

INTERIM REPORT
1/1–31/3/2017



NORVESTIA

NORVESTIA IN BRIEF

Norvestia Oyj is a publicly listed investment company. Norvestia's twofold investment strategy consists of market investments and Growth Equity. Market investments are made primarily in Nordic listed shares, funds and bonds. Growth Equity investments are made in Nordic unlisted companies, growth-oriented listed companies and private equity funds.

Norvestia Oyj became CapMan Group's subsidiary 19 December 2016. CapMan Plc owned 92.5% of Norvestia's shares 31 March 2017. Consequently, a right and obligation has arisen, as per the Finnish Companies Act, for CapMan to redeem the rest of Norvestia shares. The redemption process started in January 2017.

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Net Asset Value (dividend-adjusted) increased by
6.3% during the period (2.4%).

Net Asset Value per share was
EUR 8.64 at the end of the period (10.52).

The result for the period amounted to
EUR 7.8 million (4.1).

No dividend was distributed for 2016
(EUR 4.14 per share for 2015).

REDEMPTION PROCEEDINGS COMMENCED IN NORVESTIA'S SHARES

In January CapMan Plc submitted an application to the Redemption Committee of the Finnish Central Chamber of Commerce to commence arbitration proceedings for the redemption of Norvestia's minority shares. CapMan holds 92.5% of Norvestia's shares. CapMan announced that it will offer in this compulsory redemption proceeding EUR 7.14 per share in cash to Norvestia's minority shareholders. The final redemption price will be determined by the Arbitral Tribunal designated by the Redemption Committee of the Finnish Central Chamber of Commerce. The decision of the Arbitral Tribunal is expected in the fall at the latest. The Helsinki District Court has appointed Olli Rautiainen (MSc (Econ.), LL.M.) to act as a special representative to look after the interests of Norvestia's minority shareholders. 12 April 2017 the Board of Directors resolved to apply for the delisting of Norvestia's shares.

CAPITAL MARKETS

2017 began positively on the capital markets. Almost all of the world's core stock markets rose during the first quarter of the year. The OMX Helsinki CAP Yield Index, which measures the development of the Helsinki stock exchange, rose by 4.4% and the S&P 500 Index, which describes the development of the US stock exchange, by 5.5%. The positive tone on the stock market has now continued since the November 2016 presidential elections in the US. The value of the OMX Helsinki CAP Yield Index, for example, has risen by over 12% since the elections and the S&P 500 Index by slightly more.

Last months' increase in share prices came as a surprise to many investors, as share prices had already risen to historical highs. Countering these record highs is the low interest rate level which has prevailed for many years, and which, together with the support purchases of the European Central Bank (ECB), funnels assets into the stock markets. In addition to positive company result expectations there are many other factors behind the rise of the stock market, one of the most important being the lack of reasonable low-risk investment alternatives.

The promises of the US president Donald Trump to reduce taxation, increase industrial support and make America great again have also pleased investors. However, the new president has come to realize that making changes in a political system such as the US is not easy. This was demonstrated when his health reform bill failed to pass the senate. An interesting question is how long the positive tone of the stock market will continue if Donald Trump's government does not succeed in making its promised reforms in taxation and in other matters.

Growth forecasts for the Finnish economy have been revised upwards in recent weeks. According to the latest predictions, the Finnish economy will grow by 1.3% this year and by 1.5% next year. This revised forecast is based mainly on the long-awaited recovery in global trade. The global economy is forecast to grow by 3.7% this year, which would be the fastest growth since 2011.

Index yields on various exchanges for the first three months of 2017 were as follows:

Finland/OMX Helsinki Index	3.0%
Finland/OMX Helsinki CAP Yield Index	4.4%
Sweden/OMX Stockholm Index	5.3%
Norway/OBX Index	0.1%
Denmark/OMX Copenhagen Index	4.6%
USA/Nasdaq Composite Index	9.8%
USA/S&P 500 Index	5.5%
Bloomberg European 500 Index	5.3%
MSCI World Index	5.9%
Japan/Nikkei 225 Index	-1.1%

Norvestia's share price (dividend-adjusted)	-1.5%
Norvestia's Net Asset Value (dividend-adjusted)	6.3%

NORVESTIA'S INVESTMENTS

Norvestia's twofold investment strategy consists of market investments and Growth Equity. Market investments are made primarily in Nordic listed shares, funds and bonds. Growth Equity investments are made in Nordic unlisted companies, growth-oriented listed companies and private equity funds.

Norvestia's investments excluding cash and other liquid assets were 91% (94%) of total assets at the end of March. The market value breakdown of the investments was as follows:

	31/3/2017		31/3/2016	
	EUR million	%	EUR million	%
Listed shares and share funds*	63.8	50.4	87.4	50.5
Growth Equity Portfolio	34.9	27.6	41.6	24.1
Bonds and bond funds	12.7	10.0	17.3	10.0
Hedge funds	3.4	2.7	15.6	9.0
Cash and other liquid assets	11.8	9.3	11.0	6.4
Total	126.6	100.0	172.9	100.0

* of which share funds EUR 7.0 million (13.8).

85.0% of the Group's assets were in euros, 8.7% in Swedish krona, 6.1% in US dollars and 0.2% in other currencies.

During the first quarter of the year Norvestia was a net seller. Shares with strong dividend yields in particular were added to the portfolio in March. The company hedged its investments by selling Euro Stoxx Index futures.

GROWTH EQUITY

In February Norvestia sold its ownership in the rapidly growing Idean Enterprises Oy to the global IT services Group Capgemini. The exit had a significant positive effect on Norvestia's cash flow in the first quarter. Norvestia invested in Idean in 2014 and owned 24.8% of the company.

Investments in unlisted companies belong to Norvestia's Growth Equity portfolio, which is administered by Norvestia's subsidiary Norvestia Industries Oy. The aim of Norvestia's Growth Equity activities is to find interesting companies with strong growth potential, the long-term and active development of which can yield significant increases in value and thereby return to Norvestia's shareholders. In accordance with its investment strategy, Norvestia aims to find target companies that operate in sufficiently large markets and have the opportunity to take advantage of their service and solution innovations both in Finland and internationally.

Norvestia invests in minority shares or can be in the majority together with another investor. At the end of March 2017, the Growth Equity portfolio consisted of six unlisted companies: Aste Holding which offers media production and consulting, Coronaria which offers health care and wellbeing services, Fluidio which offers cloud services consulting, Digital Workforce Services which offers robotic process automation services, Polystar Instruments which develops telecommunications business intelligence software solutions and Touhula Varhaiskasvatus which offers early childhood and preschool education. The total fair value of the interests in these companies amounted to EUR 25.1 million.

Growth Equity also includes investments in private equity funds. Norvestia has committed itself to investing EUR 2.0 million in the Amanda V East private equity fund, of which EUR 1.5 million is now

invested; approximately EUR 5.0 million (USD 5.5 million) in Hamilton Lane PE Fund IX, of which EUR 1.2 million is now invested; EUR 2.0 million in Lifeline Ventures Fund I, of which EUR 1.7 million is now invested; EUR 5.0 million in Lifeline Ventures Fund III, of which EUR 0.6 million is now invested and EUR 3.0 million in Open Ocean Fund 2015, of which EUR 0.5 million is now invested. In addition, Norvestia has invested EUR 0.1 million in Lifeline Ventures Fund III AB. The total fair value of these fund investments amounted to EUR 6.8 million.

NET ASSET VALUE AND SHARE PRICE

31 March 2017, Norvestia's Net Asset Value stood at EUR 132.4 million or EUR 8.64 per share (EUR 161.1 million or EUR 10.52 per share on the same date previous year) against EUR 8.13 per share at the end of 2016. The company's Net Asset Value increased by EUR 0.51 per share (0.27) during the period under review, equal to a 6.3% dividend-adjusted increase (2.4%) from the beginning of the year.

Norvestia Oyj's share is listed on Nasdaq Helsinki. 31 March 2017, the share price stood at EUR 7.30 (7.93), corresponding to a discount in Net Asset Value of 16% (25%). The market capitalization of Norvestia's shares was EUR 111.8 million (121.5) 31 March 2017. The price of Norvestia's share was EUR 7.41 at the end of 2016.

The total turnover of shares on the stock exchange in the first quarter of 2017 was EUR 2.7 million (7.9). The average daily turnover amounted to EUR 43,320 (131,854). The number of shares traded was 360,984 (927,939), which corresponds to 2.4% (6.1%) of total shares. Norvestia Oyj's share capital consists of 15,316,560 shares.

GROUP RESULT

The result of the Group in January–March 2017 amounted to EUR 7.8 million (4.1), and operating expenses to EUR 0.6 million (0.5). The return on equity was 6.1% (2.5%) and the return on investment 7.0% (2.8%).

NORVESTIA GROUP

Norvestia Oyj is the parent company of Norvestia Industries Oy and Norventures Oy. Norvestia Oyj became CapMan Group's subsidiary on 19 December 2016.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) held 14 March 2017 decided that no dividend will be distributed for 2016.

The following persons were elected to the Board:

Heikki Westerlund, Chairman
Niko Haavisto, Vice Chairman
Juha Mikkola, new member

PricewaterhouseCoopers Ltd was re-elected as auditor, with CPA Lauri Kallaskari as main responsible auditor and CPA Mikko Nieminen as deputy auditor. The AGM unanimously decided to discharge the Board of Directors and Managing Director from liability for 2016.

The AGM resolved in accordance with Chapter 4 Section 10 Sub-section 2 of the Finnish Limited Liability Companies Act, that rights to the shares entered in the Company's joint book-entry accounts and the rights attached to such shares are forfeited.

PERSONNEL

During the first three months of 2017 Norvestia Group employed an average of 7 (7) people.

SHAREHOLDERS

At the end of March 2017, Norvestia's shareholders numbered 1,297 (5,822). 0.4% (8.8%) of the shares were in foreign ownership.

Norvestia's largest shareholder is CapMan Plc with a holding of 92.5% (28.7) of shares and votes. The ten major shareholders held a total of 94.5% (53.2%) of shares and votes.

RISKS IN INVESTMENT ACTIVITIES

In addition to pursuing steady asset growth, one of the guiding principles of Norvestia's investment activities is to diversify investments and thereby reduce overall risks. Occasionally a significant proportion of investments may be focused on certain types of investments and securities, the possible negative development of which may substantially decrease Norvestia's result. Norvestia occasionally hedges its investments with options and futures, although there may still be situations where such hedges are not effective.

Norvestia's five largest investments as of 31 March 2017, consisted of the Didner & Gerge Aktiefond, Nokia shares, the SPDR S&P 500 ETF Trust share index, the private equity fund Lifeline Ventures Fund I Ky, and the Growth Equity investment in Coronaria Oy.

Norvestia's result is greatly affected by economic developments and changes in share prices both in Finland and abroad. Changes in exchange rates also impact the company's result. General uncertainty on the capital markets increases the volatility of Norvestia's investments and therefore also increases their risks.

The values of growth companies can vary positively or negatively within short periods if changes occur in the peer group or in the interest in the company of potential buyers. As a result of exit processes, significant return is typically realized on successful growth investments also in the short term as the exit price is based on strategic value and synergies created for the buyer, and not directly on peer group multiples.

FUTURE PROSPECTS

The situation on the capital markets is difficult to assess. The surest forecast is that the interest level in those euro countries considered risk free will remain low during 2017.

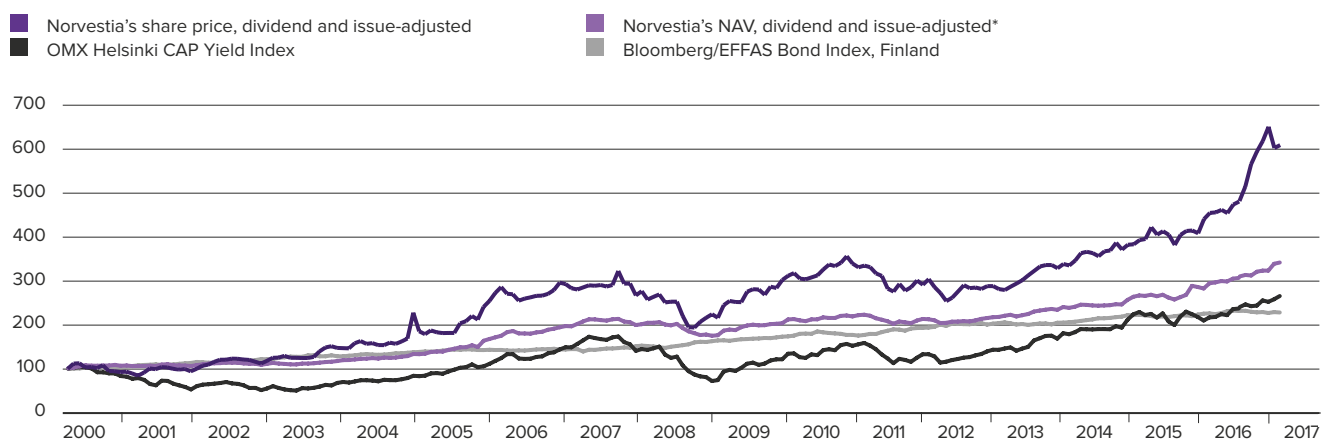
The larger unknowns, the significance of which is difficult to forecast, will be the various elections in the Eurozone. The Eurozone survived its first test of the year in March. In the Dutch parliamentary elections, the populist party which had been considered strong, fared much worse than expected. The next test will be on 23 April when the first round of the French presidential elections will be held. This election will indicate whether the strong anti-EU sentiment among European voters, recently demonstrated in the Brexit voting, continues, or whether the Dutch election result indicates an increase in support for the EU. Parliamentary elections will be held later this year in both Germany and Italy. The results of these elections will be significant for the future of the entire EU.

Norvestia's near-future prospects will be guided by the ongoing CapMan Plc's redemption proceedings of Norvestia shares. With respect to CapMan's redemption proceedings Norvestia's Board of Directors has applied for the removal of Norvestia's share from the Helsinki stock exchange. It is likely that Norvestia's stock exchange listing will end during the second quarter of the year. After this, Norvestia shares will no longer be tradable on the Helsinki stock exchange, and Norvestia's journey as a stock exchange listed company will end.

Helsinki 21 April 2017

Board of Directors

PERFORMANCE OF NET ASSET VALUE, SHARE PRICE AND INDICES



* The effect of the change in accounting principle is not recognized in the graph during 2000–2014.

KEY FIGURES

	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
Earnings/share, EUR	0.51	0.27	1.24
	31/3/2017	31/3/2016	31/12/2016
Equity ratio, %	91.9	92.4	88.6
Shareholders' equity/share, EUR	8.64	10.52	8.13
Net Asset Value/share, EUR	8.64	10.52	8.13
Net Asset Value, EUR million	132.4	161.1	124.6
Share price, EUR	7.30	7.93	7.41
Number of shares	15,316,560	15,316,560	15,316,560

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
Realized gains and losses from investments	1	7,852	862	-351
Fair value movements of investments, unrealized	2	1,232	2,808	12,004
Dividends	3	978	1,524	14,584
Interest income		171	226	978
Total investment income		10,233	5,420	27,215
Personnel expenses		-374	-332	-1,977
Depreciation and impairment charges		-1	-1	-7
Other operating expenses		-245	-213	-2,554
OPERATING PROFIT		9,613	4,874	22,677
Financial income and expenses		-39	-62	-9
RESULT BEFORE TAXES		9,574	4,812	22,668
Income taxes*		-1,726	-669	-3,736
RESULT FOR THE FINANCIAL PERIOD		7,848	4,143	18,932
* Based on the result for the period				
Earnings per share, undiluted and diluted, EUR		0.51	0.27	1.24

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	31/3/2017	31/3/2016	31/12/2016
Assets			
NON-CURRENT ASSETS			
Intangible assets	4	1	4
Tangible assets	13	16	14
Investment portfolio			
Growth Equity investments	25,054	35,289	34,751
Investments in private equity funds	6,774	4,610	6,989
Loan receivables from Growth Equity investments	3,104	1,660	3,104
	34,949	41,576	44,862
CURRENT ASSETS			
Financial assets held for trading			
Investments in listed shares	56,834	73,670	63,552
Investments in funds	10,338	29,378	11,839
Investments in interest-bearing securities	12,698	17,318	10,516
Receivables	17,502	1,345	4,908
Cash and cash equivalents	11,751	11,004	4,886
	109,123	132,715	95,701
	144,072	174,291	140,563
Shareholders' equity and liabilities			
SHAREHOLDERS' EQUITY			
Share capital	53,608	53,608	53,608
Share premium	6,896	6,896	6,896
Retained earnings	64,053	96,431	45,121
Result for the period	7,848	4,143	18,932
	132,405	161,078	124,557
LIABILITIES			
Non-current liabilities	-	5,000	-
Current liabilities	2,165	3,482	8,226
Net deferred tax liabilities	9,502	4,731	7,780
	11,667	13,213	16,006
	144,072	174,291	140,563

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes	9,574	4,812	22,668
Adjustments:			
Unrealized gains and losses	10,804	-1,266	3,068
Other operations which do not include cash transactions	1	1	7
Interest income	-171	-226	-978
Dividend income	-978	-1,524	-14,584
	19,230	1,797	10,181
Changes in working capital			
Change in financial assets held for trading	3,529	-1,652	30,842
Change in receivables	-12,594	-687	-4,250
Change in current liabilities	-6,061	1,638	158
	-15,126	-701	26,750
Dividends received	978	1,524	14,584
Interest received	171	226	978
Received and paid taxes	-3	-5	-23
	1,146	1,745	15,539
CASH FLOW FROM OPERATING ACTIVITIES	5,250	2,841	52,470
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of Growth Equity investments and private equity funds	-1,693	-	-4,635
Sales of Growth Equity investments and private equity funds	3,308	-	425
Loan receivables from Growth Equity investments	-	-	-1,444
Investments in intangible and tangible assets	-	-	-6
CASH FLOW FROM INVESTING ACTIVITIES	1,615	-	-5,660
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	-	5,000	10,000
Repayment of loans	-	-	-10,000
Dividends paid	-	-12,100	-57,187
CASH FLOW FROM FINANCING ACTIVITIES	-	-7,100	-57,187
CHANGE IN CASH AND CASH EQUIVALENTS	6,865	-4,259	-10,377
Cash and cash equivalents at the beginning of the period	4,886	15,263	15,263
Cash and cash equivalents at the end of the period	11,751	11,004	4,886

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Share premium	Retained earnings	Result for the period	Total
Shareholders' equity 1 January 2016	53,608	6,896	83,495	25,036	169,035
Allocations			25,036	-25,036	0
Dividends			-12,100		-12,100
Result for the period				4,143	4,143
Shareholders' equity 31 March 2016	53,608	6,896	96,431	4,143	161,078
Shareholders' equity 1 January 2017	53,608	6,896	45,121	18,932	124,557
Allocations			18,932	-18,932	0
Result for the period				7,848	7,848
Shareholders' equity 31 March 2017	53,608	6,896	64,053	7,848	132,405

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS). The same accounting principles are used in the Interim Report and in the 2016 financial statements. The information on the Interim Report is unaudited. All amounts in the notes are presented in thousands of euros (EUR 1,000).

1. REALIZED GAINS AND LOSSES FROM INVESTMENTS

	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
Investments in listed shares*	-1,589	878	-2,010
Investments in funds	29	-30	1,438
Investments in interest-bearing securities	-	14	275
Growth Equity investments	9,412	-	-89
Investments in private equity funds	-	-	35
Total	7,852	862	-351

* Investments in listed shares include EUR -1.4 million (1.6) of realized gains from derivatives.

2. FAIR VALUE MOVEMENTS OF INVESTMENTS, UNREALIZED

	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
Investments in listed shares*	736	-3,736	5,913
Investments in funds	529	-691	704
Investments in interest-bearing securities	174	147	467
Growth Equity investments	211	6,968	4,636
Investments in private equity funds	-418	120	284
Total	1,232	2,808	12,004

* Investments in listed shares include EUR -0.4 million (0.1) of unrealized gains from derivatives.

3. DIVIDENDS

	1/1–31/3/2017	1/1–31/3/2016	1/1–31/12/2016
Investments in listed shares	978	1,524	4,582
Growth Equity investments	-	-	10,002
Total	978	1,524	14,584

Total return for investment classes can be calculated by adding up the figures in notes 1–3.

4. CONTINGENT LIABILITIES

	31/3/2017	31/3/2016	31/12/2016
Securities given as collateral for derivatives trades			
Carrying amount of pledged securities	9,885	9,510	9,580
Securities given as collateral for revolving credit facility agreement			
Revolving credit facility agreement, EUR 10 million			
Carrying amount of pledged securities	-	11,370	-
Fund commitments			
Commitment to invest in Amanda V East Ky	484	782	584
Commitment to invest in Hamilton Lane European Partners SICAV-SIF - PEF IX	3,971	-	3,971
Commitment to invest in Lifeline Ventures Fund I Ky	251	434	275
Commitment to invest in Lifeline Ventures Fund III Ky	4,446	4,865	4,506
Commitment to invest in Open Ocean Fund 2015 Ky	2,525	2,950	2,553
Total	11,677	9,031	11,889

5. DERIVATIVE CONTRACTS

Norvestia uses standardized derivative contracts to make portfolio management more effective. The fair values of the derivative contracts as well as the underlying values are given in the table below. The fair values are adjusted for the corresponding share's dividend income. Derivative contracts are recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. The fair value of futures corresponds to the futures' gain or loss. The maturity of the derivative contracts does not exceed 3 months. Hedge accounting is not used.

Index derivatives	31/3/2017	31/3/2016	31/12/2016
Bought call options, open positions			
Underlying value	11,394	-	5,024
Fair value	203	-	109
Sold put options, open positions			
Underlying value	1,106	-	-
Fair value	-57	-	-
Sold futures, open positions			
Underlying value	-26,960	-	-19,440
Fair value	-448	-	-275
Foreign exchange derivatives			
Sold futures, open positions			
Underlying value	-	-10,482	-
Fair value	-	-98	-

6. FAIR VALUES OF FINANCIAL ASSETS

Listed shares and derivative contracts are measured at fair value by the last trade price on active markets on the balance sheet date. The fair value of investments in funds is determined as the funds' Net Asset Value at the balance sheet date. The fair value of investments in interest-bearing securities is based on the last trade price on the balance sheet date or, in an illiquid market, on values determined by the counterparty.

Growth Equity investments, private equity fund investments and loan receivables from Growth Equity investments are measured at fair value using discounted cash flow models (taking into account the valuation of conversion options) or at acquisition price in case of new investments. If the investments have no active market then the fair value is determined quarterly by using valuation methods according to the International Private Equity and Venture Capital Guidelines (IPEV). The valuations are based on forecasted cash flows or peer group multiples. In estimating fair value of an investment, a method that is the most appropriate in light of the facts, nature and circumstances of the investment is applied.

Private equity fund investments are valued according to the practice generally used in the sector, i.e., the fair value of the private equity fund investment is the latest fund value announced by the private equity fund management company. The value is calculated according to the IPEV Guidelines. Loan receivables from Growth Equity investments are valued at fair value using discounted cash flow models (taking into account the valuation of conversion options) or at acquisition price in case of new investments.

The table below presents the fair values of each category of financial assets which correspond to the values of the consolidated statement of financial position. There are no enforceable netting agreements in place. The fair value of the investments corresponds to their carrying amount.

Financial assets at fair value	31/3/2017	31/3/2016	31/12/2016
Investments in listed shares	56,834	73,670	63,552
Investments in funds	10,338	29,378	11,839
Investments in interest-bearing securities	12,698	17,318	10,516
Growth Equity investments	25,054	35,289	34,751
Investments in private equity funds	6,774	4,610	6,989
Loan receivables from Growth Equity investments	3,104	1,660	3,104
Total	114,802	161,925	130,751

Fair value hierarchy of financial assets measured at fair value

	31/3/2017	Fair values at the end of the period		
		Level 1	Level 2	Level 3
Investments in listed shares	56,834	56,834		
Investments in funds	10,338	6,961	3,377	
Investments in interest-bearing securities	12,698	5,732	6,966	
Growth Equity investments	25,054			25,054
Investments in private equity funds	6,774			6,774
Loan receivables from Growth Equity investments	3,104			3,104
Total	114,802	69,527	10,343	34,932

During the reporting period ending 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements. Fair values at Level 1 are based on quoted prices in active markets for each asset and liability. Fair values at Level 2 are based mostly on inputs other than quoted prices included at Level 1, but still on inputs that are observable for each asset and liability either directly as a price or indirectly derived from the price. The fair values of shares at Level 3 are defined using a cash flow based valuation method or peer group multiples. The valuation is conducted quarterly according to the IPEV Guidelines. The fair values of private equity fund investments are based on reports by the management companies of the private equity funds. Loan receivables from Growth Equity investments are valued at fair value using discounted cash flow models (taking into account the valuation of conversion options) or at acquisition price in case of new investments.

Reconciliation of the financial assets measured at fair value at Level 3

	31/3/2017	31/3/2016	31/12/2016
At the beginning of the period	44,844	34,256	34,256
Additions	1,692	277	7,732
Disposals	-11,397	-63	-2,078
Dividends	-	-	-9,895
Unrealized gains	-207	7,089	14,829
At the end of the period	34,932	41,559	44,844

During the reporting period ending 31 March 2017, there were no transfers into and out of Level 3 fair value measurements. Gains from Growth Equity investments and investments in private equity funds are reported in the first two rows of the income statement divided into Realized gains and losses from investments and Fair value movements of investments, unrealized.

SENSITIVITY ANALYSIS OF LEVEL 3 INVESTMENTS 31 MARCH 2017

Asset	Fair value	Valuation method	Unobservable inputs	Used input (weighted average)	Fair value sensitivity +/-10%
Growth Equity	EUR 25.1 million	DCF	WACC	11.7%	EUR -2.1/+2.8 million
		Peer group	Peer group earnings multiples	EV/Sales 2017 0.7x EV/EBITDA 2017 10.6x	EUR +/-0.2 million
			Discount to peer group multiples	20%	EUR +/-0.5 million
Investments in PE funds	EUR 6.8 million	Reports from PE fund management company	N/A	N/A	N/A
Loan receivables from Growth Equity investments	EUR 3.1 million	Acquisition price	N/A	N/A	N/A

Several inputs including acquisition price, the nature of the investment and sector, market conditions and discount rate, credit risk, trading values on public exchanges for comparable securities, current and projected revenue and operating performance as well as financing transactions subsequent to the acquisition of the investment, are taken into account in valuations. The development stage of the company also has a significant effect on the selection of the valuation method. Comparable peer group analysis is not usually a suitable valuation method for fast growing unlisted companies as the peer group typically consists of significantly larger, mature-stage listed companies. Due to the qualitative nature of the valuation methodologies, they are mainly based on Norvestia's judgment.

Valuation methods used by Norvestia are as follows:

- discounted cash flow
- earnings multiple valuation, whereby public peer group multiples are used to estimate the value of a particular investment
- acquisition price, particularly with new investments.

7. NON-CURRENT LIABILITIES

	31/3/2017	31/3/2016	31/12/2016
Revolving credit facility agreement with bank, which was terminated in December 2016	-	5,000	-

Financial liabilities are initially recognized at fair value. Financial liabilities are subsequently carried at amortized cost using the effective interest rate method.

8. RELATED PARTY TRANSACTIONS

12 May 2015 Norvestia became an associate company of CapMan Group and since then Norvestia has had a related party relationship with the CapMan Group. In addition to CapMan, Norvestia Group's related parties include the parent company and subsidiaries. Aste Holding Oy, Coronaria Oy, Digital Workforce Services Oy and Fluido Oy are also related parties due to significant influence. Related parties also include the Board of Directors, Managing Director and Senior Investment Director. The consolidated financial statements include the financial statements of Norvestia Oyj and its entirely owned subsidiaries Norvestia Industries Oy and Norventures Oy.

The following transactions were carried out with related parties:

Related party	1/1-31/3/2017	1/1-31/3/2016	1/1-31/12/2016
Aste Holding Oy			
Interest income	-	21	43
Coronaria Oy			
Interest income	-	21	26

Loans to related parties

Norvestia Oyj has granted the parent company CapMan Plc a loan of EUR 15.0 million (-) to an interest rate of Euribor 6 months+2.5%. The loan has been granted in March 2017 and expires latest in December 2017. The loan has no pledge.

INVESTMENTS 31 MARCH 2017

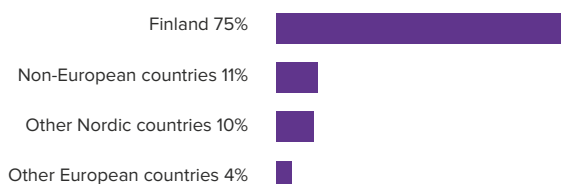
	Number of shares/units	Acquisition price EUR 1,000	Fair value EUR 1,000	Share of total investments
MARKET INVESTMENTS				
LISTED SHARES				
Amer Sports Corporation	55,105	1,080	1,167	1.0%
Apetit Plc	74,294	914	998	0.9%
Atria Plc	115,672	1,171	1,204	1.0%
Caverion Corporation	93,034	362	686	0.6%
Elisa Corporation	93,450	1,897	3,098	2.7%
Finnair Plc	353,408	1,334	1,661	1.4%
Fortum Corporation	215,271	2,932	3,192	2.8%
HKScan Corporation A share	83,875	541	292	0.3%
Honkarakenne Oyj B share	443,330	1,644	1,170	1.0%
Huhtamäki Oyj	66,774	402	2,227	1.9%
Kemira Oyj	47,508	576	547	0.5%
Kesko Corporation B share	48,323	1,329	2,160	1.9%
Metso Corporation	57,263	1,449	1,625	1.4%
Metsä Board Corporation B share	281,666	373	1,632	1.4%
Nokia Corporation	735,937	2,687	3,702	3.2%
Nokian Tyres plc	12,392	382	485	0.4%
Oriola-KD Corporation B share	109,320	184	434	0.4%
Orion Corporation B share	36,354	852	1,777	1.5%
Outotec Oyj	285,000	1,388	1,620	1.4%
Raisio plc V share	163,400	243	551	0.5%
Ramirent Plc	72,897	260	550	0.5%
Rapala VMC Corporation	125,700	761	546	0.5%
Sampo plc A share	57,044	2,464	2,536	2.2%
Sanoma Corporation	112,633	968	884	0.8%
Sponda Plc	788,196	2,863	3,090	2.7%
Stockmann plc B share	62,918	706	456	0.4%
Stora Enso Oyj R share	270,533	2,087	2,998	2.6%
Tikkurila Oyj	41,311	652	785	0.7%
UPM-Kymmene Corporation	92,211	1,767	2,030	1.8%
Valmet Corporation	57,753	387	841	0.7%
YIT Corporation	113,053	711	716	0.6%
Nordea Bank AB FDR	275,342	2,653	2,952	2.6%
Powershares QQQ	24,100	1,733	2,984	2.6%
SPDR S&P 500 ETF Trust	15,885	2,625	3,503	3.1%
Telia Company AB	385,000	1,887	1,513	1.3%
		44,264	56,612	49.3%
DERIVATE CONTRACTS				
Euro Stoxx call options (bought)	1,000	152	203	0.2%
Euro Stoxx put options (sold)	-100	-78	-57	0.0%
		74	146	0.2%
FUNDS				
Didner & Gerge Aktiefond	13,758	1,156	3,855	3.4%
Fourton Hannibal A	14,482	1,000	2,271	2.0%
RAM ONE	13,761	887	2,031	1.8%
Russian Prosperity Fund Euro A	8,000	721	835	0.7%
VISIO Allocator	7,520	1,127	1,346	1.2%
		4,891	10,338	9.1%

	Number of shares/units	Acquisition price EUR 1,000	Fair value EUR 1,000	Share of total investments
BONDS AND BOND FUNDS				
	nominal value			
Finnair, expires 13/10/2020	1,500	1,500	1,706	1.5%
Normet, expires 22/3/2021	2,000	2,000	2,050	1.8%
Outokumpu, expires 30/9/2019	1,750	1,746	1,823	1.6%
Outotec, expires 24/3/2021	1,000	1,018	1,076	0.9%
SRV, expires 22/3/2020	1,000	1,000	1,099	1.0%
Stockmann, expires 31/1/2020	1,000	1,014	1,036	0.9%
eQ Euro Investment Grade 1 K	8,641	1,806	1,913	1.7%
eQ High Yield Bond 1 K	7,405	1,751	1,995	1.7%
		11,835	12,698	11.1%
MARKET INVESTMENTS IN TOTAL		61,064	79,794	69.7%
GROWTH EQUITY				
UNLISTED GROWTH COMPANIES*				
Aste Holding Oy	4,000	800		
Coronaria Oy	35,307	3,112		
Digital Workforce Services Oy	80,174	1,480		
Fluido Oy	44,870	2,494		
Polystar Instruments AB	266,000	1,717		
Touhula Varhaiskasvatus Oy	20,000	2,000		
Loans to associates		3,104		
		14,707	28,127	24.5%
PRIVATE EQUITY FUNDS				
Amanda V East Ky		1,375	1,278	1.1%
Hamilton Lane European Partners SICAV-SIF - PEF IX		1,149	1,172	1.0%
Lifeline Ventures Fund I Ky		1,544	3,356	2.9%
Lifeline Ventures Fund III Ky		554	460	0.4%
Lifeline Ventures Fund III AB		72	120	0.1%
Open Ocean Fund 2015 Ky		475	388	0.3%
		5,169	6,774	5.8%
GROWTH EQUITY IN TOTAL		19,876	34,901	30.3%
NORVESTIA GROUP IN TOTAL		80,940	114,695	100.0%

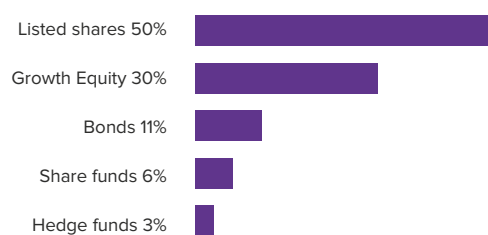
The table does not include cash and cash equivalents of the Group.

* The fair value of unlisted Growth Equity investments is presented as the total fair value of the Growth Equity portfolio, not as fair value of individual investments.

GEOGRAPHIC BREAKDOWN OF NORVESTIA GROUP'S INVESTMENTS 31 MARCH 2017



NORVESTIA GROUP'S INVESTMENTS 31 MARCH 2017



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