

# Financial Statements

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# Group Statement of Comprehensive Income (IFRS)

1,000 EUR	Note	2022	2021
Management fees		38,847	36,585
Sale of services		19,072	13,341
Carried interest		9,613	2,858
<b>Turnover</b>	<b>2, 3</b>	<b>67,532</b>	<b>52,784</b>
Material and services		-985	0
Other operating income	<b>4</b>	2	22
Employee benefit expenses	<b>5</b>	-34,571	-30,632
Depreciation and impairment	<b>6</b>	-4,180	-1,476
Other operating expenses	<b>7</b>	-11,236	-9,969
Fair value gains/losses of investments	<b>9</b>	36,547	33,912
<b>Operating profit</b>		<b>53,108</b>	<b>44,642</b>
Financial income and expenses	<b>10</b>	-5,475	-4,042
<b>Profit before taxes</b>		<b>47,633</b>	<b>40,600</b>
Income taxes	<b>11</b>	-6,585	-5,239
<b>Profit for the financial year</b>		<b>41,049</b>	<b>35,362</b>
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Translation difference		-295	-39
<b>Total comprehensive income</b>		<b>40,754</b>	<b>35,322</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		39,616	34,320
Non-controlling interest		1,433	1,042
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		39,321	34,281
Non-controlling interest		1,433	1,042
<b>Earnings per share for profit attributable to the equity holders of the Company:</b>			
Earnings per share (basic), cents	<b>12</b>	25.1	21.9
Earnings per share (diluted), cents	<b>12</b>	24.8	21.4

The Notes are an integral part of the Financial Statements.

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# Group Balance Sheet (IFRS)

1,000 EUR	Note	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	14	3,571	1,754
Goodwill	15	7,886	15,314
Other intangible assets	16	100	459
Investments at fair value through profit and loss	17		
Investments in funds		169,063	130,011
Other financial assets		434	393
Receivables	18	5,545	10,066
Deferred tax assets	19	1,790	1,836
		188,389	159,834
<b>Current assets</b>			
Trade and other receivables	20	20,718	15,223
Financial assets at fair value through profit and loss	21	65	0
Cash and bank	22	55,571	65,207
		76,353	80,429
Assets held for sale	13	5,769	0
<b>Total assets</b>		<b>270,512</b>	<b>240,263</b>

1,000 EUR	Note	31 Dec 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Capital attributable to the Company's equity holders</b> 23			
Share capital		772	772
Share premium account		38,968	38,968
Other reserves		35,425	52,718
Translation difference		-582	-286
Retained earnings		65,473	33,607
<b>Total capital attributable to the Company's equity holders</b>		<b>140,056</b>	<b>125,778</b>
Non-controlling interests		2,088	1,616
<b>Total equity</b>		<b>142,144</b>	<b>127,394</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	19	8,418	4,627
Interest-bearing loans and borrowings	24	91,854	82,038
Other non-current liabilities	25	7,343	7,552
		107,615	94,217
<b>Current liabilities</b>			
Trade and other payables	26	18,446	16,722
Interest-bearing loans and borrowings	27	1,112	970
Current income tax liabilities		478	959
		20,036	18,652
Liabilities associated with assets held for sale	13	717	0
<b>Total liabilities</b>		<b>128,367</b>	<b>112,869</b>
<b>Total equity and liabilities</b>		<b>270,512</b>	<b>240,263</b>

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# 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
<b>Equity on 1 January 2021</b>	<b>23</b>	<b>772</b>	<b>38,968</b>	<b>71,416</b>	<b>-247</b>	<b>1,616</b>	<b>112,524</b>	<b>742</b>
Profit for the year						34,320	34,320	1,042
Other comprehensive income for the year								
Currency translation differences					-39		-39	
<b>Total comprehensive income for the year</b>					<b>-39</b>	<b>34,320</b>	<b>34,281</b>	<b>1,042</b>
Share subscriptions with options				90			90	
Performance Share Plan						787	787	
Dividends and return of capital				-18,788		-3,131	-21,920	-328
Transactions with non-controlling interests						15	15	161
<b>Equity on 31 December 2021</b>	<b>23</b>	<b>772</b>	<b>38,968</b>	<b>52,718</b>	<b>-286</b>	<b>33,607</b>	<b>125,778</b>	<b>1,616</b>
Profit for the year						39,616	39,616	1,433
Other comprehensive income for the year								
Currency translation differences					-295		-295	
<b>Total comprehensive income for the year</b>					<b>-295</b>	<b>39,616</b>	<b>39,321</b>	<b>1,433</b>
Performance Share Plan						-1,126	-1,126	
Dividends and return of capital				-17,297		-6,755	-24,052	-1,083
Transactions with non-controlling interests				4		131	135	122
<b>Equity on 31 December 2022</b>	<b>23</b>	<b>772</b>	<b>38,968</b>	<b>35,425</b>	<b>-582</b>	<b>65,473</b>	<b>140,056</b>	<b>2,088</b>

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# Group Cash Flow Statement (IFRS)

1,000 EUR	Note	2022	2021
<b>Cash flow from operations</b>			
Profit for the financial year		41,049	35,362
Adjustments on cash flow statement	8	-17,632	-22,337
Change in working capital:			
Change in current non-interest-bearing receivables		-8,054	-1,545
Change in current trade payables and other non-interest-bearing liabilities		-2,215	6,087
Interest paid		-3,955	-3,971
Taxes paid		-3,149	-2,571
<b>Cash flow from operations</b>		<b>6,044</b>	<b>11,025</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries		0	231
Proceeds from sale of subsidiaries		322	221
Investments in tangible and intangible assets		-333	-140
Investments at fair value through profit and loss		3,039	17,522
Long-term loan receivables granted		-844	-144
Receivables from long-term receivables		175	1,389
Interest received		83	91
<b>Cash flow from investing activities</b>		<b>2,441</b>	<b>19,170</b>

1,000 EUR	Note	2022	2021
<b>Cash flow from financing activities</b>			
Share issue		0	90
Proceeds from borrowings	28	39,791	140
Repayment of long-term loan	28	-31,520	0
Payment of lease liabilities		-1,189	-976
Dividends paid and return of capital		-25,073	-22,244
<b>Cash flow from financing activities</b>		<b>-17,992</b>	<b>-22,990</b>
<b>Change in cash and cash equivalents</b>			
		<b>-9,507</b>	<b>7,205</b>
Cash and cash equivalents at start of year		65,207	58,002
Translation difference		244	
<b>Cash and cash equivalents at end of year</b>	22	<b>55,944</b>	<b>65,207</b>

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# 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. The Service Business includes analysis and reporting services, and procurement services to companies. 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](http://www.capman.com), or a hard copy is available from the office of the parent company.

The Consolidated Financial Statements for 2022 have been approved for publication by CapMan Plc's Board of Directors on February 1, 2023. 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, 2022 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, 2022. They had no impact on the consolidated financial statements.

- Amendments to standards IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets. These amendments provide further clarifications for a more consistent application of the standards, or update references.
- Annual Improvements 2018-2020. The annual improvements aim at streamlining and clarifying existing standards. The annual improvements contain amendments to IAS 41 Agriculture, IFRS 1 First-time Adoption of International Financial Reporting Standards, and IFRS 9 Financial Instruments.

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

The Group has not yet adopted the following new and amended standards and interpretations already issued by the IASB. 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.

These amendments have been endorsed for use by the European Union:

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for financial years beginning on or after January 1, 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for financial years beginning on or after January 1, 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for financial years beginning on or after January 1, 2023).

These amended standards are not expected to have an impact on the Group's financial statements.

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## 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 considered 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.

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### 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	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-generat-

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ing 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. Current debt instruments, included in the market portfolio of the Investment Business, are classified as at fair value through profit or loss, because they are held for trading. 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.

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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, together with liquid short-term deposits. Cash assets have a maximum maturity of three months.

### Non-current assets held for sale

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.

### 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 derivative 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

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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 30. 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 man-

agement 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 includes analysis, reporting and back office services provided by JAY Solutions and procurement services provided by CapMan Procurement services (CaPS). 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 pref-

erential 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.

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## 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, to denote the financial performance of its business and to improve the comparability between different periods. Alternative performance measures do not replace performance measures in accordance with the IFRS and are reported in addition to such measures. Alternative performance measures, as such are presented, are derived from performance measures as reported in accordance with the IFRS by adding or deducting the items affecting comparability and they will be nominated as adjusted.

Items affecting comparability are, among others, material items related to mergers and acquisitions or major development projects, material gains or losses related to the acquisition or disposals of business units, material gains or losses related to the acquisition or disposal of intangible assets, material expenses related to decisions by authorities and material gains or losses related to reassessment of potential repayment risk to the funds.

## 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 32.

## 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 15.

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## 2. Segment information

CapMan has three operating segments: the Management company business, Service business and Investments business.

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 Services offer comprehensive wealth advisory services related to the listed and unlisted market to smaller investors, such as family offices, smaller institutions and high net worth individuals. Income from the Management company business is derived from fee income and carried interest received from funds. The fee income include management fees related to CapMan's position as a fund management company, fees from other services closely related to fund management and fees from wealth advisory services.

In the **Service business**, CapMan offers procurement services and distributes software licences to companies in Finland, Sweden and the Baltics, through CapMan Procurement Services (CaPS) and technology-based analytics, reporting and back office services through JAY Solutions 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.

CapMan has changed the turnover specification in segment reporting so that management and service fees are combined to a single line item Fee income as of the half-year report for the current year 2022.

### 2022

EUR 1,000	Management company business	Service business	Investment business	Other	Total
Fee income	46,249	11,117		553	57,919
Carried interest	9,613				9,613
<b>Turnover, external</b>	<b>55,861</b>	<b>11,117</b>		<b>553</b>	<b>67,532</b>
<b>Turnover, internal</b>	<b>83</b>	<b>534</b>		<b>-617</b>	
Materials and services		-985			-985
Other operating income		2		0	2
Personnel expenses, of which	-21,414	-3,331	-459	-9,368	-34,571
Salaries and bonuses	-21,414	-3,331	-459	-6,641	-31,844
Share-based payment				-2,727	-2,727
Depreciation, amortisation and impairment	-947	-2,978	-10	-245	-4,180
Other operating expenses	-6,652	-1,114	-364	-3,106	-11,236
Internal service fees	-4,620	-231		4,851	0
Fair value changes of investments			36,547		36,547
<b>Operating profit</b>	<b>22,312</b>	<b>3,015</b>	<b>35,714</b>	<b>-7,932</b>	<b>53,108</b>
Items impacting comparability:					
Impairment of goodwill		2,600			2,600
Items impacting comparability, total		2,600			2,600
<b>Adjusted operating profit</b>	<b>22,312</b>	<b>5,615</b>	<b>35,714</b>	<b>-7,932</b>	<b>55,708</b>
Financial items					-5,475
Income taxes					-6,585
<b>Profit for the period</b>					<b>41,049</b>

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2022

EUR 1,000	Management company business	Service business	Investment business	Other	Total
Items impacting comparability:					
Impairment of goodwill					2,600
Items impacting comparability, total					2,600
<b>Adjusted profit for the period</b>					<b>43,649</b>
<b>Earnings per share, cents</b>					<b>25.1</b>
Items impacting comparability, cents					1.7
<b>Adjusted earnings per share, cents</b>					<b>26.8</b>
<b>Earnings per share, diluted, cents</b>					<b>24.8</b>
Items impacting comparability, cents					1.6
<b>Adjusted earnings per share, diluted, cents</b>					<b>26.4</b>
Geographical distribution of turnover:					
Finland					38,032
Other countries					29,500
<b>Total</b>					<b>67,532</b>

2021

EUR 1,000	Management company business	Service business	Investment business	Other	Total
Fee income	40,771	8,619		536	49,927
Carried interest	2,858				2,858
<b>Turnover</b>	<b>43,629</b>	<b>8,619</b>		<b>536</b>	<b>52,784</b>
Turnover, internal	242	664		-906	
Other operating income		19		3	22
Personnel expenses, of which	-19,989	-3,371	-866	-6,405	-30,632
Salaries and bonuses	-19,989	-3,371	-866	-5,618	-29,845
Share-based payment				-787	-787
Depreciation, amortisation and impairment	-895	-340	-15	-226	-1,476
Other operating expenses	-6,086	-1,004	-333	-2,545	-9,969
Internal service fees	-3,708	-413		4,121	0
Fair value changes of investments			33,912		33,912
<b>Operating profit</b>	<b>13,193</b>	<b>4,173</b>	<b>32,698</b>	<b>-5,422</b>	<b>44,642</b>
Financial items					-4,042
Income taxes					-5,239
<b>Result for the period</b>					<b>35,362</b>
<b>Earnings per share, cents</b>					<b>21.9</b>
<b>Earnings per share, diluted, cents</b>					<b>21.4</b>
Geographical distribution of turnover:					
Finland					29,379
Other countries					23,405
<b>Total</b>					<b>52,784</b>

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### 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 both long-term and short-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.

#### 2022

EUR 1,000	Management company business	Service business	Investment business	Other	Total
Management fees	38,847	0	0	0	38,847
Service fees	7,401	11,117	0	553	19,072
Carried interest	9,613	0	0	0	9,613
<b>Revenue from customer contracts, external</b>	<b>55,861</b>	<b>11,117</b>	<b>0</b>	<b>553</b>	<b>67,532</b>
Timing of revenue recognition:					
Services transferred over time	45,622	11,117		553	57,293
Services transferred at a point in time	10,239				10,239
Revenue from customer contracts, external	55,861	11,117		553	67,532

#### 2021

EUR 1,000	Management company business	Service business	Investment business	Other	Total
Management fees	36,585				36,585
Service fees	4,185	8,619		536	13,341
Carried interest	2,858				2,858
<b>Revenue from customer contracts, external</b>	<b>43,629</b>	<b>8,619</b>		<b>536</b>	<b>52,784</b>
Timing of revenue recognition:					
Services transferred over time	39,845	8,619		536	49,001
Services transferred at a point in time	3,783				3,783
Revenue from customer contracts, external	43,629	8,619		536	52,784

### 4. Other operating income

EUR 1,000	2022	2021
Other items	2	22
<b>Total</b>	<b>2</b>	<b>22</b>

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## 5. Employee benefit expenses

EUR 1,000	2022	2021
Salaries and wages	27,170	25,553
Pension expenses - defined contribution plans	3,894	3,564
Share-based payments	2,727	787
Other personnel expenses	780	728
<b>Total</b>	<b>34,571</b>	<b>30,632</b>

Remuneration of the management is presented in Note 31. Related party disclosures.

Cost for the stock options granted and investment-based incentive plan 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 30.

### Average number of people employed

	2022	2021
<b>By country</b>		
Finland	141	125
Sweden	25	25
Denmark	8	5
Norway	2	1
Luxembourg	2	1
United Kingdom	7	4
<b>In total</b>	<b>186</b>	<b>161</b>
<b>By segment</b>		
Management company business	109	92
Service business	30	30
Investment business and other	46	39
<b>In total</b>	<b>186</b>	<b>161</b>

## 6. Depreciation

EUR 1,000	2022	2021
Depreciation by asset type		
Intangible assets		
Other intangible assets	396	447
<b>Total</b>	<b>396</b>	<b>447</b>
Tangible assets		
Machinery and equipment	73	65
Right-of-use assets, buildings (IFRS 16)	1,097	932
Right-of-use assets, machinery and equipment (IFRS 16)	14	32
<b>Total</b>	<b>1,184</b>	<b>1,029</b>
<b>Total depreciation</b>	<b>1,580</b>	<b>1,476</b>
Impairment by asset type		
Goodwill	2,600	
<b>Total impairments</b>	<b>2,600</b>	

## 7. Other operating expenses

EUR 1,000	2022	2021
Included in other operating expenses:		
Other personnel expenses	1,474	1,062
Office expenses	539	542
Travelling and entertainment	1,218	542
External services	5,551	5,740
Other operating expenses	2,454	2,083
<b>Total</b>	<b>11,236</b>	<b>9,969</b>
Short-term lease expense (IFRS 16)	97	236
Expense for leases of low-value assets (IFRS 16)	190	134

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## Audit fees

### Ernst & Young chain of companies:

EUR 1,000	2022	2021
Audit fees	361	293
Other fees and services	12	10
<b>Total</b>	<b>373</b>	<b>303</b>

Non-audit services performed by Ernst & Young in 2022 was 12 thousand euros (2021: 10 thousand euros in total) and consisted of other fees and services in total.

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

EUR 1,000	2022	2021
Personnel expenses	2,727	787
Depreciation, amortisation and write-downs	4,180	1,476
Fair value gains/losses of investments	-36,547	-33,912
Finance income and costs	5,475	4,042
Taxes	6,585	5,239
Other adjustments	-52	32
<b>Total</b>	<b>-17,632</b>	<b>-22,337</b>
Total cash outflow for leases (IFRS 16)	-1,263	-1,020

## 9. Fair value gains/losses of investments

EUR 1,000	2022	2021
Investments at fair value through profit and loss		
Investments in funds	36,547	33,857
Market portfolio	0	55
<b>Total</b>	<b>36,547</b>	<b>33,912</b>

## 10. Finance income and costs

EUR 1,000	2022	2021
Finance income		
Interest income from loan receivables	104	171
Exchange gains	491	142
Change in fair value of financial liabilities	250	0
<b>Total</b>	<b>845</b>	<b>313</b>
Finance costs		
Interest expenses for loans	-4 139	-3 390
Change of expected credit losses	-1 670	41
Change in fair value of financial liabilities	0	-414
Other interest and finance expenses	-437	-547
Interest expense of lease liabilities (IFRS 16)	-74	-44
<b>Total</b>	<b>-6 320</b>	<b>-4 354</b>

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## 11. Income taxes

EUR 1,000	2022	2021
Current income tax	2,611	2,653
Taxes for previous years	131	155
Deferred taxes		
Temporary differences	3,842	2,431
<b>Total</b>	<b>6,584</b>	<b>5,239</b>
<b>Income tax reconciliation</b>		
Profit before taxes	47,633	40,600
Tax calculated at the domestic corporation tax rate of 20%	9,527	8,120
Effect of different tax rates outside Finland	78	110
Tax exempt income	-4,622	-2,638
Performance share plan	-225	157
Goodwill impairment	520	
Ohter non-deductible expenses	690	219
Unrecognized tax assets on tax losses and use of previously unrecognised tax losses	599	-851
Taxes for previous years	131	155
Other differences	-113	-33
Income taxes in the Group Income Statement	6,585	5,239

## 12. Earnings per share

Basic 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. 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.

	2022	2021
Profit attributable to the equity holders of the Company, € ('000)	39,616	34,320
Profit applied to calculate diluted earnings per share	39,616	34,320
Weighted average number of shares ('000)	157,560	156,580
Treasury shares ('000)	-26	-26
Weighted average number of shares ('000)	157,534	156,553
Effect of share-based incentive plans ('000)	2,170	3,994
Weighted average number of shares adjusted for the effect of dilution ('000)	159,704	160,547
Earnings per share (basic), cents	25.1	21.9
Earnings per share (diluted), cents	24.8	21.4

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### 13. Assets held for sale

On December 22, 2022, CapMan Plc and the non-controlling shareholders of JAY Solutions Oy, subsidiary of CapMan Plc, signed an agreement to sell their ownership of JAY Solutions Oy to Bas Invest AB and to the management of JAY Solutions Oy. The transaction was closed on February 1, 2023. CapMan had an ownership interest of 60% in JAY Solutions Oy, but the subsidiary was consolidated in full without separating non-controlling interest because of a symmetric option arrangement. Resulting from the sale, CapMan classified assets and liabilities related to JAY Solutions Oy as non-current assets held for sale under IFRS 5 on December 31, 2022. In conjunction with this, CapMan valued these net assets to the lower of their carrying amount and their fair value less costs on disposal and resulting from this, recorded an impairment loss of EUR 2.6 million to goodwill allocated to JAY Solutions in the financial year 2022 (see Note 15 for details). Impairment loss is reported under reportable segment Service Business (see Note 2), where JAY Solutions' assets and liabilities held for sale are included. The sale of shares is not expected to have a significant impact on CapMan's operating profit or financial position in 2023.

Assets and liabilities related to JAY Solutions Oy have been classified as held for sale and disclosed separately in the Consolidated Balance Sheet. The carrying amounts of those assets and liabilities are presented in the below table:

	2022	2021
Goodwill	4,828	
Other non-current assets	134	
Current assets	807	
<b>Assets held for sale</b>	<b>5,769</b>	
Current liabilities	717	
<b>Liabilities associated with assets held for sale</b>	<b>717</b>	

### 14. Tangible assets

EUR 1,000	2022	2021
Machinery and equipment		
Acquisition cost at 1 January	2,347	2,389
Additions	168	9
Transfers	0	-51
Transfer to assets held for sale	-8	0
Translation difference	-9	0
Disposals	0	0
Acquisition cost at 31 December	2,498	2,347
Accumulated depreciation at 1 January	-2,183	-2,118
Transfer to assets held for sale	-73	-65
Depreciation for the financial year	3	0
Translation difference	7	0
Accumulated depreciation at 31 December	-2,246	-2,183
Book value on 31 December	252	164
Right-of-use assets		
Machinery and equipment (IFRS 16)		
Additions	0	12
Depreciations	-14	-32
Book value on 31 December	10	24
Leased premises (IFRS 16)		
Additions	2,840	194
Depreciations	-1,097	-932
Book value on 31 December	3,285	1,543
Other tangible assets		
Acquisition cost at 1 January	23	23
Book value on 31 December	23	23
<b>Tangible assets total</b>	<b>3,571</b>	<b>1,754</b>

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## 15. Goodwill

EUR 1,000	2022	2021
Acquisition cost at 1 January	28,009	28,009
Transfer to assets held for sale	-7,428	0
Acquisition cost at 31 December	20,581	28,009
Accumulated impairment at 1 January	-12,695	-12,695
Impairment	-2,600	0
Transfer to assets held for sale	2,600	
Accumulated impairment at 31 December	-12,695	-12,695
Book value on 31 December	7,886	15,314

### Impairment test

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

EUR 1,000	2022	2021
CapMan Wealth Services	7,412	7,412
JAY Solutions	4,828	7,428
Other	474	474
<b>Total</b>	<b>12,714</b>	<b>15,314</b>

### JAY Solutions

As JAY Solutions is considered an asset held for sale as at December 31, 2022, its recoverable amount is based on fair value less costs of disposal in the goodwill impairment test. Because the expected selling price of JAY Solutions's shares less their disposal costs is lower than its carrying amount, an impairment loss of EUR 2.6 million was recorded and reported on the line item Depreciation, amortisation and impairment in the consolidated income statement and in reportable segment Service Business (see Note 2). The fair value of JAY Solutions is classified in the fair value hierarchy level 1, as it is based on the selling price agreed in the Share Purchase Agreement.

In the previous year, impairment test of JAY Solutions was based on value-in-use and no impairment losses were recognised. The table further below discloses the key assumptions applied in the previous year's impairment test.

### CapMan Wealth Services

Recoverable amount of 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. Based on the impairment test, goodwill allocated to CapMan Wealth Services was not impaired.

Key assumptions applied in the impairment test based on value-in-use are set forth in the table below:

EUR 1,000	2022	2021	
	CapMan Wealth Services	CapMan Wealth Services	JAY Solutions
Pre-tax discount rate	17.8%	8.9%	10.6%
Average turnover growth	20.8%	18.3%	37.2%
Average EBIT margin	50.6%	48.1%	38.4%
Terminal growth rate	1.0%	1.0%	1.0%

Discount rate takes into account listed domestic asset and wealth managers as a benchmark group. Cost of equity includes risk premiums for Finland and company size. These both have increased during the financial year. As a risk-free rate, a reference rate of Finnish 10-year government bonds has been applied, and it has increased as well during the year. The beforementioned facts results in a significantly higher discount rate for 2022 than for 2021.

Of key assumptions applied in this year's impairment test, recoverable amount is most sensitive to changes in turnover growth during the explicit forecasting period (5 years). Based on the sensitivity analysis, if turnover growth during the explicit forecasting period would be 18 percentage points lower, recoverable amount would equal the carrying amount of the respective cash-generating unit. At the moment, recoverable amount exceeds carrying amount by EUR 22 million, and no reasonably possible change in any of the other key assumptions would lead to impairment.

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## 16. Other intangible assets

EUR 1,000	2022	2021
Acquisition cost at 1 January	6,944	6,762
Additions	166	131
Transfers	0	51
Transfer to assets held for sale	-494	0
Acquisition cost at 31 December	6,616	6,944
Accumulated depreciation at 1 January	-6,484	-6,037
Depreciation for the financial year	-396	-447
Transfer to assets held for sale	364	0
Accumulated depreciation at 31 December	-6,516	-6,484
Book value on 31 December	100	459

## 17. Investments at fair value through profit or loss

### Investments in funds

EUR 1,000	2022	2021
Investments in funds at 1 January	130,011	116,066
Additions	29,312	19,750
Distributions	-27,598	-40,047
Disposals	-1	0
Fair value gains/losses of investments	36,685	34,135
Transfers	654	107
Investments in funds at 31 December	169,063	130,011
Investments in funds by investment area at the end of period*		
Buyout	26,107	10,926
Credit	4,285	1,821
Russia	307	3,368
Real Estate	44,024	43,965
Growth Equity	18,573	19,040
Infra	12,810	10,543
Special Situations	2,925	1,853
Fund of funds	16,463	12,303
External Venture Capital funds	42,459	25,588
Other investment areas	1,110	604
<b>Total</b>	<b>169,063</b>	<b>130,011</b>

\* The division of investment areas has been changed

Investments in funds include the subsidiary, CapMan Fund Investments SICAV-SIF, with a fair value of EUR 99.4 million. The fair value included EUR 0.8 million of cash.

### Other financial assets

EUR 1,000	2022	2021
Other investments at 1 January	393	191
Additions	46	202
Fair value gains/losses of investments	-5	0
<b>Other investments at 31 December</b>	<b>434</b>	<b>393</b>

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## 18. Receivables - Non-current

EUR 1,000	2022	2021
Trade receivables	5,188	5,661
Loan receivables	263	1,731
Interest receivables	0	135
Other receivables	83	2,539
Accrued income	12	0
<b>Total</b>	<b>5,545</b>	<b>10,066</b>

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 include EUR 0.2 million from Äkäs Capital Oy, a related party of CapMan Plc.

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, 2022, 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.

As at December 31, 2021, the allowance measured at an amount equal to lifetime expected credit losses was related to loan receivables granted to entities controlled by investment teams, of which credit risk had increased significantly since initial recognition."

EUR 1,000	2022	2021
Loan receivables, gross	1,848	1,805
Loss allowance, 12-month ECL*	-4	-1
Loss allowance, lifetime ECL*	-1,581	-73
Loan receivables, net	263	1,731

\*ECL = expected credit losses

Other non-current receivables include primarily receivables from sold investments, whose sale proceeds will be partially received later.

## 19. Deferred tax assets and liabilities

### Changes in deferred taxes during 2022:

EUR 1,000	31.12.2021	Charged to Income Statement	Translation difference	Charged in equity	31.12.2022
Deferred tax assets					
Accrued differences	1,836	-46	0	0	1,790
<b>Total</b>	<b>1,836</b>	<b>-46</b>	<b>0</b>	<b>0</b>	<b>1,790</b>
Deferred tax liabilities					
Accrued differences	582	684	-5	0	1,261
Unrealised fair value changes	4,045	3,112	0	0	7,157
<b>Total</b>	<b>4,627</b>	<b>3,796</b>	<b>-5</b>	<b>0</b>	<b>8,418</b>

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## Changes in deferred taxes during 2021:

EUR 1,000	31.12.2020	Charged to Income Statement	Translation difference	Charged in equity	31.12.2021
Deferred tax assets					
Accrued differences	2,438	-602	0	0	1,836
<b>Total</b>	<b>2,438</b>	<b>-602</b>	<b>0</b>	<b>0</b>	<b>1,836</b>
Deferred tax liabilities					
Accrued differences	643	-156	-2	97	582
Unrealised fair value changes	2,059	1,986			4,045
<b>Total</b>	<b>2,702</b>	<b>1,830</b>	<b>-2</b>	<b>97</b>	<b>4,627</b>

## 20. Trade and other receivables

EUR 1,000	2022	2021
Trade receivables	8,661	6,002
Loan receivables	815	280
Accrued income	1,648	1,305
Other receivables	9,593	7,637
<b>Total</b>	<b>20,717</b>	<b>15,224</b>

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

EUR 1,000	2022	2021
Trade receivables, gross	8,770	6,076
Loss allowance	-109	-74
Trade receivables, net	8,661	6,002

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		17,622	68%
USD	6,751	6,330	24%
SEK	14,258	1,282	5%
GBP	19	21	0%
DKK	5,634	758	3%
NOK	2,515	239	1%

## 21. Financial assets at fair value through profit or loss

EUR 1,000	2022	2021
Fair value of derivative instruments		
Foreign exchange forwards	65	
<b>Total</b>	<b>65</b>	
Nominal value of derivative instruments		
Foreign exchange forwards	6,327	
<b>Total</b>	<b>6,327</b>	

Financial assets at fair value through profit or loss include derivative assets. 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.

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## 22. Cash and cash equivalents

EUR 1,000	2022	2021
Bank accounts	55,571	65,207
<b>Total</b>	<b>55,571</b>	<b>65,207</b>

Cash and cash equivalents only includes bank accounts. EUR 2.0 million of bank account balances is related to the launch of a new hotel real estate fund in 2019 and is not available for use by the group.

Because of some assets classified as asset held for sale (see Note 13), below reconciles the cash and cash equivalents reported in the balance sheet to the cash and cash equivalents reported in the cash flow statement:

EUR 1,000	2022	2021
Cash and cash equivalents in the balance sheet	55,571	65,207
Cash and cash equivalents related to assets held for sale	373	
<b>Cash and cash equivalents in the cash flow statement</b>	<b>55,944</b>	<b>65,207</b>

## 23. Share capital and shares

Movements in the number of shares ('000):	Number of B shares	Total
<b>At 1 January 2021</b>	<b>156,433</b>	<b>156,433</b>
Share subscriptions with options	158	158
<b>At 31 December 2021</b>	<b>156,591</b>	<b>156,591</b>
Directed share issue without payment	1,438	1,438
<b>At 31 December 2022</b>	<b>158,029</b>	<b>158,029</b>

EUR 1,000	Share capital	Share premium account	Other reserves	Total
<b>At 1 January 2021</b>	<b>772</b>	<b>38,968</b>	<b>71,416</b>	<b>111,156</b>
Share subscriptions with options			90	90
Repayment of capital			-18,788	-18,788
<b>At 31 December 2021</b>	<b>772</b>	<b>38,968</b>	<b>52,718</b>	<b>92,458</b>
Repayment of capital			-17,297	-17,297
<b>At 31 December 2022</b>	<b>772</b>	<b>38,968</b>	<b>35,421</b>	<b>75,161</b>

### Other reserves

During the financial year, in conjunction with the partial early payment of the vested reward shares in performance share plan 2020-23, a total of 1,437,675 shares were issued in a directed share issue without payment. During the current and previous financial year, repaid capital was deducted from the unrestricted equity fund. During the previous financial year, additionally shares subscribed with option rights were recorded to the unrestricted equity fund.

Share-based incentive plans are presented in Note 30. 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

For the financial year 2021, dividend and repayment of invested unrestricted equity fund amounted to EUR 0.15 per share or EUR 23.6 million in total. Dividend and equity repayment was paid in two instalments, the first of which, amounting to EUR 12.5 million, was paid on March 25, 2022, and the second of which, amounting to EUR 11.1 million, was paid on September 23, 2022.

The Board of Directors will propose to the Annual General Meeting to be held on 15 March 2023 that a dividend of EUR 0.08 per share, equivalent to a total of approx. EUR 12.6 million, and a repayment of invested unrestricted equity fund of EUR 0.09 per share, equivalent to a total of approx. EUR 14.2 million, would be paid to the shareholders. The aggregate amount of proposed dividends and repayment of invested unrestricted equity fund would be approx. EUR 26.9 million, and it is proposed to be paid in two instalments six months apart.

### Ownership and voting rights agreements

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 2022 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.

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**Distribution of shareholdings by number of shares and sector as at 31 December 2022**

Shareholding	Number of Owners	%	Number of shares	%
1–1,000	19,788	64.65%	7,124,642	4.51%
1,001–10,000	9,498	31.03%	29,657,736	18.76%
10,001–100,000	1,212	3.96%	28,547,184	18.06%
100,001–500,000	83	0.27%	16,531,200	10.46%
500,001–1,000,000	9	0.03%	6,558,320	4.15%
1,000,001–	17	0.06%	65,951,346	41.73%
Anonymous ownership	0	0.00%	3,684,540	2.33%
<b>Total</b>	<b>30,607</b>	<b>100.00%</b>	<b>158,054,968</b>	<b>100.00%</b>
of which Nominee registered			6,654,876	4.21%
On the book-entry register joint account			18,709	0.01%

Sector	Number of shares and votes	%
Finnish Private Individuals	84,539,873	53.49%
Other	44,577,066	28.20%
Pension & Insurance	18,009,917	11.39%
Fund company	5,913,507	3.74%
Foundation	1,303,766	0.82%
Treasury Shares	26,299	0.02%
Anonymous ownership	3,684,540	2.33%
<b>Total</b>	<b>158,054,968</b>	<b>100.00%</b>
of which Nominee registered	6,654,876	4.21%
On the book-entry register joint account	18,709	0.01%

Source: EuroClear Finland Ltd, as at 31 December 2022. Figures are based on the total number of shares 158,054,968 and total number of shareholders 30,620. CapMan Plc had 26,299 shares as at 31 December 2022.

**CapMan's largest shareholders as at 31 December 2022**

	Number of shares and votes	Proportion of shares, %
Silvertärnan Ab	21,280,519	13.46%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	9,650,326	6.11%
Mikko Laakkonen	6,478,320	4.10%
Keskinäinen työeläkevakuutusyhtiö Varma	3,675,215	2.33%
Joensuun Kauppa ja Kone Oy	3,289,502	2.08%
Vesasco Oy	3,088,469	1.95%
Valtion Eläkerahasto	2,500,000	1.58%
Momea Invest Oy	2,150,000	1.36%
Hannu Laakkonen	1,992,742	1.26%
Laine Capital Oy	1,523,348	0.96%
<b>Total</b>	<b>55,628,441</b>	<b>35.19%</b>
<b>Nominee registered</b>	<b>6,654,876</b>	<b>4.21%</b>
<b>Shareholdings of management</b>	<b>5,873,426</b>	<b>3.72%</b>

CapMan has not received any flagging notifications during year 2022. An up-date information of all flagging notifications can be found at [www.capman.com](http://www.capman.com)

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## 24. Interest-bearing loans and borrowings - Non-current

EUR 1,000	2022	2021
Senior bonds	89,650	81,235
Capital loans	0	120
Lease liabilities (IFRS 16)	2,204	683
<b>Total</b>	<b>91,854</b>	<b>82,038</b>

On April 13, 2022, CapMan issued unsecured sustainability-linked notes in the aggregate principal amount of EUR 40 million. The notes will mature on April 13, 2027 and carry initially a fixed annual interest of 4.5%. In conjunction with this, CapMan redeemed the remaining EUR 31.5 million of its notes issued in 2018. These notes carried a fixed annual interest of 4.125% that was paid semi-annually. CapMan also has unsecured notes in the aggregate principal amount of EUR 50 million issued in December 2020, which will mature on December 9, 2025 and carry a fixed annual interest of 4.0% paid annually. Both loan agreements include covenants related to equity ratio.

## 25. Other non-current liabilities

EUR 1,000	2022	2021
Acquisition related liabilities	6,933	7,183
Other liabilities	410	369
<b>Total</b>	<b>7,343</b>	<b>7,552</b>

Acquisition related liabilities consists of call and put options, which are measured at fair value through profit or loss. The change of fair value is recorded as finance income or expense.

## 26. Trade and other payables - Current

EUR 1,000	2022	2021
Trade payables	1,167	1,230
Advance payments received	571	1,200
Accrued expenses	12,994	10,947
Other liabilities	3,714	3,346
<b>Total</b>	<b>18,446</b>	<b>16,722</b>

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.

### Trade and other liabilities by currency at end of year

Trade and other liabilities	Amount in foreign currency	Amount in euros	Proportion
EUR		14,311	78%
SEK	24,294	2,184	12%
GBP	774	873	5%
DKK	7,140	960	5%
NOK	1,233	117	1%

## 27. Interest-bearing loans and borrowings - Current

EUR 1,000	2022	2021
Short-term bank facility		
Lease liabilities (IFRS 16)	1,060	930
Liabilities to non-controlling interests	52	40
<b>Total</b>	<b>1,112</b>	<b>970</b>

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## 28. Financial assets and liabilities

### Financial assets 2022

EUR 1,000	Note	Balance sheet value	Fair value
Investments at fair value through profit or loss			
Investments in funds	17	169,063	169,063
Other financial assets*	17	434	434
Loan receivables	18	1,078	1,078
Trade and other receivables	18, 20	25,185	25,185
Financial assets at fair value	21	65	65
Cash and bank	22	55,571	55,571
<b>Total</b>		<b>251,396</b>	<b>251,396</b>

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

### Financial assets 2021

EUR 1,000	Note	Balance sheet value	Fair value
Investments at fair value through profit or loss			
Investments in funds	17	130,011	130,011
Other financial assets*	17	393	393
Loan receivables		1,731	1,731
Trade and other receivables	20	20,885	20,885
Cash and bank	22	65,207	65,207
<b>Total</b>		<b>218,227</b>	<b>218,227</b>

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

### Financial liabilities 2022

EUR 1,000	Note	Balance sheet value	Fair value
Non-current liabilities	24	91,854	91,854
Non-current operative liabilities	25	7,343	7,343
Trade and other liabilities	26	18,446	18,446
Current liabilities	27	1,112	1,112
<b>Total</b>		<b>118,755</b>	<b>118,755</b>

### Financial liabilities 2021

EUR 1,000	Note	Balance sheet value	Fair value
Non-current liabilities	24	82,038	82,038
Non-current operative liabilities	25	7,552	7,552
Trade and other liabilities	26	16,722	16,722
Current liabilities	27	970	970
<b>Total</b>		<b>107,282</b>	<b>107,282</b>

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## Net debt

EUR 1,000	2022	2021
Cash and cash equivalents	55,571	65,207
Borrowings · repayable within one year	-1,112	-970
Borrowings · repayable after one year	-91,854	-82,038
Net debt	-37,395	-17,801
<hr/>		
Cash and cash equivalents	55,571	65,207
Gross debt · variable interest rates	-3,196	-1,653
Gross debt · fixed interest rates	-89,770	-81,355
Net debt	-37,395	-17,801

## Changes in liabilities arising from financing activities

2022 EUR 1,000	January 1, 2022	Cash flows	Liabilities associated with assets held for sale	Other changes	December 31, 2022
Non-current loans and borrowings	81,354	8,259	-120	157	89,650
Non-current lease liabilities	683	-1,125		2,646	2,204
Current loans and borrowings	40	12			52
Current lease liabilities	930	-64		194	1,060
<b>Total</b>	<b>83,007</b>	<b>7,082</b>	<b>-120</b>	<b>2,997</b>	<b>92,966</b>

2021 EUR 1,000	January 1, 2021	Cash flows	Other changes	December 31, 2021
Non-current loans and borrowings	81,116	120	118	81,354
Non-current lease liabilities	1,496	-813		683
Current loans and borrowings	20	20		40
Current lease liabilities	888	-163	205	930
<b>Total</b>	<b>83,520</b>	<b>-836</b>	<b>323</b>	<b>83,007</b>

## 29. Commitments and contingent liabilities

### Securities and other contingent liabilities

EUR 1,000	2022	2021
Contingencies for own commitment		
Business mortgage	60,000	60,000
Other contingent liabilities	2,062	2,365
Remaining commitments to funds by investment area		
Buyout	25,273	35,871
Credit	4,768	2,438
Russia	1,066	1,066
Real Estate	7,577	10,558
Other investment areas	2,181	3,554
Funds of funds	245	245
Growth Equity	11,171	11,298
Infra	12,127	4,952
Special Situations	4,853	3,135
CapMan Wealth Services funds	13,868	8,794
External private equity funds	4,665	6,205
External Vecture Capital funds	1,316	2,224
<b>Total</b>	<b>89,110</b>	<b>90,340</b>

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### 30. Share-based payments

As at the balance sheet date, CapMan has two investment based long-term share-based incentive plans (“Share plan 2020-2023” and “Share plan 2022-25”) in force. These programs 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 2020-23 includes one performance period. The performance period commenced on 1 April 2020 and will end on 31 March 2023. The participants may earn a performance-based reward from the performance period. 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. An early payment of the vested reward shares was conducted in April 2022, but irrespective of this, the plan will remain in force until the end of its performance period on 31 March 2023 in line with the original terms. The early payment and the change in the forfeiture rate resulted in an EUR 1.1 million additional expense for 2022 and EUR 0.7 million increase in the plan’s fair value. The rest of the rewards will be paid in 2023. 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 20 persons, including the members of the Management Group.

The investment-based long-term incentive plan 2022-25 includes three performance periods. The performance period commenced on 1 April 2022 and will end on 31 March 2023, 2024 and 2025, respectively. The participants may earn a performance-based reward from each of the per-

formance periods and a matching reward from the 2022-2025 period. The rewards from the plan will be paid in 2024, 2025 and 2026. 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 2.7 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 2020-2023 and 2022-25, the shares to be withheld and paid in cash to cover withholding tax liabilities will amount to EUR 2.6 million.

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

**Investment-based incentive plans**

	Share plan 2020–2023	Share plan 2022–2025
Grant date	16.4.2020	13.4.2022
Vesting period starts	16.4.2020	13.4.2022
Vesting period ends	31.8.2023	13.4.2024, 13.4.2025 and 13.4.2026
Grant date share price, EUR	1.764	2.420
Share price at the end of the period, EUR	2.705	2.705
Expected annualised volatility	27%	26%
Assumed risk-free interest rate	0.0%	1.0%
Present value of the expected dividends, EUR	0.45	0.63
Forfeiture rate assumption	0%	0%
Increase in fair value of share premiums granted during the period	0.7	3.3
Fair value of the plan, EUR million	3.4	3.3
Expense recorded during the financial year, EUR million	2.0	0.8
Cumulative expense recorded for the plan, EUR million	3.3	0.8
Future cash payment related to withholding taxes, EUR million	-1.0	-1.5
Number of participants in the plan	19	20

**Changes in the number of share rewards during the period**

	Share plan 2020–2023	Share plan 2022–2025
Outstanding in the beginning of the period 1.1.2022	4,417,500	0
Granted	0	3,980,848
Forfeited	15,000	42,500
Exercised	2,917,500	0
Expired	0	0
Exercised at the end of the period 31.12.2022	2,917,500	0
Outstanding at the end of the period 31.12.2022	1,485,000	3,938,348

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### 31. 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%
CapMan RE I GP Oy	Finland	100%	100%
CapMan RE II GP Oy	Finland	100%	100%
CapMan (Guernsey) Life Science IV GP Limited	Guernsey	100%	100%
CapMan (Guernsey) Technology 2007 GP Limited	Guernsey	100%	100%
CapMan (Sweden) Technology Fund 2007 GP AB	Sweden	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 Mezzanine V Manager S.A.	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%

Group companies		Group ownership of shares, %	Parent company ownership of shares, %
CapMan Infra Lux Management S.á.r.l.	Luxembourg	60%	
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 Procurement Services (CaPS) Oy	Finland	93%	93%
CapMan Buyout Management Oy	Finland	70%	70%
CapMan Hotels II Holding GP Oy	Finland	100%	100%
JAY Solutions Oy	Finland	60%	60%
CapMan Wealth Services 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%
Nest Capital Management AB	Sweden	100%	100%
CM III Feeder GP S.á.r.l.	Luxembourg	100%	100%
CaPS Baltic OÜ	Estonia	56%	
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%
CM Nordic Gems GP Oy	Finland	100%	100%
CMH II Feeder GP Sarl	Luxembourg	100%	100%
CapMan Nordic Infrastructure II Manager S.á.r.l.	Luxembourg	100%	100%
CMNPI GP II Sarl	Luxembourg	100%	100%
<b>Foreign branches</b>			
CapMan Real Estate Denmark, filial av CapMan AB, Sverige	Denmark	100%	
CapMan Real Estate Oy, filial i Norge	Norway	100%	
CapMan Procurement Services (CaPS) Oy, filial i Sverige	Sweden	93%	
CapMan Buyout Management Oy, filial i Sverige	Sweden	70%	
CapMan Infra Management Oy, filial i Sverige	Sweden	60%	

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### Transactions with related parties

In 2022, CapMan issued a long-term loan of EUR 210 thousand with a fixed interest rate to Äkäs Capital Oy, a controlled entity of Maximilian Marschan, member of the Management Group. Äkäs Capital Oy used the loan to purchase an additional 1.5% ownership share in CapMan Procurement Services (CaPS) Oy, a subsidiary of CapMan Plc. In 2021, CapMan Plc sold an ownership interest of 0.5% in CapMan Procurement Services (CaPS) Oy to Äkäs Capital Oy. The selling price was approximately EUR 50 thousand. Further, in 2021, Silverage Holdings Oy, a controlled entity of Christian Borgström, member of the Management Group, issued a capital loan of EUR 120 thousand with fixed interest rate to JAY Solutions Oy, a subsidiary of CapMan Plc.

### Receivables from and liabilities to related parties

1 000 EUR	2022	2021
Loan receivables, non-current, from related parties	235	9
Capital loan liability to related parties	120	120

### Commitments to related parties

1 000 EUR	2022	2021
Loan commitments	112	66

### Management remuneration

1 000 EUR	2022	2021
CEO Joakim Frimodig		
Salaries and other short-term employee benefits	453	376
Pension costs	80	65
Additional pension costs	45	38
Share-based payments	793	236
<b>Total</b>	<b>1,371</b>	<b>715</b>
Management group excl. CEO		
Salaries and other short-term employee benefits	3,483	3,135
Share-based payments	1,106	382
<b>Total</b>	<b>4,590</b>	<b>3,517</b>

### Remuneration and fees

1 000 EUR	2021	2020	
Andreas Tallberg	69	68	
Johan Bygge	as of March 17, 2021	44	34
Peter Ramsay	until March 17, 2021		11
Mammu Kaario		55	55
Catarina Fagerholm		45	45
Eero Heliövaara	until March 16, 2022	11	43
Olli Liitola		42	42
Johan Hammarén		42	42
<b>Total</b>	<b>309</b>	<b>341</b>	

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 have allocated a total of 660,000 shares (785,000 shares in 2021) to the investment-based long-term incentive plan 2020-23 and 740,000 shares to the investment based long-term incentive plan 2022-25. The Management Group members were not granted any stock options. The Management Group and other employees have similar terms in the investment-based long-term incentive plans and stock options granted earlier.

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## 32. 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 fulfilled.

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.

### 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 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, 2022, the undrawn commitments to the funds amounted to EUR 89.1 million (90.3) and the financing capacity available (cash available for use and third party financing facilities) amounted to EUR 73.8 million (83.2). The cash available includes the cash of CapMan Fund Investments SICAV-SIF EUR 0.8 million (0.2) which is reported in fund investments in the group balance sheet.

On April 13, 2022, CapMan issued unsecured sustainability-linked notes in the aggregate principal amount of EUR 40 million. The notes will mature on April 13, 2027 and carry initially a fixed annual interest of 4.5%. In conjunction with this, CapMan redeemed the remaining EUR 31.5 million of its notes issued in 2018. These notes carried a fixed annual interest of 4.125% that was paid semi-annually. CapMan also has unsecured notes in the aggregate principal amount of EUR 50 million issued in December 2020, which will mature on December 9, 2025 and carry a fixed annual interest of 4.0% paid annually. Both loan agreements include covenants related 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.

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**Maturity analysis**

**31 December 2022**

<b>1 000 EUR</b>	<b>Due within 3 months</b>	<b>Due between 3 and 12 months</b>	<b>Due between 1 and 3 years</b>	<b>Due between 3 and 5 years</b>	<b>Due later</b>
Bonds			50,000	40,000	
Accounts payable	1,167				
Interests, bonds		3,800	7,474	2,303	
Company acquisitions liabilities			6,933		
Commitments to funds	0	11,544	6,779	590	70,198
Lease liabilities (IFRS 16)	323	976	1,089	876	

**31 December 2021**

<b>1 000 EUR</b>	<b>Due within 3 months</b>	<b>Due between 3 and 12 months</b>	<b>Due between 1 and 3 years</b>	<b>Due between 3 and 5 years</b>	<b>Due later</b>
Bonds			31,520	50,000	
Accounts payable	1,230				
Interests, bonds		3,300	4,650	2,000	
Company acquisitions liabilities			7,183		
Commitments to funds	328	11,830	8,897	590	68,695
Lease liabilities (IFRS 16)	237	686	689		

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**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 %.

The sustainability-linked senior bond issued in April 2022 carry initially an annual coupon rate of 4.500% paid annually. Failure to fulfill the agreed sustainability-linked targets by the end of 2023 could increase the interest rate by 0.500 %-points, at maximum, for the remainder of the loan term.

The senior bond issued in December 2020 carry a coupon rate of 4.000% p.a., which is paid once a year.

**Loans according to interest rate**

1 000 EUR	2022	2021
Floating rate	0	0
Fixed rate	89,770	81,355
<b>Total</b>	<b>89,770</b>	<b>81,355</b>

**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 18 and 20.

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, and therefore, hedging will have a full impact as of 2023. The group does not, however, apply hedge accounting to the derivative instruments used for hedging purposes.

The group also has assets in Swedish kronor therefore the changes in exchange rates between the Swedish krono and the euro has also an impact to Group result.

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, 2022, 87% of the Group's financial assets were in euros, 10% in US dollars 2% 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
2022	6,280	26,003	1,799	34,082
2021	4,369	23,268	729	28,366

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### 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 targets and dividend policy of the Group have been confirmed by the Board of Directors of CapMan Plc. The targets are based on profitability (ROE) and balance sheet. The return on equity target is more than 20 per cent p.a. on average, and target for Equity ratio at least 50%. The company's objective is to pay an annually increasing dividend to its shareholders.

At the balance sheet date, CapMan has two unsecured senior bonds outstanding, of which the sustainability-linked unsecured bond of EUR 40 million, with initially fixed interest rate, will mature on April 13, 2027 and the other unsecured bond of EUR 50 million, with fixed interest rate, will mature on December 9, 2025. In addition, CapMan has a long-term credit facility of EUR 20 million available until August 5, 2024, which was not in use at the balance sheet date.

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

1 000 EUR	2022	2021
Interest-bearing loans	92,966	83,008
Cash and cash equivalents	-55,571	-65,207
Net debt	37,395	17,801
Equity	142,144	127,394
Net gearing	26.3%	14.0%
Return on equity	30.5%	29.4%
Equity ratio	52.7%	53.3%

### 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) Determining fair values

#### Fair value hierarchy of financial assets measured at fair value at 31 December 2022

1 000 EUR	Fair value	Level 1	Level 2	Level 3
Investments in funds	169,063	1,197	0	167,866
Other non-current investments	434	408	0	25
Current financial assets at FVTPL*	65	0	65	0

\* Fair value through profit or loss.

The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets.

Level 2 Other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as price) or indirectly (that is, derived from prices).

Level 3 The asset that is not based on observable market data.

#### Non-current investments at fair value through profit or loss

1 000 EUR	Level 1	Level 2	Level 3	Total
<b>Investments in funds</b>				
at Jan 1	236		129,776	130,012
Additions			29,313	29,313
Distributions			-27,600	-27,600
Disposals			-1	-1
Fair value gains/losses			36,685	36,685
Transfers*	961		-307	654
at the end of period	1,197		167,866	169,063
<b>Other investments</b>				
at Jan 1	368	0	25	393
Additions	45			45
Fair value gains/losses	-5			-5
at the end of period	408	0	25	434

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

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**Fair value hierarchy of financial assets measured at fair value at 31 December 2021**

1 000 EUR	Fair value	Level 1	Level 2	Level 3
Investments in funds	130,011	236	0	129,776
Other non-current investments	393	368	0	25
Current financial assets at FVTPL*	0	0	0	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.

**Non-current investments at fair value through profit or loss**

1 000 EUR	Level 1	Level 2	Level 3	Total
<b>Investments in funds</b>				
at Jan 1	951		115,115	116,066
Additions			20,912	20,912
Distributions			-23,542	-23,542
Disposals			-16,505	-16,505
Fair value gains/losses			34,135	34,135
Transfers*	-715		-339	-1,054
at the end of period	236		129,776	130,011
<b>Other investments</b>				
at Jan 1	166	0	25	191
Additions	202			202
at the end of period	368	0	25	393

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

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Sensitivity analysis of Level 3 investments at 31 December 2022

Investment area	Fair value MEUR 31.12.2022	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	18.7	Peer group	Peer group earnings multiples	EV/EBITDA 2022 9.3x	+/- 10%	+/- 1.3 MEUR
			Discount to peer group multiples	24%	+/- 10%	-/+ 0.5 MEUR
Buyout	26.1	Peer group	Peer group earnings multiples	EV/EBITDA 2022 7.4x	+/- 10%	+ /- 2.3 MEUR
			Discount to peer group multiples	16%	+/- 1 %	-/+ 0.6 MEUR
Real Estate	44.0	Valuation by an independent valuer	FX rate	EUR/SEK 11.1218	+/- 1%	+/- 0.1 MEUR
				EUR/DKK 7.4365	+/- 1%	+/- 0.1 MEUR
				EUR/NOK 10.5138	+/- 1%	+/- 0.0 MEUR
Infra	13.1	Discounted cash flows	Terminal value	EV/EBITDA 17.1x	+/- 5%	+/- 1.0 MEUR
			Discount rate; market rate and risk premium	15%	+/- 100 bps	- / + 1.0 MEUR
Credit	4.3	Discounted cash flows	Discount rate; market rate and risk premium	10%	+/- 100 bps	- 0.1 MEUR / value increase based on a change in the discount rate is not booked
Special Situations	2.9	Peer group	Peer group earnings multiples	EV/EBITDA 2022 7.6x	+/- 10%	+/- 0.2 MEUR
			Discount to peer group multiples	23%	+/- 10%	-/+ 0.0 MEUR
Investments in funds-of-funds	16.5	Reports from PE fund management company				
Investments in external venture capital funds	42.5	Reports from PE fund management company and possible adjustment by CapMan	Company level negative adjustment for the reported value by CapMan	14%	+/- 10%	- 0.7 MEUR / + 0.7 MEUR

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Sensitivity analysis of Level 3 investments at 31 December 2021

Investment area	Fair value MEUR 31.12.2021	Valuation methodology	Unobservable inputs	Used input value (weighted average)	Change in input value	Fair value sensitivity
Growth	19.0	Peer group	Peer group earnings multiples	EV/EBITDA 2021 12.6x	+/- 10%	+/- 1.6 MEUR
			Discount to peer group multiples		31%	+/- 10%
Buyout	10.9	Peer group	Peer group earnings multiples	EV/EBITDA 2021 8.2x	+/- 10%	+ 3.8 MEUR /- 3.7 MEUR
			Discount to peer group multiples		30%	+/- 10%
Real Estate	44.0	Valuation by an independent valuer				
Infrastructure	10.5	Discounted cash flows	Terminal value	EV/EBITDA 17.8x	+/- 5%	+/- 0.8 MEUR
			Discount rate; market rate and risk premium		13%	+/- 100 bps
Russia	3.4	Peer group	Peer group earnings multiples	EV/EBITDA 2021 12.3x	+/- 10%	+/- 0.3 MEUR
			Discount rate; market rate and risk premium		44%	+/- 10%
Credit	1.8	Discounted cash flows	Discount rate; market rate and risk premium	9%	+/- 100 bps	- 0.1 MEUR / value increase based on a change in the discount rate is not booked
Special Situations	1.9	Peer group	Peer group earnings multiples	EV/EBITDA 2021 16.0x	+/- 10%	+/- 0.1 MEUR
			Discount to peer group multiples		23%	+/- 10%
Funds-of-funds	12.3	Reports from PE fund management company				
Investments in external venture capital funds	25.8	Reports from PE fund management company				

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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.

On 24 February 2022, Russia began a full-scale invasion of Ukraine that is the largest conventional military attack on a sovereign state in Europe since World War II. In response, a large number of countries (including EU, the US and UK) began applying significant further sanctions on Russia with the aim of crippling the Russian economy. The conflict itself and the sanctions imposed in response is estimated to pose a substantial economic risk for the region and internationally. Direct and indirect impact of the conflict is reflected on the fair values of investee companies in form of revised earnings and cash flow forecasts. Moreover, management’s judgement is reflected in investment recorded at fair value in the context of applying the discount rate to valuations based on peer group multiples.

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# Parent Company Income Statement (FAS)

EUR	Note	1.1.-31.12.2022	1.1.-31.12.2021
<b>Turnover</b>	<b>1</b>	<b>5,263,341.70</b>	<b>6,160,794.33</b>
Other operating income	2	1,083,303.07	171,248.39
<b>Raw materials and services</b>	<b>3</b>	<b>0.00</b>	<b>-312,181.99</b>
Employee benefit expenses	4	-9,132,098.80	-5,425,486.62
Depreciation	5	-99,398.53	-99,902.75
Other operating expenses	6	-4,041,336.19	-3,120,533.38
<b>Operating loss</b>		<b>-6,926,188.75</b>	<b>-2,626,062.02</b>
Finance income and costs	7	19,344,116.96	721,167.76
<b>Profit before appropriations and taxes</b>		<b>12,417,928.21</b>	<b>-1,904,894.26</b>
Appropriations	8	0.00	8,449,936.42
Income taxes		0.00	1,981.20
<b>Loss for the financial year</b>		<b>12,417,928.21</b>	<b>6,547,023.36</b>

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# Parent Company Balance Sheet (FAS)

EUR	Note	31.12.2022	31.12.2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Tangible assets			
Investments	9	41,656.94	94,242.75
Shares in subsidiaries	10	205,785.37	141,559.88
Investments in associated companies	11		
Other investments		127,798,504.09	110,727,424.33
Investments total		34,211.38	34,211.38
		10,559,049.01	10,558,185.53
Non-current assets, total		138,391,764.48	121,319,821.24
<b>Current assets</b>			
<b>Long-term receivables</b>			
Short-term receivables			
Cash and bank	12	6,727,077.34	2,766,557.73
	13	21,059,643.21	33,083,540.33
Current assets, total		25,218,756.17	32,456,355.12
<b>Total assets</b>			
		<b>53,005,476.72</b>	<b>68,306,453.18</b>
<b>Vastaavaa yhteensä</b>			
		<b>191,644,683.51</b>	<b>189,862,077.05</b>

EUR	Note	31.12.2022	31.12.2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
	14		
Share capital		771,586.98	771,586.98
Share premium account		38,968,186.24	38,968,186.24
Invested unrestricted shareholders' equity		32,374,156.86	49,671,049.95
Retained earnings		944,536.16	689,906.06
Profit for the financial year		12,417,928.21	6,547,023.36
<b>Shareholders' equity, total</b>		<b>85,476,394.45</b>	<b>96,647,752.59</b>
<b>Liabilities</b>			
Non-current liabilities	15	91,283,773.76	82,933,766.44
Current liabilities	16	14,884,515.30	10,280,558.02
<b>Liabilities, total</b>		<b>106,168,289.06</b>	<b>93,214,324.46</b>
<b>Total shareholders' equity and liabilities</b>			
		<b>191,644,683.51</b>	<b>189,862,077.05</b>

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# Parent Company Cash Flow Statement (FAS)

EUR	1.1.-31.12.2022	1.1.-31.12.2021
<b>Cash flow from operations</b>		
Profit before extraordinary items	12,417,928	-1,904,894
Finance income and costs	-19,344,117	-721,168
Adjustments to cash flow statement		
Depreciation, amortisation and impairment	99,399	99,903
Gain on sale of subsidiary shares	-1,433,384	-90,464
Change in net working capital		
Change in current assets, non-interest-bearing	1,126,446	-123,559
Change in inventories	0	312,182
Change in current liabilities, non-interest-bearing	-808,489	1,332,499
Interest paid	-3,312,011	-3,231,057
Interest received	230,135	302,332
Dividends received	22,966,087	5,137,929
Direct taxes paid	0	6,376
<b>Cash flow from operations</b>	<b>11,941,994</b>	<b>1,120,079</b>
<b>Cash flow from investments</b>		
Acquisition of subsidiaries	0	-1,417,416
Cash of a dissolved or merged subsidiary	765,825	9,573
Investments in subsidiaries	-17,234,994	-11,729,576
Sale of subsidiary shares	321,702	221,465
Capital reduction of subsidiaries	428,957	19,682,180
Investments in tangible and intangible assets	-111,038	-59,112
Investments in other placements, net	-25,383	1
Loan receivables granted	-1,470,139	-4,012,050
Repayment of loan receivables	1,118,426	5,481,026
<b>Cash flow from investments</b>	<b>-16,206,644</b>	<b>8,176,091</b>

EUR	1.1.-31.12.2022	1.1.-31.12.2021
<b>Cash flow from financing activities</b>		
Share issue	0	90,303
Repayment of capital	-17,296,893	-18,788,256
Proceeds from long-term borrowings	39,778,500	0
Repayment of long-term borrowings	-31,520,000	0
Repayment of short-term borrowings	0	-94,600
Dividends paid	-6,288,998	-3,127,876
Change in group liabilities	4,302,718	2,698,874
Group contributions received	7,807,936	5,305,000
<b>Cash flow from financing activities</b>	<b>-3,216,737</b>	<b>-13,916,555</b>
<b>Change in cash and cash equivalents</b>	<b>-7,481,387</b>	<b>-4,620,384</b>
Cash and cash equivalents at beginning of year	32,456,355	37,076,739
Translation difference	243,789	
<b>Cash and cash equivalents at end of year</b>	<b>25,218,757</b>	<b>32,456,355</b>

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# Notes to the Parent Company Financial Statements (FAS)

## Basis of preparation for parent company financial statements

CapMan Plc's financial statements for 2021 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 32. 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.

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## 1. Turnover by area

EUR	2022	2021
Sale of services		
Finland	1,998,491	1,996,547
Foreign	3,264,851	3,797,075
Sale of securities in inventories	0	367,172
<b>Total</b>	<b>5,263,342</b>	<b>6,160,794</b>

## 2. Other operating income

EUR	2022	2021
Turnover translation difference	-370,371	0
Gain on sale of subsidiary shares	1,453,658	0
Other operating income	16	171,248
<b>Total</b>	<b>1,083,303</b>	<b>171,248</b>

## 3. Raw materials and services

EUR	2022	2021
Change in inventories	0	-312,182
<b>Total</b>	<b>0</b>	<b>-312,182</b>

## 4. Personnel

EUR	2022	2021
Salaries and wages	8,224,832	4,684,192
Pension expenses	814,879	635,511
Other personnel expenses	92,388	105,783
<b>Total</b>	<b>9,132,099</b>	<b>5,425,487</b>
Management remuneration		
Salaries and other remuneration of the CEO		
Joakim Frimodig	1,741,618	376,060
Board members	318,996	340,554
<b>Average number of employees</b>	<b>33</b>	<b>37</b>

Management remuneration is presented in the Group Financial Statements Table 31. Related party disclosures.

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## 5. Depreciation

EUR	2022	2021
Depreciation according to plan		
Other long-term expenditure	52,586	53,120
Machinery and equipment	46,813	46,782
<b>Total</b>	<b>99,399</b>	<b>99,903</b>

## 6. Other operating expenses

EUR	2022	2021
Other personnel expenses	354,313	361,276
Office expenses	331,262	399,743
Travelling and entertainment	315,634	207,002
External services	1,884,903	1,798,776
Internal services	873,811	95,579
Other operating expenses	281,413	258,158
<b>Total</b>	<b>4,041,336</b>	<b>3,120,533</b>
Audit fees		
Audit	107,021	96,340
Other fees and services	18,564	10,200
<b>Total</b>	<b>125,585</b>	<b>106,540</b>

## 7. Finance income and costs

EUR	2022	2021
Dividend income		
Group companies	22,966,087	5,743,329
<b>Total</b>	<b>22,966,087</b>	<b>5,743,329</b>
Other interest and finance income		
Group companies	720,139	710,347
Others	857,581	583,781
<b>Total</b>	<b>1,577,720</b>	<b>1,294,128</b>
Interest and other finance costs		
Impairment of shares and interests	336,851	-2,717,801
Write-down of receivables	-1,184,363	-7,451
Group companies	0	-6,856
Others	-4,352,178	-3,584,182
<b>Total</b>	<b>-5,199,690</b>	<b>-6,316,290</b>
<b>Finance income and costs total</b>	<b>19,344,117</b>	<b>721,168</b>

## 8. Appropriations

EUR	2022	2021
Group contributions received	0	8,449,936

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## 9. Intangible assets

EUR	2022	2021
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	2,622,692
Additions	0	54,826
Acquisition cost at 31 December	2,677,518	2,677,518
Accumulated depreciation at 1 January	-2,583,275	-2,530,155
Depreciation for the financial period	-52,586	-53,120
Accumulated depreciation at 31 December	-2,635,861	-2,583,275
Book value on 31 December	41,657	94,243
<b>Intangible rights total</b>	<b>41,657</b>	<b>94,243</b>

## 10. Tangible assets

EUR	2022	2021
Machinery and equipment		
Acquisition cost at 1 January	1,215,985	1,211,699
Additions	111,038	4,286
Acquisition cost at 31 December	1,327,023	1,215,985
Accumulated depreciation at 1 January	-1,097,165	-1,050,383
Depreciation for the financial period	-46,813	-46,782
Accumulated depreciation at 31 December	-1,143,978	-1,097,165
Book value on 31 December	183,045	118,820
Other tangible assets		
Acquisition cost at 1 January	22,739	22,739
Book value on 31 December	22,739	22,739
<b>Tangible assets total</b>	<b>205,784</b>	<b>141,559</b>

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## 11. Investments

EUR	2022	2021
Shares in subsidiaries		
Acquisition cost at 1 January	110,347,424	116,845,122
Additions	17,234,994	19,498,370
Disposals	-850,765	-23,203,328
Impairments	336,851	-2,792,740
Acquisition cost at 31 December	127,068,504	110,347,424
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	10,558,185	12,446,125
Additions	75,314	232,780
Disposals	-4,618	-2,120,720
Impairment	-69,832	0
Acquisition cost at 31 December	10,559,049	10,558,185
<b>Investments total</b>	<b>137,661,765</b>	<b>120,939,821</b>

The subsidiaries and the associated companies are presented in the Notes to the Consolidated Financial Statements, Table 31. Related party disclosures.

## 12. Long-term receivables

EUR	2022	2021
Receivables from Group companies		
Capital loan receivables	730,000	380,000
Loan receivables	1,329,471	1,290,194
Other loan receivables	209,805	1,284,363
Accounts receivable	5,187,801	192,000
<b>Long-term receivables total</b>	<b>7,457,077</b>	<b>3,146,558</b>

## 13. Short-term receivables

EUR	2022	2021
Receivables from Group companies		
Accounts receivable	0	74,618
Accrued income	145	0
Dividend receivables	256,320	322,270
Loan receivables	14,289,759	20,424,619
Other receivables	3,497,576	10,884,722
<b>Total</b>	<b>18,043,800</b>	<b>31,706,230</b>
Accounts receivable	1,435,601	630,773
Loan receivables	808,530	241,145
Other receivables	330,845	122,131
Accrued income	440,868	383,262
<b>Short-term receivables total</b>	<b>21,059,644</b>	<b>33,083,540</b>

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## 14. Shareholders' equity

EUR	2022	2021
Share capital at 1 January	771,587	771,587
Share capital at 31 December	771,587	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	49,671,050	68,369,002
Invested unrestricted shareholders' equity, disposals	-17,296,893	-18,788,256
Share subscriptions with options	0	90,303
Invested unrestricted shareholders' equity at 31 December	32,374,157	49,671,050
Retained earnings at 1 January	7,236,929	3,821,282
Dividend payment	-6,292,393	-3,131,376
Retained earnings at 31 December	944,536	689,906
Profit for the financial year	12,417,928	6,547,023
<b>Shareholders' equity, total</b>	<b>85,476,394</b>	<b>96,647,753</b>

### Calculation of distributable funds

EUR	2022	2021
Retained earnings	944,536	689,906
Profit for the financial year	12,417,928	6,547,023
Invested unrestricted shareholders' equity	32,374,157	49,671,050
<b>Total</b>	<b>45,736,621</b>	<b>56,907,979</b>

### CapMan Plc's share capital is divided as follows:

Number of shares	2022	2021
Series B share (1 vote/share)	158,054,968	156,617,293

## 15. Non-current liabilities

EUR	2022	2021
Senior bonds	89,650,433	81,238,545
Other non-current liabilities	1,633,340	1,695,221
<b>Non-current liabilities total</b>	<b>91,283,773</b>	<b>82,933,766</b>

## 16. Current liabilities

EUR	2022	2021
Accounts payable	146,661	353,532
Liabilities to Group companies		
OP Corporate Bank plc; Group account	10,555,514	6,252,796
Accounts receivable	68,382	0
Accounts payable	8,543	15,009
Other liabilities	114,736	50,428
Accrued expenses	89,537	89,537
<b>Total</b>	<b>10,836,712</b>	<b>6,407,770</b>
Other liabilities	926,408	1,341,514
Accrued expenses	2,974,734	2,177,741
<b>Current liabilities total</b>	<b>14,884,515</b>	<b>10,280,558</b>

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## 17. Contingent liabilities

### Leasing agreements

EUR	2022	2021
Operating lease commitments		
Within one year	211,124	113,746
After one but not more than five years	97,088	63,077
<b>Total</b>	<b>308,212</b>	<b>176,823</b>
Other hire purchase commitments		
Within one year	703,098	529,955
After one but not more than five years	58,592	1,104,073
<b>Total</b>	<b>761,690</b>	<b>1,634,028</b>

### Securities and other contingent liabilities

EUR	2022	2021
Contingencies for own commitment		
Enterprise mortgages	60,000,000	60,000,000
Investment commitments to other funds*	250,740	250,740
Other contingent liabilities	2,044,288	2,347,089
<b>Total</b>	<b>62,295,028</b>	<b>62,597,829</b>
Contingencies for subsidiaries' commitments		
Investment commitments	207,656	643,372
<b>Total</b>	<b>207,656</b>	<b>643,372</b>

\* Figure for the comparison period has been adjusted to include also investment commitment to fund CapMan Private Rahasto III Ky.

## 18. Derivative instruments

EUR	2022	2021
Nominal amount of derivatives		
Foreign exchange forwards	6,327,027	0
<b>Total</b>	<b>6,327,027</b>	<b>0</b>
Fair value of derivatives		
Foreign exchange forwards	64,927	0
<b>Total</b>	<b>64,927</b>	<b>0</b>

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

Helsinki 1.2.2023

**Andreas Tallberg**  
Chairman

**Mammu Kaario**

## The Auditor's Note

Our report has been issued today.

**Catarina Fagerholm**

**Johan Hammarén**

Helsinki 1.2.2023

Ernst & Young Oy  
Audit firm

**Olli Liitola**

**Johan Bygge**

**Kristina Sandin**  
Authorised Public Accountant

**Joakim Frimodig**  
CEO

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# 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, 2022. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, 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 as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) 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 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.

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Key Audit Matter	How our audit addressed the Key Audit Matter	Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue recognition</b></p> <p><i>We refer to the accounting policies in the financial statements and the Note 3.</i></p> <p>CapMan’s turnover in consolidated group accounts amounted to 67,5 million euros. It consists of management fees, sale of services and carried interest income.</p> <p>The timing of revenue recognition can be judgmental as revenue may be 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.</p> <p>Revenue recognition 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) in respect of its timely recognition and at a proper amount.</p>	<p>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. We also identified and tested key controls relating to revenue recognition.</p> <p>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.</p> <p>In addition, we assessed the adequacy of disclosures relating to the fee and commission income of the group.</p>	<p><b>Valuation of non-liquid investments</b></p> <p><i>We refer to the accounting policies in the financial statements and the Notes 17 and 32.</i></p> <p>The Group’s investment portfolio 31.12.2022 amounts to 169,1 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.</p> <p>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).</p>	<p>Our audit procedures to address the risk of material misstatement relating to valuation of non-liquid investments included, among others, identifying and testing the controls in place over recording fair values of non-liquid investment.</p> <p>We performed additional procedures for areas of higher risk and estimation, involving our valuation specialists.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Developing an understanding of the private equity and real estate portfolios.</li> <li>• Reviewing the price of recent transactions and investments.</li> <li>• Assessing assumptions used in the valuations and obtaining an understanding that the valuation appropriately reflects the risks of the portfolios.</li> <li>• Comparing the assumptions against established policies and determining if they have been applied appropriately.</li> <li>• Reviewing and assessing the valuations determined by CapMan or other party.</li> <li>• Assessing whether the International Private Equity and Venture Capital Valuation Guidelines and valuation methodology of IFRS have been applied correctly.</li> </ul> <p>In addition, we assessed the adequacy of disclosures relating to the non-liquid investments.</p>

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**Key Audit Matter**

**Valuation of goodwill**

*We refer to the accounting policies in the financial statements and the Notes 15 and 13.*

At the balance sheet date 31 December 2022, the value of goodwill amounted to 12,7 million euros representing 5 % of the total assets and 9 % of the total equity. At 31 December 2022, 4,8 million euros of the goodwill is presented as part of Assets held for sale. During financial year 2022, an impairment amounting to 2,6 million euros has been recognized.

The valuation of goodwill is based on management's estimate about the value-in-use calculations of the cash generating units. There are number of underlying assumptions used to determine the value-in-use, including the revenue growth, EBITDA and discount rate applied on net cash-flows.

Estimated value-in-use may vary significantly when the underlying assumptions are changed and the changes in above-mentioned individual assumptions may result in an impairment of goodwill.

Valuation of goodwill was determined to be a key audit matter because the assessment process is judgmental, it is based on assumptions relating to market or economic conditions extending to the future, and because of the significance of the goodwill to the financial statements.

**How our audit addressed the Key Audit Matter**

Our audit procedures regarding the valuation of goodwill included involving EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in the impairment testing.

In evaluation of methodologies, we compared the principles applied by the management in the impairment tests to the requirements set in IAS 36 Impairment of assets standard and ensured the mathematical accuracy of the impairment calculations.

We assessed the historical accuracy of managements' estimations and compared the key assumptions applied by the management in impairment tests to

- budgets and long-term forecasts,
- information available in external sources, as well as
- our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows.

We also assessed the sufficiency of the disclosures as well as whether the disclosures about the sensitivity of the impairment assessment are appropriate.

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.

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**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 International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 require-

ments 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 appointed as auditors by the Annual General Meeting on March 14, 2018 and our appointment represents a total period of uninterrupted engagement of five 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 accordance with the applicable laws and regulations.

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 accordance with the applicable laws and regulations.

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 February 1, 2023

Ernst & Young Oy  
Authorized Public Accountant Firm

Kristina Sandin  
Authorized Public Accountant

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# Shares and shareholders

CapMan is a Nordic listed private assets management and investment company. The parent company CapMan Plc's share has been listed on the Helsinki Stock Exchange (Nasdaq Helsinki) since 2001. CapMan had 30,608 shareholders as of the end of 2022.

## CapMan shares

CapMan's shares are quoted on the main list of Nasdaq Helsinki. All shares generate equal voting rights and rights to a dividend and other distribution to shareholders. CapMan had a total of 158,054,968 shares as of 31 December 2022. CapMan's shares are included in the book entry securities register and have no nominal value. CapMan's share capital as of 31 December 2022 was 771,586.98.

## Nominee-registered shareholders

CapMan Plc's foreign shareholders can register their holdings in nominee-registered book-entry accounts, for which a custodian is registered in the company's list of shareholders rather than the ultimate owner. Foreign and nominee-registered shareholders held a total of 4% of CapMan's shares as of the end of 2021. A breakdown by sector and size of holding can be found on the Notes to the Financial Statements.

## Dividend policy and dividend payable for 2022

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

Board of Directors will propose to the Annual General Meeting that a distribution of €0.17 per share be paid to shareholders for 2022.

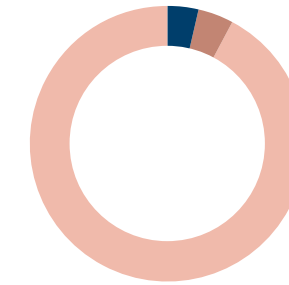
## IR contacts

CapMan's IR contacts are the joint responsibility of the CEO, the CFO and the Communications and IR Director. The company observes a two-week silent period prior to publication of its interim reports and financial statements, during which it does not comment on the company's financial performance or future prospects.

## Read more

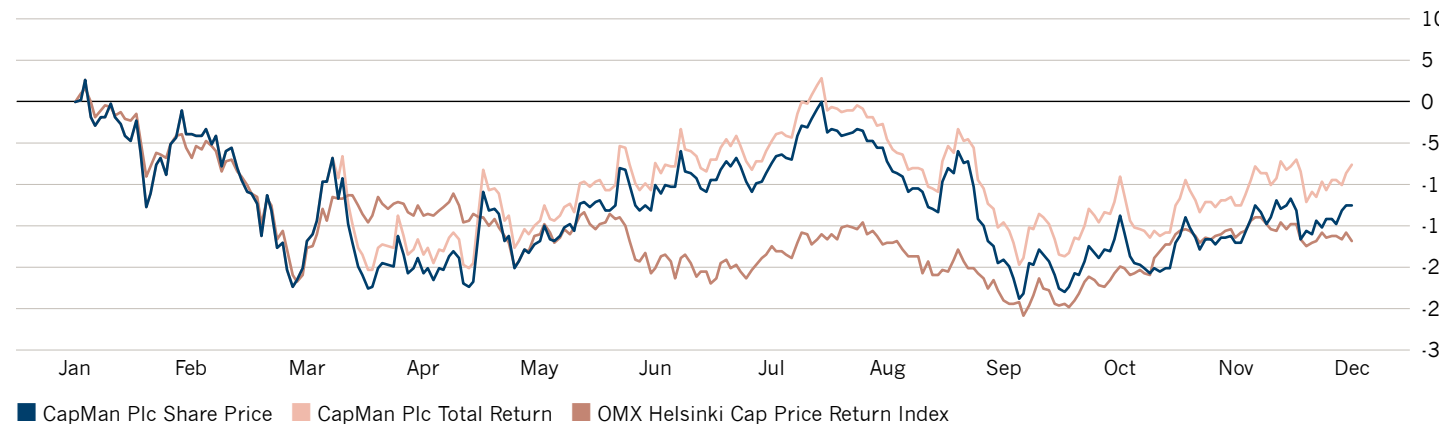
[www.capman.com/shareholders/](http://www.capman.com/shareholders/)

## Holding and voting rights by shareholder class

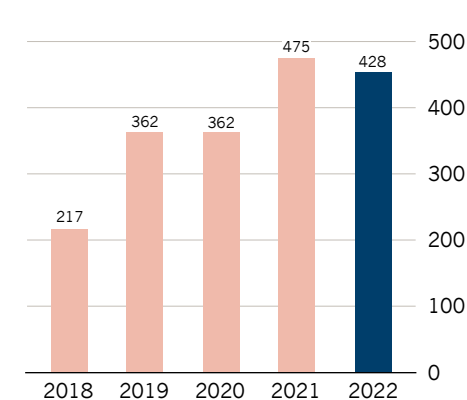


- Persons discharging managerial responsibilities 3.7%
- Nominee registered shareholders and other foreign ownership (non-Finnish owners) 4.3%
- Finnish institutions and households 92.0%

## Share price and index development in 2022



## Market capitalisation, M€



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# Information for shareholders

## Annual General Meeting 2023

CapMan Plc's Annual General Meeting 2023 will be held on Wednesday 15 March 2023 at 10.00 a.m. EET at Kämp Symposium at the address Pohjoisesplanadi 29, 00100 Helsinki. All shareholders registered with the company's list of shareholders maintained by Euroclear Finland Oy on Friday 3 March 2023 are entitled to attend.

Shareholders can use their shareholder rights also by voting in advance (either personally or through a proxy representative). Shareholders can also submit questions in advance. For further instructions, please see our website [www.capman.com/shareholders/general-meetings/](http://www.capman.com/shareholders/general-meetings/).

## Dividend and equity repayment

The Board of Directors will propose to the AGM that a total distribution of €0.17 per share, consisting of a dividend of €0.08 per share and equity repayment of €0.09 per share, will be paid for 2022.

## CapMan Plc's financial reporting in 2023

CapMan Plc will publish one half-year report and two interim reports during 2023:

- Interim Report for the period 1 January–31 March 2023 on 28 April 2023
- Half-Year Financial Report for the period 1 January–30 June 2023 on 3 August 2023
- Interim Report for the period 1 January–30 September 2023 on 26 October 2023

Financial reports are published in Finnish and English. The company's Annual Reports, Interim Reports, and stock exchange releases and press releases can be obtained electronically at the company's website [www.capman.com](http://www.capman.com). The company's website also includes other IR material. Please subscribe to CapMan's publications by email by joining the mailing list.

## Analysts following CapMan Plc

**Evli** Jerker Salokivi, tel. +358 (0)45 133 2229  
**Inderes** Sauli Vilén, tel. +358 (0)44 025 8908 and Matias Arola +358 (0)40 935 3632  
**Nordea** Svante Krokfors, tel. +358 (0)9 5300 5337 and Joni Sandvall, tel. +358 (0)9 5300 5484  
**OP** Joona Tersa, tel. +358 10 252 4351

## Contact person

**Linda Tierala**  
 Director, Communications & IR  
[linda.tierala@capman.com](mailto:linda.tierala@capman.com)

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