

9 September 2022 at 10:15

Solidium Oy's financial statements and half-year report 1 January – 30 June 2022:**Financial year 1 July 2021–30 June 2022**

- The return on equity holdings was -8.8 per cent in the financial year and the net asset value decreased from EUR 8,761 million to EUR 7,246 million
- Solidium's result for the financial year was EUR 303 million
- Solidium's Board of Directors proposes that a dividend of EUR 307 million be paid to the owner

Six-month period 1 January–30 June 2022

- The return on Solidium's equity holdings in the review period was -15.5 per cent

Solidium's CEO comments:

"Solidium's past financial year was exceptional with regard to the economic operating environment. The optimism following the subsiding Covid-19 pandemic was replaced by dwindling growth and a downturn in the stock market as a result of the war of aggression initiated by Russia, accelerating inflation and tightening monetary policy. In the challenging environment, the yield of Solidium's holdings turned to -8.8 per cent.

Solidium's Board of Directors approved a new long-term sustainability program for the time period 2022-2026. Based on this new program, Solidium will in its work as an owner put even more focus on the sustainability aspects that have a financial impact. Our target is that our holdings outperform their peers also from a sustainability point of view. The value creation and benchmarking dimension is integrated into our new ESG analysis model which we recently started using.

During the financial year, Solidium increased its holdings in Konecranes, Nokian Tyres, and Valmet, and decreased its holdings in Outokumpu and Sampo. In addition to these share transactions, significant changes occurred in our portfolio during the financial year as we distributed all of our SSAB shares to the Finnish State as a capital repayment and as we received all Anora shares owned by the Finnish State.

A significant portion of the transaction proceeds were used to a EUR 500 million capital repayment to the Finnish State. In addition to this, Solidium paid EUR 368 million as a dividend to its owner."

SOLIDIUM'S HOLDINGS**Development of holdings and key indicators**

The value of Solidium's all holdings (equity holdings and money market investments) was EUR 7,807 million on 30 June 2022 (EUR 9,274 million on 31 December 2021 and EUR 9,593 million on 30 June 2021). The return on all holdings was -14.9 per cent over the review

period of six months, and -8.5 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 7,401 million on 30 June 2022 (EUR 8,968 million on 31 December 2021 and EUR 9,024 million on 30 June 2021). The total return of Solidium's equity holdings was -15.5 per cent during the review period and -8.8 per cent for the past financial year. During the financial year the best returns were generated by Sampo (17.7 per cent) and Elisa (10.6 per cent).

Money market investments

Solidium's money market investments amounted to EUR 405 million on 30 June 2022 (EUR 306 million on 31 December 2021 and EUR 569 million on 30 June 2021). The return of money market investments was -0.6 per cent during the review period and -0.6 per cent for the past financial year.

During the financial year Solidium paid to the Finnish State EUR 368 million as dividend and EUR 500 million as capital repayment. In addition, Solidium's all shares in SSAB AB, worth approximately EUR 271 million, were transferred to the Finnish State as capital repayment. During the financial year, all the Anora Goup Plc shares owned by the Finnish State, worth approximately EUR 143 million, were transferred to Solidium.

Distribution of profit to Solidium

During the financial year, Solidium received a total of EUR 339 million before taxes as dividends distributed by its portfolio companies (1 July 2020–30 June 2021: EUR 219 million) and after taxes EUR 307 million (EUR 200 million). The dividend income received by Solidium was approximately 4,6 per cent proportioned to the value of equity holdings on 30 June 2022.

Proposal for the distribution of profit

The Board of Directors proposes that a dividend of EUR 307 million would be paid to the owner. This corresponds to the amount of dividends received by Solidium in the financial year 2021-2022 taking into account the taxes payable on those.

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 Anora, Kemira, Konecranes and Stora Enso. The nomination boards prepared proposals for the election and remuneration of board members to the Annual General Meetings in 2022.

In accordance with Solidium's strategy, the long-term objective is to have a seat in the board of each portfolio company. After the Annual General Meetings in the spring of 2022, this was the case in eight of Solidium's portfolio companies, as investment director Annareetta Lumme-Timonen was elected to Anora's board of directors, investment director Pauli Anttila was elected to Konecranes' board of directors and investment director Petter Söderström was elected to Outokumpu's board of directors, all of them as new members. The then CEO Antti Mäkinen continued to serve in the boards of directors of Metso Outotec and Stora Enso. In addition, among the members of Solidium's Board of Directors, Aaro Cantell continued as a board member in Valmet, Jannica Fagerholm as a board member in Sampo, and Timo Ahopelto as a board member in Tietoevry.

Share transactions

During the financial year, Solidium purchased Konecranes' shares for EUR 34 million, Nokian Tyres' shares for EUR 29 million, and Valmet's shares for EUR 52 million. As a result of the share purchases, Solidium's holding in Konecranes increased from 8.5 per cent to 10.1 per cent and in Nokian Tyres from 8.8 per cent to 9.4 per cent. The merger of Valmet and Neles would have reduced Solidium's holding from 11.1 per cent to approximately nine per cent, but due to the share purchases in the spring of 2022, the holding in Valmet was ultimately 10.1 per cent.

During the financial year Solidium sold shares in Sampo for EUR 498 million and shares in Outokumpu for EUR 86 million. As a result of the disposals, Solidium's ownership decreased in Sampo from 8.0 per cent to 6.0 per cent, but due to the share repurchases of Sampo, the ownership was 6.2 per cent in the end of the financial year. In Outokumpu, Solidium's ownership decreased from 18.9 per cent to 15.5 per cent.

On 25 November 2021, the State of Finland transferred all of its Anora Group Plc shares, which correspond to 19.4 per cent of Anora's share capital, to Solidium. The transfer value of the Anora shares equalled the closing price in public trading on 24 November 2021 on NASDAQ OMX Helsinki: EUR 10.90 per share, totalling approximately EUR 143 million. In addition, on 14 September 2021, the State of Finland resolved Solidium to transfer all its shares in SSAB AB, worth EUR 271 million, as capital repayment to the State of Finland. Consequently, Solidium's holding in SSAB decreased from 6.3 per cent to 0.0 per cent and Solidium's number of votes from 8.0 per cent to 0.0 per cent.

Company events

On 1 October 2020, Konecranes and Cargotec announced the arrangement to combine the companies, which was approved by the companies' respective extraordinary general meetings on 18 December 2020. Solidium supported the merger, as we believed that it would create shareholder value as a result of Konecranes' and Cargotec's mutually complementary offering, technology and service expertise and other synergies. On 29 March 2022, the UK Competition & Markets Authority ("CMA") unfortunately blocked the merger. According to the CMA's final report, the remedies – which would have removed overlapping businesses of the two companies and which were accepted by the European Commission – were not effective in addressing the competition concerns expressed by the CMA. The completion of the planned merger would have required approvals from all relevant competition authorities.

On 2 July 2021, Valmet and Neles announced their merger plan. In Solidium's view, Neles was an appealing partner that would strengthen Valmet's growth, which is why it supported the planned merger. Previously, Solidium had sold all of its shares in Neles to Valmet. Extraordinary general meetings on 22 September 2021 approved the plan, and the merger was realised on 1 April 2022.

Events after the reporting period

Reima Rytsölä started as Solidium's CEO on 1 August 2022.

The State of Finland, the sole shareholder of Solidium Oy, has on 6 September 2022 decided to provide a bridge financing arrangement for its majority-owned Fortum Corporation through Solidium Oy. According to an agreement signed by Solidium and Fortum, the loan amount is EUR 2,350,000,000 and it matures in full within one year from signing. The purpose of the arrangement is to finance Fortum's collateral needs in the power commodity market. Solidium finances the arrangement with an unsecured bank loan with normal commercial terms and conditions.

SOLIDIDIUM OY'S EVENTS

Annual General Meeting

Solidium's Annual General Meeting was held in Helsinki on 28 October 2021. The Annual General Meeting adopted the company's financial statements for the financial year 1 July 2020–30 June 2021 and discharged the members of the Board of Directors and the CEO from liability. In accordance with the Board's proposal, the Annual General Meeting decided on a profit distribution of EUR 368 million 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 Mietinen and Laura Raitio as Board members. Jouko Karvinen and Jukka Ohtola were elected as new Board members.

Financial key indicators

Solidium's net profit for the financial period was EUR 303 million. Solidium's operating expenses were EUR 4.0 million, resulting in a management cost ratio of operations of 0.05 per cent. Solidium's net asset value decreased as a result of the value changes of equity investments by EUR 1.5 billion and was EUR 7.2 billion at the end of the review period.

	1.7.2021-30.6.2022	1.7.2020-30.6.2021
Operating profit, EUR million	-4.0	-4.4
Profit for the period, EUR million	302.9	196.7
Return on investment at fair value, %	-8.5	39.2
Management cost ratio of operations, %	0.05	0.06
Net asset value, EUR million	7 245.6	8 760.6
Interest-bearing liabilities, EUR million	0.0	0.0
Equity ratio, %	93	91

Distribution of profit, EUR million	307*	368
Average number of employees	13	12

* The Board of Directors' proposal

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

This report is unaudited.

Attachment Solidium's holdings on 30 June 2022

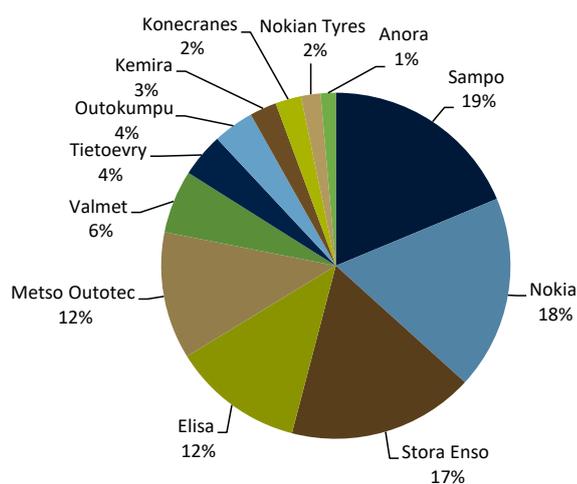
Solidium Oy

Further information: CEO Reima Rytsölä, tel. +358 50 048 2691

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: Anora, Elisa, Kemira, Konecranes, Metso Outotec, Nokia, Nokian Tyres, Outokumpu, Sampo, Stora Enso, Tietoevry and Valmet. The market value of Solidium's total investments is approximately 8.1 billion euros. Further information: <https://www.solidium.fi/en/>.

ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 2022
BREAKDOWN OF HOLDINGS

	EUR million
All equity holdings	7 401.4
Anora	101.4
Elisa	901.0
Kemira	184.0
Konecranes	177.8
Metso Outotec	882.9
Nokia	1 336.3
Nokian Tyres	136.2
Outokumpu	279.3
Sampo	1 381.7
Stora Enso	1 281.6
Stora Enso A	955.5
Stora Enso R	326.1
Tietoevry	302.9
Valmet	436.4
Money mkt.inv.	405.5

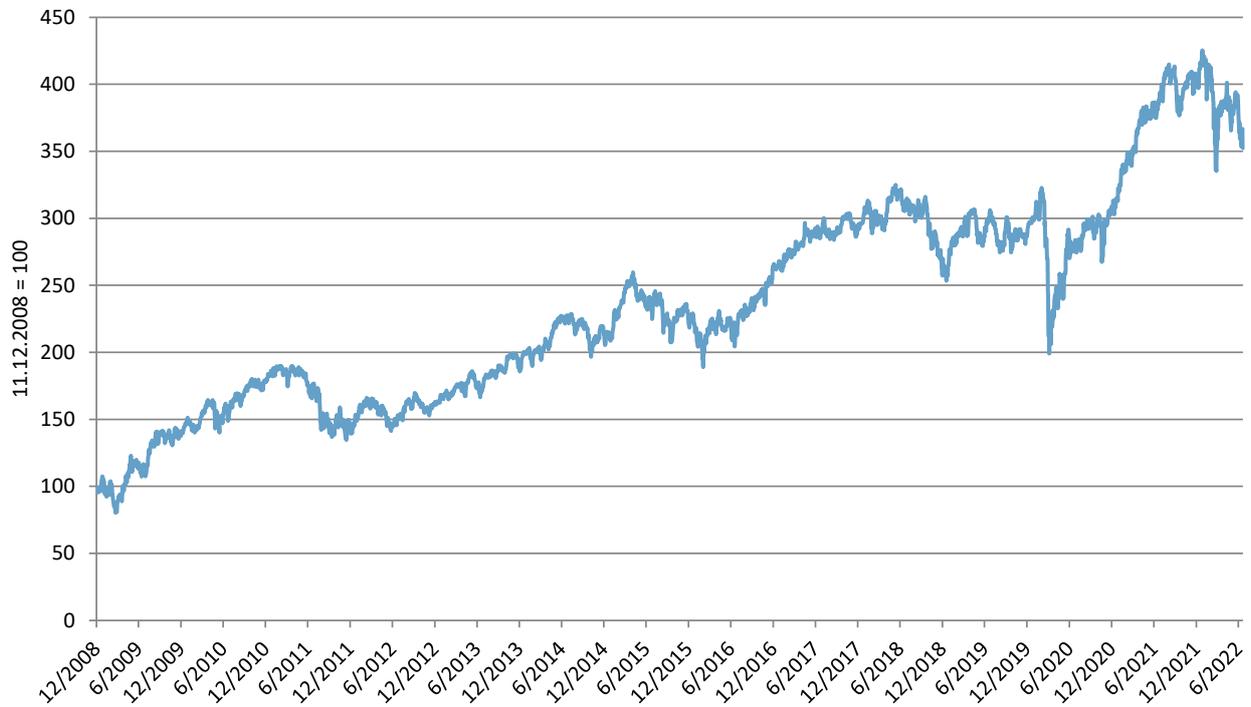

RETURNS OF SOLIDIUM'S HOLDINGS

	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, % *	-14.9 %	-8.5 %	4.3 %	9.9 %
Return of equity holdings, %	-15.5 %	-8.8 %	4.4 %	10.1 %

(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

	6 months	12 months	5 years	10 years
Anora	-25 %	-16 %	n/a	n/a
<i>Peer companies</i>	-16 %	-12 %	n/a	n/a
<i>N Food, Beverage and Tobacco Index</i>	-3 %	-5 %	n/a	n/a
Elisa	3 %	11 %	14 %	19 %
<i>Peer companies</i>	3 %	0 %	6 %	4 %
<i>DJ STOXX 600 Telecom. Index</i>	3 %	2 %	0 %	5 %
Kemira	-10 %	-8 %	6 %	7 %
<i>Peer companies</i>	-16 %	-13 %	3 %	10 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	-21 %	-18 %	4 %	8 %
Konecranes	-34 %	-34 %	-6 %	5 %
<i>Peer companies</i>	-35 %	-36 %	-5 %	5 %
<i>Vinx Industrial Goods and Services Index</i>	-27 %	-19 %	7 %	12 %
Metso Outotec	-22 %	-25 %	5 %	-1 %
<i>Peer companies</i>	-29 %	-24 %	2 %	5 %
<i>Bloomberg Europe Mach.-Div. Index</i>	-39 %	-35 %	1 %	5 %
Nokia	-20 %	-1 %	-2 %	13 %
<i>Peer companies</i>	-22 %	-20 %	7 %	8 %
<i>STOXX Europe 600 Tech. Index</i>	-32 %	-24 %	7 %	12 %
Nokian Tyres	-67 %	-67 %	-18 %	-6 %
<i>Peer companies</i>	-26 %	-27 %	-11 %	7 %
<i>STOXX Europe 600 Autos & Parts</i>	-21 %	-19 %	2 %	9 %
Outokumpu	-26 %	-19 %	-9 %	-4 %
<i>Peer companies</i>	-31 %	-23 %	-2 %	9 %
<i>Bloomberg Europe Steel Index</i>	-39 %	-33 %	-9 %	-3 %
Sampo	3 %	18 %	5 %	14 %
<i>Peer companies</i>	-9 %	2 %	6 %	14 %
<i>OMX Nordic Financials Index</i>	-27 %	-15 %	5 %	12 %
Stora Enso	-4 %	0 %	9 %	16 %
<i>Peer companies</i>	-9 %	-13 %	5 %	16 %
<i>Bloomberg W. For. Prod. & Paper Index</i>	-17 %	-19 %	2 %	8 %
Tietoenvy	-12 %	-7 %	1 %	12 %
<i>Peer companies</i>	-23 %	-3 %	12 %	18 %
<i>BE500 Computer Service Index</i>	-24 %	-10 %	9 %	14 %
Valmet	-35 %	-34 %	10 %	n/a
<i>Peer companies</i>	-12 %	-11 %	9 %	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	-39 %	-35 %	1 %	n/a

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). Over-12-month returns are annualised. 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