Sievi Capital

ANNUAL REPORT 2022

Contents

Sievi Capital in brief

Sievi Capital is a committed partner for unlisted Finnish SMEs. We partner with our target companies' entrepreneurs to share the risk and enable them to fully exploit the company's potential with our support. Having initiated a change in strategy, we are now on a journey of transformation from a private equity investment company to a conglomerate. Our medium-term objective is to become an industrial group built around the business of our target company KH-Koneet Group.

The development of Sievi Capital's other target companies will continue in the same way as before, and the aim is to divest them at the optimum stage in terms of value creation. The proceeds from the divestments of target companies in the coming years are intended to be used for acquisitions supporting KH-Koneet Group, the development of other target companies and for dividends.

We are committed to responsible and ethical practices in all of our operations. Sievi Capital's share is listed on Nasdaq Helsinki.

Key figures 2022

NUMBER OF TARGET COMPANIES
5

COMBINED NET SALES
MEUR 483

NET ASSET VALUE/SHARE
EUR 1.47

GEARING
14.9%

RETURN ON EQUITY
-9.2% (1)

(1) During the review period, Sievi Capital did not make any exits from target companies and did not receive any income in the form of dividends or capital repayments.

Main events in 2022

15 FEBRUARY

Tuomas Joensuu appointed as the CFO of Sievi Capital

Tuomas Joensuu, M.Sc. (Econ.), was appointed as the interim CFO of Sievi Capital. Joensuu joined Sievi Capital in 2019 and has worked on the company's investment projects and the development of the current target companies as well as supported the company's financial administration.

TÖRNELLS MASKINUTHYRNING

7 APRIL

Sweden-based Törnells Maskinuthyrning becomes part of KH-Koneet Group

KH-Koneet Group acquired the share capital of Törnells Maskinuthyrning, a company specialising in the rental of earth-moving machinery. Törnells Maskinuthyrning had 18 employees at the time of the acquisition. The acquisition supports KH-Koneet Group's position in the rapidly growing Swedish market and strengthens the company's ability to serve its customers with flexible deliveries.

22 APRIL

Sievi Capital made a follow-on investment in Nordic Rescue Group

Sievi Capital's target company Nordic Rescue Group Oy paid the deferred purchase price of EUR 1.7 million to the seller of Saurus Oy and Vema Lift Oy. The arbitration of a dispute related to the acquisition made in 2020 resulted in a total non-recurring expense of approximately EUR 0.9 million for Nordic Rescue Group, of which approximately EUR 0.3 million was already recognised in 2021.

On top of working on its strategy, Sievi Capital continued its investment operations and the active development of its target companies in 2022. Near the end of the year, the company published information on its new strategy to transform into a conglomerate during 2023. The medium-term objective for Sievi Capital is to become an industrial group built around the existing target company KH-Koneet Group.

12 MAY

HTJ strengthens its infrastructure business through an acquisition

Sievi Capital's target company HTJ Holding Oy acquired the share capital of Infrap Oy, a company specialising in project management, construction management, supervision and surveying services. The acquisition expanded HTJ's expertise in infrastructure and industrial construction, both geographically and in terms of the service offering.

1 JUNE

Indoor Group acquires eight Sotka stores from franchisees

Sievi Capital's target company Indoor Group agreed on the acquisition of the Sotka stores owned by J. Soikkeli Oy and Daja Oy. During the autumn of 2022, the remaining Sotka franchisee stores were transferred to Indoor Group and by the end of 2022, the company had no franchisee-operated stores. The agreement is based on Indoor Group's strategic decision to continue Sotka's business operations through its own stores. The personnel of the acquired stores were transferred to Indoor Group.

9 DECEMBER

Nordic Rescue Group's subsidiary ceases the manufacturing of rescue lifts

Sievi Capital Plc's target company Nordic Rescue Group's subsidiary Vema Lift Oy filed for bankruptcy at the District Court of Southwest Finland. The underlying reasons for the bankruptcy filing are Vema Lift's prolonged financial difficulties, the difficult market situation in China, the company's former main market, the shortage of chassis and components and inflation developments. Nordic Rescue Group's other Group companies Saurus Oy and Sala Brand AB will continue their business operations as before.

15 DECEMBER

Initiating a strategic transformation from a private equity investment company into an industrial conglomerate

The Board of Directors of Sievi Capital decided to initiate a change in strategy that will transform the company from a private equity investment company into a conglomerate during 2023. The medium-term objective is to become an industrial group built around the KH-Koneet Group's business and to divest other target companies in line with the previous investment strategy.

A year of important decisions

The development of the market environments of our target companies was highly exceptional in many ways in 2022, which was reflected in target companies' financial results as well as in Sievi Capital's key figures through changes in fair values. In 2022, we prepared our new strategy. With its implementation, year 2022 will mark Sievi Capital's last full financial year as a private equity investment company. According to the new strategy we announced in late 2022, Sievi Capital will first transform into a conglomerate and then, in the medium term, into an industrial group.

The year 2022 was a year of two halves for us. In the first half of the year, we focused on the growth of our target companies, also through acquisitions: KH-Koneet Group acquired the Swedish company Törnells Maskinuthyrning AB, while HTJ acquired Infrap Oy. In addition, Indoor Group agreed on the acquisition of eight Sotka stores from two franchisees. From the second quarter onwards, we focused heavily on the operational development and efficiency improvement of our target companies. Naturally, the renewal of Sievi Capital's own strategy was high on our agenda throughout the year. We also worked on Sievi Capital's sustainability strategy, which is discussed in more detail on page 11 of this Annual Report.

RISING INTEREST RATES AND INFLATION CREATED CHALLENGES, BUT THERE WERE ALSO WINNERS IN THE MARKET SITUATION

The operating environment in 2022 was, in many respects, highly exceptional for both Sievi Capital and our target companies. While rising interest rates and accelerating inflation created cost pressures, they also opened up new business opportunities. Most of our target companies performed fairly well: KH-Koneet Group, HTJ and Logistikas achieved record highs in net sales and profit during the financial year 2022. Indoor Group's business was adversely affected by the decline in consumer confidence and demand. It was also a challenging year for Nordic Rescue Group: the difficult market situation, the shortage of chassis and components and rising inflation, combined with the company's weak profitability, forced Nordic Rescue Group to cease the manufacturing of rescue lifts.

The exceptional and variable business environments of our target companies were reflected in the unrealised changes in the values of investments, which were negative as a whole in 2022. During the review period, we did not make any exits from our target companies and did not receive any income in the form of dividends or capital repayments, which meant that our return on equity for 2022 was also negative at –9.2%.

TOWARDS HIGHER SHAREHOLDER VALUE THROUGH A CHANGE IN STRATEGY

Late in the year, Sievi Capital's Board of Directors decided on the company's new strategy, according to which Sievi Capital will transform from a private equity investment company into a conglomerate and, in the medium term, become an industrial group built around KH-Koneet Group. This strategy is expected to significantly increase Sievi Capital's shareholder value. It will enable us to take a more long-term approach to the development of the business and increase our transparency.

As I have previously noted in various contexts, our current reporting as a private equity investment company, which is based on net asset values, does

not provide our shareholders and other investors with adequate information for the accurate valuation of Sievi Capital as a whole. In addition, it has been difficult to find benchmarks for us. When the results of the target companies and the Group's expenses are consolidated line item by line item in the future, it will be much easier to evaluate our performance and development. The new, more transparent reporting practices will be adopted starting from the next half-year report.

As part of the change in strategy, we will divest our other target companies in line with our previous investment strategy. Nevertheless, we will continue to develop the companies as before, and we will exit the businesses only at the optimum stage in terms of value creation. More information on the new strategy is provided on page 8 of this Annual Report.

OUR TRANSFORMATION JOURNEY WILL REQUIRE PERSEVERANCE

Our structural transformation into an industrial group will proceed in stages over the coming years. This transformation journey will also require new investments from us. It may also take time. Still, we are confident that the final outcome will be rewarding for shareholders who take a long-term view. Having already achieved impressive growth under Sievi Capital's ownership, KH-Koneet Group will shift into a higher gear as we begin to build a new industrial group around it. We will create a new strategy for KH-Koneet Group and further strengthen its highly capable team.

I want to take this opportunity to thank our shareholders, our target companies' personnel, management and board members, our partners and Sievi Capital's own team for the past year. I am pleased that you are with us on this compelling transformation journey.

Jussi Majamaa
CEO

Sievi Capital will transform into a conglomerate

In December 2022, Sievi Capital decided to initiate a change in strategy to transform the company from a private equity investment company into a conglomerate. The medium-term objective is to become an industrial group built around the KH-Koneet Group's business and to divest other target companies in line with previous investment strategy.

In the first stage of the change in strategy, the conglomerate will consist of KH-Koneet Group and all of Sievi Capital's current target companies: Indoor Group, Logistikas, Nordic Rescue Group and HTJ. The development of these four target companies will continue in the same way as before, and the aim is to divest them in line with the previous investment strategy. No specific timetable or absolute deadline has been set for the divestments. They will be decided on a case-by-case basis in accordance with Sievi Capital's investment strategy and the situation of each target company, prioritising value creation.

THE OBJECTIVE IS TO ACCELERATE THE GROWTH OF SHAREHOLDER VALUE AND INCREASE TRANSPARENCY

During 2022, the Board of Directors assessed various strategic options for Sievi Capital. The conclusion was that a change in strategy from a private equity investment company into a conglomerate built around KH-Koneet Group would significantly increase the shareholder value of the company. Operating as a conglomerate will enable a more long-term approach to the development of the business and bring out the value of the business.

One of the drivers of the change in strategy has been Sievi Capital's aim of making the true value of its portfolio more transparent. Reporting as an investment entity has not been the best possible alternative from the perspective of investors. With Sievi Capital's assets being reported more transparently in the future, the successful investments and the development of the target companies' operations will be more clearly reflected in the valuation of Sievi Capital's share.

KH-KONEET GROUP: A SUCCESS STORY WITH STRONG POTENTIAL FOR CONTINUED GROWTH

KH-Koneet Group was placed at the core of Sievi Capital's new strategy due to its many strengths, which provide a sustainable foundation for long-term value creation. KH-Koneet Group is one of the leading construction and earth-moving machinery sales and rental companies in the Nordic countries.

Sievi Capital made the investment in KH-Koneet Group in 2017 and currently holds 90.7% of the company's shares. Under Sievi Capital's ownership, KH-Koneet Group has expanded its operations to machine rental and the Swedish market, where it has quickly gained a significant market position. The company's net sales have almost quadrupled and its EBITDA has increased nearly 2.5-fold since 2017. The company's profitability has exceeded the industry

Trends support growth

Electrification

Digitalisation

Responsibility

Growing demand for machine rentals

Long-term growth of the market in civil engineering

Increased need for machines in property maintenance due to urbanization

Trends in the operating environment provide a good starting point for KH-Koneet Group's profitable growth in the future.

average and it has achieved strong growth. More information on KH-Koneet Group's performance in 2022 is provided on page 14 of this Annual Report.

The company's success is supported by an agile, self-managing and well-run organisation, strong customer understanding and excellent customer service, a flexible and responsive business model and a focused acquisition strategy. KH-Koneet Group's industry also holds significant potential for organic growth as well as growth through acquisitions.

The growth of the industry as a whole is driven by a number of trends. For example, the growth of machine rental, the long-term growth of the earthworks market, the expected significant investments in infrastructure in the Nordic countries and the increased need for property maintenance machines due to urbanisation provide a good basis for continued profitable growth in the future.

THE CHANGE IN STRATEGY WILL PROCEED IN STAGES

Sievi Capital's change in structure into an industrial group will proceed in stages over the coming years, taking into account the preconditions set by the business. Sievi Capital's strategy will no longer include making private equity investments in new industries. The proceeds from the divestments of target companies in the coming years are intended to be used for acquisitions supporting KH-Koneet Group, the development of other target companies and for dividends.

The change in strategy does not require any action on the part of shareholders. The Board of Directors of Sievi Capital will propose to the Annual General Meeting to be held on 4 May 2023 that the company's name and line of business be changed in accordance with the change in strategy. When the related proposals are adopted by the Annual General Meeting, Sievi Capital's IFRS reporting as an investment entity will cease. Sievi Capital will report its consolidated financial statements as a conglomerate for the first time in connection with the half-year report 2023 in August. The new strategy and financial targets will be outlined in more detail for shareholders and investors at the Capital Markets Day in autumn 2023. More detailed information on the strategy is available on Sievi Capital's website.

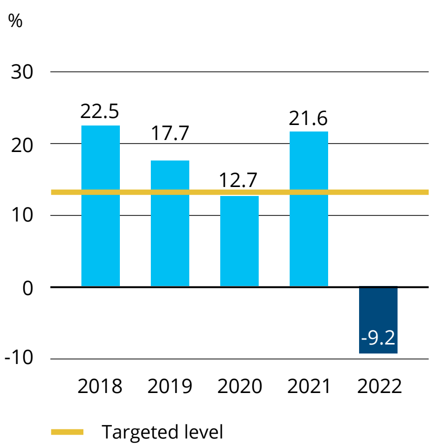
Sievi Capital's strategy as a private equity investment company

As a private equity investment company, Sievi Capital's strategy is to be a long-term partner for its target companies. We share risk with entrepreneurs and enable them to fully leverage their company's potential. Our equity investments are focused on small and medium-sized Finnish enterprises with annual net sales of EUR 15–100 million. We focus on strong companies that have profitable business, positive cash flow, the opportunity to grow substantially faster than the market and the potential to achieve a significant market position.

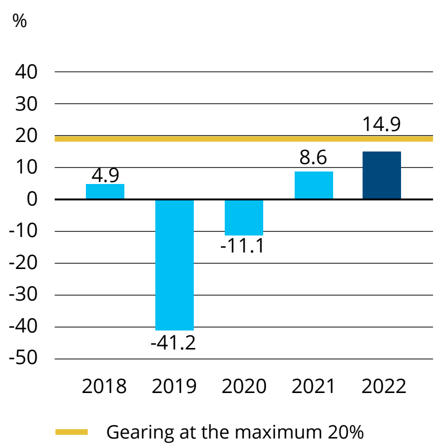
Our investment activities support the value creation of our target companies. We increase value through active ownership, and we provide our target companies with access to the support of Sievi Capital's operational management and the resources of our experienced network of advisers. We invest in growth, strengthen the path of organic growth and take an active role in growing the target companies through acquisitions. Sustainability and ethical business practices are integral to our operations and the development of our target companies.

The successfully executed strategy as a private equity investment company has made Sievi Capital an attractive investment, whose shareholders have benefited from the strong earnings potential of unlisted high-growth companies. They have also had the opportunity to invest in promising Finnish companies in a diversified manner. Sievi Capital's net asset value has increased by 109 per cent since the most recent strategy for Sievi Capital as a private equity investment company was published in 2016. This corresponds to annual value growth of 13 per cent. In addition, Sievi Capital has distributed a total of EUR 15 million in dividends during the financial years 2016–2022.

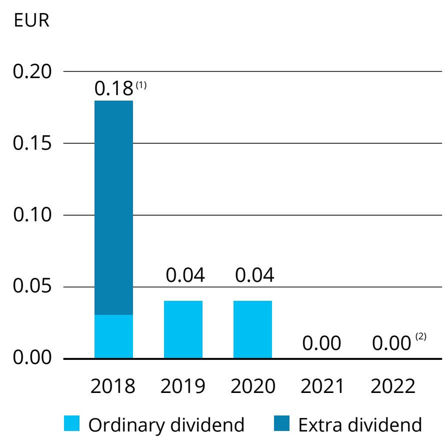
RETURN ON EQUITY



GEARING



DIVIDEND PER SHARE



(1) The figure for 2018 includes the EUR 0.15 extra dividend per share paid in February 2020.
(2) The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial period. The profit distribution of the Board of Directors takes into account the company's liquidity situation at the time of making the profit proposal, expected cash flows during the new year and the investments required by the change in strategy.

Sustainability strategy provides a strong foundation for the development of target companies

The sustainability strategy prepared in 2022 addresses both Sievi Capital's role as a long-term private equity investor and the operations of target companies. With Sievi Capital's change in strategy, the sustainability elements related to private equity investments will take on a lesser role, while the progress of KH-Koneet Group's sustainability efforts will be given a high priority.

The aim of the sustainability strategy was to understand the role of sustainability in Sievi Capital and its target companies, identify sustainability-related risks and opportunities, and define focus areas, targets and performance indicators. Sievi Capital's target companies participated extensively in the development of the sustainability strategy. The views of external stakeholders were also surveyed.

The target companies generally highlighted environmental responsibility as a key area of sustainability, placing particular emphasis on waste, recycling and energy efficiency, as well as social responsibility, where the focus is on the companies' own personnel. All of the target companies are highly committed to developing their sustainability and even turning it into a competitive advantage.

SUSTAINABILITY MEANS CONCRETE DEVELOPMENT AND DAILY ACTION

KH-Koneet Group expects sustainability to increase in importance. In its industry, the practice of importing machinery from Asia is being increasingly questioned due to, for example, concerns pertaining to the transparency of information on working conditions and raw materials. Other key sustainability issues include emissions from machinery, the transition to electric machines, as well as recycling and waste.

Indoor Group has its own sustainability strategy that includes targets and performance indicators. The company has already taken several measures to minimise its environmental impacts, and the next focus area will be to increase the recycling rate and increase awareness with regard to materials. The role of sustainable procurement has been recognised.

At HTJ, sustainability efforts are accelerated by the operating model of sustainable construction as well as the new legislation governing construction. The energy efficiency of buildings, low-carbon construction and the circular economy are key issues. Employee well-being and commitment are crucial for an expert organisation that competes for the best professionals in its field.

Logistikas also expects the role of sustainability to grow in importance as customers increasingly introduce sustainability-related requirements in contract negotiations. Certificates related to environmental management and occupational safety, for example, hold a key role in the industry. Logistikas' agenda for the future includes waste handling and recycling, energy and fuel consumption, reducing the emissions of forklifts – ultimately to zero – and maintaining a high standard of occupational well-being and safety.

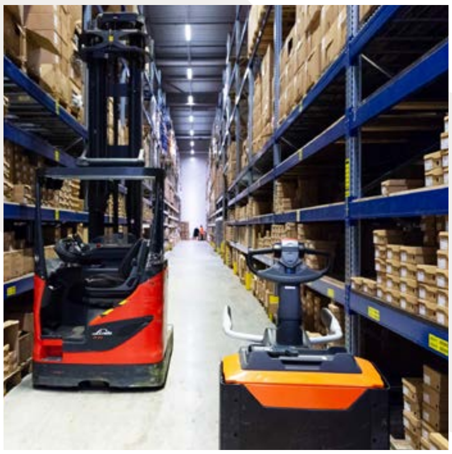
Nordic Rescue Group's view is that sustainability themes still have only a limited impact on its industry. The industry practices are well-established, with strong sets of norms having guided operations for several decades now. Nordic Rescue Group has valid quality management and environmental management certificates. Employee well-being, equality and pay are seen as the key issues.

KH-KONEET

Earth-moving machinery supplier

INDOOR GROUP

Furniture and interior decoration retailer



LOGISTIKAS
RATKAISUJA HELPPOON HALLINTAAN

Comprehensive logistics service provider

NRG
Nordic Rescue Group

Rescue vehicle system supplier

HTJ

Provider of extensive construction management services

Sievi Capital's target companies

KH-Koneet Group's vision has room for growth

KH-Koneet Group is one of the leading construction and earth-moving machinery suppliers and renters in the Nordic countries. The best-known brands represented by the company include Kramer, Yanmar, Kobelco and Wacker Neuson. KH-Koneet continued its journey on the path of growth in 2022 and expanded its operations in Sweden by making an acquisition. The company is at the core of the change in Sievi Capital's strategy, which was announced in late 2022.

FAIR VALUE

MEUR 42.8

On 31 Dec. 2022

TARGET COMPANY SINCE

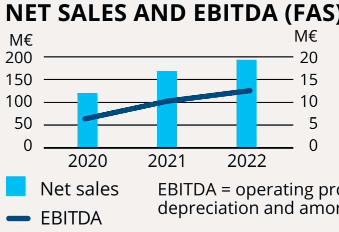
2017

HOLDING

90.7% (1)

On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



EBITDA = operating profit + depreciation and amortisation

(1) Of outstanding shares

Although the very strong demand in the construction industry levelled off in 2022 due to the adverse impacts of inflation and rising interest rates, the market situation remained favourable particularly in northern Sweden and the Gothenburg region. Good market conditions accelerated KH-Koneet Group's growth: the company's net sales rose to EUR 194.5 million and its EBITDA was EUR 12.6 million. The year also included a successful acquisition.

COMPETITIVE ADVANTAGE FROM A COMPREHENSIVE BUSINESS MODEL

"In spring 2022, we acquired Törnells Maskinuthyrning, a Swedish machinery rental company that we were already familiar with. The integration of the acquired company has gone smoothly and in a positive spirit," says **Teppo Sakari**, CEO of KH-Koneet Group.

The acquisition was an important strategic milestone for KH-Koneet Group.

"The flexibility of machinery rental services provides us with a clear competitive advantage. Being able to guarantee that our customers have access to machinery under all circumstances is a big advantage, especially when there are problems in the manufacturers' supply chains. We combine the import, sales and rental of machinery with maintenance and spare parts services, all of which support each other. Our goal is to be a trusted partner for both manufacturers and our customers."

The fundamental idea of KH-Koneet Group is to operate the machinery business responsibly and to do the right thing.

Sparal Oy purchased a Kobelco SK550DLC demolition excavator equipped with a special boom attachment.

"This is reflected in our operations across the board. The cornerstone of our operational activities is to always try to do the right thing. It is impossible to win every time, but operating fairly and doing the right thing is the best way to ensure the continuity of the company's growth. By looking after our customers, the environment and each other, we can maintain our rather self-managed company culture."

KH-Koneet Group is entering 2023 with cautious confidence. "It is difficult to say anything certain about the development of the market. An end to the war in Ukraine would be very positive news, and it is certainly something we are all hoping for. We will continue to keep our costs under control and ensure the profitability of our business in all circumstances."

KH-KONEET AT THE CORE OF SIEVI CAPITAL'S NEW STRATEGY

In late 2022, Sievi Capital announced its medium-term objective to become an industrial group built around the KH-Koneet Group's business. This was welcome news to KH-Koneet Group.

"Sievi Capital's decision to refocus its strategy does not affect our core business. In the longer term, however, it opens up interesting prospects. There is room for growth in our vision. At KH-Koneet Group, we see Sievi Capital's change in strategy as recognition that we have done the right things the right way," Sakari outlines.

Above: The laying house operator Säkylän Munakori Oy purchased a Kramer 8145T telescopic wheel loader for its packaging plant.

Below: Operations in the Swedish market were strengthened by the acquisition of the machinery rental company Törnells Maskinuthyrning AB.

Indoor Group stays on the pulse of the consumer

Indoor Group's Asko and Sotka chains are among Finland's best-known home furniture and interior decoration retailers in Finland. The chains have approximately 90 stores combined in Finland and Estonia as well as online store operations. Indoor Group also includes Insofa, a unique and successful furniture factory that produces furniture exclusively for the Group's own retail chains. In 2022, Indoor Group developed its retail network and invested in its in-house production activities. Nevertheless, declining consumer demand made for a challenging year for the company.

FAIR VALUE

MEUR 39.8

On 31 Dec. 2022

TARGET COMPANY SINCE

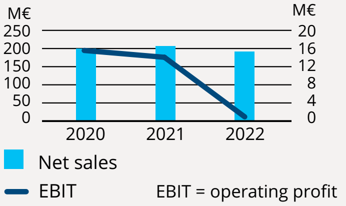
2017

HOLDING

58.3% (1)

On 31 Dec. 2022

NET SALES AND EBIT (IFRS)



(1) Of outstanding shares

The dissipating stay-at-home trend, rising inflation accelerated by the war in Ukraine, and declining consumer confidence in their finances made the year 2022 challenging for Indoor Group in both Finland and Estonia. The Group's net sales decreased as demand declined, while rising costs had a negative effect on profitability.

"We live on the pulse of the consumer. Various trends, changes in society and even the weather conditions have a direct impact on our operations. During the year under review, the outdoor furniture season was subdued due to the cool weather in the spring and early summer. At the same time, hybrid work, health trends and the reduction in household temperatures due to the energy crisis have increased the demand for home office furniture, products that help people get a good night's sleep, household textiles and rugs, for example," says **Veronica Lindholm**, CEO of Indoor Group.

INVESTMENTS AND COST CUTS

Indoor Group continued the development of its retail network by acquiring a total of 13 Sotka stores from franchisees in 2022. Effective from the beginning of 2023, Indoor Group no longer has any franchisee-operated stores. Indoor Group also invested in a new mattress production line at its Lahti plant. The investment expanded the Asko Bonnell product family and enabled the launch of a new line of smart foam mattresses.

In response to the weakened market conditions, Indoor Group took several measures during the year to improve operational efficiency, cut

The ecological and durable Frida sofa is a new product from Asko's own factory.

costs and improve margins. The company also held change negotiations in the autumn to adjust its operations.

Indoor Group also continued its extensive ERP system renewal project, which progressed to the deployment testing phase in 2022. The project will continue in 2023 and the plan is for the new system to be deployed in several stages. The new system will improve the company's ability to develop and manage the business.

RELYING ON STRONG SUCCESS FACTORS AMID THE CHANGE

Indoor Group is continuing its strategic transformation towards becoming a more efficient, competitive and agile organisation. In 2023, the focus will be on improving the multi-channel customer experience, strengthening the brands and differentiating the retail chains more clearly from each other. In addition, internal processes will be developed and harmonised to improve efficiency.

"We are entering 2023 with realistic expectations. There are early signs of a turn for the better, as the cost of sea shipping is declining and the availability challenges are gradually easing. Our strong brands, domestic identity, tradition of craftsmanship and local presence combined with our competent personnel, comprehensive retail network and multi-channel customer service are the success factors that we will build our future success upon. Sievi Capital supports us in the execution of our strategy and challenges us in a positive way," Lindholm concludes.

Above: Some of the members of Indoor Group's sales team. From left to right: Heta Laine, Cuong Dinh and Miia Andersson.

Below: Emma is a continental bed that is part of Sotka's latest range of beds.

Logistikas achieved a leap in growth

Logistikas offers local logistics, in-house logistics and immediate-proximity warehousing services, diverse value-added services, logistics expert services and comprehensive procurement services. The company operates in 10 locations in Finland and employs approximately 250 logistics professionals. The company celebrated its 25th anniversary in 2022 by taking a significant leap in growth.

FAIR VALUE

MEUR 6.5

On 31 Dec. 2022

TARGET COMPANY SINCE

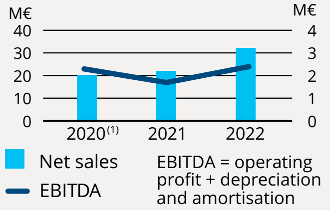
2020

HOLDING

65.9%

On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



(1) Unaudited pro forma figures

Logistikas achieved strong growth in 2022 with the company's order book reaching a record-high level. Supported by an acquisition made in the previous year and strong organic demand for the company's services, Logistikas' net sales rose to EUR 31.8 million. However, rising costs driven by inflation – particularly in the case of energy, fuels and rent – had a negative impact on profitability. The company's EBITDA was EUR 2.4 million.

The turbulence in the world, including the COVID-19 pandemic and the war in Ukraine with its spillover effects, has led to visible changes in Logistikas' operating environment, but the same factors have also increased the demand for logistics and warehousing services. Disruptions in global supply chains are still affecting the flows of goods, and many of Logistikas' customers have continued to maintain high inventory levels to ensure the continuity of their operations.

"We expect the demand for services to develop favourably in our market in 2023. Our customers are typically industrial and energy companies that operate in demanding environments and want to focus on their core business. Their business outlook remains positive, even as the global economy is expected to have a more difficult year than the one that just ended," says **Toni Brigatti**, CEO of Logistikas.

GROWTH TO CONTINUE, IMPROVEMENTS IN PROFITABILITY TARGETED

The acquisition of the Piccolo companies in 2021 and the subsequent leap in growth have led to many changes for Logistikas. The corporate

The warehousing efficiency of palletised goods has been maximised at Logistikas' Vaasa profit centre by using narrow aisle shelves and combination forklifts.

cultures of Logistikas and the acquired companies have been harmonised, the organisation has been restructured and entirely new job roles have been established. Safety in a broad sense – including everything from information security to occupational safety – is high on the company's agenda.

"Due to our growth, we have needed new competencies, and we will continue to need them in the future. We are placing increasing attention to the development of our operations, which is also something that our customers expect from us. We now have managerial roles in our organisation specialising in safety, occupational well-being, environmental issues and quality , and we are also increasing focus on areas such as human resources management. Sievi Capital has been an excellent and active partner for us also in these efforts. Sievi Capital as our owner has accelerated our growth and provided us with a new level of visibility and brand awareness.

LOGISTIKAS INTENDS TO CONTINUE ON THE PATH OF GROWTH

"In addition to providing good service to our existing long-term customers, we are focusing on new customer acquisition, and the current market situation supports our growth targets. We are also aiming to improve our profitability," Brigatti adds.

Above: Logistikas is a service company where the employees play crucial role. The company regularly conducts personnel and customer satisfaction surveys and they consistently show good results.

Below: Volumes among Logistikas' customers were high in 2022, which meant a high level of activity for the logistics centres.

Nordic Rescue Group: development to continue after a challenging year

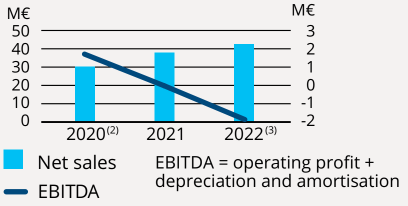
For the rescue vehicle manufacturer Nordic Rescue Group, the past year was characterised by challenges in the operating environment. At the end of the year, Nordic Rescue Group decided to cease the manufacturing of rescue lifts. The other Group companies, Saurus and Sala Brand, will continue their business operations as before. Both Saurus and Sala Brand have profitable business operations and strong market positions.

FAIR VALUE
MEUR 3.0
On 31 Dec. 2022

TARGET COMPANY SINCE
2020

HOLDING
68.1% (1)
On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



(1) Of outstanding shares
(2) Unaudited pro forma figures. Including 1.0 million of extraordinary income
(3) Unaudited figures

Nordic Rescue Group (NRG) faced a challenging operating environment in 2022. The Chinese market, which is an important market for NRG, was practically completely closed, and there were significant difficulties with the availability of components and truck chassis. However, the availability challenges eased slightly in the second half of the year. In Saurus' and Sala Brand's home markets in Finland and Sweden, the public sector's rescue vehicle purchases and new maintenance agreements improved demand and the visibility of business. At the same time, the impact of the reform of social welfare and health care services in Finland on the procurement of rescue equipment remains uncertain.

Nordic Rescue Group's net sales amounted to EUR 41.8 million in 2022 and the company's EBITDA was EUR -2.0 million. Vema Lift had significant effect on NRG's financial figures. Vema Lift's EBITDA in 2022 was EUR -1.9 million, and NRG's group expenses also include significant costs related to Vema Lift. The Saurus and Sala Brand businesses have a healthy foundation and are both profitable.

SAURUS AND SALA BRAND: GOOD BRAND AWARENESS AND STRONG MARKET POSITIONS

NRG's subsidiary Vema Lift Oy filed for bankruptcy in December 2022. The underlying reasons for the decision are Vema Lift's prolonged financial difficulties, the adverse market situation in China, the company's former main market, the shortage of chassis and components, and rising inflation.

High-quality Saurus products, tailored to customer needs, starting their approximately 30-year journey as crucial tools for professional rescue personnel.

“Vema Lift’s business suffered significantly from the practically complete closure of the Chinese market after the start of the COVID-19 pandemic. We started to enter new markets and made some progress in that respect. However, due to the long sales cycles in our industry, achieving a turnaround in profit performance was a slow process. We also sought a new industrial owner for Vema Lift, but as that was unsuccessful, bankruptcy unfortunately became the only option,” says **Esa Peltola**, CEO of NRG.

The other two NRG companies, Saurus and Sala Brand, will continue to develop and grow their businesses.

“Both companies have high brand awareness, a strong position in their main markets, and competent and committed personnel. The customer base for both Sala Brand and Saurus includes sectors in which significant investments are being made, such as the defence industry,” Peltola explains.

YEAR 2023: GROWTH AND PROGRESS

The Group aims to increase the net sales of its continuing businesses and improve profitability.

“One example of our development efforts is a production streamlining project. We are improving processes in both Saurus and Sala Brand with the aim of further improving efficiency,” Peltola states.

Above: Saurus machines of Etelä-Savo Rescue Services clearing storm damage in Pitkäjärvi, Mikkeli.

Below: A fire in a detached house in Turku’s Korppolaismäki district. NRG’s rescue unit was on hand to help prevent more extensive damage.

HTJ grew both organically and through an acquisition

HTJ specialises in construction management, project management and supervision. The company operates throughout Finland and employs over 200 experts. HTJ's most significant projects are in the areas of building construction and infrastructure. In 2022, HTJ expanded its expertise in infrastructure and industrial construction by acquiring Infrap Oy. The company also strengthened its environmental services and energy services by establishing a separate business segment focusing on this area.

FAIR VALUE

MEUR **10.2**

On 31 Dec. 2022

TARGET COMPANY SINCE

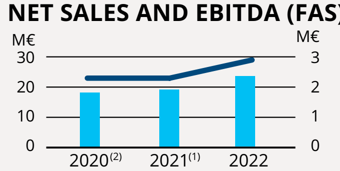
2021

HOLDING

91.7%

On 31 Dec. 2022

NET SALES AND EBITDA (FAS)



Net sales
EBITDA

EBITDA = operating profit + depreciation and amortisation

(1) Unaudited pro forma figures
(2) Figures of the acquired company Rakennuttajatoimisto HTJ Oy

The operating environment in the construction industry during the year under review was characterised by uncertainty caused by the weakened economic outlook, rising construction costs and problems associated with the availability of materials. The uncertainty was reflected in HTJ's operations mainly in the form of certain project starts being postponed. The company's order book remained at a good level and its net sales grew by 22%. This included organic growth as well as growth supported by the Infrap acquisition. HTJ's EBITDA was EUR 2.9 million. Although EBITDA improved, profitability was somewhat adversely affected by the higher-than-usual level of sickness-related absences due to the continued COVID-19 pandemic. There were also non-recurring expenses associated with the integration of Infrap, which was acquired in May.

THE INFRAP ACQUISITION INCREASES THE PREDICTABILITY OF HTJ'S BUSINESS

"The year 2022 was a period of growth for us. We received interesting new assignments, such as construction management and supervision tasks related to the renovation of the National Museum of Finland, and project management and supervision tasks on three life-cycle road infrastructure projects in southern Finland. The Infrap acquisition not only enabled us to take a leap in our growth, it also brought in new infrastructure and industrial construction expertise, both in terms of geographical coverage and range of services. The acquisition increased the role of the public sector in our customer base, which improves the predictability of our business and makes it less sensitive to economic

HTJ achieved excellent results in its customer satisfaction survey and personnel survey in 2022.

cycles. The Sievi Capital team played a significant role in the success of the acquisition," says **Janne Ketola**, CEO of HTJ.

Establishing environmental and energy services as a separate business segment was another important development during the year.

"We want to increase awareness of environmentally responsible construction. We provide project-specific services to help customers manage and monitor their environmental targets, and we look for suitable operating models and solutions for sustainable construction management. The demand for these services will continue to grow.

EMPLOYEES ARE KEY TO HTJ'S GROWTH STRATEGY

HTJ will continue on the path of disciplined growth in 2023. The company will strengthen its expertise and service offering organically and potentially through acquisitions. In spite of the challenges in the operating environment, HTJ is confident that its strong expertise, expanded range of services and broad customer base will keep the company going.

"We want to grow while ensuring that our employees have a high level of well-being at work. We measure customer and employee satisfaction regularly, and have achieved positive results in both groups. According to employees, we provide good conditions for work. They particularly appreciate the trust shown in their expertise, and we have found that this, in turn, leads to a high level of customer satisfaction," Ketola concludes.

Above: HTJ is a pioneer in using drones in project management.

Below: HTJ has served as a construction management consultant in the Pirkanmaa Hospital District's Tampere University Hospital modernisation programme since 2013.

Corporate governance

Board of Directors

Juha Karttunen

- Chairman of the Board since 2022
- b. 1964
- M.Sc. (Econ.), CEFA
- Main occupation: Sisu Partners Ltd, Partner, CEO
- Shareholding on 31 December 2022: 0 shares
- Independent of the company and major shareholders

Kati Kivimäki

- Member of the Board since 2019
- b. 1973
- BBA, MBA
- Main occupation: Finnish Hockey League, CEO
- Shareholding on 31 December 2022: 0 shares
- Independent of the company and major shareholders

Timo Mänty

- Member of the Board since 2022
- b. 1960
- M.Sc. (Econ.)
- Main occupation: Board professional
- Shareholding on 31 December 2022: 0 shares
- Independent of the company and major shareholders

Taru Narvanmaa

- Member of the Board since 2019
- b. 1963
- M.Sc. (Econ.)
- Main occupation: Board professional
- Shareholding on 31 December 2022: 10,000 shares
- Independent of the company and major shareholders

Harri Sivula

- Member of the Board since 2022
- b. 1960
- M.Sc. (Admin.)
- Main occupation: Board professional
- Shareholding on 31 December 2022: 0 shares
- Independent of the company and major shareholders

Management

Jussi Majamaa

- CEO since 2021
- b. 1971
- M.Sc. (Econ.)
- Shareholding on 31 December 2022: 11,000 shares through Origo Partners Ltd, an entity controlled by Jussi Majamaa

Tuomas Joensuu

- CFO since 2022
- b. 1992
- M.Sc. (Econ.)
- Shareholding on 31 December 2022: 24,268 shares

Corporate Governance Statement

INTRODUCTION

Sievi Capital Plc is a publicly listed limited liability company. Its corporate governance complies with the company's Articles of Association, the Finnish Limited Liability Companies Act and other laws and regulations governing the company. In addition, the company complies with the Corporate Governance Code of Finnish listed companies that entered into force on 1 January 2020. The Corporate Governance Code is available at the Securities Market Association's website at www.cgfinland.fi/en.

Sievi Capital's Corporate Governance Statement has been prepared as a publication that is separate from the Board of Directors' report. The statement has been discussed and approved by the company's Board of Directors.

ANNUAL GENERAL MEETING

The ultimate decision-making power lies with Sievi Capital's general meeting of shareholders. The Annual General Meeting (AGM) makes decisions on matters addressed to it by the Limited Liability Companies Act and the company's Articles of Association. Key matters resolved by the AGM are adopting the financial statements, discharging the Board of Directors and the CEO from liability, deciding on the distribution of profit, electing the members of the Board of Directors and the auditors and deciding on their respective remuneration.

The company's AGM is held annually by the end of June. An Extraordinary General Meeting may be held for the purpose of dealing with a specific matter when deemed necessary by the Board of Directors or when requested in writing by the auditor or by shareholders representing at least one tenth of the company's shares. The notice of the General Meeting must be delivered to the shareholders no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting, and no later than nine (9) days prior to the record date of the General Meeting. The notice is delivered to the shareholders by publishing it on the company's website or in a newspaper designated by the Board of Directors or by sending it by mail to the addresses recorded in the company's shareholder register.

Sievi Capital Plc's AGM was held on 11 May 2022 and it resolved matters designated to the AGM, among other things. The company's Board of Directors decided on an exceptional meeting procedure, pursuant to temporary legislation (375/2021), to limit the spread of the COVID-19 pandemic. Shareholders and their proxy representatives could only participate in the meeting by voting in advance and by submitting counterproposals and asking questions in advance. Of the members of the Board of Directors, only Chair Lennart Simonsen was present, and the other members of the Board of Directors followed the meeting online, being available whenever needed.

BOARD OF DIRECTORS

The task of the Board of Directors is to see to the governance of the company and the appropriate organisation of the company's operations in accordance with the Finnish Limited Liability Companies Act. According to Sievi Capital's Articles of Association, the Board of Directors consists of a minimum of three and a maximum of seven ordinary members.

The Annual General Meeting of 11 May 2022 resolved to establish a Shareholders' Nomination Board, which is responsible for preparing annually, and as necessary, proposals concerning the composition, election and remuneration of the members of the Board of Directors.

The Nomination Board consists of four members, with the company's three largest shareholders each having the right to nominate one member, and one member being the Chair of the Board of Directors of the company or another member elected by the Board of Directors from among its members. The company's largest shareholders, entitled to nominate members, are determined each year on the basis of the registered holdings in the company's shareholders' register on the last working day of August. The Nomination Board submits its proposals to the Annual General Meeting to the company's Board of Directors by the end of January preceding the Annual General Meeting at the latest.

Tasks of the Board of Directors

The Board of Directors has approved rules of procedure for itself, which define the Board's key tasks, operating principles and meeting practices as well as an annual self-assessment of the Board's activities.

According to the rules of procedure, the key tasks of the Board of Directors include:

- to confirm the company's business strategy and supervise its implementation;
- to confirm the company's values and policies;
- to confirm annual key business targets and monitor the Group's result development;
- to decide on investment projects and divestments;
- to review and approve financial statements and other financial reports;
- to appoint and dismiss the CEO;
- to decide on the incentive schemes of the management and the personnel;
- to monitor the company's key business risks and their management, be responsible for the company's internal control system and confirm the policies and guidance related to them;
- to take care of the compulsory duties of the Audit Committee; and
- to prepare proposals to target company shareholders concerning the election of the members of the Board of Directors in target companies.

The Board's tasks related to financial reporting, internal control and risk management include, for instance:

- to monitor the company's financing and financial position and the financial statements reporting process;
- to supervise the financial reporting process;
- to monitor and supervise significant strategic and operational risks and the actions of the company's management to monitor, manage and report the risks;
- to monitor the transactions of the company's management and their related parties and any possible conflicts of interest related to them;
- to review the Corporate Governance Statement; and
- to prepare a proposal to the Annual General Meeting for the decision concerning the election of an auditor and to evaluate the auditor's independence.

The Board of Directors is also responsible for the following tasks, which fall under the Remuneration Committee's responsibility according to the Corporate Governance Code of Finnish listed companies:

- to decide on the remuneration and other benefits of the CEO and other management;
- to formulate and implement the process of finding successors for the CEO and other management; and
- to develop and evaluate the remuneration schemes and ensure their appropriateness.

Composition, independence evaluation and diversity of the Board of Directors

From 1 January 2022 to 11 May 2022, the members of Sievi Capital's Board of Directors were Simon Hallqvist, Juha Karttunen, Kati Kivimäki, Taru Narvanmaa and Lennart Simonsen.

The Annual General Meeting of 11 May 2022 re-elected Juha Karttunen, Kati Kivimäki and Taru Narvanmaa to the Board of Directors, with Timo Mänty and Harri Sivula elected as new members.

Based on an assessment of independence conducted by the Board of Directors in accordance with the Finnish Corporate Governance Code, the current Board of Directors considered all members of the Board of Directors to be independent of the company and of the significant shareholders of the company.

The company deems it important that its Board members have diverse backgrounds; however, it should be taken into account that the members have the competencies that are essential for the company's business. The aim is that the Board members have versatile, complementary professional backgrounds, experience and know-how and that the Board consists of representatives of both genders, so that the diversity of the Board supports Sievi Capital's business and future in the best possible way. The objective of Board diversity is to ensure, for instance, a wide scope of views, open discussion and support for and challenging of the company's operational management.

Committees

Board committees have not been established in Sievi Capital. The Board of Directors is responsible for taking care of the compulsory duties of the Audit Committee. According to the view of the Board of Directors, the Board's operating without committees is the most suitable option considering the current needs of the company's business and best supports the fulfilment of the responsibilities of the company's Board according to law and the Corporate Governance Code of Finnish listed companies.

Board meetings

In 2022, the Board of Directors held 21 meetings and made one unanimous decision without holding a meeting. The attendance rate of the Board members at the meetings during the financial period 2022 was 98%. Information about the Board members' meeting attendance is presented in the table below.

INFORMATION ABOUT BOARD MEMBERS AND THEIR SHAREHOLDINGS

Name	Personal data	Shareholding on 31 December 2022 (1)	Attendance at Board meetings
Juha Karttunen	Chair of the Board of Directors since 11 May 2022 Born: 1964 Education: M.Sc. (Econ.), CEFA Main occupation: CEO, Sisu Partners Oy Independent of the company and its major shareholders	0	22/22
Kati Kivimäki	Member of the Board of Directors since 2019 Born: 1973 Education: BBA, MBA Main occupation: CEO, Finnish Hockey League Independent of the company and its major shareholders	0	22/22
Timo Mänty	Member of the Board of Directors since 11 May 2022 Born: 1960 Education: M.Sc. (Econ.) Main occupation: board professional Independent of the company and its major shareholders	0	15/15
Taru Narvanmaa	Member of the Board of Directors since 2019 Born: 1963 Education: M.Sc. (Econ.) Main occupation: board professional Independent of the company and its major shareholders	10,000	22/22
Harri Sivula	Member of the Board of Directors since 11 May 2022 Born: 1962 Education: M.Sc. (Admin.) Main occupation: board professional Independent of the company and its major shareholders	0	14/15
Lennart Simonsen	Chair of the Board of Directors until 11 May 2022 Born: 1960 Education: LL.M. Main occupation: Senior Advisor, Krogerus Attorneys Ltd. Independent of the company and its major shareholders	–	7/7
Simon Hallqvist	Member of the Board of Directors until 11 May 2022 Born: 1967 Education: M.Sc. (Econ.) Main occupation: Founding Partner, Preato Capital AB Independent of the company, non-independent of the shareholder Preato Capital AB	–	6/7

(1) Shareholding information for the members of the Board of Directors as of 31 December 2022

CEO AND OTHER MANAGEMENT

CEO

The company's Board of Directors appoints the CEO and decides on the terms of her/his service contract and remuneration. The CEO manages and supervises the company's business operations according to the Finnish Limited Liability Companies Act and the instructions and authorisations issued by the Board of Directors. Jussi Majamaa has acted as Sievi Capital's CEO since 1 September 2021.

Other management

The company's other management includes the CFO. The CFO is responsible for the financial reporting process and supports the CEO in the management of the company's business operations. Markus Peura acted as Sievi Capital's CFO until 15 March 2022. Tuomas Joensuu became the interim CFO on 15 March 2022.

Information about the CEO and other management and their shareholdings

Name	Position	Personal data	Shareholding on 31 December 2022 (1)
Jussi Majamaa	CEO	Born: 1971 Education: M.Sc. (Econ.)	11,000 (2)
Tuomas Joensuu	CFO	Born: 1992 Education: M.Sc. (Econ.)	24,268

(1) Including shareholding through controlled entities
(2) Shares held through the controlled entity Origo Partners

RISK MANAGEMENT, INTERNAL CONTROL AND AUDIT

Risk management

The goal of Sievi Capital's risk management is the comprehensive and proactive management of risks. The company aims to detect and identify factors that may have a negative impact on the achievement of the company's goals in a long or short term and to take necessary measures to manage these factors. In risk management, a key role is played by risk management at the level of investments, which is mainly arranged by the target companies themselves. Sievi Capital promotes risk management at the target company level by exercising active control over its holdings and participating in the work of the Board of Directors in target companies.

Sievi Capital is engaged in investment activities. The company's Board of Directors confirms the company's strategy and action plan, which defines goals related to new investments and exits, among other things. The Board of Directors makes decisions on new private equity investments and supervises the execution of investment activities. Due to the company's business, investment strategy and nature of investments, a significant portion of Sievi Capital's most material risks are associated with the company's private equity investments in target companies and the risks related to their operations.

Internal control and audit

Internal control at Sievi Capital is an ongoing process to secure business performance and continuity. The objective of control is to minimise risks by ensuring that reporting is reliable and that laws and regulations are being followed.

Considering the structure and scope of the company's business, setting up a separate internal audit organisation has not been considered appropriate thus far. The company's management is responsible for the internal control system. Internal control is an active part of the company's management and governance.

The basis of financial control is formed by the controls included in operational processes, which enable the fast detection of deviations and fast reactions to them. A material part of the financial control is monthly reporting by management. The metrics followed in the monthly reporting have been set so that they support the company in reaching its targets and highlight issues that require controlling actions. Due to the nature of the business, budgeting in its traditional form is not used in the parent company. The interpretation and application of the accounting standards is centralised to the corporate financial administration.

Insider management

Sievi Capital complies with the insider provisions of the EU Market Abuse Regulation, which entered into force on 3 July 2016, and the insider guidelines of Nasdaq Helsinki. In addition, Sievi Capital has its own Insider Policy, which complements Nasdaq Helsinki's insider guidelines.

Sievi Capital does not maintain a list of permanent insiders. Project-specific insider lists are maintained for each project constituting inside information, as defined in insider provisions, based on the insider guidelines of Nasdaq Helsinki and the company's own internal guidelines.

Sievi Capital maintains an internal list on its managers and persons closely associated with them (related parties). The list is not public. Sievi Capital has determined the members of the Board of Directors, the CEO and the CFO as managers defined in the Market Abuse Regulation. Each manager and their related parties are obligated to report to Sievi Capital and the Financial Supervisory Authority all transactions made with financial instruments issued by Sievi Capital. Sievi Capital publishes these transactions in a separate stock exchange release. The total shareholding of each manager is annually published as part of the Corporate Governance Statement according to the Corporate Governance Code of Finnish listed companies.

Sievi Capital's above-mentioned managers, personnel and any other persons involved in the preparation, compilation and publication of the company's financial reports may not conduct any transactions related to Sievi Capital's financial instruments within 30 calendar days prior to the publication of the company's financial results.

Principles regarding related party transactions

Sievi Capital evaluates and monitors the transactions with its related parties and maintains a list of its related parties. The company does not customarily enter into transactions with its related parties which would be significant for the company and deviating from the ordinary course of business or would be conducted in deviation from customary market terms. The company did not enter into such transactions in 2022. The Board of Directors decides on possible related party transactions that deviate from the ordinary course of business or customary market terms.

AUDITING

According to its Articles of Association, Sievi Capital Plc has one auditing firm as its statutory auditor with an Authorised Public Accountant as the principal auditor. The term of the auditor terminates at the end of the first Annual General Meeting following their election.

The company's current auditor is the firm of APA auditors KPMG Oy Ab, with Esa Kailiala, APA, as the principal auditor.

In 2022, the audit fees paid to the auditor amounted to EUR 75,000 and the fees related to other non-audit services totalled EUR 18,723.

Governing bodies' remuneration report

INTRODUCTION

This remuneration report has been prepared in accordance with the remuneration reporting guidelines of the Finnish Corporate Governance Code.

The principles of the remuneration of Sievi Capital's governing bodies, that is, the Board of Directors and the CEO, are defined in the Remuneration Policy that was approved by Sievi Capital's Annual General Meeting on 29 April 2020.

The purpose of Sievi Capital's Remuneration Policy is to contribute to the company's business strategy and promote the company's long-term financial success. The key principles of the Remuneration Policy are that remuneration must be fair and competitive, enhance commitment and support the company's goals. Remuneration should also support the alignment of interests of the shareholders and the governing bodies.

There was a deviation from Sievi Capital's Remuneration Policy during the financial period 2022 in that the remuneration of CEO Jussi Majamaa consisted entirely of fixed remuneration. The temporary deviation from the Remuneration Policy was justified because the company's long-term incentive schemes during the financial period consisted mainly of share-based incentive schemes, which started already in January 2021, before Majamaa joined the company. An additional remuneration payment has been made to Majamaa for the financial period 2022 in connection with the January 2023 salary payment. In addition, a variable remuneration arrangement was agreed on in the financial period 2022, the objectives of which are related to the development of Sievi Capital's strategy.

Sievi Capital did not claw back any previously paid remuneration during the financial period.

The table below shows the development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the Group's employees and the financial development of the company in the previous five financial periods.

Average salaries, wages and fees, EUR 1,000

	2018	2019	2020	2021	**2022**
Member of the Board of Directors (1)	21	25	28	27	**28**
CEO	367 (2)	219	220	404	**288**
Personnel (3)	138	120	119	170	**197**
Return on equity,%	22.5	17.7	12.7	21.6	**–9.2**

(1) Includes the Chair of the Board of Directors
(2) Does not include the CEO's severance payment
(3) The salaries, wages and fees for the financial period, including the portion of share-based remuneration paid during the financial year, minus fees paid to the Board of Directors and then divided by the average number of personnel. Includes the CEO.

FEES PAID TO THE BOARD OF DIRECTORS IN 2022

The members of Sievi Capital's Board of Directors did not receive shares or share-based benefits as remuneration in the financial period 2022.

Sievi Capital has taken out TyEL employment pension insurance for the members of the Board of Directors and paid the TyEL contributions for the fees of the members of the Board of Directors. The employee's share of the TyEL contributions has been deducted from the fees. The TyEL contributions per individual paid by Sievi Capital in 2022 were as follows: Juha Karttunen EUR 5,839, Kati Kivimäki EUR 4,885, Taru Narvanmaa EUR 4,471, Lennart Simonsen EUR 3,095 and Harri Sivula EUR 2,484.

The travel expenses of the members of the Board of Directors were compensated in accordance with the company's Travel Policy.

SALARY AND FEES PAID TO THE CEO IN 2022

In 2022, Jussi Majamaa served on the Boards of Directors of Sievi Capital's target companies Indoor Group, KH-Koneet Group, Logistikas and Nordic Rescue Group. For this, he received total cash remuneration amounting to EUR 4,900 in 2022.

Fees paid to the Board of Directors in 2022

Name	Position	Board fees, EUR
Juha Karttunen	Chair of the Board of Directors since 11 May 2022	36,043
Lennart Simonsen	Chair of the Board of Directors until 11 May 2022	19,102
Simon Hallqvist	Member of the Board of Directors until 11 May 2022	-
Kati Kivimäki	Member of the Board of Directors	27,600
Timo Mänty	Member of the Board of Directors since 11 May 2022	15,333
Taru Narvanmaa	Member of the Board of Directors	27,600
Harri Sivula	Member of the Board of Directors since 11 May 2022	15,333

The figures in the table are shown on a payment basis

Salary and fees paid to the CEO in 2022

Name	Fixed remuneration (incl. fringe benefits), EUR	Remuneration due, EUR	Share-based remuneration, EUR	Total, EUR
Jussi Majamaa	207,500	52,500	-	260,000
Päivi Marttila (CEO until 1 September 2021) (1)	27,650	-	-	27,650

The figures in the table are shown on a payment basis, taking into account remuneration due as allocated to the financial period
(1) Includes the December 2021 salary and holiday pay paid to Päivi Marttila in January 2022.


GLASS
NORDIC BISTRO | CAFÉ | BAR | GIFTS
THE WORLD THROUGH PHOTOGRAPHY
K1

Financial information

Financial information section that includes Board of Directors' report and financial statements is voluntarily published pdf report and therefore, it does not fulfill the disclosure obligation pursuant to Section 7:5§ of the Securities Markets Act.

Board of Directors' report

TARGET COMPANIES

Indoor Group

Indoor Group's Asko and Sotka chains are among Finland's best-known home furniture and interior decoration retailers. In addition to the retail chains, the Group includes the furniture factory Insofa. Asko and Sotka have approximately 90 physical stores as well as online stores in Finland and Estonia.

Indoor Group's operating environment was challenging throughout the year in many respects. Profitability came under pressure, particularly due to the higher freight and purchasing costs of products in the first half of the year. In addition, the dissipating stay-at-home trends, the general rise in inflation accelerated by the war in Ukraine, and declining consumer confidence in their finances had a negative impact on demand. The company had a challenging year in both of its operating countries.In response to the weakened market conditions, Indoor Group took several measures during the year to improve operational efficiency, cut costs and improve margins. The company also conducted change negotiations on personnel-related adaptation measures in the autumn. The negotiations were completed in the fourth quarter. The change negotiations were aimed at achieving cost savings as well as increased operational flexibility. The various adaptation measures are expected to reduce annual costs by approximately EUR 1 million.

In 2022, the company's net sales decreased by 6% year-on-year and operating profit declined substantially. The challenging demand situation was reflected in customer flows and sales, which affected the development of net sales. The higher purchasing and freight prices of products had a negative effect on the gross margin particularly in the first half of the year. In addition, fixed costs increased from the previous year, which significantly weakened operating profit. EUR 3.2 million in costs related to the ongoing ERP system renewal project were recognised during the review period, which contributed to the increase in fixed costs in the IFRS figures. However, in the second half of the year, freight costs have decreased and the company has optimised the pricing of products, which improved the gross margin slightly. In the fourth quarter, net sales decreased and operating profit was lower than in the comparison period. Indoor Group's working capital was higher than usual in 2022. In addition, profit performance was weak and investments were higher than usual, which meant that the company's cash flow was substantially weaker than in the preceding years.

As the company's financial performance was weaker than expected, it did not meet the covenants of its financing agreement on 31 December 2022. However, after the end of the financial year, Indoor Group received the consent of the financing provider to deviate from the covenant terms of the financing agreement.

In 2022, the company implemented development measures in its network of stores, among other areas, with the key measure being the transfer of a total of 13 Sotka stores from franchisees to Indoor Group. Of these, 10 stores were acquired and three were transferred to Indoor Group in accordance with the franchise agreement. The transfers of all 13 stores were completed successfully, and the company had no franchisee-operated stores at the end of 2022. Following the transactions, the management of the store network will be harmonised. Indoor Group also made additional investments in its own furniture production by upgrading the production line of the company-owned Insofa furniture factory.

Indoor Group's ERP system renewal project progressed to the deployment testing phase in 2022. The extensive project has required resources from the company both externally and internally. According to the updated plans, the system will be deployed over several stages in 2023.

Indoor Group Holding Oy's key figures

EUR million	1–12/2022	1–12/20201
Net sales	192.2	204.8
EBITDA (1)	20.3	32.3
EBIT (2)	1.0	14.1
EBITDA (FAS) (3)	4.1	16.1
Interest-bearing net debt at the end of the period (4)	76.4	74.1
Sievi Capital's holding at the end of the period (5)	58.3%	58.3%

The key figures are consolidated IFRS figures derived from audited financial statements, unless indicated otherwise

(1) EBITDA = operating profit + depreciation and amortisation

(2) EBIT = operating profit (earnings before interest and taxes)

(3) Unaudited EBITDA calculated according to the Finnish Accounting Standards (FAS)

(4) Interest-bearing net debt = interest-bearing debt - cash and cash equivalents and loan receivables. Interest-bearing debt on 31 December 2022 includes EUR 51.3 (56.3) million in debt associated with IFRS 16.

(5) of outstanding shares

KH-Koneet Group

KH-Koneet Group is one of the leading construction and earth-moving machinery suppliers in the Nordic countries. The company sells and rents out a comprehensive range of machinery, equipment and services for needs related to earthworks, property maintenance and material handling. The brands represented by KH-Koneet Group include Kobelco, Kramer, Wacker Neuson and Yanmar.

KH-Koneet Group's operating environment remained stable for the most part in 2022. There was some uncertainty regarding the availability of machinery, particularly in the first half of the year, and some manufacturers also had production challenges and delays in the latter part of the year. However, the overall situation developed favourably towards the end of the year. In both of the company's operating countries, the demand for earth-moving machinery levelled off during the year after exceptionally strong demand in the early part of 2022. While activity in the machine dealership business levelled off, demand in the machinery rental business remained at a good level, and that trend continued in the fourth quarter. The company's broad customer base compensated for the weakened outlook for new construction in both of its operating countries.

KH-Koneet Group's net sales grew by 15% year-on-year in 2022 and amounted to EUR 194.5 million. Net sales increased in both of the company's operating countries, with growth in Sweden being particularly strong. Over 40% of the net sales for the financial year were derived from Sweden, and the Swedish market's share of the company's total net sales increased steadily during the year. The company's EBITDA improved and was EUR 2.4 million higher than in the previous year. The development of EBITDA was supported by the machinery dealership business, which was at a good level overall, and the growth of the machinery rental business both organically and supported by the acquisition of Törnells Maskinuthyrning in April. Net sales and EBITDA for the fourth quarter decreased from the exceptionally high level of the comparison period. The result for the final quarter of the year was also weakened to some extent by a change in recognition practices related to the sale of machinery included in Törnells Maskinuthyrhing's fixed asset items, and costs recognised due to specifications to certain accrual practices. These changes had a combined effect of EUR -0.5 million on EBITDA in the fourth quarter.

In accordance with its long-term strategy, the company continued to grow and develop its business in Sweden in 2022. In addition to achieving organic growth, the company strengthened its market position in Sweden and its ability to provide comprehensive services to its customers by acquiring the machinery rental company Törnells Maskinuthyrning. The company's strong growth has also led to a substantial increase in the costs of its Swedish operations. Consequently, the company carried out cost-cutting measures during the latter part of the year, including the consolidation of certain operating locations, streamlining the organisational structure and improving the efficiency of operating practices in sales. The cost savings began to have a positive impact on the profit performance of the company's Swedish operations in the fourth quarter. The company aims to continue to improve its profit performance in Sweden to bring the profitability of its Swedish operations close to the level of its Finnish operations.

KH-Koneet Group is at the heart of Sievi Capital's change in strategy, which was announced in December. The medium-term objective is to build an industrial group around KH-Koneet Group. The restructuring will proceed in stages. In 2023, KH-Koneet Group will focus on continuing the current development of its business operations, strengthening its strategic objectives for the coming years, and building improved capabilities with regard to the development of reporting systems, for example.

KH-Koneet Group Oy's key figures

EUR million	1–12/2022	1–12/2021
Net sales	194.5	168.7
EBITDA [1]	12.6	10.3
EBITA [2]	10.0	8.9
Interest-bearing net debt at the end of the period [3]	27.8	15.2
Sievi Capital's holding at the end of the period [4]	90.7%	90.5%

The key figures are consolidated FAS (Finnish Accounting Standards) figures derived from audited financial statements
(1) EBITDA = operating profit + depreciation and amortisation
(2) EBITA = operating profit + depreciation related to intangible assets resulting from corporate acquisitions
(3) Interest-bearing net debt = interest-bearing debt - cash and cash equivalents and loan receivables
(4) Of outstanding shares

Logistikas

Logistikas offers local logistics, in-house logistics and immediate-proximity warehousing services, logistics expert services and comprehensive procurement services. The company operates in 10 locations in Finland, both at its own logistics centres and at customer premises responsible for in-house logistics.

The operating environment for logistics services developed favourably in 2022. The supply chain disruptions and customer companies' component availability problems have dissipated and the predictability of the flows of goods has improved substantially. Inventory levels among customer companies are still higher than in the preceding years, which has been favourably reflected in the demand for Logistikas' warehousing and value-added services. The company derives most of its net sales from industrial logistics services. The business outlook for many customers in the sector is favourable in spite of the general economic uncertainties. In addition, many customer companies are increasingly focusing on their core businesses, which has supported the demand for Logistikas' outsourcing services. Inflation increased cost pressures to some extent with regard to business premises costs and personnel expenses. The company has taken this into account in its pricing and other operational activities.

Logistikas' net sales increased substantially from the previous year, driven by organic growth as well as an acquisition carried out in 2021. Net sales in 2022 amounted to EUR 31.8 million, representing year-on-year growth of 45%. The company managed to increase its net sales, particularly with regard to its largest customers, by developing its service offering and growing in step with the rising volumes of its customer companies. EBITDA increased by EUR 0.7 million year-on-year due to the growth of net sales. Relative profitability remained close to the previous year's level. EBITDA was affected favourably by the positive development of the sales mix and negatively by rising business premises costs and other fixed expenses. Some of the company's operations in Finland were relocated to a different logistics centre late in the year, which caused some non-recurring costs and contributed to the increase in fixed expenses. The company's operational efficiency developed favourably in the fourth quarter. Net sales also grew substantially and EBITDA improved year-on-year.

Logistikas continued to implement measures in line with its growth strategy in 2022. In April, for example, the company expanded its operations in Rauma by carrying out a business transfer from Rauma Marine Constructions Oy. As a result of the business transfer, the cooperation between the two companies was expanded to include in-house logistics services for steel production and block manufacturing as well as tool distribution service operations. In line with its long-term growth strategy, Logistikas will continue to actively explore new organic expansion projects in 2023. The company will also regularly assess acquisition opportunities.

The Logistikas organisation was strengthened during the review period by the recruitment of new key employees to support the development of business unit management and the company's administration. The focus of the efforts to strengthen the organisation is on developing the operational efficiency of the business units and building consistent operating models for the company. The demand situation for logistics services is favourable, and the measures to strengthen the organisation put Logistikas in a good position to serve both existing and new customers.

Logistikas Oy's key figures

EUR million	1–12/2022	1–12/2021
Net sales	31.8	22.0
EBITDA (1)	2.4	1.7
EBITA (2)	1.9	1.3
Interest-bearing net debt at the end of the period (3)	6.6	7.0
Sievi Capital's holding at the end of the period	65.9%	65.9%

The key figures are consolidated FAS (Finnish Accounting Standards) figures derived from audited financial statements
(1) EBITDA = operating profit + depreciation and amortisation
(2) EBITA = operating profit + depreciation related to intangible assets resulting from corporate acquisitions
(3) Interest-bearing net debt = interest-bearing debt + purchase price liabilities - cash and cash equivalents.

Nordic Rescue Group

Nordic Rescue Group specialises in rescue vehicles. The group companies are Saurus Oy in Finland and Sala Brand AB in Sweden. Nordic Rescue Group is a leading Nordic company in its field.

Nordic Rescue Group's market environment in 2022 was again characterised by challenges associated with the availability of truck chassis and various components. These challenges were reflected in costs and delivery schedules. While availability developed favourably in the second half of the year, the rising prices of raw materials and components had a negative impact on the company's operations. In the company's home markets in Finland and Sweden, the public sector procurement of rescue vehicles has continued at a fairly good level. In addition, maintenance agreements have increased the visibility of demand. At the same time, the impact of the reform of social welfare and health care services in Finland on the procurement of rescue equipment remains uncertain. At the end of 2022, the order books of Saurus and Sala Brand were higher than in the previous year, which provides a good foundation for operations in 2023. The company has also taken the higher prices of raw materials and components into account in its pricing.

There was a significant change in Nordic Rescue Group's operations in the fourth quarter, as the company ceased the manufacturing of rescue lifts. Vema Lift, a company with a strong focus on exports, had been part of Nordic Rescue Group since 2020. However, the COVID-19 pandemic and the shutdown of the Chinese market led to a significant change in demand and financial difficulties for Vema Lift. Vema Lift filed for bankruptcy in December 2022 and the parent company Nordic Rescue Group is the largest creditor of Vema Lift's bankruptcy estate. More information on Nordic Rescue Group's share of the bankruptcy estate is expected to be available in the first half of 2023. The discontinuation of the rescue lift business has no impact on the business operations of Saurus and Sala Brand. Both companies have conducted their business independently.

The company's net sales increased by 11% year-on-year and amounted to EUR 41.8 million, of which the discontinued Vema Lift business accounted for EUR 10.2 million. The combined net sales of Saurus and Sala Brand grew year-on-year, but the growth was attributable to an acquisition carried out in 2021. The organic development of net sales was negative due to the lower export volumes of Saurus. EBITDA for 2022 was negative at EUR -2.0 million. Of that amount, EUR -1.9 million was attributable to the Vema Lift business. In 2022, the parent company Nordic Rescue Group's expenses included in EBITDA amounted to EUR 1.5 million, of which non-recurring expenses and costs related to Vema Lift represented approximately EUR 0.9 million. The parent company's organisation and functions have been re-evaluated following the discontinuation of the Vema Lift business. Going forward, the parent company's expenses will be substantially lower than in 2022. Saurus and Sala Brand had positive EBITDA figures in 2022. In the fourth quarter, Nordic Rescue Group's net sales grew and EBITDA declined substantially year-on-year. The result of the fourth quarter was weighed down by a total of approximately EUR 0.4 million impact of negative EBITDA of Vema Lift and the parent company's non-recurring costs and expenses associated with Vema Lift.

Due to the company's weak financial performance, it did not meet the covenants of its financing agreement on 31 December 2022. After the review period, Nordic Rescue Group has continued to negotiate with the financing provider to deviate from the year-end financial covenants and adapt the financing agreement to better reflect the current situation and prospects of the company.

In spite of the challenging year, Nordic Rescue Group continued to develop its companies during the review period. Saurus expanded its maintenance operations during the year by relocating the operations to a new separate facility in Jyväskylä. This enables Saurus to serve its maintenance customers more efficiently and on a more diverse basis. Sala Brand focused on streamlining assembly processes and improved its operational efficiency. In spite of the challenges it experienced during the review period, Nordic Rescue Group enters 2023 with more positive expectations than it did in 2022. The company has two strong and well-known rescue vehicle brands, and the development of the businesses will continue in the new year.

Nordic Rescue Group Oy's key figures

EUR million	1–12/2022	1–12/2021
Net sales	41.8	37.6
EBITDA (1)	-2.0	-0.1
EBITA (2)	-2.3	-0.4
Interest-bearing net debt at the end of the period (3)	12.8	7.0
Sievi Capital's holding at the end of the period (4)	68.1%	67.9%

The key figures are consolidated FAS (Finnish Accounting Standards) figures. The 2022 figures are unaudited. Nordic Rescue Groups' key figures include the rescue lift business that was discontinued in December 2022 .

(1) EBITDA = operating profit + depreciation and amortisation

(2) EBITA = operating profit + depreciation related to intangible assets resulting from corporate acquisitions

(3) Interest-bearing net debt = interest-bearing debt + purchase price liabilities - cash and cash equivalents and loan receivables On 31 December 2022, interest-bearing debt included EUR 1.9 million in loans from owners and related interest liabilities, of which Sievi Capital's share was EUR 1.4 million

(4) Of outstanding shares

HTJ

HTJ is one of the leading construction consulting companies in Finland and offers its customers a wide range of expert services in construction management, site supervision, energy and environmental consulting and project management. The company employs approximately 200 experts and serves customers across Finland.

The operating environment in the construction sector was characterised by increased uncertainty in 2022. This was mainly due to the sharp rise in construction costs and problems associated with the availability of materials. However, the uncertainty had a relatively small impact on HTJ's operations, being primarily reflected in the postponed start of certain individual projects. The rise in construction costs levelled off in the second half of the year, and this trend is expected to continue in 2023. The demand for HTJ's services has remained at a good level, and the company was active in tendering in all of its business segments in 2022. The favourable demand situation has been supported by HTJ's broad customer base, with the public sector representing over 60% of net sales, and the company's comprehensive range of services. HTJ's order book at the end of 2022 was strong, exceeding the previous year.

HTJ's net sales in 2022 increased by 22% compared to previous year's pro forma level to EUR 23.1 million. The growth of net sales included both organic growth and growth driven by the Infrap acquisition. Organic growth was mainly derived from infrastructure and industrial services, which were further strengthened by the acquisition. Supported by the acquisition, the company's EBITDA rose to EUR 2.9 million, representing a year-on-year increase of EUR 0.5 million. In spite of the improved EBITDA, profit performance was adversely affected by higher-than-usual sickness-related absences, which reduced the invoicing rate, and increased personnel expenses. The Infrap acquisition also generated some non-recurring expenses in 2022. In the fourth quarter, net sales increased and EBITDA improved substantially year-on-year.

HTJ strengthened its service offering on multiple fronts in 2022. In May, the company acquired Infrap, which strengthened HTJ's infrastructure and industrial services. The acquisition significantly expanded the geographical scope of HTJ's operations, allowing the company to serve customers across Finland. During the review period, the company also won new projects, having been able to leverage the expanded capabilities and services gained from the acquisition in competitive tendering. Establishing the Environmental and Energy Services business area was another important step in the company's development. HTJ provides project-specific services to help customers manage and monitor their environmental targets, and looks for suitable operating models and solutions for sustainable construction management. The demand for the company's environmental and energy services has been good and is expected to grow further in the future.

Personnel satisfaction and customer satisfaction are important aspects of HTJ's strategy, and they are regularly measured. The company carried out personnel satisfaction and customer satisfaction surveys in the fourth quarter, and the results were very positive. Highly competent employees with a high level of well-being are a key success factor for HTJ. This also affects employee commitment and, consequently, customer satisfaction.

HTJ Holding Oy's key figures

EUR million	1–12/2022	1–12/2021
Net sales	23.1	19.0
EBITDA (1)	2.9	2.3
EBITA (2)	2.8	2.2
Interest-bearing net debt at the end of the period (3)	8.1	5.7
Sievi Capital's holding at the end of the period	91.7%	92.4%

The key figures are consolidated FAS (Finnish Accounting Standards) figures. The figures for 2021 are unaudited pro forma figures, which have been combined from the figures of the acquired company Rakennuttajatoimisto HTJ Oy until the completion of the acquisition (4 October 2021) and from the figures of the HTJ Holding group in the period after that.

(1) EBITDA = operating profit + depreciation and amortisation

(2) EBITA = operating profit + depreciation related to intangible assets resulting from corporate acquisitions

(3) Interest-bearing net debt = interest-bearing debt + purchase price liabilities – cash and cash equivalents and loan receivables. Includes EUR 0.8 million of purchase price liability that is due for payment if the company has received at least an equivalent amount of returns from a specific project.

RESULT OF INVESTMENT ACTIVITIES

January–December

Sievi Capital's operating profit in January–December was EUR -10.1 (20.2) million and its net profit for the period amounted to EUR -8.2 (18.4) million. Earnings per share (undiluted and diluted) were EUR -0.14 (0.32), return on capital employed was -10.0% (22.4%) and return on equity was -9.2% (21.6%).

Sievi Capital's interest and dividend income in 2022 amounted to EUR 0.0 (11.5) million.

Changes in the value of investments amounted to EUR -7.9 (12.9) million, of which the realised profits/losses and expenses of investments accounted for EUR 0.0 (0.0) million and unrealised changes in fair values for EUR -7.9 (12.9) million.

No private equity investments were sold during the period and, thus, there were no realised gains or losses.

The most significant unrealised changes in value during the financial period were the EUR -9.9 million change in the value of the Indoor Group investment, the EUR +6.3 million change in the value of the KH-Koneet Group investment and the EUR -4.8 million change in the value of the Nordic Rescue Group investment. The change in the value of the Nordic Rescue Group investment includes an adjustment of EUR 1.3 million recognised in April with regard to an investment made in the form of a junior loan. The change in the value of the Logistikas investment in 2022 was +0.2 million and the change in the value of the HTJ investment was +0.9 million. The key factors in the changes in value included the profit performance of the target companies as well as changes in the interest rate environment, which led to a substantial increase in the discount rates used in valuations during the review period.

Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares in the companies held by the minority shareholders if certain conditions are met. Therefore, the investment in said companies is presented as if the company had a 100% holding and the non-controlling interests are presented as liabilities related to the redemption of the minority interest, recognised at fair value through profit or loss in other liabilities. Changes in the value of the above liabilities, presented as part of the unrealised changes in the value of investments, had an impact of EUR -0.6 million on the unrealised change in the value of investments.

Sievi Capital's operating expenses decreased substantially in 2022 and amounted to EUR 2.2 (4.2) million. The cost level in 2021 was significantly affected by costs related to the cancelled combination project of Sievi Capital and Boreo, which amounted to EUR 1.7 million.

Distribution of investments and net asset value

EUR million	31 Dec. 2022	%	31 Dec. 2021	%
Private equity investments				
Indoor Group Holding Oy	39.8	46.8%	49.7	53.2%
KH-Koneet Group Oy (1)	42.8	50.3%	36.5	39.1%
Logistikas Oy	6.5	7.6%	6.3	6.7%
Nordic Rescue Group Oy (2)	3.0	3.6%	6.5	7.0%
HTJ Holding Oy (1)	10.2	12.0%	9.3	10.0%
Private equity investments, total	**102.4**	**120.3%**	**108.3**	**115.9%**
Cash and cash equivalents and other financial assets	2.2	2.6%	1.8	2.0%
Loans from financial institutions	-9.9	-11.6%	-5.5	-5.9%
Deferred tax liabilities and assets, total	-4.1	-4.8%	-6.2	-6.6%
Other liabilities, receivables and assets, total (1)	-5.5	-6.4%	-5.0	-5.4%
Total net asset value	**85.1**	**100.0%**	**93.5**	**100.0%**
Net asset value per share (EUR)	**1.47**		**1.61**	

The percentages in the "Distribution of investments and net asset value" table have been calculated on the basis of net asset value.
(1) Sievi Capital and all of the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares held by the minority shareholders. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as liabilities at fair value through profit or loss in other liabilities.
(2) Includes Sievi Capital's loan and interest receivables from the company (totalling EUR 1.4 million on 31 December 2022)

INVESTMENT DISTRIBUTION AND NET ASSET VALUE

Sievi Capital's investment activities focus on private equity investments in small and medium-sized companies.

At the end of 2022, the fair value of the private equity investments was EUR 102.4 (108.3) million, corresponding to a year-on-year decrease of approximately 5 per cent. The total value of the private equity investments declined year-on-year due to a decrease in fair values. While no initial investments were made during the review period, a follow-on investment was made in Nordic Rescue Group in the form of a junior loan (EUR +1.3 million). Sievi Capital's net asset value per share on 31 December 2022 was EUR 1.47 (1.61).

FINANCIAL POSITION AND CASH FLOW

Sievi Capital's balance sheet total on 31 December 2022 was EUR 109.3 (113.5) million. The equity ratio was 77.9% (82.4%) and gearing was 14.9% (8.6%). Sievi Capital took out a loan of EUR 4.5 million in March for the purpose of the company's investment activities and other general financing needs. In December, the company refinanced loans of EUR 10.0 million that would have been due in October 2023. The loan taken in December will fall due in one instalment in December 2024. The loan agreement includes a financial covenant based on Sievi Capital's equity. The terms of the covenant were met at the end of the review period.

Net cash flow from operating activities amounted to EUR -3.9 (-9.8) million, net cash flow from investing activities to EUR 0.0 (0.0) million and net cash flow from financing activities to EUR 4.3 (3.1) million. During the review period, Sievi Capital did not receive any dividends or make any new initial investments, which was a key difference to the comparison period with regard to net cash flow from operating activities.

The year-on-year change in net cash flow from financing activities was particularly attributable the dividends of EUR 2.3 million paid in the comparison period. In addition, loans were drawn and repaid during the review period with a net effect of EUR 4.4 (5.5) million on cash flow from financing activities.

PERSONNEL

During the review period, Sievi Capital had an average of 5 (7) employees.

Tuomas Joensuu became the interim CFO of Sievi Capital in March 2022, following the previous CFO Markus Peura's departure from the company. Sievi Capital had previously announced Peura's departure in September 2021.

STRATEGY AND TRANSFORMATION INTO A CONGLOMERATE

Since 2016, Sievi Capital's strategy has been focused on private equity investments in unlisted Finnish SMEs. Sievi Capital's strategy as a private equity investment company has been to create long-term value for its owners by making majority investments in unlisted companies and, through active ownership, to help these companies succeed better than their reference group. The objective has been to make an average of 1–2 new investments per year, in the range of EUR 5–15 million. It is important for Sievi Capital to see a credible opportunity to achieve its return targets in each new investment. As a result, the number of investments made has potentially varied from year to year. Sievi Capital did not make any new initial investments in 2022.

On 15 December 2022, Sievi Capital announced that it is initiating a change in strategy that will transform the company from a private equity investment company into a conglomerate during 2023. The medium-term objective is to become an industrial group built around the KH-Koneet Group's business and to divest other target companies in line with previous strategy. In addition, the conglomerate will include Sievi Capital's other current target companies Indoor Group, Logistikas, Nordic Rescue Group and HTJ. The development of these target companies will continue in the same way as before, and the aim is to divest them in line with the previous investment strategy.

The change in structure into an industrial group will proceed in stages over the coming years, taking into account the preconditions set by the business. Sievi Capital's strategy will no longer include making private equity investments in new industries. The proceeds from the divestments of target companies in the coming years are intended to be used for acquisitions supporting KH-Koneet Group, the development of other target companies, for dividends and for strengthening the capital structure.

The Board of Directors of Sievi Capital will propose to the Annual General Meeting to be held on 4 May 2023 that the company's name and line of business be changed in accordance with the change in strategy. The proposals for the new name for the company and amendments to the articles of association will be published separately at the latest in the notice of the general meeting. With the adoption of the amendments to the Articles of Association related to the change in strategy by the Annual General Meeting, Sievi Capital's IFRS reporting as an investment entity will cease, because it no longer meets the investment entity exemption under which it has measured subsidiaries at fair value line by line rather than consolidation. For this reason, Sievi Capital will report its consolidated financial statements as a conglomerate for the first time in connection with the half-yearly financial report 2023. Sievi Capital's new strategy and financial targets will be discussed in more detail at the Capital Markets Day to be held in autumn 2023.

FINANCIAL TARGETS AND THEIR REALISATION

Sievi Capital's financial targets are a long-term return on equity of at least 13% and a gearing of at the maximum 20%. In its dividend policy, the aim is to distribute annually an ordinary dividend of approximately 3% of the net asset value per share. In addition, an extra dividend can be distributed after significant exits. In 2022, Sievi Capital achieved its financial target for gearing, but return on equity was below the long-term target. Due to the investments required by the change in strategy, the Board of Directors of Sievi Capital decided not to use the dividend authorisation issued by the Annual General Meeting held on 11 May 2022. Consequently, no dividend was paid in 2022.

Financial targets and their realisation

Financial target	Targeted level	Actual realisation in 2022
Return on equity	In the long term at least 13%	-9.2%
Gearing	At the maximum 20%	14.9%

SHARES, SHAREHOLDERS AND SHARE PRICE DEVELOPMENT

Sievi Capital's share capital at the end of the review period was EUR 15,178,567.50 and the number of shares was 58,078,895. All shares carry equal rights to dividends. The company did not own any treasury shares during the review period.

On 31 December 2022, Sievi Capital had a total of 13,097 (13,787) shareholders. The ten largest registered shareholders owned 42.1% (41.0%) of the shares. Nominee-registered shares accounted for 5.2% (9.4%) of the shares. Sievi Capital received two flagging notifications during the review period. On 23 February 2022, it was disclosed that Mikko Laakkonen's shareholding had exceeded the threshold of 10%. On 23 March 2022, it was disclosed that Mikko Laakkonen's direct shareholding had fallen below the threshold of 10%, but his combined direct and indirect shareholding came to 10.23%.

The closing price of Sievi Capital's share at the end of 2021 was EUR 1.92. During the review period, the highest share price was EUR 1.99, the lowest was EUR 1.00 and the trade-weighted average price was EUR 1.42. At the end of the review period, the closing price was EUR 1.18 and the market capitalisation was EUR 68.4 (111.3) million. The number of Sievi Capital's shares traded on Nasdaq Helsinki during the review period was 27.1 (84.0) million, corresponding to 46.7% (144.7%) of outstanding shares.

SHARE-BASED INCENTIVE SCHEMES

On 22 December 2022, the Board of Directors of Sievi Capital decided to discontinue the performance-based share scheme for its key personnel established in March 2020. In connection with discontinuing the scheme, the Board of Directors decided to pay cash compensation for the performance periods ending due to the discontinuation to key personnel who have participated in LTI 2020–2022 and LTI 2021–2023 plans initiated thereunder. The total amount of cash compensation to be paid out due to the discontinuation of the scheme is approximately EUR 0.1 million. The cash compensation was recognised in its entirety as an expense for the financial period 2022 and will be paid out after the adoption of Sievi Capital's financial statements for the financial period 2022.

The discontinuation of the share scheme relates to the change in strategy announced by Sievi Capital on 15 December 2022. Consequently, the company's Board of Directors has determined that there are no more grounds for continuing the share scheme established in March 2020. Following the discontinuation of the share scheme, Sievi Capital's diluted earnings per share are equal to the undiluted earnings per share.

The discontinued performance-based share scheme consisted of three individual plans commencing annually. Each plan included a three-year performance period that always began on 1 January as well as the award of shares, if any, at the end of the performance period, provided that the award terms and conditions were fulfilled. The commencement of each individual plan has required separate approval by the company's Board of Directors. In 2021, Sievi Capital's Board of Directors decided that the third plan of the performance-based share scheme, which was originally planned to begin in 2022, would not be commenced. Sievi Capital announced the establishment of its performance-based share scheme on 6 March 2020.

THE GENERAL MEETINGS AND THE BOARD OF DIRECTORS' AUTHORISATIONS

Sievi Capital's Annual General Meeting was held on 11 May 2022 in Helsinki. In order to prevent the spread of the COVID-19 pandemic, the Annual General Meeting was held without the presence of shareholders and their proxy representatives at the meeting venue. The shareholders of the company participated in the meeting and exercised their shareholder's rights by voting in advance. The General Meeting adopted the financial statements for the financial period 2021, discharged the members of the Board of Directors and the persons who had served as CEO from liability for the financial period 2021, and adopted, through an advisory resolution, the company's Governing Bodies' Remuneration Report for the year 2021. The Annual General Meeting resolved to authorise the Board of Directors to decide later, at its discretion, on the distribution of a dividend of a total maximum of EUR 0.05 per share, in one or more instalments, for the financial period that ended on 31 December 2021. Due to the investments required by the change in strategy, the Board of Directors of Sievi Capital decided on 15 December 2022 that it will not use the dividend authorisation issued by the Annual General Meeting held on 11 May 2022.

Juha Karttunen, Kati Kivimäki and Taru Narvanmaa were re-elected to the Board of Directors until the end of the Annual General Meeting of 2023, with Timo Mänty and Harri Sivula elected as new members for the same term. In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Juha Karttunen as its Chairman.

KPMG Oy Ab, Authorised Public Accountant firm, was re-elected as the company's auditor. KPMG Oy Ab has notified that Esa Kailiala, APA, will act as the principal auditor for the company.

The Annual General Meeting resolved to establish a Shareholders' Nomination Board and approve the Charter of the Shareholders' Nomination Board. The Nomination Board is responsible for preparing annually, and as necessary, proposals concerning the composition, election and remuneration of the members of the Board of Directors.

The General Meeting authorised the Board of Directors to decide on a share issue, in one or more tranches, and/or on issuing special rights to shares. The total allowed number of shares issued on the basis of the authorisation is 11,400,000 shares. In addition, the General Meeting authorised the Board of Directors to decide on repurchasing a maximum of 5,700,000 treasury shares in one or more tranches. The authorisations will be valid until 30 June 2023 and their content is described in more detail in the stock exchange release on the decisions of the Annual General Meeting, published on 11 May 2022.

THE MOST SIGNIFICANT NEAR-TERM BUSINESS RISKS AND RISK MANAGEMENT

The goal of Sievi Capital's risk management is the comprehensive and proactive management of risks. The company aims to detect and identify factors that may have a negative impact on the achievement of the company's goals in a long or short term and to take necessary measures to manage these factors. In risk management, a key role is played by risk management at the level of investments, which is mainly arranged by the target companies themselves. Sievi Capital promotes risk management at the target company level by exercising active control over its holdings and participating in the work of the Board of Directors in target companies.

Sievi Capital is engaged in investment activities. The company's Board of Directors confirms the company's strategy and action plan, which defines goals related to new investments and exits, among other things. The Board of Directors makes decisions on new private equity investments and supervises the execution of investment activities. Due to the company's business, investment strategy and nature of investments, a significant portion of Sievi Capital's most material risks are associated with the company's private equity investments in target companies and the risks related to their operations.

Through its investment activities, Sievi Capital is exposed to general market risks and the company risk of private equity investments. When it comes to general market risks, stock market and interest rate fluctuations, among other things, have an indirect impact on the company's financial performance through changes in the fair value of investments. Changes in stock markets and interest rates are also reflected on the fair values of private equity investments in unlisted companies as these changes influence the discount rates that Sievi Capital uses in its investment valuation models.

The company risk of private equity investments consists of, among other things, risks associated with the target companies' market and competitive situations as well as the target companies' strategic risks, operational risks and financial risks, with material risks including, for instance, liquidity and interest rate risks. The private equity investments made by the company are significant in size and at the end of the review period, the company had private equity investments in a total of five companies. It cannot be guaranteed that target companies or sectors which the company has invested in or will potentially invest in would develop as expected in the future. Pandemics and inflation, which has accelerated in recent times, may also have significant direct and indirect impacts on the target companies' business operations and, as a result, on the fair values of Sievi Capital's investments. The financial results and outlooks of the target companies influence Sievi Capital's financial performance through the changes in the values of the investments as the financial development and forecasts of the target companies have a significant impact on the fair values of the investments made in these companies. Changes in the operations of a single target company may have a material negative impact on Sievi Capital's business operations, financial position, results or future outlook.

Due to the illiquid nature of private equity investments, Sievi Capital's most significant strategic risks are associated with investments in new target companies. In addition to selective investment activities, the risk is managed with diligent investment preparations. Diligent preparations refer to, among other things, extensive analyses of potential investments before making actual investment decisions. There are also strategic risks related to investment exits and their timing. The company's structure makes flexible exit times possible but to optimise return on equity, the company aims to time exits to situations in which Sievi Capital considers the value creation strategy that was planned for the investment object in advance to have been implemented and the market situation is favourable for the exit. As the operating environments of the target companies and the M&A market vary, it cannot be guaranteed that conditions favourable for an exit and a favourable M&A market situation coincide. The company aims to manage this risk with long-term exit planning.

Sievi Capital's operational risks include, for instance, dependence on the key personnel's competence and input due to the company's low number of personnel. The company's key personnel play a central role in the establishment, implementation and management of the company's strategy. Measures with which the company tries to protect itself from the key personnel risk include incentive schemes, among other things.

The most essential of the financial risks that Sievi Capital Plc is exposed to is the liquidity risk. The management of the liquidity risk ensures that the company has sufficient funds to make any payments falling due and to make additional investments in target companies in line with the company's value creation strategy.

The war in Ukraine and the resulting sanctions are not expected to have significant direct impacts on Sievi Capital under the current circumstances. However, the prolongation or expansion of the war may have potentially significant indirect negative impacts on Sievi Capital through unfavourable developments in financial and capital markets, a decline in the overall economic outlook or a deterioration in the operating conditions of Sievi Capital's target companies, for instance. Sievi Capital's target companies do not have business operations in Ukraine or Russia.

FUTURE OUTLOOK

As a result of the change in strategy announced on 15 December 2022, Sievi Capital will transform from a private equity investment company into a conglomerate during 2023. Sievi Capital's strategy will no longer include making private equity investments in new industries. The medium-term objective is to become an industrial group built around the KH-Koneet Group's business and to divest other target companies in line with previous strategy. For Sievi Capital's other investments, the active development of the companies' business operations will continue. Exit planning and the assessment of exit opportunities for the other investments will also continue.

Sievi Capital does not consolidate the figures of its subsidiaries into Group-level calculations line item by line item. Instead, investments in the companies are recognised at fair value through profit or loss. Changes in the fair values of the investments have a material impact on Sievi Capital's results. In addition to the target companies' own development, factors that influence the development of the fair values of the investments include, for instance, the general development of different sectors and national economies as well as changes in their outlooks, the development of stock market and interest rates and other factors beyond Sievi Capital's control. The COVID-19 pandemic and impacts of the war in Ukraine also increase uncertainty in projections of future development.

The financial target for Sievi Capital's private equity investment activities is a return on equity of at least 13%, the achievement of which the company considers to be realistic in the long term. Due to the nature of the business, the company's short-term result development is subject to volatility that is difficult to predict. Therefore, Sievi Capital does not provide an estimate of the development of its result in 2023. Sievi Capital's new strategy and financial targets will be discussed in more detail at the Capital Markets Day to be held in autumn 2023.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT AND THE ANNUAL GENERAL MEETING 2023

The parent company's distributable funds on 31 December 2022 amounted to EUR 33.8 million. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial period. The profit distribution proposal of the Board of Directors takes into account the company's liquidity situation at the time of making the profit distribution proposal, expected cash flows during the new year and the investments required by the change in strategy.

Sievi Capital Plc's Annual General Meeting is scheduled for Thursday, 4 May 2023. A notice of the Annual General Meeting will be published later as a stock exchange release.

EVENTS AFTER THE REVIEW PERIOD

After the review period, Sievi Capital's target company Nordic Rescue Group has continued to negotiate with the financing provider to adapt the finance agreement to better reflect the current situation of the company and the potential consent of the financing provider to deviate from the financial covenants as at 31 December 2022. Nordic Rescue Group did not meet the financial covenants at 31 December 2022 mainly due to the loss making business of Vema Lift, which filed for bankruptcy.

CORPORATE GOVERNANCE STATEMENT

Sievi Capital's Corporate Governance Statement will be published in week 10 as a report that is separate from the Board of Directors' report and, after that, it will also be available on the company's website at www.sievicapital.fi on 10 March 2023 at the latest.

STATEMENT OF NON-FINANCIAL INFORMATION

This is Sievi Capital Plc's statement of non-financial information. In this statement, we explain how Sievi Capital, as a group, handles environmental matters, social and employee-related matters, respect for human rights and anti-corruption and anti-bribery matters.

The parent company Sievi Capital Plc issues annually a Group-wide statement, which is approved by the Board of Directors. The statement for the financial period 2022 covers the parent company Sievi Capital Plc and the subsidiaries and their sub-groups that were part of the Group during the financial period. Unlike in other reporting by Sievi Capital, the indicators in this statement are calculated on the basis of the combined figures of Sievi Capital Plc and its subsidiaries.

Based on the EU Directive (2014/95/EU), the Accounting Act requires listed companies to report on the above-mentioned matters. For each aspect, the company must disclose the following, among other things:

- Policies, including due diligence processes implemented
- Risks and risk management
- Outcomes
- Non-financial key performance indicators (KPIs) relevant to the business [1]

(1) In this statement, the term KPI, or Key Performance Indicator, refers to an indicator that Sievi Capital has defined for non-financial information

KPIs by topic

Environment	Electricity consumption, MWh
Social and employee-related matters	Sick leave rate,% Personnel turnover,%
Respect for human rights	Reports through the whistleblowing channel
Anti-corruption and anti-bribery matters	Reports through the whistleblowing channel

The most important non-financial KPIs that are significant to Sievi Capital Plc's business operations are key performance indicators that are common to the parent company and the Group companies and have a clear impact on business performance as well as strong ethical and social responsibility. In selecting the KPIs, Sievi Capital has sought to use commensurable KPIs while taking into account the differences between the operations of the parent company and the various Group companies. Significant changes and trends are reacted to as necessary, and notifications submitted through the whistleblowing channel are reacted to immediately.

Sievi Capital complies with a Code of Conduct that is binding on the entire Group. The Code of Conduct contains guidance on our responsibilities to our business environment, employees, business partners and society. The principles of the Code of Conduct form a framework of rules that guides our operations and exceeds legislative requirements: Our goal is to develop business on the basis of solid ethical principles in everything we do.

Sievi Capital is committed to acting as a responsible investor and an active owner. The principles for responsible investment have been integrated into Sievi Capital's investment decision-making process and ownership practices. When making new investment decisions and developing the target companies, Sievi Capital considers it important to understand the long- and short-term risks and opportunities related to target companies' environmental, social and corporate governance aspects. Sievi Capital's Board of Directors regularly follows the implementation and development of the responsible investment practices in the target companies.

Sievi Capital continuously develops its sustainability-related efforts. In 2022, we established an overview of the current state of the Group companies' sustainability efforts and related future plans. We also assessed the sustainability trends that influence the industries in which the Sievi Capital Group's target companies operate, as well as industry and value chain changes from the perspective of sustainability. We also focused on defining Sievi Capital's key internal and external stakeholders and began surveying the views of internal and external stakeholders regarding Sievi Capital's material aspects of sustainability.

In 2023, our aim is to carry out a comprehensive assessment of the environmental, social and governance factors that influence Sievi Capital's operations, and to identify Sievi Capital's material aspects of sustainability, taking into account the environmental and social impacts of the Group's operations and the financial impacts on the Group's operations. Increasing stakeholder engagement and dialogue will be one of the key measures in this respect. Targets and performance indicators will be set for the material aspects of sustainability. They will serve as the foundation for Sievi Capital's sustainability reporting in the coming years. Sievi Capital recognises that the development of sustainability is a continuous process. It needs to be supported by clearly defined operating practices, processes and a management system, and Sievi Capital will promote their development. In connection with these activities, Sievi Capital will also assess the development of ESG-linked remuneration to accelerate sustainability efforts.

BUSINESS MODEL

Sievi Capital Plc is a listed private equity investment company that invests in small and medium-sized Finnish companies with profitable business operations and positive cash flow. Our investment activities consist of long-term work as a partner for target companies' management and co-owners. As an active majority owner, we support growth, performance and value creation in our target companies. Investments are made directly from our own balance sheet, which enables agile and transparent investment activities.

Sievi Capital is actively looking for companies that it believes have what it takes to grow into leading players in their sectors. As a partner for target companies' management and co-owners, we encourage prudent risk-taking and corporate restructuring arrangements as well as leaps of growth and exploration of new opportunities. We develop our target companies' organisations and processes and optimise their financing solutions. In our target companies, we always strive for significant growth and value creation, which is realised at exit.

Growth and value creation must be achieved by responsible and ethical means. Social responsibility is an important part of our investment process and we require our target companies to commit to the development of responsible business. We believe that responsible business will create genuine added value and competitive edge in the long run.

Sievi Capital has integrated sustainability into all stages of the investment process. In evaluating potential investments, Sievi Capital uses an ESG assessment in the due diligence stage to identify and assess potential risks related to the target company's environmental responsibility, social responsibility and corporate governance. The ESG assessment also serves as the foundation for the development of sustainability during Sievi Capital's ownership. During the ownership stage, the responsibility for the realisation and continuous development of sustainability in business operations primarily lies with the CEO of the target company together with their management team. Some of Sievi Capital's target companies have designated persons in charge of sustainability.

The development of sustainability is continuously monitored by the target companies' Boards of Directors, which approve the target companies' strategies and the targets of their sustainability programmes. The parent company Sievi Capital's Board of Directors also regularly monitor the practical implementation and development of responsible investment practices in the target companies as well as KPIs and the development of sustainability in the various target companies. The Group companies report to Sievi Capital on the progress and results of their sustainability efforts as part of their financial reporting. Sievi Capital's CEO is responsible for the development of the parent company's sustainability-related KPIs.

Sievi Capital's business is characterised by the fact that the volume, size and sector of investments may sometimes vary considerably: new investments are made, changes take place in existing investments and exits are made. This complicates the comparison of Group-level non-financial information from different years as the Group companies, from which the information is collected, change.

By exercising active control over its holdings and participating in the work of the Board of Directors in target companies, Sievi Capital strives to promote comprehensive risk management at the target company level. Sievi Capital also assesses the most relevant target company risks at the target company level and thereby seeks to promote effective risk management in the target companies, including environmental responsibility, social responsibility and governance considerations in addition to business risks.

ENVIRONMENTAL MATTERS

The Sievi Capital Group recognises its environmental responsibility and seeks to reduce adverse environmental impacts, increase the recycling rate and uphold the principles of sustainable development. We comply with environmental legislation and practices that protect and conserve the environment. We also require all our stakeholders to comply with environmental laws and regulations and we regularly assess the potential environmental risks in our own operations as well as their impact.

Due to the differences between the business operations of Sievi Capital's target companies, environmental risks are assessed on a company-specific basis. The target companies' CEOs and management teams are in charge of the assessment of environmental risks and risk management. Our aim is to use and develop environmentally friendly solutions. We strive to improve the energy efficiency of our operations, reduce the amount of waste and protect the environment.

Sievi Capital has identified electricity consumption as the Group's main environmental KPI. The Group companies operate in different sectors and electricity consumption varies from company to company. As Sievi Capital's Group companies do not operate in energy-intensive sectors, Sievi Capital estimates the Group's environmental risk to be low.

The Group companies report their electricity consumption for all the properties involved in their operations. Consumption details are collected from energy companies' reports and the figures are added together.

KPI	2022	2021
Electricity consumption, MWh	13,586	14,806

Of Sievi Capital's target companies, Indoor Group, in particular, focused on improving energy efficiency in 2022 by increasing the use of LED lighting in its stores and central warehouse. Indoor Group has also transitioned to using renewable energy almost exclusively. Renewable energy currently accounts for approximately 95% of the company's electricity consumption. The transition towards more energy-efficient choices is highlighted in different ways in different target companies. In KH-Koneet Group, for example, the focus is on transitioning towards electrically powered, low-emission and energy-efficient machinery and solutions.

Sievi Capital seeks to promote development efforts related to environmental responsibility in all of its target companies. Some of the target companies have set their own environmental responsibility targets and performance indicators. Sievi Capital requires the target companies to put effort into identifying their key environmental responsibility themes and setting related targets, and supports the target companies in those efforts. In some of Sievi Capital's target companies, environmental responsibility is supported by an environmental management system model, or the companies take advantage of industry-specific standards and certifications. For example, Logistikas has an ISO 14001 model to support its environmental responsibility, and HTJ uses the relevant RALA standards and certificates pertaining to the quality of construction.

Climate change is one of the focus areas in the development efforts of Sievi Capital and its target companies with regard to environmental responsibility. The aim is to promote carbon footprint and carbon handprint measurements in the target companies and to support the target companies in committing to science-based climate targets, such as targets validated by the Science Based Targets initiative (SBTi).

Sievi Capital's goal is to ensure and promote sustainable business in both the short and long term. Sievi Capital seeks to integrate sustainability into business by, for example, identifying and promoting new business opportunities related to the circular economy and carbon neutrality in the target companies.

SOCIAL AND EMPLOYEE-RELATED MATTERS

Employee wellbeing and job satisfaction are of paramount importance to the success of Sievi Capital and its target companies. Operations are based on the Code of Conduct created by the parent company. The purpose of the Code of Conduct is to establish a set of ground rules that guide the decision-making and actions of the employees of Sievi Capital and its subsidiaries in their respective business environments. Sievi Capital requires all of the Group's employees to adhere to the Code of Conduct. The Code of Conduct must be available to all employees, and the implementation of the principles it contains in the company's day-to-day operations is the responsibility of each employee. Supervisors are responsible for reviewing the Code of Conduct with both new and old employees. Through their own behaviour and actions, each supervisor is required to demonstrate the importance of adherence to the Code of Conduct and provide guidance to employees if they have any questions regarding adherence to the principles. Sievi Capital's Code of Conduct supports Sievi Capital's aim of creating a desirable workplace for all of our employees, where they are treated with equal respect and dignity. In addition, we promote a culture of equal opportunities and diversity. We do not tolerate any form of abuse, discrimination or harassment.

Group company representatives and partners are expected to treat and respect all people equally, regardless of gender, nationality, religion, ethnicity, age, disability, sexual orientation, political opinions, trade union membership or social or ethnic origin.

We offer a safe and healthy working environment that complies with applicable laws and regulations. Our goal is to prevent accidents during working hours and reduce health and safety risks at the workplace.

The development of occupational safety is a continuous effort in Sievi Capital's target companies. All of the target companies provide training to their employees on occupational safety. The target companies use various types of mechanisms for the proactive development of occupational safety. The recording of proactive observations and the comprehensive assessment of near misses are examples of the methods used by the various target companies. All of Sievi Capital's target companies monitor occupational safety on a regular basis. The goal is to minimise occupational accidents and lost time incidents. Occupational safety is also a high priority in the operations and partner choices of the customers of Sievi Capital's target companies. For example, Logistikas' customers audit the company's operations with regard to occupational safety.

Despite the Code of Conduct and the Group companies' responsibility orientation training, there is always a risk that actions jeopardising the health and occupational safety of individuals take place in the Group's own operations and its supply chain. Such actions may also damage Sievi Capital's reputation. The aim is to manage risks related to the Group's social and employee-related matters through continuous monitoring and early intervention in potential problems.

The Group regularly monitors information related to employees' sick leave and personnel turnover. Information is collected from HR, payroll and occupational health care statistics. This information serves as a basis for the following non-financial KPIs of the Group:

KPI	2022	2021
Sick leave rate,% (1)	4.7	4.2
Personnel turnover,% (2)	19.9	13.4

(1) Number of sick leave days in the financial period 1 Jan.–31 Dec. / theoretical regular working hours in days in the financial period * 100. Absences include illness- and accident-related absences as well as absences related to the illness of an employee's child during the financial period.

(2) Number of resigned employees in the period 1 Jan.–31 Dec. / average number of employees during the financial period * 100

Employee wellbeing and job satisfaction are a key theme for all of Sievi Capital's target companies. The target companies conduct regular personnel surveys and employee satisfaction surveys, and the results are monitored by the management teams and the Boards of Directors of the target companies. The personnel surveys and employee satisfaction surveys are focused on themes that are important to the personnel and also measure the employees' willingness to recommend their employer to others. This is measured, for example, by the internationally comparable Employee Net Promoter Score (eNPS) indicator.

As the latest recognition of the successful efforts to promote employee wellbeing and job satisfaction among Sievi Capital's target companies, HTJ was awarded the Future Workplaces 2022 certificate. Futures Workplaces certification is awarded to companies whose corporate culture has been managed with exceptionally good employee insight. For HTJ's employees, the most significant factors included the freedom to work on a place- and time-independent basis, motivating tasks, a healthy balance between work and personal life, a strong team spirit at the workplace, and opportunities to influence one's work and work environment.

The results of the surveys conducted regularly in the target companies constitute the foundation for the continuous development of personnel and competence. In Sievi Capital's target companies, the wide-ranging development of employee competence has been identified as one of the key drivers of success. This is supported, for example, by regular development discussions in the various target companies.

The target companies have also identified the development of diversity as an important theme. Some of target companies use regular diversity reporting and equality planning; some are developing their diversity-related reporting, monitoring and action planning by using key indicators of diversity related to their personnel. From the parent company's perspective, one key diversity-related development area in the coming years will also be the continuous development of the diversity of the target companies' management and Boards of Directors.

RESPECT FOR HUMAN RIGHTS

The Sievi Capital Group respects and adheres to the principles set out in the United Nations Universal Declaration of Human Rights. Sievi Capital's Code of Conduct covers themes including human equality, prohibition of discrimination and freedom of opinion and religion. In addition, the Group complies with labour legislation and collective agreements. Sievi Capital strives to build its operating methods and practices in such a way that respect for human rights is taken into account in all operations of the company. In its Group-wide Code of Conduct, Sievi Capital prohibits all violations of human rights and indicates the channel where personnel can report possible misconduct.

Sievi Capital estimates the Group's risk related to respect for human rights to be low; however, there is a risk that human rights are violated in the Group's own operations and its supply chain. These violations may have adverse effects for individuals and also damage Sievi Capital Plc's reputation.

Sievi Capital's Group companies have established whistleblowing channels. Their operating principles vary slightly depending on the structure and size of the organisation. Regardless of the structure of the whistleblowing channel, the key principle is to provide employees with the opportunity to confidentially report any concerns related to the Group's Code of Conduct.

We encourage Group employees to report any violations of legislation and the Code of Conduct or concerns arising from both the Group's own operations and the operations of our partners.

All submitted reports are handled confidentially and investigated thoroughly. Persons who report this kind of misconduct in good faith will not be subject to any harmful work-related consequences. Violations of the Code of Conduct may result in appropriate disciplinary action, including the termination of employment or similar contract.

In 2022, no cases of misconduct related to respect for human rights were reported through the whistleblowing channel.

ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

The Sievi Capital Group complies with applicable laws and regulations and promotes fair and honest competition. This includes, for example, the regular and transparent competitive tendering of direct and indirect purchases. Sievi Capital's target companies are also active in various industry organisations, where they promote the development, transparency and sustainability of their industry. We comply with applicable competition legislation and refrain from engaging in or committing unlawful acts. The Group companies do not participate in cartels and do not discuss contractual terms, prices or other competition issues with competitors.

We prohibit corruption and bribery in all our operations. We do not pay bribes or other unlawful payments, nor do we authorise such payments to gain or maintain business. We realise that reasonable gifts and hospitality are common in business relationships. However, we prohibit all bribery and acceptance of gifts that cannot be considered normal, reasonable and lawful or that can be interpreted as an attempt to influence business. The topic is covered by the Sievi Capital Group's Code of Conduct.

We do not accept, promote or support money laundering. We only do business with reputable parties who do legitimate business and whose funds come from legitimate sources.

Sievi Capital estimates the Group's risk related to anti-corruption and anti-bribery matters to be low; however, there is a risk that corruption and bribery occur in the Group's own operations and its supply chain. Although assessments indicate that the Group's own operations do not entail a high risk of corruption or bribery, Sievi Capital strives to integrate responsible business practices in all areas of its operations and to maintain a discussion on the existence of risks in the Group companies.

In 2022, no cases of misconduct related to corruption or bribery were reported through the whistleblowing channel.

INFORMATION UNDER THE EU TAXONOMY REGULATION

In this section, Sievi Capital publishes information under the EU Taxonomy Regulation ((EU) 2020/852) and the supplementary Delegated Regulation (EU) 2021/2178. The EU taxonomy, the EU's classification system for sustainable financing, is a legal classification system that lists environmentally sustainable economic activities. The Regulation is an EU tool for planning the transition to a low-carbon, flexible and resource-efficient economy.

The taxonomy sets technical evaluation criteria for economic activities covering six environmental objectives. The environmental objectives include climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems.

With regard to taxonomy reporting, a distinction is made between taxonomy-eligible and taxonomy-aligned economic activities. Taxonomy-eligible activities are all economic activities which, in theory, when they fulfil the technical criteria and other requirements, can also be taxonomy-aligned activities. However, eligibility does not require an assessment of the possible fulfilment of these criteria. Instead, it is sufficient that the economic activity is included in the EU taxonomy as it stands, in other words, the assessment concerns whether the activity is taxonomy-eligible. Taxonomy-alignment, on the other hand, means that the taxonomy-eligible activity has been assessed on the basis of the Taxonomy Regulation and the regulations issued thereunder to meet all the requirements that have been set for that activity.

The reporting obligations will enter into force gradually in accordance with the schedule laid out in the Taxonomy Regulation. For the financial year 2022, companies are required to report on their taxonomy eligibility and taxonomy alignment. The reporting obligations apply to the first two environmental objectives that have already been published (climate change mitigation and climate change adaptation). For the other four environmental objectives (the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems), the schedule is still unclear.

As in the other sections of this statement, the information presented in this section is also calculated on the basis of the combined figures of Sievi Capital Plc and its subsidiaries, unlike in other reporting by Sievi Capital. As data pursuant to the International Financial Reporting Standards (IFRS) is not available for all sub-groups of the Sievi Capital Group, the indicators presented in this section have been calculated from data compliant with the Finnish Accounting Standard (FAS).

The taxonomy eligibility and taxonomy alignment of the Sievi Capital Group's activities has been assessed based on the description of economic activities presented in the EU's taxonomy regulations and NACE industry classification codes given in them. As part of the assessment and data collection process, it has been ensured that there is no overlap in the key figures.

The taxonomy-eligible activities have been further assessed with regard to their taxonomy alignment. This refers to assessing whether a taxonomy-eligible activity meets the technical screening criteria set for it, does no significant harm to the other environmental objectives and fulfils the minimum social safeguards criteria.

Based on Sievi Capital's assessment, the Group's economic activities in 2022 do not meet the criteria for taxonomy alignment to a sufficiently verifiable degree. Consequently, the taxonomy-aligned share of turnover was 0%. The taxonomy-eligible share of turnover was 1%. The taxonomy-eligible share consisted of the professional services related to the energy performance of buildings (code 9.3.) provided by Sievi Capital's target company HTJ, and the freight transport services by road (code 6.6.) provided by Logistikas, which involve the company serving as an intermediary for transport services for its customers.

Based on the assessment, the capital expenditure of Sievi Capital and its target companies did not include taxonomy-aligned activities in 2022. The taxonomy-eligible share of capital expenditure was 0%. The taxonomy-eligible capital expenditure was related to investments in energy-efficient lighting (code 7.3.) by Indoor Group.

Based on the assessment, the operating expenditure of Sievi Capital and its target companies did not include taxonomy-aligned activities in 2022. The taxonomy-eligible share of operating expenditure was 3%. Based on the assessment, the taxonomy-eligible share of operating expenditure consisted of the same activities by Sievi Capital's target companies HTJ and Logistikas as in the case of their taxonomy-eligible turnover.

ACCOUNTING PRINCIPLES CONCERNING FINANCIAL FIGURES IN TAXONOMY REPORTING

In taxonomy reporting, Sievi Capital analyses the taxonomy-eligible and taxonomy-aligned share of turnover, capital expenditure and operating expenditure of Sievi Capital and its subsidiaries.

In determining taxonomy-eligible turnover, the numerator includes the turnover derived from products or services related to Sievi Capital's and its subsidiaries' economic activities that are within the scope of the taxonomy. The denominator covers the turnover of Sievi Capital and its subsidiaries.

In determining taxonomy-eligible capital expenditure, the numerator includes capital expenditure by Sievi Capital and its subsidiaries that is related to assets or processes related to taxonomy-aligned economic activities, or is part of an investment plan intended to expand taxonomy-aligned economic activities or turn taxonomy-eligible activities into taxonomy-aligned activities, or relates to purchasing outputs of taxonomy-aligned economic activities and individual measures by which the activities in question can be made low-carbon, or their greenhouse gas emissions can be reduced. The denominator covers the increases in the tangible and intangible assets of Sievi Capital and its subsidiaries.

In determining taxonomy-eligible operating expenditure, the numerator includes operating expenditure by Sievi Capital and its subsidiaries that relates to assets or processes related to taxonomy-aligned economic activities, or direct non-capitalised costs arising from research and development activities, or is part of an investment plan intended to expand taxonomy-aligned economic activities or turn taxonomy-eligible activities into taxonomy-aligned activities, or relates to purchasing outputs of taxonomy-aligned economic activities and individual measures by which the activities in question can be made low-carbon, or their greenhouse gas emissions can be reduced, or individual measures concerning the renovation of buildings. The denominator covers the non-capitalised costs of Sievi Capital and its subsidiaries that relate to research and development, building renovation measures, short-term lease, maintenance and repair and other direct expenditures relating to tangible and intangible assets.

The following tables summarise the taxonomy breakdown of Sievi Capital's turnover, capital expenditure and operating expenditure by economic activity in 2022.

TURNOVER

Economic activities	Code(s)	Turnover	Share of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned share of turnover, year N	Taxonomy-aligned share of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		EUR 1,000	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Turnover from environmentally sustainable activities (A.1.)		**0**	**0%**																	
A.2. Taxonomy-eligible but not environmentally sustainable (non-aligned) activities																				
Freight transport services by road	6.6	5,185	1%																	
Professional services related to energy performance of buildings	9.3	31	0%																	
Turnover derived from taxonomy-eligible but not environmentally sustainable activities (A.2.)		**5,216**	**1%**																	
Total (A.1. + A.2)		**5,216**	**1%**																	
B. NON-ELIGIBLE ACTIVITIES																				
Turnover derived from non-eligible activities (B)		478,083	99%																	
Total (A+B)		**483,299**	**100%**																	

CAPITAL EXPENDITURE

				Substantial contribution criteria						DNSH criteria										
Economic activities	Code(s)	Capital expenditure	Share of capital expenditure	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned share of turnover, year N	Taxonomy-aligned share of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		EUR 1,000	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Capital expenditure relating to environmentally sustainable activities (A.1.)		**0**	**0%**																	
A.2. Taxonomy-eligible but not environmentally sustainable (non-aligned) activities																				
Installation, maintenance and repair of energy efficiency equipment	7.3	32	0%																	
Capital expenditure relating to taxonomy-eligible but not environmentally sustainable activities (A.2.)		**32**	**0%**																	
Total (A.1. + A.2)		**32**	**0%**																	
B. NON-ELIGIBLE ACTIVITIES																				
Capital expenditure relating to non-eligible activities (B)		23,717	100%																	
Total (A+B)		**23,748**	**100%**																	

OPERATING EXPENDITURE

				Substantial contribution criteria						DNSH criteria										
Economic activities	Code(s)	Operating expenditure	Share of operating expenditure	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned share of turnover, year N	Taxonomy-aligned share of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		EUR 1,000	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Operating expenditure relating to environmentally sustainable activities (A.1.)		**0**	**0%**																	
A.2. Taxonomy-eligible but not environmentally sustainable (non-aligned) activities																				
Freight transport services by road	6.6	1,275	3%																	
Professional services related to energy performance of buildings	9.3	1	0%																	
Operating expenditure relating to taxonomy-eligible but not environmentally sustainable activities (A.2.)		**1,276**	**3%**																	
Total (A.1. + A.2)		**1,276**	**3%**																	
B. NON-ELIGIBLE ACTIVITIES																				
Operating expenditure relating to non-eligible activities (B)		35,272	97%																	
Total (A+B)		**36,548**	**100%**																	

Consolidated financial statements (IFRS)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	1 Jan.–31 Dec. 2022	1 Jan.–31 Dec. 2021
Dividend income	2	0	11,478,390
Interest income	2	0	33,151
Total income		**0**	**11,511,541**
Realised profits/losses & expenses of investments	3	0	0
Unrealised changes in fair values of investments	3	-7,882,992	12,916,613
Personnel expenses	4	-1,198,144	-1,292,256
Depreciation, amortisation and impairment	6	-111,366	-99,214
Other operating expenses	7	-939,799	-2,820,705
Operating profit		**-10,132,302**	**20,215,979**
Financial income	8	6,782	8,414
Financial expenses	8	-185,543	-33,311
Profit before taxes		**-10,311,063**	**20,191,082**
Income taxes	9	2,079,325	-1,751,152
Net profit for the period		**-8,231,738**	**18,439,930**
Distribution of the net profit for the period			
To equity holders of the parent company		-8,231,738	18,439,930
Earnings per share calculated from the net profit:			
Undiluted earnings per share (EUR)	10	-0.14	0.32
Diluted earnings per share (EUR)	10	-0.14	0.32

CONSOLIDATED BALANCE SHEET

EUR	Note	31 Dec. 2022	31 Dec. 2021
ASSETS			
Non-current assets			
Property, plant and equipment	11	29,884	39,845
Right-of-use assets	12	137,474	228,162
Investments at fair value through profit or loss	13	102,385,357	108,327,584
Non-current receivables	16	25,245	25,245
Deferred tax assets	17	4,451,013	2,967,257
		107,028,973	**111,588,092**
Current assets			
Accrued income and other receivables	18	56,730	32,301
Cash and cash equivalents	19	2,215,930	1,831,831
		2,272,660	**1,864,132**
Assets, total		**109,301,632**	**113,452,224**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		15,178,568	15,178,568
Reserve for invested unrestricted equity		12,885,510	12,885,510
Retained earnings		57,075,821	65,393,169
Total equity	20	**85,139,899**	**93,457,246**
Non-current liabilities			
Loans from financial institutions	21	9,900,128	5,500,000
Lease liabilities	21	28,122	128,673
Deferred tax liabilities	17	8,543,626	9,139,194
Other liabilities	21	4,821,771	4,186,006
		23,293,648	**18,953,873**
Current liabilities			
Lease liabilities	21	111,268	100,932
Trade and other liabilities	21	756,817	940,172
		868,085	**1,041,105**
Liabilities, total		**24,161,733**	**19,994,977**
Shareholders' equity and liabilities, total		**109,301,632**	**113,452,224**

CONSOLIDATED CASH FLOW STATEMENT

EUR	Note	1 Jan.–31 Dec. 2022	1 Jan.–31 Dec. 2021
Cash flow from operating activities			
Net profit for the period		-8,231,738	18,439,930
Adjustments to the net profit for the period	22		
Taxes		-2,079,325	1,751,152
Other adjustments		8,087,511	-24,260,986
Changes in working capital			
Changes in liabilities		-173,040	546,172
Changes in receivables		-24,429	-7,610
Purchase of investments		-1,305,000	-18,797,117
Proceeds from and expenses related to sale of investments		0	0
Repayment of loan receivables		0	1,000,000
Interest received		6,782	41,564
Financial expenses paid		-195,858	-21,364
Dividends received		0	11,478,390
Taxes paid		0	0
Net cash flow from operating activities		**-3,915,097**	**-9,829,869**
Cash flow from investing activities			
Investments in tangible and intangible assets		0	-38,424
Net cash flow from investing activities		**0**	**-38,424**
Cash flow from financing activities			
Proceeds from long-term loans		14,400,128	5,500,000
Repayments of long-term loans		-10,000,000	0
Repayment of lease liabilities		-100,932	-84,693
Dividends paid		0	-2,323,156
Net cash flow from financing activities		**4,299,196**	**3,092,151**
Change in cash and cash equivalents		**384,099**	**-6,776,142**
Cash and cash equivalents 1 Jan.		1,831,831	8,607,973
Cash and cash equivalents 31 Dec.	19	**2,215,930**	**1,831,831**

Changes in financial liabilities consist only of changes that affect cash flows, with the exception of changes in liabilities relating to the redemption of minority interests, the changes of which do not affect cash flows are described in Note 15.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to equity holders of the parent company			
EUR 1,000	**Note**	**Share capital**	**Reserve for invested unrestricted equity**	**Retained earnings**	**Total equity**
Equity 1 Jan. 2022		**15,179**	**12,886**	**65,393**	**93,457**
Total comprehensive income					
Net profit for the period				-8,232	-8,232
Transactions with equity holders					
Dividends paid					0
Share-based incentive schemes				-86	-86
Equity 31 Dec. 2022	20	**15,179**	**12,886**	**57,076**	**85,140**

		Equity attributable to equity holders of the parent company			
EUR 1,000	**Note**	**Share capital**	**Reserve for invested unrestricted equity**	**Retained earnings**	**Total equity**
Equity 1 Jan. 2021		**15,179**	**12,886**	**49,233**	**77,297**
Total comprehensive income					
Net profit for the period				18,440	18,440
Transactions with equity holders					
Dividends paid				-2,323	-2,323
Share-based incentive schemes				43	43
Equity 31 Dec. 2021	20	**15,179**	**12,886**	**65,393**	**93,457**

Notes to the consolidated financial statements

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information

Sievi Capital Plc is a listed (Nasdaq Helsinki) private equity investment company that invests in small and medium-sized Finnish companies. Sievi Capital acts in close partnership with management and co-owners in target companies and actively supports growth, performance and value creation.

On 15 December 2022, Sievi Capital announced that it is initiating a change in strategy that will transform the company from a private equity investment company into a conglomerate during 2023. The medium-term objective is to become an industrial group built around the KH-Koneet Group's business and to divest other target companies in line with previous strategy.

The Board of Directors of Sievi Capital will propose to the Annual General Meeting to be held on 4 May 2023 that the company's name and line of business be changed in accordance with the change in strategy. The proposals for the new name for the company and amendments to the articles of association will be published separately at the latest in the notice of the general meeting. With the adoption of the amendments to the Articles of Association related to the change in strategy by the Annual General Meeting, Sievi Capital's IFRS reporting as an investment entity will cease, because it no longer meets the investment entity exemption under which it has measured subsidiaries at fair value line by line rather than consolidation. For this reason, Sievi Capital will report its consolidated financial statements as a conglomerate for the first time in connection with the half-yearly financial report 2023.

The Group's parent company Sievi Capital Plc is a Finland-based public limited liability company domiciled in Sievi. Its registered address is Pohjoisesplanadi 33, FI-00100 Helsinki, Finland. The company's share is listed in Nasdaq Helsinki Ltd.

2. Basis of preparation of the financial statements

Sievi Capital's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), applying the IAS and IFRS standards effective on 31 December 2022 as well as SIC and IFRIC interpretations. "IFRS" refers to the standards and their interpretations that have been adopted for application in the Community in the Finnish Accounting Act and the provisions issued thereunder in accordance with the procedure laid down in the Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards. The notes to the financial statements are also in compliance with Finnish accounting and corporate legislation supplementing IFRS.

The financial statements information is presented in euros and the statement of changes in equity and the notes in thousands of euros. Sievi Capital's investments in subsidiaries and associated companies are recognised at fair value. The valuation of other financial statements items is based on original acquisition costs, unless otherwise stated in the accounting principles. All figures presented have been rounded, due to which the total sum of the individual figures may differ from the sum presented. The financial statements are prepared for a calendar year, which is Sievi Capital's reporting period.

3. Investment entity

Sievi Capital Plc is an investment entity. According to IFRS, an investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both. Investment income includes, for instance, dividends, interest income or rental income; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The absence of any of these typical characteristics does not necessarily disqualify an entity from being classified as an investment entity. An investment entity is required to apply the consolidation exemption for the consolidated financial statements. Consequently, Sievi Capital's investments in subsidiaries are treated as financial instruments and recognised at fair value on the balance sheet and they are not consolidated into the financial statements items line item by line item. Investments in subsidiaries are presented on the balance sheet as net amounts and consolidated under one line item, "Investments at fair value through profit or loss". Changes in the fair values of investments are recognised through profit or loss and presented in the income statement under realised profits/losses & expenses of investments or unrealised changes in fair values of investments, depending on the nature of the changes. The treatment is based on the fact that, for the investment entity, using fair value produces more relevant information. Intra-group items that would be eliminated under the acquisition cost method are not eliminated. Furthermore, Sievi Capital does not apply the IFRS 3 Business Combinations standard to business combinations when it acquires control of another entity.

The accounting treatment of investments in associated companies is described in the section "Investments at fair value through profit or loss".

Further information on Sievi Capital's investments on the balance sheet date is presented in Note 13 to the financial statements.

4. Items denominated in foreign currencies

Sievi Capital's financial statements are presented in euros, which is the operating and reporting currency of the parent company.

Business transactions denominated in foreign currencies are recorded in the operating currency by using the exchange rates on the transaction date. The resulting exchange rate differences are recognised through profit or loss. Exchange rate differences in financing are presented as net amounts under financial income and expenses.

Exchange rate differences arising from the conversion of non-euro-denominated investments in subsidiaries and associated companies into euros are included in the item "realised profits/losses & expenses of investments" or "or unrealised changes in fair values of investments", depending on the nature of the changes in fair value.

On the balance sheet date, Sievi Capital had no assets or liabilities denominated in foreign currencies.

5. Financial assets and liabilities

Investments and financial instruments are classified as financial assets and liabilities recognised at fair value through profit or loss, loans and other receivables and liabilities recognised at amortised cost. Sievi Capital classifies financial assets and liabilities at the time of acquisition on the basis of the purpose of the acquisition. Purchases and sales of financial assets are recorded on the transaction date.

Financial assets are classified according to the business model that the Group uses in managing financial assets and on the basis of contractual cash flow characteristics into groups that determine their valuation bases. Financial assets are classified as financial assets recognised at fair value through profit or loss and financial assets recognised at amortised cost.

5.1 Financial assets

Investments at fair value through profit or loss

Investments at fair value through profit or loss include investments in subsidiaries and associated companies. Investments are recognised at fair value on each reporting date and changes in fair value are recognised in the net profit for the financial period in which they have arisen. Changes in the fair values of investments are recognised through profit or loss and presented in the income statement under realised profits/losses & expenses of investments or unrealised changes in fair values of investments, depending on the nature of the changes. The bases for determining fair values are described in section 6 of these accounting principles.

Subsidiaries

Subsidiaries are companies over which the parent company has control. Control is deemed to arise when Sievi Capital, as a participant in the entity, is exposed to or entitled to variable returns from the entity and is able to influence those returns by exercising its control over the entity. Control is usually based on the direct or indirect holding by the parent company of more than 50 per cent of the voting rights in the subsidiary. If the facts or circumstances change later, Sievi Capital will reassess whether it still has control over the entity. As an investment company, Sievi Capital applies the consolidation exemption for the consolidated financial statements. Investments in subsidiaries are treated as financial instruments, recognised at fair value through profit or loss, and are not subject to consolidation measures in accordance with IFRS 10. These investments are presented on the balance sheet under one line item, "Investments at fair value through profit or loss". Changes in the fair values of investments are recognised through profit or loss and presented in the income statement under realised profits/losses & expenses of investments or unrealised changes in fair values of investments, depending on the nature of the changes.

Sievi Capital and the minority shareholders of certain of its subsidiaries have agreed on a mutual right to complete a transaction concerning all of the shares in the subsidiaries held by the minority shareholders if certain conditions are met. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as contingent liabilities at fair value through profit or loss in other liabilities.

Associated companies

Associated companies are companies over which Sievi Capital exercises considerable influence. As a rule, considerable influence emerges when the company holds more than 20 per cent of the voting rights in the company or otherwise has considerable influence but not control.

Sievi Capital has decided to use the exemption from applying the equity method (IAS 28). Similarly to investments in subsidiaries, investments in associated companies are treated as financial instruments, recognised at fair value through profit or loss, and they are not subject to the equity method. These investments are presented on the balance sheet under one line item, "Investments at fair value through profit or loss Changes in the fair values of associated companies are recognised through profit or loss and presented in the income statement under realised profits/losses & expenses of investments or unrealised changes in fair values of investments, depending on the nature of the changes.

On the balance sheet date, Sievi Capital had no associated companies.

Financial assets recognised at amortised cost

Financial assets recognised at amortised cost are non-derivative financial instruments that are not quoted on public markets, that have a fixed or definable payment date and that are not held by Sievi Capital for trading purposes. This item includes sales and other receivables. Financial assets recognised at amortised cost are recognised at cost that has been amortised by using the effective interest method. They are recorded under non-current assets if their maturity date is more than 12 months after the reporting date. Receivables are recognised at acquisition cost less expected credit losses. The amount of uncertain receivables is estimated on a case-by-case basis and credit losses are recorded as expenses in the income statement. Loans to subsidiaries and associated companies are treated as financial instruments, recognised at fair value through profit or loss, in the same way as equity investments in those companies.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank as well as short-term bank deposits. Items classified as cash and cash equivalents have a maturity of no more than three months from the date of acquisition. They are easily convertible into a known amount of cash and have a low risk of value changes.

Other financial assets

Other financial assets consist of investments in investment funds or capitalisation agreements that invest mainly in short-term interest rate financial instruments. Changes in the value of these items are recorded under financial income or financial expenses according to their nature.

On the balance sheet date, Sievi Capital had no other financial assets.

5.2 Financial liabilities

Financial liabilities are divided into two categories: financial liabilities recognised at fair value through profit or loss and financial liabilities recognised at amortised cost.

Financial liabilities are initially recognised at fair value and subsequently recognised at amortised cost by using the effective interest method or at fair value, on the basis of the above classification.

On the closing date, Sievi Capitals' financial liabilities recognised at fair value through profit or loss were liabilities related to the redemption of minority interests included in other balance sheet liabilities associated with obligations to purchase the shares held by minority shareholders in certain Sievi Capital subsidiaries if certain conditions are met. Changes in the fair values of liabilities related to the redemption of minority interests are recognised through profit or loss and unrealised changes in their fair values are presented in the income statement under unrealised changes in fair values of investments.

A financial liability is classified as current unless Sievi Capital has an unconditional right to defer payment of the liability for at least 12 months from the end date of the reporting period. Borrowing costs are recognised as financial expenses in the financial period in which they have incurred.

6. Determination of the fair values of investments

Fair value is the monetary amount that would arise from the sale of an asset or would be paid for the transfer of a liability in a normal transaction between market participants in active markets on the valuation date.

The IFRS standards require fair values to be determined both for the valuation of balance sheet items and for additional disclosures in the notes. The inputs used to determine fair values are categorised into three different levels of the fair value hierarchy. The hierarchy levels are based on the source of the inputs.

- Level 1: the fair values are based on quoted prices for identical assets in active markets on the valuation date.
- Level 2: the fair values of the instruments are based, to a significant extent, on inputs other than the quoted prices included in Level 1 but nevertheless on inputs that are verifiable, directly or indirectly, for the asset in question.
- Level 3: the fair values of the instruments are based on inputs concerning the asset that are not based on observable market data but are, instead, significantly based on management estimates and their use in generally accepted cash flow-based valuation models.

The fair value hierarchy level to which a particular asset recognised at fair value is classified as a whole has been determined on the basis of the lowest-level input data that is significant for the entire asset recognised at fair value. The significance of the input data has been estimated with regard to the asset recognised at fair value as a whole.

7. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost less accumulated depreciation and impairment. Straight-line depreciation is performed for assets over their estimated useful life.

The estimated useful life for machinery and equipment is 4 years.

The residual values and useful lives of assets are reviewed at least at the end of each financial period and adjusted as necessary.

8. Leases

In accordance with IFRS 16, Sievi Capital, as a lessee, recognises assets that describe its right to use leased assets during the lease term (right-of-use asset) and liabilities related to future rents (lease liability). In the income statement, lease expenses that are related to leases recorded on the balance sheet are replaced by interest expenses related to the lease liability and asset depreciation.

With regard to accounting for short-term leases and leases of low value assets, recognition exemptions are used, and the rents to be paid under the leases are recognised as expenses through profit or loss in equal instalments over the lease term.

9. Equity

Payments received from the issue of new shares are recognised under equity, less the transaction costs directly attributable to the issue and less the share of taxes.

If the parent company purchases its own shares (treasury shares), the consideration paid and the transaction costs directly attributable to the purchase, adjusted for tax effects, are deducted from the equity attributable to equity holders of the parent company until the shares are cancelled or re-issued. If the treasury shares in question are subsequently resold or re-issued, the consideration received is recognised directly in the equity attributable to equity holders of the parent company, less the transaction costs directly attributable to the issue and less the share of taxes.

The dividend proposed by the Board of Directors to the Annual General Meeting is not deducted from the parent company's equity until the Annual General Meeting has decided on the payment of the dividend.

10. Provisions

A provision is recorded on the balance sheet when a past event has created an existing obligation for Sievi Capital, the realisation of which is probable, and the amount of the obligation can be reliably estimated. The amount recorded as a provision corresponds to the management's best estimate of the expenses required to meet the existing obligation on the end date of the reporting period.

11. Changes in fair values of investments, revenue and revenue recognition principles

Sievi Capital's revenue consists of interest and dividend income. Interest income is recognised by using the effective interest method and dividend income when the right to dividend arises. The right to dividend arises when the general meeting of the company distributing the dividend has made a decision on the distribution.

Changes in the fair vales of investments recognised at fair value through profit or loss are included in the income statement under realised profits/losses & expenses of investments or unrealised changes in fair values of investments, depending on the nature of the changes.

12. Employee benefits

Sievi Capital's employee benefits consist of the following:

- short-term employee benefits
- post-employment benefits; and
- share-based payments.

Expenses caused by employee benefits are included in the item "Personnel expenses" in the income statement.

Short-term employee benefits

Short-term employee benefits include salaries, wages, fees and fringe benefits as well as annual holidays and bonuses.

Post-employment benefits (pensions)

Post-employment benefits are paid to their beneficiaries after the termination of employment. In Sievi Capital, these benefits consist of pensions. The statutory pension cover of the company's personnel is provided through pension insurance policies. A pension scheme is classified as either a defined-contribution scheme or a defined-benefit scheme. In a defined-contribution scheme, the company makes fixed payments to a separate corporation or arrangement, after which the company is under no legal or de facto obligation to make additional payments if the recipient of the payments were unable to pay out the pensions in question. Contributions to defined-contribution pension schemes are recorded as expenses in the income statement for the financial period to which they relate. Sievi Capital had only defined-contribution schemes during the financial period.

Share-based payments

Share-based employee benefits paid under equity are recognised at fair value at the time of award. The amount recorded as expenses is amortised under personnel expenses and as an increase in equity over the vesting period. The estimated number of shares granted is reviewed and, if necessary, adjusted at least every six months. Any effect of adjustments made to initial estimates is recorded as personnel expenses in the income statement and the corresponding adjustment is made to equity.

13. Operating profit

The IAS 1 *Presentation of Financial Statements* standard does not define the concept of operating profit. Sievi Capital defines it as follows: operating profit is the resulting net amount when personnel expenses, depreciation, amortisation and impairment and other operating expenses are deducted from the sum of interest and dividend income, changes in fair values of investments and other operating income. Financial items and income taxes are presented under operating profit.

14. Income taxes

Tax expense in the income statement consists of the parent company's tax based on taxable income for the financial period and the change in the parent company's deferred tax liabilities and assets. Tax based on taxable income for the financial period is calculated on the basis of the taxable income determined in accordance with Finnish tax legislation and the current tax rate or the tax rate approved in practice by the balance sheet date. Tax is adjusted with taxes related to previous financial periods, if any. Income taxes are recognised through profit or loss except when they are related to items recognised directly in equity or other comprehensive income items. In this case, the tax is also recognised directly in equity or in other comprehensive income, respectively.

As a rule, deferred tax assets and liabilities are recorded for any temporary differences between their book values and taxation values by using the liability method. The most significant temporary difference arises from the valuation of investments at fair value.

A deferred tax asset is recognised only to the extent that it is probable that the asset can be utilised against the taxable income of future financial periods. The conditions for recognising a deferred tax asset are assessed on the end date of each reporting period. Deferred tax liabilities are usually recorded on the balance sheet in full. The deferred tax liability recognised for investments is determined on the basis of the difference between the fiscal acquisition cost and the fair value for assets subject to the capital gains tax regulations.

Deferred taxes are determined by using the tax rates (and tax laws) that are likely to apply when the tax is paid. Tax rates to be used are the tax rates in force on the end date of the reporting period or the tax rates for the year following the financial period if they have been approved in practice by the end date of the reporting period.

15. Accounting principles requiring management's discretion and key uncertainties related to estimates

The preparation of financial statements in accordance with the IFRS standards requires the company's management to make both

- discretionary decisions on the application of accounting principles and
- estimates and assumptions that affect the amounts of assets, liabilities, income and expenses to be reported as well as the notes to be provided.

Discretionary decisions made by the management influence the selection and application of accounting principles. This applies especially to those cases where the current IFRS standards contain alternative recognition, valuation or presentation methods. The most significant area in which the management has exercised the discretion described above is related to Sievi Capital Plc's investment entity status.

The estimates and associated assumptions are based on Sievi Capital's previous experience and other factors, such as the latest available information, circumstances related to future events and the future outlook on the balance sheet date. These are considered to represent the management's best judgment at the time of review and to be reasonable under the circumstances. It is possible that the actual outcome differs from the estimates and assumptions used in the financial statements.

Investment entity status

The company's management considers Sievi Capital Plc to be an investment entity as it meets the criteria for classification as an investment entity. The decision is based on the management's estimates and discretion.

Classification criterion

The entity obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services	The company is a listed investment company that aims at generating profit for its shareholders.
The entity commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.	Sievi Capital is engaged in investment activities for returns from capital appreciation, investment income, or both.
The entity measures and evaluates the performance of substantially all of its investments on a fair value basis.	The company's external and internal reporting is based on the use of fair values.

Determination of the fair values of investments

In Sievi Capital's financial statements, the determination of the fair values of investments is a key area. The determination of the fair values of investments may require significant management estimates and assumptions when the investment is not quoted on the market. Uncertainties associated with management estimates related to the fair value measurement of investments have been increased by the COVID-19 pandemic, the war started by Russia in Ukraine and its potential indirect impacts, changes in the financial market environment, and inflation. Market quotations are the primary element used in the valuation of investments. Where these are not available, generally accepted cash flow-based valuation methods are used, which require a significant use of estimates and assumptions.

16. New and revised standards and interpretations to be applied in future financial periods

Any published IFRS standards or IFRIC interpretations that have not yet entered into force are not expected to have a significant impact on Sievi Capital's financial statements once these standards or interpretations are adopted.

1. SEGMENT

Sievi Capital has only one business segment: investment activities.

Sievi Capital Plc does not report segment figures separately because the figures for the whole company equal the figures for the investment activities segment.

2. INCOME

EUR 1,000	2022	2021
Dividend income from investments recognised at fair value through profit or loss		11,478
Interest income from loan receivables		33
Total income	**0**	**11,512**

3. VALUE CHANGES IN INVESTMENTS

EUR 1,000	2022	2021
Realised profits/losses and expenses of investments		
Investments' realised losses		
Expenses related to sale of investments		
Realised profits/losses and expenses of investments, total	**0**	**0**
Unrealised changes in fair values of investments (1)		
Investments recognised at fair value through profit or loss / subsidiaries	-7,247	13,098
Liabilities related to the redemption of minority interests at fair value through profit or loss	-636	-182
Unrealised changes in fair values of investments, total	**-7,883**	**12,917**

(1) Sievi Capital and all of the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares held by the minority shareholders. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as contingent liabilities at fair value through profit or loss in other liabilities.

No private equity investments were sold during the period and, thus, there were no realised gains or losses.

The most significant unrealised changes in value during the financial period were the EUR -9.9 million change in the value of the Indoor Group investment, the EUR +6.3 million change in the value of the KH-Koneet Group investment and the EUR -4.8 million change in the value of the Nordic Rescue Group investment. The change in the value of the Nordic Rescue Group investment includes an adjustment of EUR 1.3 million recognised in April with regard to an investment made in the form of a junior loan. The change in the value of the Logistikas investment in 2022 was +0.2 million and the change in the value of the HTJ investment was +0.9 million. The key factors in the changes in value included the profit performance of the target companies as well as changes in the interest rate environment, which led to a substantial increase in the discount rates used in valuations during the review period.

Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares in the companies held by the minority shareholders if certain conditions are met. Therefore, the investment in said companies is presented as if the company had a 100% holding and the non-controlling interests are presented as liabilities related to the redemption of the minority interest, recognised at fair value through profit or loss in other liabilities. Changes in the value of the above liabilities, presented as part of the unrealised changes in the value of investments, had an impact of EUR -0.6 million on the unrealised change in the value of investments.

4. PERSONNEL EXPENSES

EUR 1,000	2022	2021
Salaries, wages and fees	1,004	962
Pension costs – defined-contribution schemes	140	129
Share-based payments	38	181
Other indirect personnel expenses	16	20
Personnel expenses, total	**1,198**	**1,292**
Pension costs are defined-contribution costs.		
Average number of the company's employees during the financial period	**5**	**7**

Information on the management's salaries and remuneration is reported in Note 24, Transactions with related parties

5. SHARE-BASED INCENTIVE SCHEMES

Performance-based share scheme, LTI 2020–2022 and LTI 2021–2023

On 22 December 2022, the Board of Directors of Sievi Capital decided to discontinue the performance-based share scheme for its key personnel established in March 2020. In connection with discontinuing the scheme, the Board of Directors decided to pay cash compensation for the performance periods ending due to the discontinuation to key personnel who have participated in LTI 2020–2022 and LTI 2021–2023 plans initiated thereunder. The total amount of cash compensation to be paid out due to the discontinuation of the scheme is approximately EUR 0.1 million. The cash compensation will be paid out after the adoption of Sievi Capital's financial statements for the financial period 2022.

The discontinuation of the share scheme relates to the change in strategy announced by Sievi Capital on 15 December 2022. Consequently, the company's Board of Directors has determined that there are no more grounds for continuing the share scheme established in March 2020. More detailed information on the discontinued share-based incentive scheme is described below.

The performance-based share scheme has consisted of individual plans starting annually. Each plan has included a three-year performance period that always starts on 1 January as well as the award of shares, if any, at the end of the performance period, provided that the award terms and conditions are fulfilled. The commencement of each individual plan has required separate approval by the company's Board of Directors.

The Board of Directors of Sievi Capital has approved the first plan (LTI 2020–2022) under the share scheme. Its performance period started on 1 January 2020 and the award of shares, if any, would have taken place in spring 2023, provided that the performance targets for the plan set by the Board of Directors are achieved. Any shares awarded would have been Sievi Capital shares. The Board of Directors of Sievi Capital has likewise approved the second plan (LTI 2021–2023) under the performance-based share scheme. Its performance period started on 1 January 2021 and the award of shares, if any, would have taken place in spring 2024, provided that the performance targets for the plan set by the Board of Directors are achieved. In 2021, Sievi Capital's Board of Directors decided that the third plan of the performance-based share scheme, which was originally planned to begin in 2022, would not be commenced.

The performance targets applied to the LTI 2020–2022 and LTI 2021–2023 plans have been based on Sievi Capital's average return on equity (ROE).

The maximum annually-earned remuneration to be paid on the basis of all plans within the scope of the performance-based share scheme is limited to 50 per cent of the participant's fixed annual salary for the CEO and other management and to 20–40 per cent the participant's fixed annual salary for other key personnel.

Information on share-based incentive schemes

	Share scheme LTI 2020–2022	**Share scheme LTI 2021–2023**
Award date	6 Mar. 2020	27 Jan. 2021
Performance period start date	1 Jan. 2020	1 Jan. 2021
Performance period end date	31 Dec. 2022	31 Dec. 2023
Conditions for entitlement	Average return on equity, employment or service relationship until the end of the scheme	Average return on equity, employment or service relationship until the end of the scheme
Realisation	Cash and shares	Cash and shares
Share price at the time of award, EUR	1.15	1.13
Fair value of the benefit at the time of award, EUR	0.99	0.97
Outstanding shares of the scheme on 1 Jan. 2022 (gross)	91,480	148,668
Awarded during the period	-	-
Lost during the period	91,480	148,668
Realised during the period	-	-
Outstanding shares of the scheme on 31 Dec. 2022 (gross)	0	0
Persons within the scope of the scheme on 31 Dec. 2022	0	0

The fair value of the LTI 2020–2022 and LTI 2021–2023 schemes was first determined at the time of award. The fair value has been adjusted as necessary when the estimate of the number of shares to be paid under the scheme has been specified in more detail. The fair value has been recognised as an expense during the performance period.

A total of EUR 0.0 (0.2) million of amortised cost of share schemes was recognised in the income statement for the financial period ended. The expenses related to the discontinuation of the share scheme are EUR 0.1 million, and they have been recognised in their entirety as an expense for the financial period 2022. Adjustments related to personnel and changes in the performance targets of the programme during the financial period have had a positive impact of EUR 0.1 million on the net profit for the period.

6. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR 1,000	2022	2021
Depreciation and amortisation by asset class		
Tangible assets		
Machinery and equipment	10	13
Right-of-use assets	101	86
Depreciation and amortisation, total	**111**	**99**

7. OTHER OPERATING EXPENSES

EUR 1,000	2022	2021
Expenses related to premises and properties	9	46
Expert services	674	2,289
Other operating expenses	257	487
Other operating expenses, total	**940**	**2,821**
Of which expenses associated with the cancelled combination project of Sievi Capital Plc and Boreo Plc		1,652
Auditor's fees included in other operating expenses		
Auditing	75	62
Auditor's certificates and statements	6	24
Tax services		5
Other services	13	38
Total	**94**	**130**

8. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2022	2021
Financial income		
Other financial income	7	8
Financial income, total	**7**	**8**
Financial expenses		
Interest expenses from loans from financial institutions	145	12
Interest expenses from lease liabilities	3	3
Other financial expenses	38	18
Financial expenses, total	**186**	**33**

9. INCOME TAXES

EUR 1,000	2022	2021
Tax based on taxable income for the financial period 20%	0	0
Deferred taxes 20%	2,079	-1,751
Total	**2,079**	**-1,751**

Reconciliation of tax expense in the income statement and taxes calculated at the tax rate applicable in Finland (20%):

	2022	2021
Profit before taxes	-10,311	20,191
Taxes calculated at Finnish tax rate	2,062	-4,038
Tax-exempt income		2,296
Other items	17	-9
Taxes in the income statement	**2,079**	**-1,751**

10. EARNINGS PER SHARE

EUR 1,000	2022	2021
Net profit for the period attributable to equity holders of the parent company	-8,232	18,440
Number of shares at the end of the period (1,000)	58,079	58,079
Average number of shares during the financial period, undiluted (1,000)	58,079	58,051
Average number of shares during the financial period, diluted (1,000) (1)	58,124	58,145
Earnings per share, undiluted (EUR per share)	**-0.14**	**0.32**
Earnings per share, diluted (EUR per share) [1]	**-0.14**	**0.32**

(1) On 22 December 2022, the Board of Directors of Sievi Capital decided to discontinue the performance-based share scheme for its key personnel established in March 2020. Following the discontinuation of the share scheme, Sievi Capital's diluted earnings per share are equal to the undiluted earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	2022	2021
Property, plant and equipment at the beginning of the period	40	15
Increases		38
Depreciation according to plan	-10	-13
Property, plant and equipment at the end of the period	**30**	**40**

12. RIGHT-OF-USE ASSETS

EUR 1,000	2022	2021
Right-of-use assets at the beginning of the period	228	12
Increases	11	302
Depreciation according to plan	-101	-86
Right-of-use assets at the end of the period	**137**	**228**

13. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The company does not consolidate the data of subsidiaries but recognises them at fair value through profit or loss.

EUR 1,000	2022	2021
Shares in subsidiaries at the beginning of the period	108,328	72,428
Increases	1,305	22,801
Decrease		
Changes in fair value	-7,247	13,098
Shares in subsidiaries at the end of the period	**102,385**	**108,328**
Investments at fair value through profit or loss, total	**102,385**	**108,328**

Sievi Capital and all of the minority shareholders of KH-Koneet Group and HTJ Holding agreed on a mutual right to complete a transaction concerning all of the shares held by the minority shareholders. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as contingent liabilities at fair value through profit or loss in other liabilities. Therefore, in the table above, the increase and changes in fair value also include non-controlling interests.

Information on subsidiaries	Domicile	Holding (%)
31 Dec. 2022		
Indoor Group Holding Oy	Helsinki	58.3% (1)
KH-Koneet Group Oy	Helsinki	90.7%
Logistikas Oy	Helsinki	65.9% (1)
Nordic Rescue Group Oy	Helsinki	68.1% (1)
HTJ Holding Oy	Helsinki	91.7%
31 Dec. 2021		
Indoor Group Holding Oy	Helsinki	58.3% (1)
KH-Koneet Group Oy	Helsinki	90.5%
Logistikas Oy	Helsinki	65.9%
Nordic Rescue Group Oy	Helsinki	67.9%
HTJ Holding Oy	Helsinki	92.4%

(1) Of outstanding shares

At the end of the period, investments were distributed as follows (EUR million):

	31 Dec. 2022	31 Dec. 2021
Private equity investments		
Indoor Group Holding Oy	39.8	49.7
KH-Koneet Group Oy	42.8	36.5
Logistikas Oy	6.5	6.3
Nordic Rescue Group Oy (1)	3.0	6.5
HTJ Holding Oy	10.2	9.3
Private equity investments, total	**102.4**	**108.3**

(1) Includes Sievi Capital's loan and interest receivables from the company (totalling EUR 1.4 million on 31 December 2022).

Sievi Capital made a junior loan investment (EUR 1.3 million) in Nordic Rescue Group during the period. No investments were sold during the period.

14. CATEGORISATION OF INVESTMENT ASSETS

Investment assets consist of the following items:
Investments at fair value through profit or loss, specification in Note 13

EUR 1,000	Level 1	Level 2	Level 3	Total
31 Dec. 2022				
Private equity investments			102,385	102,385
Levels, total			**102,385**	**102,385**
31 Dec. 2021				
Private equity investments			108,328	108,328
Levels, total			**108,328**	**108,328**

All investments are euro-denominated.

Sensitivity analysis of level 3 investments, 31 December 2022

Investment category	Fair value 31 Dec. 2022, EUR million	Valuation model	Unobservable inputs	Inputs used (weighted average)	Change in valuation if the input changes by +/- 1 percentage points, EUR million
Private equity investments	102.4	Discounted cash flows	Discount rate (WACC)	13.2%	-13.9 / +13.2
			Terminal growth	0.0%	+6.0 / -7.7
			Forecast period's (5 y.) net sales growth p.a.	3.2%	+4.7 / -7.3
			Forecast period's (5 y.) EBITDA % [1]	7.3%	+10.1 / -12.8

(1) EBITDA = operating profit + depreciation and amortisation. For Indoor Group Holding, the calculation uses EBITDA calculated according to the Finnish Accounting Standards (FAS).

Sensitivity analysis of level 3 investments, 31 December 2021

Investment category	Fair value 31 Dec. 2021, EUR million	Valuation model	Unobservable inputs	Inputs used (weighted average)	Change in valuation if the input changes by +/- 1 percentage points, EUR million
Private equity investments	108.3	Discounted cash flows	Discount rate (WACC)	11.1%	-13.2 / +15.9
			Terminal growth	0.0%	+7.9 / -6.6
			Forecast period's (5 y.) net sales growth p.a.	1.7%	+5.9 / -5.7
			Forecast period's (5 y.) EBITDA % [1]	7.5%	+10.7 / -10.7

(1) EBITDA = operating profit + depreciation and amortisation. For Indoor Group Holding, the calculation uses EBITDA calculated according to the Finnish Accounting Standards (FAS).

15. FAIR VALUE HIERARCHY

Investment assets broken down into hierarchy levels:

EUR 1,000	Private equity investments	Other financial assets	Total
LEVEL 3			
Fair values 1 Jan. 2021	**72,428**	**0**	**72,428**
Increases	22,801		22,801
Decrease			
Changes in value	13,098		13,098
Fair values 31 Dec. 2021	**108,328**	**0**	**108,328**
Increases	1,305		1,305
Decrease			
Changes in value	-7,247		-7,247
Fair values 31 Dec. 2022	**102,385**	**0**	**102,385**
Fair values of investment assets, total 31 Dec. 2022	**102,385**	**0**	**102,385**
Changes in value through profit or loss:			
Changes in value 2022	-7,247	0	-7,247
Changes in value 2021	13,098	0	13,098

Liabilities at fair value through profit or loss broken down into hierarchy levels:

EUR 1,000	Liabilities related to the redemption of minority interests	Total
LEVEL 3		
Fair values 1 Jan. 2021	**0**	**0**
Increase (1)	4,004	4,004
Changes in value	182	182
Fair values 31 Dec. 2021	**4,186**	**4,186**
Increase (1)		
Changes in value	636	636
Fair values 31 Dec. 2022	**4,822**	**4,822**
Liabilities at fair value through profit or loss, total 31 Dec. 2022	**4,822**	**4,822**
Changes in value through profit or loss:		
Changes in value 2022	-636	-636
Changes in value 2021	-182	-182

(1) The increases did not affect cash flows; instead, they were the result of agreements made by the company during the financial period.

The fair values of the hierarchy level 3 are based on inputs concerning the asset that are not based on observable market data but are instead significantly based on management estimates and their use in generally accepted valuation models. The valuation models used were mainly generally accepted models that are based on cash flow. Uncertainties associated with management estimates related to the fair value measurement of private equity investments have been increased by the COVID-19 pandemic, the war started by Russia in Ukraine and its potential indirect impacts, changes in the financial market environment, and inflation. The impacts of the war in Ukraine are discussed more under the headings "Target companies" and "The most significant near-term business risks and risk management" in this report.

Unlisted private equity investments held by the company and liabilities connected to the redemption of minority interests in target companies have been entered in hierarchy level 3, as they do not have quoted market prices and the inputs used in the valuation models cannot be verified on the basis of market data.

There were no transfers between the hierarchy levels during the financial period.

16. NON-CURRENT RECEIVABLES

EUR 1,000	2022	2021
Receivables from the subsidiaries' related parties		
Acquisition cost at the beginning of the period	0	0
Decrease		
Book value at the end of the period	**0**	**0**
Other receivables	**25**	**25**
Receivables, total	**25**	**25**

The original book value of the receivables corresponds to their fair value as the effect of discounting is not material considering the maturity of the receivables.

17. DEFERRED TAX ASSETS AND LIABILITIES

EUR 1,000	1 Jan. 2022	Recognised through profit or loss	31 Dec. 2022
Deferred tax assets:			
Investments and liabilities at fair value through profit or loss	866	979	1,845
Leases		0	0
Unused tax losses	2,101	504	2,605
Total	**2,967**	**1,484**	**4,451**
Deferred tax liabilities:			
Investments and liabilities at fair value through profit or loss	-9,139	616	-8,524
Other temporary differences		-20	-20
Total	**-9,139**	**596**	**-8,544**

1 000 EUR	1 Jan. 2021	Recognised through profit or loss	31 Dec. 2022
Deferred tax assets:			
Investments and liabilities at fair value through profit or loss	91	775	866
Leases	0	0	0
Unused tax losses	1,296	805	2,101
Total	**1,387**	**1,580**	**2,967**
Deferred tax liabilities:			
Investments and liabilities at fair value through profit or loss	-5,808	-3,331	-9,139
Total	**-5,808**	**-3,331**	**-9,139**

18. ACCRUED INCOME AND OTHER RECEIVABLES

EUR 1,000	2022	2021
Accrued income	57	32
Loan receivables		
Total	**57**	**32**

19. CASH AND CASH EQUIVALENTS

EUR 1,000	2022	2021
Cash and cash equivalents		
Cash and bank balances	2,216	1,832
Cash and cash equivalents, total	**2,216**	**1,832**

20. NOTES RELATING TO SHAREHOLDERS' EQUITY

1,000 units	Number of shares, pcs	Share capital	Reserve for invested unrestricted equity
1 Jan. 2022	**58,079**	**15,179**	**12,886**
31 Dec. 2022	**58,079**	**15,179**	**12,886**

Shares

Sievi Capital's share capital at the end of the financial period was EUR 15,178,567.50 and the number of shares was 58,078,895. All shares carry equal rights to dividends. The company did not own any treasury shares during the financial period.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity investments.

Authorisations

Sievi Capital's General Meeting of 11 May 2022 authorised the Board of Directors to decide on a share issue, in one or more tranches, and/or on issuing special rights to shares. The total allowed number of shares issued on the basis of the authorisation is 11,400,000 shares. In addition, the General Meeting authorised the Board of Directors to decide on repurchasing a maximum of 5,700,000 treasury shares in one or more tranches. The authorisations will be valid until 30 June 2023 and their content is described in more detail in the stock exchange release on the decisions of the Annual General Meeting, published on 11 May 2022.

Proposal of the Board of Directors on the distribution of funds

The parent company's distributable funds on 31 December 2022 were EUR 33,785,778.84. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial period. The profit distribution proposal of the Board of Directors takes into account the company's liquidity situation at the time of making the profit distribution proposal, expected cash flows during the new year and the investments required by the change in strategy.

Dividends paid during the financial period

Sievi Capital did not pay dividends during the financial year.

21. LIABILITIES

EUR 1,000	2022	2021
Non-current		
Loans from financial institutions	9,900	5,500
Lease liabilities	28	129
Other liabilities	4,822	4,186
Current		
Lease liabilities	111	101
Accrued expenses		
Accrued expenses caused by employee benefits	332	214
Interest liabilities	2	13
Trade payables	336	645
Other liabilities		
Liabilities to be paid to the Tax Administration	86	68
Liabilities, total	**15,618**	**10,856**

The loans from financial institutions are floating-rate. The interest rate on the loan on 31 December 2022 was 5.88%. On 30 December 2022, Sievi Capital took out a loan of EUR 10.0 million that will be due in one instalment in December 2024. The loan was used for refinancing the previous loans that would have been due in October 2023. The loan agreement includes a financial covenant based on Sievi Capital's equity.

Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares in the companies held by the minority shareholders if certain conditions are met. Therefore, the investment in said companies is presented as if Sievi Capital had a 100% holding and the non-controlling interests are presented as contingent liabilities at fair value through profit or loss in other liabilities.

If the fair value of liabilities related to the redemption of minority interests included in other liabilities were to increase (decrease) by 10%, this would have an impact of EUR -0.5 million (+0.5 million) on profit before taxes.

Liabilities and their interest falling due, 31 Dec. 2022:

	Loans from financial institutions with interest	Lease liabilities with interest	Other liabilities	Total
In less than 3 months	1	28	563	592
In 3 months – less than 12 months	596	85	191	872
In 1–2 years	10,599	28		10,627
In 2–5 years			4,822	4,822
In more than 5 years				0
Total	**11,195**	**141**	**5,576**	**16,913**

22. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR 1,000	2022	2021
Adjustments to the net profit for the period		
Unrealised changes in fair values of investments	7,883	-12,917
Realised profits/losses and expenses of investments		
Dividend income		-11,478
Interest and financial income	-7	-42
Financial expenses	186	33
Depreciation according to plan	111	99
Share-based incentive schemes	-86	43
Total	**8,088**	**-24,261**

23. CONTINGENT LIABILITIES

On 30 December 2022, Sievi Capital took out a loan of EUR 10.0 million that will be due in one instalment in December 2024. The loan was used for refinancing the previous loans that would have been due in October 2023. The loan agreement includes a financial covenant based on Sievi Capital's equity. The terms of the covenant were met at the end of the review period.

At the end of the period, Sievi Capital had no material off-balance sheet contingent liabilities.

24. TRANSACTIONS WITH RELATED PARTIES

The company's related parties include the parent company and subsidiaries. Related parties also include the members of the company's Board of Directors, the company's CEO and other management as well as their related parties.

The Sievi Capital Group's parent company and direct subsidiaries

	Domicile	Group's and the parent company's holding	Share of voting rights
Parent company: Sievi Capital Plc	Finland		
Indoor Group Holding Oy	Finland	58.3% (1)	58.3% (1)
KH-Koneet Group Oy	Finland	90.7% (1)	90.7% (1)
Logistikas Oy	Finland	65.9%	65.9%
Nordic Rescue Group Oy	Finland	68.1% (1)	68.1% (1)
HTJ Holding Oy	Finland	91.7% (1)	91.7%

(1) of outstanding shares

Related party transactions during the period

EUR 1,000	2022	2021
Loan to Nordic Rescue Group Oy (1)	1,305	
Fee for consultancy services to a related party company of a member of the Board of Directors (2)		50
Common expenses associated with the combination project of Sievi Capital Plc and Boreo Plc (3)		298
Transactions with related parties, total	**1,305**	**348**

(1) The owners of Nordic Rescue Group Oy granted a junior loan to the company on 22 April 2022, of which Sievi Capital's share was EUR 1.3 million.

(2) Sievi Capital purchased consultancy services from a company that is a related party of a member of the Board of Directors of Sievi Capital. The value of the purchased services was EUR 50 thousand excluding VAT (EUR 62 thousand including VAT) in the financial year ended 31 December 2021, and the purchases were made on normal market terms.

(3) Sievi Capital paid its share of the joint advisor's fee to Boreo Plc that is a related party of a member of the Board of Directors of Sievi Capital. Sievi Capital's share of the costs was EUR 298 thousand excluding VAT (EUR 370 thousand including VAT).

Management's employee benefits and fees paid to the Board of Directors

EUR 1,000	2022	2021
Salary and fees paid to the CEO		
Jussi Majamaa (CEO since 1 September 2021) (1)		
Salaries and other short-term employee benefits	208	45
Statutory pension contributions	54	10
Päivi Marttila (CEO until 1 September 2021) (2)		
Salaries and other short-term employee benefits	28	221
Share-based remuneration		138
Statutory pension contributions		51
Salary and fees paid to those in the role of CEO and their statutory pension contributions in total	**289**	**465**

	2022	2021
Other management (3)		
Salaries and other short-term employee benefits	232	161
Share-based remuneration		83
Salary and fees paid to other management	**232**	**243**

		2022	2021
Fees paid to the Board of Directors			
Juha Karttunen	Member of the Board of Directors from 29 April 2021 to 11 May 2022, Chair of the Board of Directors since 11 May 2022	36	16
Kati Kivimäki	Member of the Board of Directors	28	27
Timo Mänty	Member of the Board of Directors since 11 May 2022	15	
Taru Narvanmaa	Member of the Board of Directors	28	27
Harri Sivula	Member of the Board of Directors since 11 May 2022	15	
Lennart Simonsen	Chair of the Board of Directors from 29 April 2021 to 11 May 2022	19	25
Simon Hallqvist	Member of the Board of Directors from 29 April 2021 to 11 May 2022		
Tuomo Lähdesmäki	Chair of the Board of Directors until 29 April 2021		17
Asa-Matti Lyytinen	Member of the Board of Directors until 29 April 2021		11
Klaus Renvall	Member of the Board of Directors until 29 April 2021		11
Fees paid to the Board of Directors, total		**141**	**134**

The figures in the table above are shown on a payment basis

(1) An additional remuneration payment was made to Majamaa for the financial period 2022 in connection with the January 2023 salary payment (EUR 53 thousand).
(2) Also includes salary and fees paid during the period 1 September 2021–31 December 2021 and December 2021 salary and holiday pay paid in January 2022.
(3) An additional remuneration payment was made to the member of the other management team for the financial period 2022 in connection with the January 2023 salary payment (EUR 24 thousand).

25. THE MOST SIGNIFICANT NEAR-TERM RISKS AND RISK MANAGEMENT

The goal of Sievi Capital's risk management is the comprehensive and proactive management of risks. The company aims to detect and identify factors that may have a negative impact on the achievement of the company's goals in a long or short term and to take necessary measures to manage these factors. In risk management, a key role is played by risk management at the level of investments, which is mainly arranged by the target companies themselves. Sievi Capital promotes risk management at the target company level by exercising active control over its holdings and participating in the work of the Board of Directors in target companies.

Sievi Capital is engaged in investment activities. The company's Board of Directors confirms the company's strategy and action plan, which defines goals related to new investments and exits, among other things. The Board of Directors makes decisions on new private equity investments and supervises the execution of investment activities. Due to the company's business, investment strategy and nature of investments, a significant portion of Sievi Capital's most material risks are associated with the company's private equity investments in target companies and the risks related to their operations.

Through its investment activities, Sievi Capital is exposed to general market risks and the company risk of private equity investments. When it comes to general market risks, stock market and interest rate fluctuations, among other things, have an indirect impact on the company's financial performance through changes in the fair value of investments. Changes in stock markets and interest rates are also reflected on the fair values of private equity investments in unlisted companies as these changes influence the discount rates that Sievi Capital uses in its investment valuation models.

The company risk of private equity investments consists of, among other things, risks associated with the target companies' market and competitive situations as well as the target companies' strategic risks, operational risks and financial risks, with material risks including, for instance, liquidity and interest rate risks. The private equity investments made by the company are significant in size and at the end of the review period, the company had private equity investments in a total of five companies. It cannot be guaranteed that target companies or sectors which the company has invested in or will potentially invest in would develop as expected in the future. Pandemics and inflation, which has accelerated in recent times, may also have significant direct and indirect impacts on the target companies' business operations and, as a result, on the fair values of Sievi Capital's investments. The financial results and outlooks of the target companies influence Sievi Capital's financial performance through the changes in the values of the investments as the financial development and forecasts of the target companies have a significant impact on the fair values of the investments made in these companies. Changes in the operations of a single target company may have a material negative impact on Sievi Capital's business operations, financial position, results or future outlook.

Due to the illiquid nature of private equity investments, Sievi Capital's most significant strategic risks are associated with investments in new target companies. In addition to selective investment activities, the risk is managed with diligent investment preparations. Diligent preparations refer to, among other things, extensive analyses of potential investments before making actual investment decisions. There are also strategic risks related to investment exits and their timing. The company's structure makes flexible exit times possible but to optimise return on equity, the company aims to time exits to situations in which Sievi Capital considers the value creation strategy that was planned for the investment object in advance to have been implemented and the market situation is favourable for the exit. As the operating environments of the target companies and the M&A market vary, it cannot be guaranteed that conditions favourable for an exit and a favourable M&A market situation coincide. The company aims to manage this risk with long-term exit planning.

Sievi Capital's operational risks include, for instance, dependence on the key personnel's competence and input due to the company's low number of personnel. The company's key personnel play a central role in the establishment, implementation and management of the company's strategy. Measures with which the company tries to protect itself from the key personnel risk include incentive schemes, among other things.

The most essential of the financial risks that Sievi Capital Plc is exposed to is the liquidity risk. The management of the liquidity risk ensures that the company has sufficient funds to make any payments falling due and to make additional investments in target companies in line with the company's value creation strategy.

The war in Ukraine and the resulting sanctions are not expected to have significant direct impacts on Sievi Capital under the current circumstances. However, the prolongation or expansion of the war may have potentially significant indirect negative impacts on Sievi Capital through unfavourable developments in financial and capital markets, a decline in the overall economic outlook or a deterioration in the operating conditions of Sievi Capital's target companies, for instance. Sievi Capital's target companies do not have business operations in Ukraine or Russia.

26. CAPITAL STRUCTURE MANAGEMENT

A strong capital structure enables the company to ensure normal operating conditions and growth opportunities. The company is constantly investigating various alternatives for managing capital more efficiently. One of the company's financial targets is a gearing of maximum 20%. Gearing was in line with the target at the end of the financial period.

	2022	2021
Gearing	14.9%	8.6%
Equity ratio	77.9%	82.4%

27. EVENTS AFTER THE REVIEW PERIOD

After the review period, Sievi Capital's target company Nordic Rescue Group has continued to negotiate with the financing provider to adapt the finance agreement to better reflect the current situation of the company and the potential consent of the financing provider to deviate from the financial covenants as at 31 December 2022. Nordic Rescue Group did not meet the financial covenants at 31 December 2022 mainly due to the loss making business of Vema Lift, which filed for bankruptcy.

Group's key indicators

KEY INDICATORS, IFRS

EUR 1,000	2022	2021
Key financial indicators		
Income, EUR million		11.5
Operating profit, EUR million	-10.1	20.2
Net profit for the period, EUR million	-8.2	18.4
Return on equity, %	-9.2	21.6
Return on capital employed, %	-10.0	22.4
Loans from financial institutions, EUR million	9.9	5.5
Gearing, %	14.9	8.6
Equity ratio, %	77.9	82.4
Personnel, average	5	7
Key indicators per share		
Earnings per share, EUR, undiluted	-0.14	0.32
Earnings per share, EUR, diluted	-0.14	0.32
Shareholders' equity per share, EUR	1.47	1.61
Dividend per share, EUR (1)	0.00	0.00
Dividend per earnings, % (1)	0.0	0.0
Effective dividend yield, % (1)	0.0	0.0
Price-to-earnings ratio (P/E)	-8.3	6.0
Share trading		
Number of shares traded, 1,000	27,126	84,021
Percentage of total shares, %	46.7	144.7
Share performance		
Lowest price, EUR	1.00	1.06
Highest price, EUR	1.99	2.65
Average price, EUR	1.42	1.58
Price at the end of the period, EUR	1.18	1.92
Market capitalisation at the end of the period, EUR million	68.4	111.3
Number of shares		
At the end of the period, 1,000	58,079	58,079
Average during the period, undiluted, 1,000	58,079	58,051
Average during the period, diluted, 1,000	58,124	58,145

(1) According to the Board of Directors' proposal for the distribution of profit

Sievi Capital presents Alternative Performance Measures to describe the financial development of its business operations and to improve comparability between different reporting periods. The Alternative Performance Measures do not replace IFRS key indicators but are reported in addition to them. The Alternative Performance Measures provide the company's management, investors and other parties with significant additional information. The Alternative Performance Measures used by the company include return on equity (%), return on capital employed (%), gearing (%), equity ratio (%) as well as shareholders' equity per share (net asset value per share).

CALCULATION OF KEY INDICATORS

Return on equity, %	Net profit for the period × 100 / Shareholders' equity (average)	The return on equity (ROE) percentage indicates how much return the company is able to generate on the assets invested in it by its owners. It is one of the company's financial targets and an important indicator of the company's success.
Return on capital employed, %	(Profit before taxes + financial expenses) × 100 / Balance sheet total - non-interest-bearing liabilities (average)	The return on capital employed (ROCE) percentage indicates how much return the company is able to generate before taxes with the sum of equity and financial liabilities. It complements return on equity as an indicator of the company's success.
Gearing, %	(Financial liabilities [1] - cash and cash equivalents and other financial assets) × 100 / Equity	Gearing indicates the ratio of interest-bearing net debt to equity. It gives an idea of the company's capital structure and financial leeway and is one of the company's financial targets.
Equity ratio, %	Shareholders' equity × 100 / Balance sheet total - advance payments received	The equity ratio indicates the share of own assets (equity) in the total assets of the company. It gives an idea of the company's financial leeway, among other things.
Earnings per share	Net profit for the period / Average number of shares during the financial period	
Shareholders' equity per share [2]	Equity / Number of shares at the end of the financial period	Shareholders' equity per share or net asset value per share indicates the amount of equity per share.
Dividend per share	Dividend to be distributed for the financial period / Number of shares at the end of the financial period	
Dividend per earnings, %	Dividend per share × 100 / Earnings per share	
Effective dividend yield, %	Dividend per share × 100 / Share price at the end of the year	
Price-to-earnings ratio (P/E)	Share price at the end of the year / Earnings per share	
Average share price	Total share turnover / Number of shares traded	
Market capitalisation	Number of shares at the end of the year × share price at the end of the year	

(1) Includes loans from financial institutions, lease liabilities and liabilities related to the redemption of minority interests
(2) Corresponds with net asset value per share

Parent company’s financial statements (FAS)

PARENT COMPANY’S INCOME STATEMENT

EUR	Note	1 Jan.–31 Dec. 2022	1 Jan.–31 Dec. 2021
Personnel expenses	1	-1,283,753.30	-1,249,198.93
Depreciation	2	-9,961.32	-13,281.79
Other operating expenses	3	-1,043,942.27	-2,772,770.31
Operating profit		**-2,337,656.89**	**-4,035,251.03**
Financial income	4	97,595.68	11,519,954.75
Financial expenses	4	-282,203.67	-29,825.10
Impairment of investments in non-current assets	4	-2,448,046.35	-4,331,153.63
Profit before appropriations and taxes		**-4,970,311.23**	**3,123,724.99**
Income taxes	5	0.00	0.00
Net profit for the period		**-4,970,311.23**	**3,123,724.99**

PARENT COMPANY'S BALANCE SHEET

EUR	Note	31 Dec. 2022	31 Dec. 2021
ASSETS			
Non-current assets			
Tangible assets			
Machinery and equipment	6	29,884.06	39,845.38
		29,884.06	**39,845.38**
Investments			
Holdings in Group companies	7	55,997,561.34	58,445,607.69
Other receivables	8	1,395,813.19	
		57,393,374.53	**58,445,607.69**
Non-current assets, total		**57,423,258.59**	**58,485,453.07**
Current assets			
Non-current receivables			
Other receivables	8	25,245.00	25,245.00
		25,245.00	**25,245.00**
Current receivables			
Accrued income	9	56,729.93	32,300.62
		56,729.93	**32,300.62**
Cash and cash equivalents		**2,215,929.95**	**1,831,830.91**
Current assets, total		**2,297,904.88**	**1,889,376.53**
Assets, total		**59,721,163.47**	**60,374,829.60**
LIABILITIES			
Equity			
Share capital		15,178,567.50	15,178,567.50
Reserve for invested unrestricted equity		12,885,510.35	12,885,510.35
Retained earnings		25,870,579.72	22,746,854.73
Net profit for the period		-4,970,311.23	3,123,724.99
Total equity	10	**48,964,346.34**	**53,934,657.57**
Liabilities			
Non-current			
Loans from financial institutions	11	10,000,000.00	5,500,000.00
Current			
Trade payables	11	316,848.95	645,215.08
Other liabilities	11	86,378.27	68,094.52
Accrued expenses	11	353,589.91	226,862.43
		756,817.13	**940,172.03**
Total liabilities		**10,756,817.13**	**6,440,172.03**
Equity and liabilities, total		**59,721,163.47**	**60,374,829.60**

PARENT COMPANY'S CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan.–31 Dec. 2022	1 Jan.–31 Dec. 2021
Cash flow from operating activities			
Net profit for the period		-4,970.3	3,123.7
Adjustments to the net profit for the period	12	2,642.6	-7,145.7
Change in working capital	12	-197.5	550.5
Purchase of investments		0.0	-18,933.2
Granted loan receivables from investment activities		-1,305.0	0.0
Repayment of loan receivables		0.0	1,000.0
Interest received		6.8	41.6
Financial expenses paid		-292.5	-29.8
Dividends received		0.0	11,478.4
Taxes paid		0.0	0.0
Cash flow from operating activities		**-4,115.9**	**-9,914.6**
Cash flow from investing activities			
Investments in tangible assets		0.0	-38.4
Cash flow from investing activities		**0.0**	**-38.4**
Cash flow from financing activities			
Proceeds from long-term loans		14,500.0	5,500.0
Repayments of long-term loans		-10,000.0	0.0
Dividends paid		0.0	-2,323.2
Cash flow from financing activities		**4,500.0**	**3,176.8**
Change in cash and cash equivalents		**384.1**	**-6,776.1**
Cash and cash equivalents 1 Jan.		1,831.8	8,608.0
Cash and cash equivalents 31 Dec.		**2,215.9**	**1,831.8**

Notes to the parent company's financial statements

PARENT COMPANY ACCOUNTING PRINCIPLES

Sievi Capital Plc is a Finland-based public limited liability company domiciled in Sievi. Sievi Capital Plc's financial statements have been prepared in accordance with the Finnish Accounting Act and other regulations in force in Finland (FAS). The consolidated financial statements have been prepared in accordance with the IFRS standards. For Sievi Capital Plc, the Finnish accounting practices and the IFRS accounting principles are mainly consistent so the key accounting principles can be read in the IFRS accounting principles. The most significant difference between the FAS and IFRS accounting principles is in recording investments; in the parent company, investments are valued at the lower of acquisition cost and the probable realisable value and in IFRS, investments are valued at fair value.

1. PERSONNEL EXPENSES

EUR 1,000	**2022**	**2021**
Salaries, wages and fees	1,127	1,100
Pension costs	140	129
Other indirect personnel expenses	16	20
Total	**1,284**	**1,249**
Pension costs are defined-contribution costs.		
Average number of employees during the financial period		
Employees	5	7
Total	**5**	**7**

Information on the management's salaries and remuneration as well as transactions with related parties are reported in Note 24 to the IFRS financial statements.

2. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR 1,000	**2022**	**2021**
Depreciation and amortisation by asset class		
Tangible assets		
Machinery and equipment	10	13
Total	**10**	**13**
Depreciation and amortisation, total	**10**	**13**

3. OTHER OPERATING EXPENSES

EUR 1,000	2022	2021
Expenses related to premises and properties	113	134
Expert services	674	2,289
Other operating expenses	257	350
Total	**1,044**	**2,773**
Of which expenses associated with the cancelled combination project of Sievi Capital Plc and Boreo Plc		1,652
Auditor's fees		
Auditing	75	62
Auditor's certificates and statements	6	24
Tax services		5
Other services	13	38
Total	**94**	**130**

4. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2022	2021
Return on holdings in Group companies		
Dividend income		11,478
Total	**0**	**11,478**
Other interest and financial income		
From others	98	42
Total	**98**	**42**
Interest expenses and other financial expenses		
Other financial expenses	-282	-30
Total	**-282**	**-30**
Impairment of investments in non-current assets		
Impairment of holdings in Group companies	-2,448	-4,331
Total	**-2,448**	**-4,331**
Financial income and expenses, total	**-2,633**	**7,159**

5. INCOME TAXES

EUR 1,000	2022	2021
Tax based on taxable income for the financial period	0	0
Total	**0**	**0**

6. TANGIBLE ASSETS

2022 EUR 1,000	Machinery and equipment	Tangible assets, total
Acquisition cost 1 Jan. 2022	65	65
Increases		0
Acquisition cost 31 Dec. 2022	**65**	**65**
Accumulated depreciation 1 Jan. 2022	-25	-25
Depreciation	-10	-10
Accumulated depreciation 31 Dec. 2022	**-35**	**-35**
Book value 1 Jan. 2022	40	40
Book value 31 Dec. 2022	**30**	**30**

2021 EUR 1,000	Machinery and equipment	Tangible assets, total
Acquisition cost 1 Jan. 2021	27	27
Increases	38	38
Acquisition cost 31 Dec. 2021	**65**	**65**
Accumulated depreciation 1 Jan. 2021	-12	-12
Depreciation	-13	-13
Accumulated depreciation 31 Dec. 2021	**-25**	**-25**
Book value 1 Jan. 2021	15	15
Book value 31 Dec. 2021	**40**	**40**

7. HOLDINGS IN GROUP COMPANIES

EUR 1,000	2022	2021
Acquisition cost 1 Jan.	62,777	43,844
Addition, KH-Koneet Group Oy's shares		8,643
Addition, Nordic Rescue Group Oy's shares		2,520
Addition, HTJ Holding Oy's shares		7,770
Acquisition cost 31 Dec.	**62,777**	**62,777**
Impairments	-6,779	-4,331
Book value 31 Dec.	**55,998**	**58,446**

Konserniyhtiöt	Domicile	Parent company's holding (%)	Parent company's book value (EUR 1,000)
Indoor Group Holding Oy	Finland	58.3% (1)	18,201
KH-Koneet Group Oy	Finland	90.7% (1)	20,348
Logistikas Oy	Finland	65.9%	5,600
Nordic Rescue Group Oy	Finland	68.1% (1)	4,078
HTJ Holding Oy	Finland	91.7%	7,770
			55,998

(1) of outstanding shares

8. NON-CURRENT RECEIVABLES

EUR 1,000	2022	2021
Loan receivables from Group companies	1,396	
Other receivables	25	25
Book value 31 Dec.	**1,421**	**25**

9. CURRENT RECEIVABLES

EUR 1,000	2022	2021
Accrued income	57	32
Total	**57**	**32**

10. EQUITY

EUR 1,000	2022	2021
Share capital		
Share capital 1 Jan.	15,179	15,179
Share capital 31 Dec.	**15,179**	**15,179**
Restricted equity, total 31 Dec.	**15,179**	**15,179**
Reserve for invested unrestricted equity		
Reserve for invested unrestricted equity 1 Jan.	12,886	12,886
Share issue		
Reserve for invested unrestricted equity 31 Dec.	**12,886**	**12,886**
Retained earnings		
Retained earnings 1 Jan.	25,871	25,070
Profit distribution		-2,323
Retained earnings 31 Dec.	**25,871**	**22,747**
Net profit/loss for the period	**-4,970**	**3,124**
Unrestricted equity, total	**33,786**	**38,756**
Total equity	**48,964**	**53,935**
Statement of distributable equity at the end of the period		
Reserve for invested unrestricted equity	12,886	12,886
Retained earnings	25,871	22,747
Net profit for the period	-4,970	3,124
Total	**33,786**	**38,756**

11. LIABILITIES

EUR 1,000	2022	2021
Liabilities, non-current		
Loans from financial institutions	10,000	**5,500**
Total	**10,000**	**5,500**
Other liabilities, the most significant items		
Trade payables	336	645
Withholding tax and health insurance contribution liabilities	86	68
Total	**423**	**713**
The most significant items included in accrued expenses		
Personnel expenses, short-term	332	214
Total	**332**	**214**

12. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR 1,000	2022	2021
Adjustments to the net profit for the period		
Depreciation according to plan	10	13
Financial income and expenses	2,633	-7,159
Total	**2,643**	**-7,146**
Changes in working capital		
Increase (-)/decrease (+) in current non-interest-bearing trade receivables	-24	-8
Increase (+)/decrease (-) in current non-interest-bearing liabilities	-173	558
Change in working capital, total	**-197**	**551**

13. CONTINGENT LIABILITIES

EUR 1,000	2022	2021
Lease liabilities		
Payable within one year	113	104
Payable in more than one year but at the latest within five years	28	130

Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a transaction concerning all of the shares in the companies held by the minority shareholders if certain conditions are met. The estimated fair value of the liability relating to the redemption of minority interests on the closing date is EUR 4.8 million. The amount of the actual redemption obligation may differ considerably depending on, inter alia, the financial performance of the companies concerned and when the redemption right is exercised. Sievi Capital's obligation to redeem the shares may emerge according to the terms of the agreement at the earliest during 2024–2025.

Signatures of the Board of Directors' report and the financial statements

Helsinki, 27 February 2023

Juha Karttunen
Chair of the Board of Directors

Kati Kivimäki
Member of the Board of Directors

Timo Mänty
Member of the Board of Directors

Taru Narvanmaa
Member of the Board of Directors

Harri Sivula
Member of the Board of Directors

Jussi Majamaa
CEO

Auditor's note

A report on the audit performed has been issued today.

Helsinki, 27 February 2023

KPMG Oy Ab

Esa Kailiala
APA

Auditor's Report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Sievi Capital Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sievi Capital Oyj (business identity code 0190457-0) 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, financial performance and 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 Board of Directors.

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.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

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. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

The key audit matter

Investments measured at fair value through profit or loss (accounting policies for consolidated financial statements and notes 3, 13-15)

- Investments measured at fair value through profit or loss, totaling EUR 102.4 million, represent a significant part of the Group's total assets.

- At the financial year-end, the investments measured at fair value through profit or loss comprise unquoted shares in subsidiaries which are measured using generally accepted cash-flow based valuation models.
- Fair value changes arising from investments measured at fair value through profit or loss have a material impact on the company's result for the financial year and equity. Fair value measurement of investments also necessitates significant judgements by management, as there are no market quotes available for the investments held.
- In the consolidated financial statements fair value measurement of investments also results in a significant temporary difference between the carrying amounts of the assets and their tax bases. This difference has an impact on the amount of change in deferred taxes for the financial year recognized in profit or loss.
- Due to the factors referred to above, the investments measured at fair value through profit or loss are addressed as a key audit matter.

How the matter was addressed in the audit

Investments measured at fair value through profit or loss (accounting policies for consolidated financial statements and notes 3, 13-15)

- In respect of the unquoted shares in subsidiaries and associated companies, measured using cash-flow based valuation models, our audit procedures included assessment of the underlying key assumptions and testing of the technical accuracy of the models.
- We assessed key inputs in the calculations such as revenue growth, profitability and discount rate, by reference to the management approved budgets, external data sources and our own views. We assessed the historical accuracy of forecasts by comparing the actual cash flows with the original forecasts.
- With respect to sales and purchase transactions carried out during the financial year, we examined associated documents and assessed the recognition and disclosure of the transactions against applicable accounting standards.
- We considered whether deferred taxes recognized in the balance sheet, based on differences between the carrying amounts of the assets and their tax bases, together with their change recorded in profit or loss, are recognized and disclosed in accordance with applicable accounting standards.
- Finally, we considered the appropriateness of the notes on investments measured at fair value through profit or loss.

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.

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 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 a 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 about 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- 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 requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER REPORTING REQUIREMENTS

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting since year 1999 and our appointment represents a total period of uninterrupted engagement of 24 years. We have been company's auditor throughout the time that it has been a public interest entity.

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 the 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 27 February 2023

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

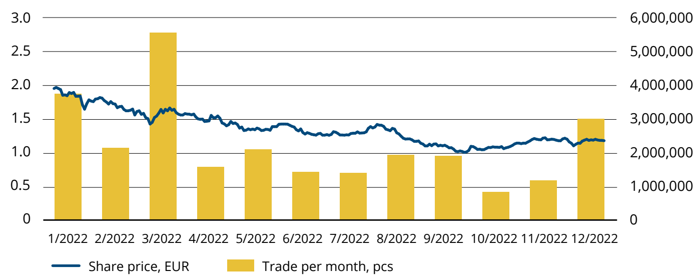
Shares and shareholders

At the end of the review period the number of Sievi Capital's shares was 58,078,859. The company did not own any treasury shares on 31 December 2022 or during the review period.

The registered share capital of the company at the end of the year was EUR 15,178,567.50. The company has one share class and each share entitles its holder to one vote. All shares carry equal rights to dividends .

Sievi Capital Plc's share "SIEVI" is listed on Nasdaq Helsinki. The shares are included in Euroclear Finland Ltd's book-entry system. The shares have been listed since 24 May 2000.

SHARE PRICE AND TRADE VOLUME IN 2022



SHARE PRICE DEVELOPMENT, TRADE AND MARKET CAPITALISATION

The closing price of Sievi Capital's share at the end of 2022 was EUR 1.92. During the review period, the highest share price was EUR 1.99, the lowest was EUR 1.00 and the trade-weighted average price was EUR 1.42. At the end of the year, the closing price was EUR 1.18 and the market capitalisation was EUR 68.4 (111.3) million. The number of Sievi Capital's shares traded on Nasdaq Helsinki during 2022 was 27.1 (84.0) million, which accounted for 46.7% (144.7%) of all outstanding shares.

SHAREHOLDERS

On 31 December 2022, Sievi Capital had a total of 13,097 (13,787) shareholders. The ten largest registered shareholders owned 42.1% (41.0%) of the shares. Nominee-registered shares accounted for 5.2% (9.4%) of the shares. During the review period, the company received two flagging notifications concerning changes in holdings in Sievi Capital. Mikko Laakkonen announced that his holding had crossed the treshold of 10 per cent on 23 February and decreased below 10 per cent on 23 March and his direct and indirect holding being 10.23% in total.

10 LARGEST REGISTERED SHAREHOLDERS ON 31 DECEMBER 2022

	Number of shares	% of shares and votes
Preato Capital Ab	13,490,000	23.23
Laakkonen Mikko Kalervo	3,863,086	6.65
Ml Stable Oy [(1)]	2,837,268	4.89
Takanen Martti Tapio	1,954,218	3.36
Takanen Sanna Johanna	428,891	0.74
Takanen Juha Petteri	421,191	0.73
Kuusisto Teppo	408,204	0.70
Amlax Oy	382,480	0.66
Nieminen Jorma Juhani	382,000	0.66
Nordea Life Assurance Finland Ltd.	270,300	0.47
10 largest registered shareholders, total	**24,437,638**	**42.09**

(1) Ml Stable Oy is controlled by Mikko Laakkonen.

SHARE DISTRIBUTION 31 DECEMBER 2022

Number of shares	Shareholders	% of shareholders	Number of shares	% of shares
1–100	2,387	18.23	113,002	0.20
101–500	3,493	26.67	1,058,851	1.82
501–1000	2,359	18.01	1,955,102	3.37
1001–5000	3,779	28.85	9,204,318	15.85
5001–10000	599	4.57	4,444,547	7.65
10001–50000	409	3.12	8,483,843	14.61
50001–100000	41	0.31	2,810,562	4.84
100001–500000	24	0.18	4,984,507	8.58
500001–	6	0.05	25,024,163	43.09
Total	**13,097**	**100**	**58,078,895**	**100**
Nominee registered	8		3,028,628	5.22
Number of shares issued			58,078,895	100

SHAREHOLDING BY SECTOR ON 31 DECEMBER 2022

Sector	Number of shareholders	% of shareholders	Number of shares	% of shares
Private companies	440	3.36	5,059,111	8.71
Financial and insurance institutions	10	0.08	485,641	0.84
Households	12,595	96.17	32,985,417	56.79
Non-profit organisations	11	0.08	2,876,208	4.95
Foreigners	41	0.31	13,643,890	23.49
Total	**13,097**	**100**	**58,078,895**	**100.00**
Nominee-registered		8	3,028,628	5.22
Number of shares issued			58,078,895	100

Information to shareholders

ANNUAL GENERAL MEETING 2023

Sievi Capital Plc's Annual General Meeting is scheduled for Thursday, 4 May 2023. A notice of the Annual General Meeting will be published later as a stock exchange release.

The Annual General Meeting resolves matters addressed to it on the Notice to the Annual General Meeting published according to the company's Articles of Association and on stock exchange release related to the Annual General Meeting as well as on the company's website www.sievicapital.fi.

SIEVI CAPITAL'S FINANCIAL INFORMATION IN 2023

- Financial Statements Release for 2022 on 28 February 2023
- Business Review for January–March 2023 on 4 May 2023
- Half-Year Report for January–June 2023 on 17 August 2023
- Business Review for January–September 2023 on 1 November 2023

IR CONTACT

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Cover photos: Target companies
Other photos: Jaakko Jaskari and target companies
Contents: Sievi Capital, Pohjoisranta BCW
Design & layout: Pohjoisranta BCW
Printed by: Paino-Kaarina

Team

From left: Tommi Rötkin, Investment Director; Tiina Gröndahl, Executive Assistant; Tuomas Joensuu, CFO and Jussi Majamaa, CEO.

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Sievi Capital