

2 September 2021 at 10:30

**Solidium Oy's financial statements and half-year report 1 January – 30 June 2021:****Financial year 1 July 2020–30 June 2021**

- The return on equity holdings was excellent 40.6 per cent in the financial year and the net asset value increased by EUR 2,189 million from EUR 6,572 million to EUR 8,761 million
- Solidium's result for the financial year was EUR 197 million
- Solidium's Board of Directors proposes that a dividend of EUR 368 million be paid to the owner

**Six-month period 1 January–30 June 2021**

- The return on Solidium's equity holdings in the review period was 23.7 per cent

**Solidium's CEO Antti Mäkinen comments:**

"Solidium's financial year was characterised by a sense of optimism as the pandemic slowing down enabled the world economy to start recovering and the outlook for businesses took a positive turn. The more upbeat condition of national economies was also reflected in our portfolio companies: the upward trend helped their valuations grow but they also improved their operative activities.

During the financial year, Solidium increased its holding in Nokia, Nokian Tyres and TietoEVRY, and reduced holdings in Outokumpu and SSAB. In the beginning of the financial year Solidium sold its shares in Neles to Valmet. Significant events occurred also within the portfolio companies, as Konecranes and Cargotec announced their agreement to combine through a merger. Furthermore, just after the end of the financial year, Valmet and Neles announced their plan to merge.

During the past financial year, we decided to take a more in-depth look into the companies' carbon balance. We concluded a project that benchmarks the carbon dioxide intensity of our portfolio companies against companies in the same industries globally.

In accordance with its mandate, Solidium pays to the State the dividends it receives from the portfolio companies. The coronavirus pandemic still affected the dividend payment of listed companies. In the Annual General Meetings in the spring of 2021, dividends were still not paid by all of our portfolio companies. Therefore, the dividends before tax we received during the financial year decreased from the previous financial year's EUR 230 million to EUR 219 million."

## SOLIDIUM'S HOLDINGS

### Development of holdings and key indicators

The value of Solidium's all holdings (equity holdings and money market investments) was EUR 9,593 million on 30 June 2021 (EUR 7,841 million on 31 December 2020 and EUR 6,950 million on 30 June 2020). The return on all holdings was 23.0 per cent over the review period of six months, and 39.2 per cent for the past financial year. More detailed information on the investment key indicators are attached.

#### *Equity holdings*

The value of Solidium's equity holdings was EUR 9,024 million on 30 June 2021 (EUR 7,620 million on 31 December 2020 and EUR 6,799 million on 30 June 2020). The total return of Solidium's equity holdings was 23.7 per cent during the review period and 40.6 per cent for the past financial year. During the financial year the best returns were generated by Metso Outotec (101 per cent), Outokumpu (99 per cent) and Konecranes (85 per cent).

#### *Money market investments*

Solidium's money market investments amounted to EUR 569 million on 30 June 2021 (EUR 222 million on 31 December 2020 and EUR 151 million on 30 June 2020). The return of money market investments was 0.3 per cent during the review period and 0.8 per cent for the past financial year.

### Distribution of profit to Solidium

During the financial year, Solidium received a total of EUR 219 million before taxes as dividends distributed by its portfolio companies (1 July 2019–30 June 2020: EUR 230 million) and after taxes EUR 200 million (EUR 206 million). The dividend income received by Solidium was approximately 2.4 per cent proportioned to the value of equity holdings on 30 June 2021. Nokia, Outokumpu, and SSAB decided not to pay dividend for the financial year 2020.

### Proposal for the distribution of profit

The Board of Directors proposes that a dividend of EUR 368 million would be paid, which consists of dividends after tax from the financial year 2020-2021 EUR 200 million and undistributed dividends from the previous financial year 2019-2020 EUR 168 million.

### Participation in nomination boards and board elections

A central aspect of Solidium's corporate governance model is to actively influence the board composition of the portfolio companies. Therefore, Solidium participated actively in the work of nomination boards preparing board elections during the financial year. Solidium's aim is to form a board composition which best serves the goal of shareholder value creation and needs of the company.

Representatives of Solidium have served as the chairman of the shareholders' nomination boards of Elisa, Metso Outotec, Nokian Tyres, Outokumpu, TietoEVRY and Valmet, and as a member of the shareholders' nomination boards of Kemira, Konecranes, SSAB, and Stora Enso. The nomination boards prepared proposals for the election and remuneration of board members to the Annual General Meetings in 2021.

In accordance with Solidium's strategy, the long-term objective is to have a seat in the board of each portfolio company. In the AGMs in spring 2021, Solidium's CEO Antti Mäkinen was re-elected to the boards of Metso Outotec and Stora Enso. In Stora Enso, Mäkinen was selected as chairman of the board. Investment Director Annareetta Lumme-Timonen was re-elected to the board of SSAB. In addition, among Solidium's board members, Aaro Cantell is a member of the board of Valmet, Jannica Fagerholm is a member of the board of Sampo and Timo Ahopelto in the board of TietoEVRY.

### Share transactions

During the financial year, Solidium purchased Nokia's shares for EUR 115 million, Nokian Tyres' shares for EUR 76 million, and TietoEVRY's shares for EUR 26 million. As a result of the share purchases, Solidium's holding in Nokia increased from 4.8 per cent to 5.3 per cent, in Nokian Tyres from 6.8 per cent to 8.8 per cent, and in TietoEVRY from 10.0 per cent to 10.9 per cent during the financial year. In addition, Solidium participated in Outokumpu's private placement to institutional investors with EUR 10 million.

In July 2020, Solidium sold its shares in Neles to Valmet for EUR 190 million. In February 2021, EUR 24 million worth of Outokumpu shares were sold. Following the sale of shares and participating the private placement of Outokumpu, Solidium's holding in Outokumpu was reduced from 21.7 per cent to 18.9 per cent. In April 2021, Solidium reduced its holding in SSAB by placing 65 million B shares in SSAB to the market. The proceeds of the SSAB sales totalled approximately EUR 277 million. Following the Equity Offering, Solidium's holding in SSAB decreased from 12.6 per cent to 6.3 per cent of the issued and outstanding shares, and from approximately 9.8 per cent to approximately 8.0 per cent of the votes.

### Company events

On 1 October 2020 Konecranes and Cargotec announced a plan to combine the companies through a merger, which was approved by the extraordinary general meetings of the companies on 18 December 2020. The combined company will become the leading global player in port equipment and services, and other material flow related equipment and service businesses. Solidium supports the transaction as we believe that the synergies arising from Konecranes' and Cargotec's complementary offering as well as capabilities in technology and services will increase shareholder value. The current target is to complete the transaction by the end of the first half 2022. The timetable was prolonged due to certain competition authorities opened a phase II review, which is common in large transactions.

### Events after the reporting period

After the end of Solidium's fiscal year in July 2021 Valmet and Neles announced a merger plan, which is expected to be completed in January 2022. Solidium considers Neles to be an attractive partner to support Valmet's growth and undertook to vote in favor of the combination in the extraordinary general meeting of Valmet. Pursuant to the terms of the transaction, Solidium would own 9.1 per cent of the merged company and would continue as Valmet's largest shareholder.

## SOLIDIUM OY'S EVENTS

### Annual General Meeting

Solidium's Annual General Meeting was held in Helsinki on 30 November 2020. The Annual General Meeting adopted the company's financial statements for the financial year 1 July 2019–30 June 2020 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided not to distribute profits to the owner. For a term ending at the end of the next Annual General Meeting, the following persons were re-elected to the Board of Directors: Harri Sailas (Chairman), Aaro Cantell (Vice-Chairman), and Timo Ahopelto, Jannica Fagerholm, Marjo Miettinen, Laura Raitio and Kimmo Viertola as Board members.

### Financial key indicators

Solidium's net profit for the financial period was EUR 197 million. Solidium's operating expenses were EUR 4.4 million, resulting in a management cost ratio of operations of 0.06 per cent. Solidium's net asset value increased as a result of the value changes of equity investments by EUR 2.2 billion and was EUR 8.8 billion at the end of the review period.

	1 July 2020- 30 June 2021	1 July 2019- 30 June 2020
Operating profit, EUR million	-4.4	-3.8
Profit for the period, EUR million	196.7	210.6
Return on investment at fair value, %	39.2	-7.9
Management cost ratio of operations, %	0.06	0.05
Net asset value, EUR million	8 760.6	6 572.1
Interest-bearing liabilities, EUR million	0.0	0.0
Equity ratio, %	91	95
Distribution of profit, EUR million	368.0*	0.0
Average number of employees	12	12

\* The Board of Directors' proposal

Solidium's Annual Report in English is available on Solidium's website at <http://www.solidium.fi/en/publications-and-media/annual-report/>.

This report is unaudited.

Attachment Solidium's holdings on 30 June 2021

Solidium Oy

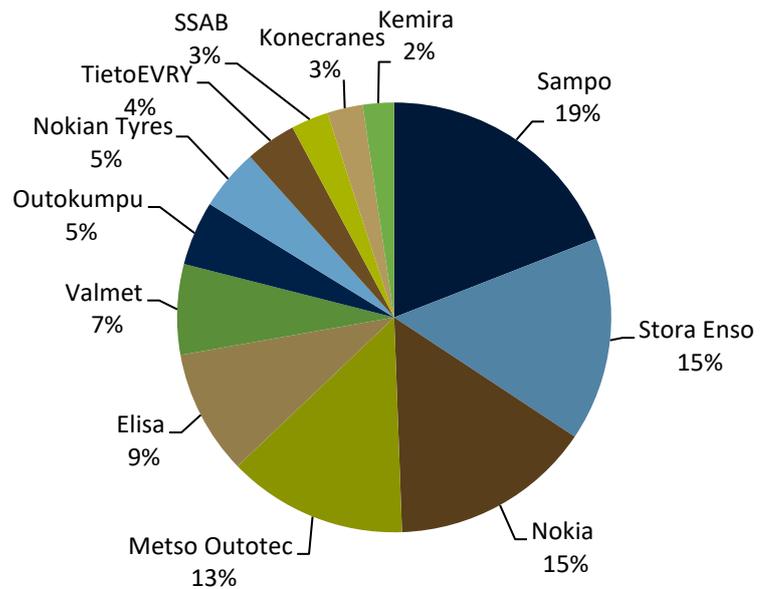
Further information: CEO Antti Mäkinen, tel. +358 10 830 8905

*Solidium is a limited liability company wholly owned by the State of Finland. Its mission is to strengthen and stabilise Finnish ownership in nationally important companies and increase the value of its holdings in the long term. Through its stakes, Solidium is a minority owner in twelve listed companies: Elisa, Kemira, Konecranes, Metso Outotec, Nokia, Nokian Tyres, Outokumpu, Sampo, SSAB, Stora Enso, TietoEVRY and Valmet. The market value of Solidium's total investments is approximately 10.1 billion euros. Further information: [www.solidium.fi](http://www.solidium.fi).*

**ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 2021**

**BREAKDOWN OF HOLDINGS**

	EUR million
All equity holdings	9 024.2
Elisa	845.5
Kemira	209.6
Konecranes	239.6
Metso Outotec	1 209.6
Nokia	1 359.2
Nokian Tyres	415.4
Outokumpu	436.9
Sampo	1 716.2
SSAB	251.0
SSAB A	109.4
SSAB B	141.6
Stora Enso	1 384.8
Stora Enso A	1 049.5
Stora Enso R	335.3
TietoEVRY	342.5
Valmet	614.1
Money mkt.inv.	568.8



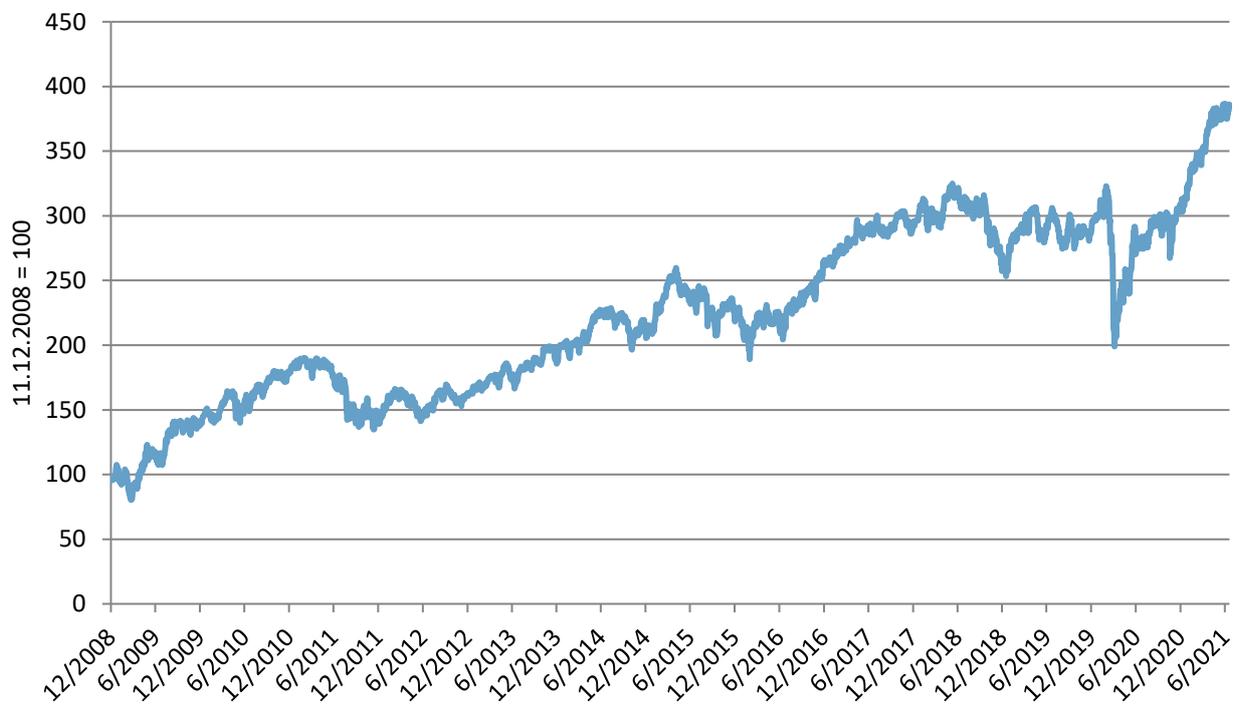
## RETURNS OF SOLIDIUM'S HOLDINGS

	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, % *	23.0 %	39.2 %	12.3 %	11.5 %
Return of equity holdings, %	23.7 %	40.6 %	13.0 %	11.8 %

(Over-12-month returns are annualized)

\* Includes equity holdings and money market investments. Solidium was established 11.12.2008

## DEVELOPMENT OF THE RETURN OF THE HOLDINGS



Includes equity holdings and money market investments. Solidium was established 11.12.2008

**RETURNS OF THE COMPANIES OWNED BY SOLIDIUM, PEER COMPANIES AND THEIR BENCHMARK INDICES**

	<b>6 months</b>	<b>12 months</b>	<b>5 years</b>	<b>10 years</b>
Elisa	17 %	-3 %	12 %	19 %
<i>Peer companies</i>	14 %	14 %	6 %	4 %
<i>DJ STOXX 600 Telecom. Index</i>	17 %	16 %	0 %	5 %
Kemira	5 %	22 %	9 %	6 %
<i>Peer companies</i>	5 %	24 %	9 %	9 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	13 %	27 %	13 %	10 %
Konecranes	26 %	85 %	13 %	7 %
<i>Peer companies</i>	23 %	61 %	19 %	6 %
<i>VINX Industrial Goods and Services Index</i>	25 %	60 %	19 %	13 %
Metso Outotec	21 %	101 %	20 %	1 %
<i>Peer companies</i>	12 %	55 %	15 %	5 %
<i>Bloomberg Europe Mach.-Div. Index</i>	18 %	51 %	16 %	7 %
Nokia	43 %	16 %	-1 %	3 %
<i>Peer companies</i>	21 %	17 %	17 %	4 %
<i>STOXX Europe 600 Tech. Index</i>	20 %	30 %	19 %	14 %
Nokian Renkaat	20 %	80 %	6 %	4 %
<i>Peer companies</i>	30 %	51 %	1 %	9 %
<i>STOXX Europe 600 Autos &amp; Parts</i>	26 %	72 %	12 %	9 %
Outokumpu	57 %	99 %	8 %	-12 %
<i>Peer companies</i>	22 %	70 %	9 %	7 %
<i>Bloomberg Europe Steel Index</i>	35 %	134 %	7 %	-5 %
Sampo	17 %	32 %	7 %	11 %
<i>Peer companies</i>	20 %	34 %	13 %	12 %
<i>OMX Nordic Financials Index</i>	27 %	53 %	14 %	14 %
SSAB	43 %	63 %	18 %	-4 %
<i>Peer companies</i>	27 %	119 %	11 %	-2 %
<i>Bloomberg Europe Steel Index</i>	31 %	126 %	6 %	-5 %
Stora Enso	0 %	49 %	20 %	12 %
<i>Peer companies</i>	10 %	31 %	15 %	16 %
<i>Bloomberg W. For. Prod. &amp; Paper Index</i>	4 %	53 %	13 %	8 %
TietoEVRY	2 %	15 %	6 %	14 %
<i>Peer companies</i>	2 %	46 %	16 %	17 %
<i>BE500 Computer Service Index</i>	31 %	54 %	20 %	17 %
Valmet	62 %	63 %	29 %	n/a
<i>Peer companies</i>	27 %	54 %	19 %	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	50 %	15 %	n/a

From the beginning of its listing on 2 January 2014, Valmet's return has been 30%, median return of the peer companies has been 15% and the return of the benchmark index has been 9%. Over-12-month returns are annualised. The returns are calculated in local currency for the company's most liquid share class and benchmark index, and the gross dividends are reinvested in the company's shares (if available). The total return to Solidium may differ from the company's share return due to transactions, taxes, and because Solidium has not reinvested the dividends received, but has paid them to its owner, the Finnish State. Peer companies' return is the median of the peer companies. Data source: Bloomberg and Nasdaq