

24.8.2023

**Solidium Oy's financial statements and half-year report 1 January–30 June 2023:****Financial year 1 July 2022–30 June 2023**

- The return on equity holdings was 5.4 per cent in the financial year
- The value of the equity holdings increased from EUR 7,401 million to EUR 7,517 million
- Solidium's result for the financial year was EUR 471 million
- During the financial year Solidium paid to the Finnish State EUR 307 million as dividend. In addition, Solidium transferred its right to subscribe new shares in Fortum, worth EUR 132 million, as capital repayment to the State of Finland
- Solidium's Board of Directors proposes that a dividend of EUR 290 million be paid to the owner from the financial year 2022-2023

**Six-month period 1 January–30 June 2023**

- The return on Solidium's equity holdings in the review period was -2.1 per cent

**Solidium's CEO Reima Rytsölä comments:**

"At the beginning of Solidium's financial year, the market feared an extensive global recession, but the worst fears did not materialise. The financial year was overshadowed by worries about electricity supply, increasing geopolitical tension and tightening monetary policy. The return on Solidium's equity holdings was decent (5.4 per cent), despite the stock market fluctuations.

Solidium's own strategy update was finished during the review period. Solidium aims to continue on the path of active ownership, in addition to which the assessment of national importance has been updated. Previously, when considering potential investments, Solidium examined companies that were of national importance at the time of making the investment. According to the new strategy, companies that are considered to have considerable potential to become companies of national importance in the future will also be examined.

During the financial year, Solidium increased its holdings in Konecranes, Nokian Tyres and Nokia and reduced shareholding in Kemira. In addition to these share transactions the Finnish State arranged bridge financing to Fortum through Solidium. The procedure chosen and the way in which it was implemented were exceptional, as were the circumstances. The financing arrangement ended at Fortum's initiative in March 2023."

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

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The value of Solidium's all holdings (equity holdings and money market investments) was EUR 7,992 million on 30 June 2023 (EUR 8,345 million on 31 December 2022 and EUR 7,807 million on 30 June 2022). The return on all holdings was -1.4 per cent over the review period of six months, and 8.3 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 7,517 million on 30 June 2023 (EUR 7,934 million on 31 December 2022 and EUR 7,401 million on 30 June 2022). The total return of Solidium's equity holdings was -2.1 per cent during the review period and 5.4 per cent for the past financial year. During the financial year the best returns were generated by Konecranes (73 per cent) and Metso (59 per cent).

#### Money market investments

Solidium's money market investments amounted to EUR 475 million on 30 June 2023 (EUR 26 million on 31 December 2022 and EUR 405 million on 30 June 2022). The return of money market investments was 2.3 per cent during the review period and 2.6 per cent for the past financial year.

During the financial year Solidium paid to the Finnish State EUR 307 million as dividend.

#### Distribution of profit to Solidium

During the financial year, Solidium received a total of EUR 313 million before taxes as dividends distributed by its portfolio companies (1 July 2021–30 June 2022: EUR 339 million) and after taxes EUR 290 million (EUR 307 million). The dividend income received by Solidium was approximately 4,2 per cent proportioned to the value of equity holdings on 30 June 2023.

#### 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, Konecranes, Metso, Nokian Tyres, Outokumpu, Tietoevry and Valmet, and as a member of the shareholders' nomination boards of Anora, Kemira and Stora Enso. The nomination boards prepared proposals for the election and remuneration of board members to the Annual General Meetings in 2023.

In accordance with Solidium's strategy, the long-term objective is to have a seat in the board of each portfolio company. During the 2022–2023 financial year, this was the case in nine companies owned by Solidium (9/12).

#### Share transactions

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During the financial year, Solidium purchased Nokian Tyres' shares for EUR 10 million, Nokia's shares for EUR 105 million, and Konecranes' shares for EUR 29 million. As a result of the share purchases, Solidium's holding in Nokian Tyres increased from 9.4 per cent to 10.1 per cent, in Nokia from 5.4 per cent to 5.8 per cent, and in Konecranes from 10.1 per cent to 11.1 per cent during the financial year.

In spring 2023, Solidium sold 8 million shares in Kemira, which resulted in its holding decreasing from approximately 10.2 per cent to approximately 5.0 per cent. This generated proceeds of approximately EUR 129 million.

### **Bridge financing for Fortum**

In autumn 2022, Solidium Oy's sole shareholder, the State of Finland, decided to arrange bridge financing to Fortum Oyj, in which the State is the majority shareholder, through Solidium Oy. Solidium committed to lending Fortum a maximum of EUR 2.35 billion for a loan period of up to 12 months, to be used for financing Fortum's electricity derivative collaterals. The financing arrangement ended at Fortum's initiative on 17 March 2023.

## **SOLIDIDIUM OY'S EVENTS**

### **Solidium's strategy update**

In 2022, Jouko Karvinen succeeded Harri Sailas as the chair of Solidium's Board of Directors, and Antti Mäkinen handed the CEO position over to Reima Rytölä. With the new chair of the Board and CEO, it was natural to review Solidium's strategy and update it as needed.

With the most recent strategy update, Solidium continues to carry out active ownership, and the assessment of national importance has been updated. Previously, when considering potential investments, Solidium examined companies that were of national importance at the time of making the investment. According to the new strategy, companies that are considered to have considerable potential to become companies of national importance in the future will also be examined. Our capital enables growth, we provide know-how concerning capital markets and we support and challenge the targeted company in the creation of shareholder value. In addition, when there is M&A interest into such companies, we see to it that there is not an element of undervaluation during opportunistic circumstances.

With the expansion of national importance horizon, Solidium's mission remains unchanged: we strengthen and stabilise Finnish ownership in companies of national importance and increase the value of our holdings in the long term. Our vision of "our portfolio companies outperforming their peers" also remains unchanged. Solidium's original objective of professional ownership and separating politics from ownership still continues to be strong today.

A long-term anchor owner's professional ownership is closely and naturally linked to the pursuit of having a seat in the board of each portfolio company, which enables the owner to be more involved in decision-making in the portfolio companies. Solidium's operations are carried out by experienced investment professionals, and the purpose of the operations and the operating model is to grow the shareholder value of the portfolio companies, which will benefit all shareholders equally.

### **Annual General Meeting**

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Solidium's Annual General Meeting was held in Helsinki on 28 October 2022. The Annual General Meeting adopted the company's financial statements for the financial year of 1 July 2021–30 June 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting resolved, in accordance with the proposal of the Board, that a dividend of EUR 307 million in total be paid to the owner for the financial year. It was confirmed that the Board of Directors shall have seven members. Jouko Karvinen was elected as the new chair of the Board of Directors and Aaro Cantell was elected as the vice chair until the end of the next Annual General Meeting. Timo Ahopelto, Jannica Fagerholm, Jukka Ohtola and Laura Raitio were elected as members and Suvi Haimi was elected as a new member.

### Dividend and capital repayment

During the financial year Solidium paid to the Finnish State EUR 307 million as dividend. In addition, Solidium transferred its right to subscribe 8,970,000 new shares in Fortum Corporation worth EUR 133 million as capital repayment to the State of Finland. The capital repayment was distributed from the reserve for invested non-restricted equity on 23 November 2022.

The Board of Directors proposes that a dividend of EUR 290 million would be paid to the owner. This corresponds to the amount of dividends received by Solidium in the financial year 2022-2023 taking into account the taxes payable on those.

### Financial key indicators

Solidium's net profit for the financial period was EUR 471 million. Solidium's operating expenses were EUR 4.6 million, resulting in a management cost ratio of operations of 0.06 per cent. During the financial period Solidium's net asset value increased from EUR 7,246 million to EUR 7,359 million.

	1.7.2022-30.6.2023	1.7.2021-30.6.2022
Operating profit, EUR million	-4.6	-4.0
Profit for the period, EUR million	470.8	302.9
Return on investment at fair value, %	8.3	-8.5
Management cost ratio of operations, %	0.06	0.05
Net asset value, EUR million	7,358.6	7,245.6
Interest-bearing liabilities, EUR million	0.0	0.0
Equity ratio, %	92	93
Distribution of profit, EUR million	290*	307
Average number of employees	13	13

\* The Board of Directors' proposal

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

This report is unaudited.

Attachment Solidium's holdings on 30 June 2023

Solidium Oy

Further information: CEO Reima Rytölä, call-back requests, Inka Virtanen, tel. +358 50 304 7904

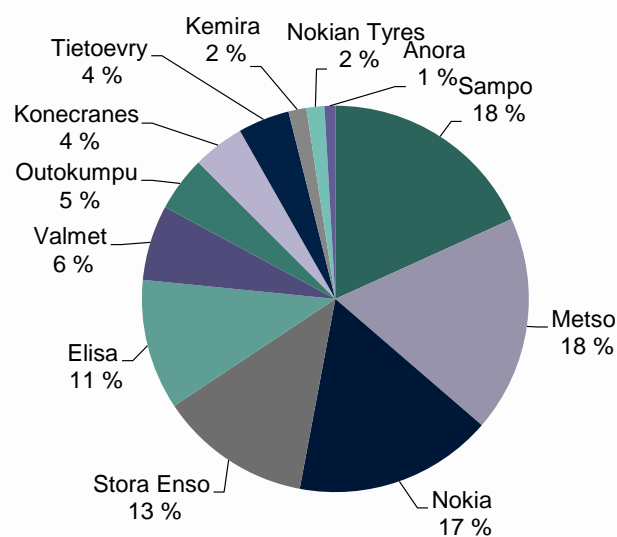
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Solidium is a limited liability company wholly owned by the State of Finland. Its mission is to strengthen and stabilise Finnish ownership in nationally important companies and increase the value of its holdings in the long term. Through its stakes, Solidium is a minority owner in twelve listed companies: Anora, Elisa, Kemira, Konecranes, Metso, Nokia, Nokian Tyres, Outokumpu, Sampo, Stora Enso, Tietoevry and Valmet. The market value of Solidium's total investments is approximately 7.5 billion euros. Further information: <https://www.solidium.fi/en/>.

## ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 2023

### BREAKDOWN OF HOLDINGS

	EUR million
<b>All equity holdings</b>	<b>7,517.4</b>
Anora	64.4
Elisa	822.3
Kemira	113.6
Konecranes	324.0
Metso	1,363.8
Nokia	1,246.5
Nokian Tyres	112.0
Outokumpu	347.0
Sampo	1,368.4
Stora Enso	955.2
Stora Enso A	723.7
Stora Enso R	231.5
Tietoevry	325.0
Valmet	475.0



### RETURNS OF SOLIDIUM'S HOLDINGS

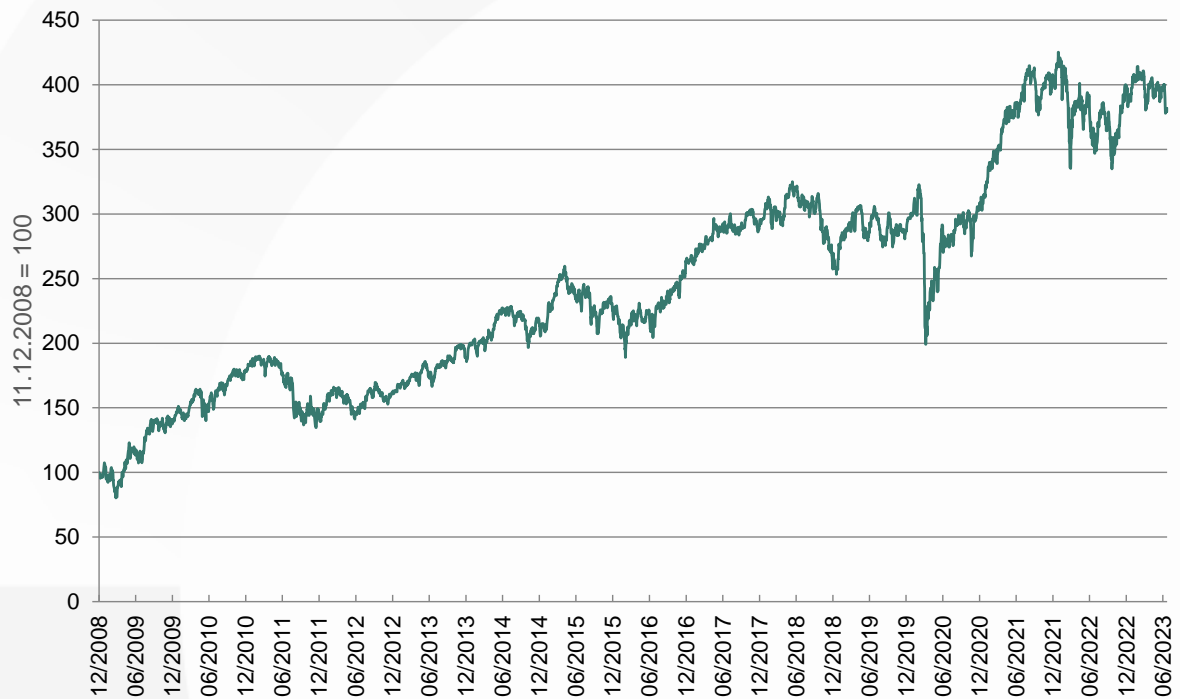
	6 months	12 months	5 years	From the establishment of Solidium*
Return of total investments, %	-1,4 %	8,3 %	4,3 %	9,8 %
Return of equity holdings, %	-2,1 %	5,4 %	3,8 %	9,8 %

(Over-12-month returns are annualized)

\* Solidium was established 11.12.2008

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## DEVELOPMENT OF THE RETURN OF THE HOLDINGS



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

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**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>
Anora	-32 %	-35 %	-6 %	n/a
<i>Peer companies</i>	-7 %	-2 %	6 %	n/a
<i>Nordic Food, Beverage and Tobacco Index</i>	17 %	20 %	12 %	n/a
Elisa	3 %	-5 %	8 %	18 %
<i>Peer companies</i>	12 %	-14 %	1 %	6 %
<i>DJ STOXX 600 Telecom. Index</i>	7 %	-10 %	0 %	3 %
Kemira	4 %	30 %	10 %	7 %
<i>Peer companies</i>	-3 %	0 %	-1 %	6 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	12 %	13 %	5 %	7 %
Konecranes	33 %	73 %	5 %	10 %
<i>Peer companies</i>	23 %	38 %	3 %	8 %
<i>Vinx Industrial Goods and Services Index</i>	13 %	26 %	13 %	13 %
Metso	17 %	59 %	12 %	3 %
<i>Peer companies</i>	11 %	32 %	4 %	9 %
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	32 %	5 %	6 %
Nokia	-10 %	-12 %	-4 %	6 %
<i>Peer companies</i>	-1 %	13 %	7 %	8 %
<i>STOXX Europe 600 Tech. Index</i>	26 %	34 %	10 %	13 %
Nokian Renkaat	-13 %	-20 %	-22 %	-9 %
<i>Peer companies</i>	20 %	13 %	-5 %	0 %
<i>STOXX Europe 600 Autos &amp; Parts</i>	28 %	39 %	8 %	10 %
Outokumpu	11 %	33 %	1 %	3 %
<i>Peer companies</i>	4 %	15 %	2 %	13 %
<i>Bloomberg Europe Steel Index</i>	12 %	28 %	-6 %	1 %
Sampo	-11 %	5 %	6 %	9 %
<i>Peer companies</i>	-3 %	-2 %	10 %	13 %
<i>OMX Nordic Financials Index</i>	1 %	12 %	9 %	10 %
Stora Enso	-15 %	-25 %	-6 %	11 %
<i>Peer companies</i>	-14 %	-11 %	-3 %	11 %
<i>Bloomberg W. For. Prod. &amp; Paper Index</i>	-10 %	-11 %	-5 %	4 %
Tietoevry	-2 %	13 %	2 %	11 %
<i>Peer companies</i>	17 %	5 %	6 %	16 %
<i>BE500 Computer Service Index</i>	-1 %	-13 %	3 %	10 %
Valmet	4 %	11 %	12 %	n/a
<i>Peer companies</i>	-1 %	23 %	10 %	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	32 %	5 %	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