

Corporate Governance Statement 2024

Grow Together.

Tesi

Tesi

- We work for the success of Finnish startups and growth companies
- We develop and serve the Finnish venture capital and private equity market
- We invest in venture capital and private equity funds, and also directly in startups and growth companies
- We operate on market terms, as a minority owner
- We advance sustainability both in venture capital and private equity industry and in companies
- Our goal is to maximise our positive social impact through our operations
- We offer information and experience to companies, investors and policymakers
- We are an investment company 100% owned by the Finnish state

Annual Report 2024

Tesi's (Finnish Industry Investment Ltd) Annual Report comprises four sections. All sections of the Annual Report are available in Finnish and English and can be read on our website tesifi.fi.

- **Business Overview:**
Strategy, value creation, investment operations and sustainability
- **Financial Review:**
Board of Directors' report and Financial Statements
- **Corporate Governance Statement:**
Corporate governance, internal control, and risk management systems
- **Remuneration Report:**
Remuneration principles; remuneration of the Board of Directors, Management team and the CEO



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Introduction

Tesi's (Finnish Industry Investment Ltd) Corporate Governance Statement is prepared in all applicable respects in compliance with the Corporate Governance Code for Finnish Listed Companies compiled by Finland's Securities Market Association. The Corporate Governance Statement is available on the company's website: www.tesi.fi. The Corporate Governance Statement is provided separately from the Board of Directors' report and has been reviewed by Tesi's Audit Committee. As part of the 2024 Annual Report, a Remuneration Report in accordance with the Corporate Governance Code will also be published.

Tesi's corporate governance is managed in accordance with Finland's Limited Liability Companies Act and the Act on State-Owned Company Suomen Teollisuussijoitus Oy. Tesi complies with all applicable recommendations of the Corporate Governance Code for Finnish Listed Companies, in addition to existing legislation and the provisions of the company's Arti-

cles of Association. Our goal is transparency, international comparability, the promotion of good corporate governance practices in line with the Code, as well as the harmonisation of information-related procedures. Confidentiality is a priority in venture capital and private equity investment, while good corporate governance is of special importance in internal activities.

Tesi deviates from the recommendations of the Corporate Governance Code in cases where they are not appropriate for a wholly state-owned, unlisted company.

” Tesi's corporate governance is managed in accordance with Finland's Limited Liability Companies Act and the Act on State-Owned Company Suomen Teollisuussijoitus Oy.

Ownership and Ownership Steering

The Finnish state owns Tesi's entire capital stock. The Ministry of Economic Affairs and Employment is responsible for the ownership steering and industrial policy guidance of the company.

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Annual General Meeting

The Annual General Meeting is held at the company's place of domicile by the end of May each year on a date specified by the Board of Directors. The Annual General Meeting elects the Chair, Vice Chair, and members of the Board of Directors, appoints the auditors, ratifies the financial statements, decides on the remuneration of the company's Board members, and releases the Board members and the CEO from personal liability. The Annual General Meeting was held on 22 March 2024.

Board of Directors

Tesi's Board of Directors is responsible for the administration and the proper organisation of the operations of the company in accordance with the applicable legislation and legislative instruments (special law and associated decrees), the Articles of Association and the Board's rules of procedure.

The task of the Board of Directors is to promote the company's best interests. The Board must manage the company professionally and according to sound business practices. The Board of Directors addresses issues with broad implications and of an unusual nature with respect to the scope and nature of the company's business activities.

The Board of Directors is responsible for the strategic development of the company as well as for guiding and supervising its business operations. The Board of Directors also decides the company's main operating principles and monitors the implementation of them.

As a rule, the Board of Directors makes the company's investment decisions and appoints the CEO and Management Team members. The Board also evaluates and develops its work each year.

The Board of Directors convened 13 times during 2024, and attendance was 98%.

The Board of Directors comprises the Chair of the Board as well as at least four and at most seven other members of the Board. The Board of Directors annually assesses the independence of its members and

notifies which of them are independent of the company and which are independent of the shareholder.

Finland's Ministry of Employment and the Economy is responsible for the ownership steering of the company and for the proposal to be made to the Annual General Meeting concerning the composition of the Board of Directors. Equal opportunity aspects for state-owned companies are addressed when electing Board members. In 2024, on average 43% of Board members were women (43% in 2023).

Typically, the Annual General Meeting elects the members of the Board of Directors, as well as the Chair and Vice Chair of the Board. The term of office lasts until the next Annual General Meeting. However, [at the beginning of December 2024, the Board composition changed exceptionally prior to the Annual General Meeting](#). The changes were made by the Finnish Government, as the sole shareholder of Tesi (Finnish Industry Investment Ltd), represented by the Ministry of Economic Affairs and Employment, on 4 December 2024.

The members of the Board in 2024 were Andreas Tallberg (as of 4 Dec), Jacob af Forselles (until 4 Dec), Riku Huttunen (until 4 Dec), Tiina Korhonen (as of 4 Dec), Mia Folkesson, Anniina Heinonen, Minna Helppi, Olli Kärkkäinen (as of 22 March), Timo Leino (until 4 Dec), Lassi Noponen (as of 4 Dec), and Jaakko Weuro (until 22 March).



BOARD MEMBERS AS OF 31 DECEMBER 2024

Andreas Tallberg

- Chair and CEO, G.W. Sohlberg Ab (GWS)
- M.Sc. (Econ.) born 1963
- Member of the Board since 2024
- Independent of the company and of the owner



Anniina Heinonen

- Managing Director, Payments, Wolt
- Board member
- M.Sc. (Econ), born 1981
- Board member since 2020
- Independent of the company and of the owner



Lassi Noponen

- Director General, Business Finland
- Board member
- Master of Laws, M.Sc., born 1963
- Member of the Board since 2024
- Independent of the company



Tiina Korhonen

- Director General for Regions and Growth Services department, The Ministry of Economic Affairs and Employment
- Master of Laws, born 1974
- Member of the Board since 2024
- Independent of the company



Minna Helppi

- Senior Vice President, Group Finance, Andritz Group
- Board member
- MBA, born 1967
- Board member since 2020
- Independent of the company and of the owner



Mia Folkesson

- CEO, Impactly Group Ltd
- Board member
- M.Sc. (Econ), born 1980
- Board member since 2021
- Independent of the company and of the owner



Olli Kärkkäinen

- Strategy and Research Director, Ministry of Finance
- Board member
- M.Sc. (Econ.), born 1982
- Member of the Board since 2024
- Independent of the company



AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Board of Directors comprises at least two Board members. The Board of Directors elects from amongst its members the committee chair and committee members for one year at a time. The members of the committee must be independent of the company and at least one member independent of the owner. At least one member of the Audit and Risk Committee must have sufficient expertise in financial matters and applicable experience in accounting principles and financial statements. The Audit and Risk Committee may, if necessary, use third-party specialists and it has the right to examine all information regarding the company.

The Board of Directors has confirmed written rules of procedure for the committee. These rules specify the main duties and principles of operation of the committee. The duties of the Audit Committee mainly involve addressing matters relating to the company's financial reporting and monitoring as well as to its risk and compliance reporting and monitoring, in addition to preparations for auditing and internal auditing.

Until the organisational meeting (27 March), committee members were Minna Helppi (Chair), Anniina Heinonen and Jaakko Weuro (until 22 March). After that and until the end of the year, members included

Riku Huttunen (Chair; until 4 Dec), Anniina Heinonen, Olli Kärkkäinen, Andreas Tallberg (Chair; as of 12 Dec) and Tiina Korhonen (as of 12 Dec). The Audit and Risk Committee convened six times.

REMUNERATION COMMITTEE

The Remuneration Committee comprises at most four members of the Board of Directors. The Board of Directors elects from amongst its members the committee Chair and committee members for one year at a time. The members of the committee must be independent of the company. The Board of Directors has confirmed written rules of procedure for the committee. These rules specify the main duties and principles of operation of the committee. The duties of the Remuneration Committee include preparation of matters relating to remuneration of management personnel and to the company's remuneration systems.

Until the organisational meeting (27 March), committee members were Riku Huttunen (Chair), Jacob af Forselles, Mia Folkesson and Timo Leino. After that and until the end of the year, members included Riku Huttunen (Chair; until 4 Dec), Anniina Heinonen, Olli Kärkkäinen, Andreas Tallberg (Chair; as of 12 Dec) and Tiina Korhonen (as of 12 Dec). The Remuneration Committee convened five times.

Attendance at the Board and committee meetings 2024

	ATTENDANCE AT BOARD MEETINGS	ATTENDANCE AT AUDIT AND RISK COMMITTEE	ATTENDANCE AT REMUNERATION
Jacob af Forselles	12/12	4/4	2/2
Mia Folkesson	13/13	5/5	2/2
Anniina Heinonen	13/13	1/1	3/3
Minna Helppi	13/13	6/6	not a member
Riku Huttunen	11/12	not a member	5/5
Olli Kärkkäinen	10/10	1/1	3/3
Timo Leino	11/12	4/4	2/2
Jaakko Weuro	3/3	1/1	not a member
Andreas Tallberg	1/1	not a member	no committee meetings
Tiina Korhonen	1/1	not a member	no committee meetings
Lassi Noponen	1/1	no committee meetings	not a member

Advisory Board

Tesi Advisory Board advises the Board of Directors and promotes the company's public relations. The Board of Directors appoints the members for a term of office of the same length as their own. The Advisory Board comprises 12–16 members and it is convened by the Board of Directors. The Advisory Board does not have independent decision-making authority regarding the company or to third parties and does not have any responsibilities under commercial law.

Tesi Advisory Board convened two times during 2024: 21 May and 1 Oct. The new composition of the Tesi Advisory Board was confirmed at the Tesi Board of Directors meeting on 28 September 2023. At the beginning of 2024, the Advisory Board included Pauli Heikkilä, Nina Kopola, and Riitta Mäkinen, who were later replaced by Juuso Heinilä, Lassi Nojonen and Saku Nikkanen.

” Tesi Advisory Board advises the Board of Directors and promotes the company's public relations.

ADVISORY BOARD MEMBERS AS OF 31 DEC 2024

- **Andreas Tallberg**, Chair of Tesi Advisory Board (CEO and Chair of the Board of Directors, G.W. Sohlberg Ab; Chair of the Board of Directors, Tesi)
- **Arno Aho**, CEO, Finance Finland
- **Juuso Heinilä**, CEO, Finnvera
- **Inka Hopsu**, Member of Parliament (Green Party)
- **Anne Horttanainen**, CEO, Finnish Venture Capital Association (FVCA)
- **Jyri Häkämies**, CEO, Confederation of Finnish Industries (EK)
- **Antti Kaikkonen**, Member of Parliament (Centre Party)
- **Aki Kangasharju**, CEO, Etla Economic Research
- **Saku Nikkanen**, Member of Parliament (Social Democratic Party)
- **Riikka Pakarinen**, CEO, Finnish Startup Community
- **Matti Putkonen** (Finns Party)
- **Reima Rytsölä**, CEO, Solidium
- **Minna Vanhala-Harmanen**, CEO, Family Business Network Finland
- **Antti Vasara**, CEO, VTT Technical Research Centre of Finland
- **Ben Zyskowitz**, Member of Parliament (National Coalition Party)

CEO and Management Team

Tesi's CEO is Pia Santavirta, from 1 January 2023. The Board of Directors appoints the CEO of the company, who reports regularly to the Board of Directors on the company's operations.

The CEO is in charge of the day-to-day management of the company in accordance with the instructions and orders issued by the Board of Directors and in compliance with legal requirements. The company's day-to-day management includes managing and monitoring business operations, entering into contracts, and ensuring that decisions made by the Board of Directors are executed.

The CEO may take actions that have broad implications and are of an unusual nature with respect to the scope and nature of the company's business activities only if the Board of Directors has authorised the CEO to do so, or if waiting for a Board decision would be essentially detrimental to the company's operations. In the latter case, notification of the measures proposed or taken must be given to the Board of Directors without undue delay.

Tesi's Management Team implements the company's strategy and prepares investment proposals for the company's Board of Directors. The Management Team comprises the CEO and the team leaders of the various functions.

In 2024, the Management Team met 38 times. In addition, the investment operations steering group, established in the same year and mandated by the Management Team, met 29 times.

The Management Team comprised Pia Santavirta, Susanna Aaltonen, Henri Hakamo, Jussi Hattula, Gösta Holmqvist (until 30 Sep), Kim Höijer (as of 1 Oct), Matias Kaila (until 31 Oct), Juha Lehtola, Enni Rautio (Interim Director, as of 1 Nov), Maija Soininen (as of 11 March) and Hanne Stenman.

” Tesi's CEO is Pia Santavirta, from 1 January 2023.



MANAGEMENT TEAM 31 DEC 2024

Pia Santavirta

- CEO
- LL.M., born 1976



Jussi Hattula

- Director, Industrial Investments
- MSc (Tech), born 1968



Enni Rautio

- Interim Director, Fund Investments (as of 1 Nov 2024)
- MSc (Econ), born 1989



Susanna Aaltonen

- Director, Communications & Public Affairs
- MSc (Econ), (B.Soc.Sc.), born 1970



Kim Höijer

- CFO (as of 1 Oct 2024)
- MSc (Econ), MBA, born 1967



Maija Soininen

- Head of People and Culture (as of 11 March 2024)
- M.Soc.Sc., born 1980



Henri Hakamo

- Chief Strategy and Research Officer
- MSc (Econ), born 1986



Juha Lehtola

- Director, Venture & Growth Investments
- MSc (Tech), born 1976



Hanne Stenman

- General Counsel
- LL.M., born 1986



Internal Control, Risk Management, and Compliance

INTERNAL CONTROL

Tesi's corporate culture and governance framework form the foundation for internal control and risk management. The company's corporate culture, highly skilled personnel, risk management policy, Code of Conduct, internal guidelines, and their oversight constitute the basis of the internal control environment.

Activities are based on predefined and planned processes, which include approval procedures, reconciliations, and other checks.

Tesi's Management Team, Audit and Risk Committee, and Board of Directors are responsible for organising internal control, risk management, and reporting, while the entire organisation implements internal control. Each supervisor is responsible for the effectiveness of internal control within their area of responsibility.

Internal control supports the implementation of Tesi's

strategy and ensures management that the company's operations are efficient and effective. It ensures that risks are identified, measured, and managed comprehensively, financial and non-financial reporting is reliable, and external regulations and other applicable requirements are complied with.

RISK MANAGEMENT

Tesi has a risk management policy, approved by the Board of Directors, which defines the principles of risk management, risk definitions and classifications, key roles and responsibilities, as well as monitoring and reporting practices.

The role of risk management is to ensure that the risks borne by the company and the means of managing them are proportionate to its risk-bearing capacity. The objective is to ensure that business-related risks are identified and assessed, responded to, man-

aged, and monitored.

Risk management follows the three lines of defence model, which separates operational and risk-taking functions from independent oversight functions.

The Ministry responsible for overseeing Tesi's operations is informed of the most significant risks and risk management measures at least annually and as otherwise required by the ownership steering guidelines.

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Every Tesi employee is responsible for identifying, assessing, and raising risks related to their own work or otherwise observed risks with their supervisor. Risk management has been integrated into critical processes to embed it into the operational activities of every employee.

CAPITAL MANAGEMENT AND INVESTMENT RETURNS

Tesi is financed by equity. Tesi has a dividend policy, according to which it separately returns in full to its owner any proceeds from special investment programmes that were capitalised by its owner. Proceeds from other investment operations are mainly re-invested in line with the investment strategy approved by the Board of Directors. Final decisions on any payment of dividends or capital returns, however, are made by the Annual General Meeting.

Auditing and Internal Control

The Annual General Meeting elects Tesi's auditor. During fiscal year 2024 the company's auditor was KPMG Ltd, chartered accountants. The lead auditor was Marcus Töttermann, CPA. Auditing fees in 2024 amounted to EUR 57,496. In addition, EUR 23,954 were paid to the auditors for non-audit services.

The company's internal audit function is independent and provides assurance by reviewing and evaluating the company's governance processes and their adequacy and effectiveness from a risk perspective. Internal audits are conducted thematically by an external service provider, selected through an annual tender process.

Exceptionally, in 2024, no internal audits were conducted, as a corporate restructuring related to state-owned private equity operator operators was in progress. A comprehensive legal due diligence assessment was conducted for all entities involved in the restructuring. Internal audit activities were postponed to 2025 by a decision of the Board of Directors.

Related Party Transactions

Tesi has a Board-approved related party policy that defines procedures for identifying, managing, approving, monitoring, and reporting related party transactions.

Tesi evaluates and monitors transactions conducted with its related parties and maintains a list of related parties as well as transactions made with them.

All related party transactions must, in all cases, be in the company's interest and economically and commercially justified for the company. The Board of Directors decides on related party transactions that are significant, do not belong to the company's ordinary course of business, or are conducted on terms deviating from market practices or usual business terms. Material and significant related party transactions are reported annually in the company's consolidated financial statement notes.

Key Insider Administration Procedures

Tesi's Board of Directors approves and establishes the key principles and guidelines related to insider matters. These guidelines are based on the Securities Market Act and supplementary regulations. Although Tesi is not a listed company, its operations occasionally involve information classified as insider information. Therefore, it is essential to define procedures to ensure that employees within the company recognize their status as insiders, understand how insider information is managed, and comply with restrictions on insider trading.

The CEO is responsible for implementing and ensuring compliance with the principles and guidelines established by the Board of Directors. Tesi has an insider representative appointed by the CEO, as well as an insider register administrator designated by the insider representative.

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Tesi

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