

Press Release:

KPY takes a strategic step forward – Sentica acquisition opens a new phase in building business vitality and drive

Cooperative KPY (KPY) is taking a significant step forward by acquiring the private equity company Sentica. This transaction elevates KPY's strategy to the next level and opens a new phase where business vitality will be built more broadly through funds.

KPY is taking a strategic step forward by acquiring the private equity company Sentica Partners Oy (Sentica) through a corporate transaction. KPY's mission is to create business vitality in Finland, that is, to strengthen the competitiveness, growth, and renewal of domestic business. Going forward, KPY will increasingly fulfill this mission through funds. The parties have agreed not to disclose the purchase price.

In the arrangement, new cooperative shares issued by KPY will be used as consideration. Upon completion, KPY will own 100% of Sentica, and Sentica's holding company will become a significant owner in KPY. The arrangement is subject to regulatory approval, among other conditions.

"Acquiring Sentica is a natural and bold step for us. It enables us to move to the next phase as an investment company. KPY's goal is to increase the value of its holdings and create lasting business vitality in growing Finnish companies," says KPY CEO Anssi Lehtikoinen.

Until now, KPY has fulfilled its mission through direct investments in subsidiaries, minority-owned companies, and the Novapolis business premises. The Sentica transaction is part of KPY's long-term strategy, where impact is increasingly created through fund-based models.

The fund structure enables the utilization of a broader capital base and new investors both from Finland and internationally.

"Together we form a strong investor platform"

Sentica is a Finnish private equity company that has supported the development and internationalization of domestic growth companies for over two decades. Sentica's team is known for active ownership, close cooperation with company management, and a strong domestic network.

"We are very excited about the upcoming cooperation with KPY. Together, we form a strong, domestic investor platform with both capital and expertise to promote the growth and internationalization of Finnish companies," says Sentica Partners CEO Mika Uotila.

The cooperation enables the raising of a new significant fund and, in the long term, also the raising of new, subsequent funds. The arrangement does not affect Sentica's current portfolio.

Long-term value creation and diversification

The corporate transaction lays the foundation for a shift from direct balance sheet investments to a fund model. The fund structure brings diversification to KPY's investments as well as revenue streams in the form of possible performance fees and management fees received by Sentica.

This supports the development of cooperative share value and dividend yield. The goal is long-term value creation for both investment targets and KPY's shareholders.

At the heart of Sentica's fund investments are Finnish medium-sized and growth-oriented companies with a proven business model. KPY believes that investments made through funds offer the best way to meet these companies' capital needs and accelerate their growth and renewal.

KPY will continue the active development of its current subsidiaries, divesting them at an appropriate time. As part of its strategy, KPY is also exploring new infrastructure investment opportunities. Subsidiary KPY Novapolis Oy will remain a significant part of KPY's portfolio, providing stability for shareholders.

KPY

Over 140 years old, KPY is a value-driven cooperative owned by a community of about 19,000 shareholders.

KPY's mission is to create value for its owners and promote the vitality of society by building business vitality in Finland, that is, by strengthening the competitiveness, growth, and renewal of domestic business. KPY's goal is to increase the value of its holdings in the long term and enable lasting business vitality in growing and internationalizing Finnish companies. KPY pursues this strategic goal through infrastructure, private equity, and balance sheet investments.

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