

CapMan

CapMan Plc 2019 results:

**A strong conclusion to a
year of growth**

Joakim Frimodig

CEO

30 January 2020



HELSINKI



STOCKHOLM



COPENHAGEN



LONDON



LUXEMBOURG

Statements regarding future development and disclaimer

The following concerns this document, the related oral presentation by either CapMan Plc (hereinafter the "Company") or a representative of the Company as well as the subsequent Q&A sessions.

This document published by the Company constitutes the written material of the presentation for potential investors regarding the possible offering of the Company's securities ("Securities"). The material set forth herein is not, and should not be construed as an offer to sell or a solicitation of an offer to subscribe or purchase any Securities, or a part of such offer. Nothing in this material shall form the basis of any contract and nothing in this should be relied upon in connection with any contract or commitment, and nothing in this constitutes a recommendation regarding the Securities. The decision to purchase Securities should be made only on the basis of the offer document (or similar document) that has been prepared in connection with the offering of the Securities. The offer document (or similar document) contains more detailed information concerning the Company and the Securities than set forth in this material, and potential investors should re-view the offer document (or similar document) to conduct an independent research and evaluation of the Company's business, financial standing and nature of the Securities before making an investment decision regarding the Securities.

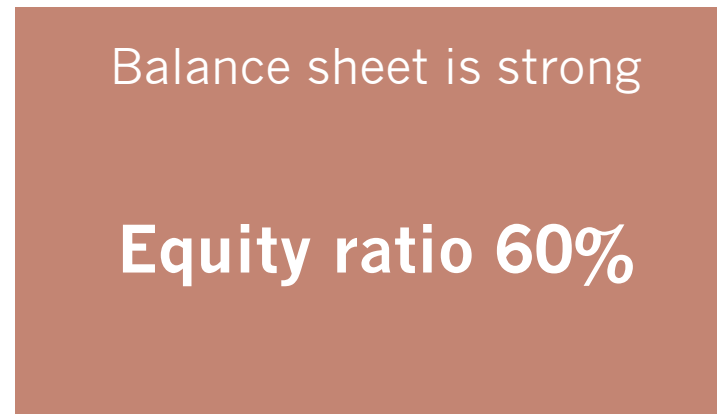
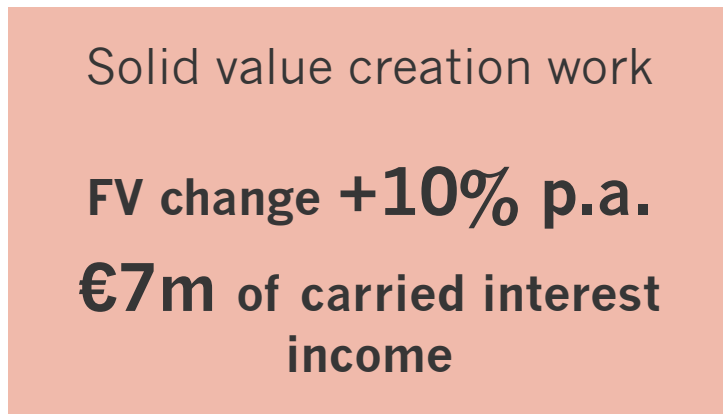
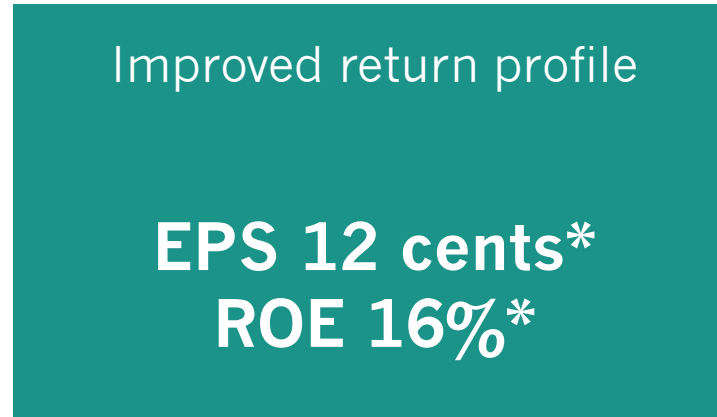
Certain statements presented that are not historical facts, including, among others, estimates of the overall economic development and the market situation, expectations concerning the growth and profitability of the combined group, the realisation of synergy benefits and cost savings, as well as statements that contain the expressions "expects", "estimates", "forecasts", "aims", "believes", "pursues", "intends", "could", "anticipates", "plans", "seeks", "will", "may", "likely", and "would" and other corresponding expressions or their negative variations identify forward-looking statements.

Forward-looking statements are based on the Company's current expectations, estimates, decisions and plans as well as on the currently available facts regarding, among others, the Company's financial standing, results of operations, plans, objectives, future results and operations. Such statements involve inherent risks and uncertainties that, if materialized, may cause the actual results of operations of the combined group to be materially different than currently expected.

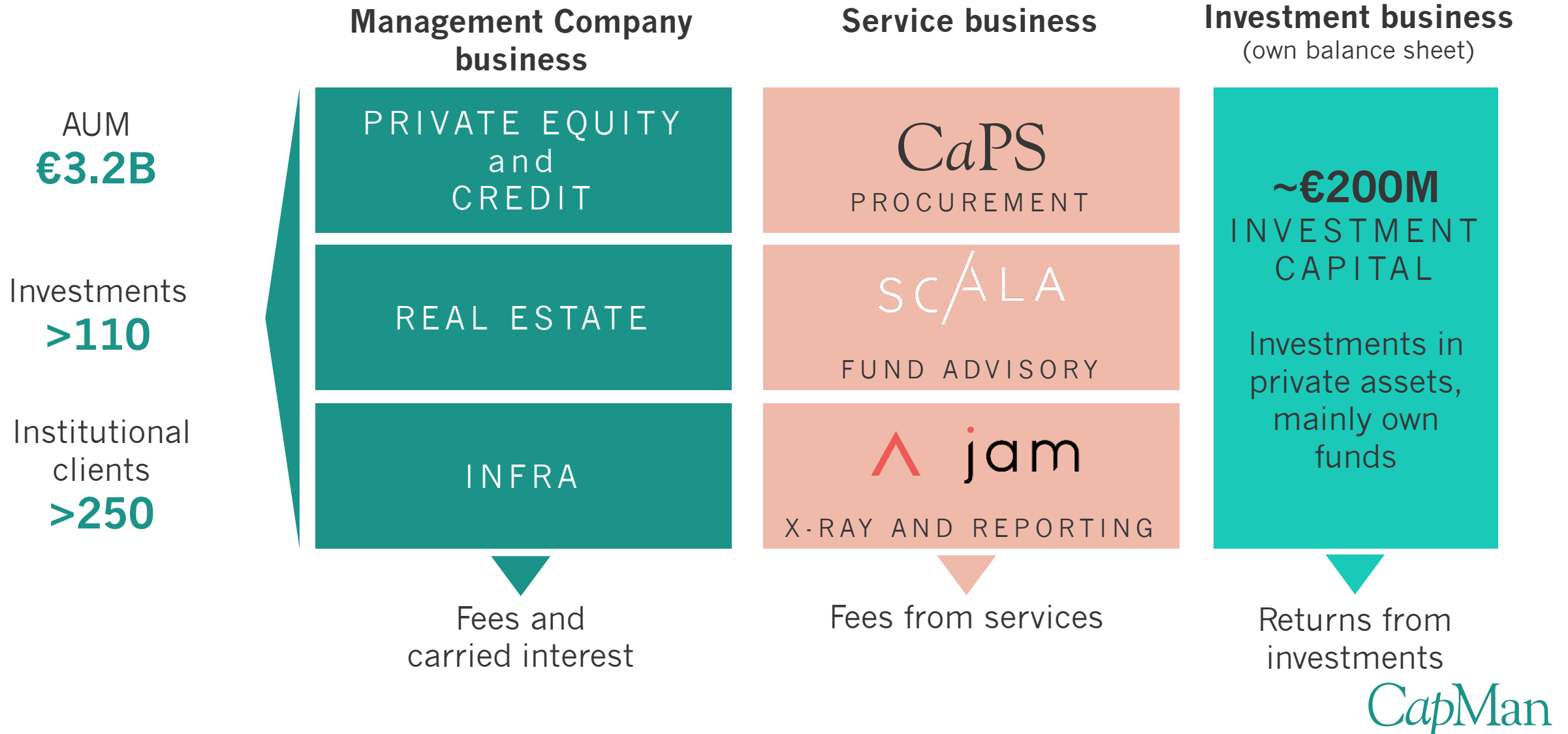
These factors include the overall economic conditions, including currency and interest rate fluctuations impacting the operating environment and profitability of clients and thereby the orders and margins on them received by the combined group; competition; the combined group's business conditions and continuous development and improvement thereof; and the success of possible future acquisitions. Forward-looking statements are further based on numerous assumptions concerning the Company's current and future strategy and the Company's future business environment.

No liability is accepted and no explicit or implicit guarantee or warranty is given with regard to this material, and no undue reliance should be placed on the truthfulness, accuracy or completeness of the material or the opinions expressed herein. Portions of this material are in draft form. The information contained in this material has not been independently verified nor will it be updated. The information contained in this material, including forward-looking statements, applies only on the date of this material and is not intended to be a guarantee of the future results. Any unsourced market data used in the material is an estimate made by the Company and has not been independently verified. The Company does not undertake to update any forward-looking statements except in circumstances specified by law and explicitly waives any liability for the material.

2019 was a good year for CapMan



CapMan's earnings model



Solid development across business segments in 2019

Management Company business

- Management Company business grew by 35% in 2019
- Positive development in management fee-based profitability from €1.8m to €3.3m
- €7m in carried interest from Hotels RE, CMMV and Access funds
- Several ongoing fundraising projects have been initiated for further growth in 2020
- Cost control has been effective

Growth in turnover **+46%**
Growth in fee-based profitability **+110%**

Service business

- Service business grew by +81% in 2019
- All services contributed to growth:
 - Success fees from Scala
 - CaPS growth as planned
 - JAM Advisors as new service business
- Profitability of service business grew from €4.4m to €9.1m

Own investments

- Return of all investments 9% in 2019
- Fund returns generally at target levels, despite some variation between strategies
- Reduction of the market portfolio continued in 2019 with additional allocation to private assets

Fund investment returns
+10% p.a.

CapMan establishes Hotels II fund

- CapMan established **CapMan Hotels II Fund** in December as a successor to its first hotel fund, CapMan Hotels RE (2008).
- CapMan Hotels II has a **long-term semi-open-ended** structure and **€368m** in equity at establishment.
- CapMan expects to significantly grow the fund size and invest in additional hotel properties across the Nordic countries
- The fund acquired a **seed portfolio** consisting of all assets in CapMan's first hotel fund. The transaction **realised carry** from the first hotel fund.
- The new fund generates management and performance fees based on commitments made to the fund in accordance with standard practices within the industry.

Background:

- CapMan established the first hotel fund, CapMan Hotels RE, in 2008
- Current investors in Hotels II are all previous investors in the first hotel fund, new capital intake will expand investor base



CapMan steps back from Russia

- The fundraising and operating environment in Russia has been challenging for some time.
- Following a strategic review, CapMan has **agreed to sell the Russia business** to the investment team.
- At the end of 2019, CapMan wrote down the entire goodwill associated with the Russia business, **€4.2m**. The impairment is treated as an item affecting comparability and has no impact on cash flow.
- Russia represented **less than 3%** of CapMan's turnover in 2019 and the operations were slightly loss-making in 2019.
- CapMan's investments in the Russia funds were valued at **€4.3m** as at 31 Dec 2019 and remain on the balance sheet. The underlying portfolio is performing well.

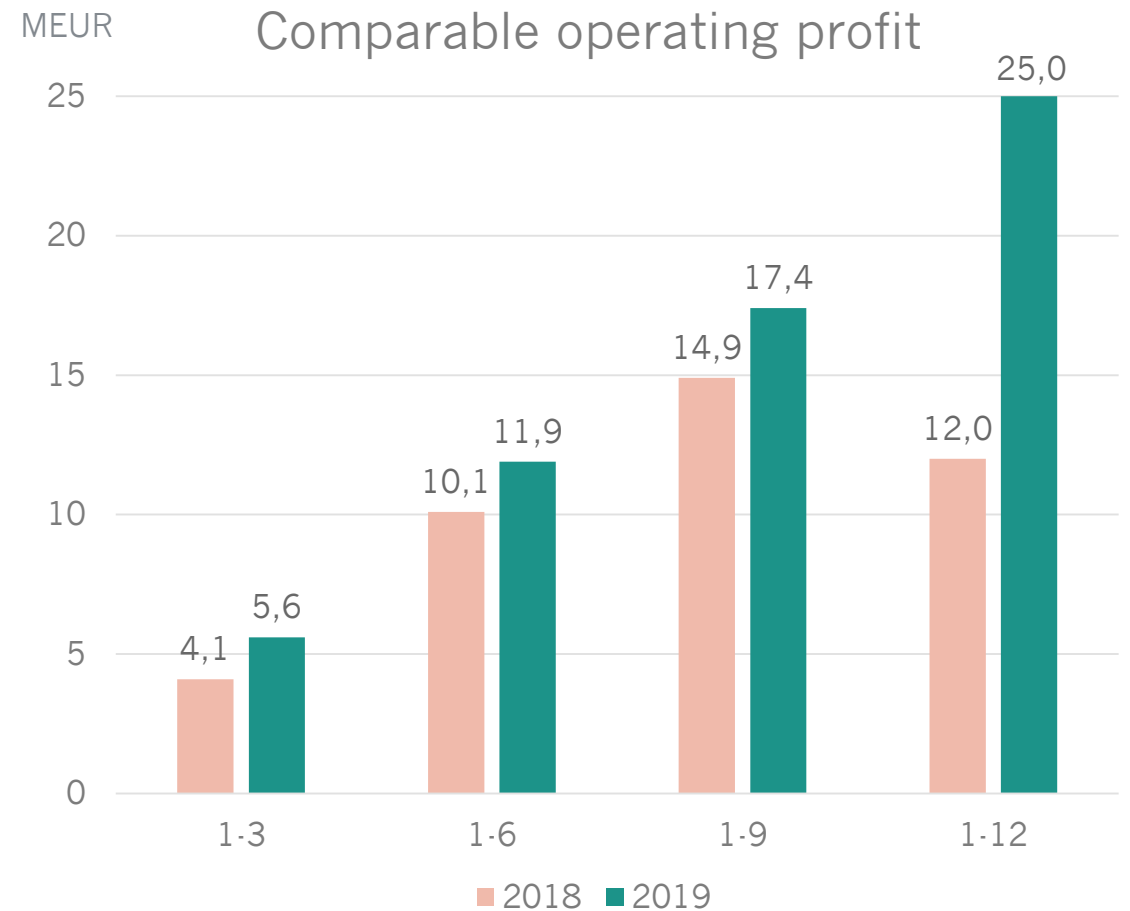
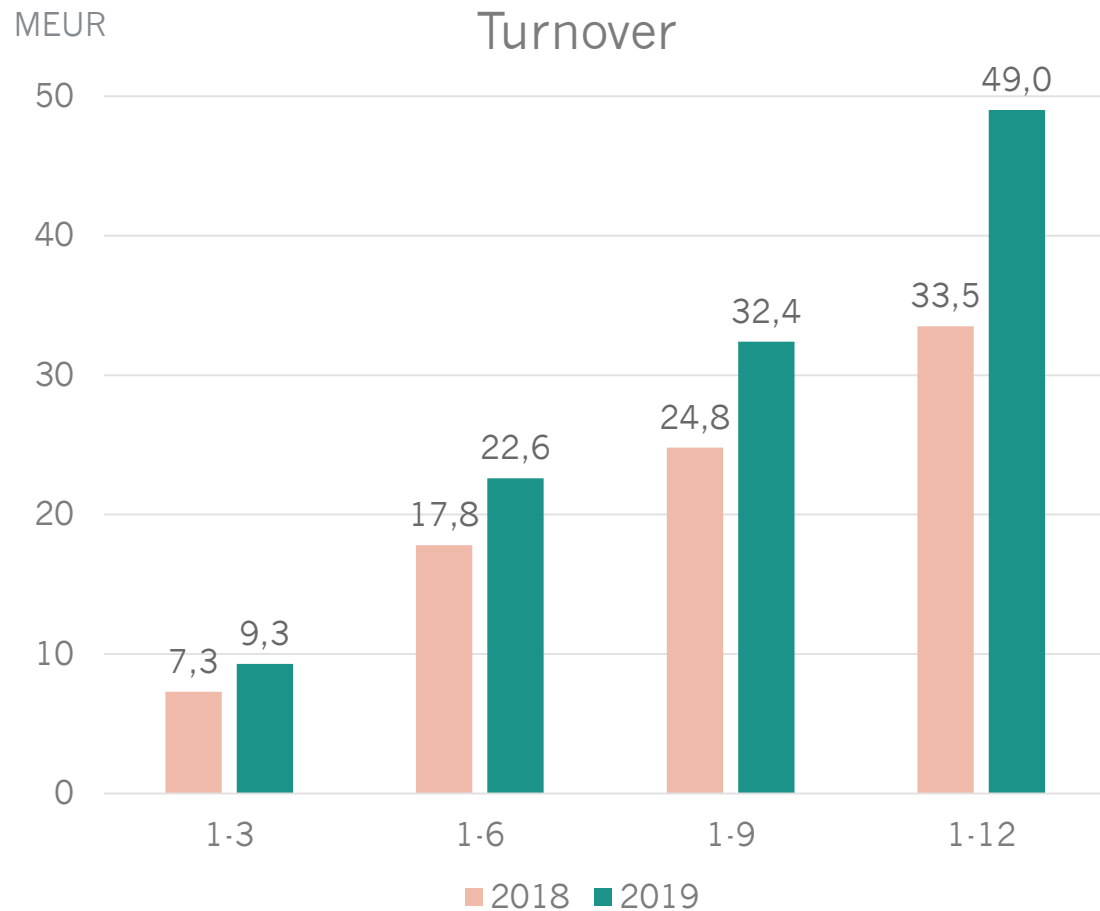
Background:

- CapMan entered into Russia by acquiring Norum in 2008
- CapMan Russia raised two funds: CapMan Russia (2008: €118m) and CapMan Russia II (2013: €97m)



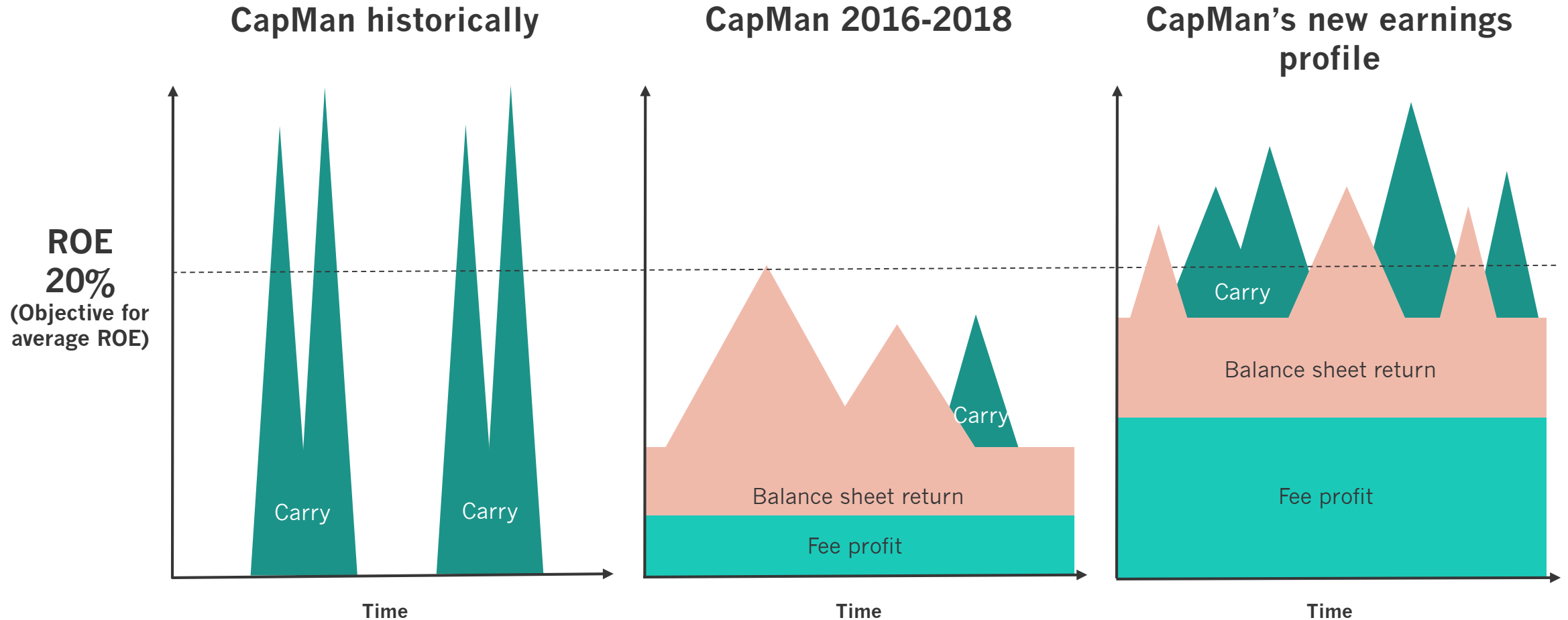
2018 VS. 2019

Q4 was a strong finish to a good 2019

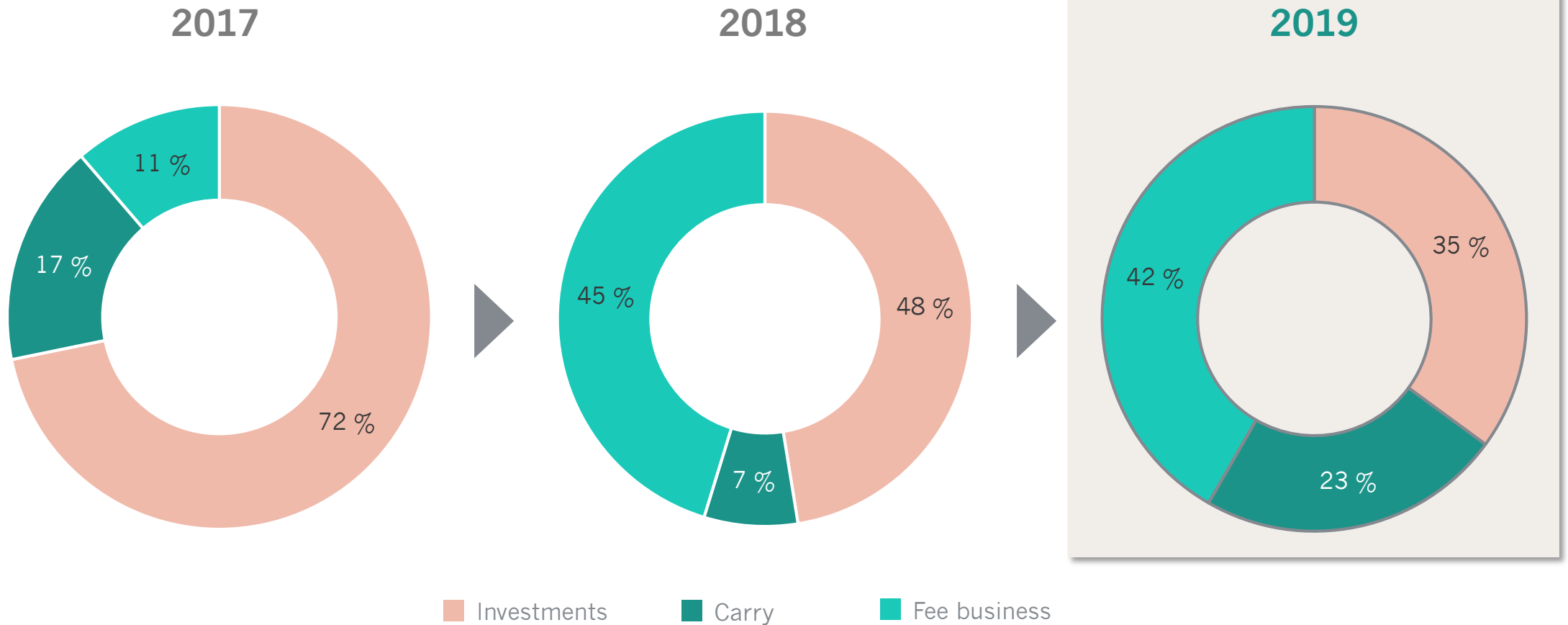


Dividend and interest income from market portfolio is reported as fair value changes as of 1.1.2019. Turnover for comparison year adjusted accordingly
Excluding items affecting comparability, please see CapMan's 2019 Financial Statements Bulletin for a full breakdown.

The strategic direction impacts the earnings model

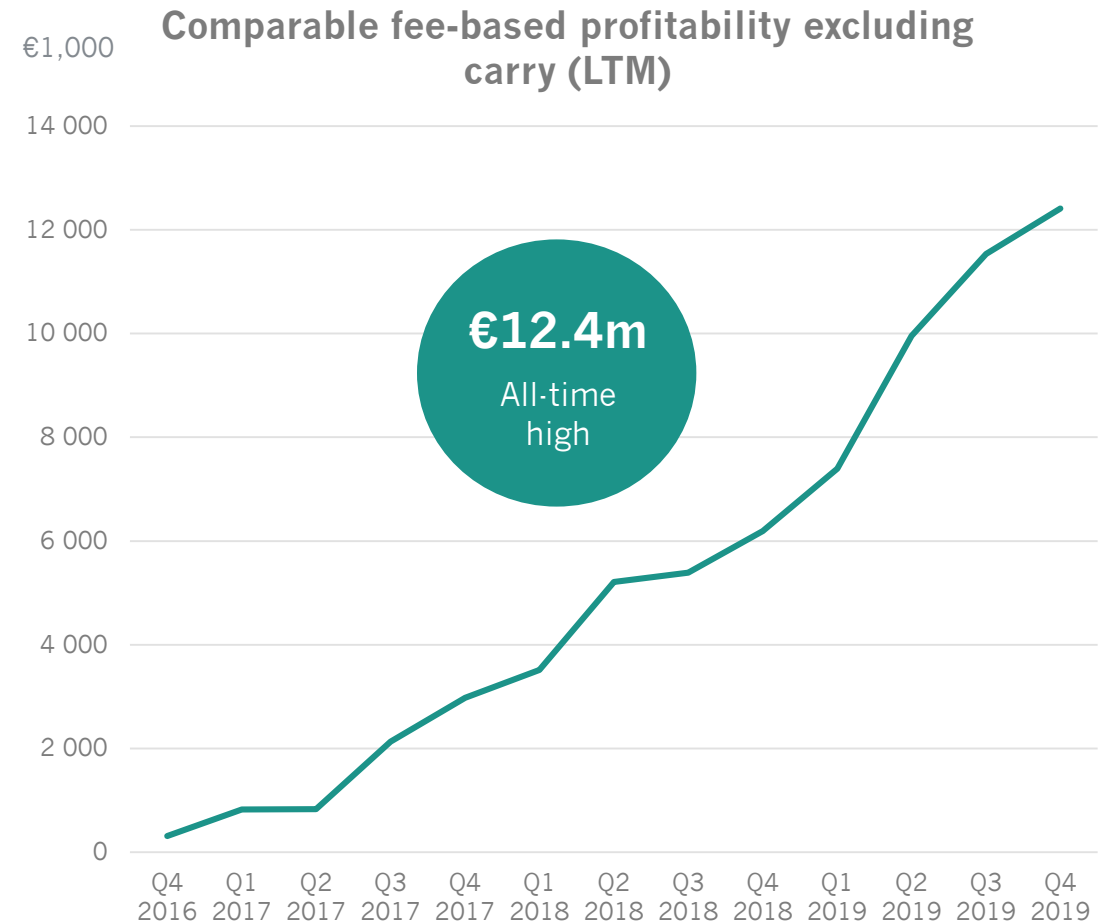
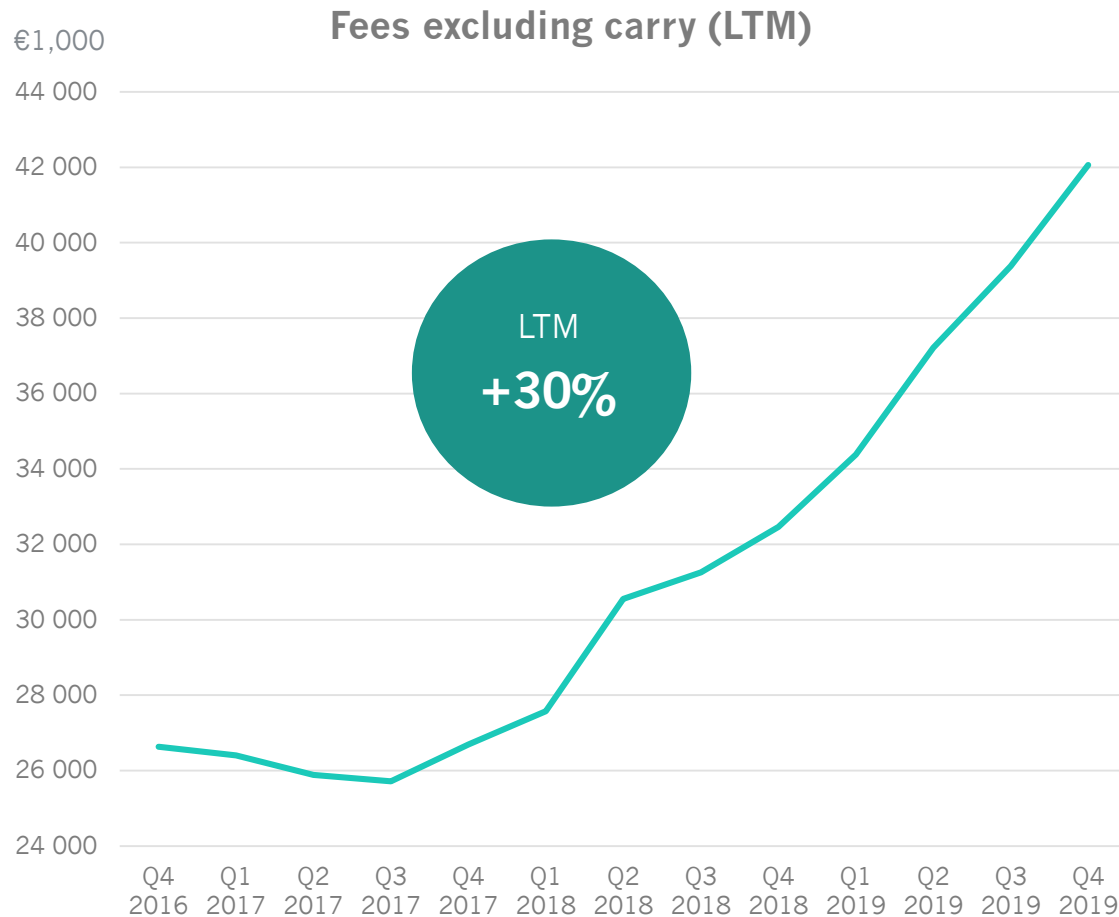


The change in earnings model is visible in 2019



STEADILY IMPROVING PERFORMANCE

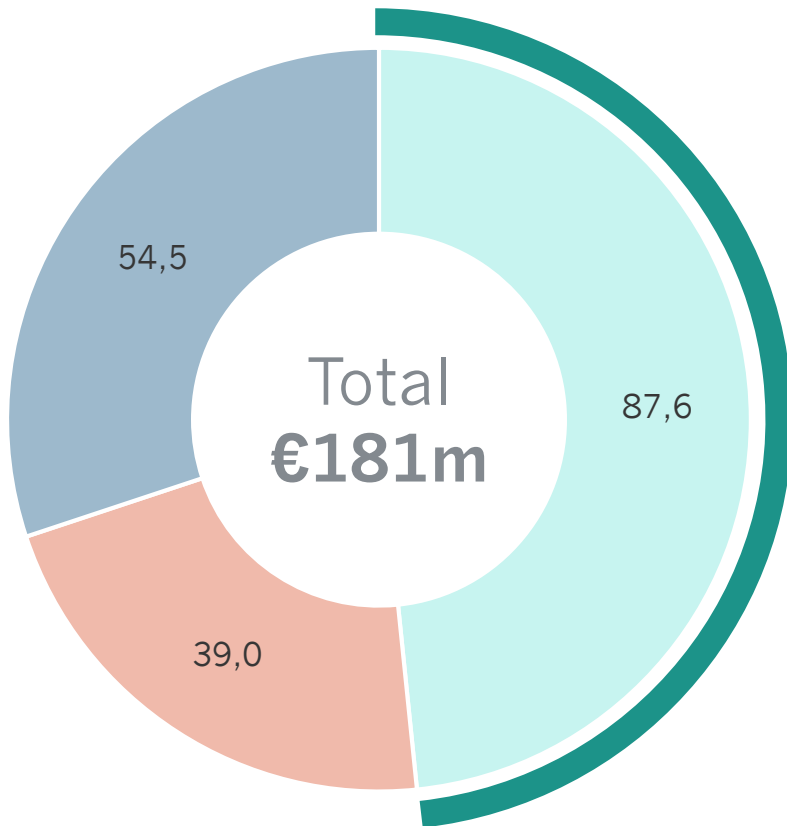
Fee-based profitability has grown 13 consecutive quarters



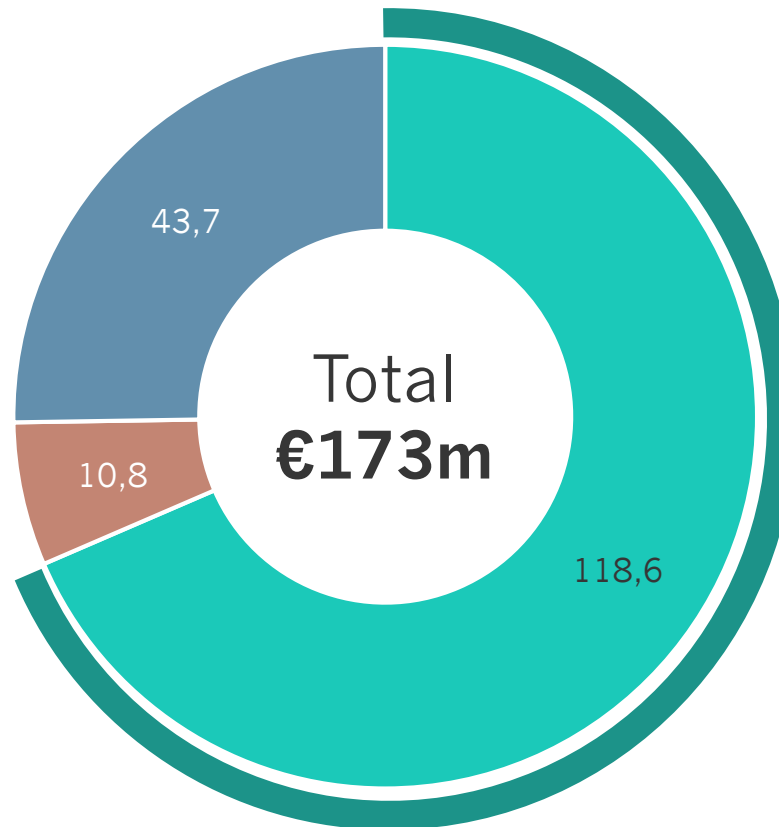
Fees include management fees and service fees on Group level. Operating profit includes Management Company and Service Business without carried interest and items affecting comparability. The figures are derived from the Segment information.

Increased share of own private market investments

31 December 2018



31 December 2019



■ Private market investments ■ Market portfolio ■ Cash & bank

Developments

Investments in private markets

48% → 69%

Target 80%

Outstanding commitments of **€104m** (31 Dec 2019) will shift allocation further towards private market instruments




SELECTED BALANCE SHEET FIGURES

Strong balance sheet provides financial flexibility

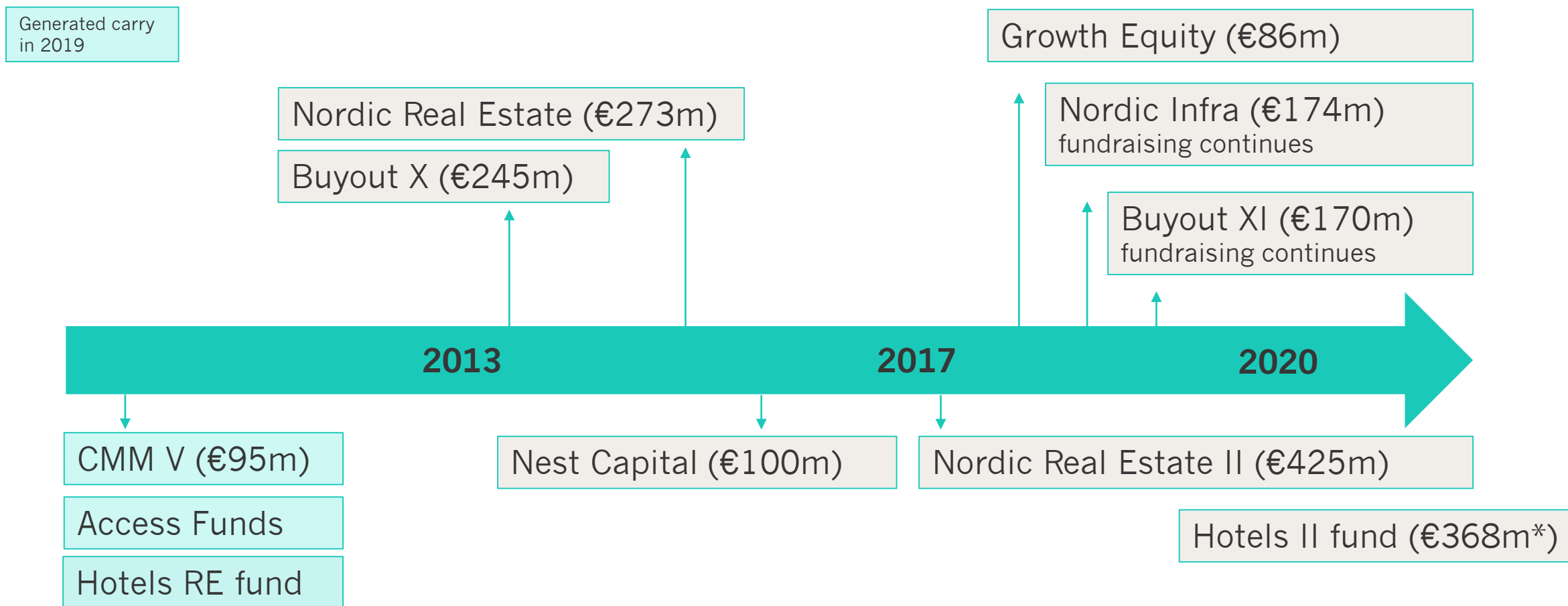
	31 December 2019	31 December 2018
Multi-issuer bond (Q2 2019), MEUR	0	10
Senior bond (Q2 2023), MEUR	50	50
Long-term credit facility (undrawn), MEUR	40	20
Interest-bearing net debt, MEUR	9	5
Equity ratio, %	60	59

Strong balance sheet provides flexibility and enables additional leverage if necessary

Significant return potential from own fund investments

31 December 2019 (MEUR)	Private Equity 	Real Estate 	Infra 	Total
AUM	973	1,931	293	3,245*
Fair value of investments on CapMan's balance sheet (excl. market portfolio)	60	40	18	118
CapMan's remaining commitments	82	4	18	104
Return target for own fund investments p.a.	15%	8-15%	10-13%	10-15%
Total fund investment returns 2019				10 %

€7m carry received in 2019 and several funds are approaching carry



Growth in AUM during 2020

Fund	Current size	Target size	Timing & comments
Buyout XI	€170m	€250m	Fundraising ongoing
Nordic Infra I	€174m	>€300m	Fundraising ongoing
Nordic Property Income	€87m	-	Open-ended fund with a new distribution partnership with Nordea
Hotels II	€368m	-	Semi-open-ended fund
Nordic Real Estate III	-	-	Fundraising initiated
Nest Capital III	-	-	Fundraising initiated

- €600m in new capital raised in 2019
- We are raising capital for almost all our investment strategies in 2020
- Demand for our funds remains solid and our fundraising projects proceed as planned

CapMan's total share price development

CapMan TSR

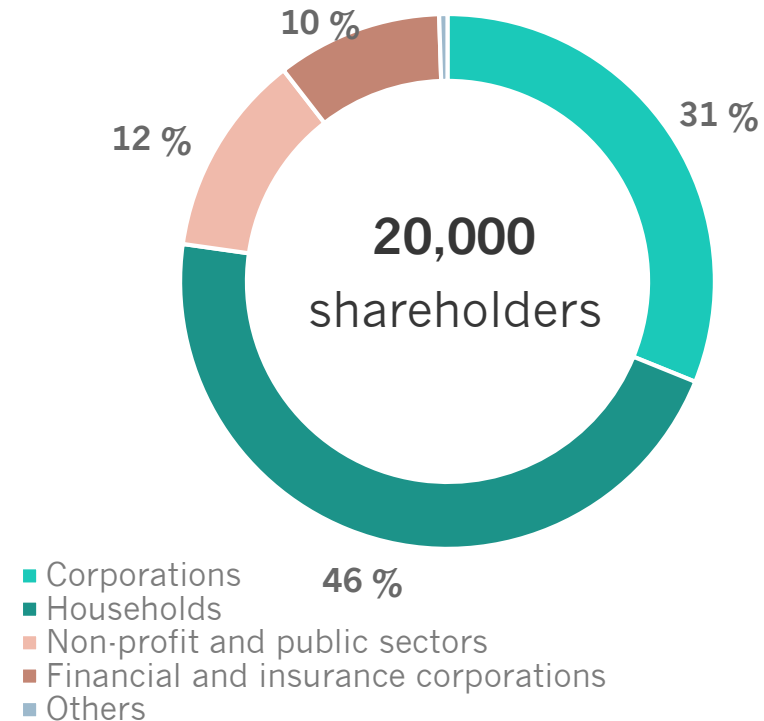
LTM	50%
2019	64%
2017-2019	130%

Last 12 months indexed TSR



Largest shareholders and ownership distribution

No.	Shareholders	Number of shares	Of shares, %
1	Silvertärnan Ab	16,226,519	10.55
2	Ilmarinen Mutual Pension Insurance Company	10,464,415	6.81
3	Laakkonen Mikko Kalervo	6,378,320	4.15
4	OY Inventiainvest AB	4,723,703	3.07
5	Varma Mutual Pension Insurance Company	3,675,215	2.39
6	Joensuun Kauppa ja Kone Oy	3,511,853	2.28
7	Vesasco Oy	3,088,469	2.01
8	The State Pension Fund	2,500,000	1.63
9	Heiwes Oy	2,094,480	1.36
10	Momea Invest Oy	2,079,222	1.35
Total		153,754,648	100.00



- Silvertärnan Ab became the largest shareholder of CapMan in November 2019
- Föreningen Konstsamfundet rf. holds the controlling position of the shares and voting rights in Silvertärnan Ab. Other holders of shares and voting rights in Silvertärnan are Oy Hammarén & Co Ab and Boldhold Oy, a company controlled by Joakim Frimodig.

OUR VISION

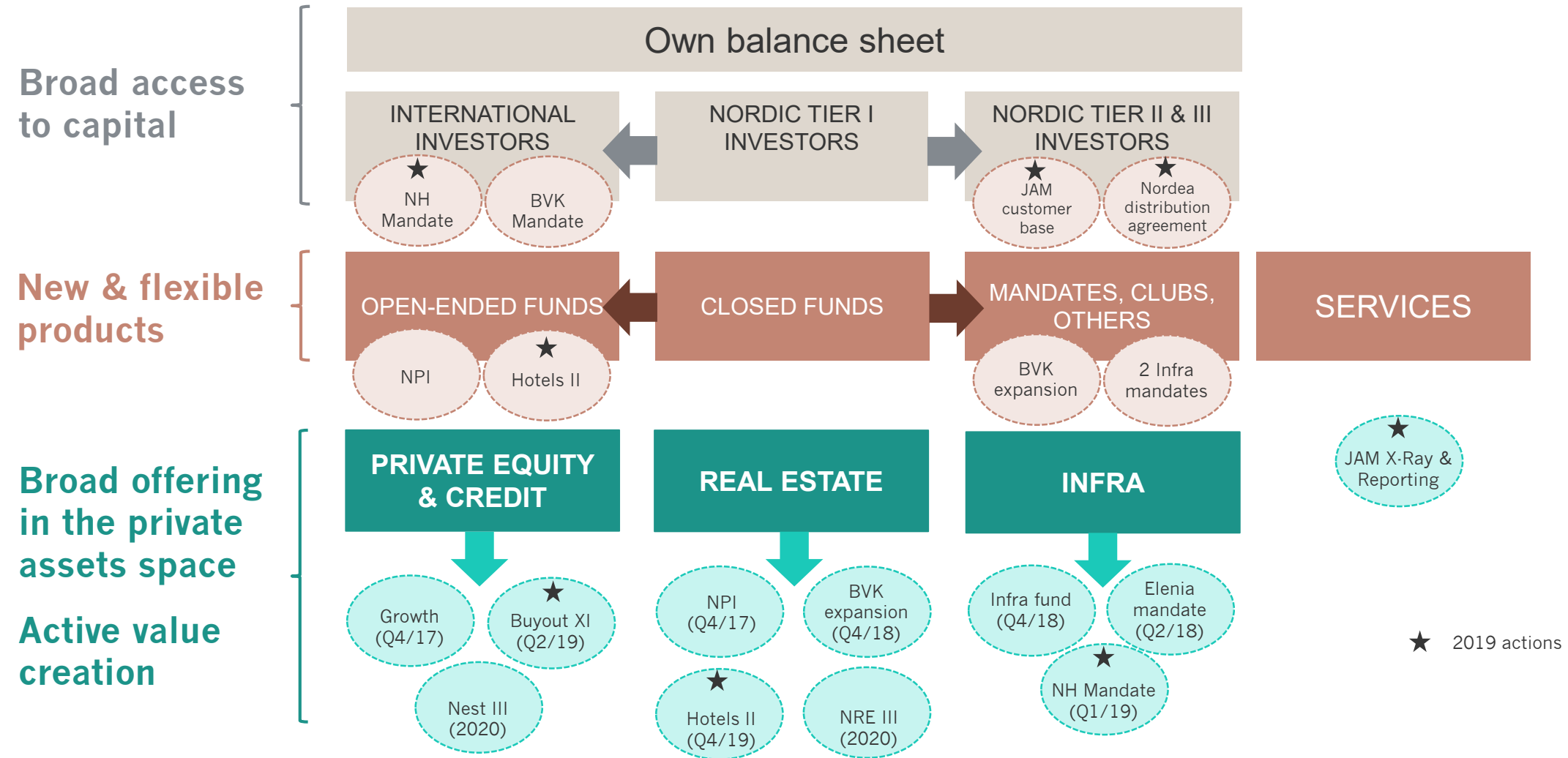
CapMan – A Nordic private assets powerhouse

Top quartile value creation in Nordic Private Equity, Private Credit, Real Estate and Infra

Comprehensive offering of attractive private assets products and innovative service solutions

Broad investor base and access to capital in the Nordics and internationally

Our business is becoming more versatile



Long-term objectives benchmarked to recent development

**Growth of the
Management Company
and Services business***

>10%

Average annual growth
objective

2018:
22%*

2019:
30%*

Return on equity

>20%

2018:
7%

2019:
16%**

Equity ratio

>60%

2018:
59%

2019:
60%

**Dividend distribution
objective**

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

Distribution per share has
**grown every year since
2012**

*Management fees and service fees on group level and excluding carried interest income and items affecting comparability.

** Excluding items affecting comparability

Financial objectives are excluding items affecting comparability.

Themes for 2020

Management Company business

- We expected significant growth in our capital under management during 2020 due to currently ongoing and initiated fundraising projects
- Growth can be achieved largely with existing resources and cost base → Continued growth in management fee-based profitability
- CMMV fund and Access funds are in carry while several other funds approach carry

Service business

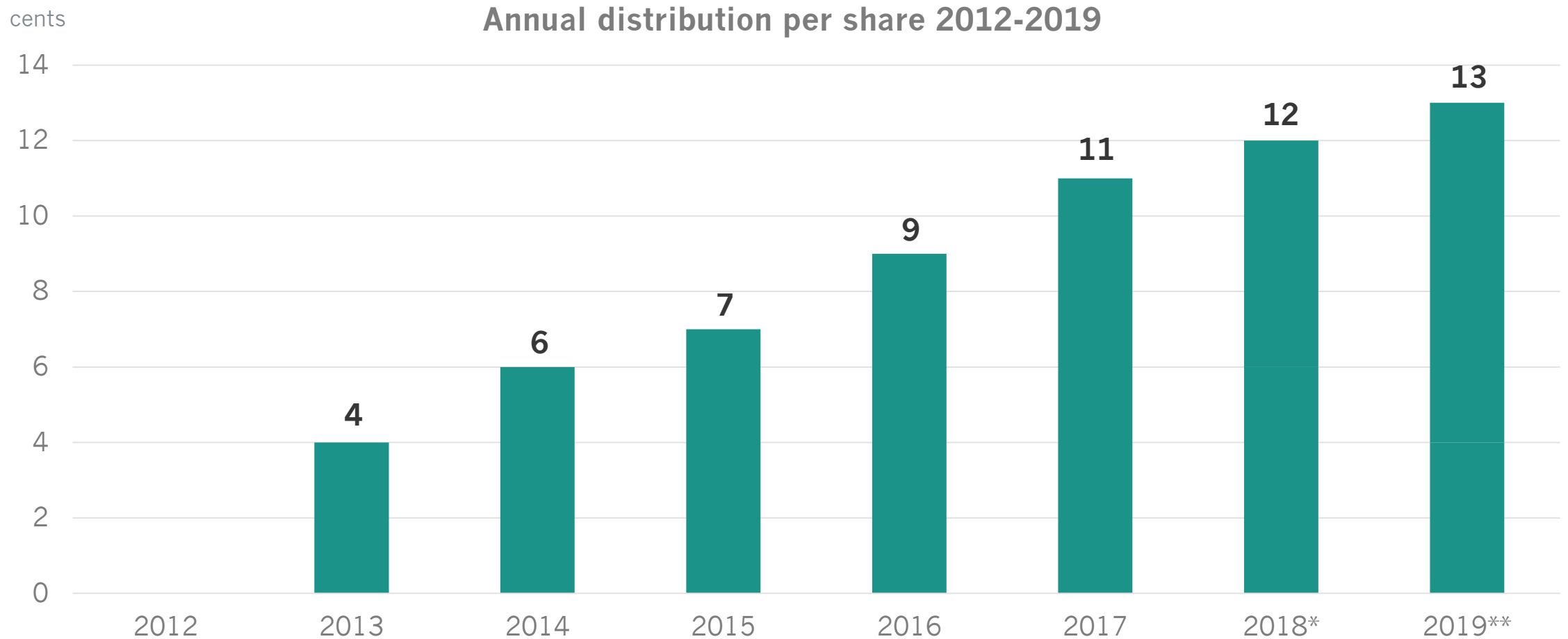
- Continued profitable growth of the service fee base
- Outlook for all Service businesses good

Own investments

- Fund investment returns in line with targets
- Several exits from older funds and new investments from new funds

Growing earnings and growing dividend

Objective to pay an annually increasing dividend



*Includes dividend 6 cents/share and equity repayment 6 cents/share.

** Proposal of the Board of Directors for 2020 AGM. Includes dividend 4 cents/share and equity repayment 9 cents/share.

Financial objectives and outlook estimate for 2020

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

The combined growth objective for Management Company and Service business is more than 10 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 60 per cent.

CapMan expects to achieve these financial objectives gradually and key figures are expected to show fluctuation on an annual basis considering the nature of the business. CapMan expects management fees and fees from services to continue growing in aggregate in 2020. Our objective is to improve the aggregate profitability of Management Company and Service businesses before carried interest income and any possible items affecting comparability.

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

CapMan's objective is to improve results in the longer term, taking into consideration annual fluctuations related to the nature of the business. For these and other above-mentioned reasons, CapMan does not provide numeric estimates for 2020.

Contact us



Joakim Frimodig

CEO

joakim.frimodig@capman.com

+358 50 529 0665



Niko Haavisto

CFO

niko.haavisto@capman.com

+358 50 465 4125



Linda Tierala

Director, Communications & IR

linda.tierala@capman.com

+358 40 571 7895

Upcoming events:

2019 Annual Report

Week 8 2020

2020 Annual General Meeting

11 March 2020

1-3 2020 Interim Report

23 April 2020

CapMan



HELSINKI



STOCKHOLM



COPENHAGEN



LONDON



LUXEMBOURG