

19 January 2021 at 10:00

**Solidium Oy's half-year report for July-December 2020:**

- Solidium's return on equity holdings was 13.5% for the six-month period and 5.6% for the full calendar year 2020
- Solidium's net asset value increased by EUR 0.7 billion and was EUR 7.3 billion at the end of the period.

Solidium's CEO Antti Mäkinen's comments:

"The review period was marked by the stark recovery of the market after the fall in the spring. Also, major events happened for our equity holdings in the six-month period. 1 July 2020 Metso Outotec started its journey together, and at the same time we sold our stake in Neles to Valmet. Additionally, Konecranes announced a merger with Cargotec, which we are supporting. The combined company will become the leading global player in port equipment and services, and other material flow related equipment and service businesses.

An analysis of the carbon emissions of our equity holdings was concluded during the review period. The portfolio companies' CO<sub>2</sub> intensities were slightly better on average compared to their peers. Also, the companies are on average more ambitious on emission reduction targets. Over half of the companies have approved Science Based Targets.

Solidium's return on equity was satisfactory despite the pandemic (5.6%) in the full calendar year 2020. In the six-month period Metso Outotec contributed especially well (66%), which benefits from the incoming synergies of the merger and the demand for metals has been on a good level. However, the return of Nokia was the weakest (-19%), which was affected by its weaker than expected guidance.

During the reporting period 1 July – 31 December 2020 Solidium increased its stake in Nokia from 4.8% to 5.2% and in Nokian Tyres from 6.8% to 7.8%. Solidium closed a transaction and sold its 14.9% stake in Neles to Valmet in the beginning of July, which was signed at the end of the previous financial year."

## SOLIDIUM'S HOLDINGS

### Development of holdings and key indicators

The value of Solidium's all holdings (equity holdings and money market investments) was EUR 7,841 million on 31 December 2020 (EUR 6,950 million on 30 June 2020 and EUR 7,701 million on 31 December 2019). The return on all holdings was 13.0 per cent over the review period of six months, and 5.5 per cent for the last twelve months. More detailed information on the investment key indicators are attached.

#### *Equity holdings*

The value of Solidium's equity holdings was EUR 7,620 million on 31 December 2020 (EUR 6,799 million on 30 June 2020 and EUR 7,541 million on 31 December 2019). The total return of Solidium's equity holdings was 13.5 per cent during the review period and 5.6 per cent for the last twelve months. During the six-month period the best returns were generated by Metso Outotec whereas the return of Nokia was the weakest.

#### *Money market investments*

Solidium's money market investments amounted to EUR 222 million on 31 December 2020 (EUR 151 million on 30 June 2020 and EUR 160 million on 31 December 2019). The return of money market investments was 0.5 per cent during the review period and 0.5 per cent for the past twelve months.

During the review period Solidium did not pay a profit distribution to the owner.

### Participation in nomination boards

A central aspect of Solidium's corporate governance model is to actively influence the composition of the boards of directors of the portfolio companies. Solidium actively participated in the work of the nomination boards responsible for preparing board elections. Solidium pursues board compositions which best serve the needs of the companies and the goal of shareholder value creation.

Solidium's representatives have served as the chairman of the shareholders' nomination boards of Elisa, Metso Outotec, Nokian Tyres, Outokumpu, TietoEVRY and Valmet, and as members of the shareholders' nomination boards of Kemira, Konecranes, SSAB and Stora Enso. The nomination boards prepare the proposals related to the selection and remuneration of the board members for the 2021 Annual General Meetings.

According to Solidium's strategy the objective for Solidium is to have a representative in the board of each portfolio company. Currently Solidium's CEO Antti Mäkinen is board member of Metso Outotec, Sampo and Stora Enso boards and investment director Annareetta Lumme-Timonen is a board member of SSAB. In addition, Solidium's Board member Aaro Cantell is a member of the board of Valmet, Timo Ahopelto is a member of the board of TietoEVRY, and Jannica Fagerholm is a member of the board of Sampo.

## Share transactions

During the review period Solidium acquired shares in Nokia for EUR 99 million and in Nokian Tyres for EUR 33 million. Following the the arrangements, Solidium's holding in Nokia increased from 4.8 per cent to 5.2 per cent and in Nokian Tyres from 6.8 per cent to 7.8 per cent.

Solidium closed a transaction and sold its 14.9% stake in Neles to Valmet for EUR 190 million in the beginning of July, which was signed at the end of the previous financial period.

## 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.

This half-year report is available at <https://www.solidium.fi/en/publications-and-media/half-year-report/>

Attachment: Solidium's holdings as of 31 December 2020

Solidium Oy

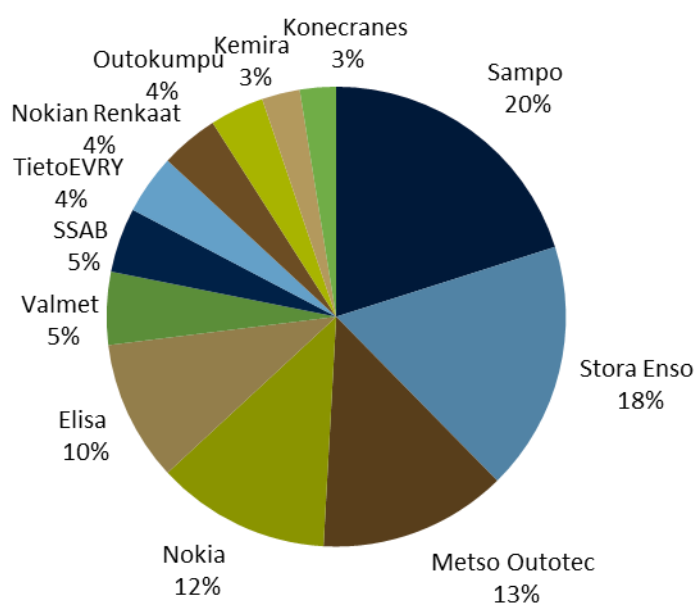
Further information: Antti Mäkinen, CEO, tel. +358 (0)10 830 8905

*Solidium is a limited 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 thirteen listed companies: Elisa, Kemira, Konecranes, Metso Outotec, Nokia, Nokian Renkaat, Outokumpu, Sampo, SSAB, Stora Enso, TietoEVRy and Valmet. The market value of Solidium's investments is approximately 8.2 billion euros.*

*Further information: [www.solidium.fi](http://www.solidium.fi)*

**ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 31 DECEMBER 2020**
**BREAKDOWN OF HOLDINGS**

	EUR million
All equity holdings	7,619.6
Elisa	753.9
Kemira	204.2
Konecranes	194.1
Metso Outotec	1,009.4
Nokia	932.7
Nokian Renkaat	311.3
Outokumpu	290.8
Sampo	1,530.7
SSAB	346.7
SSAB A	77.2
SSAB B	269.5
Stora Enso	1,337.2
Stora Enso A	996.2
Stora Enso R	340.9
TietoEVRY	318.5
Valmet	390.0
Money mkt.inv.	221.9



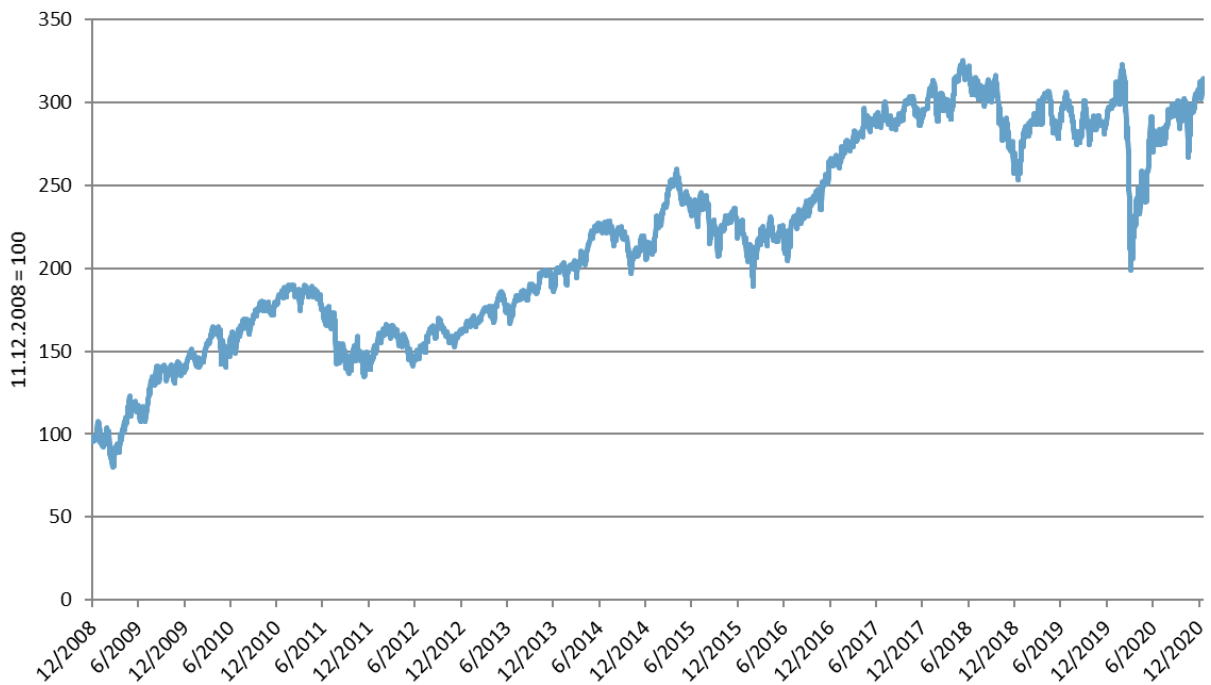
RETURNS OF SOLIDIUM'S HOLDINGS

	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, %	13.0%	5.5%	6.6%	10.1%
Return of equity holdings, %	13.5%	5.6%	7.1%	10.3%

(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 SOLIDIDIUM, PEER COMPANIES AND THEIR BENCHMARK INDICES**

	<b>6 months</b>	<b>12 months</b>	<b>5 years</b>	<b>10 years</b>
Elisa	-17%	-6%	10%	17%
<i>Peer companies</i>	4%	-10%	3%	2%
<i>DJ STOXX 600 Telecom. Index</i>	-2%	-12%	-5%	3%
Kemira	16%	3%	9%	6%
<i>Peer companies</i>	17%	4%	8%	9%
<i>FTSE EUROFIRST 300 Chemicals Index</i>	12%	9%	8%	9%
Konecranes	46%	11%	9%	3%
<i>Peer companies</i>	34%	-3%	10%	2%
<i>VINX Industrial Goods and Services Index</i>	28%	21%	14%	11%
Metso Outotec	66%	46%	20%	-2%
<i>Peer companies</i>	26%	21%	21%	5%
<i>Bloomberg Europe Mach.-Div. Index</i>	27%	27%	12%	7%
Nokia	-19%	-4%	-11%	-5%
<i>Peer companies</i>	-2%	-4%	6%	5%
<i>STOXX Europe 600 Tech. Index</i>	8%	15%	12%	12%
Nokian Renkaat	49%	19%	2%	5%
<i>Peer companies</i>	20%	-8%	-3%	10%
<i>STOXX Europe 600 Autos &amp; Parts</i>	37%	6%	2%	8%
Outokumpu	27%	15%	5%	-20%
<i>Peer companies</i>	38%	12%	5%	1%
<i>Bloomberg Europe Steel Index</i>	72%	4%	3%	-8%
Sampo	13%	-7%	0%	11%
<i>Peer companies</i>	9%	-5%	7%	10%
<i>OMX Nordic Financials Index</i>	21%	10%	7%	12%
SSAB	14%	-11%	13%	-9%
<i>Peer companies</i>	64%	14%	6%	-4%
<i>Bloomberg Europe Steel Index</i>	72%	4%	3%	-8%
Stora Enso	49%	23%	17%	12%
<i>Peer companies</i>	24%	25%	10%	16%
<i>Bloomberg W. For. Prod. &amp; Paper Index</i>	46%	24%	10%	8%
TietoEVRY	14%	-1%	7%	12%
<i>Peer companies</i>	21%	9%	11%	18%
<i>BE500 Computer Service Index</i>	16%	17%	12%	15%
Valmet	1%	13%	25%	n/a
<i>Peer companies</i>	26%	-1%	16%	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	27%	27%	12%	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 Solididium may differ from the company's share return due to transactions, taxes, and because Solididium 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