in financial income and expenses. The Group's foreign currency items have not been hedged.

In the consolidated financial statements, the income statements of subsidiaries that use a functional currency other than the euro are translated into euros using the average rates for the accounting period. Their balance sheets are translated using the closing rate on the balance sheet date. All resulting exchange differences are recognised in other comprehensive income.

Translation differences caused by changes in exchange rates for the cumulative shareholders' equity of foreign subsidiaries have been recognised in other comprehensive income.

Tangible assets

Tangible assets have been reported in the balance sheet at their acquisition value less depreciation according to plan. Assets are depreciated on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

Machinery and equipment	4–5 years
Other long-term expenditure	4–5 years

The residual values and useful lives of assets are reviewed on every balance sheet date and adjusted to reflect changes in the expected economic benefits where necessary.

Tangible assets include right-of-use assets measured in accordance with IFRS 16, which are disclosed in the notes. More information on these items is included in chapter Leases of Accounting Policies.

Intangible assets

Goodwill

Goodwill acquired in a business merger is booked as the sum paid for a holding, the holding held by owners with a non-controlling interest, and the holding previously owned that, when combined, exceeds the fair value of the net assets of the acquisition. Write-offs are not made against goodwill, and possible impairment of goodwill is tested annually. Goodwill is measured as the original acquisition cost less accumulated impairment. The goodwill acquired during a merger is booked against the units or groups of units responsible for generating the cash flow used for testing impairment. Every unit or group of units for which goodwill is booked represents the lowest level of the organisation at which goodwill is monitored internally for management purposes. Goodwill is monitored at operating segment level.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are recognised in the balance sheet only if the cost of the asset can be measured reliably and if it is probable that the future economic benefits attributable to the asset will flow to the Group.

Agreements and trademarks acquired in business mergers are booked at fair value at the time of acquisition. As they have a limited life, they are booked in the balance sheet at acquisition cost minus accumulated write-offs. IT systems are expensed on the basis of the costs associated with acquiring and installing the software concerned. Depreciation is spread across the financial life of the relevant software licences. Impairment is tested whenever there is an indication that the book value of intangible assets may exceed the recoverable amount of these assets.

The estimated useful lives are:

Agreements and trademarks	5–10 years
Other intangible assets	3–5 years

Impairment of assets

The Group reviews all assets for indications that their value may be impaired on each balance sheet date. If such indication is found to exist, the recoverable amount of the asset in question is estimated. The recoverable amount for goodwill is measured annually independent of indications of impairment.

The need for impairment is assessed on the level of cash-generating units, in other words at the smallest identifiable group of assets that is largely independent of other units and cash inflows from other assets. The recoverable amount is the fair value of an asset, less costs to sell or value in use. Value in use refers to the expected future net cash flow projections, which are discounted to the present value, received from the asset in question or the cash-generating unit. The discount rate used in measuring value in use is the rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment is recorded in the income statement as an expense. The recoverable amount for financial assets is either the fair value or the present value of expected future cash flows discounted by the initial effective interest rate.

An impairment loss is recognised whenever the recoverable amount of an asset is below the carrying amount, and it is recognised in the income statement immediately. An impairment loss of a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets of the unit pro rata. An impairment loss is reversed if there is an indication that an impairment loss may have decreased and the carrying amount of the asset has changed from the recognition date of the impairment loss.

The increased carrying amount due to reversal cannot exceed what the depreciated historical cost would have been if the impairment had not been recognised. Reversal of an impairment loss for goodwill is prohibited. The carrying amount of goodwill is reviewed for impairment annually or more frequently if there is an indication that goodwill may be impaired, due to events and circumstances that may increase the probability of impairment.

Financial assets

The Group's financial assets have been classified into the following categories:

1) financial assets at fair value through profit or loss
2) financial assets at amortised cost

Investments in equity instruments are always measured at fair value through profit or loss. Classification of debt instruments, such as trade and loan receivables, is based on the business model for managing and for the contractual cash flow characteristics of these financial assets. Debt instruments of the Management Company Business and Service Business are classified as financial assets at amortised cost, because they are held solely in order to collect contractual cash flows, which are solely payments of principal and interest. Liquid current debt instruments, such as investments to interest funds, made primarily for cash management purposes, are recognised at fair value through profit or loss. Non-current debt instruments included in the Investment Business are held for both selling purposes and collecting contractual cash flows (principal and interest), and the Group designates these assets as measured at fair value through profit or loss, in order to reduce inconsistency with regards to recognizing gains and losses of financial assets within the Investment Business, because the Group as an investment entity manages and monitors the performance of these investments based on fair values according to group's investment strategy.

Transaction costs are reported in the initial cost of financial assets, excluding items valued at fair value through profit or loss. All purchases and sales of financial instruments are recognised on the trade date. An asset is eligible for derecognition and removed from the balance sheet when the Group has transferred the contractual rights to receive the cash flows or when it has substantially transferred all of the risks and rewards of ownership of the asset outside the Group. Financial assets are classified as current if they have been acquired for trading purposes or fall due within 12 months.

Financial assets at fair value through profit or loss

Fair value through profit or loss class comprises of financial assets that are equity instruments or acquired as held for trading, in which case they can be either equity or debt instruments or derivative instruments. Debt instruments are also classified to this class, if they are held for both selling purposes and collecting contractual cash flows and which CapMan as an investment entity designates as financial assets at fair value through profit or loss at initial recognition in order to reduce inconsistency with regards to recognizing gains and losses of financial assets within the Investment Business.

Fund investments and other investments in non-current assets are classified as financial assets at fair value through profit or loss and their fair value change is presented on the line item "Fair value changes of investments" in the statement of comprehensive income. Fair value information of the non-current fund investments is provided quarterly to Company's management and to other investors in the investment funds management by CapMan. The valuation of CapMan's funds' investment is based on International Private Equity and Venture Capital Valuation Guidelines (IPEVG) and IFRS 13.

Investments in listed shares, funds and interest-bearing securities as well as those derivative instruments that do not meet the hedge accounting criteria or for which hedge accounting is not applied in current assets are measured at fair value through profit or loss. Listed shares and derivative contracts in current assets are measured at fair value by the last trade price on active markets on the balance sheet date. The fair value of current investments in funds is determined as the funds' net asset value at the balance sheet date. The fair value of current investments in interest-bearing securities is based on the last trade price on the balance sheet date or, in an illiquid market, on values determined by the counterparty.

The change in fair value of current financial assets measured at fair value through profit or loss as well as dividend and interest income from short-term investments in listed shares and interest-bearing securities are presented on the line item "Fair value changes of investments" in the statement of comprehensive income, except for derivative instruments, which are used for a fair value hedge purpose. In these cases, the effectively hedging component of the derivative instrument's fair value change is recognised in the same line item as the hedged item's change in the statement of comprehensive income, and the remainder of the derivative's fair value change is recognised as a financing cost. CapMan uses derivative instruments, such as foreign currency forward contracts, to hedge against currency changes of foreign currency denominated trade receivables, but does not apply hedge accounting to these derivatives. In these cases, the change of fair value of the derivative instrument that offsets an equal change of the foreign currency denominated trade receivable, being the hedged item, is recognised on the same line item as the change of the hedge item, i.e. in turnover.

Financial assets at amortised cost

Financial assets at amortised cost mainly include non-interest-bearing trade receivables and interest-bearing loan receivables of the Management Company Business and Service Business. These financial assets are held solely in order to collect contractual cash flows, and whose payments are fixed or determinable and which are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Expected credit loss of the trade receivables is evaluated by using the simplified approach allowed by IFRS 9, under which a provision matrix is maintained, based on the historical credit losses and forward-looking information regarding general economic indicators. In addition, materially overdue receivables are evaluated on a client basis.

Expected credit losses of loan receivables is evaluated based on the general approach under IFRS 9. The group evaluates the credit risk of the borrowers by estimating the delay of the repayments and borrower's future economic development. Depending on the estimated credit risk the group measures the loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses. Inputs used for the measurement of expected credit losses include, among others, available statistics on default risk based on credit risk rating grades and the historical credit losses the group has incurred.

Credit risk of a loan receivable is assumed low on initial recognition in case the contractual payments of principal and interest are dependent on the cash proceeds the borrower receives from the underlying investments. In these cases, the borrower is considered to have a strong capacity to meet its contractual cash flow obligations in the near term. It is considered that there has been a significant increase in the credit risk, if the contractual payments have become more than 30 days past due, and a default event has occurred, if the payment is more than 90 days past due, unless resulting from an administrative oversight.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash in banks and in hand, as well as liquid short-term deposits such as investments to money market funds. Cash assets have a maximum maturity of three months.

Non-current assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale, if it is highly probable that they will be recovered primarily through sale rather than through continued use. The recognition criteria are regarded to be met when a sale is highly probable, the asset (or a disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification.

As from the classification date, a non-current asset (or a disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs of disposal. Once classified as held for sale, intangible and tangible assets are no longer amortised nor depreciated.

An operation is classified as discontinued, if it has been disposed of or is classified as held for sale, and represents a separate major line of business, which can be clearly distinguished and has been a cash-generating unit or a group of cash-generating units while being held for use. Discontinued operations are disclosed separately in the income statement and figures for comparison periods are restated accordingly.

Dividend payment and repayment of capital

Payment of dividends and repayment of capital is decided in the Annual General Meeting. The dividend payment and repayment of capital proposed to the Annual General Meeting by the Board of Directors is not subtracted from distributable funds until approved by the Annual General Meeting.

Financial liabilities

Financial liabilities largely consist of loans from financial institutions, leasing liabilities and derivate liabilities. Financial liabilities are initially recognised at fair value. Transaction costs are reported in the initial book value of the financial liability. Financial liabilities, except for derivative liabilities, are subsequently carried at amortized cost using the effective interest method. Derivative liabilities are measured at fair value through profit or loss. Financial liabilities are reported in non-current and current liabilities.

Leases

Group's lease agreements are mainly related to facilities, company cars and IT equipment. Group applies the exemptions allowed by the standard on lease contracts for which the lease term ends within 12 months as of the initial application, and lease contracts for which the underlying asset is of low value. Exemptions are applicable to some of the leased premises, such as office hotels, and to all laptops, printers and copying machines, among others. These lease payments are recognised as an expense in the income statement on a straight-line basis.

Other lease agreements are recognised as right-of-use assets and lease liabilities in the balance sheet. These agreements include long-term lease agreements of facilities and company cars. Right-of-use assets are included in tangible assets and the related lease liabilities are included in non-current and current interest-bearing financial liabilities.

CapMan Group does not act as a lessor.

Provisions

Provisions are recognised in the balance sheet when the Group has a current obligation (legal or constructive) as a result of a past event, and it is probable that an outflow will be required to settle the obligation and a reliable estimate of the outflow can be made.

The Group's provisions are evaluated on the closing date and are adjusted to match the best estimate of their size on the day in question. Changes are booked in the same entry in the income statement as the original provision.

Employee benefits

Pension obligations

The defined contribution pension plan is a pension plan in accordance with the local regulations and practices of its business domiciles. Payments made to these plans are charged to the income statement in the financial period to which they relate. Pension cover has been arranged through insurance policies provided by external pension institutions.

Share-based payments

The fair value of the share-based long-term incentive plan is measured at the grant date based on the starting share price of the plan, its assumed development during the vesting period, forfeiture rate and estimated dividends to be paid during the vesting period. The fair value is expensed on a straight-line basis over the vesting period. The accumulated amount expensed is adjusted, should the forfeiture rate change or should shares allocated to the plan be sold during the vesting period.

The fair value of stock options is assessed on the date they are granted and are expensed in equal instalments in the income statement over the vesting period of the rights concerned. An evaluation of how many options will generate an entitlement to shares is made at the end of every reporting period. Fair value is determined using the Black-Scholes pricing model. The terms of the stock option programs are presented in Note 31. Share-based payments.

Revenue recognition

Revenue from contracts with customers is recognised by first allocating the transaction price to performance obligations, and when the performance obligation is satisfied by transferring the control of the underlying service to the customer, the revenue related to this performance obligation is recognised. Performance obligation can be satisfied either at a point in time or over time.

Management fees and service fees in the Management Company Business

As a fund manager, CapMan receives management fees during a fund's entire period of operations. Management fee is a variable consideration and is typically based on the fund's original size during its investment period, which is usually five years. Thereafter the fee is typically based on the acquisition cost of the fund's remaining portfolio. Annual management fees are usually 0.5–2.0% of a fund's total commitments, depending whether the fund is a real estate fund, a mezzanine fund, or an equity fund. In the case of real estate funds, management fees are also paid on committed debt capital. The average management fee percentage paid by CapMan-managed funds is approx. 1%.

Management fees paid by the funds are recognised as income over time, because the fund management service is the only performance obligation in the contract and it is satisfied over time.

Management company business also includes wealth management services to institutional clients, foundations, family offices and wealthy private clients. Fees from these services are recognised over time, when the service is provided and the control is transferred to the customer, except for success and transaction fees, which are recognised as income at a point in time, because the underlying performance obligation is satisfied and the control of the related service is transferred to the customer at a point in time.

Fees in the Service Business

CapMan's Service Business does not any more include continuing active businesses. Procurement services provided by CapMan Procurement services (CaPS) were sold in 2024 and classified as discontinued operations. Until February 1, 2023, Service business also included JAY Solutions, which offered reporting and back office services to investors. Fee from these services are primarily recognised over time.

Some of the contracts with customers related to the fundraising services earlier included in the Service Business includes a significant financing component. When determining the transaction price in these cases, the promised amount of consideration is adjusted for the effects of the time value of money and customer's credit characteristics.

Carried interest income

Carried interest refers to the distribution of the profits of a successful private equity fund among fund investors and the fund manager responsible for the fund's investment activities. In practice, carried interest means a share of a fund's cash flow received by the fund manager after the fund has transferred to carry.

The recipients of carried interest in the private equity industry are typically the investment professionals responsible for a fund's investment activities. In CapMan's case, carried interest is split between CapMan Plc and funds' investment teams.

CapMan applies a principle where funds transfer to carry and carried interest income are based on realised cash flows, not on a calculated and as yet unrealised return. As the level of carried interest income varies, depending on the timing of exits and the stage at which funds are in their life cycle, predicting future levels of carried interest is difficult.

To transfer to carry, a fund must return its paid-in capital to investors and pay a preferential annual return on this. The preferential annual return is known as a hurdle rate, which is typically set between 7–10% IRR p.a. When a fund has transferred to carry, the remainder of its cash flows is distributed between investors and the fund manager. Investors typically receive 80% of the cash flows and the fund manager 20%. When a fund is generating carried interest, the fund manager receives carried interest income from all of the fund's cash flows, even if an exit is made at below the original acquisition cost.

Revenue from carried interest is recognised when a fund has transferred to carry and to the extent carried interest is based on realised cash flows and management has estimated it being highly probable that there is no risk of repayment of carried interest back to the fund. Carried interest is recognised when CapMan is entitled to it by the reporting date, a confirmation on the amount has been received and CapMan is relatively close to receiving it in cash.

Potential repayment risk of carried interest to the funds (clawback)

Potential repayment risk to the funds (clawback) is considered when assessing whether revenue recognition criteria have been fulfilled. Clawback risk relates to a situation when, in conjunction with the liquidation of a fund, it is recognised that the General Partner has received more carried interest than agreed in the fund agreement. These situations can occur, for example, if there are recallable distributions or if representations and warranties have been given by the vendor in the sale and purchase agreement when the fund is towards the end of its lifecycle.

Potential repayment risk to the funds (clawback) is estimated by the management at each reporting date. The management judgment includes significant estimates relating to investment exit timing, exit probability and realisable fair value. The clawback risk is measured by using the expected value method, i.e. by calculating a probability weighted average of estimated alternative investment exit outcomes. The clawback is an adjustment to the related revenue recognised and is included in the current accrued liabilities in the consolidated balance sheet.

Income taxes

Tax expenses in the consolidated income statement comprise taxes on taxable income and changes in deferred taxes for the financial period. Taxes are booked in the income statement unless they relate to other areas of comprehensive income or directly to items booked as equity. In these cases, taxes are booked to either other comprehensive income or directly to equity. Taxes on taxable income for the financial period are calculated on the basis of the tax rate in force for the country in question. Taxes are adjusted on the basis of deferred income tax assets and liabilities from previous financial periods, if applicable. The Group's taxes have been recognised during the financial year using the average expected tax rate.

Deferred taxes are calculated on temporary differences between the carrying amount and the tax base. Deferred taxes have only been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The largest temporary differences arise from the valuation of investments at fair value. Deferred taxes are not recognised for non-tax deductible amortisation of goodwill. Deferred taxes have been measured at the statutory tax rates enacted by the balance sheet date and that are expected to apply when the related deferred tax is realised.

Items affecting comparability and alternative performance measures

CapMan uses alternative performance measures, such as adjusted operating profit (or 'comparable operating profit', having the same meaning), to denote the financial performance of its business and to improve the comparability between different periods. 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 in the Note 2.

Use of estimates

The preparation of the financial statements in conformity with IFRS standards requires Group management to make estimates and assumptions in applying CapMan's accounting principles. These estimates and assumptions have an impact on the reported amounts of assets and liabilities and disclosure of contingent liabilities in the balance sheet of the financial statements and on the reported amounts of income and expenses during the reporting period. Estimates have a substantial impact on the Group's operating result. Estimates and assumptions have been used in assessing the impairment of goodwill, the fair value of fund investments, the impairment testing of intangible and tangible assets, in determining useful economic lives and expected credit losses, and in reporting deferred taxes, among others.

Valuation of fund investments

The determination of the fair value of fund investments using the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) takes into account a range of factors, including the price at which an investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of management judgment. Because there is significant uncertainty in the valuation of, or in the stability of, the value of illiquid investments, the fair values of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that would actually be obtained when such investments are realised.

Valuation of fund investments is described in more detail in the Note 33.

Valuation of other investments

The fair value of growth equity investments is determined quarterly by using valuation methods according to IPEVG and IFRS 13. The valuations are based on forecasted cash flows or peer group multiples. In estimating fair value of an investment, a method that is the most appropriate in light of the facts, nature and circumstances of the investment is applied. External valuations are made at least once a year to verify the fair values of growth equity investments.

Goodwill impairment test

Goodwill impairment test is performed annually. The most significant assumptions related to the recoverable amount are turnover growth, operating margin, discount rate and terminal growth rate. Turnover growth and operating margin estimates are based on the current cost structure and turnover generated by the current customer base. Turnover is expected to grow to the extent that can be reasonably supported by the current personnel and other resources. This means such additional turnover and costs included in the business plan that are related to future expansion – and expected to be mainly visible as new customers and increased headcount – have been removed from the cash flow forecasts when preparing the goodwill impairment test.

Goodwill impairment test is described in more detail in the Note 16.

2. Segment information

CapMan has three operating segments: the Management company business, Service business and Investments business. Segment information only includes continuing operations.

In the **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 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 no more has continuing active businesses. Previously included procurement services (CaPS) have been classified as a discontinued operation and therefore removed from the segment information for the reporting and comparison periods. The remaining part of the Service business contains the discounting impact of long-term trade receivables stemming from the earlier advisory services that were offered to private equity investors. In the comparison year, 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.

2024 1,000 EUR	Management company business	Service business	Investment business	Other	Total
Continuing operations:					
Fee income	52,443	266		593	53,303
Carried interest	4,318				4,318
Turnover	**56,761**	**266**		**593**	**57,621**
Turnover, internal					
Materials and services		0		0	0
Other operating income	5			1	6
Personnel expenses, of which	–24,474	0	–584	–8,272	–33,330
Salaries and bonuses	–24,474	0	–584	–7,660	–32,718
Share-based payment				–612	–612
Depreciation, amortisation and impairment	–2,096	0	–12	–336	–2,444
Other operating expenses	–7,696	0	–286	–4,999	–12,981
Internal service fees	–5,304			5,304	
Fair value changes of investments			7,789		7,789
Operating profit	**17,196**	**266**	**6,907**	**–7,708**	**16,660**
Items impacting comparability:					
Purchase price allocation amortisations	1,132				1,132
Reorganisation costs	10			147	157
Acquisition related expenses				1,088	1,088
Items impacting comparability, total	1,141			1,235	2,377
Comparable operating profit	**18,337**	**266**	**6,907**	**–6,473**	**19,037**
Financial items					–4,324
Income taxes					–2,952
Result for the year					**9,385**

2024 1,000 EUR	Management company business	Service business	Investment business	Other	Total
Items impacting comparability:					
Purchase price allocation amortisations					905
Reorganisation costs					126
Acquisition related expenses					1,083
Items impacting comparability, total					2,114
Comparable result for the year					**11,498**
Earnings per share, cents					**2.8**
Items impacting comparability, cents					1.2
Comparable earnings per share, cents					**4.0**
Earnings per share, diluted, cents					**2.8**
Items impacting comparability, cents					1.2
Comparable earnings per share, diluted, cents					**4.0**
Fee profit:					
Comparable operating profit	18,337	266	6,907	–6,473	19,037
Less:					
Carried interest	–4,318				–4,318
Fair value changes of investments			–7,789		–7,789
Fee profit	**14,019**	**266**	**–882**	**–6,473**	**6,930**
Geographical distribution of turnover:					
Finland					36,799
Other countries					20,821
Total					**57,621**

2023 restated **1,000 EUR**	**Management company business**	**Service business**	**Investment business**	**Other**	**Total**
Continuing operations:					
Fee income	45,108	547		524	46,179
Carried interest	3,126				3,126
Turnover	**48,234**	**547**		**524**	**49,305**
Turnover, internal	3	44		–46	
Materials and services		0			0
Other operating income		57		19	76
Personnel expenses, of which	–23,548	–147	–346	–8,129	–32,169
Salaries and bonuses	–23,548	–147	–346	–7,160	–31,199
Share-based payment	0			–970	–970
Depreciation, amortisation and impairment	–1,048	–29	–14	–302	–1,393
Other operating expenses	–6,648	–174	–139	–3,938	–10,899
Internal service fees	–4,781	–3		4,783	0
Fair value changes of investments			–6,115	0	–6,115
Operating profit (loss)	**12,212**	**295**	**–6,614**	**–7,089**	**–1,196**
Items impacting comparability:					
Reorganisation costs	1,466			12	1,478
Acquisition related expenses				566	566
Items impacting comparability, total	1,466			577	2,043
Comparable operating profit (loss)	**13,678**	**295**	**–6,614**	**–6,512**	**847**
Financial items					–696
Income taxes					607
Result for the year					**–1,285**

2023 restated **1,000 EUR**	**Management company business**	**Service business**	**Investment business**	**Other**	**Total**
Items impacting comparability:					
Reorganisation costs					1179
Acquisition related expenses					566
Items impacting comparability, total					1,744
Comparable result for the year					**460**
Earnings per share, cents					**–1.9**
Items impacting comparability, cents					1.1
Comparable earnings per share, cents					**–0.8**
Earnings per share, diluted, cents					**–1.9**
Items impacting comparability, cents					1.1
Comparable earnings per share, diluted, cents					**–0.8**
Fee profit:					
Comparable operating profit (loss)	13,678	295	–6,614	–6,512	847
Less:					
Carried interest	–3,126				–3,126
Fair value changes of investments			6,115	0	6,115
Fee profit (loss)	**10,552**	**295**	**–499**	**–6,512**	**3,836**
Geographical distribution of turnover:					
Finland					30,868
Other countries					18,437
Total					**49,305**

3. Turnover

Revenue from contracts with customers include management fees, service fees and carried interest.

Management company business revenue is primarily related to long-term contracts. Management fees are typically recorded over time, whereas service fees include both transaction fees recorded at a point in time and other service fees, such as fees from wealth and asset management services, recorded over time. Carried interest is recognised at a point in time. Revenue from the Service business is based on long-term contracts and includes solely fees recognised over time. Segment information disclosed in Note 2 provides more information on the businesses included in each reportable segment.

The below table disaggregates the revenue into management fees, fees from services and carried interest, as well as timing of revenue recognition by reportable segment.

2024 1,000 EUR	Management company business	Service business	Investment business	Other	Total
Management fees	45,892				45,892
Service fees	6,551	266		593	7,411
Carried interest	4,318				4,318
Revenue from customer contracts, external	**56,761**	**266**		**593**	**57,621**
Timing of revenue recognition:					
Services transferred over time	52,127	266		593	**52,987**
Services transferred at a point in time	4,634				**4,634**
Revenue from customer contracts, external	56,761	266		593	**57,621**

2023 restated 1,000 EUR	Management company business	Service business	Investment business	Other	Total
Management fees	39,034				39,034
Service fees	6,074	547		524	7,145
Carried interest	3,126				3,126
Revenue from customer contracts, external	48,234	547		524	49,305
Timing of revenue recognition:					
Services transferred over time	44,445	547		524	45,516
Services transferred at a point in time	3,788				3,788
Revenue from customer contracts, external	48,234	547		524	49,305

4. Other operating income

	2024	2023 restated
Other items	6	76
Total	6	76

5. Employee benefit expenses

1,000 EUR	2024	2023 restated
Salaries and wages	27,979	26,462
Pension expenses – defined contribution plans	3,249	3,717
Share-based payments	612	970
Other personnel expenses	1,489	1,021
Total	33,330	32,169

Remuneration of the management is presented in Note 32. Related party disclosures.

Cost for the share-based payments is based on the fair value of the instrument. The counter-entry to the expenses recognised in the income statement is in retained earnings, and thus has no effect on total equity. More information on the share-based payments is disclosed in Note 31.

Average number of people employed	2024	2023
By country		
Finland	149	133
Sweden	27	28
Denmark	12	10
Norway	2	2
Luxembourg	3	3
United Kingdom	7	7
In total	200	183
By segment		
Management company business	137	119
Service business	10	13
Investment business and other	54	51
In total	200	183

6. Depreciation

1,000 EUR	2024	2023 restated
Depreciation by asset type		
Intangible assets		
Other intangible assets	1158	86
Total	1,158	86
Tangible assets		
Machinery and equipment	76	87
Right-of-use assets, buildings (IFRS 16)	1,211	1,209
Right-of-use assets, machinery and equipment (IFRS 16)	0	11
Total	1,287	1,307
Total depreciation	2,444	1,393
Impairment by asset type		
Goodwill	0	0
Total impairments	0	0

7. Other operating expenses

1,000 EUR	2024	2023 restated
Included in other operating expenses:		
Other personnel expenses	1,436	1,283
Office expenses	684	611
Travelling and entertainment	1,055	1,263
External services	6,784	5,894
Other operating expenses	3,024	1,848
Total	12,981	10,899
Short-term lease expense (IFRS 16)	145	96
Expense for leases of low-value assets (IFRS 16)	121	173

Audit fees

Ernst & Young chain of companies: 1,000 EUR	2024	2023
Audit fees	437	371
Tax advisory services	19	57
Other fees and services	92	33
Total	548	461

Non-audit services performed by Ernst & Young in 2024 were 111 thousand euros (2023: 90 thousand euros in total) and included 19 (57) thousand euros of tax advisory services and 19 (57) thousand euros of other fees and services in total.
In 2024 audit fees included 27 thousand euros (2023: 28) fees related to discontinuing operations

8. Adjustments to cash flow statement and total cash outflow for leases

1,000 EUR	2024	2023 restated
Personnel expenses	612	970
Depreciation, amortisation and write-downs	2,535	1,491
Fair value gains/losses of investments	–7,789	6,115
Gain on sale of subsidiaries	–64,025	0
Finance income and costs	4,330	687
Costs related to acquisitions and disposals	5,672	–71
Taxes	4,035	618
Other adjustments	35	–144
Total	–54,595	9,666
Total cash outflow for leases (IFRS 16)	–1,386	–1,333

9. Fair value gains/losses of investments

1,000 EUR	2024	2023 restated
Investments at fair value through profit and loss		
Investments in funds	7,789	–6,115
Total	7,789	–6,115

10. Finance income and costs

1,000 EUR	2024	2023 restated
Finance income		
Interest income from loan receivables	1,582	1,036
Exchange gains	161	17
Change in fair value of financial liabilities	0	3,122
Other financing income	187	
Total	1,930	4,174
Finance costs		
Interest expenses for loans	–5,213	–3,809
Change of expected credit losses	–2	–68
Other interest and finance expenses	–548	–571
Interest expense of lease liabilities (IFRS 16)	–118	–168
Exchange losses	–179	–254
Total	–6,253	–4,870

11. Income taxes

1,000 EUR	2024	2023 restated
Current income tax	3,280	1,840
Taxes for previous years	–25	84
Deferred taxes		
Temporary differences	–303	–2,531
Total	2,952	–607

Income tax reconcilliation

1,000 EUR	2024	2023
Profit before taxes	12,336	–1,892
Tax calculated at the domestic corporation tax rate of 20%	2,467	–378
Effect of different tax rates outside Finland	80	90
Tax exempt income	–1,337	–1,217
Performance share plan	5	–230
Ohter non-deductible expenses	577	158
Unrecognized tax assets on tax losses and use of previously unrecognised tax losses	1,082	931
Taxes for previous years	–24	83
Other differences	102	–44
Income taxes in the Group Income Statement	2,952	–607

12. Earnings per share

Undiluted earnings per share is calculated by dividing the distributable retained profit for the financial year by the average share issue adjusted number of shares, excluding shares that have been purchased by the Company and are presented as the Company's own shares. Undiluted earnings per share from continuing operations is calculated by dividing the distributable retained profit for the financial year from continuing operations by the average share issue adjusted number of shares, excluding shares that have been purchased by the Company and are presented as the Company's own shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2024	2023 restated
Continuing and discontinued operations in total:		
Result for the financial year, (1,000 EUR)	73,466	3,392
Result attributable to the non-controlling interest, (1,000 EUR)	–4,893	–2,047
Result attributable to the equity holders of the Company, (1,000 EUR)	68,573	1,346
Continuing operations:		
Result for the financial year from continuing operations, (1,000 EUR)	9,385	–1,285
Result attributable to the non-controlling interest from continuing operations, (1,000 EUR)	–4,579	–1,707
Result attributable to the equity holders of the Company from continuing operations, (1,000 EUR)	4,806	–2,992
Weighted average number of shares ('000)	173,807	158,574
Treasury shares ('000)	–26	–26
Weighted average number of shares ('000)	173,781	158,548
Effect of share-based incentive plans ('000)	599	1,184
Weighted average number of shares adjusted for the effect of dilution ('000)	174,380	159,731
Earnings per share attributable to the equity holders of the Company:		
Earnings per share (undiluted), cents	39.5	0.8
Earnings per share (diluted), cents	39.3	0.8
Earnings per share from continuing operations attributable to the equity holders of the Company:		
Earnings per share from continuing operations (undiluted), cents	2.8	–1.9
Earnings per share from continuing operations (diluted), cents	2.8	–1.9

13. Discontinued operations

On October 4, 2024, CapMan Plc signed an agreement with Proxer Bidco Oy to sell its ownership (92.7%) in subsidiary CapMan Procurement Services (CaPS) Ltd ("CaPS") together with subsidiary's non-controlling interest (7.3%). The transaction was closed on October 31, 2024. Debt free purchase price was EUR 70 million, of which CapMan's share is EUR 64.9 million, and in addition, CapMan is entitled to a maximum of EUR 4.6 million earn-out consideration, subject to CaPS reaching certain operating targets during 2025.

CapMan has classified CaPS business as a discontinued operation in the income statement and restated the comparison periods' income statement and segment information accordingly. Advisory expenses and success bonuses relating to the disposal of CaPS have been included in the net gain on disposal of the discontinued operations. CaPS comprised the majority of CapMan's reporting segment Service Business, and after disposal there are no actively managed operations left in the Service Business. The remaining items in the Service Business turnover relate to income impact from discounted long-term trade receivables stemming from the former private equity advisory services.

Below table summarises the income statement by line item from discontinued operations for the financial and comparison year:

1,000 EUR	2024	2023
Turnover, external	9,533	10,059
Other operating income	3	3
Operating expenses	–4,388	–4,169
Operating profit	**5,148**	**5,893**
Financial income and expenses	–7	9
Gain on sale from discontinued operations*	60,025	
Profit before taxes	**65,166**	**5,902**
Income taxes		
related to ordinary business	–1,083	–1,225
related to disposal	0	
Profit after taxes	**64,083**	**4,677**

*less advisory and success fees

Below table sets forth the share of cash flows attributable to discontinued operations:

1,000 EUR	2024	2023
Cash flow from operating activities	4,131	5,028
Cash flow from investing activities	59,039	0
Cash flow from financing activities	–628	–295

14. Acquisitions

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 was completed on March 1, 2024, following 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 purchase price was paid by executing a directed issue of 17,672,761 new CapMan shares to the owners of Dasos Capital Oy, representing approximately 10.0% ownership in CapMan, and by a cash consideration of EUR 3.0 million.

Fair value of the issued shares amounted to EUR 34.4 million on the acquisition date, based on the closing price of EUR 1.948 per share, and was recognised in the share capital. Cash consideration was adjusted in Q3 2024 by EUR –0.2 million based on the final closing accounts. 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, payable when the management fees of the funds managed by Dasos exceed certain limits. The additional consideration will be paid later in 2026 and 2027 in CapMan's shares.

Dasos Capital Oy is a leading timberland and natural capital investment asset manager in Europe and a significant player globally. Dasos focuses on managing sustainable timberland investments, natural sites and forest carbon sinks, as well as developing value in Europe and emerging markets. The investors in the funds managed by Dasos are domestic and foreign institutions, mainly pension and insurance companies. The acquisition supports CapMan's vision of becoming the most responsible private asset company in the Nordics and significantly promotes CapMan's strategic objective to increase assets under management to EUR 10 billion during the ongoing strategy period.

The goodwill arising from the acquisition is EUR 22.2 million and is mainly attributable to Dasos' professional workforce, future customers and products, CapMan's cross-selling opportunities, and synergies.

As of the acquisition date, March 1, 2024, Dasos Capital has been consolidated into CapMan's consolidated financial statements in full and reported as part of CapMan's reportable segment Management Company Business. Consolidated income statement includes EUR 4.4 million of turnover and EUR 1.1 million of net profit from Dasos Capital as of March 1, 2024. Had Dasos Capital been consolidated from January 1, 2024, consolidated income statement from continuing operations would show combined turnover of EUR 58.4 million and combined net profit of EUR 9.6 million.

The expenses arising from the acquisition, EUR 1.7 million, have been included in Other operating expenses of the consolidated income statement and allocated to Other segment and classified as items impacting comparability in the segment reporting. Thereof, EUR 1.1 million has been recorded in the current period and EUR 0.6 million in the previous year.

The purchase price allocation is completed. The following table summarises the consideration, the fair value of identifiable assets acquired and liabilities assumed at the acquisition date, and the arising goodwill.

1,000 EUR	Fair value
Consideration	
Share consideration (17,672,761 x EUR 1.948)	34,427
Cash consideration	3,010
Total consideration	37,436
ASSETS	
Non-current assets	
Customer-related intangibles	13,278
Marketing-related intangibles	260
Machinery and equipment	3
Fund investments at fair value through profit and loss	3,301
	16,841
Current assets	
Receivables and accruals	829
Cash and cash equivalents	10,532
	11,361
Total assets	28,202
LIABILITIES	
Non-current liabilities	
Deferred tax liabilities	3,008
	3,008
Current liabilities	
Trade payables and accruals	2,170
Current tax liabilities	7,779
	9,949
Total liabilities	12,957

1,000 EUR	Käypä arvo
Non-controlling interest ("NCI")*	58
Net assets (excl. goodwill)	15,187
Total consideration	37,436
Goodwill	22,249

*measured at proportionate share of acquiree's identifiable net assets

The below table specificies the cash flow impact of the acquisition, reflected in cash flow from investing activities:

1,000 EUR	
Cash consideration	–3,010
Transaction costs	–1,654
Net cash acquired with the subsidiary	10,532
Acquisition of subsidiaries, net of cash	5,869

15. Tangible assets

1,000 EUR	2024	2023
Machinery and equipment		
Acquisition cost at 1 January	2,521	2,498
Acquisitions (see Note 14)	3	
Additions	11	22
Translation difference	–3	1
Acquisition cost at 31 December	2,532	2,521
Accumulated depreciation at 1 January	–2,334	–2,246
Depreciation for the financial year	–76	–87
Translation difference	2	–1
Accumulated depreciation at 31 December	–2,408	–2,334
Book value on 31 December	124	187
Right-of-use assets		
Machinery and equipment (IFRS 16)		
Additions	0	0
Depreciations, continuing operations	0	–11
Book value on 31 December	0	0
Leased premises (IFRS 16)		
Additions	151	1,944
Depreciations, continuing operations	–1,211	–1,209
Depreciations, discontinuing operations	–87	–88
Book value on 31 December	2,785	3,932
Other tangible assets		
Acquisition cost at 1 January	23	23
Book value on 31 December	23	23
Tangible assets total	2,931	4,142

16. Goodwill

1,000 EUR	2024	2023
Acquisition cost at 1 January	20,581	20,581
Acquisitions (see Note 14)	22,249	0
Acquisition cost at 31 December	42,830	20,581
Accumulated impairment at 1 January	–12,695	–12,695
Accumulated impairment at 31 December	–12,695	–12,695
Book value on 31 December	30,135	7,886

Impairment test

Goodwill is tested for impairment at least annually and has been allocated to the cash-generating units as follows:

1,000 EUR	2024	2023
CapMan Wealth	7,412	7,412
Natural Capital	22,249	
Other	474	474
Total	**30,135**	**7,886**

CapMan Wealth

Recoverable amount of CapMan Wealth (previously CapMan Wealth Services) is based on value-in-use using five-year discounted cash flow projections based on a business plan approved by the management. Future cash flows arising from additional turnover generated by increased personnel, and thus extending the operations and enhancing the performance, have been excluded from the cash flow projections applied in the impairment test. Cash flows for the period extending over the planning period are calculated using the terminal value method. Key assumptions applied in the impairment test are set forth in the table below:

	2024	2023
Pre-tax discount rate	19.0%	16.8%
Average turnover growth	14.3%	18.0%
Average EBIT margin	21.7%	35.2%
Terminal growth rate	2.0%	1.0%

Natural Capital

Dasos Capital, which was acquired during the financial year (see Note 14), establishes a new cash-generating unit Natural Capital, onto which goodwill of EUR 22.2 million has been allocated. Recoverable amount of Natural Capital is based on value-in-use using five-year discounted cash flow projections based on a business plan approved by the management. Cash flows for the period extending over the planning period are calculated using the terminal value method. Key assumptions applied in the impairment test are set forth in the table below:

	2024	2023
Pre-tax discount rate	15.6%	–
Average turnover growth	13.3%	–
Average EBIT margin	52.0%	–
Terminal growth rate	2.0%	–

Discount rate takes into account listed domestic and foreign asset and wealth managers as a benchmark group. Cost of equity includes risk premiums for Finland and company size. As a risk-free rate, a reference rate of Germany 10-year government bonds has been applied. Based on the impairment test, goodwill allocated to neither cash-generating unit was impaired, and recoverable amounts of cash-generating units CapMan Wealth and Natural Capital exceed their carrying amounts by approximately EUR 2.5 million and EUR 1.5 million, respectively.

Of key assumptions applied in CapMan Wealth’s impairment test, recoverable amount is most sensitive to changes in EBIT margin and turnover growth during the explicit forecasting period (5 years). Based on the sensitivity analysis, if average EBIT margin would be 7%-points lower, or alternatively, if turnover growth during the explicit forecasting period would be 10%-points lower per annum, recoverable amount would equal the carrying amount of the respective cash-generating unit. No reasonably possible change in any of the other key assumptions would lead to impairment.

Of key assumptions applied in Natural Capital’s impairment test, recoverable amount is most sensitive to changes in discount rate, EBIT margin and terminal growth rate. Based on the sensitivity analysis, if discount rate would be 1.0%-points higher, average EBIT margin 2.3%-points lower, or alternatively, if terminal growth rate would be 0.7%-points lower, recoverable amount would equal the carrying amount of the respective cash-generating unit. No reasonably possible change in any of the other key assumptions would lead to impairment.

17. Other intangible assets

1,000 EUR	2024	2023
Acquisition cost at 1 January	6,616	6,616
Acquisitions (see Note 14)	13,538	0
Additions	33	16
Transfers	0	0
Transfer to assets held for sale	0	–16
Acquisition cost at 31 December	20,187	6,616
Accumulated depreciation at 1 January	–6,605	–6,516
Depreciation for the financial year	–1,161	–96
Transfer to assets held for sale	0	7
Disposals	–32	0
Accumulated depreciation at 31 December	–7,798	–6,605
Book value on 31 December	12,388	10

Other intangible assets include customer- and marketing-related intangible assets received in conjunction with the acquisition of Dasos Capital (see Note 14). The useful life of customer- and marketing-related intangible assets is 10 and 5 years, respectively. They are thus amortised over 10 and 5 years, respectively.

18. Investments at fair value through profit or loss

Investments in funds

1,000 EUR	2024	2023
Investments in funds at 1 January	158,907	169,063
Additions	19,017	18,097
Acquisitions (see Note 14)	3,301	0
Distributions	–10,054	–17,615
Disposals	–15,623	–3,975
Fair value gains/losses of investments	7,746	–5,926
Transfers	3,927	–737
Investments in funds at 31 December	167,221	158,907
Investments in funds by investment area at the end of period*		
Buyout	31,467	28,314
Credit	5,917	6,048
Russia	0	589
Real Estate	39,262	40,449
Growth Equity	15,023	15,170
Infra	17,684	10,059
Special Situations	3,789	3,105
Natural Capital	2,917	
Fund of funds	8,286	16,694
External Venture Capital funds	38,626	38,085
Other investment areas	4,250	394
Total	167,221	158,907

* Investments in funds include the subsidiary, CapMan Fund Investments SICAV-SIF, with a fair value of EUR 111.3 million. The fair value included EUR 4.0 million of cash.

Other financial assets	2024	2023
Other investments at 1 January	508	434
Additions	42	46
Fair value gains/losses of investments	21	28
Other investments at 31 December	571	508

19. Receivables – Non-current

1,000 EUR	2024	2023
Trade receivables	3,426	4,134
Loan receivables	3,541	2,307
Other receivables	84	84
Accrued income	0	0
Total	7,052	6,525

Non-current trade receivables are related to previously offered fundraising and advisory services. Because of the significant financing component related to these receivables, the promised amount of consideration has been adjusted for the effects of the time value of money and the credit characteristics of the customer. However, no contract assets are related to these customer contracts, as the Group's right to the amount of consideration is unconditional and subject only to the passage of time.

Loan receivables primarily include loans granted to investment teams for co-investments.

Allowance for expected credit losses of loan receivables is presented below separately for portion measured at an amount equal to 12-month and lifetime expected credit losses.

As at December 31, 2024 and 2023, loss allowance measured at an amount equal to lifetime expected credit losses is fully related to credit-impaired loan receivables from entities controlled by the former or current investment teams, and granted for making co-investments in funds managed by CapMan. The most significant credit-impaired loan receivables are from entities controlled by the former CapMan Russia investment team. CapMan has determined these loan receivables being credit-impaired, because the underlying funds have filed for liquidation and it seems not probable that the loans and accrued interests would be repaid to CapMan in full. The other credit-impaired loan receivables are related to loans granted to making co-investments to such funds, whose carry potential is estimated to be low, and therefore, CapMan has determined it seems not probable that the borrowing entity would repay these loans and accrued interests in full.

1,000 EUR	2024	2023
Loan receivables, gross	5,190	3,909
Loss allowance, 12-month ECL*	–68	–22
Loss allowance, lifetime ECL*	–1,581	–1,581
Loan receivables, net	3,541	2,307

*ECL = expected credit losses
Other non-currrent receivables include primarily rental deposits.

20. Deferred tax assets and liabilities

Changes in deferred taxes during 2024:

1,000 EUR	31.12.2023	Charged to Income Statement	Translation difference	Charged in equity	31.12.2024
Deferred tax assets					
Accrued differences	1,896	–163	0	0	1,733
Total	1,896	–163	0	0	1,733
Deferred tax liabilities					
Accrued differences	148	–246	–1	2,708	2,609
Unrealised fair value changes	5,843	–215	0	300	5,928
Total	5,991	–461	–1	3,008	8,537

Changes in deferred taxes during 2023:

1,000 EUR	31.12.2022	Charged to Income Statement	Translation difference	Charged in equity	31.12.2023
Deferred tax assets					
Accrued differences	1,790	106	0	0	1,896
Total	1,790	106	0	0	1,896
Deferred tax liabilities					
Accrued differences	1,261	–1,113	0	0	148
Unrealised fair value changes	7,157	–1,314	0	0	5,843
Total	8,418	–2,427	0	0	5,991

21. Trade and other receivables

1,000 EUR	2024	2023
Trade receivables	9,621	8,875
Loan receivables	254	815
Accrued income	1,783	1,839
Other receivables	15,702	8,853
Total	27,360	20,382

Loss allowance for the expected credit losses of trade receivables, based on a provision matrix, is presented below.

	2024	2023
Trade receivables, gross	9,727	9,007
Loss allowance	–106	–132
Trade receivables, net	9,621	8,875

Expected credit losses of other receivables measured at amortised cost is insignificant, and other receivables at amortised cost do not contain credit-impaired items.

With regards to contracts with customers, the Group's right to the amount of consideration is unconditional. Therefore, they are presented as receivables and no separate contract asset is presented.

Loan receivables include mainly current loan receivables from related parties and other employees.

Accrued income includes mainly prepayments.

Other receivables mainly include unvoiced sale of services, costs to be re-invoiced, income tax receivables and receivables related to sold financial assets.

Trade and other receivables by currency at end of year

Trade and other receivables	Amount in foreign currency	Amount in euros	Proportion
EUR		26,770	78%
USD	4,799	4,619	13%
SEK	12,430	1,085	3%
GBP	69	83	0%
DKK	13,789	1,849	5%
NOK	72	6	0%

22. Financial assets at fair value through profit or loss

1,000 EUR	2024	2023
Derivate assets	0	116
Interest rate funds	3,790	159
Total	3,790	275
Fair value of derivative instruments		
Foreign exchange forwards	–77	116
Total	–77	116
Nominal value of derivative instruments		
Foreign exchange forwards	4,484	5,320
Total	4,484	5,320

Financial assets at fair value through profit or loss include derivative assets and short-term investments made for cash management purposes in interest rate funds. CapMan uses short-term derivative instruments to hedge against currency changes in foreign currency denominated trade receivables. CapMan does not apply hedge accounting to derivative instruments and derivatives are initially measured at costs and thereafter to fair value at the end of the reporting period. Fair values of derivatives are based on market values or values derived from market values at the end of the reporting period (fair value hierarchy level 2). Translation difference incurred to foreign currency denominated trade receivables is recognised to turnover and that fair value change of the derivative instrument that is effectively hedging the underlying trade receivable, is recorded to turnover and the remainder of the derivative's fair value change is recorded to financial expenses. In the comparison period, no derivative instruments were used.

23. Cash and cash equivalents

1,000 EUR	2024	2023
Bank accounts	78,756	40,144
Money market funds	11,386	872
Total	90,142	41,017

Cash and cash equivalents include bank accounts and short-term investments made to money market funds for cash management purposes. At the end of the previous financial year, December 31, 2023, EUR 2.0 million of bank account balances was related to the launch of a new hotel real estate fund in 2019 and was not available for use by the group.

24. Share capital and shares

1,000	Number of B shares*	Total*
At 1 January 2023	**158,029**	**158,029**
Share-based incentive plan, directed share issue without payment	794	794
At 31 December 2023	**158,823**	**158,823**
Directed share issue related to business combination	17,673	17,673
Share-based incentive plan, directed share issue without payment	356	356
At 31 December 2024	**176,852**	**176,852**

*Excluding treasury shares of 26,299.

1,000 EUR	Share capital	Share premium account	Other reserves	Total
At 1 January 2023	**772**	**38,968**	**35,425**	**75,165**
Repayment of capital			–14,311	–14,311
At 31 December 2023	**772**	**38,968**	**21,114**	**60,854**
Directed share issue related to business combination	34,427			34,427
At 31 December 2024	**35,199**	**38,968**	**21,114**	**95,281**

Other reserves

During the financial year, part of the purchase price of the acquisition of Dasos Capital Oy was made by directed share issue, which increased the amount of shares and share capital. In addition, reward payment of the performance share plan 2022–25 resulted in a directed share issue of 356,062 new shares without payment. In the previous financial year, in conjunction with the final reward payment of the performance share plan 2022–23, a total of 794,419 shares were issued in a directed share issue without payment. Furthermore, in the previous financial year, repaid capital was deducted from the unrestricted equity fund.

Share-based incentive plans are presented in Note 31. Share-based payments.

Translation difference

The foreign currency translation reserve includes translation differences arising from currency conversion in the closing of the books for foreign units.

Dividends paid and proposal for profit distribution and repayment of capital

The Annual General Meeting, held on 27 March 2024, decided that a dividend of EUR 0.06 per share, totalling EUR 10.6 million, will be paid for the financial year 2023 in one instalment. The dividend was paid on April 9, 2024. The Annual General Meeting also authorised the Board of Directors to decide on an additional dividend in the maximum of EUR 0.04 per share. The Board of Directors resolved on the additional dividend on September 18, 2024, and the additional dividend of EUR 0.04 per share, totalling EUR 7.1 million, was paid on September 27, 2024.

As at December 31, 2024, CapMan Plc's distributable funds amounted to approximately EUR 88.3 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 0.14 per share for the financial period ended 31 December 2024. The Board of Directors proposes to the General Meeting that a dividend in the total amount of EUR 0.07 per share would be paid for the financial period that ended on 31 December 2024 based on the balance sheet adopted for 2024. The dividend would be paid to a shareholder who on the record date of the payment, 27 March 2025, is registered as a shareholder in the shareholders' register of the Company maintained by Euroclear Finland Oy. The payment date would be 3 April 2025. 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 0.07 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 15 September 2025.

Redemption obligation clause

A shareholder whose share of the entire share capital or the voting rights of the Company reaches or exceeds 33.3% or 50% has, at the request of other shareholders, the obligation to redeem his or her shares and related securities in accordance with the Articles of Association of CapMan Plc.

Ownership and voting rights agreements

As at 31 December 2024 CapMan Plc had no knowledge of agreements or arrangements, related to the Company's ownership and voting rights, that were apt to have substantial impact on the share value of CapMan Plc.

25. Interest-bearing loans and borrowings -

1,000 EUR	2024	2023
Senior bonds	99,607	89,750
Lease liabilities (IFRS 16)	1,655	2,720
Total	101,262	92,470

During the financial year, CapMan issued unsecured sustainability-linked notes in the aggregate principal amount of EUR 60 million. The notes will mature on June 10, 2029 and carry a fixed annual interest of 6.5%. In conjunction with this, CapMan redemeed the EUR 50 million notes issued in 2020. CapMan also has unsecured sustainability-linked notes in the aggregate principal amount of EUR 40 million issued in April 2022, which will mature on April 13, 2027 and carry a fixed annual interest of 4.5% paid annually.

26. Other non-current liabilities

1,000 EUR	2024	2023
Other liabilities	547	484
Total	547	484

Other liabilities are non-interest bearing and are related to pension obligations, which are defined contribution plans by nature.

27. Trade and other payables – Current

1,000 EUR	2024	2023
Trade payables	1,284	2,101
Advance payments received	83	761
Accrued expenses	16,208	14,178
Acquisition related liabilities	0	3,842
Derivative liabilities	77	0
Other liabilities	1,725	3,274
Total	19,378	24,155

The maturity of trade payables is normal terms of trade and don't include overdue payments.

Advance payments received are liabilities based on customer contracts.

The most significant items in accrued expenses relate to accrued salaries and social benefit expenses.

Acquisition related liabilities consists of a symmetric put and call option arrangement made with the non-controlling interest of a subsidiary, which is measured at fair value through profit or loss. The change of fair value is recorded as finance income or expense. In the previous year, this financial liability was included in other non-current liabilities.

Trade and other liabilities by currency at end of year

Trade and other liabilities	Amount in foreign currency	Amount in euros	Proportion
EUR		15,622	81%
SEK	26,394	2,303	12%
GBP	457	551	3%
DKK	5,714	766	4%
NOK	1,597	135	1%

28. Interest-bearing loans and borrowings – Current

1,000 EUR	2024	2023
Lease liabilities (IFRS 16)	1,271	1,323
Liabilities to non-controlling interests	0	63
Total	1,271	1,386

29. Financial assets and liabilities

Financial assets

1,000 EUR	Note	Balance sheet value	Fair value
2024			
Investments at fair value through profit or loss			
Investments in funds	18	167,221	167,221
Other financial assets*	18	571	571
Loan receivables	19	3,795	3,795
Trade and other receivables	19, 21	30,616	30,616
Financial assets at fair value	22	3,790	3,790
Cash and bank	23	90,142	90,142
Total		296,135	296,135

*Other financial assets consists of financial assets that are specifically classified as investments at fair value through profit and loss

Financial assets

1,000 EUR	Note	Balance sheet value	Fair value
2023			
Investments at fair value through profit or loss			
Investments in funds	18	158,907	158,907
Other financial assets*	18	508	508
Loan receivables	19	3,122	3,122
Trade and other receivables	19, 21	23,785	23,785
Financial assets at fair value	22	275	275
Cash and bank	23	41,017	41,017
Total		227,614	227,614

*Other financial assets consists of financial assets that are specifically classified as investments at fair value through profit and loss

Financial liabilities

1,000 EUR	Note	Balance sheet value	Fair value
2024			
Non-current liabilities	25	101,262	101,262
Non-current operative liabilities	26	547	547
Trade and other liabilities	27	19,378	19,378
Current liabilities	28	1,271	1,271
Total		122,458	122,458

Financial liabilities

1,000 EUR	Note	Balance sheet value	Fair value
2023			
Non-current liabilities	25	92,470	92,470
Non-current operative liabilities	26	484	484
Trade and other liabilities	27	24,154	24,154
Current liabilities	28	1,386	1,386
Total		118,494	118,494

Net debt

Net debt	2024	2023
Cash and cash equivalents	90,142	41,017
Borrowings – repayable within one year	–1,271	–1,386
Borrowings – repayable after one year	–101,262	–92,470
Net debt	–12,391	–52,839
Cash and cash equivalents	90,142	41,017
Gross debt – variable interest rates	–2,926	–4,106
Gross debt – fixed interest rates	–99,607	–89,750
Net debt	–12,391	–52,839

Changes in liabilities arising from financing activities

1,000 EUR	January 1, 2024	Cash flows	Other changes	December 31, 2024
2024				
Non-current loans and borrowings	89,750	9,566	291	99,607
Non-current lease liabilities	2,720	–1,216	151	1,655
Current loans and borrowings	63	0	–63	0
Current lease liabilities	1,323	–52	0	1,271
Total	93,856	8,299	379	102,533

1,000 EUR	January 1, 2023	Cash flows	Other changes	December 31, 2023
2023				
Non-current loans and borrowings	89,650	0	100	89,750
Non-current lease liabilities	2,204	–1,159	1,675	2,720
Current loans and borrowings	52	11		63
Current lease liabilities	1,060	–5	268	1,323
Total	92,966	–1,154	2,044	93,856

30. Commitments and contingent liabilities

Securities and other contingent liabilities

1,000 EUR	2024	2023
Contingencies for own commitment		
Business mortgage	60,000	60,000
Other contingent liabilities	1,132	1,239
Remaining commitments to funds		
by investment area		
Buyout	14,886	17,942
Credit	2,527	3,127
Russia	1,066	1,066
Real Estate	6,432	5,916
Other investment areas	1,489	1,489
Funds of funds	245	245
Growth Equity	10,569	19,243
Infra	8,230	10,151
Special Situations	3,462	4,507
Natural Capital	43	
CapMan Wealth Services funds	16,031	15,511
External private equity funds	265	3,703
External Veture Capital funds	1,583	2,290
Total	**66,829**	**85,190**

31. Share-based payments

As at the balance sheet date, CapMan has one investment based long-term share-based incentive plan "Share plan 2022–25" in force. The program "Share plan 2020–23" ended and the rewards were paid during the previous year. Share-based incentive plans are used to commit key individuals and executives to the company and reinforce the alignment of interests of key individuals and executives and CapMan shareholders. In the investment based long-term share-based incentive plan the participants are committed to shareholder value creation by investing a significant amount into the CapMan Plc share.

The investment-based long-term incentive plan 2022–25 includes three performance periods. The performance period commenced on 1 April 2022 and ends 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 in 2024, 2025 and 2026. In 2024, rewards from performance period 1 April 2022 – 31 March 2023 were paid, which resulted in 356,062 shares granted and a cash component to cover withholding tax consequences. The value of these two totalled EUR 1.2 million.

The aim of the 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 reward on the basis of the plan 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 plan is based on the company share's Total Shareholder Return (TSR) and on a participant's employment or service upon reward payment. The plan is equity-settled by nature and while the participants earn a certain gross amount of reward shares, it can be partially paid in cash to cover the withholding tax consequences. The Board shall resolve whether new Shares or existing Shares held by the Company are given as reward. The target group of the Plan consists of 22 persons, including the members of the Management Group.

The fair value of the investment-based incentive plans has been measured at the grant date and is expensed on a straight-line basis over the vesting period. The fair value has been calculated by applying a Monte-Carlo simulation, where the model inputs have included share price at the grant date, expected annualised volatility over the tenure of the program, risk-free interest rate, expected dividends and expected share rewards to be granted on different target share price levels. The model simulates share price development during the performance period and the resulting share rewards to be granted after reaching the share price levels defined in the conditions of the plan. In addition, lack of marketability due to the lock-up period as well as forfeiture rate have been incorporated into the measurement of the fair value as decreasing factors.

The total expense recognised for the period arising from share-based payment transactions amounted to EUR 0.6 million (EUR 1.0 million). There were no liabilities arising from share-based payment transactions. As at the balance sheet date, based on the closing price of CapMan's share, it is estimated that for the Share plan 2022–25, the shares to be withheld and paid in cash to cover withholding tax liabilities will amount to EUR 0.3 million.

Key information on the investment-based incentive plans is presented in the below table.

Investment-based incentive plans	Share plan 2022–2025
Grant date	13.4.2022
Vesting period starts	13.4.2022
Vesting period ends	13.4.2024, 13.4.2025 and 13.4.2026
Grant date share price, EUR	2.420
Share price at the end of the period, EUR	1.714
Expected annualised volatility	26%
Assumed risk-free interest rate	1.0%
Present value of the expected dividends, EUR	0.63
Forfeiture rate assumption	0%
Increase in fair value of share premiums granted during the period	–0.2
Fair value of the plan, EUR million	2.8
Expense recorded during the financial year, EUR million	0.6
Cumulative expense recorded for the plan, EUR million	2.2
Future cash payment related to withholding taxes, EUR million	–0.3
Number of participants in the plan at the balance sheet date	21

Changes in the number of share rewards during the period	Share plan 2022–2025
Outstanding in the beginning of the period 1.1.2024	3,795,420
Granted	85,000
Forfeited	408,121
Exercised	642,298
Expired	0
Exercised at the end of the period 31.12.2024	737,230
Outstanding at the end of the period 31.12.2024	2,830,000

32. Related party disclosures

Group companies		Group ownership of shares, %	Parent company ownership of shares, %
CapMan Plc, parent company	Finland		
CapMan Capital Management Oy	Finland	100%	100%
CapMan Sweden AB	Sweden	100%	100%
CapMan AB	Sweden	100%	100%
CapMan (Guernsey) Limited	Guernsey	100%	100%
CapMan (Guernsey) Buyout VIII GP Limited	Guernsey	100%	100%
CapMan (Sweden) Buyout VIII GP AB	Sweden	100%	100%
CapMan Classic GP Oy	Finland	100%	100%
CapMan Real Estate Oy	Finland	100%	100%
Dividum Oy	Finland	100%	100%
RG Invest Oy	Finland	100%	100%
CapMan RE II GP Oy	Finland	100%	100%
CapMan Private Equity Advisors Limited	Cyprus	100%	100%
RG Growth (Guernsey) GP Ltd	Guernsey	100%	100%
CapMan (Guernsey) Investment Limited	Guernsey	100%	100%
CapMan (Guernsey) Buyout IX GP Limited	Guernsey	100%	100%
CapMan Fund Investments SICAV-SIF	Luxembourg	100%	100%
CapMan (Guernsey) Buyout X GP Limited	Guernsey	100%	100%
RG Growth (Guernsey) II GP Ltd	Guernsey	100%	100%
Maneq 2012 AB	Sweden	100%	100%
CapMan Nordic Real Estate Manager S.A.	Luxembourg	100%	100%
CapMan Buyout X GP Oy	Finland	100%	100%
CapMan Endowment GP Oy	Finland	100%	100%
CapMan Real Estate UK Limited	United Kingdom	100%	
Nest Capital 2015 GP Oy	Finland	100%	100%
Kokoelmakeskus GP Oy	Finland	100%	100%
CapMan Growth Equity Oy	Finland	100%	100%
CapMan Real Estate Manager S.A.	Luxembourg	100%	100%
CapMan Infra Management Oy	Finland	60%	60%
CapMan Infra Lux Management S.á.r.l.	Luxembourg	60%	

Group companies		Group ownership of shares, %	Parent company ownership of shares, %
CapMan Growth Equity 2017 GP Oy	Finland	100%	100%
CapMan Nordic Infrastructure Manager S.á.r.l.	Luxembourg	100%	100%
CapMan Infra Lynx GP Oy	Finland	60%	
CapMan Buyout XI GP S.á.r.l	Luxembourg	100%	100%
CapMan AIFM Oy	Finland	100%	100%
Nest Capital III GP Oy	Finland	100%	100%
CapMan Buyout Management Oy	Finland	100%	100%
CapMan Hotels II Holding GP Oy	Finland	100%	100%
CapMan Wealth Oy	Finland	60%	60%
CapMan Growth Equity II GP Oy	Finland	100%	100%
CapMan Special Situations GP Oy	Finland	100%	100%
CapMan Special Situations Oy	Finland	65%	65%
CM III Feeder GP S.á.r.l.	Luxembourg	100%	100%
Maneq 2010 AB	Sweden	86%	86%
Maneq 2005 AB	Sweden	100%	100%
CapMan Residential Manager SA	Luxembourg	60%	60%
CMRF Feeder GP S.á.r.l.	Luxembourg	60%	
CMRF Advisors Oy	Finland	60%	60%
Nest Capital IV GP Oy	Finland	100%	100%
CMH II Feeder GP Sarl	Luxemburg	100%	100%
CapMan Nordic Infrastructure II Manager S.á.r.l.	Luxemburg	100%	100%
CMNPI GP II Sarl	Luxemburg	100%	100%
CapMan Growth Equity III GP Oy	Finland	100%	100%
CapMan Growth Management Oy	Finland	65%	65%
Dasos Capital Oy	Finland	100%	100%
Dasos Habitat Foundation Oy	Finland	100%	
Dasos Climate-Smart Real Estate Oy	Finland	100%	
Dasos Foraois Management Ltd.	Ireland	100%	
Dasos FS Management S.a.r.l.	Luxemburg	100%	
Dasos LT Management S.a.r.l.	Luxemburg	100%	

Group companies		Group ownership of shares, %	Parent company ownership of shares, %
Dasos S.A.	Luxemburg	93%	
Dasos II S.A.	Luxemburg	100%	
Profor Investments S.a.r.l.	Luxemburg	67%	
CapMan Nordic Real Estate IV Manager Sarl	Luxemburg	100%	100%

Group companies		Group ownership of shares, %
Foreign branches		
CapMan Real Estate Denmark, filial av CapMan AB, Sverige	Denmark	100%
CapMan Real Estate Oy, filial i Norge	Norway	100%
CapMan Buyout Management Oy, filial i Sverige	Sweden	100%
CapMan Infra Management Oy, filial i Sverige	Sweden	60%

Transactions with related parties

In the financial year, CapMan granted a long-term loan of EUR 747 thousand and a short-term loan of EUR 170 thousand with a fixed interest rate to Noelia Invest AB, a controlled entity of Mika Koskinen, member of the Management Group. Noelia Invest AB used the loans to subscribe shares issued by CapMan Wealth Services Oy, a subsidiary of CapMan Plc. Furthermore, CapMan sold a share of its interest in CWS Investment Partners Fund III to Noelia Invest AB. The purchase price was EUR 30 thousand and the transaction also included transferring a total of USD 300 thousand of investment commitments to the aforementioned fund from CapMan to Noelia Invest AB. In the previous year, 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.

Loan and interest receivables from related parties

1,000 EUR	2024	2023
Non-current	817	242
Current	175	

Commitments to related parties

1,000 EUR	2024	2023
Loan commitments	73	98

Management remuneration

1,000 EUR	2024	2023
CEO Pia Kåll		
Salaries and other short-term employee benefits	440	351
Pension costs	78	62
Additional pension costs	42	35
Share-based payments	144	181
Total	704	630
CEO Joakim Frimodig		
Salaries and other short-term employee benefits		130
Pension costs		23
Additional pension costs		13
Share-based payments		–68
Total		98
Management group excl. CEO		
Salaries and other short-term employee benefits	2,945	2,886
Share-based payments	351	585
Total	3,295	3,472

Remuneration and fees of the Board of Directors

1,000 EUR	2024	2023
Joakim Frimodig as of March 15, 2023	279	291
Andreas Tallberg until March 15, 2023		16
Johan Bygge	45	44
Mammu Kaario	56	55
Catarina Fagerholm	46	45
Olli Liitola	44	43
Johan Hammarén	43	42
Yhteensä	513	537

Management remuneration includes members of the board, CEO and management group.

The CEO has a mutual notice period of six months and he will be entitled to a severance fee of 12 months' salary, if his employment is terminated by the company.

The CEO and some of the Management Group members are covered by additional defined contribution based pension insurance. The retirement age of the CEO is 63 years.

The Management Group members, incl. CEO, have allocated a total of 860,000 shares (780,000 shares in 2023) to the investment-based long-term incentive plan 2022–25. The Management Group and other employees have similar terms in the investment-based long-term incentive plans (see Note 31).

33. Financial risk management

The purpose of financial risk management is to ensure that the Group has adequate and effectively utilised financing as regards the nature and scope of the Group's business. The objective is to minimise the impact of negative market development on the Group with consideration for cost efficiency. The financial risk management has been centralised and the Group's CFO is responsible for financial risk management and control.

The management constantly monitors cash flow forecasts and the Group's liquidity position on behalf of all Group companies. In addition, the Group's principles for liquidity management include rolling 12-month loan covenant assessments. The loan covenants are related to equity ratio and net gearing. During the financial year all the loan covenants have been fullfilled.

The Group has a Risk and Valuation team, which monitors the performance and the price risk of the investment portfolio (financial assets measured 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.

a) Liquidity risk

Cash inflow from operating activities consists of predictable management fees and fees from the Service Business, as well as transaction-based fees and carried interest income, which are more difficult to predict. Cash outflow from operating activities consists of payment of fixed costs, interests and taxes, which are relatively well predictable in the short term. Liquidity management is also significantly impacted by the timing of the capital calls to the funds and proceeds from fund investments, which is difficult to predict. Therefore, the Group maintains a sufficient liquidity in order to fulfill its commitments, which are more difficult to predict. Cash from financing activities consist of proceeds from and repayment of borrowings, and payment of dividends and return of capital.

Management fees received from the funds and majority of fees from the Service Business are based on long-term agreements and are targeted to cover the operational expenses of the Group. Management fees and majority of fees from the Service Business are quite reliably predictable for the coming 12 months. However, part of of the fees from the Service Business are transaction-based and thus more difficult to forecast.

The timing and receipt of carried interest generated by the funds is uncertain and will contribute to the volatility of the results. Changes in investment and exit activity levels may have a significant impact on cash flows of the Group. A single investment or exit may change the cash flow situation completely and the exact timing of the cash flow is difficult to predict. Group companies managing a fund may in certain circumstances, pursuant to the terms of the fund agreement, have to return carried interest income they have received (so-called clawback). The obligation to return carried interest income applies typically when, according to the final distribution of funds, the carried interest income received by the fund management company exceeds the carried interest it is entitled to when the fund expires. CapMan has no clawback liabilities recorded at the balance sheet date.

CapMan has made commitments to the funds it manages. As at December 31, 2024, the undrawn commitments to the funds amounted to EUR 66.8 (85.2) million and the financing capacity available (cash available for use and third party financing facilities) amounted to EUR 114.2 (59.2) million. The cash available includes the cash of CapMan Fund Investments SICAV-SIF EUR 4.0 (0.1) million, which is reported in fund investments in the group balance sheet.

During the financial year, CapMan issued unsecured sustainability-linked notes in the aggregate principal amount of EUR 60 million. The notes will mature on June 10, 2029 and carry a fixed annual interest of 6.5% paid annually. In conjunction with this, in June and December 2024, CapMan redemeed the EUR 50 million notes issued in 2020. CapMan also has unsecured sustainability-linked notes in the aggregate principal amount of EUR 40 million issued in April 2022, which will mature on April 13, 2027 and carry a fixed annual interest of 4.5% paid annually. The sustainability targets of this loan were achieved already in 2023, which means its interest rate will remain unchanged till maturity. The sustainability targets of the loan maturing on June 10, 2029, will be reviewed on December 31, 2027, which may result in an increase of its interest rate by a maximum of 1.25 pp for the remainder of the term. Both loan agreements include covenants tied to equity ratio.

At the end of the financial year, CapMan has an unused long-term credit facility of EUR 20 million. CapMan has not used the credit facility during the financial year or the previous year. The long-term credit facility agreement includes a covenant related to net gearing.

Maturity analysis

31 December 2024, 1,000 EUR	Due within 3 months	Due between 3 and 12 months	Due between 1 and 3 years	Due between 3 and 5 years	Due later
Bonds			40,000	60,000	
Accounts payable	1,284				
Interests, bonds		5,700	10,103	5,610	
Company acquisitions liabilities	0				
Commitments to funds	326	17,132	1,209	7,452	40,709
Lease liabilities (IFRS 16)	299	836	1,790		

Maturity analysis

31 December 2024, 1,000 EUR	Due within 3 months	Due between 3 and 12 months	Due between 1 and 3 years	Due between 3 and 5 years	Due later
Bonds			50,000	40,000	
Accounts payable	2,101				
Interests, bonds		3,800	5,474	503	
Company acquisitions liabilities	3,842				
Commitments to funds	4,194	11,371	6,187	13,151	50,287
Lease liabilities (IFRS 16)	308	882	2,852		

b) Interest rate risk

At the end of the financial year, interest-bearing liabilities carry a fixed interest rate. Exposure to interest rate risk arises principally from the long-term credit facility of EUR 20 million with a floating interest rate. This facility was not used during the financial year or the previous year. The interest rate of the credit facility is the aggregate of the reference rate (Euribor) and the margin, which is dependent on the Group's net gearing and is in the range of 1.75% to 2.70%. Interest rate is also tied to reaching sustainability targets, and the outcome of reaching these targets may decrease or increase the margin by maximum of 0.025 pp.

The EUR 60 million bond issued in June 2024 has an annual coupon rate of 6.5% paid annually. The terms of the bond include sustainability-linked targets, and the outcome of reaching these will be reviewed on December 31, 2027. Failure to fulfill the agreed sustainability-linked targets could increase the interest rate by 1.25 pp, at maximum, for the remainder of the loan term. The sustainability-linked senior bond issued in April 2022 carry initially an annual coupon rate of 4.5% paid annually. As CapMan succeeded in fulfilling the sustainability-linked conditions, the interest rate will remain unchanged for the remainder of the loan term.

Loans according to interest rate 1,000 EUR	2024	2023
Floating rate	0	0
Fixed rate	99,607	89,750
Total	99,607	89,750

c) Credit risk

Group's credit risks relate to trade, loan and other receivables recognised at amortised cost. The maximum credit loss of these receivables is the carrying amount of the receivable in question. There are no collaterals relating to the receivables. CapMan has some credit-impaired co-investment loan receivables from entities controlled by the former or current investment teams. Co-investment loans are determined to be credit-impaired, if the expected distributions from the underlying fund would not enable full repayment of the loan to CapMan. Events triggering an evaluation to determine, if a loan receivable is credit-impaired, are typically decreased or lost carry potential or decreased fair value of the underlying fund's remaining investments or fund filing for liquidation. More information on the expected credit losses of receivables is presented in notes 19 and 21.

Group's loan commitments are related to co-investment loans granted to team entities, which they use in order to make co-investments to funds managed by the Group. Apart from credit-impaired loan receivables, credit risk of loan commitments is deemed low, when the repayment is subject to distributions received from the fund and the fund is capable of making distributions equaling or exceeding the needed cash for repaying the loans and accrued interests.

d) Currency risk

Changes in exchange rates, particularly between the US dollar and the euro, impact the company's performance, since a part of group's fund investments and non-current accounts receivables are in US dollar. Any strengthening/weakening of the dollar against the euro would improve/weaken the fair value gains or US dollar fund investments and revenue related to US dollar nominated account receivables.

CapMan has started to hedge its US dollar nominated account receivables against changes in exchange rates as of December 2022. The group does not, however, apply hedge accounting to the derivative instruments used for hedging purposes.

CapMan has subsidiaries outside of the Eurozone, and their equity is exposed to movements in foreign currency exchange rates. However, the Group does not hedge currency as the impact of exposure to currency movements on equity is relatively small.

As at December 31, 2024, 91% of the Group's financial assets were in euros, 7% in US dollars 1% in Swedish krona and 1% in other currencies. The following table presents the fair values of the foreign currency denominated financial assets.

Financial assets denominated in foreign currencies, in euros

1,000 EUR	SEK	USD	Other currencies	Total
2024	2,195	21,052	2,484	25,731
2023	2,925	25,158	2,271	30,354

e) Capital management

Group's aim is to have an efficient capital structure that allows the company to manage its ongoing obligations and that the business has the prerequisites for operating normally. The Return on equity (ROE) and the Equity ratio are the means for monitoring capital structure.

The long-term financial targets of the Group have been confirmed by the Board of Directors of CapMan Plc. The financial targets are based on growth, profitability and balance sheet. 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.

The distribution policy was updated during the financial year by the Board of Directors of CapMan Plc. 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. Previously, CapMan's policy was to pay an annually increasing dividend to its shareholders.

At the balance sheet date, CapMan has two unsecured senior bonds outstanding, EUR 40 million sustainability-linked unsecured bond maturing on April 13, 2027 and EUR 60 million sustainability-linked unsecured bond maturing on June 10, 2029. In addition, CapMan has a long-term credit facility of EUR 20 million available until June 17, 2027, which was not in use at the balance sheet date.

The long-term credit facility agreement and senior bond agreeements include financial covenants related to both equity ratio and net gearing.

1,000 EUR	2024	2023
Interest-bearing loans	102,533	93,856
Cash and cash equivalents	–90,142	–41,017
Net debt	12,391	52,839
Equity	202,568	115,125
Net gearing	6.1%	45.9%
Return on equity	46.2%	2.6%
Equity ratio	59.0%	47.8%

f) Price risk of the investments in funds

The investments in funds are valued using the International Private Equity and Venture Capital Valuation Guidelines. According to these guidelines, the fair values are generally derived by multiplying key performance metrics of the investee company (e.g., EBITDA) by the relevant valuation multiple (e.g., price/equity ratio) observed for comparable publicly traded companies or transactions. Changes in valuation multiples can lead to significant changes in fair values depending on the leverage ratio of the investee company.

g) Climate related risks

The Group has assessed the impact of climate-related matters and whether climate related risks could be expected to result in material adjustments in the Group's financial statements. The Group is committed to Science Based Targets and climate net zero target and has established short-term, mid-term and long-term sustainability targets for CapMan Group as well as for its investment areas. The Group's largest assets consist of financial assets, and more precisely, of its own and external fund investments valued at fair value. Therefore, potential climate-related risks are primarily associated with CapMan's own fund investments, managed by CapMan's investment professionals, and with external fund investments. CapMan's commitment to climate net zero, combined with the valuation process described earlier, can therefore be seen taking sufficiently into account climate-related matters impacting the fair value of the underlying portfolio companies, real estate properties and other holdings owned by CapMan's own funds. Fair value of external fund investments is based on external fund managers' valuations and no climate-related adjustments are made by CapMan. However, the Group sees that the industries, in which the portfolio companies of the external fund investments operate, are not materially subject to climate related risks with regards to their fair valuation.

h) Determining fair values

Fair value hierarchy of financial assets measured at fair value at 31 December 2024

1,000 EUR	Fair value	Level 1	Level 2	Level 3
Investments in funds	**167,221**	4,318	0	162,903
Other non-current investments	**571**	545	0	25
Current financial assets at FVTPL*	**3,790**	0	3,790	0

*fair value through profit or loss

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

1,000 EUR	Level 1	Level 2	Level 3	Total
Non-current investments at fair value through profit or loss				
Investments in funds				
at Jan 1	980		157,927	158,907
Additions			19,017	19,017
Acquisitions			3,301	
Distributions	–589		–9,465	–9,465
Disposals			–15,623	–15,623
Fair value gains/losses			7,746	7,746
Transfers*	3,927		0	3,927
at the end of period	4,318		162,903	167,221
Other investments				
at Jan 1	482	0	25	507
Additions	42			42
Fair value gains/losses	21			21
at the end of period	545	0	25	571

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

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

1,000 EUR	Fair value	Level 1	Level 2	Level 3
Investments in funds	**158,907**	980	0	157,927
Other non-current investments	**508**	482	0	25
Current financial assets at FVTPL*	**275**	116	159	0

*fair value through profit or loss
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

1,000 EUR	Level 1	Level 2	Level 3	Total
Non-current investments at fair value through profit or loss				
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	433
Additions	46			46
Fair value gains/losses	28			28
at the end of period	482	0	25	508

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

Sensitivity analysis of Level 3 investments at 31 December 2024

Investment area	Fair Value MEUR, 31 December 2024	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Private Equity	**50.3**	Peer group	Peer group earnings multiples	EV/EBITDA 2024 12.1×	+/– 10%	+/– 5.2 MEUR
			Discount to peer group multiples	20%	+/– 10%	–/+ 1.4 MEUR
Real Estate	**39.3**	Valuation by an independent valuer	FX rate	EUR/SEK 11.4590	+/–1%	–/+ 0.1 MEUR
				EUR/DKK 7.4578	+/–1%	–/+ 0.1 MEUR
				EUR/NOK 11.7950	+/–1%	–/+ 0.0 MEUR
Infra	**17.7**	Discounted cash flows	Terminal value	EV/EBITDA 14.6×	+/– 5%	+/– 1.2 MEUR
			Discount rate; market rate and risk premium	13%	+/– 100 bps	–/+ 1.9 MEUR
Credit	**5.9**	Discounted cash flows	Discount rate; market rate and risk premium	10%	+/– 100 bps	–0.2 MEUR / value change based on a change in the discount rate is not booked
Natural Capital	**2.9**	Valuation by an independent valuer	Wood prices	na	+/– 2.5%	+/– 0.3 MEUR
			Discount rate	4%	+–0.3%	–/+ 0.9 MEUR
Investments in funds-of-funds	**7.8**	Reports from PE fund management company	FX rate	EUR/USD 1.0389	+/–1%	–/+ 0.1 MEUR
Investments in external venture capital funds	**39.1**	Reports from PE fund management company				

Sensitivity analysis of Level 3 investments at 31 December 2023

Investment area	Fair Value MEUR, 31 Dec 2023	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Private Equity	**46.6**	Peer group	Peer group earnings multiples	EV/EBITDA 2023 10.5×	+/– 10%	+/– 4.9 MEUR
			Discount to peer group multiples	21%	+/– 10%	–/+ 1.3 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 15.1×	+/– 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
Investments in funds-of-funds	**16.0**	Reports from PE fund management company	FX rate	EUR/USD 1.1050	+/–1%	–/+ 0.2 MEUR
Investments in external venture capital funds	**38.7**	Reports from PE fund management company				

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

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

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

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

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

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

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

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

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

The investments in natural capital funds that CapMan manages are valued based on appraisals made in cooperation with independent appraisers with specific experience in the valuation of investments in timberland assets. The main forest valuation approaches include income approach where the value is the net present value of expected cash flows discounted at a current market rate, cost approach where the value is based on historical investment cost of the forest asset (land cost, planting and management cost etc.) and market approach where the value is based on the transaction values of comparable forest assets.

Valuations based on appraisals by Independent external experts are updated annually for closed-end funds and quarterly for open-ended funds.

Parent Company Income Statement (FAS)

EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
Turnover	1	2,898,128.24	6,815,795.44
Other operating income	2	63,999,271.42	–142,640.32
Employee benefit expenses	3	–8,827,427.72	–6,300,619.64
Depreciation	4	–62,388.62	–97,783.34
Other operating expenses	5	–4,512,767.03	–4,049,856.25
Operating loss		53,494,816.29	–3,775,104.11
Finance income and costs	6	12,757,898.29	19,364,289.83
Profit before appropriations and taxes		66,252,714.58	15,589,185.72
Appropriations	7	2,163,690.00	3,129,500.00
Income taxes		0.00	–944.21
Profit for the financial year		68,416,404.58	18,717,741.51

Parent Company Balance Sheet (FAS)

EUR	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Intangible assets	8	0.00	6,886.40
Tangible assets	9	107,203.52	151,822.57
Investments	10		
Shares in subsidiaries		182,491,544.71	126,199,336.83
Investments in associated companies		34,211.38	34,211.38
Other investments		10,578,562.96	10,593,627.04
Other receivables		6,878,811.92	6,294,849.42
Investments total		199,983,130.97	143,122,024.67
Non-current assets, total		200,090,334.49	143,280,733.64
Current assets			
Short-term receivables	11	22,073,008.19	24,489,032.09
Investments	12	15,000,000.00	1,000,000.00
Cash and bank		62,770,102.78	22,056,494.04
Current assets, total		99,843,110.97	47,545,526.13
Total assets		299,933,445.46	190,826,259.77

EUR	Note	31.12.2024	31.12.2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	13		
Share capital		37,774,813.96	771,586.98
Share premium account		38,968,186.24	38,968,186.24
Invested unrestricted shareholders' equity		18,119,799.89	18,119,799.89
Retained earnings		1,743,056.58	688,394.09
Profit for the financial year		68,416,404.58	18,717,741.51
Shareholders' equity, total		165,022,261.25	77,265,708.71
Liabilities			
Non-current liabilities	14	101,291,772.47	91,432,514.15
Current liabilities	15	33,619,411.74	22,128,036.91
Liabilities, total		134,911,184.21	113,560,551.06
Total shareholders' equity and liabilities		299,933,445.46	190,826,259.77

Parent Company Cash Flow Statement (FAS)

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operations		
Profit before extraordinary items	66,252,715	15,589,186
Finance income and costs	–12,757,898	–19,364,290
Adjustments to cash flow statement		
Depreciation, amortisation and impairment	62,389	97,783
Gain on sale of subsidiary shares	–64,597,702	0
Change in net working capital		
Change in current assets, non-interest-bearing	718,032	611,149
Change in current liabilities, non-interest-bearing	–565,740	–144,400
Interest paid	–4,360,126	–4,436,439
Interest received	1,735,000	729,394
Dividends received	19,510,040	22,603,554
Direct taxes paid	0	–34,717
Cash flow from operations	**5,996,710**	**15,651,220**
Cash flow from investments		
Acquisition of subsidiaries	–8,701,014	–206,874
Cash of a dissolved or merged subsidiary	13,600	160,000
Investments in subsidiaries	–12,636,892	–7,987,603
Sale of subsidiary shares	64,790,745	3,789,444
Repayment of capital from subsidiaries	389,282	4,898,789
Investments in tangible and intangible assets	–10,883	–9,050
Investments in other placements, net	–13,996,433	–999,707
Loan receivables granted	–1,872,827	–1,992,287
Repayment of loan receivables	4,727,626	2,381,031
Cash flow from investments	**32,703,204**	**33,743**

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from financing activities		
Repayment of capital	0	0
Proceeds from long-term borrowings	0	–14,254,357
Repayment of long-term borrowings	59,668,300	0
Dividends paid	–50,000,000	0
Change in group liabilities	0	0
Group contributions received	–17,663,655	–12,671,736
Change in group liabilities	9,855,944	7,482,742
Group contributions received	0	742,000
Cash flow from financing activities	**1,860,589**	**–18,701,351**
Change in cash and cash equivalents	40,560,503	–3,016,389
Cash and cash equivalents at beginning of year	22,056,493	25,218,755
Translation difference	153,107	–145,873
Cash and cash equivalents at end of year	62,770,103	22,056,493

Notes to the Parent Company Financial Statements (FAS)

Basis of preparation for parent company financial statements
CapMan Plc's financial statements for 2024 have been prepared in accordance with the Finnish Accounting Act.

Foreign currency translation
Transactions in foreign currencies have been recorded at the rates of exchange prevailing at the date of the transaction. Foreign currency denominated receivables and payables are recorded at the rates of exchange prevailing at the closing date of the review period.

Investments
Investments are valued at acquisition cost. If the probable future income from the investment is permanently lower than the value at acquisition cost excluding depreciation, the difference is recognised as an expense.

Intangible and tangible assets
Intangible and tangible assets are valued at cost less accumulated depreciation and amortisation according to the plan, except for assets having an indefinite useful life.

Receivables
Receivables comprise receivables from Group companies and associated companies, trade receivables, accrued income and other receivables. Receivables are recorded at nominal value, however no higher than at probable value. Receivables are classified as non-current assets if the maturity exceeds 12 months.

Financial risk management and derivative instruments
The financial risk management of CapMan Group is centralised with the parent company. The financial risk management principles are provided in the Notes to the Group financial statements under 33. Financial risk management.

CapMan Plc uses derivative instruments, such as foreign exchange forwards, to hedge against currency changes incurred to its certain and significant foreign currency denominated trade receivables. Derivative instruments are measured at the lower of their cost or market value.

Non-current liabilities
Senior bonds maturing later than one year after the balance sheet date are recorded as non-current liabilities at nominal value.

Current liabilities
Bonds maturing within one year are presented as current liabilities and measured at their nominal value. Derivative liabilities are measured at fair value.

Leases
Lease payments are recognised as other expenses. The remaining commitments under each lease are provided in the Notes section under "Commitments".

Provisions
Provisions are recognised as expenses in case the parent company has an obligation that will not result in comparable income or losses that are deemed apparent.

Pensions
Statutory pension expenditures are recognised as expenses at the year of accrual. Pensions have been arranged through insurance policies of external pension institutions.

Revenue
Revenue includes the sale of services to subsidiaries and revenue from the sale of securities, dividends and other similar income from securities classified as inventories. Revenue from services is recognised, when the service is delivered.

Income taxes
Income taxes are recognised based on Finnish tax law. Deferred taxes are calculated on temporary differences between the carrying amount and the tax base. Deferred taxes have been measured at the statutory tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax is realised.

Appropriations
Appropriations in the income statement consist of possible given and received group contributions and possible depreciation in excess of plan, and in the balance sheet, possible accumulated depreciation in excess of plan.

1. Turnover by area

EUR	2024	2023
Sale of services		
Finland	1,543,281	1,106,945
Foreign	1,354,847	5,708,850
Total	2,898,128	6,815,795

2. Other operating income

EUR	2024	2023
Turnover translation difference	273,592	–185,905
Gain on sale of subsidiary shares	63,724,518	43,249
Other operating income	1,162	16
Total	63,999,272	–142,640

3. Personnel

EUR	2024	2023
Salaries and wages	7,672,327	5,497,998
Pension expenses	1,053,578	664,920
Other personnel expenses	101,523	137,702
Total	8,827,428	6,300,620
Management remuneration		
Salaries and other remuneration of the CEO		
Joakim Frimodig (1.1.–15.3.2023)	0	922,804
Pia Kåll (15.3.–31.12.2023)	438,858	350,036
Board members	513,100	535,560
Average number of employees	23	35

Management remuneration is presented in the Group Financial Statements Table 32. Related party disclosures.

4. Depreciation

EUR	2024	2023
Depreciation according to plan		
Other long-term expenditure	6,886	34,771
Machinery and equipment	55,502	63,013
Total	62,388	97,783

5. Other operating expenses

EUR	2024	2023
Other personnel expenses	357,974	189,400
Office expenses	250,454	114,449
Travelling and entertainment	114,675	348,374
External services	2,301,459	2,201,296
Internal services	1,333,934	1,044,488
Other operating expenses	154,272	151,849
Total	4,512,768	4,049,856
Audit fees		
Audit	199,296	115,738
Total	199,296	115,738

6. Finance income and costs

EUR	2024	2023
Dividend income		
Group companies	20,140,565	21,231,776
Total	20,140,565	21,231,776
Other interest and finance income		
Group companies	713,890	2,297,813
Others	1,139,279	797,787
Total	1,853,169	3,095,599
Interest and other finance costs		
Impairment of shares and interests	–2,780,858	–215,411
Write-down of receivables	98,981	–11,338
Group companies	–593,629	–350,580
Others	–5,960,330	–4,385,755
Total	–9,235,836	–4,963,085
Finance income and costs total	12,757,898	19,364,290

7. Appropriations

EUR	2024	2023
Group contributions received	2,163,690	3,129,500

8. Intangible assets

EUR	2024	2023
Intangible rights		
Acquisition cost at 1 January	828,188	828,188
Acquisition cost at 31 December	828,188	828,188
Accumulated depreciation at 1 January	–828,188	–828,188
Accumulated depreciation at 31 December	–828,188	–828,188
Book value on 31 December	0	0
Other long-term expenditure		
Acquisition cost at 1 January	2,677,518	2,677,518
Additions	0	0
Acquisition cost at 31 December	2,677,518	2,677,518
Accumulated depreciation at 1 January	–2,670,632	–2,635,861
Depreciation for the financial period	–6,886	–34,771
Accumulated depreciation at 31 December	–2,677,518	–2,670,632
Book value on 31 December	0	6,886
Intangible rights total	0	6,886

9. Tangible assets

EUR	2024	2023
Machinery and equipment		
Acquisition cost at 1 January	1,336,073	1,327,023
Additions	10,883	9,050
Acquisition cost at 31 December	1,346,956	1,336,073
Accumulated depreciation at 1 January	–1,206,990	–1,143,978
Depreciation for the financial period	–55,502	–63,013
Accumulated depreciation at 31 December	–1,262,492	–1,206,990
Book value on 31 December	84,464	129,083
Other tangible assets		
Acquisition cost at 1 January	22,739	22,739
Book value on 31 December	22,739	22,739
Tangible assets total	107,203	151,822

10. Investments

EUR	2024	2023
Shares in subsidiaries		
Acquisition cost at 1 January	126,199,336	127,068,504
Additions	58,341,133	8,194,477
Disposals	–604,035	–8,848,233
Impairments	–1,444,891	–215,411
Acquisition cost at 31 December	182,491,543	126,199,336
Shares in associated companies		
Acquisition cost at 1 January	34,212	34,212
Disposals	0	0
Acquisition cost at 31 December	34,212	34,212
Shares, other		
Acquisition cost at 1 January	10,593,627	10,559,049
Additions	42,000	46,209
Disposals	–3,567	–293
Impairment	–53,497	–11,338
Acquisition cost at 31 December	10,578,563	10,593,627
Other receivables		
Other loan receivables	3,452,553	2,161,043
Accounts receivable	3,426,259	4,133,806
Long-term receivables total	6,878,812	6,294,849
Investments total	199,983,130	143,122,024

The subsidiaries and the associated companies are presented in the Notes to the Consolidated Financial Statements, Table 32. Related party disclosures.

11. Short-term receivables

EUR	2024	2023
Receivables from Group companies		
Accounts receivable	233,332	353,428
Accrued income	0	24,062
Loan receivables	9,929,759	14,039,759
Other receivables	9,283,984	6,978,048
Total	19,447,075	21,395,297
Accounts receivable	1,441,266	1,575,041
Loan receivables	249,725	848,039
Other receivables	203,932	166,525
Accrued income	731,009	504,130
Short-term receivables total	22,073,007	24,489,032

12. Investments

EUR	2024	2023
Acquisition cost at 1 January	1,000,000	0
Additions	14,000,000	1,000,000
Acquisition cost at 31 December	15,000,000	1,000,000
Investments, total	15,000,000	1,000,000

13. Shareholders' equity

EUR	2024	2023
Share capital at 1 January	771,587	771,587
Additions	37,003,227	0
Share capital at 31 December	37,774,814	771,587
Share premium account at 1 January	38,968,186	38,968,186
Share premium account at 31 December	38,968,186	38,968,186
Invested unrestricted shareholders' equity at 1 January	18,119,800	32,374,157
Invested unrestricted shareholders' equity, disposals	0	–14,254,357
Invested unrestricted shareholders' equity at 31 December	18,119,800	18,119,800
Retained earnings at 1 January	19,406,136	13,362,464
Dividend payment	–17,663,079	–12,674,070
Retained earnings at 31 December	1,743,057	688,394
Profit for the financial year	68,416,405	18,717,742
Shareholders' equity, total	165,022,262	77,265,709

Calculation of distributable funds

Retained earnings	1,743,057	688,394
Profit for the financial year	68,416,405	18,717,742
Invested unrestricted shareholders' equity	18,119,800	18,119,800
Total	88,279,262	37,525,935

CapMan Plc's share capital is divided as follows:

	2024 Number of shares	2023 Number of shares
Series B share (1 vote/share)	176,878,210	158,849,387

14. Non-current liabilities

EUR	2024	2023
Senior bonds	99,607,323	89,750,033
Other non-current liabilities	1,684,449	1,682,481
Non-current liabilities total	101,291,772	91,432,514

15. Current liabilities

EUR	2024	2023
Accounts payable	155,727	466,074
Liabilities to Group companies		
Group account at OP Yrityspankki Plc	18,982,130	18,038,256
Group account at Nordea Bank	8,912,069	0
Accounts payable	287,240	86,827
Other liabilities	1,054	166,354
Accrued expenses	115,023	108,003
Total	28,297,516	18,339,440
Other liabilities	203,697	903,279
Accrued expenses	4,962,471	2,359,243
Current liabilities total	33,619,411	22,128,037

16. Contingent liabilities

EUR	2024	2023
Leasing agreements		
Operating lease commitments		
Within one year	183,250	135,226
After one but not more than five years	88,169	66,654
Total	271,419	201,880
Other hire purchase commitments		
Within one year	763,884	757,008
After one but not more than five years	827,541	1,577,100
Total	1,591,425	2,334,108
Securities and other contingent liabilities		
Contingencies for own commitment		
Enterprise mortgages	60,000,000	60,000,000
Investment commitments to other funds	2,277,273	1,003,556
Other contingent liabilities	1,024,014	1,204,663
Total	63,301,287	62,208,219
Contingencies for subsidiaries' commitments		
Investment commitments	207,656	207,656
Total	207,656	207,656

17. Derivative instruments

EUR	2024	2023
Nominal amount of derivatives		
Foreign exchange forwards	4,484,334	5,319,743
Total	4,484,334	5,319,743
Fair value of derivatives		
Foreign exchange forwards	–76,832	116,491
Total	–76,832	116,491

Signatures to the Report of the Board of Directors and Financial Statements

Statement by the Board of Directors regarding the Financial Statements and the Report of the Board of Directors:

Consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and Financial Statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and net profit or loss of both the parent company and the companies included in the consolidated financial statements.

Report of the Board of Directors gives a true description of the development of company's and its subsidiaries' businesses and profitability and contains a description of the most significant risks and uncertainties, as well as other status of the company.

Helsinki 12.2.2025

Joakim Frimodig
Chairman

Mammu Kaario

Catarina Fagerholm

Johan Hammarén

Olli Liitola

Johan Bygge

Pia Kåll
CEO

The Auditor's Note

Our report has been issued today.

Helsinki 12.2.2025

Ernst & Young Oy
Audit firm

Kristina Sandin
Authorised Public Accountant

Auditor's report (Translation of the Finnish original)

To the Annual General Meeting of CapMan Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CapMan Plc (business identity code 0922445-7) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit and Risk Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *We refer to the accounting policies in the financial statements and the Note 3.* CapMan's turnover in consolidated group accounts amounted to 57,6 million euros. It consists of management fees, sale of services and carried interest income. The timing of revenue recognition can be judgmental as revenue is recognized either over time or at the point in time depending on the circumstances and provided services. The assessment of recognized revenue includes management assumptions and estimates. Revenue recognition was determined to be a key audit matter. Revenue recognition related to carried interest was determined to be a significant risk of material misstatement referred to in EU Regulation No 537/2014 point (c) of Article 10(2) in respect of its timely recognition and at a proper amount.	Our audit procedures to address the risk of material misstatement included, among other things, assessing that the revenue recognition principles comply to applicable accounting standards, assessing the process for recognizing revenue and identifying controls relating to revenue recognition. We examined sales cutoff with analytical procedures. We supplemented our procedures with test of details on a transaction level on a random basis in order to ensure that the revenue has been recognized in a correct accounting period and it's based on the corresponding agreements. In addition, we assessed the adequacy of disclosures relating to the fee and commission income of the group.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of non-liquid investments *We refer to the accounting policies in the financial statements and the Notes 18 and 33.* The Group's investment portfolio 31.12.2024 amounts to 167,2 million euros. The investment portfolio includes mainly investments to funds managed by CapMan group companies. Determination of the fair value of funds and direct investments to portfolio companies is executed using International Private Equity and Venture Capital valuation guidelines (IPEV) and IFRS and the fair values are based on estimated cash-flows or peer-group multiples. Fair value measurement includes subjective estimations by management, specifically in areas where fair value is based on a model-based valuation. Valuation techniques for private equity funds involve setting various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could lead to different estimates of fair value. Valuation of non-liquid investments was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014 point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement relating to valuation of non-liquid investments included, among others: Developing an understanding of the private equity, natural capital and real estate portfolios. • Reviewing the price of recent transactions and investments. • Assessing assumptions used in the valuations and obtaining an understanding that the valuation appropriately reflects the risks of the portfolios. • Comparing the assumptions against established policies and determining if they have been applied appropriately. • Reviewing and assessing the valuations determined by CapMan or other party. • Assessing whether the International Private Equity and Venture Capital Valuation Guidelines and valuation methodology of IFRS have been applied correctly. Our valuation specialists were involved in the audit. In addition, we assessed the adequacy of disclosures relating to the non-liquid investments.

Key Audit Matter	How our audit addressed the Key Audit Matter
Dasos Capital business combination *We refer to the accounting policies in the financial statements and the Note 14.* The Group acquired the shares of Dasos Capital Oy during the financial year. The acquisition date was determined to be March 1, 2024. The purchase consideration of 37,4 million euros was paid with CapMan Oyj shares (34,4 million euros) and in cash (3,0 million euros). Assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at acquisition date fair value. Management judgement relates specifically to determining the fair value of acquired assets and liabilities, in particular determining the fair values of separately identifiable intangible assets such as customer relationships. The significant business combination was a key audit matter as it involves valuation processes and methods, and judgments made by management.	Our audit procedures included, among others: • Familiarizing ourselves with the Share Purchase Agreement relating to the business combination of Dasos Capital. • Assessing together with our valuation specialists the valuation processes and methodologies to identify acquired assets and liabilities and to determine the fair value of these. • Assessing the adequacy of disclosures relating to the business combination.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of goodwill *We refer to the accounting policies in the financial statements and the Note 16.* The value of goodwill at the date of the financial statements 31.12.2024 amounted to 30,1 million euros representing 9% of total assets and 15% of equity. Valuation of goodwill was a key audit matter because the assessment process is complex and is based on numerous judgmental estimates and because the amount of goodwill is significant to the financial statements. Valuation of goodwill is based on management's estimate about the value in use calculations of the cash generating units. There are a number of underlying assumptions used to determine the value in use, including development of revenue and profitability and the discount rate applied on cash flows. Estimated value in use of the cash generating units may vary significantly when the underlying assumptions are changed. Changes in above-mentioned individual assumptions may result in an impairment of goodwill. Valuation of goodwill was also a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of valuation of goodwill included among others: • Involvement of EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in impairment testing. • Testing of the mathematical accuracy of the impairment calculations. • Comparing the key assumptions applied by management in impairment tests to approved strategic plans and forecasts, information available in external sources and our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows. • Assessment of the Group's disclosures in respect of impairment testing.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 14, 2018, and our appointment represents a total period of uninterrupted engagement of seven years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor’s report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 12.2.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

Independent Auditor's Report on the ESEF Consolidated Financial Statements of CapMan Oyj (Translation of the Finnish original)

To the Board of Directors of CapMan Oyj

We have performed a reasonable assurance engagement on the financial statements 743700498L5THNQWVL66_2024-12-31-fi.zip of CapMan Oyj (y-identifier: 0922445-7) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of CapMan Oyj 743700498L5THNQWVL66_2024-12-31-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of CapMan Oyj for the financial year ended 31.12.2024 has been expressed in our auditor's report 12.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 28.2.2025
Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

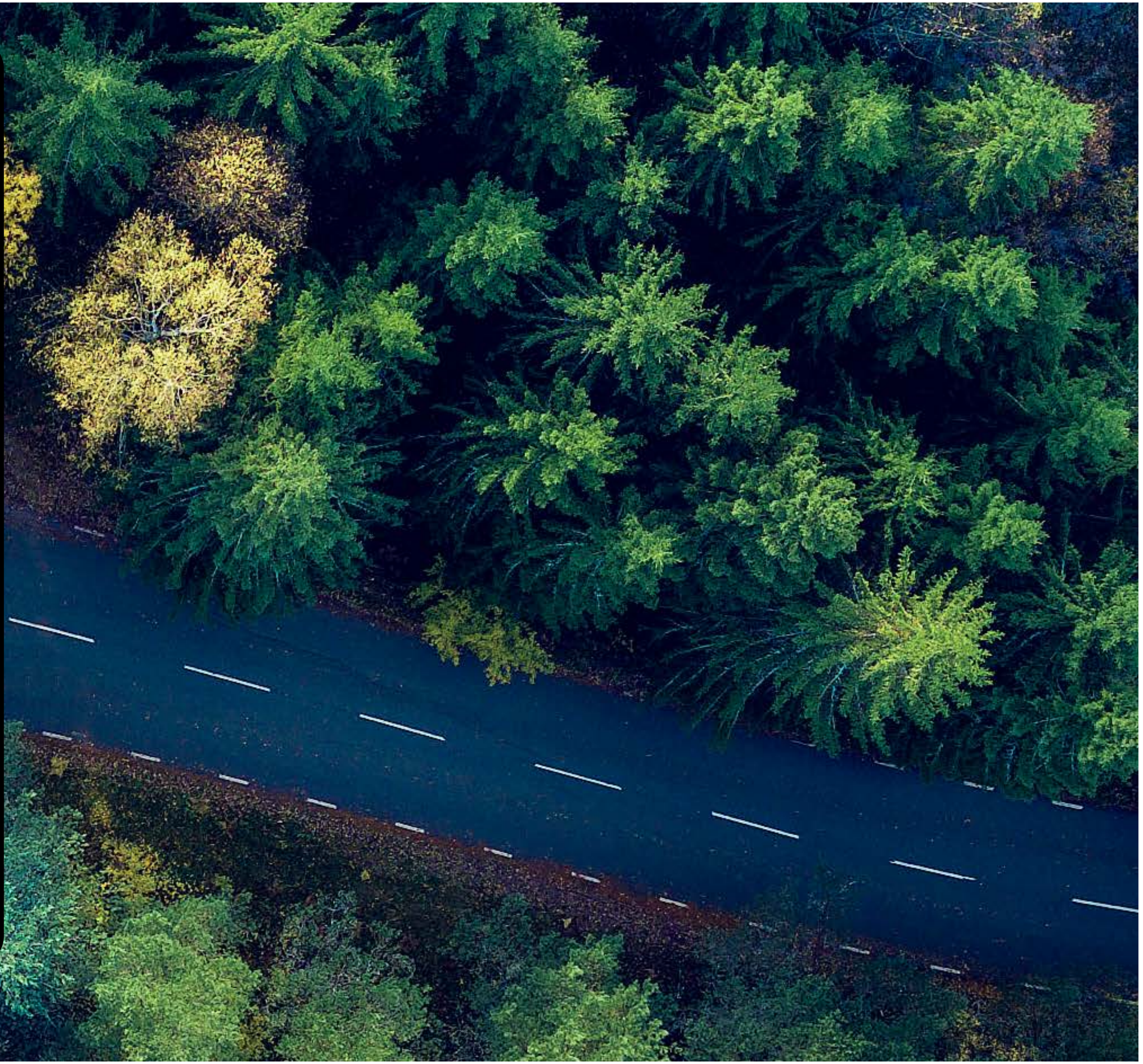
CapMan

SUSTAINABILITY STATEMENT

Making sustainable development happen

We strive to be a positive influence in society and environment.

CONTENTS



CapMan's Sustainability Statement 2024

CapMan's vision is to become the most responsible Nordic private asset company, and we are actively shaping the society through the investments we make. As an active and significant owner, we are ideally positioned to drive change towards well governed, environmentally, and socially sustainable businesses and assets. Our impact comes through decisions, target-setting and finding opportunities to mitigate societal and environmental challenges.

In our 2024 sustainability statement, we are preparing for the upcoming implementation of the Corporate Sustainability Reporting Directive (CSRD), which will be mandatory for CapMan starting in 2026, when 2025 data will be reported. This new regulation requires compliance with the European Sustainability Reporting Standards (ESRS), setting guidelines for reporting on environmental, social, and governance (ESG) matters. To ensure we meet these standards, we are proactively integrating them into our disclosures starting this year, with an expectation of ongoing enhancements as the sector-specific standards are finalised and market practices evolve. We view our 2024 report as a significant step towards compliance with CSRD, with further progress anticipated in the year ahead.

General information

List of disclosure requirements		Page reference
ESRS 2 - General Disclosures		
BP-1	General basis for preparation of sustainability statements	97
BP-2	Disclosures in relation to specific circumstances	97
GOV-1	The role of the administrative, management and supervisory bodies	98
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	99
GOV-3	Integration of sustainability-related performance in incentive schemes	99
GOV-5	Risk management and internal controls over sustainability reporting	99
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	100
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	101
SBM-1	Strategy, business model and value chain	102
SBM-2	Interests and views of stakeholders	103
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	103

BP-1 General basis for preparation of sustainability statements

The sustainability statement for CapMan is prepared on a consolidated basis, aligning with the scope of consolidation used for the financial statements. This approach ensures consistency and coherence across all CapMan's reporting. The sustainability statement addresses CapMan's own operations[1] while also considering the upstream and downstream value chains.

BP-2 Disclosures in relation to specific circumstances

CapMan defines short-term time horizons as applicable to the current financial year, medium-term as up to five years, and long-term as more than five years, as defined in ESRS 1 section 6.4. The metrics include value chain data estimated using indirect sources, such as commute habits surveys, car rental usage, hotel stays and waste related GHG emissions estimations. For Scope 3, Category 15, Investments, the data provided by our portfolio companies is unaudited, introducing a degree of uncertainty. We gather this data annually, assuming that the information adheres to the GHG Protocol. Starting in 2026, CapMan

[1]When the report refers to 'own operations' fpr CapMan Plc, it focuses on the activities of CapMan Plc, including its investment operations, fund management, and services, while excluding the funds, portfolio companies, and investments that are part of the broader value chain

will comply with the European Sustainability Reporting Standards (ESRS) as mandated by the new EU Corporate Sustainability Reporting Directive (CSRD), which came into effect in early 2023. In anticipation of these requirements, CapMan has proactively revised its report structure and content to take into consideration the ESRS guidelines.

GOV-1 The role of the administrative, management and supervisory bodies

CapMan's commitment to responsible business practices is reflected in its governance structures. The diversity of CapMan's Board of Directors (the "Board") in terms of gender, age, educational, and professional backgrounds supports a broad perspective on sustainability opportunities, including diversity and active ownership.

The Board consists of one executive member and five non-executive members, with no employee representatives on the Board. In 2024 the Board included both genders, with 33% women and 67% men, and members aged between 46 and 68. Their educational backgrounds were relevant to the company's operations, and they had experience in both international and local operating environments. The same applied in year 2023. 50% of the Board members are independent. The Audit and Risk Committee consisting of independent members, is responsible for overseeing impacts, risks, and opportunities. The responsibilities and tasks of the Audit and Risk Committee are described in more detail in the Charter of the Committee.

The Board approves long-term strategic Group-level sustainability objectives and priorities, oversees key sustainability risks, and approves the Group-wide remuneration policy, including how it links with sustainability criteria. Further the Board is responsible for the proper organisation of CapMan's operations, ensuring that the company has the appropriate sustainability organisation. The Board has delegated some of its duties and oversight to its committees, namely Audit and Risk Committee and Remuneration Committee. The Audit and Risk Committee monitors and addresses closely sustainability matters such as sustainability reporting, KPI monitoring, and risk management. The committee's expertise in financial and business management supports effective oversight of these areas. The Remuneration Committee in turn assists the Board in remuneration matters aligning remuneration principles with the company's strategy and long-term goals, including sustainability goals and criteria.

The Management Group acts as CapMan's Sustainability steering group, agreeing on the high-level action plan for the execution of the Board-approved long-term strategic sustainability objectives and priorities. The inclusion of Head of Sustainability in the Management Group ensures that sustainability matters are integrated into CapMan's strategy and operations. Investment teams are represented in the Management Group and are committed to the sustainability action plans agreed within the CapMan Group. Investment teams are responsible for implementing the sustainability investment policies in their operations, formulating and implementing fund-level sustainability strategies, and integrating the CapMan sustainability approach and standards in their investments. Each investment team has appointed at least one member whose responsibilities encompass sustainability-related matters and who actively participates in Group-wide sustainability initiatives.

The Head of Sustainability, as part of the Management team, has overall responsibility for the development and implementation of CapMan's group-level sustainability strategy, setting more detailed short-term sustainability targets, and developing sustainability operations within CapMan. Head of Sustainability is also responsible for training CapMan personnel on sustainability-related matters. Sustainability issues are further managed by the Sustainability working group, consisting of representatives of CapMan's investment teams and support functions.

The management of sustainability linked impacts, risks, and opportunities is an integral part of CapMan's governance model. Opportunities are analysed as part of strategy work, and risks are assessed annually. Through CapMan funds' investments, the company aims to improve real estate and infrastructure assets, protects, conserves and enhances natural capital, and builds successful companies. CapMan integrates its Sustainability Standards throughout the investment processes as described in the Sustainability Investment Policy.

The Board together with the CEO, oversees the setting of targets related to material impacts, risks, and opportunities, ensuring they align with the company's risk management policy. This entails among others maintaining a good reputation, minimising compliance and conduct risks, and ensuring the continuity of operations by safeguarding critical functions. Sustainability matters are addressed early in pre-investment process, and sustainability value creation levers are included in business plans. Progress is monitored through various mechanisms, including the Taskforce for Nature-related Financial Disclosures (TNFD), Science Based Targets initiative (SBTi), and regular updates on emissions reduction efforts. Regular reporting and updates are provided to stakeholders, and semi-annual updates on progress towards ESG targets are conducted.

CapMan's Board and CEO ensure the availability and development of appropriate skills and expertise to oversee sustainability matters through several mechanisms. The Shareholders' Nomination Board considers the size, composition, and diversity of the Board, focusing on areas of expertise beneficial to the company, including sustainability. The Board conducts an annual self-evaluation of its operations and working methods, which includes assessing the skills and expertise related to sustainability. The Board members are invited to participate in the regular ESG trainings organised by CapMan. The Audit and Risk Committee, consisting of members of the Board of Directors, has introduced sustainability topics into its agenda, ensuring that sustainability skills are part of the oversight process.

CapMan's bodies possess and leverage sustainability-related expertise through diverse educational and professional backgrounds relevant to CapMan's operations, including sustainability. The Management Group includes Head of Sustainability, who is responsible for coordinating sustainability efforts across the company.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

CapMan's Board and CEO are informed about material impacts, risks, and opportunities, as well as the implementation and effectiveness of policies, actions, metrics, and targets adopted to address them. The Board and the CEO play a crucial role in considering these factors when overseeing the company's strategy, decisions on major transactions, and the risk management process. The Board decides on the risk appetite and risk tolerance to ensure continuity of operations and optimise CapMan's ability to meet its objectives. In any decision-making, aspects such as impact on equity ratio, shareholder value, company image and reputation, legal and political impacts, safety, potential loss and profit ratio, and impact on personnel are considered from a risk perspective.

During the 2024 reporting period, the material impacts, risks, and opportunities identified through CapMan's Double Materiality Assessment, including climate change adaptation, GHG emissions, diversity, active ownership, and business integrity, were presented and discussed with CapMan's Board and its Audit and Risk Committee. The Audit and Risk Committee reviewed these findings.

CapMan's governance bodies ensure that appropriate mechanisms for performance monitoring and related reporting are in place through the roles of the Board and its committees. The Audit and Risk Committee monitors financial reporting, internal controls, and risk management systems, while the Remuneration Committee oversees executive remuneration and its alignment with strategic goals. Regular evaluations, both internal and external, are conducted to assess the effectiveness of these mechanisms, ensuring compliance with laws and regulations and promoting good corporate governance practices.

GOV-3 Integration of sustainability-related performance in incentive schemes

CapMan has integrated sustainability- and climate-related performance into its incentive schemes and remuneration policies. The Long-Term Incentive Plan, known as the Performance Share Plan (PSP), is a three-year program that requires individual investments to be eligible for participation. Positions eligible for the PSP program include members of CapMan's management group, team leader within Platform Functions (IT, Legal & Compliance, HR, Marketing, Fund Operations, Risk & Valuation), and key positions such as Directors of Institutional Sales. The CEO can approve additional key positions for participation if deemed feasible.

The PSP program includes four sustainability-related targets: Science Based Targets (specifically focusing on emission reductions), Employee Satisfaction, Remuneration, and Gender Diversity. These targets are directly linked to the scoring of the PSP program. The PSP program's sustainability targets are divided equally, with each target accounting for 25% of the overall evaluation. The percentage of variable remuneration dependent on sustainability-related targets is 5.9%.

For STI (short-term variable remuneration), the employees performance review and grade, impacts the overall attainment of the bonus. Employees are evaluated based on personal targets set in the beginning of the year as well as against performance, including sustainability-related, metrics. CapMan's performance evaluation process for its STI includes metrics linked to sustainable ways of working based on how employees demonstrate high ethics and transparency in day-to-day work, fostering and promoting a sustainable long-term solution that positively impact the work environment and supporting sound judgment in implementing solutions and decisions.

Short Term Incentive (STI) schemes are updated and reviewed annually, while the Long-Term Incentive (LTI) scheme is updated every three years. All remuneration schemes and components are first reviewed by CapMan's Remuneration Committee and ultimately approved by the Board.

GOV-5 Risk management and internal controls over sustainability reporting

CapMan follows ISO31000 for risk assessment, identifying risks continuously and conducting an annual risk assessment of key risks. This process includes identification, analysis, evaluation, treatment, monitoring, review, and reporting. Sustainability-related risks are analysed as part of each risk and as individual risks and are assessed against the likelihood, severity, risk appetite, and current controls, and finally mapped in a 1–7 matrix.

CapMan's risk management and internal control processes for sustainability reporting are designed to mitigate risks of material misstatement due to human error or incomplete data, ensuring the accuracy, transparency, and reliability of sustainability information. The main features include dedicated reporting software that enhances data transparency and traceability, specialised reporting units with experts responsible for their areas, internal reviews by management group members, and weekly focus group meetings to discuss key performance indicators (KPIs) and other critical issues.

The main risks identified in relation to sustainability reporting are data quality and potential false claims and greenwashing. To mitigate these risks, CapMan promotes transparency on data quality and implements data assurance measures. The findings of risk assessments and internal controls are communicated to relevant teams, with material issues addressed by the respective teams. The implementation of these actions are monitored, and significant developments or concerns are reported to management.

Risk management reports its findings to the Audit & Risk Committee twice a year. Additionally, an annual risk assessment and risk mapping are conducted and reported to the Audit & Risk Committee during the fourth quarter of each year. This comprehensive approach ensures that CapMan effectively manages and mitigates sustainability-related risks, maintaining high standards of accuracy and reliability in its sustainability reporting.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, CapMan conducted a Double Materiality Assessment to map and understand its most significant impacts on people and the environment (impact materiality), as well as the business risks and opportunities arising from sustainability topics (financial materiality). This strategic approach allows for effective evaluation of sustainability-related impacts, risks, and opportunities. The process focuses on specific activities, business relationships, and geographies with heightened risks by engaging relevant stakeholders and conducting sensitivity analyses. Impacts from both CapMan's operations and business relationships are considered through stakeholder engagement, quantitative assessments, and integration into the double materiality matrix. Consultations with affected stakeholders and external experts are included through interviews, surveys, workshops, and reviewing secondary sources. The Double Materiality Assessment process identifies, assesses, prioritises, and monitors potential and actual impacts on people and the environment. Impacts are prioritised based on their severity and likelihood, using criteria such as scale, scope, and remediability, ensuring that the most significant impacts are addressed first. The same prioritisation approach is applied to both risks and opportunities. The materiality threshold was established using summary statistics and quartiles from the collected data.

CapMan has conducted a salient human rights risk assessment over its operations and value chain, and prioritising actions to strengthen its human rights due diligence process. The Salient Human Rights Assessment conducted by third-party expert covered CapMan Plc and its investment teams, resulting in a roadmap for addressing potential gaps. A human rights salient risk mapping with a third-party expert has also been conducted, resulting in a roadmap to close any gaps. With the exception of our Double Materiality Assessment, no separate comprehensive environmental assessment has been conducted for CapMan's own operations, the environmental impact of the operations (primarily GHG emissions and energy consumption) is monitored and deemed minor compared to the overall impacts when the investments are taken into account. Each investment within CapMan's value chain undergoes asset-specific due diligence to assess potential and actual impacts.

CapMan identifies risks in daily business operations and annually maps key risks based on likelihood and impact. An annual risk assessment process identifies significant risks and analyses changes in the risk environment. Each risk is analysed for possible causes and effects, and a risk matrix (1–7) is used to assess the likelihood, magnitude, and nature of the effects. Sustainability-related risks are prioritised alongside other types of risks, reflecting their importance to CapMan's overall strategy and operations.

The decision-making process involves the Board overseeing strategic and financial objectives, the CEO and Management Group managing daily operations, and committees such as the Audit and Risk Committee and Remuneration Committee overseeing financial reporting, internal controls, risk management, and executive remuneration. Internal control procedures include policies and processes for reliable and compliant reporting, a risk management framework, and whistleblowing channels for transparency and accountability.

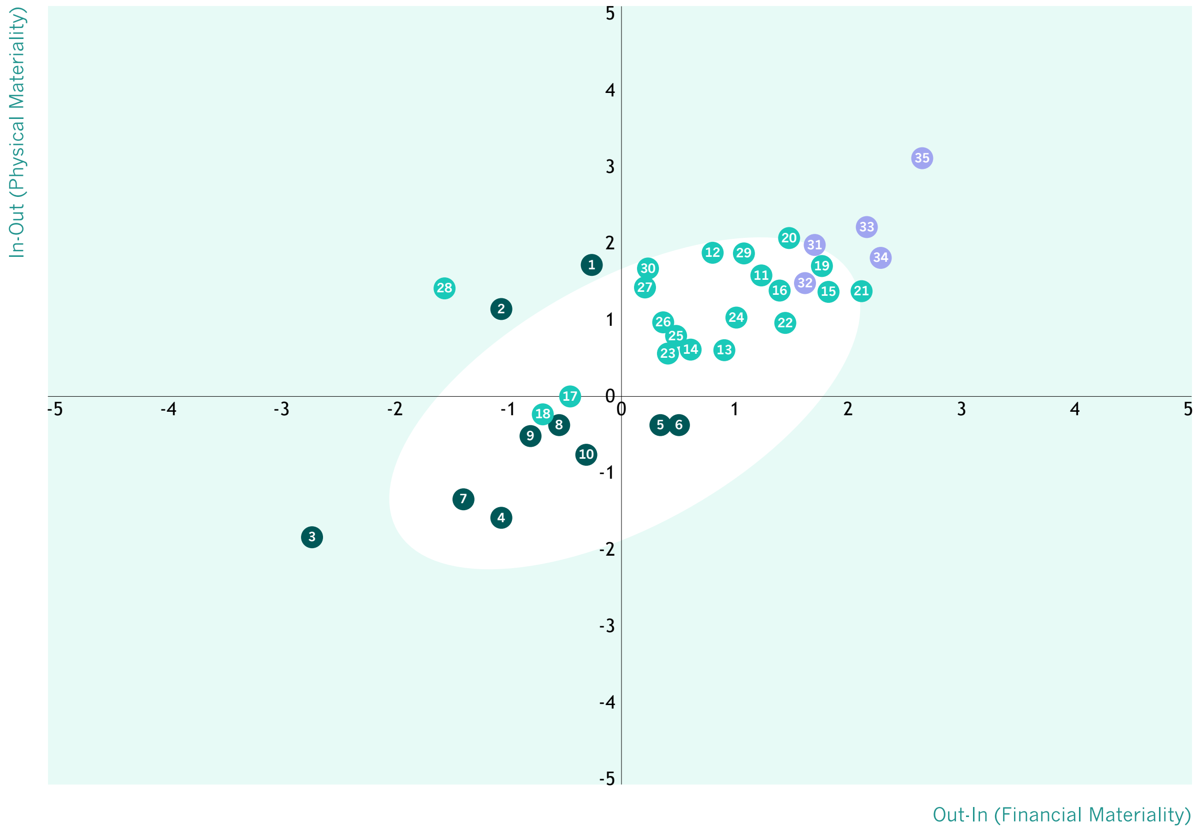
The process to identify, assess, and manage impacts and risks is integrated into CapMan's overall risk management framework, with continuous identification and annual assessment through risk mapping. The main way to identify, assess, and manage impacts and risks of investments is embedded in the investment process, with due diligence and risk mitigation actions reviewed by risk management. Opportunities are systematically evaluated and leveraged to align with CapMan's strategic goals and operational activities, embedded within strategic planning, operational processes, and the risk management framework.

CapMan uses several input parameters to identify, assess, and manage material impacts, risks, and opportunities, including previous assessments, gap analyses, stakeholder engagement, quantitative and qualitative data, and sensitivity analysis. The process aims to take into consideration the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD).

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

CapMan has determined the material information to be disclosed related to its impacts, risks, and opportunities through a Double Materiality Assessment. Material topics were identified based on their severity, scope, remediability, and likelihood, with specific thresholds set for short-term, medium-term, and long-term impacts. These thresholds ensured that only the most significant topics, with a moderate scale and regional scope, were included in the final assessment for reporting under the European Sustainability Reporting Standards (ESRS).

The Double Materiality Assessment determined that climate change is a material topic for CapMan, consistent with our previous sustainability strategy, including sustainability processes and priorities. However, pollution, water and marine resources, biodiversity and ecosystems, circular economy, workers in the value chain, affected communities, and consumers and end-users fell under our threshold for material topics following the methodology used in the assessment. The assessment confirmed that own workforce and business conduct are material topics for CapMan, aligning with our sustainability strategy and priorities. In preparing its sustainability statement, CapMan worked towards complying with the disclosure requirements set out by the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).



- **Environmental**
- **Social**
- **Governance**

1 Climate Change Mitigation
2 Climate Change Adaptation
3 GHG Emissions (Scope 1,2 & 3)
4 Energy Use / Consumption
5 Plant Life
6 State of Species
7 Waste
8 Substances of Concern
9 Water Discharges
10 Water Consumption
11 Gender Equality and Equal Pay for Work of Equal Value (Own Workforce)
12 Gender Equality and Equal Pay for Work of Equal Value (Value Chain)
13 Employment and Inclusion of Persons with Disabilities (Own Workforce)
14 Employment and Inclusion of Persons with Disabilities (Value Chain)
15 Diversity (Own Workforce)
16 Diversity (Value Chain)
17 Violence and Harassment in the Workplace (Own Workforce)
18 Violence and Harassment in the Workplace (Value Chain)
19 Job Creation (Own Workforce)
20 Job Creation (Value Chain)
21 Secure Employment (Own Workforce)
22 Secure Employment (Value Chain)
23 Collective Bargaining (Own Workforce)
24 Collective Bargaining (Value Chain)
25 Freedom of Association (Own Workforce)
26 Freedom of Association (Value Chain)
27 Non-Discrimination (Tenants)
28 Affordable Housing and Rent (Tenants)
29 Health and Safety (Tenants)
30 Access to Information/Transparency (Tenants)
31 Compliance with Laws & Regulations
32 Board Diversity
33 Business Integrity
34 Corporate Culture
35 Active Ownership

The key ESRS topics identified through Double Materiality Assessment include Climate Change (E1), Own Workforce (S1), and Business Conduct (G1).

Based on the outcomes of the materiality assessment and the sensitivity analysis, the topics outside of the oval area are the key ESG priorities of CapMan. The limit to determine material topics is oval, because it accounts for the uneven distribution of the analysed topics and takes the results of both the sensitivity analysis and the internal review into account. The oval area can therefore only be regarded as a visual representation. Diversity in the own workforce was added to this list, despite not being outside of the oval area, because this topic is relevant for CapMan as an employer. Affordable housing and rent on the other hand was excluded due to its unconventional nature. This topic might be further assessed when updating the DMA in the future.

The key ESRS topics addressed include Climate Change (E1), focusing on climate change adaptation and GHG emissions; Own Workforce (S1), emphasising diversity; and Business Conduct (G1), covering active ownership (which requires entity-specific disclosures and will be included in the report for the year 2025) and business integrity. These topics were identified through the Double Materiality Assessment, ensuring both financial and non-financial impacts were considered.

SBM-1 Strategy, business model and value chain

CapMan does not engage in fossil fuel sector activities, chemical production, or tobacco production, and does not deal with controversial weapons. At the end of the reporting year, CapMan's annual revenue from continuing operations was MEUR 57.6, and the total employee headcount, excluding contractors, 215.

REVENUE BY SIGNIFICANT ESRS SECTORS

Total revenue by significant ESRS sectors	Revenue
Oil and Gas	0
Coal, Quarries and Mining	0
Road Transport	0
Agriculture, Farming and Fisheries	0
Motor Vehicles	0
Energy Production and Utilities	0
Food and Beverages	0
Textiles, Accessories, Footwear and Jewellery	0

REVENUE FROM FOSSIL FUEL (COAL, OIL AND GAS) SECTOR

Revenue from coal, oil, gas, and fossil fuel	Revenue derived from sector
Coal	0
Oil	0
Gas	0
Fossil fuel	0

CapMan manages funds that invest in unlisted markets following a multi-strategy approach. Our investment areas cover real estate, infrastructure, natural capital, minority, majority, and credit investments in private companies and wealth management. Our service business included procurement services until October 2024, when CapMan announced the divestment of CapMan Procurement Services (CaPS). CapMan raises capital for its funds under management from a global base of professional investors, who serve as Limited Partners (LPs) in the funds. CapMan has approximately 400 LPs as customers, with the majority being pension funds located in the Nordic and DACH regions. The ultimate beneficiaries of these customers include pension beneficiaries, insurance policyholders, households, academic institutions, and other stakeholders supported by the activities of CapMan's investors.

CapMan's vision is to become the most responsible Nordic private asset company. As active owners, we influence decision-making and activities across the CapMan Group including assets and portfolio companies. We steer our investments towards clear sustainability targets and strive to find opportunities that mitigate societal and environmental challenges. CapMan actively promotes sustainability themes that are material across all investments and tailors the approach to asset- and company-specific conditions. These themes include climate action based on science, nature-positive operations that safeguard planetary boundaries, diverse, equitable, and inclusive businesses that provide meaningful work, human rights throughout the value chain, and accountability and transparency.

The long-term perspective of private assets allows us to contribute to a more sustainable future. By transitioning our portfolio with our focus on active value creation across investment strategies, including real estate, infrastructure, natural capital, and private equity, we are building the society we want to see in 2040. CapMan's strategy and value creation center around our role as an active owner. With our hands-on approach, we are ideally positioned to drive change towards well-governed, environmentally and socially sustainable assets and businesses while providing attractive returns to our investors. CapMan's strategy and sustainability themes are aligned with previously conducted Double Materiality Assessments as well as CapMan as an investor and CapMan Real Estate.

CapMan's business comprises of private assets fund management and advisory services, as well as investment business. In the Management Company Business, the funds managed by CapMan make investments in real estate, infrastructure, natural capital and unlisted companies in the Nordics. The Management Company Business also includes wealth services. Through its investment business, CapMan invests from its own balance sheet in the private market asset classes and mainly to its own funds. CapMan raises capital for its funds under management primarily from professional investors in the Nordic countries, Europe, and globally. Through our investments, we influence decisions and shape the development of assets and businesses, thereby impacting Nordic communities and surroundings where they are located and active. Simultaneously, we provide returns for our investors and value to shareholders.

CapMan's business model and value chain main inputs are capital raised from investors and human resources, including the expertise and skills of employees and advisors. We build long-term investor relationships through transparent communication and support the development of our employees through training and regular employee surveys. CapMan delivers financial returns for investors and fosters well-managed businesses that promote better conditions of the environment, society and drive economic growth and provide meaningful employment. We support the transition of everyday products, services, utilities, and properties towards more sustainable operating models, contributing to the creation of functional, high-quality environments and communities.

CapMan's upstream value chain includes sourcing capital from professional investors and collaborating with different stakeholders such as legal advisors and financial institutions. Our downstream value chain focuses on delivering value to investors, shareholders, the companies and assets we impact, as well as the communities and environments they are located in. As a fund manager and an advisor within the private assets sector, CapMan operates at the intersection of investors and Nordic real estate, infrastructure, natural capital, and unlisted companies.

SBM-2 Interests and views of stakeholders

CapMan's key stakeholders include the Board and the management, investors, shareholders, and employees. Additionally, government and public sector entities, such as the Financial Supervisory Authority (FinFSA), banks, portfolio companies, real assets, private asset stakeholders like real estate tenants, local communities, and partners involved in the value chain are also important. CapMan engages actively with these key stakeholders through regular communication, reporting, and events for investors. These include transparent disclosures such as quarterly reporting for shareholders, professional development initiatives and wellbeing surveys for employees, close collaboration with entrepreneurs and management for portfolio companies, and consultations and tenant satisfaction surveys for asset stakeholders. Employees are also supported with professional development opportunities and wellbeing initiatives.

The purpose of CapMan's stakeholder engagement is to build trust, foster long-term relationships, align the interests of stakeholders with the organisation's goals, and support value creation. The outcomes of stakeholder engagement are integrated into decision-making processes and operational strategies to ensure alignment with stakeholder needs and expectations. This engagement helps identify opportunities, address concerns, and promote transparency in operations.

CapMan understands that its key stakeholders prioritise sustainable value creation, business integrity, strong financial performance, and ethical business conduct. Employees value professional growth, wellbeing, and an inclusive work environment, while tenants focus on affordable housing and well-maintained properties. CapMan's Board and the CEO are informed about the views and interests of affected stakeholders regarding sustainability-related impacts through regular updates and reports. The Head of Sustainability is part of the Management Group that acts as CapMan's Sustainability steering group.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

CapMan's Double Materiality Assessment identified several key Environmental, Social, and Governance (ESG) topics, including Climate Change (E1), Own Workforce (S1), Business Conduct (G1), in addition to the General Disclosures (ESRS 2). These topics are integral to CapMan's strategy and business model, influencing both financial and non-financial impacts.

The material impacts identified include climate change adaptation and GHG emissions. Climate change adaptation is concentrated in the downstream value chain, particularly in the operations of portfolio companies and private assets, where measures are implemented to mitigate climate risks and enhance resilience. GHG emissions are concentrated both in CapMan's own operations and across the value chain, with the majority occurring in Scope 3, category 15 investments. The material negative and positive impacts of climate change adaptation and GHG emissions on people and the environment are also considered. Employment and inclusion are concentrated in CapMan's operations and downstream value chain, promoting diversity and inclusion within the workforce and encouraging portfolio companies to adopt inclusive employment practices.

The material risks and opportunities identified include climate change adaptation, GHG emissions, diversity, active ownership, and business integrity. Climate change adaptation represents both a risk and an opportunity downstream, particularly in portfolio companies, real estate assets, infrastructure projects, and timberland, where adapting to climate impacts is essential for resilience and value creation. GHG emissions pose risks upstream and downstream, including regulatory, reputational, and operational risks, but also present opportunities for energy efficiency improvements and transitioning to renewable energy. Diversity is a key opportunity in CapMan's operations and downstream in portfolio companies, enabling more inclusive work environments and enhancing decision-making. Active ownership is central to CapMan's business model, representing an opportunity to influence portfolio companies and assets positively through sustainability integration, driving long-term value creation. Business integrity is fundamental across all operations and value chain levels, mitigating risks associated with unethical behaviour while building trust with stakeholders and ensuring compliance with regulatory and societal expectations.

The current and anticipated effects of these material impacts, risks, and opportunities on CapMan's business model, value chain, strategy, and decision-making are significant. Climate change adaptation involves transition and physical risks in the value chain, with potential impacts on operations and investments. CapMan has set and validated short-term Science-Based Targets (SBTs) and a Net Zero target, integrating climate change into value preservation and creation plans for portfolios. GHG emissions impact both operations and the value chain, with efforts focused on reducing Scope 2 and Scope 3 emissions, as CapMan has not identified any Scope 1 emissions. CapMan's diversity, equity, and inclusion (DEI) working group serves as a forum for discussing and implementing concrete measures to promote diversity and inclusion, setting gender targets and recruiting guidelines. Portfolio companies are encouraged to adopt DEI policies. Active ownership is the basis for all actions, delivering innovative solutions proactively and creating lasting value by working closely with stakeholders. Business integrity ensures long-term value creation by maintaining high ethical standards and transparency in operations and investments.

CapMan's material impacts are closely connected to our strategy and business model. Sustainability is a core component of CapMan's active ownership approach, investment processes, and value creation strategies. Material impacts, such as GHG emissions, arise directly from our activities, including managing portfolio companies, real estate, and infrastructure investments.

CapMan's material impacts are addressed through short-term, mid-term, and long-term goals outlined in our sustainability roadmap. These goals include immediate actions to integrate sustainability into investment processes, medium-term targets for reducing emissions and enhancing diversity, and the long-term objective of achieving net zero emissions by 2040.

CapMan has material impacts both through its activities and its business relationships. Through its own operations and investment activities, CapMan directly contributes to material impacts such as GHG emissions. Material impacts from business relationships arise through partnerships and oversight, such as the operations of portfolio companies, energy use by real estate tenants, and relationships with suppliers.

CapMan's material risks and opportunities currently affect our financial position, performance, and cash flows primarily through steering our investments towards sustainability targets, such as improving energy efficiency in real estate and infrastructure assets and integrating sustainable practices into portfolio companies' operations. These efforts can increase operational costs in the short term but are expected to enhance asset value and generate long-term financial returns. Additionally, climate-related risks such as regulatory changes or extreme weather events may impact portfolio performance, while opportunities like transitioning to renewable energy create new revenue streams and cost-saving potential.

Within the next annual reporting period, material risks such as regulatory changes related to climate change adaptation or emissions could lead to adjustments in the carrying amounts of assets. Opportunities arising from increased demand for sustainable investments could result in the repricing of assets.

The material impacts, risks, and opportunities recognised during the current reporting period are considered to be in line with those identified in the previous reporting period. Climate-related risks, including physical risks such as extreme weather events and transition risks arising from regulatory or technological changes, remain central to CapMan's assessments. These risks are primarily linked to the underlying assets in the private assets funds managed or invested in by CapMan. Opportunities related to active ownership, such as the integration of sustainability into value creation processes, and business integrity, including compliance with new regulatory requirements, were also recognised as material in the previous year.

CapMan has disclosed several sustainability-related material impacts, risks, and opportunities covered by the ESRS Disclosure requirements. These include climate change adaptation and GHG emissions (Scope 1, 2, and 3) under E1 - Climate Change, diversity under S1 - Own Workforce, and active ownership and business integrity under G1 - Business Conduct. These disclosures aim to meet the European Sustainability Reporting Standards (ESRS).

Environmental information

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

CapMan's strategy and business model are inherently adaptable to climate change due to the dynamic nature of our investment portfolio. This flexibility allows us to adjust and respond to climate-related impacts, risks, and opportunities across any time horizon.

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

CapMan assesses the impact of climate-related matters and whether climate-related risks could result in material adjustments to the Group's financial statements. Physical climate risks, such as extreme weather, and transition climate risks, such as regulatory or technological changes, could impact CapMan's financial performance due to effects on investment portfolio valuations.

CapMan's operations have negligible climate-related impacts compared to the value chain, so the focus is on identifying and assessing the impacts of the investment portfolio. This is conducted through asset-specific due diligence and value creation plans during the pre-investment and holding periods. Furthermore, CapMan's own operations are not heavily reliant on physical assets, resulting in low exposure to physical climate risks, which are monitored by internal teams. The internal teams also monitor climate transition risks that stem from e.g. new environmental and sustainability-related regulatory requirements in the financial sector.

Different investment areas have tailored approaches regarding the physical and transition risks and opportunities. CapMan Real Estate captures greenhouse gas (GHG) and energy-related risks as part of the Carbon Risk Real Estate Monitor (CRREM) assessments for transition risks and applies an EU Taxonomy aligned approach for physical climate risks. Further, physical and transition climate-related risks are covered by the due diligence process for all new real estate acquisitions, with physical risk assessments updated every 5–10 years. The CRREM assessment for energy and carbon (transition) risks is conducted annually for standing investments. CapMan Infra calculates its GHG emissions and conducts EU Taxonomy aligned climate risk and vulnerability assessments under different scenarios, providing financial values at risk for the underlying assets. CapMan Natural Capital calculates GHG emissions and sinks and will be assessing the physical and transition risks of its assets in the near future. CapMan Private Equity assesses the materiality of climate risks for each asset during due diligence and regularly calculates its GHG emissions.

Scenario analysis is used to inform the identification and assessment of physical hazards and risks over short, medium, and long-term horizons. Short-term refers to periods of 12 months or less, and long-term to periods longer than 12 months, with no defined medium-term horizon for accounting purposes. CapMan uses EU Taxonomy aligned climate risk scenarios for the real estate and infrastructure investment portfolio, employing one to four physical risk scenarios to determine and assess hazards, identify significant risks, and provide mitigation and adaptation actions. If the sensitivity to a hazard is assessed as high or medium-high, adaptation solutions are integrated in the asset's business plan. All 28 climate-related hazards listed in the EU Taxonomy are assessed, with heat waves and heavy rain or flooding being the most common hazards for properties, while hazards vary for infrastructure assets.

Transition events have also been identified over short, medium, and long-term horizons for the real estate and infrastructure investments. For the Real Estate portfolio, transition risks are identified and evaluated using the CRREM tool, which assesses energy intensity and GHG emissions intensity of properties against CRREM's pre-defined 1.5DC pathways until 2050. The assessment considers property type and location and is conducted annually for all properties in the Real Estate portfolio. Continuous work is done to improve energy efficiency and reduce GHG emissions of the Real Estate portfolio For the Infrastructure portfolio, a materiality survey was issued to stakeholders to identify the most material transition risks, ranking overall transition risks (policy, technology, market, reputation) and elements within each risk as set out in the TCFD Recommendations. Additional analysis by a third-party assessed the overall vulnerability on a portfolio and asset level under three IEA-aligned scenarios, using a scoring system for adaptive capacity and sensitivity. Interviews with portfolio companies qualitatively assessed adaptive capacity and sensitivity, while desk-based research identified additional policy, technological, or market-related risks and wider transition risks to infrastructure in the countries where the Infrastructure portfolio operates.

E1-1 Transition plan for climate change mitigation

CapMan's short-term GHG emissions reduction targets follow the Private Equity Sector Science-Based Target (SBT) Guidance and have been validated by the Science-based Targets Initiative (SBTi). CapMan has not identified Scope 1 emissions. In accordance with SBTi Private Equity Sector SBT Guidance, CapMan is reducing its scope 2 emissions by using renewable electricity targeted at 100% by 2030. CapMan's four largest offices have been certified with the WWF Green office program. For scope 3 emissions, business travel is targeted to be reduced by 25% per FTE by 2032. Starting in 2025, all carbon from business-related flights will be compensated using carbon removal services from a third party. For investments, CapMan follows the SBTi Private Equity Sector SBT Guidance where eligible portfolio companies will be setting their own science-based targets. The real estate portfolio follows their reduction targets, aiming for a 50% emission intensity reduction for residential and 72% reduction for commercial buildings by 2032. Roadmaps have been implemented, and the eligible asset classes are tracking their process annually towards the targets.

CapMan has set a net-zero target for 2040 and for real estate an operational carbon target for 2035 and an upfront embodied carbon target for 2040. Eligible portfolio companies set SBTs and develop plans on how to achieve them, and the real estate portfolio has a sustainability strategy 2023–2026 with concrete measures to implement. All of the above are part of the portfolio companies' and real estate's overall business strategy.

Calculations for operational or capital expenditures related to CapMan's own operations have not been performed, as they are not considered significant for the implementation of the action plans. For Real Estate investments, the financial implications from transition and climate risk assessments are scheduled to be completed in 2025. For the Real Estate portfolio, we have started the work to fully understand these implications. For the Infrastructure and Natural Capital portfolio, the focus has been on risk assessments rather than complete climate transition plans. Nevertheless, the Infrastructure portfolio's climate risk and vulnerability assessments have calculated the financial value at risk under different scenarios, as well as the potential adaptation costs. For other investment teams, this is portfolio company-specific and decided on a case-by-case basis.

While CapMan's operations are not eligible to be aligned with the EU Taxonomy, certain CapMan assets are. Depending on fund investment strategies and fund SFDR classification, those assets need to disclose eligibility and alignment to the EU Taxonomy. CapMan Real Estate has a target to align 40% of its assets (GAV) under management with the EU Taxonomy criteria by 2026. CapMan Infrastructure II assets are eligible to be aligned with the EU Taxonomy, but the alignment depends on management decisions before these portfolio companies establish individual plans on how to fulfil the technical and screening criteria. Taxonomy eligibility and alignment assessment is yet to be conducted for Natural Capital.

Currently, CapMan Plc's approach to transitioning assets consists of various standalone components. These will be compiled into a single document in 2025, at which point we will have a complete transition plan. CapMan has no significant capital expenditures for coal, oil, or gas-related economic activities. Parts of our transition approach has been approved by the CEO, while the Board has approved the overall direction of CapMan Plc's sustainability efforts. As stated above, CapMan has not identified any scope 1 emissions. We track the annual scope 2 GHG emissions, as well as the following scope 3 categories: purchased goods and services, activities related to fuel and energy, business travel, employee commuting, and investments. We also track GHG emissions from our investments, i.e., the real estate, infrastructure and natural capital assets, as well as portfolio companies (including the number of companies that have set SBTs), and disclose this information annually.

E1-2 Policies related to climate change mitigation and adaptation

CapMan has adopted policies and guidelines related to climate change for our investments and business travel. As part of our vision to become the most responsible Nordic private asset company, we aim to reduce our scope 1[2] and 2 emissions in line with the SBTi Private Equity Sector SBT Guidance and have been validated by the SBTi. Additionally, CapMan has set a net-zero target for 2040, with a specific goal for real estate operational carbon by 2035 and real estate upfront embodied carbon by 2040.

In accordance with the SBTi Private Equity Sector SBT Guidance, we are reducing our scope 2 emissions by using renewable electricity, with a target of 100% by 2030. Our four largest offices have been certified with the WWF Green Office program, which also encompasses other selected sustainability matters. For operational scope 3 emissions, we aim to reduce business travel by 25% per full-time employee by 2032. Starting in 2025, all carbon emissions from business-related flights will be compensated using carbon removal services from a third party.

Eligible portfolio companies are required to set SBTs and develop plans to achieve them. The real estate portfolio has an ESG strategy in place until 2026, with concrete measures to implement. All these initiatives are integral to the overall business strategy of our portfolio companies and real estate assets.

We track our annual scope 2 GHG emissions, as well as several scope 3 categories, including purchased goods and services, activities related to fuel and energy, business travel, employee commuting, and investments. For our investments, we also monitor the real estate GHG emissions reductions, as well as the number of companies that have set SBTs, along with their emissions, and disclose this information annually. Our sustainable investment policy addresses various sustainability matters, including climate change mitigation, climate change adaptation, energy efficiency, and renewable energy deployment.

[2]Capman has no Scope 1 emissions

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Policies adopted to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation	Description of the key contents of the policy	Description of the scope of the policy or its exclusions	The most senior level in the undertaking's organisation that is accountable for the implementation of the policy	If relevant, a reference to the third-party standards or initiatives the undertaking commits to respect through the implementation of the policy	If relevant, a description of the consideration given to the interests of key stakeholders in setting the policy
CapMan's Sustainable Investment Policy	CapMan's Sustainable Investment Policy outlines the integration of environmental, social, and governance (ESG) criteria into investment processes, detailing specific standards and commitments, such as adherence to the UN Global Compact and the Science-Based Targets initiative.	The policy applies to all investment decisions and ownership practices of funds managed by CapMan AIFM Ltd, including private equity, real estate, infrastructure, private debt, and wealth services. It excludes any investments that fall within restricted areas defined by CapMan.	The Board of Directors of CapMan Plc is the most senior level accountable for the implementation of the policy, with specific duties delegated to the Audit and Risk Committee and the Management Group.	CapMan commits to several third-party standards and initiatives, including the Principles for Responsible Investment (PRI), the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Science-Based Targets initiative.	The policy considers the interests of key stakeholders, including investors, portfolio companies, tenants, and local communities, by integrating their preferences and feedback into sustainability practices and reporting.
Restriction list	CapMan's Restriction List outlines restricted investment areas, including controversial weapons, fossil fuels, gambling, and violations of international humanitarian law.	The policy applies to all new private equity, infrastructure, and balance sheet investments starting from December 2022, and to new real estate lease contracts starting from December 2023.	The Management Group of CapMan Plc is accountable for addressing any non-compliance with or deviations from the restriction list.	The policy aligns with international humanitarian law and standards regarding human rights, the environment, and anti-corruption.	The policy ensures that investments do not support activities harmful to society or the environment, reflecting the interests of investors, tenants, and local communities.
CapMan's Code of Conduct	CapMan's Code of Conduct establishes principles for decision-making and actions, emphasizing compliance with laws, ethical behavior, responsible investment, anti-bribery, anti-corruption, and respect for human rights.	The Code applies to all CapMan employees and covers all business activities, ensuring that decisions and actions align with CapMan's values and ethical standards.	The Board of Directors of CapMan Plc is accountable for the implementation of the Code of Conduct.	The Code aligns with the UN Global Compact, the Principles for Responsible Investment, the Universal Declaration of Human Rights, and other international standards.	The Code considers the interests of stakeholders by promoting fair dealing, transparency, and respect for human rights, ensuring that CapMan's operations positively impact employees, investors, portfolio companies, and the broader community.

E1-3 Actions and resources in relation to climate change policies

CapMan's ability to implement climate change mitigation and adaptation actions depends entirely on the availability and allocation of resources.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Key actions taken and planned to achieve climate-related policy objectives and targets	Key action taken in the reporting year or planned for the future	Decarbonisation lever	The scope of the key actions	The time horizons under which the undertaking intends to complete each key action
Travel policy	Action taken in the reporting year	Travel guidance	The scope covers all business-related travel for CapMan staff	2032
Renewable electricity in operations	Action taken in the reporting year	Engaging with office locations owners to procure green electricity	The scope covers GHG Scope 2, electricity consumption in CapMan's offices	2030
Setting Science based targets on asset level	Action taken in the reporting year	Portfolio companies setting Science-based Targets	The scope covers GHG Scope 3 Category 15 Investments, in accordance with the SBTi PE Guidance	2032
Carbon removal from business related travel emissions (flying)	Action planned for the future	Removing carbon equaling the total GHG emissions from business related flying.	The scope covers GHG Scope 3 Category 6, Business Travel emissions	2025
Several energy efficiency measures in real estate assets, installation of on-site renewables and purchase of renewable energy	Action taken in the reporting year	Improving energy efficiency, increasing the amount of on-site generated renewable energy and the transition to fossil-free/ renewable energy	The scope covers GHG Scope 3 Category 15 Investments, in accordance with the SBTi guidance	2032

E1-4 Targets related to climate change mitigation and adaptation

CapMan is dedicated to monitoring GHG emissions and has established SBTs in line with the 1.5-degree goal of the Paris Agreement, to drive our mitigation and adaptation policies. We aim to reduce absolute scope 1[3] and 2 GHG emissions by 51% by 2032 from a 2021 base year, aligning with our net-zero goal by 2040. This target is absolute and covers scope 1 and 2 emissions, following the SBTi Private Equity Sector SBT Guidance.

We are committed to increasing our annual sourcing of renewable electricity from 46% in 2021 to 100% by 2030. This absolute target for scope 2 emissions is also guided by the SBTi.

For our real estate portfolio, we aim to reduce GHG emissions from residential buildings by 50% per square meter by 2032 from a 2021 base year. Similarly, we target a 72% reduction for service (commercial) buildings within the same timeframe. These relative targets for CapMan scope 3 emissions (category 15 investments) are part of our broader net-zero strategy, where the real estate targets net-zero operational carbon by 2035 and upfront embodied carbon by 2040.

By 2027, 54.5% of eligible private equity investments will set science-based targets, with a goal of reaching 100% by 2032. We manage all our Private Equity and Infrastructure investments in line with our net-zero by 2040 commitment, covering scope 1, 2, and 3 emissions. This target is guided by the Institutional Investors Group on Climate Change Net Zero Investment Framework.

Additionally, we aim to reduce business-related travel emissions by 25% per FTE by 2032, starting from a 2022 baseline of 782 kg/FTE. This relative target for scope 3 emissions is calculated as non-science-based (i.e. not SBTi aligned) but aims for an annual reduction of 2.8%.

We monitor progress annually, disclose it, and ensure all GHGs are covered, maintaining a gross greenhouse gas emissions target.

Our past progress, as disclosed in our Annual Reports, shows that our 2022 Scope 1-2 emissions were 68 tCO_2e and 64 tCO_2e in 2023. Scope 3 Category 1–14 (i.e. Business travel, Employee commuting, Purchased goods and services, Fuel and energy activities) emissions were 1,934 tCO_2e in 2022 and 4,399 tCO_2e in 2023, while Category 15 investments remain dynamic and progress cannot be disclosed.

To achieve our GHG emission reduction targets, we will engage with the landlords of our leased office spaces to procure green electricity and heating, and purchase renewable electricity certificates for Scope 1 and 2 emissions. For Scope 3, category 6 business travel, we are implementing a travel policy and coupling it with carbon compensation for all business-related flights. For Scope 3, category 15

[3]CapMan has not identified any Scope 1 emissions.

investments, we are working with eligible portfolio companies to set their own SBTs. Our Real Estate portfolio's asset management plans include actions to reduce GHG emissions according to the targets.

REAL ESTATE GHG EMISSIONS TARGETS, PROGRESS AND METHODOLOGY

	2021	2022	2023	2024	Target 2032
Commercial ($kgCO_2e$/sqm/y)	19.3	16.3	14.54	12.20	5.4
Residential ($kgCO_2e$/sqm/y)	13.6	13.6	7.92	5.98	6.8

EMISSION INTENSITY OF REAL ESTATE, $kgCO_2e/m^2$

The GHG emission intensities for Real Estate assets are calculated in line with Science Based Targets initiative's methodology and have decreased by 16% for its commercial properties and decreased by 25% for its residential properties compared to 2023. The reduction can be explained by the following initiatives:

- Energy efficiency improvements of the properties including initiatives such as optimizing BMS systems, installing LED lighting, optimizing the operational hours at the properties, upgrades in heat pumps and window replacements to more energy efficient versions.
- Increasing on-site renewable energy including installation of ground source heat pumps and photovoltaic systems.
- Increase the purchase of renewable and/or fossil free energy. The renewable or fossil free energy in 2024 amounted to 41% of the total energy consumed.
- CapMan encourages its real estate tenants to purchase renewable electricity at the properties. This encouragement is stated in the sustainability appendices to lease contracts, both in residential and commercial contracts.
- In addition, the Danish location-based emission factors are significantly lower in 2024 compared to 2023 (99 compared to 163 gCO_2/kWh). This is due to a more accurate source used in 2024 (Danish Energy Agency) compared to 2023 (AIB).

The GHG emission intensity ($kgCO_2e$/sqm) of real estate covers the operational energy consumption and possible refrigerant leakages of the properties, excluding the embodied carbon. Market-based emission factors have been applied to the energy purchased by the landlord and by commercial tenants, where the factor is known. For energy purchased by residential tenants or when the energy supplier is unknown, location-based emission factors have been applied. The location-based emission factors have been provided by a third party (sources: Fingrid, Danish Energy Agency, AIB and Noregs vassdrags- og energidirektorat). All properties have been included except from properties with no available data: mainly minority owned parking halls, major renovation or new construction projects. Properties that have been acquired or sold during the year are included, but adjusted to the ownership period The intensity figures are based on gross floor areas. The gross area is measured differently in different countries, following national standards. For properties where data is available only for the common areas and not tenant areas, CapMan has calculated estimations to capture the energy consumption of the whole building. The estimations are calculated based on energy intensity estimates per country and property type. The estimates have been conducted by CapMan by applying third-party energy factors (Motiva). In 2024 the residential energy consumption data coverage and quality was improved. The amount of actual measured data increased and the amount of estimations decreased. This was achieved for most of the Danish residential assets and some Finnish residential assets with the help of third-party providers (e.g. Comundo and energy transmission companies). Scope 1 emissions have been calculated based on refrigerant leakages in the properties and the refrigerant emission factors have been provided by a third party (source: Defra). Any possible transmission losses from upstream value chain of energy providers have not been included in the GHG emission intensity figures.

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

CapMan Group discloses its greenhouse gas emissions as CO_2 equivalents (CO_2eq) in line with the GHG Protocol.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	2024	2023
Gross Scope 1 GHG emissions (tCO_2eq)	0	0
Gross location-based Scope 2 GHG emissions (tCO_2eq)	97	33
Gross market-based Scope 2 GHG emissions (tCO_2eq)	70	32
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	258,251	244,050
Purchased goods and services (Scope 3, tCO_2eq)	1,475	1,683
Fuel and energy-related activities (not included in Scope 1 or Scope 2) (Scope 3, tCO_2eq)	32	12
Business traveling (Scope 3, tCO_2eq)	17,005	2,659
Employee commuting (Scope 3, tCO_2eq)	77	34
Investments (Scope 3, tCO_2eq)	239,662[4]	239,662
Total GHG emissions (tCO_2eq)	258,321	244,114
GHG emissions intensity, location-based	4,485	
GHG emissions intensity, market-based	4,485	

[4]Due to a lag between the portfolio investments disclosing their emissions and CapMan's Annual Report, for the 2024 investment data, we have used the realised data from 2023, as we believe it provides the most accurate reflection.

Data coverage and data quality continue to improve each year, driven by the ongoing enhancement of data collection and calculation processes. In addition, for business travel emissions CapMan is gradually including more activity-based GHG data and improving its estimations for employee commuting. As CapMan rents all of its office space, Scope 2 emissions are dependent on energy providers contracted by the owners. As a result, variations between years reflect these improvements rather than any substantial changes to the underlying processes. The net revenue used to calculate GHG intensity is EUR 57.6.

CapMan accounts for direct Scope 1 emissions from its own operations, indirect Scope 2 emissions from its own activities as well as Scope 3 emissions from purchased goods and services, business travel, employee commuting and the share of emissions from the investments that it manages. CapMan has no Scope 1 emissions.[5] CapMan's Scope 2 emissions calculations are based on actual energy consumption data. These emissions from Scope 2 are calculated both using location-based and market-based methodologies, using the latest available conversion factors. CapMan's Scope 3 emissions (Category 1 - 14, except for 6) are spend-based, using the latest available conversion factors. Scope 3 Category 6, Business travel, is obtained from CapMan's travel agent that uses activity-based GHG accounting. The majority of CapMan's Scope 3 emissions are generated through our investments. Scope 3 Category 15 emissions (investments) are calculated as follows: CapMan Real Estate scope includes refrigerant leakages and purchased energy (both by landlord and tenant). The detailed methodology can be found from chapter 'Real Estate GHG emissions targets, progress and methodology'. CapMan Infra uses a combination of actual energy consumption and production and modelling to derive its GHG emissions. CapMan private equity relies on self-reporting from portfolio companies and modelling to determine GHG emissions. The addition of one more investment team (Natural Capital) will have an impact on CapMan's Scope 3 (Category 15) emissions. These changes will increase the overall Scope 3 Category 15 emissions.

DISAGGREGATION OF GHG EMISSIONS

Disaggregation Description	Type of disaggregation	Scope	GHG emissions (tonnes of CO_2eq)
Scope 2 emissions	Source and country	Scope 2 location-based emissions	97
Scope 2 emissions	Source and country	Scope 2 market-based emissions	70
Scope 3 emissions	Category	Scope 3 emissions	258,251

[5]We calculate GHG emissions with a third-party service provider, who has not identified any material Scope 1 emissions.

Significant events and changes in circumstances relevant to GHG emissions

Due to a lag between the portfolio investments disclosing their emissions and CapMan's Annual Report, in the table above we have used the realized data from 2023 Scope 3 Category 15 emissions, as we believe it provides the most accurate reflection. The 2024 Scope 3 Category 15 emissions for all portfolio investments will be provided in the publication following the Annual Report.

If there are significant changes the publication following the Annual Report will feature more accurate information. Otherwise, the published data will remain the same in both reports.

Biogenic emissions

Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions are zero. The percentage of contractual instruments used for the sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions is zero. Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 2 GHG emissions are also zero.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS - SCOPE 3 GHG EMISSIONS (GHG PROTOCOL)

Scope 3 Categories	Reason(s) why Scope 3 category is significant
Purchased goods and services	Financial spend, Magnitude of estimated GHG emissions, Influence
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	Other, Financial spend
Business traveling	Magnitude of estimated GHG emissions, Financial spend, Stakeholder views
Employee commuting	Other
Investments	Magnitude of estimated GHG emissions, Financial spend, Influence, Related transition risks and opportunities, Stakeholder views, Sector guidance

CapMan's approach to calculating and reporting greenhouse gas (GHG) emissions involves detailed methodologies and specific boundaries for different categories. For Scope 3 GHG emissions in categories 1 to 14, CapMan employed a third party to perform spend-based calculations. In Category 15, real estate specific emissions accounting principles are described in chapter real estate GHG emissions targets, progress and methodology. The Infrastructure portfolio's emissions are calculated using market, location, and spend-based methods by an external provider. For the Private Equity portfolio, modelling is used when portfolio companies cannot provide their GHG emissions calculations.

Certain Scope 3 GHG emissions categories have been excluded from CapMan's calculations as they were not deemed material. Specifically, in Category 15, embodied carbon for real estate investments has been excluded from the current Scope 3 calculations but will be incorporated in future calculations. This comprehensive approach ensures that CapMan's GHG emissions reporting is thorough and aligned with industry standards, providing a clear and accurate representation of their environmental impact.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS - SCOPE 3 GHG EMISSIONS (ISO 14064-1)

Iso 140641 Scope 3 Category	Scope 3 GHG emissions (metric tonnes of CO_2eq)
Indirect emissions by transport and distribution downstream	0
Indirect emissions from purchased products	1,475
Emissions from the use stage of the product	0
Indirect emissions caused by services used by the organization	0
Indirect emissions caused by employees commuting to work	77
Indirect emissions caused by business travel	17,005
Other indirect emissions	239,649

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Parts of our organisation's real estate assets under management are at material physical risk before considering climate change adaptation actions. The infrastructure portfolio is not subject to major material physical risk, and these assessments have not been conducted for the other asset classes. CapMan's operations have no assets at material risk, but managed assets with material physical risk are located in Finland, Denmark, Norway, or Sweden. For its real estate and infrastructure portfolio, CapMan has assessed the anticipated financial effects of some of its assets at material physical risk, identifying asset value at risk and costs for climate adaptation solutions. In real estate, these assessments apply to the whole building, identifying both long-term and short-term risks, and are conducted in accordance with the EU Taxonomy. CapMan Infra assesses the anticipated financial effects of its assets at material physical risk in its EU Taxonomy aligned climate risk and vulnerability assessments, identifying portfolio company value at risk and costs for climate adaptation solutions.

CapMan is exposed to transition risks arising from e.g. new environmental and sustainability-related regulatory requirements in the financial sector, and potential transition climate-related risks are mainly linked to risks in underlying assets. These risks vary due to asset class and company-specific factors. The real estate portfolio and the private equity portfolio can face stranded assets. For the real estate investments, material transition risks are assessed with the 1.5DC CRREM energy and GHG emission pathways, based on property type and location. The stranding year of each asset is identified, and actions are taken to improve stranding years. Transition risk assessments have been conducted for infrastructure investment team, assessing the value at risk from transition events under three different scenarios (International Energy Agency Net Zero Emissions by 2050 Scenario, International Energy Agency Sustainable Development Scenario, and International Energy Agency Beyond 2°C Scenario) in the short, medium, and long term. Limitations can be related to data availability and quality used in the modelling.

Social information

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

CapMan includes people in its own workforce who can be materially impacted by the undertaking within the scope of disclosure under ESRS 2. Groups subject to material impacts include general employees.

CapMan's activities that result in positive impacts include promoting diversity, equity, and inclusion (DEI). This is a material impact from the social perspective, positively affecting employees.

Opportunities include benefits from promoting workforce diversity. CapMan's transition to more sustainable and climate net zero operations will have several material impacts on workers. These include enhancing sustainability training, changing operational practices, promoting diversity and inclusion, improving health and safety, creating new job opportunities, and encouraging active employee participation in sustainability initiatives. These changes are part of CapMan's efforts to reduce negative environmental impacts and aim for climate net zero operations.

CapMan's operations are not at significant risk of incidents of forced labour, compulsory labour, or child labour. However, CapMan remains vigilant and ensures strict compliance with labour laws and ethical standards, as well as labour standards set out in the UN Global Compact, across all operations and the value chain to prevent any such incidents. In 2023 and 2024, CapMan conducted an assessment of salient human rights risks and impacts, evaluating policies, governance, and management processes. This assessment was benchmarked to authoritative international standards such as the UN Guiding Principles, OECD Guidelines, ILO Conventions and the International Bill of Human Rights.

Based on the Double Materiality Assessment report, CapMan has identified diversity as a material opportunity specifically related to certain groups within its workforce. This includes promoting gender equality and equal pay for work of equal value, as well as the employment and inclusion of persons with disabilities. These opportunities are seen as beneficial for enhancing inclusivity and equity within the organisation.

S1-1 Policies related to own workforce

CapMan has adopted a robust set of policies and guidelines for its workforce, reviewed and updated annually, with training sessions held for new and existing employees. CapMan's Corporate People Policies consolidate all applicable workforce policies, including the Code of Conduct, Travel & Expense Policy, Leave of Absence Policies, Foreign Assignment Policy, Social Media Guidelines, Recruitment and Onboarding, Work Environment, Health and Safety, Training and Development, Non-Discrimination and Equal Opportunity Policy, Anti-Harassment and Bullying Policy, Fairness Procedure, Whistleblowing Policy, and Processing of Personal Data. These policies highlight the employee legal framework, describing principles, practices, and obligations towards the workforce and each other. The policies are approved by the company's Board of Directors or the management group. Additionally, CapMan has a Supplier Code of Conduct for internal procurement processes.

The Corporate Remuneration Policy outlines the company's compensation philosophy, clarifying compensation components and emphasising fairness and equity in salary structures and schemes. This policy supports CapMan's strategy in attracting, retaining, developing, and rewarding employees who enhance shareholder and fund investor value, fostering a performance culture. It ensures the credibility, effectiveness, sustainability, and fairness of remuneration practices, balancing fixed and variable pay. With a focus on sustainability, the policy underscores CapMan's commitment to responsible business practices and sustainability metrics. It aligns the remuneration structure with sound risk management, counteracting excessive risk-taking, including sustainability risks, and adhering to the investment policies of CapMan's funds. The policy also ensures that total variable remuneration does not compromise the maintenance of a sound capital base. This policy is approved by the company's Board of Directors.

Local Employee Handbooks for Finland, Sweden, and Denmark are subsets of the Corporate People Policy, detailing local nuances. These handbooks define local practices applicable to employees, covering information on vacation, public holidays, local insurances, benefits, and more. The CapMan management group approves any updates drafted by Human Resources (HR).

The purpose of the Code of Conduct is to establish basic principles governing decision-making and actions, ensuring compliance with laws and regulations while promoting ethical behaviour. Each CapMan employee is responsible for adhering to the Code, and managers are expected to demonstrate its importance through their behaviour and guidance. The Code is non-exhaustive, and any breaches must be rectified promptly.

As a member of the UN Global Compact and the Principles for Responsible Investment, CapMan promotes environmental and social sustainability in all business practices and investments. We adhere to national and international standards protecting human rights, labour laws, work environment, privacy, fair wages, and working hours. Our internal policies enforce and clarify practices related to compensation, occupational safety, non-discrimination, and privacy. CapMan has assigned responsibility at the top management level for equal treatment and opportunities in employment, linking advancement to desired performance in this area. Staff training on non-discrimination policies and practices is provided, and adjustments to the physical environment ensure health and safety for all.

CapMan engages with employees through Group-level information events, team-level discussions, and individual meetings. Annual employee surveys collect feedback to plan actions, and performance and development discussions are held regularly. Occupational Health and Safety committees allow employees to engage directly with employer representatives on work environment, safety, and health matters.

CapMan upholds the highest standards related to human rights, following European and local laws and regulations. Our policies, including the Corporate People Policy, Remuneration Policies, Whistleblowing Policy, Anti-Corruption and Anti-Bribery Policy, and Supplier Code of Conduct, protect human rights within the organisation. CapMan's policies are aligned with internationally recognised instruments such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We conduct due diligence-checks to identify and mitigate adverse human rights impacts and have established a grievance mechanism (whistleblowing policy) in line with the UNGPs. Our Anti-Bribery and Corruption Policy reflects the standards of the PRI and UN Global Compact, with rigorous compliance procedures to prevent corruption and bribery.

CapMan conducts business in compliance with applicable legislation and expects equivalent compliance from its suppliers. Such targets are ensured by the internal procurement processes described in the Supplier Code of Conduct. Our Data Protection and Privacy Policy complies with the General Data Protection Regulation (GDPR) of the European Union, ensuring lawful and transparent processing of personal data.

CapMan's Corporate People Policy outlines our general code of conduct, emphasising respect and inclusion. Our diversity, equity and inclusion (DEI) efforts are highlighted in sections on recruiting principles, work environment policy, discrimination and equal opportunities policy, anti-harassment and bullying policy, and fairness procedure. Policies are implemented through specific procedures to prevent, mitigate, and address discrimination, and to advance diversity and inclusion.

CapMan keeps up-to-date records on recruitment, training, and promotion, providing a transparent view of opportunities for employees. Grievance procedures are in place to address complaints and handle appeals, promoting access to skills development. Significant changes to policies are communicated through onboarding sessions, online training courses, intranet libraries, topical campaigns, and internal communications.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

CapMan continuously encourages close cooperation with its employees and their representatives where applicable. Although CapMan is not part of a local Collective Bargaining Agreement and does not hold regular union consultations, it engages with employees through various means. These include annual employee surveys, Occupational Safety and Health committees, and local safety representatives. For example, in Finland, the Occupational Safety and Health Committee is a formal representative body with elected employee representatives and appointed employer representatives. The committee cooperates in occupational safety and health matters in the own workforce.

CapMan also involves employees in different working groups, such as the DEI working group, which has representatives from most of CapMan's offices and is chaired by one Board member. The DEI working group discuss initiatives, projects, or ideas that may increase DEI at the Group level and provides practical guidelines and recommendations to management in biannual workshops. Additionally, CapMan has an Employee Performance Process that starts with setting targets for the year, followed by a formal check-in in the third quarter, and ends with a performance discussion. Leadership and manager assessments are also conducted, where employees evaluate their managers' leadership styles and skills.

Engagement with employees occurs through structured annual processes such as employee surveys, leadership surveys, and performance discussions. Regular meetings are held with the Occupational Safety and Health Committee in Finland and the DEI working group. Ad-hoc working groups or focus groups are formed on specific matters, such as the renewal of the corporate brand identity or office moves. Regular team and manager one-on-one discussions address ongoing issues, allowing managers to take input and act accordingly.

CapMan's top management, including the CEO, CFO, COO, Head of Fund Investor Relations, Head of Sustainability, and all Managing Partners, have operational responsibility for ensuring that engagement happens and that results inform the company's approach. Group-wide actions may be taken depending on the matters at hand, but the most effective way is to address challenges directly within the teams where they originate.

CapMan does not have a Global Framework Agreement with its workers' representatives but complies with local laws and regulations to fulfil cooperation with employee representatives where applicable. The effectiveness of engagement with employees is assessed through various forms, including annual employee surveys, performance discussions, feedback questionnaires after events, and formal occupational health and safety committee meetings. Location-specific sessions, interactive staff information channels, and focus groups are also used to gather feedback and to plan actions accordingly.

To gain insight into the perspectives of vulnerable or marginalised employees, CapMan uses employee surveys and conducts Group-specific workshops or focus groups based on survey results. In 2023, a Wellbeing Survey was conducted, and individual responses "at risk" were automatically submitted to the Occupational Health Care Provider. The DEI workgroup focuses on underrepresented minorities and actions that may create a more inclusive workplace. External network participation at the CEO level, such as the L20 network, also helps share market studies and best practices.

CapMan promotes open feedback and regularly engages with its workforce to address potential barriers to engagement. This is done through annual employee surveys, regular surveys from internal events, employee information sessions, focus groups, and exit interviews. The Occupational Safety and Health committee also plays a role in this process.

CapMan fosters a transparent and effective communication plan for all internal material, using the intranet and teams channels to share information. Regular personnel information sessions are held to keep the workforce updated on business matters. Training sessions and focus groups are arranged when needed, especially if a new policy is being adopted.

Conflicting interests among employees are managed through training on policies, annual declarations of holdings, restrictions on secondary employment, and robust processes to handle potential conflicts of interest. A whistleblowing mechanism is also in place.

CapMan is committed to upholding human rights for all stakeholders engaged in its workforce. The company has implemented a set of policies aligned with international standards and best practices. Human rights are embedded in corporate policies, and the leadership team fully endorses these policies. Employees receive training on human rights principles, and suppliers are required to adhere to the human rights policy. A whistleblowing channel is available for reporting concerns, and all reports are investigated promptly and thoroughly.

The effectiveness of processes for engaging with the workforce is assessed using metrics from CapMan's HR and relevant survey platforms, managed by vetted third-party providers.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

CapMan is dedicated to maintaining a responsible and ethical approach to workforce management. If we identify a situation where we have caused or contributed to a material negative impact on our workforce, we follow a structured approach to provide or contribute to an effective remedy. We promptly acknowledge any involvement in the negative impact and commit to taking appropriate remedial action. We engage with affected employees and, where relevant, their representatives to understand the full extent of the impact and their perspectives on appropriate remedies. Remedies are designed to be proportionate to the impact and aim to restore the situation as much as possible.

To ensure the effectiveness of our remedies, we have established a assessment process. This process includes utilising feedback mechanisms, such as employee surveys and exit interviews, to identify areas where our workforce may be experiencing negative impacts. Once a negative impact is identified, we develop and implement targeted remedies, which may include policy changes, additional training, or process improvements.

We track both our company's eNPS score as well as our Inclusion index annually, and continuously monitor our absence rate, turnover rate, and any continuous illnesses. We actively seek feedback from our employees regarding the perceived effectiveness of the remedies through follow-up surveys and focus groups. Based on the feedback and data collected, we continuously refine and improve our remedies to better address the negative impacts.

CapMan is committed to fostering an open and supportive environment where employees feel comfortable raising their concerns or needs. Several channels are in place to ensure that employees can voice any concerns they may have effectively and receive timely support. These channels include direct communication with managers, where employees are encouraged to report any concerns or needs directly to their managers, who will commence appropriate actions to address the issues raised. Employees can also reach out to the Human Resources team for any issues that require further escalation or if they feel uncomfortable discussing their concerns with their managers.

The Early Support Policy aims to detect and respond to signs of concern over employees' well-being as early as possible, including early intervention and discussions to support employees and maintain their working capacity. If an employee has a concern over the well-being of a colleague, they can raise the issue with the HR team or the manager.

Each location maintains local occupational safety representation or committees following local legislation, where employees can contact their local representative for concerns about occupational safety. These concerns are addressed in accordance with local procedures and legislation. Employees should first try to resolve complaints informally with their manager. If unresolved, they can escalate the issue in accordance with the Fairness Procedure to the HR team for a formal meeting, followed by a hearing with the second line manager if needed. If still unresolved, the final appeal can be made to the CEO, who will make a final ruling.

CapMan has established a standardised whistleblowing channel and arranged a proper handling process for whistleblowing reports, which includes non-retaliation towards the person using this channel. The whistleblowing channel can be used to alert CapMan about serious misconducts or abuses affecting individuals, our company/organisation, society, or the environment. Whistleblowing can be done by any person openly or anonymously through a whistleblowing channel or in person.

CapMan supports the availability of these channels through various processes. The whistleblowing channel tracks all reported cases, and each case is investigated properly, reported to the management group, the Board, and, if applicable, to external supervisory bodies. Results of annual surveys are addressed on Group, Function, and Team levels, where suitable actions are discussed, agreed upon, and actioned in close cooperation with the relevant team or group.

Local Occupational Safety and Health committees meet regularly to plan and follow through on topical matters, such as occupational health care services, fire inspections, first-aid training, and environment issues, with meeting minutes kept for each meeting. Robust training on whistleblowing for all new joiners, as well as refresher courses (both in class and online), are provided to the whole workforce. Policies regarding protection against retaliation for individuals that use channels to raise concerns or needs are in place. CapMan has well-established channels for its workforce to raise concerns in the form of a whistleblowing channel (accessible to all), annual employee surveys, and close cooperation with employee representatives where applicable. Third-party mechanisms are accessible to all own workforce, and employees and their representatives are able to access channels at the level of the undertaking they are employed by or contracted to work for.

CapMan maintains a low hierarchy that encourages employees to speak directly with their managers or any member of management about work-related concerns, suggestions, or observations regarding material impacts. While not bound by a collective bargaining agreement, CapMan supports the election or appointment of employee representatives who can bring forward collective concerns and suggestions to management. Regular meetings between management and the workforce are held to discuss operational changes, health and safety issues, environmental impacts, and any other material aspects of their work. Various feedback mechanisms, such as employee surveys, are provided to anonymously or openly share insights and concerns. CapMan has established a whistleblower policy that protects employees who report unethical or illegal activities, ensuring that workers can raise concerns about material impacts without fear of retaliation. Regular training sessions are conducted to educate employees about their rights and the channels available to them for addressing material impacts, including information on how to effectively use these channels.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

CapMan is committed to addressing material impacts, managing risks, and pursuing opportunities related to its workforce. For talent development, we plan to strengthen leadership, critical skills, and foster an inclusive and sustainable culture between 2025 and 2026. In talent recruitment, our focus is on attracting more diverse candidates by utilising modern systems to minimise recruitment bias, training hiring managers on bias, and applying new language in recruitment materials, also between 2025 and 2026. Our diversity, equity, and inclusion (DEI) strategy involves establishing an internal DEI working group to discuss topical actions and plans, adopting the Rooney Rule[6] in the gender split of top candidates in recruitment, and harmonising family leave policies to further support employees. This is an ongoing long-term effort starting in 2024 to properly embed the DEI mindset within the organisation.

[6]The Rooney Rule mandates at least one minority candidate in the interview process. CapMan strives to uphold the Rooney Rule in all its recruitment processes and also asks any external recruitment party to uphold to the same standard. The Rooney Rule does not dictate which candidate is selected, however it provides a better frame for pursuing a more diverse pool of candidates at the final stages of the recruitment process.

CapMan follows a structured approach to manage impacts, risks, and opportunities related to our own workforce. This includes engaging with workers and their representatives to gather insights and feedback directly from those affected. We have specific processes in place to remediate negative impacts, ensuring that any negative impact is promptly addressed and resolved. We take action on material impacts by identifying and mitigating material risks and pursuing opportunities, assessing the severity, scale, and scope of the impact to determine the appropriate response. We set targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities, which help us measure the effectiveness of our actions and ensure continuous improvement.

To mitigate material risks arising from impacts and dependencies on our workforce, we focus on talent development, diversity and inclusion, employee well-being, technology and automation, and succession planning. Ongoing monitoring with managers and team heads, as well as annual evaluations and surveys, help us track performance and well-being, diversity and inclusion targets, and the impacts of technology and automation projects. We plan to continue rolling out targeted training programs and career development paths for employees at all levels, structure leadership development to foster the next generation of company leaders, sharpen recruitment efforts to reach a broader target group, and conduct workshops and sessions on the importance of diversity and inclusion. Our wellness programs include mental health support, fitness, and health screenings, and we foster a flexible work environment that supports work-life balance. We invest in digital tools and platforms to enhance collaboration and efficiency and identify repetitive tasks that can be automated, freeing up employees for more strategic work.

CapMan's Code of Conduct and Supplier Code of Conduct outline our commitments to human rights, labor rights, environmental management, and business ethics, ensuring that our practices are aligned with our values and do not cause or contribute to negative impacts. We conduct annual employee surveys to gather feedback on workplace well-being, culture, and other relevant topics, using the results to identify areas for improvement and ensure alignment with employee needs and expectations. In connection with our strategy and budget planning process, funds and resources are allocated for actions in the coming years, including HR systems and functionalities, learning and development programs, DEI actions, and updated survey tools for better data management and follow-ups.

We continuously cooperate with our workforce and employee representatives on matters related to the work environment, job satisfaction, and well-being, actively monitoring absence and overtime to proactively support the workforce. We review and update our internal policies to align with changing surroundings and legal requirements, increasing transparency where applicable. Targeted training ensures proper upskilling and understanding of compliance, while our DEI working group, HR, management, and the Board drive progress within the DEI area. Regular health check-ups, annual flu vaccines, and wellness programs, along with occupational health care insurances, help maintain workforce health.

CapMan offers programs and incentives to enhance positive material impacts, including employee health, well-being, family leave policies, ergonomic checks, and social events. Employee surveys on satisfaction, workload, leadership, and ICT ensure the workforce has the necessary systems and tools, while the Legal & Compliance organisation surveys workforce understanding of policies and training needs. In 2024 our eNPS score was 49 and our Inclusion Index at 85, indicating high employee satisfaction and engagement. We aim to continuously improve our actions towards the workforce, with strategic initiatives for 2025-2026 focusing on workforce development, career path clarification, DEI understanding, and better systems and tools for efficient work and data management.

CapMan implements its social responsibility through the two foundations it administers. The CapMan for Good foundation shares the know-how and energy of CapMan's employees and networks to society through, among other things, mentoring. The Tukikummit foundation, on the other hand, wants to ensure that every young person has the opportunity to enjoy hobbies and to be part of a social context. By distributing grants to cover costs for hobbies, supporting studies, shared family experiences, travel expenses and providing monetary support for single-parent families, the foundation supports young people who are at risk of becoming marginalised due to their financial situation. During 2024, Tukikummit raised 300,000 euros for work to prevent marginalisation and distributed grants for 400,000 euros. One of the main campaigns in 2024 that CapMan's employees took part in was the "Steps4Tukikummit", fostering physical activity during the working day and contributing to funds for Tukikummit. In total, Tukikummit has distributed 7 million euros and given grants for more than 20,000 children and young people in Finland since 2007.

Health lectures, breakfast meetings, and other inspirational sessions will further support physical activity and well-being. Workers and their representatives play a role in decisions regarding the design and implementation of programs aimed at delivering positive impacts, with Occupational Safety and Health committees and DEI working groups meeting regularly to discuss and plan actions promoting employee well-being and a safe, inclusive workplace.

CapMan's internal functions involved in managing impacts include Human Resources, Legal and Compliance, Sustainability, and Information Technology. Actions taken include annual employee engagement processes, onboarding of new staff, recurring manager forums, IT training, Occupational Safety and Health Committee meetings, and DEI working group initiatives. These efforts ensure a safe work environment, a healthy workforce, and address any concerns raised by employees.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

CapMan's targets are part of its sustainability strategy roadmap, aiming to manage material negative impacts, advance positive impacts, and address material risks and opportunities. The defined target levels include achieving an eNPS above 50, increasing diversity, equity, and inclusion (DEI) across CapMan by implementing a DEI working group, attaining an inclusion index score above 70, ensuring diversity among decision-makers with a maximum of 70% representation of any gender in new appointments to management teams, and promoting diversity among recruitments by applying the Rooney Rule in the gender split of top candidates. These targets are measured in absolute numerical values and cover employee satisfaction, perception of inclusion within the workforce, and new recruits.

The baseline values against which progress is measured include an eNPS of 58 and 43% of management team members being women, with the base year for measurement being 2022. The DEI working group was established in 2023, and the targets are monitored and reviewed annually. The eNPS is measured by asking employees to rate the likelihood of recommending CapMan on a scale of 0 to 10, with the score calculated by subtracting detractors from promoters. The inclusion index measures employee perceptions of uniqueness and belongingness, with the score based on the percentage of favourable results. The Rooney Rule aims to increase the number of minority gender candidates interviewed for permanent positions.

Performance against these targets is monitored through annual employee surveys, with further actions planned based on the results. The DEI working group, composed of members across teams, functions, seniorities, and geographic locations, provides practical guidelines and recommendations to management in biannual workshops. The group is sponsored by the Audit and Risk Committee Chair of CapMan's Board of Directors, with the goal of continuously increasing diversity, equity, and inclusion across CapMan, especially at the decision-making level. The inclusion index score is also measured annually, with actions taken based on the results. The gender split of top candidates is evaluated in each recruitment process, with a mid-term target of achieving a minimum 60%/40% gender split in management teams.

CapMan engages closely with its workforce and their representatives in setting targets, conducting an annual employee survey that includes elements such as eNPS, inclusion, belonging, and other topical themes like health and wellbeing. In Finland, the Occupational Safety and Health Committee, comprising employee and employer representatives, meets regularly to discuss various workforce-related topics. Employee representatives are elected for a term of two calendar years at a time. In smaller offices, the appointed country head regularly meets with staff to discuss topical issues. The CapMan Group-wide DEI Working Group, sponsored by a CapMan Board member, meets bi-monthly to address DEI topics and drive change. Internal targets, such as the Rooney Rule for recruitment, are tracked by the HR team.

While the workforce or their representatives are not directly engaged in tracking performance against targets, they are involved in identifying lessons or improvements resulting from the company's performance. The DEI Working Group has identified improvement areas related to recruitments, and the Occupational Safety and Health Committee focuses on actions such as early intervention training, first aid, office environment, and occupational health care.

The intended outcomes for CapMan's employees include working in a sustainable, inclusive, and vibrant environment where they feel engaged and a sense of belonging, and where they feel a purpose in contributing towards a better Nordic society. These high-level items are incorporated into CapMan's Corporate People Policy, which is supported by applicable policies and good cooperation with employees and their representatives.

S1-6 Characteristics of the undertaking's employees

CapMan's employee data is derived from the master HR system, which includes metrics such as headcount for both permanent and temporary (fixed-term) employees. The employee data is managed centrally and complies with General Data Protection Regulation (GDPR) guidelines. Employee data are reported as headcount, and the reporting period is 31 December 2024. Data related to disabilities and "at risk" categories are not available as CapMan does not collect such personal information. The total number of employees represented in the report includes all employees with an employment relationship with CapMan, both permanent and fixed-term. In the reporting period, CapMan had 193 permanent employees and 10 fixed-term employees, with an annual turnover of 11%. The definition "other" in gender break down tables are currently empty as CapMan does not currently have that definition in place in its master HR system. The option may be added later, pending a review of what information it may collect in the different countries of operations. The definition "other" in country break down, includes Denmark, Luxembourg, Norway and the United Kingdome. These locations employ less than 10% of CapMan's workforce and thus combined under "other".

EMPLOYEE HEADCOUNT BREAKDOWN BY GENDER[7]

Gender	Number of Employees
Male	122
Female	81
Other	0
Not reported	0
Total	**203**

EMPLOYEE HEADCOUNT BREAKDOWN BY COUNTRY

Gender	Number of Employees
Finland	148
Sweden	27
Other	28
Total	**203**

[7](50+ Employees in Countries Representing ≥10% of Total)

NUMBER OF EMPLOYEES (HEADCOUNT)[8]

Female	Male	Other	Not Disclosed	Total
Number of employees				
81	122	0	0	203
Number of permanent employees				
75	118	0	0	193
Number of temporary employees				
6	4	0	0	10
Number of non-guaranteed hours employees				
0	0	0	0	0
Number of full-time employees				
78	120	0	0	198
Number of part-time employees				
3	2	0	0	5

[8]Table representing information on employees by contract type, broken down by gender. Reporting period 31 December 2024

AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)

Permanent employees			
Female	Male	Other	Not disclosed
77.9	119.5	0	0
Temporary Employees			
Female	Male	Other	Not disclosed
7.7	5.4	0	0
Non-guaranteed hours employees			
6 Female	Male	Other	Not disclosed
0	0	0	0

In the table above, the average number is based on CapMan's headcount employed at the end of the monthly reporting period and an average during the 12-month period is stated above.

THE TOTAL NUMBER OF EMPLOYEES AND BREAKDOWNS BY GENDER AND BY REGION (HEADCOUNT)[9]

Finland	Sweden	Other	Total
Number of employees			
148	27	28	203
Number of permanent employees			
141	25	27	193
Number of temporary employees			
7	2	1	10
Number of non-guaranteed hours employees			
0	0	0	0
Number of full-time employees			
146	26	26	198
Number of part-time employees			
2	1	2	5

[9]Table representing information on employees by contract type, broken down by region. Reporting period 31 December 2024

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

CapMan's workforce includes 12 non-employees, all of whom are self-employed individuals. There are no non-employees provided by undertakings primarily engaged in employment activities. The information for non-employees, such as consultants, is maintained in CapMan's master HR system.

Non-employees at CapMan are referred to as consultants and are categorised into two types: Service Consultants and Investment Consultants. Service Consultants perform interim, project, or service-related work for CapMan Plc, often related to ad-hoc tasks or new product or service launches that require additional resources or expertise. Their work is guided by an appointed CapMan employee or manager. Investment Consultants, on the other hand, act as advisors or network ambassadors in jurisdictions outside of CapMan's footprint. They provide support and advice with their extensive local knowledge and networks of investors, and their work is guided by the Managing Partner of an Investment Team or other relevant Partners.

The consultancy information is managed within CapMan's Legal and HR teams. The Legal team handles the contracts, which are entered into as business-to-business (B2B) agreements and are not deemed employment relationships. The HR team tracks the necessary information in the master HR system for control purposes. Consultancy agreements are typically made through third-party companies. Service Consultants perform work related to interim, project, or service needs, while Investment Consultants provide advisory services and support in specific areas or locations where their input is needed. This structured approach ensures that CapMan effectively manages and utilises the expertise of non-employee workers within its workforce.

S1-9 Diversity metrics

CapMan Plc's workforce is diverse across various age groups. The company has 37 employees under 30 years old, representing 18% of the total workforce. There are 134 employees between the ages of 30 and 50, making up 66% of the workforce. Additionally, there are 32 employees over 50 years old, accounting for 16% of the total workforce. This diverse age distribution reflects CapMan's commitment to fostering an inclusive and varied work environment. CapMan Plc defines its top management as consisting of the CEO, CFO, COO, Head of Fund Investor Relations, Head of Sustainability, and Managing Partners of Investment Teams.

Employee gender representation in top management	Number of employees in top management	%
Female	4	36
Male	7	64
Non-Binary	0	0
Information Not Available	0	0
Total number of employees in top management	11	

S1-10 Adequate wages

CapMan ensures that all employees are paid an adequate wage, in line with applicable benchmarks.

S1-11 Social protection

CapMan ensures that all employees and non-employees in its workforce are covered by social protection through public programs or benefits offered by the company. This coverage includes protection against loss of income due to sickness, unemployment, employment injury, acquired disability, parental leave, and retirement. CapMan does not operate in countries where social protection through public programs or related benefits is not available. Therefore, all employees are guaranteed social protection in the countries where CapMan operates. This commitment to social protection underscores CapMan's dedication to the well-being and security of its employees, ensuring they are supported in various circumstances that may affect their income.

S1-13 TRAINING AND SKILLS DEVELOPMENT INDICATORS TRAINING AND SKILLS DEVELOPMENT METRICS

Training and skills development metrics by gender	Percentage of employees who participated in regular performance and career development reviews	Average number of training hours (employees)	Percentage of non-employees who participated in regular performance and career development reviews	Average number of training hours (non-employees)
Female	100	12	0	8
Male	100	12	0	8
Other	0	0	0	0
No Information available	0	0	0	0
Total	100	12	0	8

EMPLOYEE PARTICIPATION IN PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY CATEGORY

Employee category	Percentage of employees who participated in regular performance and career	Average number of employees who participated in regular performance and career development reviews	Average number of training hours per employee
Employees	100	203	12

The percentage of non-employees who participated in regular performance and career development reviews is 0%. Non-employees participate in performance and career development reviews provided by their employers, e.g. third-party vendors.

S1-15 Work-life balance indicators

CapMan ensures that 100% of its employees are entitled to take family-related leave. This entitlement is provided through social policies, ensuring that all employees have access to family-related leaves.

Percentage of entitled employees that took family-related leave, by gender	Percentage of employees entitled to take family leave that took family leave
Female	15
Male	10
Other	0
Not disclosed	0

S1-16 Remuneration metrics (pay gap and total remuneration)

CapMan is a small to medium-sized enterprise (SME) organisation, comprising 123 investment professionals and 80 service professionals. The majority of CapMan's workforce is based in Finland (73%), with the remainder located in Sweden, Denmark, Norway, the UK, and Luxembourg. Salaries differ between these locations, with Finland generally having lower average salaries compared to the rest.

Based on Eurostat's gender pay gap analysis from 2022, CapMan's pay gap aligns with the financial industry in the countries where it operates. CapMan maintains a transparent remuneration policy that highlights base salary, variable components, and benefits. Compensation is tied to seniority and roles, ensuring fairness and justice. The gender split within the organisation is 40% women and 60% men, with the investment professional and partner groups being male-dominated, which affects the overall pay gap. Within the investment professional groups, variable pay (STI) is higher compared to service professionals, where women represent 65%.

The methodology used for calculating the pay gap includes employees in permanent positions, excluding the CEO and Partners (79,3% of the staff is used as sample) and considers the role-specific STI bonus maximum potential. The reasoning for using STI bonus maximal potential instead of actual payout is that each team has a specific bonus target linked to their financial performance, and actualised bonuses tend to fluctuate year over year. Remuneration in currencies other than Euro has been converted to Euro for comparison purposes. The ratio of highest-paid to median employee compensation is 4.3.

Country / Segment	Employment Category	Gender Pay Gap (%)
CapMan All	Permanent[10]	28.3
Finland	Permanent	32.8
Sweden	Permanent	28.3
Investment Professional	Permanent	12.9
Service Professional	Permanent	22.1

[10]Permanent employees in the above table refers to all permanent employees at CapMan excluding the CEO and Partners. The justification of excluding the CEO and Partners is due to their different status and compensation mix compared to regular employees.

S1-17 Incidents, complaints and severe human rights impacts

In 2024, CapMan reported no complaints filed through channels for people in its own workforce to raise concerns, nor were any complaints filed to National Contact Points for OECD Multinational Enterprises. There were no severe human rights issues or incidents connected to CapMan's workforce, and no cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises were identified. Consequently, there have been no severe human rights issues connected to CapMan's workforce. Additionally, there were no fines, penalties, or compensation related to severe human rights issues and incidents connected to the workforce. Throughout 2024, no complaints or incidents were reported or actioned, and there were no incidents of discrimination.

Location	Number of Discrimination	Number of Discrimination	Total Incidents
All CapMan locations; Finland, Sweden, Denmark, Norway, Luxembourg and UK.	0	0	0

Governance information

GOV-1 The role of the administrative, management and supervisory bodies

CapMan's governance model consists of the General Meeting of shareholders, the Board of Directors, and the CEO. In the operative management of the company, the CEO is supported by the management group. Under the Finnish Companies Act and CapMan's Articles of Association, the Board is responsible for the administration of the company and the proper organisation of its operations. The Board is also responsible for the appropriate arrangement of the controls of the company's accounts and finances. One of the Board's key tasks is to approve and monitor the progress of the strategic goals, including linking those to sustainability targets.

The CEO manages and supervises the company's business operations according to the Finnish Companies Act and in compliance with the instructions and authorizations issued by the Board. The CEO ensures that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. Generally, the CEO is independently responsible for the operational activities of the company and for day-to-day decisions on business activities and the implementation of these decisions.

The Board and the CEO are responsible for internal control and risk management, but internal control is conducted on all levels of the organisation, in all business and support functions. Each employee is individually responsible for the compliance of policies and instructions and for reporting faults and malpractice to their supervisor or other designated persons. The aim of CapMan's internal control and risk management is to ensure that the company's operations are efficient, appropriate, reliable, and in compliance with regulations, and that risks associated with the company's business and objectives are identified and appropriately monitored and managed. The group's internal control system is an essential part of the group's management system and consists of an organisation structure, policies, processes, working instructions, allocation of tasks and responsibilities, approval authorizations, manual and automated controls, monitoring reports, and reviews.

The expertise of the Board and the CEO on business conduct matters is described in CapMan's Corporate Governance Statement.

G1-1 Business conduct policies and corporate culture

CapMan's corporate culture is defined by how we work as an organisation. It encompasses how we recruit, retain, and reward our employees, as well as the systems and processes we have in place. This culture is further enhanced by our corporate brand identity, which was co-created through in-depth interviews with top management, key business stakeholders, and focus groups consisting of employees. CapMan conducts an annual employee survey to assess questions related to culture, measuring eNPS and Inclusion (uniqueness and belonging) internally on an annual basis. Post-survey presentations and workshops are conducted to solicit additional input, and plan further actions relevant to specific teams. Our performance management process, including target setting and employee discussions, acts as a follow-up to ensure our employees focus on the most relevant items, understand their role, responsibility, and accountability. Social events to increase connection across the organisation are arranged regularly, including a group-wide annual event, featuring stimulating workshops, lectures, and awards ceremonies.

Policies related to business conduct are outlined in our Code of Conduct and our Anti-Bribery and Corruption policy. Mechanisms for identifying, reporting, and investigating concerns about unlawful behavior or behavior in contradiction of our code of conduct or similar internal rules accommodate reporting from both internal and external stakeholders. These mechanisms include the Code of Conduct, other internal policies and controls, incident reporting, and the whistleblowing channel. Notifications can be made anonymously, and retaliation measures are forbidden, as described in the whistleblowing policy. CapMan is committed to investigating business conduct incidents promptly, independently, and objectively. We have plans to implement policies on anti-corruption or anti-bribery consistent with the United Nations Convention against Corruption, although a timetable for implementation has not been supplied. We have a whistleblowing policy and channel in place, therefore implementation of policies on protection of whistle-blowers are already in place. We comply with regulatory protection of whistle-blowers, and our policy contains a description of protection and how reports are handled.

Annual code of conduct training is mandatory for all employees, with additional training for new employees upon joining CapMan. However, functions most at risk in respect of corruption and bribery have not been identified. CapMan is subject to legal requirements regarding the protection of whistle-blowers. While we have not adopted specific policies in relation to business conduct matters, we do have anti-corruption and anti-bribery policies, as well as a whistleblower policy in place. Policies with respect to animal welfare are not in place.

G1-2 Management of relationships with suppliers

CapMan's approach to managing relationships with suppliers is outlined in its Supplier Code of Conduct. This code describes the company's approach to supplier relationships, taking into account risks related to the supply chain and impacts on sustainability matters. However, social and environmental criteria are not taken into account for the selection of supply-side contractual partners, and there is no supplier assessment on environmental or social practices.

The Supplier Code of Conduct is added to all supplier agreements with an annual value exceeding 15,000 euros. CapMan expects its suppliers to fully embrace the basic principles and ethical standards of business behaviour set forth in this Supplier Code throughout their own operations and supply chains. If a supplier is unable to accept CapMan's Supplier Code, CapMan cannot continue the business relationship with that supplier.

CapMan has implemented various electronic purchase invoice processing systems across most of its group companies to prevent late payments, especially to SMEs. These systems send automatic reminders for any unprocessed invoices, ensuring timely processing. All invoice processors are required to set a substitute during their absence, and local accountants along with CapMan Group Finance & Accounting regularly monitor overdue and unpaid invoices. They remind individuals or assign substitutes to invoice processors on a case-by-case basis when necessary. This policy applies to all purchase invoices, and there is no separate policy specifically addressed to invoices issued by SMEs.

G1-3 Prevention and detection of corruption and bribery

CapMan's Code of Conduct establishes the basic principles governing our decision-making and actions, as well as the responsibilities of CapMan employees in the business environment. This Code serves as a guiding tool, ensuring that we operate not only in compliance with laws and regulations but also based on what we believe is ethically right. More specific principles and practical guidelines are presented in various corporate policies and procedures, and employees are trained regularly to uphold these standards.

To prevent, detect, and address allegations or incidents of corruption or bribery, CapMan has implemented an Anti-Bribery and Corruption (ABC) policy and provides ABC training to employees. The investigators or investigating committee responsible for handling these matters are separate from the chain of management involved in the prevention and detection of corruption or bribery, ensuring independence and objectivity. The compliance function is responsible for ABC matters, as well as the investigation and reporting processes, which are conducted on a case-by-case basis.

The ABC policy is accessible to all CapMan personnel on the Intranet, and regular online ABC training, including a questionnaire, must be completed every two years. This training is also mandatory for all new employees. The nature, scope, and depth of the anti-corruption or anti-bribery training programs are outlined in the internal ABC policy. The same training is provided to all personnel, including members of the Board and the CEO.

CapMan is committed to continuously improving its training activities, and a new tool equipped to monitor the conducted trainings is being implemented. This will enhance the analysis of training activities by region or category. There have been no convictions for violations of anti-corruption and anti-bribery laws, reflecting the effectiveness of the measures in place.

G1-4 Incidents of corruption or bribery

CapMan has taken actions to address breaches in procedures and standards related to anti-corruption and anti-bribery. There have only been minor breaches against internal procedures, which have been addressed through incident reporting, corrections to processes, and additional ABC trainings. There have been no confirmed incidents of corruption or bribery. Consequently, there have been no instances where CapMan's own workers were dismissed or disciplined for corruption or bribery-related incidents. Similarly, there have been no confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery. There have been no public legal cases regarding corruption or bribery brought against CapMan or its workers, and thus no outcomes to report. There have been no incidents of corruption reported, and no fines have been imposed for violations of anti-corruption and anti-bribery laws.

G1-5 Political influence and lobbying activities

The CapMan Plc Board of Directors is responsible for overseeing political influence and lobbying activities within the organisation. According to CapMan's Anti-Bribery and Corruption (ABC) policy, the company does not make political contributions to political parties, party officials, or candidates unless such contributions are approved in advance by the CapMan Plc Board of Directors. This policy ensures that any financial or in-kind political contributions are made transparently and with proper oversight. Additionally, charitable donations must not be made to improperly influence the recipient or in exchange for any business or other commercial advantage. Charitable donations and sponsoring cannot be used to circumvent the prohibition on corruption or bribes.

CapMan engages with policy-makers on relevant general interest topics as an active and responsible member of society. The company transparently discloses any lobbying activities and is a member of relevant industry organisations. Through these memberships, CapMan may lobby on topics that are important to the private equity industry as a whole. However, CapMan is not registered in the EU Transparency Register or any equivalent transparency register in a Member State.

There have been no reported cases of members of CapMan's Board and the CEO holding comparable positions in public administration in the two years preceding their appointment. The amount paid for membership to lobbying associations from January to December 2024 was 129,647 EUR. CapMan is not legally obliged to be a member of a chamber of commerce or any other organisation that represents its interests.

G1-6 Payment practices

CapMan has no outstanding legal proceedings for late payments.

capman.com
CapMan Group
Ludviginkatu 6
00130 Helsinki

2024