



Evli Plc

HALF YEAR FINANCIAL REPORT 1-6/2022

**OPERATING PROFIT DECREASED IN A
DIFFICULT MARKET ENVIRONMENT**



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Financial performance January-June 2022

- Operating income was EUR 46.2 million (1-6/2022: EUR 55.8 million)
- Operating profit was EUR 18.0 million (EUR 26.4 million)
- Operating result of the Wealth Management and Investor Clients segment decreased to EUR 15.5 million (EUR 19.1 million)
- Operating result of the Advisory and Corporate Clients segment decreased to EUR 2.0 million (EUR 5.7 million)
- At the end of June, assets under management amounted to EUR 14.5 billion (EUR 16.1 billion) on a net basis
- Return on equity was 28.6 percent (47.1%)
- The ratio of recurring revenues to operational costs was 131 percent (132%).

Financial performance April-June 2022

- The Group's net revenue was EUR 22.9 million (EUR 28.5 million)
- The Group's operating profit was EUR 8.3 million (EUR 13.6 million)
- Earnings per share amounted to EUR 0.24.

OUTLOOK FOR 2022 UNCHANGED

The year 2022 has started in a challenging market, due to heightened interest rate and inflation fears, increased geopolitical risks and a declining market.

Despite increased risks, we estimate that the result for 2022 will be at a good level.

KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Income statement key figures					
Operating income, M€	22.9	28.5	46.2	55.8	116.2
Operating profit/loss, M€	8.3	13.6	18.0	26.4	56.6
Operating profit margin, %	36.4	47.7	39.1	47.3	48.7
Profit/loss for the financial year, M€	6.3	10.1	14.1	20.8	45.5
Profitability key figures					
Return on equity (ROE), %	-	-	28.6	47.1	50.4
Return on assets (ROA), %	-	-	7.5	9.9	11.3
Balance sheet key figures					
Equity-to-assets ratio, %	-	-	24.8	24.3	27.7
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.24	-	0.50	-	-
Dividend per share, €	-	-	1.06	-	-
Equity per share, €	-	-	3.83	-	-
Share price at the end of the period, €	-	-	17.2	-	-
Other key figures					
Expense ratio (operating costs to net revenue)	0.64	0.52	0.61	0.53	0.52
Recurring revenue ratio, %	-	-	131	132	135
Personnel at the end of the period	-	-	300	274	283
Market value, M€	-	-	410.3	-	-

CEO MAUNU LEHTIMÄKI

As in the first quarter of the year, the second quarter was negative for capital markets. The values of key asset classes, especially equities and fixed income, fell sharply. The fall in valuations was fuelled by rising energy and commodity prices and the resulting increase in inflation and interest rate concerns. Central banks' assessments of the risks of increased inflation and the need for a sharp tightening of monetary policy to prevent it, combined with the challenges of global supply chains that have hampered the economy for the second year in a row, added to investors' fears of a recession. With the war in Ukraine, the availability of energy, especially natural gas, became a real concern in Europe.

In the second quarter, Evli's business reflected the weak performance of the capital markets. Net revenue fell by 20 percent year-on-year to EUR 22.9 million, while Group operating profit decreased by 39 percent to EUR 8.3 million. Fee income from alternative investment products and the incentives business increased, but the income from Corporate Finance in particular was well below the exceptionally high level of the previous year.

In January-June, Evli's return on equity was good and stood at 28.6% (47.1%). The ratio of recurring income to operating costs was 131% (132%). The Group's solvency and liquidity were at an excellent level.

Operating income in the Wealth Management and Investor Clients segment decreased by 12 percent to EUR 17.6 million. Client assets under management fell to EUR 14.5 billion (EUR 16.1 billion), reflecting weak market performance and increased net redemptions. Evli Fund Management Company's investment fund capital, including alternative investments, amounted to EUR 9.5 billion (EUR 11.5 billion), with net redemptions of around EUR 900 million in the first half of the year, targeting traditional funds, especially short-dated bond funds, corporate bond funds and European equities. The segment's performance was positively influenced by an increase in fee income from alternative investment products, however this did not compensate for the decline in income due to a reduction in assets under management in traditional funds. Brokerage income was also at a lower level than in the previous year.

Operating income in the Advisory and Corporate Clients segment decreased by 42 percent to EUR 4.4 million. Corporate Finance invoicing decreased from the comparative period to EUR 1.7 million (EUR 5.6 million). However, the mandate base is strong. As in previous years, the Incentives business saw an increase in revenues to EUR 2.5 million (EUR 2.1 million). The company has won new incentive plan design and administration clients and its prospects are also good.

At the beginning of the quarter, a business combination was completed as planned, as a result of which Evli Bank Plc was split into a new listed company focusing on asset management, Evli Plc, and a company continuing the banking operations, to which Fellow Finance Plc was merged.

The key drivers of Evli's strategy, international sales and alternative investment products, showed a mixed performance during the quarter. International sales, with Evli's corporate bond funds at its core, suffered in the first half of the year from rising interest rates and general market uncertainty. Redemptions by international clients amounted to almost EUR 700 million and the share of international clients in total Evli fund capital, including alternative investment products, fell to 22 percent (25%).

Alternative investment products were sold in the second quarter for a total of EUR 76 million (EUR 110 million). Sales were spread across several funds, with the largest subscriptions being Evli Private Equity I and Evli Private Equity III with a total of EUR 33 million, Evli Private Debt I with EUR 16 million and Evli Rental Yield with EUR 11 million. We expect demand for alternative investment products to remain strong in the future, and as a result we have clarified our distribution strategy and increased our sales resources in Sweden.

Responsibility is one of Evli's strategic focus areas. In the second quarter, we organised extensive internal training on climate issues, biodiversity and EU sustainable development legislation. We also continued our development work on climate targets, human rights and biodiversity.

During the second quarter, we signed a merger agreement with EAB Group Plc, which is expected to be implemented around the beginning of October.

The combined company will be one of the leading companies on the Helsinki Stock Exchange to offer investing and wealth management services with a broad expertise and whose clientele would cover institutions, corporations, and private persons. The Combined company has a strong financial position

and good capabilities for future growth according to Evli's strategy and its larger size will allow it to operate more operationally efficiently, enabling synergies to be achieved. For our clients, the combined company will offer a wider range of products and services and more comprehensive specialist resources.

MARKET DEVELOPMENTS

Investors' patience was tested during the first half of 2022. Although the year started in positive market sentiment supported by strong economic growth, the situation completely changed with the war between Ukraine and Russia in the first quarter. With rising inflation, rising interest rates and heightened geopolitical risks, fears and uncertainty in the markets increased further in the second quarter. The situation was further complicated by tight coronavirus restrictions in China and supply chain challenges in several industries globally. As a result, companies suffered from shortages of raw materials and components, further limiting growth.

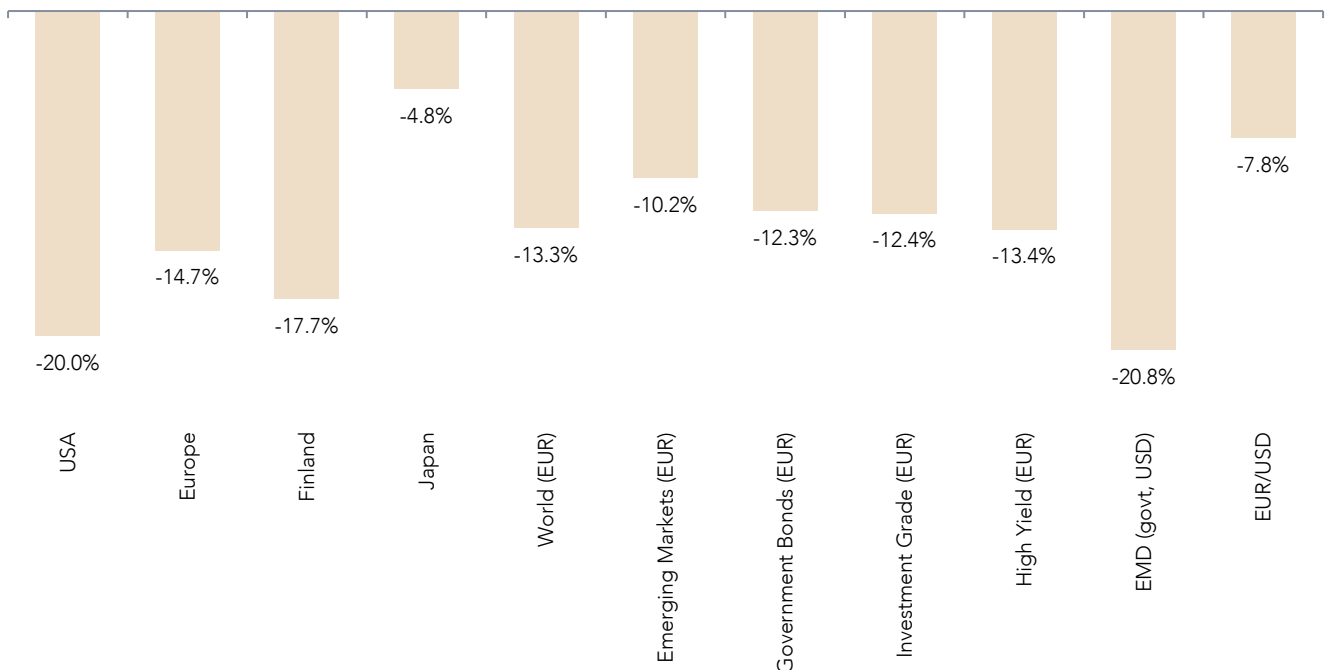
At the outbreak of the war, the prices of raw materials and energy in particular were under upward pressure, due to a reduction in supply, Western sanctions and a fall in production following the invasion. Price pressures did not ease in the second quarter of the year but spread more widely to consumer prices. In order to curb inflation, the US Federal Reserve raised its policy rate and the European Central Bank (ECB) indicated that it would do the same over the summer,

which was especially visible in falling values for fixed-income investments and a rise in the cost of interest on corporate bonds, for example. In addition, the ECB announced that it would end starting in July its asset purchase programme (APP) which has supported markets. Comments from central banks suggest that interest rate increases are likely to continue during the course of this year. In the capital markets, future rate hikes have already been priced into asset prices and valuation levels have fallen across the board.

There have been no safe havens in the investment market during the first half of the year. In stock markets, US equities (S&P 500) fell by 20.0% and European equities (Stoxx 600) by 14.7% in the first half of this year. Over the same period, Finnish shares (OMX Helsinki Cap) fell by 17.7%.

Fixed-income markets were also negative in January-June. Values of higher-rated corporate bonds fell by 12.4% and euro-area government bond values by 12.3%. Lower-rated high yield bonds fell by 13.4%. The euro depreciated by 7.8% against the dollar.

Market performance 1-6/2022



DEVELOPMENT OF REVENUE AND RESULT

Reflecting the general market development, Evli Group's net revenue decreased by 17 percent from the comparison period to EUR 46.2 million (EUR 55.8 million). The negative development of net revenue was mainly due to a significant decrease in performance fees, which are dependent on the development of investment activities, versus the comparison period. The performance fees of the first half of the year amounted to EUR 0.5 million (EUR 5.6 million). The net fee income for the Group fell by 15 percent compared with the reference period to EUR 45.6 million (EUR 53.8 million). Income from own investment activities amounted to EUR 0.6 million (EUR 1.9 million), including income from securities trading and currency brokerage.

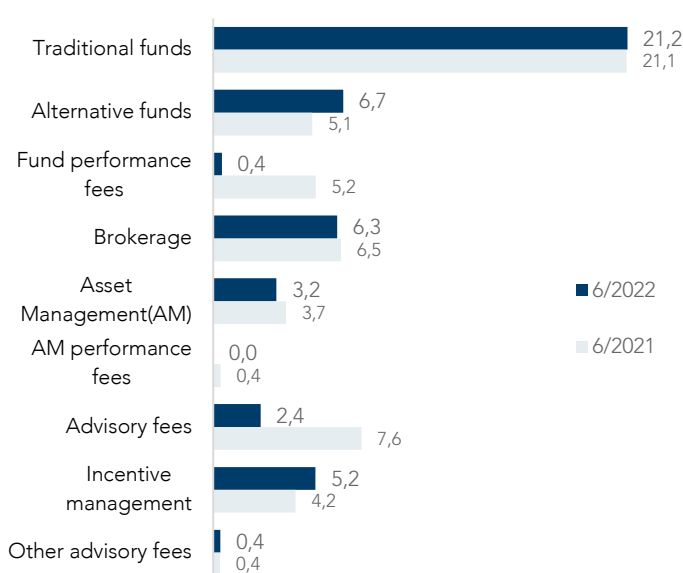
Total costs for the first half of the year, including depreciation, amounted to EUR 28.2 million (EUR 29.7 million). Expenses include EUR 1.0 million of non-recurring costs related to the corporate transactions. The Group's personnel expenses amounted to EUR 16.5 million (EUR 18.9 million), including an estimate of performance bonuses for the personnel. The Group's administrative expenses amounted to EUR 8.8 million (EUR 7.6 million). The Group's depreciation

and impairment amounted to EUR 2.5 million (EUR 2.4 million). Other operating expenses were EUR 0.3 million (EUR 0.8 million). Evli's expense/income ratio was 0.61 (0.53).

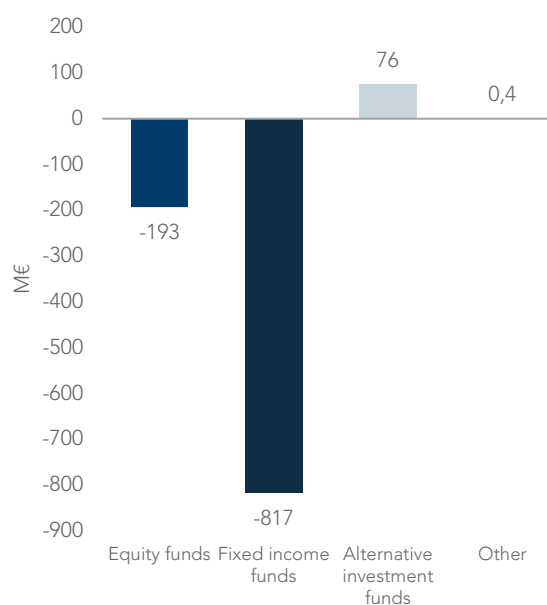
The operating profit decreased from the corresponding period by 32 percent and was EUR 18.0 million (EUR 26.4 million). Operating profit margin was 39.1 percent (47.3%). The net result for the period considered was EUR 14.1 million (EUR 20.8 million). Due to the weakened result, the Group's return on equity decreased to 28.6 percent (47.1%).

At the beginning of April, Evli Plc was created as a result of a partial demerger. As part of the overall arrangement, Evli made a significant investment in another entity created by the arrangement, Fellow Bank Plc. The investment is of a long-term nature and is not related to the Group's operational activities. For these reasons, the company presents the result of the valuation of the investment as a separate item in the statement of comprehensive income in accordance with IFRS 9. During the period, the change in value of the investment amounted to EUR -2.6 million.

Development of commission income (M€)



Net sales per fund classes 1-6/2022 (M€)



BUSINESS AREAS

WEALTH MANAGEMENT AND INVESTOR CLIENTS

The Wealth Management and Investor Clients segment offers services to present and future high net worth private individuals and institutions. The comprehensive product and service selection includes asset management services, fund products offered by Evli and its partners, various capital market services and alternative investment products. The segment also includes execution and operations activities that directly support these core activities.

Discretionary asset management

Assets under management decreased from the level of the comparison period due to the weak market development at the beginning of the year. At the end of the review period, Evli had EUR 5.0 billion (EUR 5.6 billion) in discretionary asset management assets, which includes both traditional and digital services.

According to Kantar Prospera's "External Asset Management 2022 Finland" survey published during the review period, Evli's institutional asset management was the most used asset manager in Finland. According to the survey, Evli was rated the second-best asset manager in Finland in terms of overall quality. Evli has been ranked in the top positions in the survey for 10 consecutive years in terms of overall quality; first in six years and second in four years.

Traditional mutual funds

During the period under review, mutual funds received more redemptions than subscriptions, as a result of which the net sales of the funds remained clearly negative. In cumulative terms, net redemptions of EUR -1.0 billion (EUR 1.0 billion) were made to Evli's mutual funds in January-June. According to Evli's strategy, the goal is to increase the international sales of its investment products. In the review period, net subscriptions from foreign investors amounted to EUR -0.7 billion (EUR -0.4 billion).

The returns of Evli's fixed income funds remained negative during the first half of the year due to higher interest rates. The best performing funds in relation to the benchmark index were Evli Emerging Markets Credit and Evli Euro Government Bond. The performance of equity funds was also negative at the

beginning of the year due to the general market situation. The Evli Equity Factor USA and Evli Japan funds performed best in relation to the benchmark index.

During the first half of the year, 33 percent of Evli's traditional mutual funds outperformed their benchmarks. In a three-year review, 52 percent of mutual funds outperformed the benchmark. In Morningstar's qualitative ranking, Evli ranked as Finland's top fund management company at the end of the period with 3.92 stars.

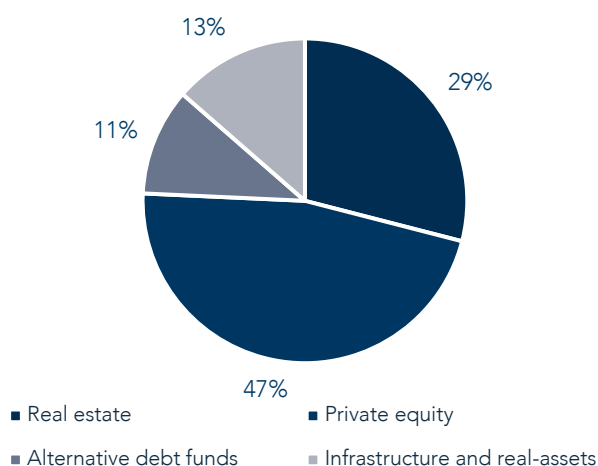
The combined capital of traditional investment funds managed by the Evli Fund Management Company was EUR 8.3 billion (EUR 10.3 billion). Of this, approximately EUR 2.5 billion was invested in equity funds (EUR 3.2 billion), EUR 5.7 billion in fixed income funds (EUR 6.9 billion) and EUR 0.1 billion in balanced funds (EUR 0.2 billion). At the end of June, EUR 2.2 billion of Evli's fund capital came from clients outside of Finland (EUR 2.8 billion), when regarding direct mutual fund investments.

Responsibility is a central part to Evli's asset management. At the end of the review period, the average ESG rating of Evli's funds was "AA" (source: MSCI ESG database).

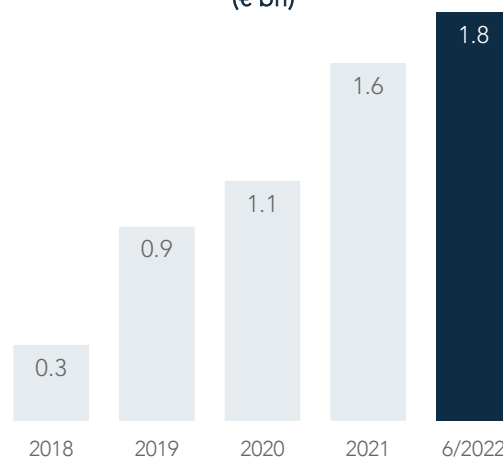
Alternative investment products

The strategically important sales of alternative investment products were in line with expectations. Subscriptions and commitments to alternative investment products totalled approximately EUR 76 million during the second quarter. Of the subscriptions and commitments, approximately EUR 33 million were allocated to private equity products, split evenly between Evli Private Equity I and Evli Private Equity III. The Residential Fund II, launched in late 2021, raised approximately EUR 9 million during the period. In addition, approximately EUR 4 million of subscriptions and commitments were allocated to Evli Growth Partners Fund II and approximately EUR 16 million to Evli Private Debt Fund. Furthermore, the Evli Rental Yield fund and Evli Leveraged Loan funds attracted subscriptions of around EUR 9.5 million and EUR 4 million respectively.

Alternative assets under management



Assets under Management in alternative investment products (€ bn)



Other investment products

Demand for brokerage products increased compared to the comparison period, for ETF instruments. In contrast, demand for other products did not reach the corresponding level of the comparison period.

Financial performance

In **January-June** the net revenue of the Wealth Management and Investor Clients segment decreased from the comparison period especially due to the weak market development and the fund redemptions. The net revenue of the segment decreased by 11 percent from the previous year and was EUR 37.5

million (EUR 42.2 million). The decrease in returns was mainly influenced by the decrease in performance-related fees. The performance-related fees from asset management and funds amounted to EUR 0.5 (EUR 5.6 million).

In **April-June** the net revenue of the Wealth Management and Investor Clients segment decreased by 12 percent compared to the review period and was EUR 17.6 million (EUR 20.1 million). The decrease in income was mainly due to the negative development of the assets under management due to net redemptions and the weak market performance.

Key figures - Wealth Management and Investor Clients segment

M€	1-6/2022	1-6/2021	Change %	4-6/2022	4-6/2021	Change %
Net revenue	37.5	42.2	-11%	17.6	20.1	-12%
Operating profit/loss before Group allocations	21.9	24.0	-9%	9.0	10.4	-14%
Operating profit/loss	15.5	19.1	-19%	5.9	8.4	-30%

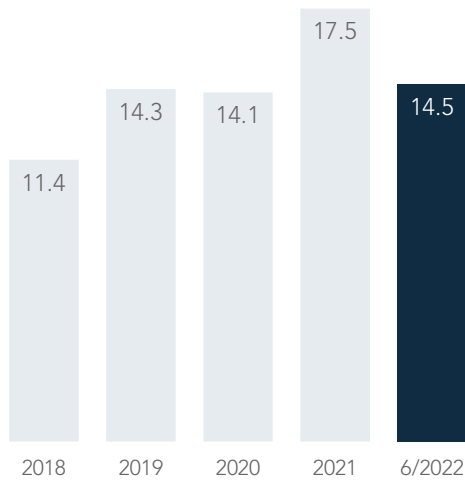
Development of client assets under management

Client assets under management consist of direct investments in mutual funds, discretionary asset management and assets managed through Evli's subsidiaries and associated companies.

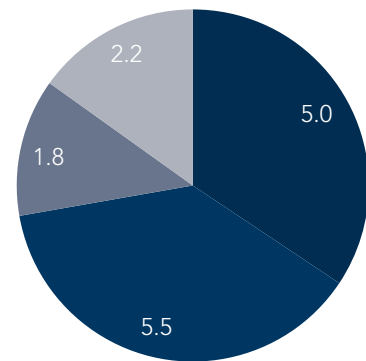
Assets under management decreased from the year-end due to negative net sales and the market development. At the end of June, the Group's total net assets under management amounted to EUR 14.5 billion (EUR 16.1 billion).

At the end of June, assets under discretionary management amounted to EUR 5.0 billion (EUR 5.6 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 5.5 billion (EUR 7.1 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.8 billion (EUR 1.3 billion). Assets managed through subsidiaries and associated companies stayed at the previous year's level and were EUR 2.2 billion (EUR 2.1 billion).

Development of assets under management (bn. €)



Assets under management (bn. €)



- Assets under management (bn. €)
- Discretionary asset management
- Mutual funds
- Alternative investment funds

ADVISORY AND CORPORATE CLIENTS

The Advisory and Corporate Clients segment provides corporate and capital management services, including advisory services on acquisitions and divestments, IPOs and share issues. The segment also provides planning and administration of compensation and incentive plans and corporate analysis services for listed companies.

M&A transactions

Client activity in the advisory business remained good throughout the first half of the year and new mandates were launched throughout the period. However, the challenging market environment was reflected in the execution of mandates, in particular in fundraising transactions, which were postponed or cancelled for the time being. Despite the high level of activity, turnover for the period under review was below the level of the comparison period.

Evli's announced mandates for the second quarter:

- Sale of NorcoSpectra, owned by SEB Private Equity, to Accent Equity
- Sitowise's acquisition of E60 Elkonsult AB
- Rights issue of QPR Software Plc
- Netel's acquisition of Karlskoga Mark AB
- Directed share issue of Cascade Drives

Incentive systems

At the end of the review period, the company had around 120 incentive programs under management, most of which were from Finnish companies. Evli annually advises around 160 companies on compensation planning mandates. Sales to both Swedish listed and domestic unlisted companies increased during the period. In the Finnish client base, activity remained high, driven in particular by high demand for employee share issues.

Net revenue for the Incentives business for the period under review were EUR 5.2 million (EUR 4.2 million), positively impacted by both the increase in the number of client companies compared to the reference period and the continued growth in cross-selling of solutions for incentive planning and management. In addition, the interest of existing clients in more comprehensive plans, such as share savings plans for the entire personnel, continued to grow. The period under review also saw the most active period for implementation of share-based remuneration of listed companies' board fees, with the highest volumes historically achieved. Turnover growth over the period was relatively strongest in the design of rewards and incentives plans business.

Financial performance

In **January-June**, the net revenue in the Advisory and Corporate Clients segment decreased from the previous year and amounted to EUR 8.0 million (EUR 11.7 million). Revenue growth was negatively impacted by the decrease in advisory fees from M&A transactions. By contrast, commissions in the incentive business continued to grow and rose to a higher level than in the comparison period. Significant fluctuations in revenue from one quarter to the next are typical of the segment's M&A activities.

In **April-June** the net revenue of the Advisory and Corporate Clients segment decreased from the comparison period and was EUR 4.4 million (EUR 7.6 million). The challenging market environment during the period under review was reflected in delays or cancellations of advisory mandates. By contrast, the comparison period was exceptionally strong in terms of M&A mandates. During the period under review, the company was involved in five transactions. Income from the incentive business developed favourably during the review period as the number of clients continued to grow steadily.

Key figures - Advisory and Corporate Clients segment

M€	1-6/2022	1-6/2021	Change %	4-6/2022	4-6/2021	Change %
Net revenue	8.0	11.7	-32%	4.4	7.6	-42%
Operating profit/loss before Group allocations	3.1	7.0	-55%	1.7	5.1	-66%
Operating profit/loss	2.0	5.7	-66%	1.2	4.6	-74%

GROUP OPERATIONS

The Group Operations segment includes support functions serving the business areas, such as Information Management, Financial Administration, Marketing, Communications and Investor Relations, Legal Department, Human Resources, and Internal Services. The company's own investment operations that support the company's operations, and the Group's supervisory functions; Compliance, Risk Management and Internal Audit, are also part of Group Operations.

Financial performance

In **January-June**, the net revenue in the Group Operations segment decreased compared to the previous year and was EUR 0.7 million (EUR 2.0 million).

In **April-June**, the net revenue of the Group Operations segment increased compared to the comparison period and was EUR 0.9 million in total (EUR 0.8 million).

Key figures – Group Operations segment

M€	1-6/2022	1-6/2021	Change %	4-6/2022	4-6/2021	Change %
Net revenue	0.7	2.0	-67%	0.9	0.8	19%
Operating profit/loss before Group allocations	-7.0	-4.9	43%	-2.5	-1.9	31%
Operating profit/loss	0.6	1.3	-53%	1.2	0.6	95%

PERSONNEL

At the end of June, the Group had 259 permanent employees. In addition, the Group employed 41

temporary staff. 92 percent of the personnel worked in Finland and eight percent outside Finland.

RESPONSIBILITY

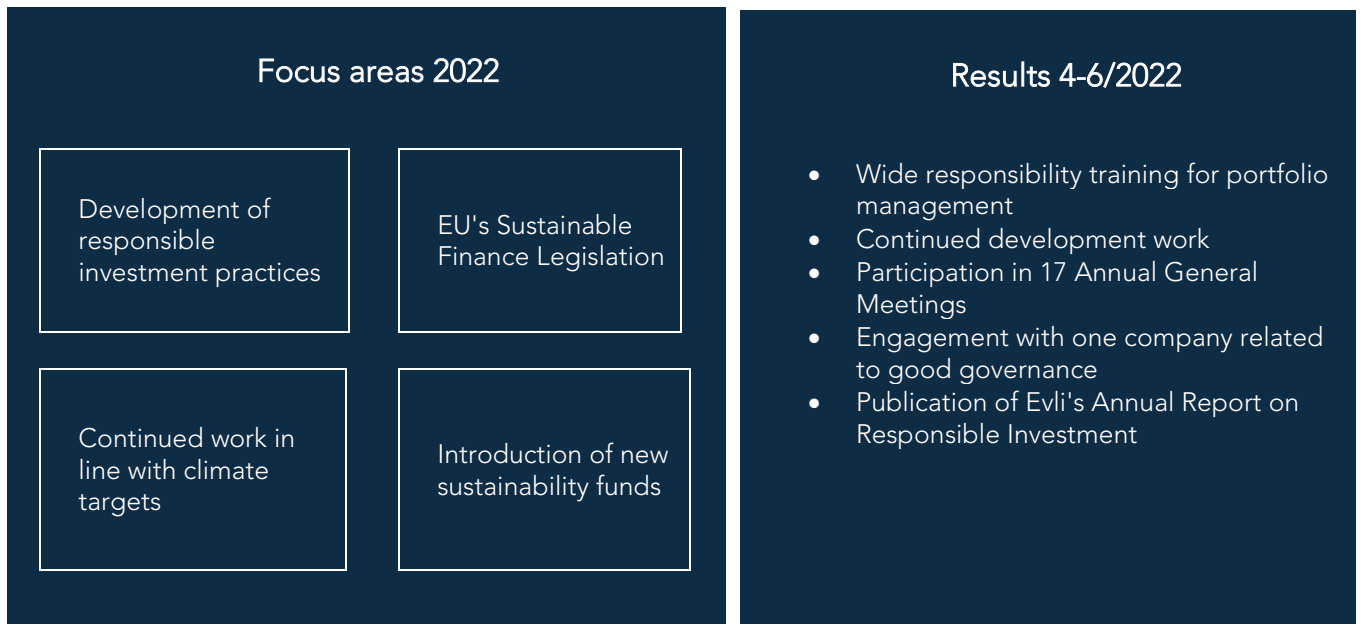
Responsibility is one of Evli's strategic focus areas. In Evli's most important business area, asset management, responsibility factors are integrated into investment activities, making responsible investment a systematic part of portfolio management. Investments made by Evli's mutual funds are also monitored for potential breaches of standards, and in asset management we engage with companies, both independently and in cooperation with other investors.

Responsible investing

During the second quarter, Evli organized a wide internal training related to climate issues, biodiversity

and EU's Sustainable Finance Legislation. Evli also continued during the second quarter its development work, its climate targets, human rights and biodiversity as key themes for the development.

The annual general meeting period continued and Evli participated in 17 Annual General Meetings and engaged with one company during April-June. Due to the coronavirus pandemic, the annual general meeting participations took place by issuing proxy statements with voting instructions. During the second quarter, Evli's Responsible Investment Report 2021 was published.



BALANCE SHEET AND FUNDING

The Group's balance sheet total at the end of June was EUR 381 million (EUR 404 million). The Group's equity at the end of the review period was EUR 94.6 million (EUR 98.3 million). A breakdown of the changes in equity during the period is given in the table section of the release.

At the end of the period, the Group's cash and cash equivalents amounted to EUR 101.4 million (EUR 33.2 million) and liquid mutual fund investments to EUR 12.8 million (EUR 42.7 million). Evli Plc has granted investment loans to its clients. At the end of the review period, the loans totalled EUR 40.2 million (EUR 105.3 million). These are disclosed in the balance sheet under "Receivables from the public and entities ". There were no credit losses during the review period.

The lease liability recognised in the balance sheet for business premises at the end of the period was EUR 6.6 million (EUR 8.3 million), of which short-term liabilities amounted to EUR 0.9 million (EUR 1.8

million). Evli Plc has issued structured bonds for a total amount of EUR 102.2 million (EUR 101.1 million), which together with equity form the basis of the Group's long-term debt financing. At the end of June, the company's share capital amounted to EUR 23.7 million.

The group's core capital (CET 1) as at June 30, 2022, was EUR 55.1 million and the group's own funds to minimum capital ratio was 423.7 percent. As an investment services company, Evli Plc complies with the Investment Firm Regulation and Directive (IFR/IFD). The most restrictive capital requirement for Evli at the end of the reporting period was determined on the basis of fixed overhead costs. The minimum capital requirement based on fixed overhead costs was EUR 13.0 million. The Group's equity ratio was 24.8 percent at June 30, 2022. Detailed information on capital adequacy is provided in the table section of the release.

SHARES AND SHAREHOLDERS

Evli Plc was created by a partial demerger from Evli Bank Plc on April 2, 2022. Trading in Evli Plc's Series B shares began on the main list of Nasdaq Helsinki on April 4, 2022.

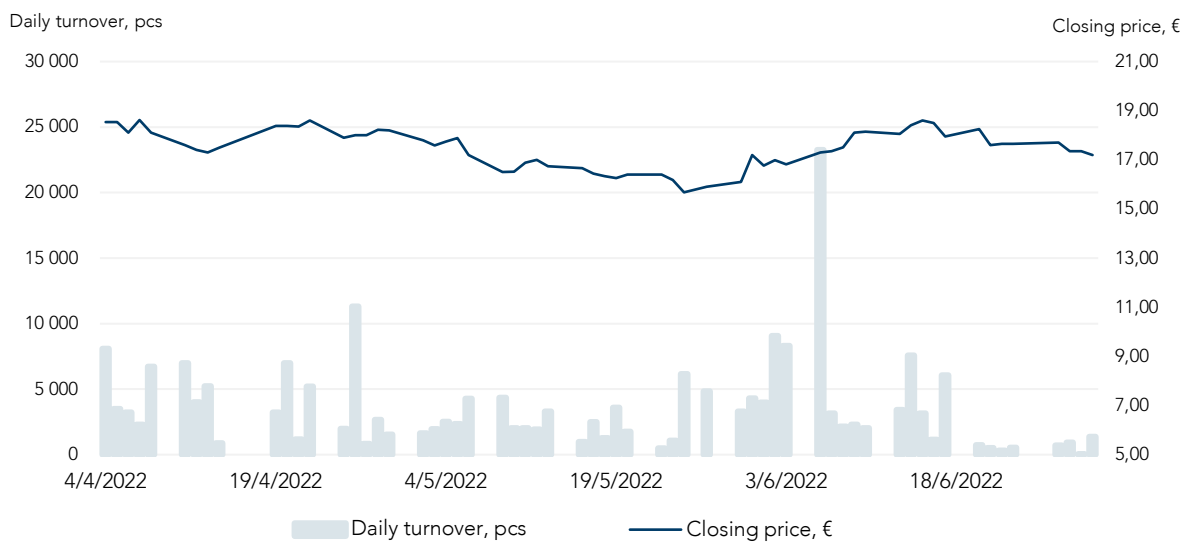
Evli Plc's total number of shares at the end of June was 23,857,437 shares, of which 14,493,148 were series A shares and 9,364,289 series B shares. The company held no own shares at the end of June 2022.

The closing price of Evli Plc's share on June 30, 2022, was EUR 17.20. The lowest closing price for the period was EUR 15.68 and the highest was EUR 18.62. A total of 212,917 Evli Plc shares were traded during the

period under review. The combined market value of A and B shares was EUR 410.3 million. For the purpose of calculating the market value, the A share is valued at the closing price of the B share for the period

Evli's total number of shareholders was 6,076 at the end of June. Finnish companies owned 55.8 percent and the shareholding of Finnish private individuals was 27.4 percent. The remaining 16.8 percent of the shares were owned by financial and insurance corporations, general government, non-profit-making entities and foreign investors. The ten largest shareholders are presented on page 32.

Share price development and trading volume (series B shares) from April 4 to June 30, 2022



BUSINESS RISKS AND RISK MANAGEMENT

The most significant risks for the Group in the near term are the general market development and the impact of the changing operating environment and inflation on Evli's businesses. The performance of the asset management business is mainly influenced by the development of assets under management, which depends on, among others, the development of capital markets and the general demand for investment products. On the other hand, alternative investment products in particular are based on long-term agreements which provide a steady income stream. Profit development is also influenced by the realisation of performance-related fee income linked to the successful management of client assets. Performance fees can vary widely from quarter to quarter and from financial year to financial year.

General market developments also have an impact on brokerage and advisory mandates. In the Corporate Finance business, potential changes in market confidence among investors and corporate managers may lead to project delays or interruptions.

In addition to its core business, Evli has granted investment loans to its clients, as well as owning equity and mutual fund investments. The most significant risks related to its own investment activities are liquidity, market and interest rate risks. These risks are managed through limits set by Evli Plc's Board of Directors, which are monitored on an ongoing basis. The company's investments are made on the basis that they must not endanger the Group's results or solvency. Despite good supervision, investment activities always involve a certain degree of risk, which may result in significant quarterly fluctuations in the returns from investment activities.

A more detailed description of operational risks is provided in the carve-out financial statements of Evli Plc, available at evli.com.

CHANGES IN GROUP STRUCTURE

During the period, Evli established a new company in Sweden, Evli AB, to promote the sale of its investment products in the local market. The company acts as Evli's tied agent in Sweden, focusing on the sale of

both traditional and alternative funds to local investors.

EVENTS TAKING PLACE AFTER REVIEW PERIOD

The Extraordinary General Meeting of Evli Plc ("Evli") held in Helsinki on July 14, 2022, approved the merger of EAB Group Plc and EAB Asset Management Ltd, a wholly owned subsidiary of EAB Group Plc, into Evli. In order to implement the merger with EAB Group Plc and EAB Asset Management Ltd, the General Meeting decided to approve the merger plans approved by the Boards of Directors of Evli and EAB Group Plc and signed on May 31, 2022, according to which all assets and liabilities of EAB Group Plc and EAB Asset Management Ltd will be transferred to Evli without a liquidation procedure on the implementation date as described in the merger plans.

OUTLOOK FOR 2022 UNCHANGED

The year 2022 has started in a challenging market, due to heightened interest rate and inflation fears, increased geopolitical risks and a declining market.

Despite the increased risks, we estimate that the operating result for 2022 will be at a good level.

Helsinki, July 15, 2022

EVLI PLC
Board of Directors

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evli.com

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	1-6/2022	1-6/2021	1-12/2021
Fee and commission income	47.2	55.3	114.4
Net income from securities transactions	0.7	1.8	3.7
Income from equity investments	-0.1	0.0	0.0
Interest income	0.4	0.7	1.4
Other operating income	0.0	0.0	0.2
INCOME TOTAL	48.3	57.8	119.7
Fee and commission expenses	-1.6	-1.4	-2.7
Interest expenses	-0.5	-0.6	-0.8
NET INCOME	46.2	55.8	116.2
Administrative expenses			
Personnel expenses	-16.5	-18.9	-36.6
Other administrative expenses	-8.8	-7.6	-17.6
Impairment charges on goodwill	0.0	0.0	0.0
Depreciation and amortization on tangible and intangible assets	-2.5	-2.4	-4.8
Other operating expenses	-0.3	-0.8	-1.3
Expected credit losses on loans and other receivables	0.0	0.1	0.1
Share of profit or loss of associates	0.0	0.3	0.5
OPERATING PROFIT/LOSS	18.0	26.4	56.6
Income taxes	-4.0	-5.6	-11.2
PROFIT / LOSS FOR THE FINANCIAL YEAR	14.1	20.8	45.5
Attributable to			
Minority interest	1.8	4.4	6.7
Shareholders of parent company	12.3	16.4	38.8
PROFIT / LOSS FOR THE FINANCIAL YEAR	14.1	20.8	45.5
OTHER COMPREHENSIVE INCOME / LOSS			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences - foreign operations	-0.5	0.2	0.1
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Fair value change of financial instruments recognized in OCI	-2.6	0.0	0.0
Deferred taxes	0.5	0.0	0.0
Other comprehensive income/loss	-2.6	0.2	0.1
Other comprehensive income after taxes / loss for the year	-2.6	0.2	0.1
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	11.5	21.0	45.6
Attributable to			
Non-controlling interest	1.8	4.4	6.7
Equity holders of parent company	9.7	16.6	38.9
Earnings per share (EPS), fully diluted (EUR)	0,50		
Earnings per share (EPS), undiluted (EUR)	0,51		

QUARTERLY CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	Q2/2022	Q1/2022	Q4/2021	Q3/2021	Q2/2021
Fee and commission income	22.7	24.5	34.9	24.3	28.5
Net income from securities transactions	1.0	-0.3	0.4	1.5	0.7
Income from equity investments	-0.1	0.0	0.0	0.0	0.0
Interest income	0.1	0.3	0.3	0.3	0.4
Other operating income	0.0	0.0	0.2	0.0	0.0
INCOME TOTAL	23.8	24.5	35.8	26.1	29.5
Fee and commission expenses	-0.6	-1.0	-0.7	-0.6	-0.7
Interest expenses	-0.3	-0.2	0.0	-0.2	-0.3
NET INCOME	22.9	23.3	35.0	25.4	28.5
Administrative expenses					
Personnel expenses	-8.4	-8.1	-10.3	-7.3	-9.7
Other administrative expenses	-5.0	-3.8	-6.3	-3.6	-3.9
Impairment charges on goodwill	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization on tangible and intangible assets	-1.2	-1.3	-1.1	-1.3	-1.4
Other operating expenses	0.0	-0.3	-0.4	0.0	-0.1
Expected credit losses on loans and other receivables	0.0	0.0	0.0	0.0	0.1
Share of profit or loss of associates	0.0	0.0	0.1	0.2	0.0
OPERATING PROFIT/LOSS	8.3	9.7	17.0	13.3	13.6
Income taxes	-2.0	-2.0	-3.7	-1.9	-3.5
PROFIT / LOSS FOR THE FINANCIAL YEAR	6.3	7.7	13.3	11.4	10.1
Attributable to					
Minority interest	1.0	0.8	1.3	1.0	2.6
Shareholders of parent company	5.4	6.9	12.0	10.4	7.5
PROFIT / LOSS FOR THE FINANCIAL YEAR	6.3	7.7	13.3	11.4	10.1
OTHER COMPREHENSIVE INCOME / LOSS					
<i>Items that are or may be reclassified subsequently to P&L</i>					
Foreign currency translation differences - foreign operations	-0.3	-0.1	0.0	0.0	0.0
<i>Items that may not be reclassified subsequently P&L</i>					
Fair value change of financial instruments recognized in OCI	-2.6	0.0	0.0	0.0	0.0
Deferred taxes	0.5				
Other comprehensive income/loss	-2.4	-0.1	0.0	0.0	0.0
Other comprehensive income after taxes / loss for the year	-2.4	-0.1	0.0	0.0	0.0
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	3.9	7.6	13.3	11.4	10.1
Attributable to					
Non-controlling interest	1.0	0.8	1.3	1.0	2.6
Equity holders of parent company	2.9	6.8	12.0	10.4	7.5

CONSOLIDATED BALANCE SHEET

ASSETS	30.6.2022	30.6.2021	31.12.2021
Cash and equivalents	0.4	0.0	0.0
Claims on credit institutions	101.4	33.2	47.8
Claims on the public and public sector entities	40.2	105.3	87.4
Debt securities	0.1	1.3	0.7
Shares and participations	27.1	59.5	49.6
Derivative contracts	0.3	17.6	26.4
Shares and participations in associates	4.1	2.8	4.0
Intangible assets and goodwill	13.4	14.9	13.8
Property, plant and equipment	1.2	1.5	1.2
Right-of-use assets	6.6	8.3	7.6
Other assets	182.4	153.7	127.1
Accrued income and prepayments	3.0	4.5	2.3
Income Tax receivables	0.6	1.4	0.1
Deferred tax assets	0.8	0.1	0.1
TOTAL ASSETS	381.4	404.0	368.3
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions and central banks	0.0	53.1	8.6
Debt securities issued to the public	102.2	101.1	91.0
Derivative contracts and other liabilities held for trading	0.3	17.5	26.3
Other liabilities	151.9	105.4	105.4
Accrued expenses and deferred income	27.5	24.3	29.3
Income tax liabilities	4.8	4.4	5.5
Deferred tax liabilities	0.0	0.0	0.0
TOTAL LIABILITIES	286.8	305.7	266.1
EQUITY			
Equity to holders of parent company	91.4	93.4	96.9
Non-controlling interest in capital	3.2	4.9	5.2
TOTAL EQUITY	94.6	98.3	102.1
TOTAL LIABILITIES AND EQUITY	381.4	404.0	368.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Fair value reserve	Translation difference	Fund of invested unrestricted equity	Retained earnings	Equity attributable to the owners of parent entity	Non-controlling interest	Total equity
Equity 1.1.2021	0.0	0.0	0.2	0.0	75.1	75.2	3.0	78.2
Translation difference			0.0			0.0		0.0
Profit/loss for the period					16.4	16.4	4.4	20.8
Dividends					0.0	0.0	-2.1	-2.1
Other changes					2.8	2.8	-0.4	2.4
Equity transactions with Evli Bank					-1.0	-1.0		-1.0
Equity 30.6.2021	0.0	0.0	0.2	0.0	93.3	93.4	4.9	98.3
Translation difference			-0.1			-0.1		-0.1
Profit/loss for the period					22.4	22.4	2.3	24.7
Dividends					-17.4	-17.4	-1.0	-18.4
Other changes					-1.3	-1.3	-0.9	-2.3
Equity transactions with Evli Bank					-0.2	-0.2		-0.2
Equity 31.12.2021	0.0	0.0	0.1	0.0	96.8	96.9	5.2	102.1
Translation difference			-0.5			-0.5		-0.5
Profit/loss for the period					12.3	12.3	1.8	14.1
Dividends					-25.3	-25.3	-3.8	-29.1
Fair value adjustment of Fellow Bank Plc shares		-2.1				-2.1		-2.1
Other changes					0.5	0.5	0.0	0.5
Effect of demerger 2.4.2022	23.7			26.7	-40.8	9.6		9.6
Equity 30.6.2022	23.7	-2.1	-0.4	26.7	43.5	91.4	3.2	94.6

Comparative periods are prepared according to carve-out principles, also taking into account equity transactions with Evli Bank according to the principles described in the carve-out financial statements.

Other changes from 2021 include the accrual of expenses arising from granted retention programs, which is presented as part of the change in the retained earnings column and a one-off impact from the acquisition of Alexander Incentives Oy.

Other changes for 2022 include the recognition of equity in accordance with IFRS 2.

The effect of the demerger in equity 9.6 million euros is the difference between the equity calculated in accordance with the carve-out financial statements accounting policies and the equity allocated to Evli Plc in accordance with the distribution plan.

SEGMENT REPORTING

30.6.2022 segment income statement	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
Net Interest Income	0.0	0.0	-0.1	0.0	-0.1
Commission income and expense. net	37.5	8.0	0.1	0.0	45.6
Net income from securities transactions and foreign exchange dealing	0.0	0.0	0.6	0.0	0.6
Other operating income	0.0	0.0	0.0	0.0	0.0
External sales	37.5	8.0	0.7	0.0	46.2
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
NET REVENUE	37.5	8.0	0.7	0.0	46.2
Timing of revenue recognition					
Over time	31.3	4.1	0.0	0.0	35.4
At a point of time	6.2	4.1	0.0	0.0	10.3
Segment operating expenses	-14.7	-4.7	-6.2	-0.1	-25.6
Business units operating profit before depreciations and Group allocations	22.9	3.3	-5.6	-0.1	20.5
Depreciation, amortisation and write-down	-0.9	-0.2	-1.4	0.0	-2.5
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
Business units operating profit before Group allocations	21.9	3.1	-7.0	-0.1	18.0
Allocated corporate expenses	-6.5	-1.1	7.6	0.0	0.0
OPERATING PROFIT	15.5	2.0	0.6	-0.1	18.0
Share of profits (losses) of associates	0.0	0.0	0.0	0.0	0.0
Income taxes*	-2.3	-0.6	-1.1	0.1	-4.0
SEGMENT PROFIT/LOSS	13.2	1.4	-0.4	0.0	14.1

30.6.2021 segment income statement	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
Net Interest Income	0.0	0.0	0.2	0.0	0.1
Commission income and expense. net	42.2	11.7	0.0	0.0	53.8
Net income from securities transactions and foreign exchange dealing	0.0	0.0	1.8	0.0	1.9
Other operating income	0.0	0.0	0.0	0.0	0.0
External sales	42.2	11.7	2.0	0.0	55.8
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
NET REVENUE	42.2	11.7	2.0	0.0	55.8
Timing of revenue recognition					
Over time	30.1	3.5	0.0	0.0	33.7
At a point of time	11.9	8.2	0.0	0.0	20.2
Segment operating expenses	-17.0	-4.5	-5.9	0.0	-27.3
Business units operating profit before depreciations and Group allocations	25.1	7.2	-3.8	0.0	28.5
Depreciation, amortisation and write-down	-1.1	-0.2	-1.1	0.0	-2.4
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
Business units operating profit before Group allocations	24.0	7.0	-4.9	0.0	26.1
Allocated corporate expenses	-5.0	-1.2	6.2	0.0	0.0
OPERATING PROFIT	19.1	5.7	1.3	0.0	26.1
Share of profits (losses) of associates	0.0	0.0	0.3	0.0	0.3
Income taxes*	-2.2	-1.2	-2.2	0.0	-5.6
SEGMENT PROFIT/LOSS	16.9	4.5	-0.6	0.0	20.8

CONSOLIDATED CASH FLOW STATEMENT

	1-6 2022	1-6 2021	1-12 2021
Operating activities			
Operating profit	18.0	26.4	56.6
Adjustment for items not included in cash flow	7.0	4.5	13.6
Income taxes paid	-5.0	-3.7	-7.6
Cash flow from operating activities before changes in operating assets and liabilities	20.1	27.2	62.7
Changes in operating asset	15.4	2.8	59.6
Changes in operating liabilities	58.0	-48.8	-60.8
Cash flow from operating activities	93.5	-18.8	61.5
Investing activities			
Change in intangible asset	-0.8	-0.3	-0.6
Change in property, plant and equipment	0.0	-0.1	-0.2
Cash flow from investing activities	-0.8	-0.4	-0.7
Financing activities			
Change in Loans from credit institutions	-8.6	19.6	7.9
Change in Loans from parent entity Evli Bank*	0.0	8.7	-24.1
Equity transactions with the parent entity Evli Bank*	0.0	-1.0	-2.3
Dividends paid	-25.3	0.0	-17.4
Dividends paid to NCI	-3.8	-2.0	-3.1
Payments of loan/IFRS 16 Right of use asset	-1.0	-0.8	-1.7
Cash flow from financing activities	-38.7	24.4	-41.0
Cash and cash equivalents at the beginning of period	47.8	28.0	28.0
Cash and cash equivalents at the end of year	101.8	33.2	47.8
Change	54.0	5.1	19.8

Cash and cash equivalents = Cash and equivalents and claims on credit institutions

*Items from the comparative periods which are based on carve-out principles.

CAPITAL ADEQUACY

M€	IFR, 30.6.2022 Evli-Group
Total equity	94,6
Common Equity Tier 1 capital (CET 1) before deductions	94,6
Deductions from CET 1, total	-39,5
Intangible assets	-13,4
Profit for the financial year	-14,1
Other deductions	-12,0
Common Equity Tier 1 capital (CET1)	55,1
Additional Tier 1 capital (AT1)	
Additional Tier 1 capital (T1 = CET1 + AT1)	55,1
Tier 2 capital (T2)	
Total own funds (TC = T1 + T2)	55,1
Own funds requirement (IFR)	
Fixed overhead costs requirement	13,0
K-factor requirement	4,3
Minimum requirement	0,75
Total requirement (most restrictive)	13,0
CET1 compared to total requirement (%)	423,7 %
T1 compared to total requirement (%)	423,7 %
Total own funds compared to total requirement (%)	423,7 %
Total risk weighted assets	162,6
CET1 compared to risk weighted assets (%)	33,9 %
T1 compared to risk weighted assets (%)	33,9 %
Total own funds compared to risk weighted assets (%)	33,9 %
Excess own funds compared to total requirement	42,1

ACCOUNTING POLICIES

Evli Plc's Half Year Financial Report has been prepared in accordance with the IAS 34 standard, as approved by the European Union. Evli Plc was created by a partial demerger from Evli Bank Plc on April 2, 2022. In the partial demerger, all assets, liabilities and contingent liabilities related to Evli Bank's asset management, custody, clearing and brokerage and corporate finance businesses and supporting activities were transferred to a new independent company called Evli Plc, which was established in the partial demerger ("Demerger"). This report contains carve-out figures for the period January 1, 2022, to March 31, 2022, derived from the consolidated figures of Evli Bank Plc as at March 31, 2022. When preparing the carve-out interim financial information, the basis for presentation applied for the carve-out financial statements for the financial year ended 31.12.2021, have also been applied to relevant parts in the carve-out interim financial information.

The report does not include all the information disclosed in annual financial statements. This interim financial information should be read together with the groups carve-out financial statements.

Top management of the group do not regularly oversee the distribution of assets and liabilities to the different segments. That is why assets and liabilities are not divided by the operating segments. Group costs include the group costs allocation to the different segments. Group costs include top management costs, certain back-office services, risk management, finance administration, IT, marketing, communications and investor relations, legal and compliance, internal services and human resources. The accounting policies are consistent with the ones used in the annual carve-out financial statements.

The figures are unaudited.

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE IN FUTURE FINANCIAL YEARS

New standards are not expected for the next financial year that would have a significant impact on Evli Group's accounting policies.

NOTES TO BALANCE SHEET

Commission income

	Q2/2022	Q2/2021	1-6/2022	1-6/2021	1-12/2022
Revenue recognized over time					
Traditional funds	10.3	11.3	21.2	21.1	44.2
Alternative funds	3.5	2.7	6.7	5.1	12.3
Asset Management (AM)	1.7	2.0	3.4	3.9	7.9
Incentive management, administration	1.9	1.8	3.7	3.2	6.1
Paid research fees	0.1	0.1	0.4	0.4	0.5
Revenue recognized over time, total	17.5	17.8	35.3	33.6	70.9
Revenue recognized at point in time					
Fund performance fees	0.0	0.1	0.4	5.2	8.2
Brokerage	2.4	3.7	6.3	6.5	11.4
AM performance fees	0.0	0.4	0.0	0.4	7.7
Incentive management, design	0.6	0.4	1.5	1.0	2.5
Corporate Finance fees	1.7	5.6	2.4	7.6	11.8
Other fees	-0.2	-0.2	-0.4	-0.5	-0.8
Revenue recognized at point in time, total	4.6	9.9	10.3	20.2	40.8
Total net commission income	22.1	27.8	45.6	53.8	111.7

Debt securities

	30.6.2022	30.6.2021	31.12.2021
Bonds. fair value	102.2*	101.1	91.0
Debt securities issued to the public	102.2	101.1	91.0

*The issued bonds include derivatives which are presented separately in the balance sheet. All derivatives as of 30.6.2022 are connected to issued bonds and fully hedged. The group has no open market risk related to the fair value change of the underlying asset class.

Breakdown by maturity

	Maturity: less than 3 months	Maturity: 3- 12 months	Maturity: 1-5 years	Maturity: 5- 10 years
30.6.2022				
Debt securities issued to the public	2.1	9.3	78.5	12.3
30.6.2021				
Debt securities issued to the public	0.3	8.0	92.8	0.0
31.12.2021				
Debt securities issued to the public	0.9	10.7	75.2	4.2

Changes in issued debt securities

	30.6.2022	30.6.2021	31.12.2021
Bonds issued (change)	21.5	0.0	4.2
Bonds Repurchased (change)	4.0	20.3	34.3

Off-Balance sheet commitments

	30.6.2022	30.6.2021	31.12.2021
Commitments given to a third party on behalf of a customer	0.0	11.5	0.4
Irrevocable commitments given in favour of a customer	3.2	2.4	2.6
Guarantees on behalf of others	0.0	0.0	0.0
Unused credit facilities	3.2	13.7	18.1

Transactions with related parties

	June 2022 Associated companies	June 2021 Associated companies	June 2022 Group management	June 2021 Group management	June 2022 Evli Bank Plc	June 2021 Evli Bank Plc
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Purchases	0.0	0.0	0.0	0.0	0.0	0.2
Receivables	0.0	0.0	0.0	0.5	0.0	23.7
Liabilities	0.0	0.0	0.3	0.1	0.0	49.5

The associated company Northern Horizon Capital A/S and Ahti Invest Oy belong to Evli Plc's ("Evli") related parties. Also, the management of Evli, their immediate family members, companies controlled by management or their immediate family members and the board members of subsidiaries belong to Evli's related parties. For the comparison period, related parties also included Evli Bank Plc in the carve-out analysis.

The transactions between management and Evli are typical transactions between an investment firm and its clients. Receivables from management consist of loans issued by normal terms. The arrangements between management and Evli do not differ in terms from other arrangements between Evli and its other clients.

The business transactions in the comparison period which Evli has conducted with Evli Bank Plc are presented as related party transactions. Evli Plc finances part of its operations with financing granted by Evli Bank Plc. The purpose is to cover any financing needs related to collateral placement, trading or other day-to-day operations. This funding is presented as a debt to Evli Bank Plc. Evli Group's subsidiaries cash deposits to Evli Bank Plc are presented as receivables from Evli Bank Plc in claims on credit institutions in the balance sheet. There are no other material business transactions between Evli Plc and Evli Bank Plc than these financing activities mentioned above. As of 30.6.2022 Evli had no financing from Evli Bank Plc. Evli Bank Plc is Fellow Bank Plc starting April 2, 2022.

Value of financial instruments across the three levels of the fair value hierarchy

Fair value. M€	30.6.2022			Ending Balance
	Level 1	Level 2	Level 3	
Financial assets:				
Shares and participations classified as held for trading	0.2	0.0	0.0	0.2
Shares and participations. other	19.2	0.0	7.7	26.9
Debt securities eligible for refinancing with central banks	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.1	0.1
Positive market values from derivatives	0.0	0.0	0.3	0.3
Total financial assets held at fair value	19.4	0.0	8.1	27.5
Financial liabilities:				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	0.0	0.3	0.3
Total financial liabilities held at fair value	0.0	0.0	0.3	0.3

Fair value. M€	30.6.2021			Ending Balance
	Level 1	Level 2	Level 3	
Financial assets:				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations. other	52.2	0.0	7.3	59.5
Debt securities eligible for refinancing with central banks				0.0
Debt securities	0.7	0.3	0.4	1.3
Positive market values from derivatives	0.0	14.5	3.1	17.6
Total financial assets held at fair value	52.9	14.8	10.8	78.4
Financial liabilities:				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	14.4	3.1	17.5
Total financial liabilities held at fair value	0.0	14.4	3.1	17.5

Fair value. M€	31.12.2021			Ending Balance
	Level 1	Level 2	Level 3	
Financial assets:				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations. other	42.2	0.0	7.4	49.6
Debt securities eligible for refinancing with central banks	0.0	0.0	0.0	0.0
Debt securities	0.0	0.3	0.4	0.7
Positive market values from derivatives	0.0	24.1	2.3	26.4
Total financial assets held at fair value	42.2	24.4	10.1	76.7
Financial liabilities:				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	24.0	2.3	26.3
Total financial liabilities held at fair value	0.0	24.0	2.3	26.3

Explanation of fair value hierarchies

Level 1

Fair values measured using quoted prices in active markets for identical instruments.

Level 2

Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

Level 3

Fair values measured using inputs that are not based on observable market data.

Level 1 of the hierarchy includes listed shares, mutual funds and derivatives listed on exchanges, and debt securities that are traded in active OTC- and public markets.

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds, real estate funds, equities and equity rights. Derivatives in level 2 are forwards whose values are calculated with inputs like quoted interest rates and currency rates. Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market. The values are calculated with pricing models widely in use, like Black-Scholes. Valuations received from the counterparty of the OTC trade are classified as level 3 valuations. There is no significant change in the option fair values, if the volatility estimates are changed to publicly obtained historical volatilities. Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations for illiquid securities that are received directly from the arranger of the issue, or the valuation is calculated by Evli.

Change in fair value of financial instruments that are valued in other comprehensive income

At the beginning of April, Evli Plc was created as a result of a partial demerger. As part of the overall arrangement, Evli made a significant investment in another entity created by the arrangement, Fellow Bank Plc. The investment is of a long-term nature and is not related to the Group's operational activities. For these reasons, the company presents the result of the valuation of the investment as a separate item in the statement of comprehensive income in accordance with IFRS 9. The table below illustrates the impact of the revaluation on the Group's statement of comprehensive income for the period.

Share purchase price 1.4.2022: (€/share)	0.5856
Number of shares: (amount)	15 288 303,00
Initial acquisition, market value: (€ million)	9.0
Share price 30.6.2022 (€/share):	0.4130
Number of shares: (amount)	15 288 303,00
Market value 30.6.2022: (€ million)	6.3
Change in value for the review period: (€ million) (Market value 30.6.2022 - acquisition price)	-2.64
Calculated tax effect of value change: (€ million)	0.53
Profit impact of the valuation after taxes: (€ million)	-2.11

Credit loss provision for financial assets measured at amortized cost

Items to be measured according the IFRS 9 standard, expected credit losses

Financial assets measured at amortized cost and accounts receivable

Balance sheet item. 30.6.2022	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	101.4	101.4	0.0	0.0	0.0	0.0
Receivables from public	40.2	39.2	0.9	0.0	0.1	0.1
Receivables from the public; corporate	16.6	16.3	0.3	0.0	0.0	0.0
Receivables from the public; private	23.6	22.9	0.7	0.0	0.0	0.0
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	3.9	3.7	0.2	0.0	0.0	0.0
Off-balance sheet loan commitments	3.2	3.2	0.1	0.0	0.0	0.0
	148.7	147.5	1.2	0.0	0.1	0.1

Balance sheet item. 30.6.2021	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	33.2	33.2	0.0	0.0	0.0	0.0
Receivables from public	105.3	104.6	0.7	0.0	0.1	0.2
Receivables from the public; corporate	28.5	28.2	0.3	0.0	0.1	0.1
Receivables from the public; private	76.8	76.5	0.4	0.0	0.1	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	4.8	4.7	0.1	0.0	0.0	0.0
Off-balance sheet loan commitments	12.6	12.5	0.1	0.0	0.0	0.0
	155.9	155.1	0.9	0.0	0.1	0.2

Balance sheet item. 31.12.2021	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	47.8	47.8	0.0	0.0	0.0	0.0
Receivables from public	87.4	86.8	0.7	0.0	0.1	0.2
Receivables from the public; corporate	23.6	23.3	0.3	0.0	0.0	0.1
Receivables from the public; private	63.9	63.5	0.4	0.0	0.0	0.1
Receivables from the public; other	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	4.2	4.1	0.2	0.0	0.0	0.0
Off-balance sheet loan commitments	17.9	17.8	0.1	0.0	0.0	0.0
	157.4	156.5	0.9	0.0	0.1	0.2

The assets are classified as Level 1 if the receivable is low risk or the credit risk of the receivable has not grown materially since the date of issuing the item. If the credit risk for a financial asset has increased materially since the issuing date, the asset will be transferred to level 2. Individual loans whose values have verifiably declined are recognized in level 3.

The expected credit loss is a probability-weighted calculation formula in which the parameters used are probability of default and the potential total loss when the receivable's collateral is realized. The parameters are generally measured

on group levels, and financial assets are classified of assets with similar risks and collateral. The probability of default of counterparties is primarily measured with statistical data based on the relative amount of problem receivables in the credit stock on a national level. For sales receivables, a simplified procedure is used. The Group has no assets in the measured at fair value through comprehensive income' group, and the debt securities are not valued at amortized cost.

For customer credits, one transfer from level 1 to level 2 have been made during 1.1-30.6.2022. There are no payment instalments that are over 90 days late. The expected credit loss is recognized in the income statement.

Ten largest shareholders June 30, 2022

	A-shares	B-shares	Shares total	% of all shares	Votes total	% of votes
1. Oy Prandium Ab	3 803 280	950 820	4 754 100	19,7 %	77 016 420	25,5 %
2. Oy Scripo Ab	3 803 280	950 820	4 754 100	19,7 %	77 016 420	25,5 %
3. Oy Fincorp Ab	2 319 780	335 141	2 659 494	11,0 %	46 735 314	15,5 %
4. Ingman Group Oy Ab	1 860 000	695 198	2 510 000	10,4 %	37 850 000	12,5 %
5. Lehtimäki Jyri Maunu Olavi	533 728	171 031	704 759	2,9 %	10 845 591	3,6 %
6. Moomin Characters Oy Ltd	0	411 235	411 235	1,7 %	411 235	0,1 %
7. Tallberg Claes	369 756	32 588	402 344	1,7 %	7 427 708	2,5 %
8. Hollfast John Erik	328 320	71 680	400 000	1,7 %	6 638 080	2,2 %
9. Svenska Litteratursällskapet i Finland	0	220 336	220 336	0,9 %	220 336	0,1 %
10. von Bonsdorff Petter Patrick Anders	161 664	40 820	202 484	0,9 %	3 274 100	1,1 %