



Inside information: CapMan Plc acquires Dasos Capital Oy, an asset management company focusing on sustainable timberland investment, and expands its activities into natural capital

CapMan Plc
Stock Exchange Release / Inside information
21 December 2023 7:35 p.m. EET

Inside information: CapMan Plc acquires Dasos Capital Oy, an asset management company focusing on sustainable timberland investment, and expands its activities into natural capital

- CapMan acquires Dasos Capital Oy, an asset management company focusing on sustainable timberland investments, through a share exchange and expands its activities into natural capital.
- The acquisition supports CapMan's vision of becoming the most responsible private asset company in the Nordics and significantly promotes CapMan's strategic objective to increase assets under management to EUR 10 billion during the ongoing strategy period.
- Following the acquisition, the share of real assets investment strategies of CapMan's assets under management increases to 80 per cent.
- The acquisition strengthens CapMan's fee-based profitability significantly.
- The debt free purchase price is EUR 35 million. In addition, CapMan has committed to paying an additional earn-out consideration of a maximum EUR 5 million based on incurred management fee turnover in 2025 and 2026.
- The equity price for Dasos' shares is paid in shares of CapMan by a directed share issue and a cash consideration.

CapMan Plc ("CapMan") signed on 21 December 2023 an agreement on the acquisition of all the shares of Dasos Capital Oy ("Dasos") from the company's current shareholders.

Dasos is a leading timberland and natural capital investment asset manager in Europe and a significant player globally. Dasos focuses on managing sustainable timberland investments, natural sites and forest carbon sinks, as well as developing value in

Europe and emerging markets. The investors in the funds managed by Dasos are domestic and foreign institutions, mainly pension and insurance companies. At present, Dasos manages seven funds, which have a total asset value of approximately EUR 1.4 billion and which manage 266,000 hectares of forest in eight countries. The carbon sequestration of Dasos' managed forests amounted to over one million tCO₂e in 2022. The Dasos team in Helsinki, Mikkeli and Switzerland will continue to manage the funds and implement the investment strategy. In 2022, Dasos Group's adjusted turnover was EUR 4.5 million (EUR 3.4 million in 2021) and operating profit was EUR 2.2 million (EUR 1.7 million). Operating profit for 2023 is projected at approximately EUR 2.7 million. As of the end of 2022, Dasos balance sheet was EUR 5.8 million, of which equity amounted to EUR 4.4 million. Dasos has no interest-bearing debt. In 2023, Dasos has employed on average eight persons. Dasos does not consolidate its financial statements and the financial information presented here is not audited.

The acquisition has no impact on CapMan's comparable result for the current year, and therefore has no impact on CapMan's outlook for 2023 as described in the Interim Report published on 26 October 2023. The acquisition would have had a slight positive impact to the comparable earnings per share for 2023, should the acquisition had been completed in the beginning of 2023.

The acquisition promotes CapMan's strategic objectives

The acquisition is estimated to expand CapMan's fee-generating assets under management by approximately EUR 630 million and increases the share of real assets investment strategies to approximately 80 per cent. The acquisition will expand CapMan's activities into natural capital and timberland investments and will bring several opportunities to expand and develop Natural Capital as a new investment area through its offering in the form of other natural capital and impact products. In addition, the acquisition supports CapMan's vision of becoming the most responsible private asset company in the Nordics.

Pia Kåll, CEO of CapMan: "I am truly excited about this opportunity to join forces with Olli Haltia and his team to accelerate natural capital and timberland investment strategies together. Dasos is a pioneer in its field. We are highly convinced of the operating model developed by the team and its ability to create a strong platform on which to build future growth. Dasos is an excellent fit with our strategy and diversifies the current Nordic investment strategies geared towards real assets. Sustainable natural capital is a globally growing asset class. By combining Dasos' professional team and a good return history with CapMan's experience in scaling products and internationalising the investor base, we are creating formidable conditions for rapid growth."

Following the acquisition, Dasos will form the core of the new CapMan Natural Capital investment area, led by Dasos' current CEO and senior partner Olli Haltia.

"We are inspired to join forces with such a well-established and prestigious private assets house as CapMan", says Olli Haltia. "Partnering with CapMan allows leveraging synergies between the companies and strengthening the focus on Dasos' value creation and investment activity. Forests and all natural ecosystems are globally under pressure resulting from population growth and massively increased economic well-being. For the coming decades, we need to move on with investing into and re-building our natural capital. The demand for sustainable wood as well as for forest-based nature and carbon sequestration services is expected to increase substantially in the foreseeable future. Combining CapMan's deeply rooted private asset experience with Dasos' expertise will form an excellent instrument to address the widening investment opportunities in the context of forest-based natural capital."

"Sustainable development is at the core of CapMan's value proposition and our vision is to be the most responsible private asset company in the Nordics. Dasos helps us achieve our vision and promote sustainable value creation. Timberland investments are inherently carbon negative, and the certification of forests and enablement of the green transition through land leases for wind and solar power production are added value factors in the investment strategy," Kåll continues.

Main terms and schedule of the acquisition

The equity price paid at closing equals the enterprise value of EUR 35 million adjusted with net debt/cash at closing and certain customary post-closing adjustments (the "Purchase Price"). CapMan intends to pay the Purchase Price by a directed share issue to the current shareholders of Dasos (the "Share Issue") and with a cash component, which amounts to a maximum of approximately 9 per cent of the Purchase Price. The subscription price for the shares issued in the Share Issue is according to the agreement negotiated between the parties determined by the 30-day volume weighted average share price of CapMan prior to the signing of the acquisition and is thus EUR 2.0938 per share. The total number of shares is estimated at 18.3 million and the theoretical maximum number of shares is approximately 20 million depending on the timing of the completion of the acquisition and post-closing adjustments depending on the amount of net debt and working capital. The Purchase Price is now anticipated to be approximately EUR 41.6 million at closing. The shares can be issued in several lots.

If CapMan's dividend or other distribution of funds before the closing would exceed the level expected to be proposed by CapMan's Board of Directors, as communicated on 25 October 2023, the subscription price and/or the number of consideration shares shall be adjusted in proportion. The cash consideration will be paid from CapMan's current cash and bank assets, and no external financing will be used to finance the acquisition. In addition, CapMan has committed to paying an additional earn-out consideration of a maximum EUR 5 million based on management fee turnover incurred in 2025 and 2026, payable when the management fees of the funds managed by Dasos exceed certain limits. The additional consideration will be paid later in 2026 and 2027 in CapMan's shares.

The completion of the acquisition is subject to, among others, CapMan's Extraordinary General Meeting authorising the Board of Directors to resolve on the issuance of new shares. The notice of the Extraordinary General Meeting to be held in January 2024 to resolve on the authorisation of the Board of Directors will be published on or about 22 December 2023. CapMan's largest shareholder Silvertärnan Ab, Momea Invest Oy, Oy Inventiainvest Ab, Joakim Frimodig, members of the management team who own CapMan shares and Mikko Laakkonen, which in total own approximately 22.4 per cent of all the shares and votes in CapMan, have committed to vote in favour of said authorisation at the General Meeting. CapMan's Board of Directors is expected to decide on the timing and terms of the Share Issue in connection with the closing of the acquisition based on the authorisation given by the General Meeting.

The completion of the acquisition is also conditional on the approvals by the Finnish Competition and Consumer Authority and the Finnish Financial Supervisory Authority as well as consents from certain investors of certain funds managed by Dasos. The acquisition is intended to be completed during the first half of 2024, following the completion of the conditions precedent.

Under the terms of the acquisition, the right to the carried interest income of existing funds under Dasos is not transferred to CapMan. The carried interest income from new funds to be established will be distributed between the investment team of Dasos and

CapMan in accordance with the general principles for funds managed by CapMan.

The sellers that are actively participating in Dasos' investment activities have committed to a 36-month transfer restriction starting from the closing of the acquisition of the shares received from CapMan as consideration in connection with the closing. The transfer restriction will be gradually lifted so that 90 per cent of these sellers' shares will be subject to the transfer restriction at the time of the closing and the amount will reduce annually so that the remaining 70 per cent will be released after the third year. Shares used for paying the additional earn-out consideration are subject to a transfer restriction for a period of 12 months from their issuance. The sellers committed to the transfer restriction account for approximately 69.65% of the total purchase price.

Press conference for analysts and investors

CapMan will hold a press conference for analysts, investors and the media, which can be followed via a live webcast at <http://capman.videosync.fi/2023-12-22-webcast> as of 11 a.m. EET on 22 December 2023. In connection with the event, it is possible to ask questions through the chat function on the webcast website. The language of the event is English. The webcast presentation will be available on CapMan's website at <http://capman.com/shareholders/financial-reports/> after the event.

CAPMAN PLC
Board of Directors

DISTRIBUTION
Nasdaq Helsinki
Principal media
www.capman.com

Contact details:
Pia Käll, CEO, CapMan Oyj, tel. +358 40 766 4446

About CapMan

CapMan is a leading Nordic private asset expert with an active approach to value creation. As one of the private equity pioneers in the Nordics, it has built value in unlisted businesses, real estate, and infrastructure for over three decades. With approx. EUR 5 billion in assets under its management, its objective is to provide attractive returns and innovative solutions to investors. An example of this are the greenhouse gas reduction targets that it has set under the Science Based Targets initiative in line with the 1.5°C scenario. It has a broad presence in the unlisted market through its local and specialised teams. Its investment strategies cover minority and majority investments in portfolio companies and real estate, as well as infrastructure assets. It also provides wealth management solutions. Its service business includes procurement services. Altogether, CapMan employs approximately 180 professionals in Helsinki, Stockholm, Copenhagen, Oslo, London, Luxembourg and Jyväskylä. It has been listed on Nasdaq Helsinki since 2001. Learn more at www.capman.com.