ANNUAL REPORT 2021

Sievi Capital in brief

Sievi Capital is a Finnish private equity investment company that invests in unlisted small and medium-sized Finnish companies. We are a reliable long-term partner for management and co-owners in target companies. We support the companies' growth, performance and value creation through active ownership. Our active partnership also creates added value for our shareholders. We always make our investments directly from our balance sheet, which enables agile and flexible investment activities. In all our operations, we are committed to responsible and ethical practices. Sievi Capital's share is listed on Nasdaq Helsinki.

Contents

Main events in 2021

In 2021, Sievi Capital continued its persistent investment activities and the development of its target companies. In spite of the challenges posed by the prolonged coronavirus pandemic, in 2021 the company reached the best result of its history as an independent company. Sievi Capital also planned a merger with another listed company, Boreo Plc, but the plan lapsed.

18 June

NORDIC RESCUE GROUP EXPANDED INTO SWEDEN

Sievi Capital's target company Nordic Rescue Group acquired the Swedish company Sala Brand AB as part of executing its growth strategy.

22 June

LOGISTIKAS GREW THROUGH ACQUISITION

Sievi Capital's target company Logistikas Oy agreed on the acquisition of Piccolo Packing Oy and Piccolo Solutions Oy. With the acquisition completed in July, Logistikas strengthened its geographical presence.

1 Sept

JUSSI MAJAMAA STARTED AS CEO OF SIEVI CAPITAL

Sievi Capital's Board of Directors appointed Jussi Majamaa, M.Sc. (Econ.) as the company's CEO. Mr Majamaa has long and versatile experience in finance. Päivi Marttila, the company's previous CEO, left the company at this point.

20 Sept

SIEVI CAPITAL AGREED ON THE ACQUISITION OF RAKENNUTTAJA-TOIMISTO HTJ

Sievi Capital, together with the company's management and Board members, became shareholders of HTJ in the acquisition completed in October. HTJ is one of the leading construction management companies in Finland.

29 Sept

SIEVI CAPITAL AND BOREO SIGNED A COMBINATION AGREEMENT

The combination would create one of the leading growth platforms of Nasdaq Helsinki for small and medium-sized companies. The letter of intent on the planned combination was published on 18 August 2021.

1 Nov

SIEVI CAPITAL INCREASED ITS HOLDING IN KH-KONEET GROUP

Following the transaction, Sievi Capital's holding increased from approximately 66.4% to approximately 90.5%.

14 Dec

COMBINATION OF SIEVI CAPITAL AND BOREO LAPSED

Based on the advance votes, the proposal for the combination would not receive the two-thirds majority of the votes and shares required at the Extraordinary General Meeting (16 December 2021), so the Board of Directors of Sievi Capital cancelled the general meeting. Sievi Capital and Boreo agreed to terminate the combination agreement.

Key figures

RETURN ON EQUITY
21.6%

EARNINGS PER SHARE
EUR 0.32 (1)

GEARING
8.6%

DIVIDEND PER SHARE, MAX
EUR 0.05 (2)

NET ASSET VALUE PER SHARE
EUR 1.61

(1) undiluted and diluted
(2) The Board of Directors proposes that no dividend for the past financial period be distributed by resolution of the Annual General Meeting, but that the Annual General Meeting 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.

CEO'S REVIEW

Strategic options under review - Sievi Capital remains independent

In spite of the challenges posed by the prolonged coronavirus pandemic, in 2021 Sievi Capital reached the best result of its history as an independent company, thanks to the success of our largest target companies, Indoor Group and KH-Koneet Group. We made a new investment in HTJ, and our target companies Nordic Rescue Group and Logistikas grew through acquisitions. The second half of the year was marked by a lapsed plan to merge with Boreo.

2021 was already the second year of operations marked by the coronavirus pandemic. The pandemic has affected our target companies in various ways; most of them have been burdened by problems in international logistics, container shortages, component availability challenges and increased freight prices. On the other hand, for KH-Koneet Group, the year was the best in its history and the continuing stay-at-home trend has supported the business of our largest target company, Indoor Group.

At the beginning of 2021, Sievi Capital had four target companies, all of which managed to increase their net sales during the year. The biggest growth was seen in KH-Koneet Group, which has systematically built its business in Sweden in recent years and took a significant leap this year, supported by a favourable market. Nordic Rescue Group and Logistikas, on the other hand, grew through acquisitions.

The year 2021 was financially successful for Sievi Capital. Sievi Capital's result was at the highest level in the company's history as an independent company. During the year, we also made new investments in both a new target company and existing target companies. During the year, we paid a dividend of EUR 0.04 per share. Our gearing was 8.6%, which means we achieved our target (below 20%). Our return on equity, 21.6%, was significantly above our long-term target level (13%).

I started as the CEO of Sievi Capital at the beginning of September in a very interesting transition phase in the company's history. A letter of intent according to which Sievi Capital and Boreo were planning to combine had been announced two weeks earlier. Rationale for the merger project was the assessment of Sievi Capital's strategic options and an effort to increase the company's shareholder value.

A significant change had taken place in the ownership base of Sievi Capital in March when Preato Capital became the company's largest shareholder with a holding of approximately 23%. A partly revised Board of Directors was elected at the Annual General Meeting in spring, and it commenced strategy work to determine the company's future options. The Board of Directors considered the merger with Boreo, a company that had adopted a compounder strategy, to be the best option to increase the company's shareholder value.

In 2021, Sievi Capital's result was at the highest level in its history as an independent company.

The second half of the year was marked by the merger project. After the letter of intent, the actual merger agreement was signed at the end of September. A lot of advantages were seen in the merger of the companies, and its industrial logic was considered to be good. However, some of the shareholders strongly criticised the terms of the combination agreement, in particular the conversion rate between the owners of Sievi Capital and Boreo.

The merger was to be decided on by an extraordinary general meeting on 16 December, but it was clear after the advance votes that the proposed merger would not receive sufficient support. The message was clear, the general meeting was cancelled and Sievi Capital will continue as an independent company.

Sievi Capital continued its normal investment activities throughout the year and was an active owner in its target companies, also alongside the negotiations and preparations related to the combination. In June, we supported Logistikas and Nordic Rescue Group when they made their first acquisitions in history. Through these add-on acquisitions, the companies broadened their geographical coverage and strengthened market position in their respective industries.

In October, we made a new investment in HTJ. Focusing on construction management, project management and supervision, the company is engaged in a predictable business and has long-term customer relationships. HTJ is in an excellent position for business development, and with Sievi Capital's financial support, the company has significant growth potential. A good example of the position and expertise of HTJ were the new assignments announced in the autumn: Supervision of the Helsinki Crown Bridges project and supervision of the hotel construction project at Helsinki Airport.

In November, an opportunity to make a follow-on investment in KH-Koneet Group opened up, when minority shareholders wanted to reduce their holdings. During the four-year investment period, KH-Koneet Group has developed even better than we expected, so we acted on this opportunity.

In 2022, we will continue to develop our target companies and seek new investments. In many industries, valuations of companies are high, but we believe that Sievi Capital will continue to find plenty of interesting and suitably-priced investment opportunities. We provide our target companies with risk sharing, financial resources and expertise in the development of the company.

The operating environment of our target companies remains difficult to predict and challenging, especially in terms of supply chains. At the same time, however, ways have been found to adapt to the new situation. The outlook for 2022 is reasonably good in many industries, and all of our target companies are considering acquisitions and aiming for growth in the coming years.

In 2022, Sievi Capital will carry out strategy work to explore new options for the company's future direction. The aim is to further increase the shareholder value.

I would like to thank our dedicated owners, our target companies' personnel, management and board members, our partners and Sievi Capital's own team for the past year!

Jussi Majamaa
CEO

Values

ENTREPRENEURSHIP

AGILITY

COMMITMENT

RESPONSIBILITY

Vision

Sievi Capital's vision is to be the most desired partner in ownership arrangements for Finnish small and medium-sized companies.

A growth platform for Finnish SMEs

Sievi Capital is a long-term and committed partner for our target companies: unlisted Finnish SMEs. We will partner with our target companies' entrepreneurs to share the risk and enable them to fully exploit the company's potential with our support.

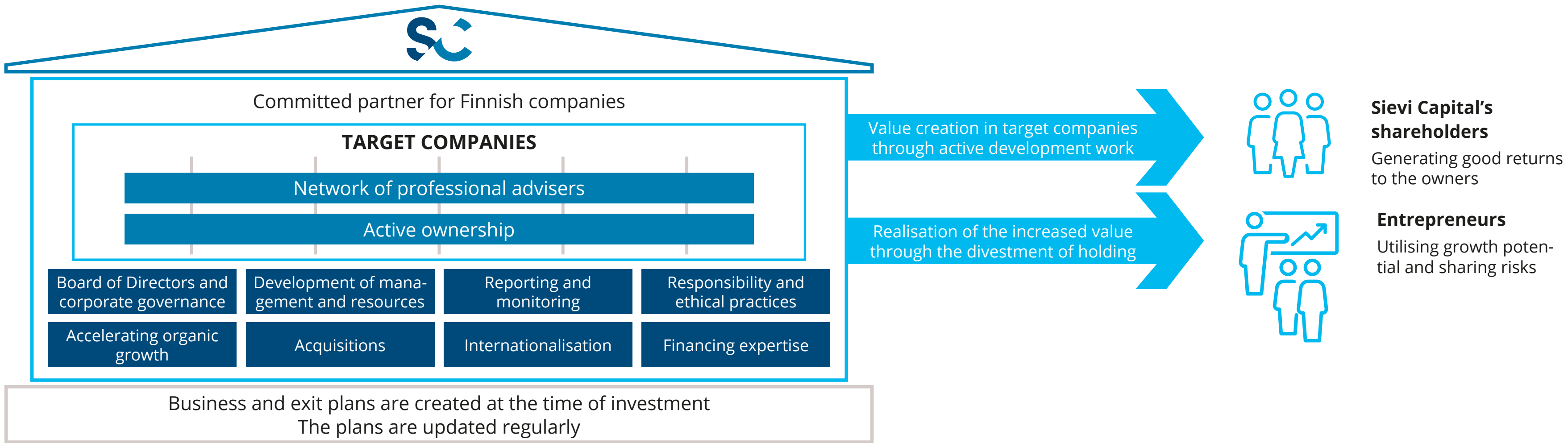
WE MAKE FLEXIBLE INVESTMENTS IN STRONG COMPANIES

- We invest in small and medium-sized Finnish companies with net sales of EUR 15–100 million.
- We invest EUR 5–15 million at a time. Our goal is to make 1–2 investments per year.
- We are looking for strong companies with profitable business operations and positive cash flow. They have the potential to grow much faster than the industry and gain a significant market position.
- We always seek a majority holding or sufficient control that enables us to choose, change and implement the company's strategy.
- We make our investments directly from our balance sheet. Our investment activities are flexible and optimally support the value creation of the target company.

WE INCREASE VALUE THROUGH ACTIVE OWNERSHIP

We offer our target companies the support of Sievi Capital's operational management and the resources of our seasoned advisers' network.

- We bring expertise, experience and strategic insight to the company's Board of Directors.
- We ensure that the company's management has sufficient resources at its disposal and supplement them, if necessary.
- We revise reporting practices and develop the related monitoring.
- Responsibility and ethical practices are an essential element in our operations and target company development.
- We invest in growth, reinforce the organic growth path and ensure sufficient resources for it.
- We adopt an active role in growing the target company through acquisitions.
- We support the company in its internationalisation by offering knowledge, experience and networks.
- We plan the most suitable financing for the company and participate in negotiations and the selection of partners.



An interesting investment

Sievi Capital's shareholders get the opportunity to benefit from good return potential in unlisted growth companies and make diversified investments in promising Finnish companies. Our shareholders contribute to the development, growth and internationalisation of Finnish business community.

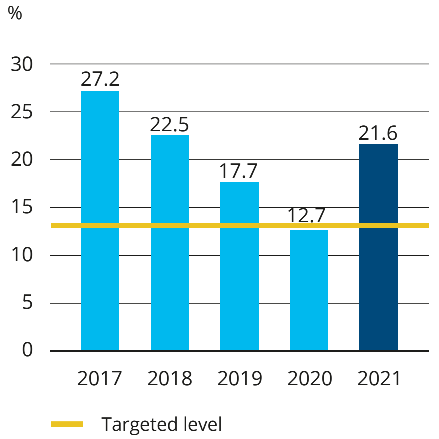
Sievi Capital develops its target companies through active ownership. Our targets are set high and, as the business operations of our target companies develop and their value increases, both the target companies' owner-entrepreneurs and Sievi Capital's shareholders will benefit. We have a strong track record of success, and the return on our investment activities has been good in recent years.

Responsibility and ethical practices are an essential element in our operations and target company development. The principles for responsible investment have been integrated into Sievi Capital's investment decision-making process and ownership practices.

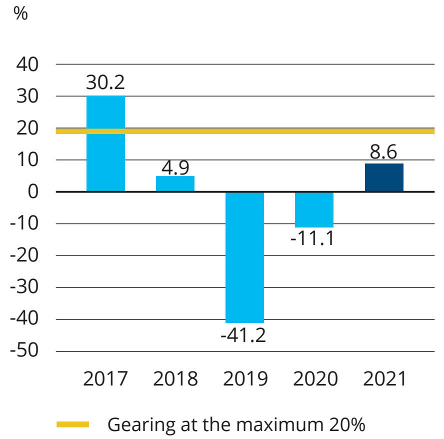
Financial targets and dividend policy

- Return on equity of at least 13% in the long term
- Gearing at the maximum 20%
- The aim is to annually distribute an ordinary dividend of approximately 3% of the net asset value per share. In addition, an extra dividend can be distributed after significant exits.

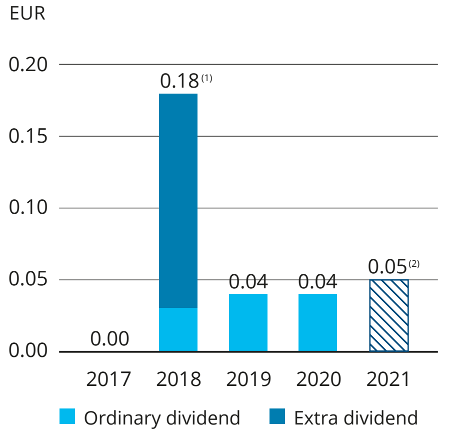
RETURN ON EQUITY



GEARING



DIVIDEND PER SHARE



The dividend policy entered into force in 2018.

(1) The figure for 2018 includes the EUR 0.15 extra dividend per share paid in February 2020.

(2) The Board of Directors proposes that no dividend for the past financial period be distributed by resolution of the Annual General Meeting, but that the Annual General Meeting 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.

Sievi Capital's target companies

Indoor Group

Furniture and interior decoration retailer

INDOOR GROUP

KH-Koneet

Earth-moving machinery supplier

KH KH-KONEET

Logistikas

Comprehensive logistics service provider

LOGISTIKAS RATKAISUJA HELPPOON HALLINTAAN

Nordic Rescue Group

Rescue vehicle system supplier

NRG Nordic Rescue Group

HTJ

Provider of extensive construction management services

HTJ

Growth in e-commerce supported Indoor Group

Indoor Group consists of retail chains Asko and Sotka, which have more than 90 stores in Finland and Estonia, as well as rapidly growing online store operations. In 2021, the Group increased its own production of sofas and mattresses and will step up the share of domestic products in its offering in future. The Group's good financial performance continued in 2021, supported by robust growth in e-commerce, among other things.

FAIR VALUE

MEUR 49.7

On 31 Dec. 2021

TARGET COMPANY SINCE

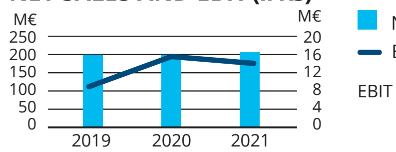
2017

HOLDING

58.3% (1)

On 31 Dec. 2021
(1) of outstanding shares

NET SALES AND EBIT (IFRS)



EBIT = operating profit

Indoor Group's Asko and Sotka chains are among the best-known home furniture and interior decoration retailers in Finland. In addition to the retail chains, the Group includes the furniture factory Insofa.

Indoor Group performed well in 2021. Net sales increased and operating profit was at a good level, even though it fell short of the very strong previous year. Demand continued at a good level as the coronavirus pandemic-induced stay-at-home trend continued. The Group's chains Asko and Sotka succeeded in responding to demand in an excellent way, even though the operating environment was exceptional. The difficulties in the order and supply chain were also reflected at Indoor Group in the form of increased freight costs and price increases by suppliers.

CEO **Veronica Lindholm** believes that the problems in the Asian order/supply chain will continue in the future. As one of the solutions to the uncertainty in the operating environment, Indoor Group has increased its in-house production in Finland.

"We have invested in our own factory, and its share of our product range is increasing. Our factory in Lahti, Insofa, is already the biggest sofa factory in Finland, but now we also produce mattresses in-house," Lindholm says.

E-COMMERCE IS GROWING

Indoor Group continued to invest in e-commerce, which was growing strongly both in Finland and Estonia thanks to the better use of customer data and automation of marketing.

The Group's strong cash flow during last few years allowed Indoor Group to pay EUR 15 million in dividends to its owners in October in addition to the EUR 4.7 million dividends paid in March.

"It is great that we have done such a good work that we have been able to distribute generous dividends. This is the result of several years of positive development," says Veronica Lindholm.

IN-HOUSE PRODUCTION INCREASES

Indoor Group starts 2022 with confidence. During 2021, preparations were made for the deployment of a new ERP system, which will take place in stages between 2022 and 2023. With the new system, Indoor Group can offer its customers a seamless multi-channel service experience across all channels, from the brick-and-mortar to the online shopping.

As part of Indoor Group's new responsibility strategy, the Group intends to increase the share of domestic products in its product range and seek sources of supply in the neighbouring region. The company has been using renewable electricity since 2020 and has made significant investments in LED lighting and reducing electricity consumption.

Below, on the left: Rondo, a dining set made by Pohjanmaan Kaluste, is sold exclusively by Asko.
Below, on the right: Visualist Kati Pirinen worked as an organiser in the photoshoot of the Karo sofa manufactured by Indoor Group's own sofa factory.

As part of its new responsibility strategy, Indoor Group intends to increase the share of domestic products in its product range.

Veronica Lindholm, CEO, Indoor Group

Year of strong growth for KH-Koneet Group

KH-Koneet Group is one of the leading construction and earth-moving machinery suppliers and renters in the Nordic countries. The company's strong progress in Sweden drove the growth in 2021, which became the best year in the company's history. Sievi Capital increased its holding in the company to over 90%.

FAIR VALUE

MEUR 36.5

On 31 Dec. 2021

TARGET COMPANY SINCE

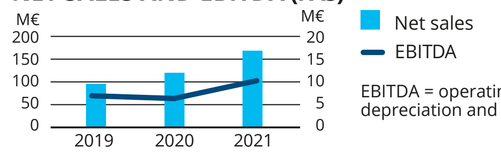
2017

HOLDING

90.5%

On 31 Dec. 2021

NET SALES AND EBITDA (FAS)



EBITDA = operating profit + depreciation and amortisation

KH-Koneet Group provides full services for earthworks, property maintenance and material handling. The most well-known brands represented by KH-Koneet Group are Kramer, Yanmar, Kobelco and Wacker Neuson. The company's market share grew in 2021, especially in Sweden.

KH-Kone Group expanded into Sweden after acquiring Kobelco's importer Beck Maskin in 2019, and machine rental company S-Rental the following year. At the end of 2020, KH-Koneet Group signed an agreement on importing and selling the Kramer and Wacker Neuson product families in Sweden. During 2021, it became clear that the expansion into Sweden was well-timed.

"We had all set at the beginning of 2021. In Sweden, the construction market has developed favourably for us, and infrastructure construction in particular has grown well. At the same time, our market share has increased in almost all product categories," says KH-Koneet Group's CEO **Teppo Sakari**.

KH-Koneet Group now has five offices in Sweden, employing approximately 60 people with clear objectives and strategy. Operations have been integrated into the Group's systems and KH-Koneet Group's corporate culture, based on responsibility and employee autonomy, has also taken root there.

BEST YEAR IN HISTORY

KH-Koneet Group has already been a strong player in Finland, and the position was supported by the company's good development in 2021. Growth was seen in the sale of both new and used machinery, rental, and maintenance business. In fact, the year turned out to be the best year in KH-Koneet Group's history.

The coronavirus pandemic has also been visible in the supply chains of construction machinery, but KH-Koneet Group has been able to deliver its orders to customers. The company's way of working has been that goods are ordered and deliveries confirmed well before they are needed. The expansion into Sweden has also benefited the company in this respect: flexible use of inventories across both sides of the border. This has ensured fast deliveries to customers, even in challenging situations.

STRONG DEMAND CONTINUES, SUPPLY CHAINS FACE CHALLENGES

In 2022, the market situation is expected to remain strong and the year looks good in terms of demand. The year has been planned well, but predicting international supply chains is challenging.

In November, Sievi Capital made a EUR 8.5 million follow-on investment in KH-Koneet Group and increased its holding from approximately 66.4% to approximately 90.5%. Following the transaction, Sievi Capital is even more committed to supporting the company in its next development phases.

Below, on the left: Kobelco SK850 en route to the construction site of the Storbacken Wind Farm located in the municipality of Vöyri.
Below, on the right: KH-Maskin participated in Entrepenad Live in Gothenburg, Sweden, in October.

> **In Sweden, the construction market has developed favourably for us, and infrastructure construction in particular has grown well.**
>
> Teppo Sakari, CEO, KH-Koneet Group

Logistikas grew through acquisitions

Logistikas, a provider of diverse logistics and local storage services, made its first acquisition in 2021 and expanded its geographical coverage and service offering. Disruptions in international logistics were also visible to Logistikas' customers.

FAIR VALUE

MEUR 6.3

On 31 Dec. 2021

TARGET COMPANY SINCE

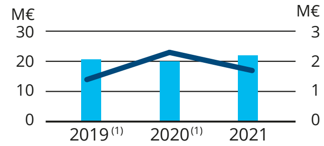
2020

HOLDING

65.9%

On 31 Dec. 2021

NET SALES AND EBITDA (FAS) [1]



Net sales

EBITDA

EBITDA = operating profit + depreciation and amortisation

(1) Unaudited pro forma figures

Logistikas offers outsourced logistics services, enabling its customers to focus fully on their core business. Logistikas Group employs some 230 logistics experts and operates in seven locations. In 2021, the company expanded its operations to the Vaasa region through an acquisition.

At the beginning of 2021, the Board of Directors and management of Logistikas prepared a new growth strategy for the company. According to the strategy, the company invested successfully in sales during the year, which was visible as new customer accounts and growth in several existing customer accounts. In many customer accounts order backlog is record-high and 2022 is expected to be a better year than 2021.

However, disruptions in global logistics caused by the coronavirus pandemic also affected the operation of Logistikas. Container shortages increased freight prices, made deliveries more difficult and reduced the predictability of operations. The pandemic affected a number of Logistikas' customers, experiencing production shutdowns due to a lack of components.

"Our financial performance did not fully match our expectations, and especially the beginning of the year was difficult. We did not reach our objectives, even though the operating result is decent," CEO **Toni Brigatti** sums up 2021.

ACQUISITION INCREASED THE SERVICE OFFERING

One of the most significant events of the year was the transaction completed in July, by which Logistikas acquired the Vaasa-based companies Piccolo Packing (currently Logistikas Vaasa) and Piccolo Solutions (currently Logistikas Tehdaspalvelut). The companies serve customers in the energy sector, among others. Following the acquisition, Logistikas' service offering expanded to include, in addition to inhouse logistics, wind power transformer assembly service and industrial packaging. The acquired companies employ about 50 people.

"The takeover of the companies has progressed well and we have received positive feedback from personnel and customer satisfaction surveys. This was Logistikas' first acquisition and a learning experience for us, too," says Toni Brigatti.

GROWTH PURSUED ORGANICALLY AND THROUGH ACQUISITIONS

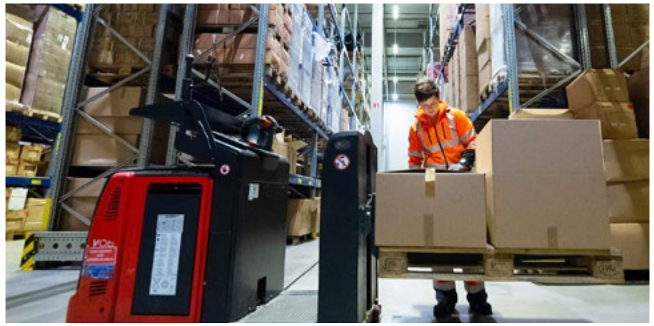
The uncertain international operating environment, container shortages and logistical challenges will also continue in 2022. This will result in many companies seeking to increase their inventory levels in order to ensure the availability of components and products. This is estimated to increase the demand for Logistikas' storage services.

In 2022, the company aims for growth from both the existing customer base and new projects. Logistikas also actively follows the market with an eye to acquisitions. With new acquisitions, the company could both grow geographically and reach new customer segments.

Below, on the left: Logistikas will produce warehousing services also for its demanding industrial customers in the Vaasa region in the future.
Below, on the right: Warehouse worker Johanna Niemi is packing customer's products ready for shipment at Lakari Logistics Centre in Rauma.

In 2022, the company aims for growth from both the existing customer base and new projects.

Toni Brigatti, CEO, Logistikas



Nordic Rescue Group expanded into Sweden

Nordic Rescue Group, a manufacturer of rescue vehicles and lifting equipment, took a significant growth step in 2021 as it expanded into Sweden. The new premises in Kaarina support the development of production, but the operating result was burdened by challenges in international supply chains and exports of lifting equipment.

FAIR VALUE

MEUR 6.5

On 31 Dec. 2021

TARGET COMPANY SINCE

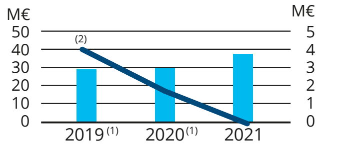
2020

HOLDING

67.9%

On 31 Dec. 2021

NET SALES AND EBITDA (FAS)



EBITDA = operating profit + depreciation and amortisation

(1) Unaudited pro forma figures

(2) Including 1.0 million of extraordinary income

The Nordic Rescue Group includes rescue vehicle manufacturers Saurus and Sala Brand, which was acquired from Sweden in 2021, as well as rescue platform manufacturer Vema Lift. The NRG Group is the leading Nordic company in its field, with a significant share of its business coming from exports. The coronavirus pandemic has posed challenges for the company.

In June, Nordic Rescue Group (NRG) formed the leading Nordic rescue and firefighting vehicle group by acquiring the entire share capital of the Swedish company Sala Brand AB. Sala Brand, founded in 1978, is a manufacturer of fire vehicles, whose main market is Sweden. The acquisition is part of NRG's growth strategy. After the expansion, NRG has a comprehensive and competitive product portfolio for the domestic markets and export.

"The takeover of Sala Brand has progressed as planned. Its products complement our previous portfolio well, and our aim is to target international sales," says NRG's CEO **Esa Peltola**.

PUBLIC PROCUREMENT LAGS BEHIND

Another highlight of the year was the move of the Group's lifting equipment company Vema Lift to new modern premises in Kaarina. The move will allow for a significant increase in production capacity, once the difficulties in the industry caused by the coronavirus pandemic have been overcome.

The coronavirus pandemic has resulted in two-fold challenges to Nordic Rescue Group. The demand of Vema Lift, which focuses on exports, has been weakened by the fact that global customers – typically fire and rescue authorities operating in public sector – put public procurement on hold due to the coronavirus pandemic. All of the Group companies have been affected by the supply difficulties of the platform suppliers, which have slowed down the delivery of the orders already received.

Saurus and Sala Brand, which manufacture rescue vehicles and mainly operate in their domestic markets, are both in good shape, but the overall financial development of Nordic Rescue Group was disappointing in 2021.

UNCERTAINTY WILL CONTINUE

Nordic Rescue Group starts 2022 under the leadership of a new CEO. Esa Peltola knows the industry and its customers well after more than 40 years in the industry. According to him, order books are in good shape in some of the Group companies, and there are also signs of international customers becoming more active.

However, component shortages, increased material prices and a shortage of containers affecting logistics result in uncertainty for the industry as a whole.

Below, on the left: NRG's rescue unit in action in Osby, Sweden, in the summer of 2021.
Below, on the right: The equipment is tested at Helsinki Rescue Department.

> **After the expansion, NRG has a comprehensive and competitive product portfolio for the domestic markets and export.**
>
> Esa Peltola, CEO, Nordic Rescue Group

HTJ secured several prominent assignments

HTJ specializes in construction management, project management and supervision. The company employs approximately 150 experts and operates in Finland's growth centres. Its most significant projects are in the areas of building construction and infrastructure. The year 2021 was marked by major new orders and Sievi Capital becoming its shareholder.

FAIR VALUE

MEUR 9.3

On 31 Dec. 2021

TARGET COMPANY SINCE

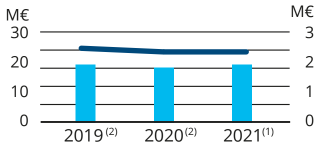
2021

HOLDING

92.4%

On 31 Dec. 2021

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

HTJ is Sievi Capital’s newest target company, following the transaction completed in October 2021. The change of ownership has mainly affected the Board of Directors’ operations and strategy work.

“Sievi Capital is a good partner for us. With them, we can continue to strengthen our excellent work for the best interests of our customers. Sievi Capital’s ownership also brings financial resources to support this,” says **Janne Ketola**, CEO of HTJ.

Skilled and committed employees are at the core of HTJ’s operations and are critical for our success in construction management, project management and supervision. The competition for talent is tough and new employees are typically recruited through referrals. According to the CEO, HTJ was successful in recruiting skilled professionals during the year.

GROWING EMPHASIS ON ENVIRONMENTAL MATTERS

Environmental issues are becoming increasingly important in construction business. HTJ has invested heavily in sustainable construction. As concrete proof of this, the company applied for and was awarded Rala’s environmental certificate in the autumn. During 2021, the company also developed other processes relating to the delivery and smooth commissioning of construction projects, for example.

BIGGEST ORDER IN HISTORY

HTJ has long-term customer relationships and has carried out projects in several sectors. The company has hundreds of projects underway, the largest of which are highly predictable for several years. The company is involved in the following ongoing projects, among others: West Metro, Helsinki Airport Terminal 2, renovation of Kiasma, Vantaa Energy’s seasonal heat storage and new construction project of the Pirkanmaa Hospital District, continuing until 2029.

In recent years, HTJ has seen the biggest growth in infrastructure construction services, where significant growth potential is seen in the future as well. During 2021, HTJ won two major new projects: supervision of the Helsinki Crown Bridges project and supervision tasks of the hotel construction project at Helsinki Airport. The Crown Bridges order is the biggest project in HTJ’s history. Over a period of four years, it will provide employment for 30 person-years.

AIMING FOR GROWTH

According to Janne Ketola, the year 2022 looks promising as new projects and extensive framework contracts will provide a predictable workload in management and supervision work relating to both building and infrastructure construction. New talent is continuously sought for the company, and significant investments are made in training the personnel.

“We will aim for organic growth in 2022, but will also explore opportunities for acquisitions,” says Ketola.

Below, on the left: The supervision of the Crown Bridges project in the Helsinki metropolitan area is the largest infrastructure project in HTJ’s history. The construction began in October 2021.
Below, on the right: HTJ worked as a construction consultant on the construction of the new Hiekkaharju water tower in Vantaa. The tower was commissioned for water supply in May 2021.

Photo: Helsingin kaupunki, WSP, Knight Architects

> **Sievi Capital is a good partner for us. With them, we can continue to strengthen our excellent work for the best interests of our customers.**
>
> Janne Ketola, CEO, HTJ

Corporate Governance

Board of Directors

Lennart Simonsen

- Chairman of the Board since 2021
- b. 1960
- LL.M
- Main occupation: Krogerus Attorneys Ltd, Senior Advisor
- Shareholding on 31 December 2021: 0 shares
- Independent of the company and major shareholders

Simon Hallqvist

- Member of the Board since 2021
- b. 1967
- M.Sc. (Econ.)
- Main occupation: Preato Capital AB, Founding Partner
- Shareholding on 31 December 2021: 13,490,000 shares through Preato Capital AB, an entity controlled by Simon Hallqvist
- Independent of the company, non-independent of the shareholder Preato Capital AB

Juha Karttunen

- Member of the Board since 2021
- b. 1964
- M.Sc. (Econ.), CEFA
- Main occupation: Sisu Partners Ltd, Partner, CEO
- Shareholding on 31 December 2021: 0 shares
- Independent of the company and major shareholders

Kati Kivimäki

- Member of the Board since 2019
- b. 1973
- BBA, MBA
- Main occupation: Mall of Tripla, CEO
- Shareholding on 31 December 2021: 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 2021: 10,000 shares
- Independent of the company and major shareholders

Management

Jussi Majamaa

- CEO since 2021
- b. 1971
- M.Sc. (Econ.)
- Shareholding on 31 December 2021: 3,000 shares through Origo Partners Ltd, an entity controlled by Jussi Majamaa

Markus Peura

- CFO since 2017
- b. 1983
- M.Sc. (Econ.), CFA
- Shareholding on 31 December 2021: 153,751 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 29 April 2021 and it resolved matters designated to the AGM, among other things. Due to the restrictions and special measures related to the coronavirus pandemic, the company's principal auditor was not present at the AGM but followed the meeting online, being available whenever needed. Of the members of the Board of Directors, Chair Tuomo Lähdesmäki was present, and the other members of the Board of Directors followed the meeting online, being available whenever needed.

Sievi Capital called an Extraordinary General Meeting to be held on 16 December 2021 to decide on Sievi Capital's merger with Boreo Plc. Based on the result of advance voting, the Board of Directors of Sievi Capital concluded that the proposal concerning the merger would not obtain the required majority and resolved to cancel the Extraordinary General Meeting.

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. Starting from 2021, the practice has been that the proposal for the composition of the Board of Directors to the Annual General Meeting is made by the company's largest shareholder. As part of the preparation process, the company's largest shareholder or the Chair of the Board conducts discussions with the other largest shareholders, if necessary, to take into consideration different views and the company's situation in the composition of the Board of Directors. The Board members are elected by the Annual General Meeting. The Board of Directors elects a Chair from among its members.

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 2021 to 29 April 2021, the members of Sievi Capital's Board of Directors were Kati Kivimäki, Asa-Matti Lyytinen, Tuomo Lähdesmäki, Taru Narvanmaa and Klaus Renvall.

At the Annual General Meeting held on 29 April 2021, Kati Kivimäki and Taru Narvanmaa were re-elected to the Board of Directors, while Simon Hallqvist, Juha Karttunen and Lennart Simonsen were elected as new members.

INFORMATION ABOUT BOARD MEMBERS AND THEIR SHAREHOLDINGS

Name	Personal data	Shareholding in Sievi Capital Plc on 31 December 2021 (1)	Attendance at Board meetings
Lennart Simonsen	Chair of the Board of Directors since 29 April 2021 Born: 1960 Education: LL.M. Main occupation: Senior Advisor, Krogerus Attorneys Ltd Independent of the company and its major shareholders	0	34/34
Simon Hallqvist	Member of the Board of Directors since 29 April 2021 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	13,490,000 (2)	24/34
Juha Karttunen	Member of the Board of Directors since 29 April 2021 Born: 1964 Education: M.Sc. (Econ.), CEFA Main occupation: CEO, Sisu Partners Ltd Independent of the company and its major shareholders	0	34/34
Kati Kivimäki	Member of the Board of Directors since 2019 Born: 1973 Education: BBA, MBA Main occupation: CEO, Mall of Tripla Independent of the company and its major shareholders	0	39/39
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	39/39
Tuomo Lähdesmäki	Chair of the Board of Directors until 29 April 2021 Born: 1957 Education: M.Sc. Eng., MBA Main occupation: board professional Independent of the company and its major shareholders	–	5/5
Asa-Matti Lyytinen	Member of the Board of Directors until 29 April 2021 Born: 1950 Education: M.Sc. (Econ.) Main occupation: board professional Independent of the company and its major shareholders	–	5/5
Klaus Renvall	Member of the Board of Directors until 29 April 2021 Born: 1951 Education: M.Sc. (Econ.) Main occupation: Managing Director, Nordics, FNZ-Group Ltd Independent of the company and its major shareholders	–	5/5

(1) Including shareholding through controlled entities (2) The shareholder Preato Capital AB is under Simon Hallqvist's control through Hallqvist AB

Based on an assessment of independence conducted by the Board of Directors in accordance with the Finnish Corporate Governance Code, the 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 except for Simon Hallqvist, who is not independent of the company's shareholder Preato Capital AB.

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 2021, the Board of Directors held 39 meetings and made 6 unanimous decisions without holding a meeting. The attendance rate of the Board members at the meetings during the financial period 2021 was 95%. Information about the Board members' meeting attendance is presented in the table on page 24.

INFORMATION ABOUT THE CEO AND OTHER MANAGEMENT AND THEIR SHAREHOLDINGS

Name	Position	Personal data	Shareholding in Sievi Capital Plc on 31 December 2021 (1)
Jussi Majamaa	CEO	Born: 1971 Education: M.Sc. (Econ.)	3,000 (2)
Markus Peura	CFO	Born: 1983 Education: M.Sc. (Econ.), CFA	153,751

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

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. Päivi Marttila acted as Sievi Capital's CEO until 1 September 2021. Jussi Majamaa took up the post of CEO on 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.

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 Group 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 2021. 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 2021, the audit fees paid to the auditor amounted to EUR 62,000 and the fees related to other non-audit services totalled EUR 67,840.

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 2021 in that the remuneration of Jussi Majamaa, who took up the post of CEO on 1 September 2021, 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 of share-based incentive schemes, and the share-based incentive scheme that started in 2021 had already begun in January 2021, before Majamaa joined the company.

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

	2017	2018	2019	2020	**2021**
Member of the Board of Directors (1)	15	21	25	28	**27**
CEO	348	367 (2)	219	220	**404**
Personnel (3)	205	138	120	119	**170**
Return on equity, %	27.2	22.5	17.7	12.7	**21.6**

(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 paid portion of share-based remuneration during financial year, minus fees paid to the Board of Directors and then divided by the average number of personnel. Includes CEO.

FEES PAID TO THE BOARD OF DIRECTORS IN 2021

The members of Sievi Capital's Board of Directors did not receive shares or share-based benefits as remuneration in the financial period 2021.

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 by individual paid by Sievi Capital in 2021 were as follows: Juha Karttunen EUR 2,327, Kati Kivimäki EUR 4,270, Tuomo Lähdesmäki EUR 2,651, Taru Narvanmaa EUR 3,863 and Lennart Simonsen EUR 3,592.

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 2021

In 2021, Päivi Marttila served on the Boards of Directors of Sievi Capital's target companies Indoor Group, KH-Koneet Group, Nordic Rescue Group and Logistikas. For this, she received total cash remuneration amounting to EUR 26,600 in 2021.

The share-based remuneration paid to Päivi Marttila in 2021 was based on Sievi Capital's matching share plan 2020–2024. In accordance with the terms of the matching share plan, the key persons who made an initial investment in a directed share issue received the right to receive, without consideration, after a waiting period that ended on 31 March 2021, one (1) matching share (gross) for each share that the plan participant subscribed in the share issue and held at the end of the waiting period. Approximately 50 per cent of the share-based remuneration was paid in Sievi Capital shares and approximately 50 per cent in cash, which is intended to cover the resulting taxes and tax-like charges. The remuneration paid in shares was awarded to the persons covered by the plan in a directed share issue without consideration on 7 April 2021. The number of shares issued to Päivi Marttila in the share issue was 52,064.

The fixed annual salary paid to the persons who held the role of CEO in 2021 represented 66% of the total remuneration, while variable remuneration components represented 34%.

Fees paid to the Board of Directors in 2021

Name	Position	Board fees, EUR
Lennart Simonsen	Chair of the Board of Directors since 29 April 2021	25,205
Tuomo Lähdesmäki	Chair of the Board of Directors until 29 April 2021	16,830
Simon Hallqvist	Member of the Board of Directors since 29 April 2021	-
Juha Karttunen	Member of the Board of Directors since 29 April 2021	16,330
Kati Kivimäki	Member of the Board of Directors	27,110
Asa-Matti Lyytinen	Member of the Board of Directors until 29 April 2021	10,890
Taru Narvanmaa	Member of the Board of Directors	27,110
Klaus Renvall	Member of the Board of Directors until 29 April 2021	10,890

Salary and fees paid to the CEO in 2021

Name	Fixed remuneration (incl. fringe benefits), EUR	Share-based remuneration, EUR	Total, EUR
Jussi Majamaa (CEO since 1 September 2021)	45,000	-	45,000
Päivi Marttila (CEO until 1 September 2021) (1)	220,740	137,932	358,672

The figures in the table are shown on a payment basis
(1) Also includes salary and fees paid during the period 1 September 2021–31 December 2021

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 more than 90 stores in Finland and Estonia as well as rapidly growing online store operations.

The demand situation in Indoor Group's markets was generally good in 2021. Demand grew from the previous year, especially during the spring, due to the exceptional situation in 2020, but then stabilised. Challenges with product availability hampered operations throughout the year, slowing down deliveries to customers and thus the revenue recognition of sales. The increase in the purchase and freight prices of the products affected the costs of the Indoor Group in the second half of the year in particular.

Indoor Group's net sales increased by 2% to EUR 204.8 million in 2021. The growth in net sales was strong in the first half of the year, but in the second half of the year, net sales remained below the strong benchmark. The favourable growth in online sales continued: online sales accounted for more than 15% of sales during the year.

Although net sales increased, as a result of the increase in fixed costs, operating profit for 2021 fell short of the comparison period and amounted to EUR 14.1 million. The increase in fixed costs was due to the cost adjustment measures implemented in the reference year in the exceptional market environment, among other things. The level of fixed costs was also affected by the fact that in its financial statements for 2021 the company retrospectively adopted a new accounting method for recording the costs of configuring and customising software produced as cloud services. The change in the accounting policy was related to the relevant agenda decision of the IFRS Interpretations Committee in 2021. As a result of the new accounting policy, expenses related to the configuration and customisation of the company's cloud services are not primarily capitalised; instead, they are recorded as an expense at a time. The change in the accounting policy had an impact of EUR –1.6 million on the operating profit for 2021. As a result of the change in the accounting policy, the comparison figures have also changed. The change will not impact cash flow or the FAS EBITDA of Indoor Group reported as additional information in Sievi Capital's reports.

Indoor Group's business generates strong cash flow. Made possible by the strong cash flow and earnings performance over the past few years, the company distributed significant dividends totalling approximately EUR 19.7 million to its shareholders during the year. Sievi Capital's share of the dividends paid was EUR 11.5 million.

One of Indoor Group's most important ongoing development projects in 2021 was the renewal project of the ERP system. This project will continue to play an important role in 2022. The company's previous plan was to fully deploy the system in several stages during the current year. According to updated plans, the deployment of the system will take place in stages between the third quarter of 2022 and the first quarter of 2023. The renewal of the ERP system is a major project that requires a lot of Indoor Group's internal and external resources. The total cost of the project is estimated to be approximately EUR 6 million, of which a significant part is expected to be incurred in 2022. Due to the changed accounting practice for cloud service projects, the costs arising from the project are mainly recognised as an expense as they are incurred. The new ERP system is expected to allow better development and management of Indoor Group's business than before. The system will support Indoor Group's multi-channel business model much better than the current system, including the strongly growing online business, enable better supply chain management and business management, and reduce manual and duplicate work.

Indoor Group Holding Oy's key figures

EUR million	1–12/2021	1–12/2020 (6)
Net sales	204.8	199.9
EBITDA (1)	32.3	34.6
EBIT (2)	14.1	15.6
EBITDA (FAS) (3)	16.1	17.3
Interest-bearing net debt at the end of the period (4)	74.1	69.3
Sievi Capital's holding at the end of the period (5)	58.3%	58.2%

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 2021 includes EUR 56.3 (66.6) million in debt associated with IFRS 16.
(5) Of outstanding shares
(6) The figures for 2020 have been adjusted retrospectively due to changed accounting practice for expenditure related to cloud services

KH-Koneet Group

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

The demand in KH-Koneet Group's main markets was mainly at a good level throughout 2021. Challenges emerged in the operating environment as the availability of machines weakened during the year. Availability challenges were reflected in delayed deliveries and extended delivery times for new orders. The general increase in costs is also reflected in the prices of earth-moving machinery, but the effects of price increases will primarily be visible in KH-Koneet Group only in the current year.

KH-Koneet Group's net sales increased by 40% year-on-year in 2021 to EUR 168.7 million. As in the previous year, the growth was driven by the company's Swedish business, the net sales of which more than doubled from the previous year. The Finnish business operations also developed very well and their total net sales grew from the previous year. Driven by the strong development of net sales, also profit development was very positive, with KH-Koneet Group's EBITDA increasing by 61% year-on-year to EUR 10.3 million. Relative profitability also improved from the previous year. The profitability of the growing Swedish business was still clearly lower than that of the Finnish business, although it improved significantly from the previous year.

The Swedish business has been a very important focus for KH-Koneet Group after the company expanded into the country with an acquisition in late 2019. Since the first acquisition, the business has been developed significantly, including through the acquisition of a rental company, new dealership agreements, the expansion of its own and dealer network, and the development of its organisation, operations and processes. As a result of these measures, the development has been very positive and the company has considerably increased its scale and weight in the market. The company continues to see clear potential to grow its Swedish business and aims to continue to increase its market shares.

Ensuring the availability of machinery and equipment for sale was an important focus area for the company in 2021, and it succeeded well in it. The importance of this work will continue to play a major role in the current year as the availability problems continue. The advantage of the company in this market situation is that it has larger stocks than many other market players as well as long-term and strong relationships with machinery and equipment manufacturers. However, the availability situation causes uncertainty to the otherwise positive market outlook for the current year.

KH-Koneet Group Oy's key figures

EUR million	1–12/2021	1–12/2020
Net sales	168.7	120.5
EBITDA (1)	10.3	6.4
EBITA (2)	8.9	5.4
Interest-bearing net debt at the end of the period (3)	15.2	18.5
Sievi Capital's holding at he end of the period	90.5%	66.4%

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

Logistikas

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

The operating environment posed several challenges to Logistikas' business during the year. The global supply chain challenges affected the demand for the company's services and made it more difficult to anticipate customers' needs. In addition, the coronavirus pandemic complicated the operations of the company's customers, which also had impacts on the demand for Logistikas' services. Even though the challenges in the operating environment have not disappeared, the market situation developed positively in the second half of the year. The challenging operating environment has led to many companies rethinking the organisation of their logistics chains, which provides companies such as Logistikas with opportunities.

Logistikas' net sales in 2021 increased by 10% compared to previous year's pro forma level to EUR 22.0 million (1). Net sales growth was entirely attributable to the acquisition carried out during the year. Organic net sales growth was negative in 2020 due to the decrease in the volume of the procurement business after the termination of a significant customer relationship and due to the slowdown in the growth of the logistics service business caused by the challenges of the operating environment. The EBITDA of Logistikas fell short of the previous year's pro forma level and was EUR 1.7 million. The decrease in EBITDA was due, among other things, to the less favourable sales structure than the previous year in part of the business and fixed costs outgrowing net sales due to the fact that net sales fell short of the target level in the challenging market environment.

A key event in 2021 was the acquisition of Piccolo Packing Oy (now Logistikas Vaasa Oy) and Piccolo Solutions Oy (now Logistikas Tehdaspalvelut Oy) in July. With the acquisition, Logistikas expanded into the Vaasa region, thus strengthening its geographical presence and its ability to better serve new and existing customers. The takeover of the acquired companies proceeded as planned. Logistikas sees clear potential to increase the companies' business from their current level, and first concrete advances in this respect were already made during the past year.

For a service company such as Logistikas, two important forward-looking indicators are personnel and customer satisfaction. The company investigated both during 2021 and the results were positive. The results of the personnel survey showed that the company's employees are in a positive mood, committed and value their employer. The results of the study were generally at a good level and mainly improved from the previous study. Based on the customer satisfaction survey, customers are very committed to cooperating with Logistikas. The NPS score was excellent, 63. These, for their part, indicate that the foundation of the company's business is strong and well set for growing the company's business as desired in the coming years.

(1) The pro forma figures for 2020 that are used as reference figures take into account Logistikas Palvelut Oy and Logistikas Hankinta Oy, acquired in 2020, for the entire year 2020, but exclude the acquisition made in 2021.

Logistikas Oy's key figures

EUR million	1–12/2021	1–12/2020
Net sales	22.0	20.0
EBITDA (1)	1.7	2.3
EBITA (2)	1.3	2.0
Interest-bearing net debt at the end of the period (3)	7.0	2.3
Sievi Capital's holding at the end of the period	65.9%	70.0%

The key figures are consolidated FAS (Finnish Accounting Standards) figures. The 2021 figures are derived from the audited financial statements. The figures for 2020 are unaudited pro forma figures, which have been combined from the figures of the acquired companies Logistikas Palvelut Oy and Logistikas Hankinta Oy until the completion of the acquisition (4 December 2020) and from the figures of the Logistikas 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.

Nordic Rescue Group

Nordic Rescue Group is specialised in rescue vehicles. The Group companies are Vema Lift Oy and Saurus Oy, operating in Finland, and Sala Brand AB, operating in Sweden. Nordic Rescue Group is a leading Nordic company in its field, with a significant share of its business from international trade.

Nordic Rescue Group's operating environment in 2021 was challenging due to the global availability and delivery time challenges related to truck chassis, several components and raw materials, which complicated the company's production planning and delayed deliveries of products to customers. The development of the intake of new orders did not meet the objectives, in particular in the Chinese market important to the company in previous years. However, Nordic Rescue Group's order book at the end of December was clearly higher than the previous year due to the acquisition made during the year.

The company's net sales increased in 2021 by 26% from the pro forma level of the previous year to EUR 37.6 million [(1)]. The growth was entirely attributable to the acquisition carried out during the year, and organic net sales growth was slightly negative. The company's EBITDA fell considerably short of the previous year's pro forma level and was EUR -0.1 million. The decrease in EBITDA was due, among other things, to a negative organic revenue growth, an increase in costs and certain one-time expenses during the period.

As the company's performance was weaker than expected in 2021, it did not meet the financial indicator covenants of its financing agreement as at 31 December 2021. After the end of the financial year, Nordic Rescue Group received the consent of the financing provider to deviate from the covenant terms of the financing agreement. In addition, negotiations have been initiated with the financing provider to adapt the financing agreement and its covenants to better reflect the current situation and prospects of the company.

Nordic Rescue Group's most significant events in 2021 included the acquisition of the Swedish company Sala Brand AB in June and the move of Vema Lift to a new factory in January. Both of these are important steps in Nordic Rescue Group's journey towards being a larger and more international rescue vehicle group. The move of Vema Lift to the new plant has significantly improved the working conditions and the possibilities of improving efficiency and increasing production volumes. However, as expected, the change caused one-time costs and the new larger premises also increased the premises costs. As the production of Vema Lift has not reached the target level and therefore the production capacity has not been fully utilised, the relocation had a negative impact on the profit for 2021.

Nordic Rescue Group was established at the beginning of 2020. Even though the company has taken significant development steps during its short history, its development has not met the expectations in the operating environment that has been challenging in many ways. The company entered the next development phase under a new CEO, with Esa Peltola assuming the position in November. Peltola has long-term experience and solid evidence in the industry. His expertise in the rescue platform business in particular will play a major role in the effort to increase the scale and profitability of Vema Lift, which was the weakest-performing of Nordic Rescue Group's businesses last year, to a clearly better level than last year. Measures in this regard were immediately commenced by the company and the change has been enthusiastically received by the employees. Vema Lift has a strong product portfolio, which is evidenced, among other things, by the order received from India at the end of last year for the first new 90 F rescue platform that reaches a height of 90 metres.

(1) The pro forma figures for 2020 that are used as reference figures take into account Saurus Oy and Vema Lift Oy, acquired in 2020, for the entire year 2020, but exclude the acquisition made in 2021.

Nordic Rescue Group Oy's key figures

EUR million	1–12/2021	1–12/2020
Net sales	37.6	29.8
EBITDA (1)	-0.1	1.7
EBITA (2)	-0.4	1.4
Interest-bearing net debt at the end of the period (3)	7.0	7.8
Sievi Capital's holding at the end of the period	67.9%	69.9%

The key figures are consolidated FAS (Finnish Accounting Standards) figures. The 2021 figures are derived from the audited financial statements. The figures for 2020 are unaudited pro forma figures, which have been combined from the figures of the acquired companies Saurus Oy and Vema Lift Oy until the completion of the acquisition (6 February 2020) and from the figures of Nordic Rescue 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.

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 150 experts and has offices in Vantaa, Tampere, Turku and Hämeenlinna.

The market uncertainty caused by the coronavirus pandemic during 2020 continued to affect HTJ's operating environment in the first half of 2021. The market picked up clearly in 2021 and demand in HTJ's markets was mainly higher throughout the year than in the previous year. At the end of December, HTJ's order book was somewhat higher than in the previous year.

HTJ's pro forma net sales increased by 3% to EUR 19.0 million in 2021. The development of net sales was stable in the first half of the year, but growth increased in the second half of the year as the market situation improved. Driven by the growth in net sales, HTJ's pro forma EBITDA increased slightly from the previous year and was EUR 2.3 million. There were no significant changes in the cost structure compared to the comparison figures and the relative profitability was close to the level of the previous year.

In 2021, important news from the point of view of HTJ's business included agreements announced in the second half of the year on the supervisory tasks in the bridge construction related to the Crown Bridges project of the City of Helsinki and) in the construction project of the Helsinki Airport hotel of LAK Real Estate (nowadays AVIA Real Estate). The Crown Bridges project is the largest infrastructure project in the history of HTJ, which will employ an estimated 30 person-years over four years. The airport hotel, on the other hand, is the largest hotel construction project in Finland, and the supervision task further strengthens the strong position of HTJ in the rapidly developing Aviapolis area.

The HTJ Group was formed when Sievi Capital's majority-owned HTJ Holding acquired Rakennuttajatoimisto HTJ in October 2021. The cooperation between the company and Sievi Capital began rapidly immediately after the acquisition. The takeover went well with the company already in a good condition and well-managed. The management of HTJ and the revised Board of Directors have continued the joint strategy work initiated during the preparation phase of the investment. The goal is to grow the business of HTJ across all sectors by continuing to develop the strong service concept and by investing in recruitment to secure the best talent in the industry. As part of the strategy, opportunities to boost growth and strengthen the service offering through acquisitions will be assessed, and active measures have also been commenced in this respect.

HTJ Holding Oy's key figures

EUR million	1–12/2021	1–12/2020
Net sales	19.0	18.5
EBITDA (1)	2.3	2.3
EBITA (2)	2.2	2.1
Interest-bearing net debt at the end of the period (3)	5.7	-
Sievi Capital's holding at the end of the period	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. The 2020 figures are derived from the audited financial statements of Rakennuttajatoimisto HTJ Oy.
(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

October–December

Sievi Capital's operating profit in the fourth quarter was EUR 1.9 (6.0) million, its net profit for the period amounted to EUR 3.3 (5.0) million and earnings per share (undiluted and diluted) were EUR 0.06 (0.09). The operating profit for October-December was significantly affected by the positive change in the value of the KH-Koneet Group investment. The value of the Indoor Group investment decreased significantly during the quarter, but this was mainly due to the major dividend distribution of Indoor Group, which was reflected in the dividend income of Sievi Capital. The dividend paid by Indoor Group in October was approximately EUR 15 million, and Sievi Capital's share of it was approximately EUR 8.7 million. When it comes to other private equity investments, the change in the value of the HTJ investment was positive and negative in the Logistikas and Nordic Rescue Group investments. The operating profit for October–December was also affected by EUR 1.0 million expenses related to the cancelled combination project of Sievi Capital and Boreo.

January–December

Sievi Capital's operating profit in January–December was EUR 20.2 (11.7) million and its net profit for the period amounted to EUR 18.4 (9.9) million. Earnings per share (undiluted and diluted) were EUR 0.32 (0.17), return on capital employed was 22.4% (15.0%) and return on equity was 21.6% (12.7%).

In 2021, interest and dividend income totalled EUR 11.5 (3.2) million. Interest and dividend income consisted mainly of dividend income from Indoor Group received in two instalments, totalling EUR 11.5 million.

Changes in value of investments amounted to EUR 12.9 (10.1) million, of which realised profits/losses & expenses accounted for EUR 0.0 (-2.9) million and unrealised changes in fair values for EUR 12.9 (13.0) 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 +8.2 million change in the value of the Indoor Group investment, the EUR +7.7 million change in the value of the KH-Koneet Group investment and the EUR -3.9 million change in the value of the Nordic Rescue Group investment. The change in the value of the Logistikas investment in 2021 was +0.2 million and the change in the value of the HTJ investment was +0.9 million. 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 contingent liabilities at fair value through profit or loss. Changes in the value of the above contingent liabilities, presented as part of the unrealised changes in the value of investments, had an impact of EUR -0.2 million on the unrealised change in the value of investments.

Sievi Capital's operating expenses increased clearly in 2021 compared to previous year, and amounted to EUR 4.2 (1.6) million. The increase in expenses was essentially due to the costs related to the cancelled combination project of Sievi Capital and Boreo, which amounted to EUR 1.7 million for the financial year. In addition, expenses during the financial year were affected by,

Distribution of investments and net asset value

EUR million	31 Dec. 2021	%	31 Dec. 2020	%
Private equity investments				
Indoor Group Holding Oy	49.7	53.2%	41.5	53.6%
KH-Koneet Group Oy (1)	36.5	39.1%	17.0	22.0%
Logistikas Oy	6.3	6.7%	6.1	7.9%
Nordic Rescue Group Oy	6.5	7.0%	7.9	10.2%
HTJ Holding Oy (1)	9.3	10.0%	-	-
Private equity investments, total	**108.3**	**115.9%**	**72.4**	**93.7%**
Cash and cash equivalents and other financial assets	1.8	2.0%	8.6	11.1%
Loans from financial institutions	-5.5	-5.9%	-	-
Deferred tax liabilities and assets, total	-6.2	-6.6%	-4.4	-5.7%
Other liabilities, receivables and assets, total (1)	-5.0	-5.4%	0.7	0.9%
Total net asset value	**93.5**	**100.0%**	**77.3**	**100.0%**
Net asset value per share (EUR)	**1.61**		**1.33**	

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

among other things, the transfer tax on the acquisition of KH-Koneet Group shares during the financial year.

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 2021, the fair value of the private equity investments totalled EUR 108.3 (72.4) million, a year-on-year increase of approximately 50 per cent. In addition to the changes in value, the total value of the private equity investments was increased by the HTJ initial investment (+7.8 million), the follow-on investments in KH-Koneet Group (+8.5 million) and Nordic Rescue Group (+2.5 million), and the accounting of KH-Koneet Group and HTJ as if Sievi Capital owned 100% of the companies (+4.0 million before the impact of the changes in value).

Sievi Capital's net asset value per share on 31 December 2021 was EUR 1.61 (1.33). The change in the net asset value resulted from the net profit for the period and the dividends paid during the review period, a total of EUR 0.04 per share.

FINANCIAL POSITION AND CASH FLOW

Sievi Capital's balance sheet total on 31 December 2021 was EUR 113.5 (83.5) million. Equity ratio was 82.4% (92.6%) and gearing was 8.6% (-11.1%). In October 2021, Sievi Capital took out a new loan of EUR 5.5 million in connection with the completion of the HTJ investment. The loan is due in full 24 months after its withdrawal. In addition to the withdrawal of above-mentioned loan and decrease in cash and cash equivalents, the increase in gearing was due the fact that, as a result of the agreements concluded with the minority shareholders of KH-Koneet Group and HTJ during the financial year, the non-controlling interests in these companies are presented as a contingent liability at fair value through profit or loss, which is taken into account as a financial liability in the calculation of gearing.

Sievi Capital increased its liquidity during the financial year by agreeing on a credit line of EUR 2.0 million, which was fully unused at the end of 2021.

Net cash flow from operating activities amounted to EUR -9.8 (-12.8) million, net cash flow from investing activities to EUR 0.0 (0.0) million and net cash flow from financing activities to EUR 3.1 (-10.9) million. The net cash flow from operating activities for the year was affected by, among other things, purchase of investments totalling EUR 18.8 million and dividends received totalling EUR 11.5 million. The most significant items in the net cash flow from financing were the proceeds from new loan of EUR 5.5 million and the payment of dividends of EUR 2.3 million.

PERSONNEL

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

On 1 September 2021, Sievi Capital's Board of Directors appointed Jussi Majamaa as the company's CEO. Jussi Majamaa has long and versatile experience in finance, and he has served both Nordic investment banks and a global investment bank during his career. For the past seven years, he has acted as an entrepreneur in the industry. Majamaa took up his duties on 1 September 2021. The company's previous CEO Päivi Marttila left the company at this point.

Markus Peura, CFO of Sievi Capital, announced on 1 September 2021 that he will leave the company. He will remain in his position until March 2022.

STRATEGY, FINANCIAL TARGETS AND THEIR REALISATION

Sievi Capital's strategy is 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 company plans 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 may vary from year to year. In 2021, Sievi Capital made one new initial investment in accordance with its targets.

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 2021, Sievi Capital achieved its financial target for return on equity and gearing. In 2021, the dividend decisions were in line with the dividend policy. The financial targets and their realisation in the past financial period are listed in the table below.

Financial targets and their realisation

Financial target	Targeted level	Actual realisation in 2021
Return on equity	In the long term at least 13%	21.6%
Gearing	At the maximum 20%	8.6%

Sievi Capital will carry out strategy work during the current year, as part of which alternative strategies for increasing shareholder value that differ from the current strategy will also be considered. Sievi Capital will provide information about any possible changes to the strategy separately once decisions have been made.

CONTEMPLATED COMBINATION OF SIEVI CAPITAL AND BOREO

On 18 August 2021, Sievi Capital announced that it had signed a letter of intent, pursuant to which the parties, Sievi Capital and Boreo Plc, were looking into a potential combination. On 29

September 2021, Sievi Capital and Boreo signed a combination agreement and a merger plan to combine the companies through a merger. The proposed combination was planned to be implemented as a statutory absorption merger pursuant to the Finnish Limited Liability Companies Act whereby Sievi Capital would have merged into Boreo. The combination required, among other things, approval by a majority of two-thirds of votes cast and shares represented at the Extraordinary General Meetings of Sievi Capital and Boreo and the obtaining of merger control approvals.

Sievi Capital convened an extraordinary general meeting in November to decide on the proposed merger on 16 December 2021. Based on the result of the advance voting of the General Meeting, the Board of Directors of Sievi Capital determined that the proposal to the General Meeting regarding the merger and the approval of the Merger Plan will not receive the required two-thirds (2/3) majority of the votes and shares represented at the General Meeting. Therefore, Sievi Capital's Board of Directors decided to cancel the General Meeting. Due to Sievi Capital's announcement, Sievi Capital and Boreo agreed to terminate the combination agreement signed by the companies on 29 September 2021 and to file a notification on the expiry of the merger plan to the Trade Register. The cancellation of the General Meeting and the termination of the combination agreement were announced on 14 December 2021.

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. The company has one share class and each share entitles its holder to one vote. All shares carry equal rights to dividends. The company did not own any treasury shares during the review period.

On 7 April 2021, Sievi Capital's Board of Directors decided on a directed share issue without consideration in order to issue, as part of the company's key personnel incentive scheme, matching shares in accordance with the matching share plan 2020–2024 established by the company on 6 March 2020. The share issue decision was based on the share issue authorisation granted to the Board of Directors by the company's Extraordinary General Meeting on 29 January 2020. A total of 104,486 new shares in the company were issued without consideration to the key personnel participating in the matching share plan 2020–2024 in accordance with the terms and conditions of the matching share plan.

On 31 December 2021, Sievi Capital had a total of 13,787 (10,440) shareholders. The ten largest registered shareholders owned 41.0% (48.0%) of the shares. Nominee-registered shares accounted for 9.4% (6.4%) of the shares. During the review period, Sievi Capital received four flagging notifications. Three flagging notifications were received from Jussi Capital Oy: on 11 February 2021 about their total holding in Sievi Capital Plc having decreased below thirty per cent (30%), on 12 March 2021 about their holding having decreased below twenty-five per cent (25%) and on 24 March 2021 about their holding having decreased below five per cent (5%). On 24 March 2021, Sievi Capital received a flagging notification announcing that Preato Capital AB's total holding in Sievi Capital Plc had crossed the threshold of twenty per cent (20%).

The closing price of Sievi Capital's share at the end of 2020 was EUR 1.08. During the review period, the highest share price was EUR 2.65, the lowest was EUR 1.06 and the trade-weighted average price was EUR 1.58. At the end of the review period, the closing price was EUR 1.92 and the market capitalisation was EUR 111.3 (62.6) million. The number of Sievi Capital's shares traded on Nasdaq Helsinki during the review period was 84.0 (58.6) million, which accounted for 144.7% (101.2%) of outstanding shares.

SHARE-BASED INCENTIVE SCHEMES

On 27 January 2021, Sievi Capital Plc's Board of Directors decided on the launch of a new plan as part of the company's performance-based share scheme. The performance period of the LTI 2021–2023 plan started on 1 January 2021 and the award of shares, if any, will take place in spring 2024, provided that the performance targets for the plan set by the Board of Directors are achieved. The performance targets applied to the plan are based on Sievi Capital's average return on equity. There were five key persons entitled to participating in the plan when it began. If the performance targets set for the plan are fully achieved, the total number of shares awarded on the basis of the plan was at the maximum approximately 0.3 million Sievi Capital shares (gross; half of this in shares and half in cash) upon the commencement of the plan. At the end of 2021, the maximum number of shares in the incentive scheme had decreased to approximately 0.1 million shares.

Sievi Capital's performance-based share scheme consists of individual plans starting annually. Each plan includes 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 launching of each individual plan requires separate approval from the company's Board of Directors. Sievi Capital announced the establishment of its performance-based share scheme on 6 March 2020. During the review period, Sievi Capital's Board of Directors decided that the third plan of the performance-based share scheme, which was originally planned to start in 2022, would not be launched.

THE GENERAL MEETINGS AND THE BOARD OF DIRECTORS' AUTHORISATIONS

Sievi Capital's Annual General Meeting was held on 29 April 2021 in Helsinki. In order to prevent the spread of the coronavirus pandemic, the Annual General Meeting was held without shareholders' and their proxy representatives' presence at the meeting venue. The General Meeting adopted the financial statements for the financial period 2020, discharged the members of the Board of Directors and the CEO from liability for the financial period 2020, and adopted, through an advisory resolution, the company's Governing Bodies' Remuneration Report for the year 2020. The Annual General Meeting decided on the distribution of a dividend of EUR 0.04 per share. The dividend was paid on 14 May 2021.

Current members Kati Kivimäki and Taru Narvanmaa were re-elected to the Board of Directors until the end of the Annual General Meeting of 2022, and Lennart Simonsen, Juha Karttunen and Simon Hallqvist were elected as new members of the Board of Directors for the same term. In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Lennart Simonsen 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 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 2022 and their content is described in more detail in the stock exchange release about the decisions of the General Meeting, published on 29 April 2021.

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 may also have significant direct and indirect impacts on the target company 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 escalation of the Ukrainian crisis after the end of the financial period and the resulting sanctions are not expected to have significant direct impacts on Sievi Capital, under current circumstances. However, the prolongation or expansion of the crisis 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.

FUTURE OUTLOOK

In line with its current strategy, Sievi Capital will continue to explore new investment opportunities. The company plans to make an average of 1–2 new investments per year but the number of investments made may vary from year to year. For existing investments, the active development of the companies' business operations will continue. Exit planning and the assessment of exit opportunities will also continue. Capital will carry out strategy work during the current year, as part of which alternative strategies for increasing shareholder value that differ from the current strategy will also be considered.

Sievi Capital does not consolidate the data of its subsidiaries into Group-level calculations line item by line item but recognises investments 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. Furthermore, the coronavirus pandemic increases uncertainty when it comes to anticipating development.

Sievi Capital's financial target 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 result development in 2022.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT AND THE ANNUAL GENERAL MEETING 2022

The parent company's distributable funds on 31 December 2021 were EUR 38.8 million. The Board of Directors proposes to the Annual General Meeting that no dividend for the past financial period be distributed by resolution of the Annual General Meeting, but that the Annual General Meeting 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. The proposed authorisation would be valid from the date of the resolution until the next Annual General Meeting, however, at the latest until 31 May 2023. The company will publish the Board of Directors' possible dividend distribution decisions separately and confirm the dividend record and payment dates at the same time.

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 after the acquisitions of investments carried out last year and expected cash flows during the current year. The Board of Directors aims to use the proposed authorisation during the current year.

Sievi Capital Plc's Annual General Meeting is scheduled for Wednesday, 11 May 2022. A notice of the Annual General Meeting will be published later as a stock exchange release.

EVENTS AFTER THE REVIEW PERIOD

On 15 February 2022, Sievi Capital announced that Tuomas Joensuu had been appointed interim CFO of Sievi Capital as of 15 March 2022. He joined Sievi Capital in 2019 and has worked as Investment Manager, focusing on investment projects and development of current target companies as well as supporting the company's financial administration.

On 23 February 2022, Sievi Capital announced that Sievi Capital had received a flagging notification announcing that Mikko Laakkonen's holding of shares in Sievi Capital Plc and related votes had crossed the threshold of ten per cent (10%) on 21 February 2022.

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 11 March 2022 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 2021 covers the parent company Sievi Capital Plc and the subsidiaries and their sub-groups that were part of the Group during the financial period. HTJ, which became part of the Group in October 2021, has been combined in the report for the whole year. 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

Sievi Capital complies with the Code of Conduct, which 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.

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'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.

ENVIRONMENTAL MATTERS

The Sievi Capital Group recognises its environmental responsibility and seeks to reduce the environmental burden 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.

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. Wherever possible, we give priority to ecologically sustainable supplier products and services.

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	2021	2020
Electricity consumption, MWh	14,806	12,305

SOCIAL AND EMPLOYEE-RELATED MATTERS

Employee wellbeing and employee satisfaction are of paramount importance to the Sievi Capital Group's success. Our aim is to create a desirable workplace for all 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.

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.

KPI	2021	2020
Sick leave rate, % (1)	4.2	4.0
Personnel turnover, % (2)	13.4	12.0

(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.

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 non-financial KPIs of the Group presented on the left.

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 and all internationally recognised human rights, such as 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. The Group's newest target company, HTJ acquired in October 2021, deployed the whistleblowing channel in late 2021. 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 2021, 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. 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 2021, 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.

For 2021, only taxonomy eligibility is required to be reported and only with regard to the first two environmental objectives: climate change mitigation and climate change adaptation. For the reporting year 2022, taxonomy alignment must be reported for all six environmental objectives.

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. HTJ, which became part of the Sievi Capital Group in October 2021, has been combined in the report for the whole year. 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 of the Sievi Capital Group's measures 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. Based on Sievi Capital's analysis, 1% of the net sales was taxonomy-eligible in 2021. The taxonomy-eligible net sales were comprised of taxonomy-eligible business of Sievi Capital's target companies Logistikas in freight transport by road (NACE code H49.41) and HTJ in architecture and engineering services, technical testing and analysis (NACE code M71). Based on Sievi Capital's analysis, 2% of the operating expenses was taxonomy-eligible in 2021. The taxonomy-eligible operating expenses were related to the same activities as the taxonomy-eligible net sales. Of Sievi Capital's capital expenditure, 1% was taxonomy-eligible in 2021. The taxonomy-eligible capital expenditure was related to investments in energy-efficient lighting.

The table below summarises the breakdown of Sievi Capital's net sales, capital expenditure and operating expenses into taxonomy-eligible and non-taxonomy-eligible activities in 2021.

Breakdown of Sievi Capital's net sales, capital expenditure and operating expenses into taxonomy-eligible and non-taxonomy-eligible activities in 2021

Key indicator	Taxonomy-eligible activity (%)	Non-taxonomy-eligible activity (%)
Net sales	1%	99%
Capital expenditure [1]	1%	99%
Operating expenses [2]	2%	98%

Unlike in other reporting by Sievi Capital, the indicators are calculated on the basis of the combined figures of Sievi Capital Plc and its subsidiaries. HTJ, which became part of the Sievi Capital Group in October 2021, has been combined in the report for the whole year. 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).

(1) Investments in tangible and intangible assets

(2) Costs related to research and development, renovation of buildings, leases, maintenance and repairs, and other direct costs related to the maintenance of property, plant and equipment

Consolidated financial statements (IFRS)

STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Dividend income	2	11,478,390	3,195,236
Interest income	2	33,151	5,929
Total income		**11,511,541**	**3,201,164**
Realised profits/losses & expenses of investments	3	0	-2,868,648
Unrealised changes in fair values of investments	3	12,916,613	12,957,093
Personnel expenses	4	-1,292,256	-993,242
Depreciation, amortisation and impairment	6	-99,214	-52,268
Other operating expenses	7	-2,820,705	-593,103
Operating profit		**20,215,979**	**11,650,996**
Financial income	8	8,414	20,480
Financial expenses	8	-33,311	-75,491
Profit before taxes		**20,191,082**	**11,595,984**
Income taxes	9	-1,751,152	-1,701,698
Net profit for the period		**18,439,930**	**9,894,286**
Distribution of the net profit for the period			
To equity holders of the parent company		18,439,930	9,894,286
Earnings per share calculated from the net profit:			
Undiluted earnings per share (EUR)	10	0.32	0.17
Diluted earnings per share (EUR)	10	0.32	0.17

BALANCE SHEET

EUR	Note	31 Dec. 2021	31 Dec. 2020
ASSETS			
Non-current assets			
Property, plant and equipment	11	39,845	14,703
Right-of-use assets	12	228,162	12,203
Investments at fair value through profit or loss	13	108,327,584	72,427,848
Non-current receivables	16	25,245	11,730
Deferred tax assets	17	2,967,257	1,387,163
		111,588,092	**73,853,647**
Current assets			
Accrued income and other receivables	18	32,301	1,038,206
Cash and cash equivalents	19	1,831,831	8,607,973
		1,864,132	**9,646,179**
Assets, total		**113,452,224**	**83,499,825**
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		65,393,169	49,233,337
Total equity	20	**93,457,246**	**77,297,415**
Non-current liabilities			
Loans from financial institutions	21	5,500,000	0
Lease liabilities	21	128,673	0
Deferred tax liabilities	17	9,139,194	5,807,949
Other liabilities	21	4,186,006	19,425
		18,953,873	**5,827,374**
Current liabilities			
Lease liabilities	21	100,932	12,408
Trade and other liabilities	21	940,172	362,628
		1,041,105	**375,036**
Liabilities, total		**19,994,977**	**6,202,410**
Shareholders' equity and liabilities, total		**113,452,224**	**83,499,825**

CASH FLOW STATEMENT

EUR	Note	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Cash flow from operating activities			
Net profit for the period		18,439,930	9,894,286
Adjustments to the net profit for the period	22		
Taxes		1,751,152	1,701,698
Other adjustments		-24,260,986	-13,079,525
Changes in working capital			
Changes in liabilities		546,172	120,481
Changes in receivables		-7,610	88
Purchase of investments		-18,797,117	-14,792,410
Proceeds from and expenses related to sale of investments		0	-62,859
Repayment of loan receivables		1,000,000	233,708
Interest received		41,564	26,408
Financial expenses paid		-21,364	-9,498
Dividends received		11,478,390	3,195,236
Taxes paid		0	-1,278
Net cash flow from operating activities		**-9,829,869**	**-12,773,664**
Cash flow from investing activities			
Investments in tangible and intangible assets		-38,424	-1,954
Net cash flow from investing activities		**-38,424**	**-1,954**
Cash flow from financing activities			
Investments in other financial assets		0	-23,600,000
Sale of other financial assets		0	23,534,006
Proceeds from long-term loans		5,500,000	0
Repayment of lease liabilities		-84,693	-47,664
Share issue		0	221,508
Dividends paid		-2,323,156	-10,983,792
Net cash flow from financing activities		**3,092,151**	**-10,875,942**
Change in cash and cash equivalents		**-6,776,142**	**-23,651,559**
Cash and cash equivalents 1 Jan.		8,607,973	32,259,532
Cash and cash equivalents 31 Dec.	19	**1,831,831**	**8,607,973**

Changes in financial liabilities consist only of changes that affect cash flows, with the exception of changes in contingent liabilities, the changes of which do not affect cash flows are described in Note 15

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. 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**

		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. 2020		**15,179**	**12,664**	**50,220**	**78,063**
Total comprehensive income					
Net profit for the period				9,894	9,894
Transactions with equity holders					
Share issue			222		222
Dividends paid				-10,984	-10,984
Share-based incentive schemes				103	103
Equity 31 Dec. 2020	20	**15,179**	**12,886**	**49,233**	**77,297**

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.

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 2020 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 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 the company 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 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 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 contingent liabilities 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 contingent liabilities 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 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 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 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. The coronavirus pandemic has increased the uncertainty related to management estimates in determining the fair values of private equity investments. 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	2021	2020
Dividend income from investments recognised at fair value through profit or loss	11,478	3,195
Interest income from loan receivables	33	6
Total income	**11,512**	**3,201**

3. VALUE CHANGES IN INVESTMENTS

EUR 1,000	2021	2020
Realised profits/losses and expenses of investments		
Investments' realised losses		-2,806
Expenses related to sale of investments		-63
Realised profits/losses and expenses of investments, total	**0**	**-2,869**
Unrealised changes in fair values of investments (1)		
Investments recognised at fair value through profit or loss / subsidiaries	13,098	12,957
Contingent liabilities at fair value through profit or loss	-182	
Unrealised changes in fair values of investments, total	**12,917**	**12,957**

(1) 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 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 +8.2 million change in the value of the Indoor Group investment, the EUR +7.7 million change in the value of the KH-Koneet Group investment and the EUR -3.9 million change in the value of the Nordic Rescue Group investment. The change in the value of the Logisti-kas investment in 2021 was +0.2 million and the change in the value of the HTJ investment was +0.9 million. Sievi Capital and the minority shareholders of KH-Koneet Group and HTJ Holding have agreed on a mutual right to complete a tran-saction 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 contingent liabilities at fair value through profit or loss. Changes in the value of the above contingent liabilities, presented as part of the unrealised changes in the value of investments, had an impact of EUR -0.2 million on the unrealised change in the value of investments.

4. PERSONNEL EXPENSES

EUR 1,000	2021	2020
Salaries, wages and fees	962	786
Pension costs – defined-contribution schemes	129	75
Share-based payments	181	103
Other indirect personnel expenses	20	29
Personnel expenses, total	**1,292**	**993**
Pension costs are defined-contribution costs.		
Average number of the company's employees during the financial period	**7**	**5**

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

5. SHARE-BASED INCENTIVE SCHEMES

In March 2020, Sievi Capital's Board of Directors decided on the establishment of a matching share plan and a performance-based share scheme for the company's key personnel and on the launching of the first plan (LTI 2020–2022) under the performance-based share scheme. These schemes replaced all the company's earlier long-term incentive schemes.

The purpose of the above-mentioned long-term incentive schemes is to continue to serve as incentive and enhance the commitment of the company's key personnel and, in this manner, contribute to and align the objectives of the company, its key personnel and its shareholders. The incentive schemes are subject to continued employment in the company. Accordingly, if the participant's employment or service relationship with Sievi Capital ends before the share award payment date, the participant is, as a rule, not entitled to any remuneration under the scheme.

Matching share plan

The matching share plan consists of an initial investment in the company's shares in the share issue organised in March 2020 and the right to receive without consideration, after the waiting period ending on 31 March 2021, one (1) matching share (gross) (jointly "Matching Shares") for each share that the plan participant subscribed in the share issue and holds at the end of the waiting period, in line with the terms and conditions of the matching share plan.

The Matching Shares were issued to the participants to the scheme in April 2021. The Matching Shares awarded to the participants on the basis of the matching share plan are subject to a three-year transfer restriction: during this three-year period, the Matching Shares may not be sold, transferred or pledged and any rights related to them may not be otherwise transferred, unless the company grants a separate exemption.

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

The performance-based share scheme consists of individual plans starting annually. Each plan includes 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 launching of each individual plan requires separate approval from 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, will take place in spring 2023, provided that the performance targets for the plan set by the Board of Directors are achieved. The shares awarded, if any, are 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, will take place in spring 2024, provided that the performance targets for the plan set by the Board of Directors are achieved. During the financial period, Sievi Capital's Board of Directors decided that the third plan of the performance-based share scheme, which was originally planned to start in 2022, would not be launched.

Information on share-based incentive schemes

	Matching share plan
Award date	6 Mar. 2020
Performance period start date	12 Mar. 2020
Performance period end date	31 Mar. 2021
Original end date of the commitment period (1)	31 Mar. 2024
Conditions for entitlement	Subscription in the share issue and ownership of shares for the duration of the waiting period
Realisation	Cash and shares
Share price at the time of award, EUR	1.03 (2)
Fair value of the benefit at the time of award, EUR	0.99
Outstanding shares of the scheme on 1 Jan. 2021 (gross)	208,970
Awarded during the period	-
Lost during the period	-
Realised during the period	208,970
Outstanding shares of the scheme on 31 Dec. 2021 (gross)	0
Persons within the scope of the scheme on 31 Dec. 2021 (3)	0

(1) The Board of Directors of Sievi Capital has decided on changes to the commitment periods of the persons covered by the scheme. As a result, the commitment periods have already ended in part and will end finally on 30 April 2022.
(2) Price at the time when the shares required by the scheme had been subscribed to in the share issue and the performance period started
(3) The commitment period of the scheme was still ongoing on 31 December 2021 for two persons covered by the scheme, comprising 42,317 shares (gross)

The performance targets applied to the LTI 2020–2022 and LTI 2021–2023 plans are 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.

The fair value of the matching share plan was determined at the beginning of the performance period and is recognised as an expense in equal instalments until the end of the commitment period.

	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. 2021 (gross)	367,179	0
Awarded during the period	-	341,198
Lost during the period	275,699	192,530
Realised during the period	-	-
Outstanding shares of the scheme on 31 Dec. 2021 (gross)	91,480	148,668
Persons within the scope of the scheme on 31 Dec. 2021	2	3

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

A total of EUR 0.2 (0.1) million of amortised cost of share schemes was recognised in the income statement for the financial period ended.

A total of EUR 0.1 million (0.0) was paid in cash from share schemes during the financial period, recognised directly in equity.

6. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR 1,000	2021	2020
Depreciation and amortisation by asset class		
Tangible assets		
Machinery and equipment	13	5
Right-of-use assets	86	47
Depreciation and amortisation, total	**99**	**52**

7. OTHER OPERATING EXPENSES

EUR 1,000	2021	2020
Expenses related to premises and properties	46	6
Expert services	2,289	382
Other operating expenses	487	205
Other operating expenses, total	**2,821**	**593**
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	62	48
Auditor's certificates and statements	24	
Tax services	5	
Other services	38	
Total	**130**	**48**

8. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2021	2020
Financial income		
Other financial income	8	20
Financial income, total	**8**	**20**
Financial expenses		
Interest expenses from loans from financial institutions	12	
Interest expenses from lease liabilities	3	1
Other financial expenses	18	75
Financial expenses, total	**33**	**75**

9. INCOME TAXES

EUR 1,000	2021	2020
Tax based on taxable income for the financial period 20%	0	0
Deferred taxes 20%	-1,751	-1,702
Total	**-1,751**	**-1,702**

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

	2021	2020
Profit before taxes	20,191	11,596
Taxes calculated at Finnish tax rate	-4,038	-2,319
Tax-exempt income	2,296	639
Other items	-9	-22
Taxes in the income statement	**-1,751**	**-1,702**

10. EARNINGS PER SHARE

EUR 1,000	2021	2020
Net profit for the period attributable to equity holders of the parent company	18,440	9,894
Number of shares at the end of the period (1,000)	58,079	57,974
Average number of shares during the financial period, undiluted (1,000)	58,051	57,930
Average number of shares during the financial period, diluted (1,000)	58,145	57,951
Earnings per share, undiluted (EUR per share)	**0.32**	**0.17**
Earnings per share, diluted (EUR per share)	**0.32**	**0.17**

11. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	2021	2020
Property, plant and equipment at the beginning of the period	15	18
Additions	38	2
Depreciation according to plan	-13	-5
Property, plant and equipment at the end of the period	**40**	**15**

12. RIGHT-OF-USE ASSETS

EUR 1,000	2021	2020
Right-of-use assets at the beginning of the period	12	59
Additions	302	0
Depreciation according to plan	-86	-47
Right-of-use assets at the end of the period	**228**	**12**

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	2021	2020
Shares in subsidiaries at the beginning of the period	72,428	48,484
Additions	22,801	14,792
Reductions		-3,806
Changes in fair value	13,098	12,957
Shares in subsidiaries at the end of the period	**108,328**	**72,428**
Investments at fair value through profit or loss, total	**108,328**	**72,428**

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 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. 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%
31 Dec. 2020		
Indoor Group Holding Oy	Helsinki	58.2%
KH-Koneet Group Oy	Helsinki	66.4%
Logistikas Oy	Helsinki	70.0%
Nordic Rescue Group Oy	Helsinki	69.9%

(1) of outstanding shares

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

	31 Dec. 2021	31 Dec. 2020
Private equity investments		
Indoor Group Holding Oy	49.7	41.5
KH-Koneet Group Oy	36.5	17.0
Logistikas Oy	6.3	6.1
Nordic Rescue Group Oy	6.5	7.9
HTJ Holding Oy	9.3	
Private equity investments, total	**108.3**	**72.4**

During the financial period, Sievi Capital made a new initial investment in HTJ (EUR 7.8 million) and follow-on investments in KH-Koneet Group (EUR 8.5 million) and Nordic Rescue Group (EUR 2.5 million). 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. 2021				
Private equity investments			108,328	108,328
Levels, total			**108,328**	**108,328**
31 Dec. 2020				
Private equity investments			72,428	72,428
Levels, total			**72,428**	**72,428**

All investments are euro-denominated.

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).

Sensitivity analysis of level 3 investments 31 December 2020

Investment category	Fair value 31 Dec. 2020, 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	72.4	Discounted cash flows	Discount rate (WACC)	11.5%	-8.2 / +9.8
			Terminal growth	0.0%	+5.0 / -4.2
			Forecast period's (5 y.) net sales growth p.a.	1.6%	+4.1 / -4.0
			Forecast period's (5 y.) EBITDA % (1)	7.3%	+7.1 / -7.1

(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 1			
Fair values 1 Jan. 2020	**0**	**0**	**0**
Additions		-23,600	-23,600
Reductions		23,600	23,600
Changes in value			0
Fair values 31 Dec. 2020	**0**	**0**	**0**
Fair values 31 Dec. 2021	**0**	**0**	**0**
LEVEL 3			
Fair values 1 Jan. 2020	**48,484**	**0**	**48,484**
Additions	14,792		14,792
Reductions	-3,806		-3,806
Changes in value	12,957		12,957
Fair values 31 Dec. 2020	**72,428**	**0**	**72,428**
Additions	22,801		22,801
Reductions			
Changes in value	13,098		13,098
Fair values 31 Dec. 2021	**108,328**	**0**	**108,328**
Fair values of investment assets, total 31 Dec. 2021	**108,328**	**0**	**108,328**
Changes in value through profit or loss:			
Changes in value 2021	13,098	0	13,098
Changes in value 2020	12,957	0	12,957

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

EUR 1,000	Contingent liabilities	Total
LEVEL 3		
Fair values 1 Jan. 2020	**0**	**0**
Fair values 31 Dec. 2020	**0**	**0**
Additions (1)	4,004	4,004
Changes in value	182	182
Fair values 31 Dec. 2021	**4,186**	**4,186**
Liabilities at fair value through profit or loss, total 31 Dec. 2021	**4,186**	**4,186**
Changes in value through profit or loss:		
Changes in value 2021	-182	-182
Changes in value 2020	0	0

(1) The increases in 2021 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 1 are based on quoted prices for identical assets in active markets.

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. The coronavirus pandemic has increased the uncertainty related to management estimates in determining the fair values of private equity investments. Risks related to the valuations of private equity investments are described in Note 25.

Unlisted private equity investments held by the company and contingent liabilities connected to any obligation to redeem shares in the company's target companies have been categorised as 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	2021	2020
Receivables from the subsidiaries' related parties		
Acquisition cost at the beginning of the period	0	234
Reductions		-234
Book value at the end of the period	**0**	**0**
Other receivables	**25**	**12**
Receivables, total	**25**	**12**

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. 2021	Recognised through profit or loss	31 Dec. 2021
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**

EUR 1,000	1 Jan. 2020	Recognised through profit or loss	31 Dec. 2020
Deferred tax assets:			
Investments and liabilities at fair value through profit or loss	406	-315	91
Leases	0	0	0
Unused tax losses	0	1,296	1,296
Total	**406**	**981**	**1,387**
Deferred tax liabilities:			
Investments and liabilities at fair value through profit or loss	-3,125	-2,683	-5,808
Total	**-3,125**	**-2,683**	**-5,808**

18. ACCRUED INCOME AND OTHER RECEIVABLES

EUR 1,000	2021	2020
Accrued income	32	38
Loan receivables		1,000
Total	**32**	**1,038**

At the end of 2020, loan receivables consisted of a purchase price receivable related to the sale of the Suvanto Trucks Oy shares. It was paid in full to Sievi Capital during 2021.

19. CASH AND CASH EQUIVALENTS

EUR 1,000	2021	2020
Cash and cash equivalents		
Cash and bank balances	1,832	8,608
Cash and cash equivalents, total	**1,832**	**8,608**

20. NOTES RELATING TO SHAREHOLDERS' EQUITY

1,000 units	Number of shares, pcs	Share capital	Reserve for invested unrestricted equity
1 Jan. 2021	**57,974**	**15,179**	**12,886**
Share issue	104	0	0
31 Dec. 2021	**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. The company has one share class and each share entitles its holder to one vote. 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 29 April 2021 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 2022 and their content is described in more detail in the stock exchange release about the decisions of the General Meeting, published on 29 April 2021.

Share issues

On 7 April 2021, Sievi Capital's Board of Directors decided on a directed share issue without consideration in order to issue, as part of the company's key personnel incentive scheme, matching shares in accordance with the matching share plan 2020–2024 established by the company on 6 March 2020. The share issue decision was based on the share issue authorisation granted to the Board of Directors by the company's Extraordinary General Meeting on 29 January 2020. A total of 104,486 new shares in the company were issued without consideration to the key personnel participating in the matching share plan 2020–2024 in accordance with the terms and conditions of the matching share plan.

Proposal of the Board of Directors on the distribution of funds

The parent company's distributable funds on 31 December 2021 were EUR 38,756,090.07. The Board of Directors proposes to the Annual General Meeting that no dividend for the past financial period be distributed by resolution of the Annual General Meeting, but that the Annual General Meeting 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. The proposed authorisation would be valid from the date of the resolution until the next Annual General Meeting, however, at the latest until 31 May 2023. The company will publish the Board of Directors' possible dividend distribution decisions separately and confirm the dividend record and payment dates at the same time.

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 after the acquisitions of investments carried out last year and expected cash flows during the current year. The Board of Directors aims to use the proposed authorisation during the current year.

Dividends paid during the financial period

A dividend of EUR 0.04 per share (approximately EUR 2.3 million in total) has been paid for the financial period ended on 31 December 2020 by a resolution of the Annual General Meeting of 29 April 2021.

21. LIABILITIES

EUR 1,000	2021	2020
Non-current		
Loans from financial institutions	5,500	
Lease liabilities	129	
Other liabilities	4,186	19
Current		
Lease liabilities	101	12
Accrued expenses		
Accrued expenses caused by employee benefits	214	215
Interest liabilities	13	
Trade payables	645	88
Other liabilities		
Liabilities to be paid to the Tax Administration	68	59
Liabilities, total	**10,856**	**394**

The loans from financial institutions are floating-rate. The weighted average of interest rates on 31 December 2021 was 0.85%.

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 contingent liabilities at fair value through profit or loss in other liabilities.

If the fair value of contingent liabilities included in other liabilities was to increase (decrease) by 10%, this would have an impact of EUR -0.4 million (+0.4 million) on profit before taxes.

Liabilities and their interest falling due, 31 Dec. 2021:

	Loans from financial institutions with interest	Lease liabilities with interest	Other liabilities	Total
In less than 3 months	24	26	811	861
In 3 months – less than 12 months	24	78	117	219
In 1–2 years	5,548	104		5,652
In 2–5 years		26	4,186	4,212
In more than 5 years				0
Total	**5,595**	**234**	**5,114**	**10,943**

22. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR 1,000	2021	2020
Adjustments to the net profit for the period		
Unrealised changes in fair values of investments	-12,917	-12,957
Realised profits/losses & expenses of investments		2,869
Dividend income	-11,478	-3,195
Interest and financial income	-42	-26
Financial expenses	33	75
Depreciation according to plan	99	52
Share-based incentive schemes	43	103
Total	**-24,261**	**-13,080**

23. CONTINGENT LIABILITIES

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	90.5%	90.5%
Logistikas Oy	Finland	65.9%	65.9%
Nordic Rescue Group Oy	Finland	67.9%	67.9%
HTJ Holding Oy	Finland	92.4%	92.4%

(1) of outstanding shares

Related party transactions during the period

EUR 1,000	2021	2020
Fee for consultancy services to a related party company of a member of the Board of Directors [(1)]	50	
Common expenses associated with the combination project of Sievi Capital Plc and Boreo Plc [(2)]	298	
Share issue for cash to the CEO and other management		177
Share transaction concerning Suvanto Trucks Oy's shares [(3)]		1,000
Transactions with related parties, total	**348**	**1,177**

(1) 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.
(2) 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).
(3) Sievi Capital sold its holding in Suvanto Trucks Oy on 21 December 2020. In the transaction, Suvanto Trucks, which was Sievi Capital's subsidiary before the transaction, acquired the Suvanto Trucks Oy shares owned by Sievi Capital at the purchase price of EUR 1.0 million. The purchase price was paid in instalments during 2021.

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

EUR 1,000	2021	2020
Salary and fees paid to the CEO		
Jussi Majamaa (CEO since 1 September 2021)		
Salaries and other short-term employee benefits	45	
Statutory pension contributions	10	
Päivi Marttila (CEO until 1 September 2021) [(1)]		
Salaries and other short-term employee benefits	221	220
Share-based remuneration	138	
Statutory pension contributions	51	50
Salary and fees paid to those in the role of CEO and their statutory pension contributions in total	**465**	**271**

The figures in the table above are shown on an accrual payment basis
(1) Also includes salary and fees paid during the period 1 September 2021–31 December 2021

EUR 1,000		2021	2020
Other management			
Salaries and other short-term employee benefits		161	168
Share-based remuneration		83	
Salary and fees paid to other management		**243**	**168**
Fees paid to the Board of Directors			
Lennart Simonsen	Chair of the Board of Directors since 29 April 2021	25	
Tuomo Lähdesmäki	Chair of the Board of Directors until 29 April 2021	17	39
Simon Hallqvist	Member of the Board of Directors since 29 April 2021	0	
Juha Karttunen	Member of the Board of Directors since 29 April 2021	16	
Kati Kivimäki	Member of the Board of Directors	27	25
Asa-Matti Lyytinen	Member of the Board of Directors until 29 April 2021	11	25
Taru Narvanmaa	Member of the Board of Directors	27	25
Klaus Renvall	Member of the Board of Directors until 29 April 2021	11	25
Fees paid to the Board of Directors, total		**134**	**140**

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

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 may also have significant direct and indirect impacts on the target company 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 escalation of the Ukrainian crisis after the end of the financial period and the resulting sanctions are not expected to have significant direct impacts on Sievi Capital, under current circumstances. However, the prolongation or expansion of the crisis 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.

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.

	2021	2020
Gearing	8.6%	-11.1%
Equity ratio	82.4%	92.6%

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 15 February 2022, Sievi Capital announced that Tuomas Joensuu had been appointed interim CFO of Sievi Capital as of 15 March 2022. He joined Sievi Capital in 2019 and has worked as Investment Manager, focusing on investment projects and development of current target companies as well as supporting the company's financial administration.

On 23 February 2022, Sievi Capital announced that Sievi Capital had received a flagging notification announcing that Mikko Laakkonen's holding of shares in Sievi Capital Plc and related votes had crossed the threshold of ten per cent (10%) on 21 February 2022.

Group's key indicators

KEY INDICATORS, IFRS

EUR 1,000	2021	2020
Key financial indicators		
Income, EUR million	11.5	3.2
Operating profit, EUR million	20.2	11.7
Net profit for the period, EUR million	18.4	9.9
Return on equity, %	21.6	12.7
Return on capital employed, %	22.4	15.0
Loans from financial institutions, EUR million	5.5	0.0
Gearing, %	8.6	-11.1
Equity ratio, %	82.4	92.6
Personnel, average	7	5
Key indicators per share		
Earnings per share, EUR, undiluted	0.32	0.17
Earnings per share, EUR, diluted	0.32	0.17
Shareholders' equity per share, EUR	1.61	1.33
Dividend per share, EUR (1)	0.00–0.05	0.04
Dividend per earnings, % (1)	0.0–15.7	23.4
Effective dividend yield, % (1)	0.0–2.6	3.7
Price-to-earnings ratio (P/E)	6.0	6.3
Share trading		
Number of shares traded, 1,000	84,021	58,643
Percentage of total shares, %	144.7	101.2

EUR 1,000	2021	2020
Share performance		
Lowest price, EUR	1.06	0.85
Highest price, EUR	2.65	1.45
Average price, EUR	1.58	1.05
Price at the end of the period, EUR	1.92	1.08
Market capitalisation at the end of the period, EUR million	111.3	62.6
Number of shares		
At the end of the period, 1,000	58,079	57,974
Average during the period, undiluted, 1,000	58,051	57,930
Average during the period, diluted, 1,000	58,145	57,951

(1) The Board of Directors' proposal for the distribution of profit is that no dividend for the past financial period be distributed by resolution of the Annual General Meeting, but that the Annual General Meeting 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. The key figures for 2021 are presented within the variation range of dividends per share (EUR 0.00–0.05).

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, %	$\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$	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, %	$\frac{\text{(Profit before taxes + financial expenses)} \times 100}{\text{Balance sheet total - non-interest-bearing liabilities (average)}}$	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, %	$\frac{\text{(Financial liabilities}^{(1)}\text{ - cash and cash equivalents and other financial assets)} \times 100}{\text{Equity}}$	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, %	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total - advance payments received}}$	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	$\frac{\text{Net profit for the period}}{\text{Average number of shares during the financial period}}$	
Shareholders' equity per share (2)	$\frac{\text{Equity}}{\text{Number of shares at the end of the financial period}}$	Shareholders' equity per share or net asset value per share indicates the amount of equity per share.
Dividend per share	$\frac{\text{Dividend to be distributed for the financial period}}{\text{Number of shares at the end of the financial period}}$	
Dividend per earnings, %	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$	
Effective dividend yield, %	$\frac{\text{Dividend per share} \times 100}{\text{Share price at the end of the year}}$	
Price-to-earnings ratio (P/E)	$\frac{\text{Share price at the end of the year}}{\text{Earnings per share}}$	
Average share price	$\frac{\text{Total share turnover}}{\text{Number of shares traded}}$	
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 contingent liabilities
(2) Corresponds with net asset value per share

Parent company's financial statements (FAS)

INCOME STATEMENT

EUR	Note	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Personnel expenses	1	-1,249,198.93	-890,437.04
Depreciation	2	-13,281.79	-4,901.01
Other operating expenses	3	-2,772,770.31	-641,430.83
Operating profit		**-4,035,251.03**	**-1,536,768.88**
Financial income	4	11,519,954.75	3,221,643.87
Financial expenses	4	-29,825.10	-4,974,742.97
Impairment of investments in non-current assets	4	-4,331,153.63	0.00
Profit before appropriations and taxes		**3,123,724.99**	**-3,289,867.98**
Income taxes	5	0.00	-4.79
Net profit for the period		**3,123,724.99**	**-3,289,872.77**

BALANCE SHEET

EUR	Note	31 Dec. 2021	31 Dec. 2020
ASSETS			
Non-current assets			
Tangible assets			
Machinery and equipment	6	39,845.38	14,702.95
		39,845.38	14,702.95
Investments			
Holdings in Group companies	7	58,445,607.69	43,843,530.00
		58,445,607.69	**43,843,530.00**
Non-current assets, total		**58,485,453.07**	**43,858,232.95**
Current assets			
Non-current receivables			
Other receivables	8	25,245.00	11,730.00
		25,245.00	**11,730.00**
Current receivables			
Loan receivables	9	0.00	1,000,000.00
Accrued income	9	32,300.62	38,205.57
		32,300.62	**1,038,205.57**
Cash and cash equivalents		**1,831,830.91**	**8,607,973.13**
Current assets, total		**1,889,376.53**	**9,657,908.70**
Assets, total		**60,374,829.60**	**53,516,141.65**

EUR	Note	31 Dec. 2021	31 Dec. 2020
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		22,746,854.73	28,359,883.30
Net profit for the period		3,123,724.99	-3,289,872.77
Total equity	10	**53,934,657.57**	**53,134,088.38**
Liabilities			
Non-current			
Loans from financial institutions	11	5,500,000.00	0.00
Accrued expenses	11	0.00	19,425.00
Current			
Trade payables	11	645,215.08	88,010.83
Other liabilities	11	68,094.52	59,118.53
Accrued expenses	11	226,862.43	215,498.91
		940,172.03	**362,628.27**
Total liabilities		**6,440,172.03**	**382,053.27**
Equity and liabilities, total		**60,374,829.60**	**53,516,141.65**

CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Cash flow from operating activities			
Net profit for the period		3,123.7	-3,289.9
Adjustments to the net profit for the period	12	-7,145.7	1,758.0
Change in working capital	12	550.5	120.6
Purchase of investments		-18,933.2	-14,792.4
Proceeds from and expenses related to sale of investments		0.0	-62.9
Repayment of loan receivables		1,000.0	233.7
Interest received		41.6	26.4
Financial expenses paid		-29.8	-8.8
Dividends received		11,478.4	3,195.2
Taxes paid		0.0	-1.3
Cash flow from operating activities		**-9,914.6**	**-12,821.3**
Cash flow from investing activities			
Investments in tangible assets		-38.4	-2.0
Cash flow from investing activities		**-38.4**	**-2.0**
Cash flow from financing activities			
Investments in other financial assets		0.0	-23,600.0
Sale of other financial assets		0.0	23,534.0
Proceeds from long-term loans		5,500.0	0.0
Share issue		0.0	221.5
Dividends paid		-2,323.2	-10,983.8
Cash flow from financing activities		**3,176.8**	**-10,828.3**
Change in cash and cash equivalents		**-6,776.1**	**-23,651.6**
Cash and cash equivalents 1 Jan.		8,608.0	32,259.5
Cash and cash equivalents 31 Dec.		**1,831.8**	**8,608.0**

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	2021	2020
Salaries, wages and fees	1,100	786
Pension costs	129	75
Other indirect personnel expenses	20	29
Total	**1,249**	**890**

Pension costs are defined-contribution costs.

Average number of employees during the financial period		
Employees	7	5
Total	**7**	**5**

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	2021	2020
Depreciation and amortisation by asset class		
Tangible assets		
Machinery and equipment	13	5
Total	**13**	**5**
Depreciation and amortisation, total	**13**	**5**

3. OTHER OPERATING EXPENSES

EUR 1,000	2021	2020
Expenses related to premises and properties	134	54
Expert services	2,289	382
Other operating expenses	350	205
Total	**2,773**	**641**
Of which expenses associated with the cancelled combination project of Sievi Capital Plc and Boreo Plc.	1,652	
Auditor's fees		
Auditing	62	48
Auditor's certificates and statements	24	
Tax services	5	
Other services	38	
Total	**130**	**48**

4. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2021	2020
Return on holdings in Group companies		
Dividend income	11,478	3,195
Total	**11,478**	**3,195**
Other interest and financial income		
From others	42	26
Total	**42**	**26**
Interest expenses and other financial expenses		
Losses from the sale of Group company shares (1)		-4,900
Other financial expenses	-30	-75
Total	**-30**	**-4,975**
Impairment of investments in non-current assets		
Impairment of holdings in Group companies	-4,331	0
Total	**-4,331**	**0**
Financial income and expenses, total	**7,159**	**-1,753**

(1) The figure for 2020 includes expenses related to the sale of the Suvanto Trucks Oy shares, a total of ca. EUR 63,000.

5. INCOME TAXES

EUR 1,000	2021	2020
Tax based on taxable income for the financial period	0	0
Total	**0**	**0**

6. TANGIBLE ASSETS

2021

EUR 1,000	Machinery and equipment	Tangible assets, total
Acquisition cost 1 Jan. 2021	27	27
Additions	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**

2020

EUR 1,000	Machinery and equipment	Tangible assets, total
Acquisition cost 1 Jan. 2020	25	25
Additions	2	2
Reductions		0
Acquisition cost 31 Dec. 2020	**27**	**27**
Accumulated depreciation 1 Jan. 2020	-7	-7
Depreciation	-5	-5
Reductions		0
Accumulated depreciation 31 Dec. 2020	**-12**	**-12**
Book value 1 Jan. 2020	18	18
Book value 31 Dec. 2020	**15**	**15**

7. HOLDINGS IN GROUP COMPANIES

EUR 1,000	2021	2020
Acquisition cost 1 Jan	43,844	34,888
Addition, KH-Koneet Group Oy's shares	8,643	855
Addition, Logistikas Oy's shares		5,600
Addition, Nordic Rescue Group Oy's shares	2,520	8,338
Reduction, Suvanto Trucks Oy's shares		-5,837
Increase, HTJ Holding Oy's shares	7,770	
Acquisition cost 31 Dec.	**62,777**	**43,844**
Impairments	-4,331	
Book value 31 Dec.	**58,446**	**43,844**

Group companies	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	90.5%	20,348
Logistikas Oy	Finland	65.9%	5,600
Nordic Rescue Group Oy	Finland	67.9%	6,526
HTJ Holding Oy	Finland	92.4%	7,770
			58,446

(1) of outstanding shares

8. NON-CURRENT RECEIVABLES

EUR 1,000	2021	2020
Other receivables	25	12
Book value 31 Dec.	**25**	**12**

9. CURRENT RECEIVABLES

EUR 1,000	2021	2020
Loan receivables		1,000
Accrued income	32	38
Total	**32**	**1,038**

10. EQUITY

EUR 1,000	2021	2020
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	12,664
Share issue		222
Reserve for invested unrestricted equity 31 Dec.	**12,886**	**12,886**
Retained earnings		
Retained earnings 1 Jan.	25,070	39,344
Profit distribution	-2,323	-10,984
Retained earnings 31 Dec.	**22,747**	**28,360**
Net profit/loss for the period	**3,124**	**-3,290**
Unrestricted equity, total	**38,756**	**37,956**
Total equity	**53,935**	**53,134**
Statement of distributable equity at the end of the period		
Reserve for invested unrestricted equity	12,886	12,886
Retained earnings	22,747	28,360
Net profit for the period	3,124	-3,290
Total	**38,756**	**37,956**

11. LIABILITIES

EUR 1,000	2021	2020
Liabilities, non-current		
Loans from financial institutions	5,500	
Accrued expenses		19
Total	**5,500**	**19**
Other liabilities, the most significant items		
Trade payables	645	88
Withholding tax and health insurance contribution liabilities	68	59
Total	**713**	**147**
The most significant items included in accrued expenses		
Personnel expenses, long-term		19
Personnel expenses, short-term	214	215
Total	**214**	**235**

12. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR 1,000	2021	2020
Adjustments to the net profit for the period		
Depreciation according to plan	13	5
Financial income and expenses	-7,159	1,753
Taxes		0
Total	**-7,146**	**1,758**
Changes in working capital		
Increase (-)/decrease (+) in current non-interest-bearing trade receivables	-8	0
Increase (+)/decrease (-) in current non-interest-bearing liabilities	558	120
Change in working capital, total	**551**	**121**

13. CONTINGENT LIABILITIES

EUR 1,000	2021	2020
Lease liabilities		
Payable within one year	104	88
Payable in more than one year but at the latest within five years	130	227

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 Sievi Capital’s contingent redemption obligation on the balance sheet date is EUR 4.2 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, 2 March 2022

Lennart Simonsen
Chair of the Board of Directors

Simon Hallqvist
member of the Board of Directors

Juha Karttunen
member of the Board of Directors

Kati Kivimäki
member of the Board of Directors

Taru Narvanmaa
member of the Board of Directors

Jussi Majamaa
CEO

Auditor’s note

A report on the audit performed has been issued today.

Helsinki, 2 March 2022

KPMG Oy Ab

Esa Kailiala
APA

Auditor's Report

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, 2021. 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.

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.

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, totalling EUR 108,3 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 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.

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 23 years. Sievi Capital Oyj became a public interest entity on 25 April 2000. We have been the company´s auditors since it became 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 2 March 2022

KPMG OY AB
Esa Kailiala
Authorised Public Accountant, KHT

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 2021 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.

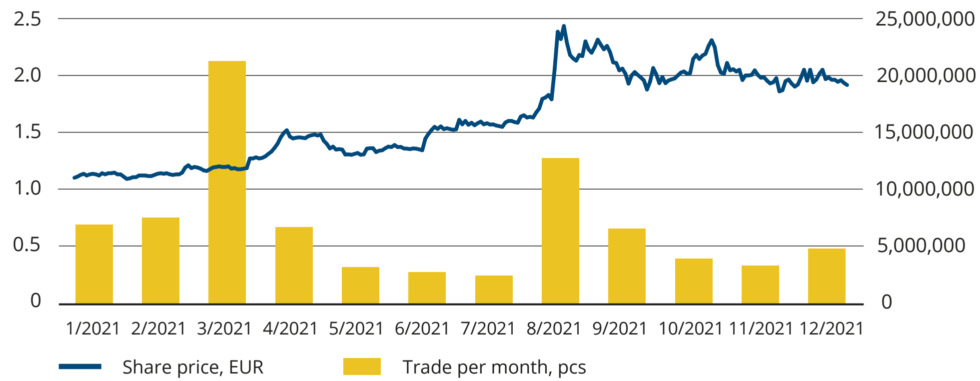
SHARE PRICE DEVELOPMENT, TRADE AND MARKET CAPITALISATION

The closing price of Sievi Capital's share at the end of 2020 was EUR 1.08. During the review period, the highest share price was EUR 2.65, the lowest was EUR 1.06 and the trade-weighted average price was EUR 1.58. At the end of the year, the closing price was EUR 1.92 and the market capitalisation was EUR 111.3 (62.6) million. The number of Sievi Capital's shares traded on Nasdaq Helsinki during 2021 was 84.0 (58.6) million, which accounted for 144.7% (101.2%) of all outstanding shares.

SHAREHOLDERS

On 31 December 2021, Sievi Capital had a total of 13,787 (10,440) shareholders. The ten largest registered shareholders owned 41.0% (48.0%) of the shares. Nominee-registered shares accounted for 9.4% (6.4%) of the shares. During the review period, the company received four flagging notifications concerning changes in holdings in Sievi Capital. Jussi Capital Oy gave three flagging notifications: 11 February 2021 announcing that its holding had decreased below 30 per cent, 12 March 2021 below 20 per cent and 24 March below 5 per cent. Sievi Capital received on 24 March 2021 also a flagging notification from Preato Capital AB, in which the company announced its holding had crossed the threshold of 20 per cent.

SHARE PRICE AND TRADE VOLUME IN 2021



10 LARGEST REGISTERED SHAREHOLDERS ON 31 DECEMBER 2021

	Number of shares	% of shares and votes
Preato Capital Ab	13,490,000	23.23
Laakkonen Mikko Kalervo	5,436,737	9.36
Takanen Martti Tapio	1,954,218	3.36
Danske Invest Finnish Equity Fund	1,070,000	1.84
Takanen Sanna Johanna	428,891	0.74
Takanen Juha Petteri	421,191	0.73
Kuusisto Teppo	320,000	0.55
Amlax Oy	310,000	0.53
Markku Lauri Juhana Rautanen	206,100	0.35
Rötkapital Oy	180,000	0.31
10 largest registered shareholders, total	**23,817,137**	**41.00**

Shares and shareholders

SHARE DISTRIBUTION ON 31 DECEMBER 2021

Number of shares	Number of shareholders	% of share-holders	Number of shares	% of shares
1–100	2,383	17.28	117,786	0.20
101–500	3,822	27.72	1,172,204	2.02
501–1,000	2,578	18.70	2,156260	3.71
1,001–5,000	3,980	28.87	9,685,797	16.68
5,001–10,000	597	4.33	4,444,281	7.65
10,001–50,000	370	2.68	7,626,093	13.13
50,001–100,000	35	0.25	2,407,935	4.15
100,001–500,000	16	0.12	3,423,692	5.90
500,001–	6	0.04	27,044,847	46.57
Total	**13,787**	**100**	**58,078,895**	**100**
Nominee-registered	8		5,481,248	9.44
Number of shares issued			58,078,895	100

SHAREHOLDING BY SECTOR ON 31 DECEMBER 2021

Sector	Number of shareholders	% of share-holders	Number of shares	% of shares
Private companies	455	3.30	4,079,798	7.03
Financial and insurance institutions	12	0.09	1,407,772	2.42
Households	13,271	96.26	33,458,665	57.61
Non-profit organisations	10	0.07	60,710	0.11
Foreigners	39	0.28	13,590,702	23.40
Total	**13,787**	**100**	**58,078,895**	**100.00**
Nominee-registered	8		5,481,248	9.44
Number of shares issued			58,078,895	100

Information to shareholders

ANNUAL GENERAL MEETING 2022

Sievi Capital Plc's Annual General Meeting is scheduled for Wednesday, 11 May 2022. 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 2022

- Financial Statements Release for 2021 on 3 March 2022
- Business Review for January–March 2022 on 5 May 2022
- Half-Year Report for January–June 2022 on 17 August 2022
- Business Review for January–September 2022 on 3 November 2022

IR CONTACT

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Cover photo: Getty Images
Other photos: Jaakko Jaskari
Contents: Sievi Capital, Pohjoisranta BCW
Design & layout: Pohjoisranta BCW
Printing house: Paino-Kaarina

Team

From left: Markus Peura, CFO; Tuomas Joensuu, Investment Manager; Jussi Majamaa, CEO; Tiina Gröndahl, Executive Assistant; Tommi Rötkin, Investment Director and Paavo Pakkanen, Investment Director

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Sievi Capital