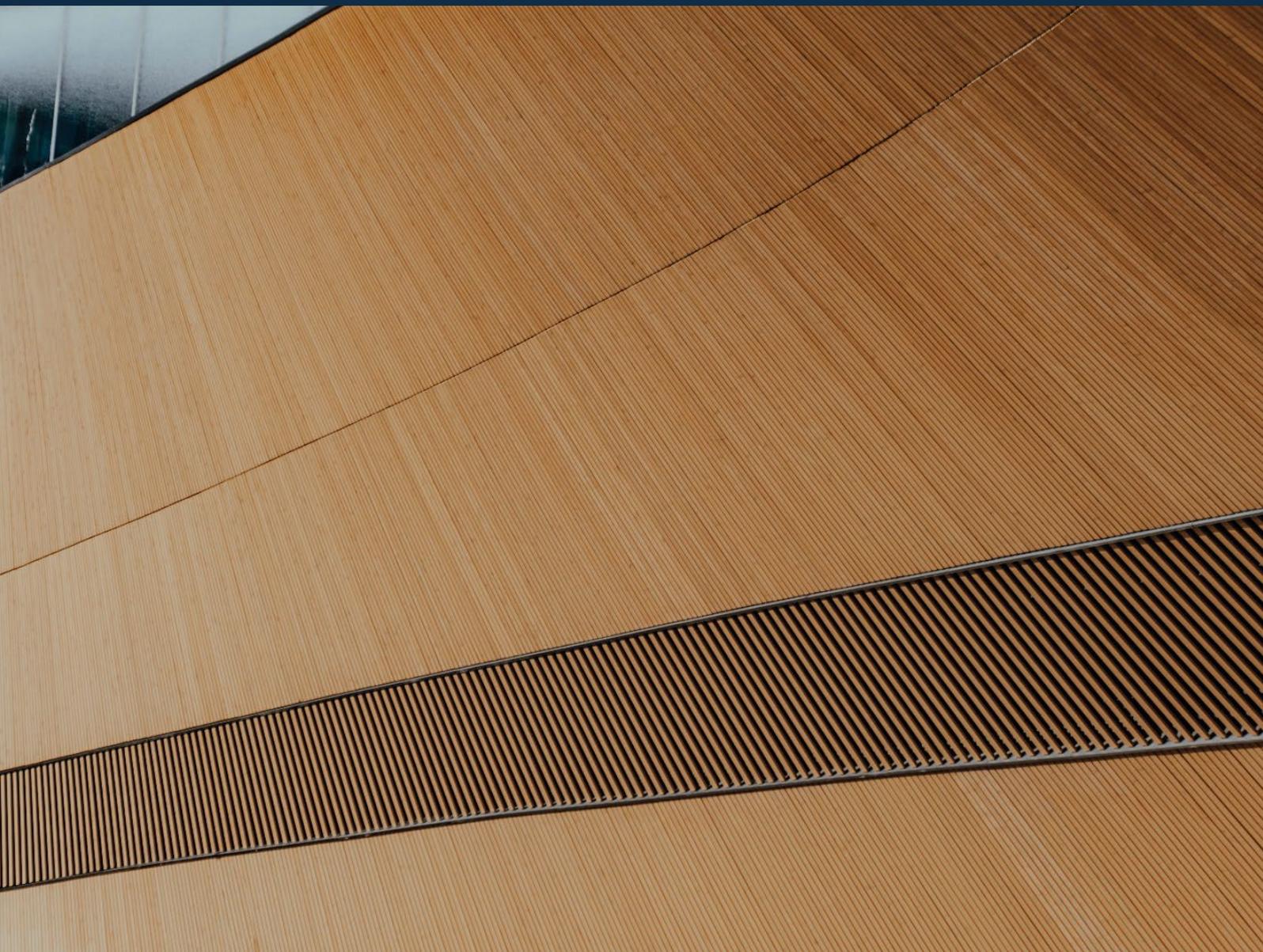


EVLI

EVLI PLC

HALF YEAR FINANCIAL REPORT 1–6/2023

**SOLID FIRST HALF OF THE YEAR
— NET REVENUE AND OPERATING
PROFIT INCREASED AS
EXPECTED**



SOLID FIRST HALF OF THE YEAR — NET REVENUE AND OPERATING PROFIT INCREASED AS EXPECTED

Highlights for the period

- Alternative investment funds continued to grow, driven by strong client demand.
- Fund sales successful despite challenging market – Evli collected the third most fund subscriptions in Finland.
- Evli was once again chosen as Finland's best and most used institutional asset manager. As proof of long-term work for investors, the company has been among the top positions for 11 years in a row.

Financial performance January–June 2023 (comparison period 1–6/2022*)

- Net revenue was EUR 52.2 million (EUR 46.2 million).
- Operating profit was EUR 19.1 million (EUR 18.0 million).
- Operating result of the Wealth Management and Investor Clients segment increased to EUR 17.8 million (EUR 15.5 million).
- Operating result of the Advisory and Corporate Clients segment decreased to EUR 1.8 million (EUR 2.0 million).
- At the end of June, assets under management amounted to EUR 16.8 billion (EUR 14.5 billion) on a net basis.
- Return on equity was 22.6 percent (28.6%).
- Earnings per share, fully diluted, was EUR 0.52 (EUR 0.50).
- The ratio of recurring revenues to operational costs was 128 percent (125%).

Financial performance April–June 2023 (comparison period 4–6/2022)

- The Group's net revenue was EUR 26.4 million (EUR 22.9 million).
- The Group's operating profit was EUR 9.8 million (EUR 8.3 million).
- Diluted earnings per share amounted to EUR 0.26 (EUR 0.24).

OUTLOOK UNCHANGED

Uncertain sentiment in investment markets has persisted due to heightened interest rate and inflation fears, increased geopolitical risks and market volatility.

As a result of the acquisitions made during 2022, Evli has managed to strengthen its position in the market. With synergies from the acquisitions and non-recurring costs allocated to 2022, we estimate that the operating result will be well above the comparison period's level (EUR 30.9 million in 2022).



* Includes carve-out figures for 1-3/2022

KEY FIGURES DESCRIBING THE GROUP'S FINANCIAL PERFORMANCE

	4-6/2023	4-6/2022	1-6/2023	1-6/2022*
Income statement key figures				
Net revenue, M€	26.4	22.9	52.2	46.2
Operating profit/loss, M€	9.8	8.3	19.1	18.0
Operating profit margin, %	36.9	36.4	36.7	39.1
Profit/loss excl. non-recurring items related to mergers and acquisitions, M€				
Profit/loss for the financial year, M€	7.8	6.3	15.3	14.1
Profitability key figures				
Return on equity (ROE), %	-	-	22.6	28.6
Return on assets (ROA), %	-	-	8.4	7.5
Balance sheet key figures				
Equity-to-assets ratio, %	-	-	35.4	24.8
Key figures per share				
Earnings per Share (EPS), fully diluted, €	0.26	0.24	0.52	0.50
Dividend per share, €		-	1.15**	1.06
Equity per share, €		-	4.66	3.83
Share price at the end of the period, €		-	19.4	17.2
Personnel figures				
Number of permanent employees	-	-	304	259
Number of temporary employees	-	-	53	41
Share of personnel worked in Finland, %	-	-	94	92
Other key figures				
Expense ratio (operating costs to net revenue)	0.63	0.64	0.64	0.61
Recurring revenue ratio, %***		-	128	125
Market value, M€			513.8	410.3

* Includes carve-out figures for 1-3/2022.

** Dividend approved by the General Meeting. The dividend was paid on March 23, 2023.

*** The calculation formula has been changed, which has resulted in an update of the previously reported benchmark figure. In the future, discretionary bonus payments will also be included as part of the operating costs.

CEO MAUNU LEHTIMÄKI

Economic growth slowed down in the early part of the year but remained positive. Higher consumer prices, tighter monetary policy, geopolitical tensions, difficulties in the real estate sector and momentarily elevated banking concerns have so far not led to a broad-based decline in consumer and business confidence, but recession risks are increasing.

Stock prices rose in the second quarter, driven by developed markets, especially US equities. Technology shares, especially the so-called "Magnificent seven" shares (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla) led the way. The combined market capitalization of these companies already exceeded \$11 trillion, and their returns in the first half of the year exceeded the 16 percent return of the S&P 500 index. Investor interest in technology shares has been fuelled by enthusiasm for the opportunities and growth prospects of Artificial Intelligence (AI) applications. In other parts of the world, however, the development of equities was more uneven, and in Finland and England, for example, share prices fell.

Fixed income investments developed weaker than equities in the second quarter. Yields on government bonds and higher-rated investment grade bonds were weighed down by rising interest rates, while lower-rated high-yield bonds continued to develop well.

The uncertainty of the operating environment and the uneven development of international markets, together with increased costs, were reflected in the development and result of Evli's business areas. Net revenue increased due to the merger with EAB Group Plc completed last year and the continued strong growth in commission income from alternative investment products and incentive business. In the second quarter, the Group's net revenue increased by 15 percent from the comparison period and was EUR 26.4 million (EUR 22.9 million). Operating profit, in turn, increased by 17 percent to EUR 9.8 million (EUR 8.3 million). Commission income from traditional funds was also higher than in the previous year. By contrast, commission income from the Corporate Finance and brokerage activities remained lower than in the previous year because of the slowdown in M&A activity and lower trading volumes.

Evli's return on equity in January–June was 22.6 percent (28.6%). The ratio of recurring revenue to operational costs was 128 percent (125%). The Group's solvency and liquidity were at an excellent level.

The Wealth Management and Investor Clients segment's net revenue increased by 18 percent in the second quarter and was EUR 20.8 million (EUR 17.6 million). As a result of positive market development and net

subscriptions, customer assets under management increased to EUR 16.8 billion (EUR 14.5 billion). Evli Fund Management Company's mutual fund capital, including alternative investment products, was approximately EUR 12.2 billion (EUR 10.2 billion). Net subscriptions of traditional investment funds amounted to approximately EUR 80 million in the second quarter, mainly from short-term funds and US equities.

The Advisory and Corporate Clients segment's net revenue increased by 14 percent in the second quarter to EUR 5 million (EUR 4.4 million). The Corporate Finance unit's invoicing for the quarter was EUR 1.6 million (EUR 1.7 million). The unit's mandate base is still good, although the tightened availability of funding makes project completion more challenging. Income from the Incentive business increased to EUR 3.1 million (EUR 2.5 million). The company has continued to win new clients, and its prospects are also good.

The key drivers of Evli's strategy, international sales and alternative investment products, developed twofold during the quarter. Net subscriptions from international clients amounted to nearly EUR -100 million coming mainly from Evli's corporate bond funds and Evli Europe equity fund. International customers accounted for 19 percent (22%) of Evli's total fund capital, including alternative investment products. Sales of alternative investment products totalled some EUR 90 million (EUR 76 million) in the second quarter. The sales was divided into several funds, of which Evli Private Debt II, Evli Private Equity I and Evli Leveraged Loan funds raised the largest subscription amounts.

During the second quarter, Evli continued its active work related to climate targets and the joint research project together with UNICEF Finland to discover how investors can promote child rights. In addition, Evli continued its research related to biodiversity indicators regarding portfolio-specific analyses. Evli was also placed first overall in sustainable investments expertise in the recent Kantar Prospera's "External Asset Management Finland 2023" survey.

Helsinki, July 18, 2023

Maunu Lehtimäki
CEO



MARKET DEVELOPMENT

Globally, the beginning of the year was good in the investment markets, even though risks and various threat scenarios were on the surface almost daily in the financial media. Persistently high inflation and slowing economic growth, the protracted war in Ukraine and related twists and turns, as well as the tightening international political climate kept investors on their toes. China's sluggish economic growth and strained relationship with the United States, Germany's sudden recession and the generally weak growth outlook for the euro area contributed to weakening investors' confidence in the future. On the other hand, the Artificial Intelligence (AI) boom at the beginning of the year and the growth expectations it created pushed technology stocks in particular to huge growth figures. Although uncertainty in the markets remained high, valuations almost across the board rose on both the fixed income and equity sides. Despite the rise in valuation levels, investor activity was surprisingly subdued, especially on the fixed income side, where the new interest rate environment has offered excellent investment opportunities for quite some time.

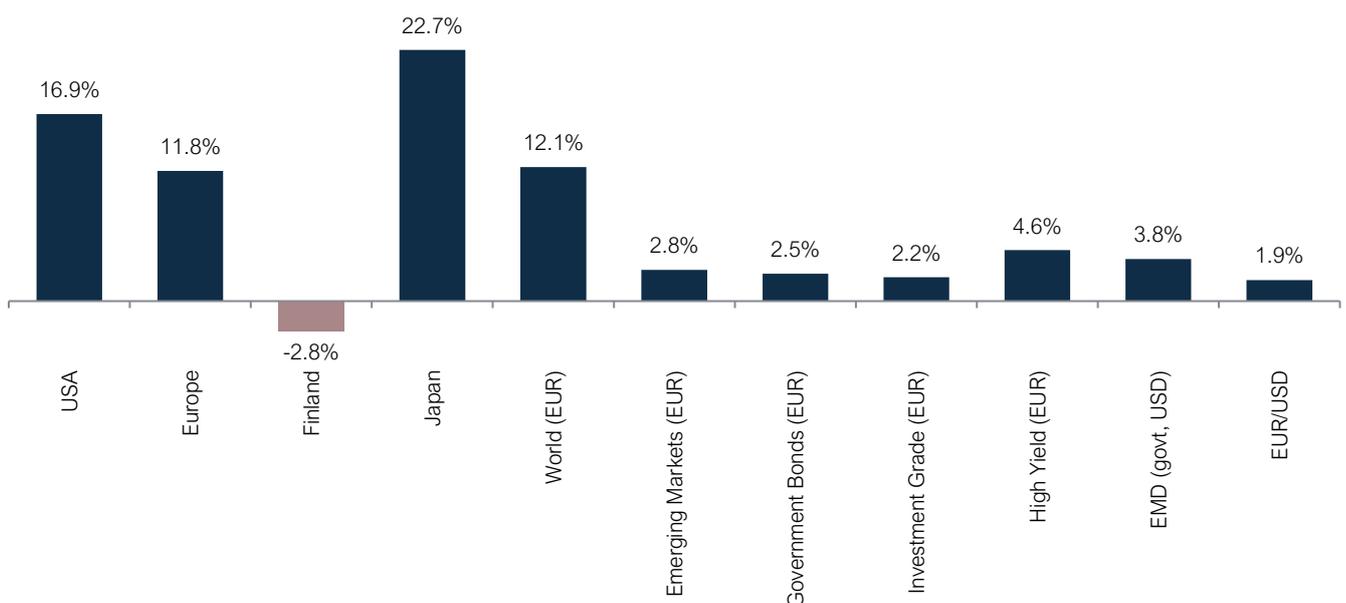
Despite the rapid interest rate hikes launched in 2022, inflation remained high. The slowdown and levelling off of inflation momentarily created hope that the time for interest rate hikes was behind us and that central banks would start easing their monetary policy again. However, central banks in Europe and the United States both indicated that further rate hikes are expected as they

seek to push inflation towards their agreed target levels. In China, on the other hand, the central bank hinted that it would loosen monetary policy to support the country's economic growth. Central banks will have to balance between inflation targets on the one hand and securing economic growth on the other. The increased interest rates pose challenges for companies in terms of investments. Higher financing costs and wage inflation threaten to slow economic growth in the near future. An additional challenge to the equation is the increased caution of banks in their assessment of further restrictions on lending in a fragile market environment.

In the stock market, valuations rose globally. In Finland, however, valuation levels declined, weighed down by the price development of the largest, cyclical companies on the stock exchange. U.S. equities (S&P 500) rose 16.9 percent and European equities (Stoxx 600) rose 11.8 percent in the first half of the year. During the same period, Finnish equities (OMX Helsinki Cap) fell by 2.8 percent.

The development was also positive in the fixed income markets. The value of corporate bonds with a higher credit rating rose by 2.2 percent and the value of euro area government bonds by 2.5 percent. The value of lower-rated high-yield bonds, on the other hand, rose by 4.6 percent. The exchange rate of the euro appreciated by 1.9 percent against the dollar.

Market performance 1–6/2023



DEVELOPMENT OF REVENUE AND RESULT

Following the acquisition of EAB Group Plc ("EAB"), successful new sales and positively developed financial markets, Evli Group's net revenue increased by 13 percent from the comparison period to EUR 52.2 million (EUR 46.2 million). The performance fees of the review period amounted to EUR 0.1 million (EUR 0.4 million). The net fee income for the Group grew by ten percent compared with the reference period to EUR 50.1 million (EUR 45.6 million). Income from own investment activities amounted to EUR 1.1 million (EUR 0.6 million), including income from securities trading and currency brokerage.

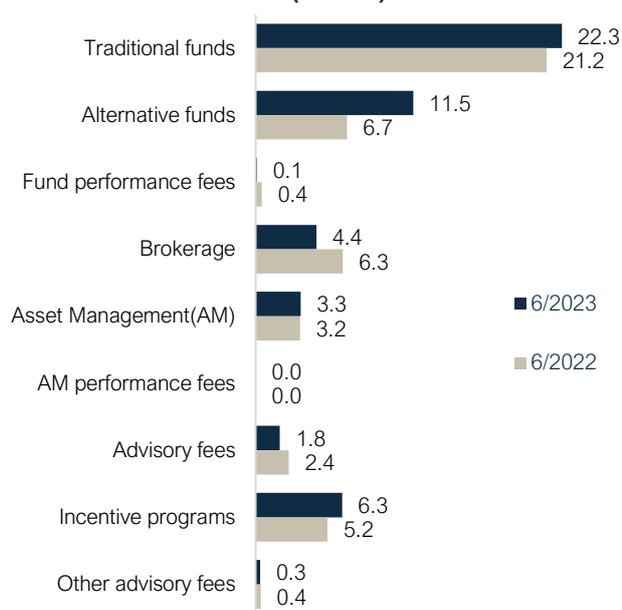
Total costs for the review period, including depreciation, amounted to EUR 33.4 million (EUR 28.2 million). The increase in cost level is mainly due to acquisition of EAB and general inflation. The Group's personnel expenses amounted to EUR 20.2 million (EUR 16.5 million), including an estimate of performance bonuses for the

personnel. The Group's administrative expenses amounted to EUR 9.8 million (EUR 8.8 million). The Group's depreciation and impairment amounted to EUR 2.4 million (EUR 2.5 million) and other operating expenses were EUR 1.0 million (EUR 0.3 million). The share of profit from associates was EUR 0.4 million (EUR 0.0 million). Evli's expense/income ratio was 0.64 (0.61).

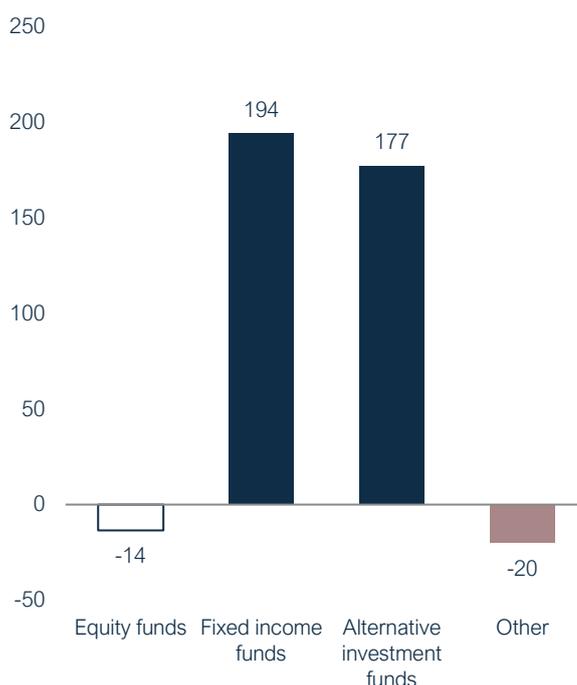
The operating profit increased from the corresponding period by six percent and was EUR 19.1 million (EUR 18.0 million). Operating profit margin was 36.7 percent (39.1%). The net result for the period considered was EUR 15.3 million (EUR 14.1 million).

Evli presents the result of the valuation of the investment of Alisa Bank Plc as a separate item in the statement of other comprehensive income in accordance with IFRS 9. During the period, the change in value of the investment amounted to EUR 0.2 million.

**Development of commission income
1-6/2023 (MEUR)**



**Net sales per fund type 1-6/2023
(MEUR)**



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 increased from the level of the comparison period as a result of strong market development and assets transferred in relation to the EAB merger. At the end of the review period Evli had EUR 5.6 billion (EUR 5.0 billion) in discretionary asset management assets, which includes both traditional and digital services.

According to Kantar Prospera's "External Asset Management 2023 Finland" survey published during the review period, Evli was again the best and most used institutional asset manager in Finland. Evli has been ranked in the top positions in the survey for 11 consecutive years in terms of overall quality: first place in seven years and second in four years.

Traditional mutual funds

Net subscriptions of EUR 153 million (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 -70 million (EUR -0.7 billion).

Evli's fixed income fund returns were positively during the period. The best performing funds in relation to the benchmark index were Evli Short Corporate Bond and Evli Nordic Corporate Bond. The performance of equity funds was also largely positive over the period, supported by the general market performance. The best performing funds in relation to the benchmark index were Evli Sweden Small Cap and Evli Finland Small Cap funds.

Over the period, 35 percent of Evli's traditional mutual funds outperformed their benchmark index. Over a three-year period, 48 percent of mutual funds outperformed the benchmark. In fund research firm

Morningstar's quality ranking, Evli was the best performing fund house at the end of the period with 4.03 stars.

In March, Morningstar selected Evli Fund Management Company as Finland's best fund house in its annual Morningstar Awards based on a comparison of risk-adjusted returns of funds. In May, Evli Fund Management Company received the Lipper Fund Awards as the best Nordic fund house in the category Small Fund Management Companies. In addition, individual Evli funds achieved first positions both at the European level and in large European countries.

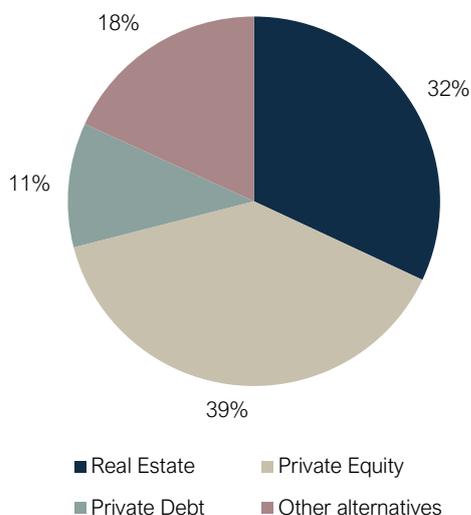
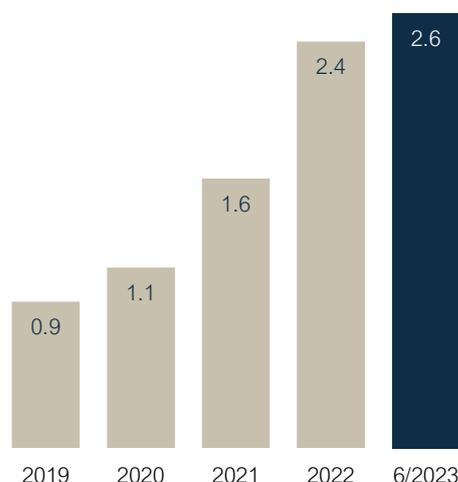
The combined capital of traditional investment funds managed by Evli Fund Management Company was EUR 9.2 billion (EUR 8.3 billion). Of this, approximately EUR 3.1 billion was invested in equity funds (EUR 2.5 billion), EUR 5.9 billion in fixed income funds (EUR 5.7 billion) and EUR 0.2 billion in balanced funds (EUR 0.1 billion). At the end of June, EUR 2.3 billion of Evli's fund capital came from clients outside of Finland (EUR 2.2 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 "A" (source: MSCI ESG database).

Alternative investment products

The sales and product development of the strategically important alternative investment products performed well considering the market situation during the review period.

In total, subscriptions and investment commitments to alternative investment products were made during the second quarter of the year to the value of approximately EUR 93 million. During the review period, Evli launched the Evli Private Debt II fund, which collected subscriptions totalling approximately EUR 43 million in investment commitments. In the second quarter, Evli also launched a new capital investment project, Project Fourth, which collected subscriptions totalling EUR 9.5 million. In addition to these, approximately EUR 21 million was subscribed to private equity funds, approximately EUR 13 million to the Leverage Loan fund, approximately EUR 4 million to the Evli Infrastructure II fund and approximately EUR 0.5 million to other, mainly real estate funds.

**Alternative assets under management
30.6.2023**

**Assets under management in
alternative funds (€ billion)**

Other investment products

During the first half of the year, demand for direct investment products was modest despite the high volatility in the markets. During the period under review, commissions brokerage decreased from the reference period in almost all asset classes.

Financial performance

In **January-June** the net revenue of the Wealth Management and Investor Clients segment increased from the comparison period, boosted by the growth in sales of alternative investment products and the additional revenue because of EAB acquisition. Net revenues were negatively affected by brokerage income, which was significantly lower than in the comparative period. The net revenue of the segment

increased by eleven percent from the previous year and was EUR 41.7 million (EUR 37.5 million). The performance-related fees from asset management and funds amounted to EUR 0.1 (EUR 0.4 million).

Similarly, the operating result increased by 15 percent from the comparison period and amounted to EUR 17.8 million (EUR 15.5 million). The cost level is expected to decrease further as the synergy benefits of the EAB arrangement are fully realised during the year.

In **April-June** the net revenue of the Wealth Management and Investor Clients segment increased by 18 percent compared to the review period and was EUR 20.8 million (EUR 17.6 million). The increase was impacted the acquisition of EAB.

Key figures – Wealth Management and Investor Clients segment

M€	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022*	Change %
Net revenue	20.8	17.6	18%	41.7	37.5	11%
Operating profit/loss before Group allocations	10.3	9.0	14%	21.6	21.9	-1%
Operating profit/loss	8.9	5.9	52%	17.8	15.5	15%

* Includes carve-out figures for 1-3/2022

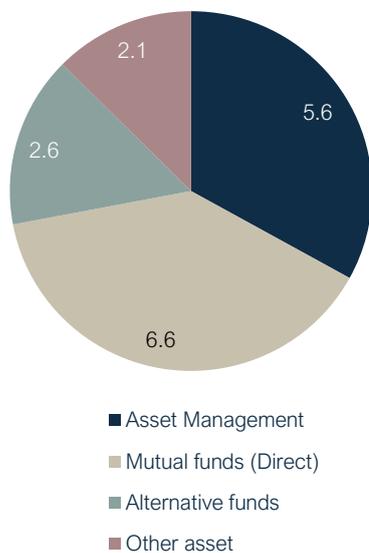
Development of client assets under management

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

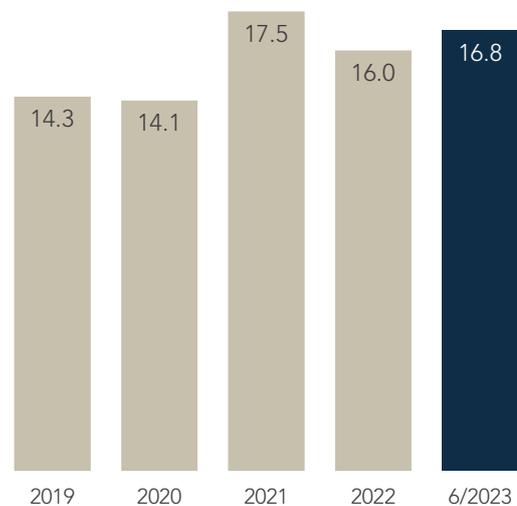
Assets under management increased from the comparative period, especially due to the implementation of the EAB transaction. At the end of June 2023, the Group's total net assets under management amounted to EUR 16.8 billion (EUR 14.5 billion).

At the end of June, assets under discretionary management amounted to EUR 5.6 billion (EUR 5.0 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 6.6 billion (EUR 5.5 billion) at the end of the review period. The assets under management in alternative investment products was EUR 2.6 billion (EUR 1.8 billion). Assets managed through subsidiaries and associated companies stayed at the previous year's level and were EUR 2.1 billion (EUR 2.2 billion).

**Assets under management
30.6.2023 (bn. €)**



Development of Assets under management (bn. €)



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

Due to the continued high uncertainty and increased financing costs, the M&A market was challenging throughout the first half of the year. Customer activity remained good, but the readiness to complete projects decreased. Despite the uncertain market environment, the company's order backlog is reasonable and the outlook for the rest of the year is favourable.

Regarding published transactions during the second quarter, Evli acted as Raute Corporation's advisor and lead manager in a EUR 17.9 million financing package

consisting of a directed share issue, convertible bond, and rights issue. Evli also acted as SurfCleaner's exclusive advisor in connection with the directed share issue in the spring. There are signs of market recovery, and the second half of the year looks promising in terms of advisory assignments.

Remuneration services

At the end of the review period, the company had around 220 incentive programs or personnel funds under management. Evli annually advises around 150 companies on compensation planning mandates. In the domestic client base, activity remained at a very high level, especially with the implementation of share issues and share savings plans for the entire personnel. Sales to both Swedish listed and domestic unlisted companies also developed favourably during the period. The company's offer base has also grown steadily.

Net revenue for the Incentives business for the period under review was EUR 6.3 million (EUR 5.2 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.

Financial performance

In **January-June**, the net revenue in the Advisory and Corporate Clients segment increased by five percent from the previous year and amounted to EUR 8.4 million

(EUR 8.0 million). Revenue development was positively impacted by the increase in commissions from remuneration services. By contrast, advisory fees received from M&A transactions decreased. 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 increased from the comparison period and was EUR 5.0 million (EUR 4.4 million). The growth in net revenue was due to the positive development of income from the remuneration services as client base has increased.

Key figures – Advisory and Corporate Clients segment

M€	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022*	Change %
Net revenue	5.0	4.4	14%	8.4	8.0	5%
Operating profit/loss before Group allocations	1.9	1.7	8%	2.5	3.1	-20%
Operating profit/loss	1.6	1.2	38%	1.8	2.0	-7%

* Includes carve-out figures for 1-3/2022

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 increased compared to the previous year and was EUR 2.0 million (EUR 0.7 million).

In **April-June**, the net revenue of the Group Operations segment decreased compared to the comparison period and was EUR 0.6 million in total (EUR 0.9 million).

Key figures – Group Operations segment

M€	4-6/2023	4-6/2022	Change %	1-6/2023	1-6/2022*	Change %
Net revenue	0.6	0.9	-36%	2.0	0.7	211%
Operating profit/loss before Group allocations	-2.0	-2.5	-20%	-5.0	-7.0	-28%
Operating profit/loss	-0.4	1.2	-137%	-0.6	0.6	-190%

* Includes carve-out figures for 1-3/2022

RESPONSIBILITY

Responsibility is one of Evli's strategic focus areas. In asset management, the company's most important business area, responsibility factors are integrated into investment activities and responsible investment is therefore a systematic part of portfolio management. Investments made by Evli's mutual funds are monitored for potential breaches of standards, and the asset management team works independently and together with other investors to influence companies.

Responsible investing

During the second quarter, Evli continued its active work related to climate targets and updated its climate change principles and principles for responsible investment, especially in relation to climate work and engagement. As part of its active work on human rights, Evli continued its joint research project together with UNICEF Finland to discover how investors can promote child rights. In addition, Evli continued its research related to biodiversity indicators regarding portfolio-specific analyses.

As part of its active ownership, Evli participated in 13 Annual General Meetings (AGMs). Prior to the AGMs, Evli engaged with one company during the second quarter. In addition to independent engaging, Evli participated the CDP 2023 Non-Disclosure Campaign. CDP is an independent organization that aims to encourage companies to report and manage their environmental impacts. Through investor letters, investors work together to engage with companies that do not yet report on their actions related to climate, forests and/or water.

Related to the quarterly monitoring of the norm violations, Evli excluded two companies from its investment universe. The exclusions were based on serious suspicion of human rights violations. In addition, three companies were added to the list of excluded companies as a result of the update of Evli's climate change principles. Evli's responsible investment team also dealt with two companies related to the suspicion of being related to nuclear weapons, and after the processing, both companies were excluded.

In May, Evli organised an ESG seminar where investors and experts discussed the most important responsible investment themes. Incorporating biodiversity into investing took centre stage in the keynote presentations and the panel discussion. In addition, training related to SFDR reporting and responsible investment was arranged for Evli's personnel.

During the second quarter, Evli published the Responsible Investment Annual Report 2022, reported to its clients on the sustainability information of their portfolios in periodic reports in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR), and published a statement on principal adverse impacts of investment decisions on sustainability factors in accordance with the SFDR.

Evli's responsible investment performed excellently in external evaluations. Evli was placed first overall in sustainable investments expertise in the recent Kantar Prospera's "External Asset Management Finland 2023" survey.

Focus areas 2023

- Continuous work towards climate targets
- Research around biodiversity
- Working to promote human rights
- Continuing to deepen ESG integration in portfolio management
- New responsibility themed products
- Following EU sustainable finance legislation

Results 4–6/2023

- Updating Evli's climate change principles
- Continuing the research project to promote child rights
- Continuing biodiversity-related analysis
- Participating in 13 AGMs and engaging with one company
- Participating CDP 2023 Non-Disclosure Campaign
- Excluding seven companies
- Organising an ESG seminar for clients and ESG-training for personnel
- Responsible Investment Annual Report 2022
- SFDR's periodic reporting for clients on sustainability factors
- Statement on principal adverse impacts of investment decisions on sustainability factors according to SFDR
- First place in sustainable investments expertise in Kantar Prospera's survey

BALANCE SHEET AND FUNDING

Evli Group's balance sheet total at the end of June 2023 was EUR 359.0 million (EUR 381.4 million). The Group's equity at the end of the review period was EUR 126.9 million (EUR 94.6 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 97.9 million (EUR 101.4 million) and liquid mutual fund investments to EUR 27.6 million (EUR 12.8 million). Evli Plc has granted investment loans to its clients. At the end of the review period, the loans totalled EUR 28.1 million (EUR 40.2 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 12.0 million (EUR 6.6 million), of which short-term liabilities amounted to EUR 2.0 million (EUR 0.9 million).

Evli Plc has issued structured bonds for a total amount of EUR 111.7 million (EUR 102.2 million), which together with equity form the basis of the Group's long-term debt financing. At the end of June 2023, the company's share capital amounted to EUR 53.7 million. There were no changes in the share capital during the period.

The group's core capital (CET 1) as of June 30, 2023, was EUR 43.9 million and the Group's own funds to minimum capital ratio was 264.0 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 based on fixed overhead costs. The minimum capital requirement based on fixed overhead costs was EUR 16.6 million. The Group's equity ratio was 35.4 percent on June 30, 2023. Detailed information on capital adequacy is provided in the table section of the release.

CHANGES IN GROUP STRUCTURE

As a result of the directed share issue made by Evli's associate company, Northern Horizon Capital A/S, Evli's ownership in the company has decreased to 47% at the end of the review period.

DECISIONS TAKEN BY THE GENERAL MEETING

Evli Plc's Annual General Meeting, held in Helsinki on March 14, 2023, decided on the following matters:

Adoption of the financial statements, use of the profit shown on the balance sheet and the payment of dividend

Evli Plc's Annual General Meeting approved the financial statements for the financial year 2022. The Annual General Meeting approved the Board of Directors' proposal to pay a dividend for the financial year 2022 for the amount of EUR 0.80 per share, in addition to which EUR 0.35 per share will be distributed from the reserve for invested unrestricted equity. The dividend and the distribution from the reserve for invested unrestricted equity will be paid to shareholders who are entered in the shareholder register maintained by Euroclear Finland Oy on the dividend record date.

The release from liability of the members of the Board of Directors and the CEO

The Annual General Meeting granted release from liability to the Members of the Board of Directors and the CEO for the 2022 financial year.

Number of Board members, members and fees

The Annual General Meeting decided that the Board of Directors will consist of six (6) members. The present members of the Board of Directors Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Antti Kuljukka were re-elected as members of the Board of Directors and Christina Dahlblom was elected as a new member.

It was decided that the following remuneration shall be paid to the members of the Board of Directors: EUR 5,000.00 per month to the Members of the Board, EUR 6,000.00 per month to the Chairmen of the Board Committees and EUR 7,500.00 per month to the Chairman of the Board.

Auditors and auditors' fees

The auditing firm Ernst & Young Oy (EY) was elected as the company's auditor and Miikka Hietala, Authorized Public Accountant, as the principally responsible auditor. The auditor shall be paid remuneration according to a reasonable invoice approved by the company.

Authorizing the Board of Directors to decide on the acquisition of the company's own shares

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of the company's own series A and series B shares in one or more tranches as follows:

The total number of own series A shares to be acquired may be a maximum of 1,448,515 shares, and the total number of own series B shares to be acquired may be a maximum of 1,179,015 shares. The proposed number of shares represents approximately 10 percent of all the shares of the company on the date of the Notice of the Annual General Meeting.

Based on the authorization, the company's own shares may only be acquired with unrestricted equity.

The Board of Directors will decide how the company's own shares will be acquired. Financial instruments such as derivatives may be used in the purchasing. The company's own shares may be acquired in other proportion than the shareholders' proportional shareholdings (private purchase). Shares may be acquired through public trading at the prevailing market price formed for the series B shares in public trading on the Nasdaq Helsinki Oy on the date of acquisition.

The authorization will replace earlier unused authorizations to acquire the company's own shares. The authorization will be in force until the next Annual General Meeting but no later than until June 30, 2024.

Authorizing the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to Chapter 10, section 1, of the Companies Act in one or more tranches, for a fee or free of charge.

Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of 2,627,530 series B shares. The proposed number of shares represents approximately 10 percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Of the above-mentioned total number, however, a maximum of 262,753 shares may be used as part of the company's share-based incentive schemes, representing approximately one (1) percent of

all the shares of the company on the date of the Notice of the Annual General Meeting.

The authorization will entitle the Board of Directors to decide on all the terms and conditions related to the issuing of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription rights. The Board of Directors may decide to issue either new shares or any own shares in the possession of the company.

The authorization will replace earlier unused authorizations concerning the issuance of shares as well as the issuance of options and other special rights entitling to shares. The authorization is proposed to be in force until the end of the next Annual General Meeting but no longer than until June 30, 2024.

Amendment of the Articles of Association with regard to the arrangements for the General Meeting of Shareholders

The Annual General Meeting decided to add to the Articles of Association the possibility to alternatively attend the General Meeting remotely during the meeting (hybrid meeting) or without a physical meeting place (remote meeting). The amendment was made to Article 10 (Notice Convening the General Meeting of Shareholders) of the Articles of Association.

New article in the Articles of Association:

“Article 10 § Notice Convening the General Meeting of Shareholders

A notice convening the general meeting of shareholders shall be published on the company’s website and as a stock exchange release no earlier than three (3) months before and no later than three (3) weeks prior to the meeting. The notice shall, however, be announced at least nine (9) days before the record date of the general meeting of shareholders. The board of directors may at their discretion decide to publish notice of the general meeting of shareholders in one or several newspapers.

The Board of Directors may decide that a shareholder may also participate in the General Meeting by exercising his/her right to vote by means of a telecommunication link and technical aid before or during the meeting (hybrid meeting). The Board of Directors may also decide that the general meeting is to be held without a meeting venue so that shareholders exercise their decision-making power fully and in a timely manner during the meeting by means of telecommunication and technical aids (remote meeting).”

SHARES AND SHAREHOLDERS

Evli Plc's total number of shares at the end of June 2023 was 26,484,899 shares, of which 14,467,148 were series A shares and 12,017,751 series B shares. The company held no own shares at the end of June 2023.

Pursuant to Section 4 of the Articles of Association, the company converted 18,000 A shares into B shares on May 8, 2023. The converted shares were admitted to public trading on Nasdaq Helsinki on May 9, 2023.

As part of the Restricted Share Plans 2018 and 2019, the company issued a total of 209,597 new Evli Plc B shares. The shares were entered into the Trade Register on June 27, 2023. The B shares were traded on the Nasdaq Helsinki Ltd as of June 28, 2023.

The closing price of Evli Plc's share on June 30, 2023, was EUR 19.40. The lowest closing price for the period was EUR 15.25 and the highest was EUR 21.30. A total of 512,304 Evli Plc shares were traded during the period under review. The combined market value of A and B shares was EUR 513.8 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 6,669 at the end of June. Finnish companies owned 54 percent and the shareholding of Finnish private individuals was 29 percent. The remaining 17 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 33.

Share price development and trading volume (series B shares) from January 1 to June 30, 2023



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 financial statements of Evli Plc, available at evli.com.

OUTLOOK UNCHANGED

Uncertain sentiment in investment markets has persisted due to heightened interest rate and inflation fears, increased geopolitical risks and market volatility.

As a result of the acquisitions made during 2022, Evli has managed to strengthen its position in the market.

With synergies from the acquisitions and non-recurring costs allocated to 2022, we estimate that the operating result will be well above the comparative period's level (EUR 30.9 million in 2022).

Helsinki, July 18, 2023

EVLI PLC
Board of Directors

Additional information:

Maunu Lehtimäki, CEO, tel. +358 50 553 3000
Juho Mikola, CFO, tel. +358 40 717 8888

evli.com

TABLES AND ANNEXES TO THE HALF YEAR FINANCIAL REPORT

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

M€	1-6/2023	1-6/2022*	1-12/2022
Fee and commission income	51.2	47.2	95.4
Net income from securities transactions	1.1	0.7	3.7
Income from equity investments	0.0	-0.1	0.0
Interest income	2.7	0.4	1.6
Other operating income	0.1	0.0	0.1
INCOME TOTAL	55.1	48.3	100.9
Fee and commission expenses	-1.1	-1.6	-3.3
Interest expenses	-1.8	-0.5	-1.5
NET INCOME	52.2	46.2	96.1
Administrative expenses			
Personnel expenses	-20.2	-16.5	-39.2
Other administrative expenses	-9.8	-8.8	-19.6
Depreciation and amortization on tangible and intangible assets	-2.4	-2.5	-5.1
Other operating expenses	-1.0	-0.3	-0.8
Expected credit losses on loans and other receivables	0.0	0.0	0.0
Impairment losses on other financial assets	0.0	0.0	-0.7
Share of profit or loss of associates	0.4	0.0	0.3
OPERATING PROFIT/LOSS	19.1	18.0	30.9
Income taxes	-3.9	-4.0	-5.8
PROFIT / LOSS FOR THE FINANCIAL YEAR	15.3	14.1	25.1
Attributable to			
Minority interest	1.2	1.8	4.3
Shareholders of parent company	14.0	12.3	20.7
PROFIT / LOSS FOR THE FINANCIAL YEAR	15.3	14.1	25.1
OTHER COMPREHENSIVE INCOME / LOSS			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences - foreign operations	0.0	-0.5	-0.6
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Fair value change of financial instruments recognized in OCI	0.3	-2.6	-3.4
Deferred taxes	-0.1	0.5	0.7
Other comprehensive income/loss	0.2	-2.6	-3.3
Other comprehensive income after taxes / loss for the year	0.2	-2.6	-3.3
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	15.4	11.5	21.7
Attributable to			
Non-controlling interest	1.2	1.8	4.3
Equity holders of parent company	14.2	9.7	17.4
Earnings per share (EPS). fully diluted (EUR)	0.52	0.50	0.81
Earnings per share (EPS). undiluted (EUR)	0.53	0.51	0.83

*Includes carve-out figures for 1-3/2022

QUARTERLY CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

M€	4-6/2023	1-3/2023	10-12/2022	7-9/2022	4-6/2022
Fee and commission income	26.4	24.9	27.7	20.5	22.7
Net income from securities transactions	0.1	1.0	2.3	0.6	1.0
Income from equity investments	0.0	0.0	0.0	0.1	-0.1
Interest income	1.5	1.2	0.9	0.3	0.1
Other operating income	0.0	0.0	0.1	0.0	0.0
INCOME TOTAL	28.0	27.1	31.0	21.6	23.8
Fee and commission expenses	-0.5	-0.6	-1.0	-0.7	-0.6
Interest expenses	-1.1	-0.7	-0.6	-0.3	-0.3
NET INCOME	26.4	25.7	29.4	20.5	22.9
Administrative expenses					
Personnel expenses	-10.0	-10.2	-15.0	-7.7	-8.4
Other administrative expenses	-4.9	-4.9	-6.9	-3.9	-5.0
Depreciation and amortization on tangible and intangible assets	-1.1	-1.3	-1.5	-1.2	-1.2
Other operating expenses	-0.7	-0.3	-0.4	-0.1	0.0
Expected credit losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
Impairment losses on other financial assets	0.0	0.0	-0.7	0.0	0.0
Share of profit or loss of associates	0.0	0.4	0.0	0.2	0.0
OPERATING PROFIT/LOSS	9.8	9.4	5.0	7.8	8.3
Income taxes	-1.9	-1.9	-0.7	-1.1	-2.0
PROFIT / LOSS FOR THE FINANCIAL YEAR	7.8	7.5	4.3	6.7	6.3
Attributable to					
Minority interest	0.8	0.4	1.1	1.4	1.0
Shareholders of parent company	7.0	7.0	3.2	5.3	5.4
PROFIT / LOSS FOR THE FINANCIAL YEAR	7.8	7.5	4.3	6.7	6.3
OTHER COMPREHENSIVE INCOME / LOSS					
<i>Items that are or may be reclassified subsequently to P&L</i>					
Foreign currency translation differences - foreign operations	0.0	0.0	0.2	-0.3	-0.3
<i>Items that may not be reclassified subsequently to P&L</i>					
Fair value change of financial instruments recognized in OCI	0.6	-0.3	0.3	-1.0	-2.6
Deferred taxes	-0.1	0.1	0.0	0.2	0.5
Other comprehensive income/loss	0.5	-0.3	0.4	-1.1	-2.4
Other comprehensive income after taxes / loss for the year	0.5	-0.3	0.4	-1.1	-2.4
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR	8.3	7.1	4.7	5.6	3.9
Attributable to					
Non-controlling interest	0.8	0.4	1.1	1.4	1.0
Equity holders of parent company	7.5	6.7	3.6	4.2	2.9

CONSOLIDATED BALANCE SHEET

M€	30.6.2023	30.6.2022	31.12.2022
ASSETS			
Cash	0.2	0.4	0.0
Claims on credit institutions	97.9	101.4	115.4
Claims on the public and public sector entities	28.1	40.2	34.8
Debt securities	2.1	0.1	2.0
Shares and participations	46.4	27.1	41.3
Derivative contracts	2.6	0.3	0.4
Shares and participations in associates	5.7	4.1	5.7
Intangible assets and goodwill	49.1	13.4	49.6
Property, plant and equipment	1.0	1.2	1.1
Right-of-use assets	12.0	6.6	12.9
Other assets	105.1	182.4	95.7
Accrued income and prepayments	3.6	3.0	3.3
Income Tax receivables	1.4	0.6	1.0
Deferred tax assets	3.8	0.8	3.4
TOTAL ASSETS	359.0	381.4	366.6
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions and central banks	1.5	0.0	0.5
Debt securities issued to the public	111.7	102.2	106.3
Derivative contracts and other liabilities held for trading	2.6	0.3	0.4
Other liabilities	89.1	151.9	81.6
Accrued expenses and deferred income	25.0	27.5	32.1
Income tax liabilities	2.1	4.8	2.1
Deferred tax liabilities	0.0	0.0	0.0
TOTAL LIABILITIES	232.0	286.8	223.2
EQUITY			
Equity to holders of parent company	123.5	91.4	138.7
Non-controlling interest in capital	3.4	3.2	4.7
TOTAL EQUITY	126.9	94.6	143.4
TOTAL LIABILITIES AND EQUITY	359.0	381.4	366.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

M€	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 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
Distributions					-25.3	-25.3	-3.8	-29.1
Fair value adjustment of Alisa Bank shares, net		-2.1			0.0	-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
Translation difference			-0.1			-0.1		-0.1
Profit/loss for the period					8.5	8.5	2.5	11.0
Distributions							-0.4	-0.4
Fair value adjustment of Alisa Bank shares, net		-0.6				-0.6		-0.6
Other changes				0.0	0.6	0.6	-0.7	-0.0
EAB Group Plc merger 1.10.2022	30.0				8.9	38.9		38.9
Equity 31.12.2022	53.7	-2.7	-0.5	26.6	61.5	138.7	4.7	143.4
Translation difference			0.0			0.0		0.0
Profit/loss for the period					14.0	14.0	1.2	15.3
Distributions					-9.2	-21.0	-2.3	-32.5
Fair value adjustment of Alisa Bank Plc shares		0.2				0.2		0.2
Other changes				0.0	0.8	0.8	-0.2	0.6
Equity 30.6.2023	53.7	-2.5	-0.5	17.5	55.3	123.5	3.4	126.9

The comparison period 2022 are prepared in part (Q1/2022) according to carve-out principles also including equity transactions with Evli Bank according to the principles described in the carve-out financial statements.

Other changes include the accrual of expenses arising from granted retention programs.

The effect of the demerger in equity EUR 9.6 million 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

30.6.2023 segment income statement. M€	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
Net Interest Income	0.0	0.0	0.9	0.0	0.9
Commission income and expense. net	41.7	8.4	0.0	0.0	50.1
Net income from securities transactions and foreign exchange dealing	0.0	0.0	1.1	0.0	1.1
Other operating income	0.0	0.0	0.0	0.0	0.1
External sales	41.7	8.4	2.0	0.0	52.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
NET REVENUE	41.7	8.4	2.0	0.0	52.2
Timing of revenue recognition					
Over time	37.3	4.4	0.0	0.0	41.7
At a point of time	4.5	3.9	0.0	0.0	8.4
Segment operating expenses	-19.2	-5.6	-6.2	0.0	-31.0
Business units operating profit before depreciations and Group allocations	22.5	2.8	-4.1	0.0	21.2
Depreciation. amortisation and write-down	-0.8	-0.3	-1.3	0.0	-2.4
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
Share of profits (losses) of associates	0.0	0.0	0.4	0.0	0.4
Business units operating profit before Group allocations	21.6	2.5	-5.0	0.0	19.1
Allocated corporate expenses	-3.8	-0.7	4.5	0.0	0.0
OPERATING PROFIT	17.8	1.8	-0.6	0.0	19.1
Income taxes*	0.0	0.0	0.0	-3.9	-3.9
SEGMENT PROFIT/LOSS	17.8	1.8	-0.6	-3.8	15.3

30.6.2022 segment income statement. M€	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
Share of profits (losses) of associates	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
Income taxes*	0.0	0.0	0.0	-4.0	-4.0
SEGMENT PROFIT/LOSS	15.5	2.0	0.6	-4.0	14.1

* The presentation of taxes has been changed from the published comparative period. Taxes are no longer allocated to segments and are presented in the column unallocated.

CONSOLIDATED CASH FLOW STATEMENT

M€	1-6/2023	1-6/2022*	1-12/2022
Operating activities			
Operating profit	19.1	18.0	30.9
Adjustment for items not included in cash flow	3.5	7.0	11.2
Income taxes paid	-3.7	-5.0	-9.8
Cash flow from operating activities before changes in operating assets and liabilities	18.9	20.1	32.2
Changes in operating asset	-7.4	15.4	83.0
Changes in operating liabilities	5.2	58.0	-7.3
Cash flow from operating activities	16.6	93.5	107.9
Investing activities			
Merger cash consideration	0.0	0.0	-3.0
Dividends from associated companies	0.3	0.0	0.2
Change in intangible asset	-0.7	-0.8	-0.8
Change in property, plant and equipment	0.0	0.0	0.0
Cash flow from investing activities	-0.4	-0.8	-3.6
Financing activities			
Change in Loans from credit institutions	0.0	-8.6	-13.4
Change in Loans from parent entity Evli Bank**	0.0	0.0	0.0
Equity transactions with the parent entity Evli Bank**	0.0	0.0	9.6
Dividends paid	-30.2	-25.3	-25.3
Dividends paid to NCI	-2.3	-3.8	-4.2
Payments of loan/IFRS 16 Right of use asset	-1.0	-1.0	-2.1
Cash flow from financing activities	-33.5	-38.7	-35.4
Cash and cash equivalents at the beginning of period	115.4	47.8	47.8
Cash received in merger	-	-	1.3
Cash and cash equivalents at the end of period	98.1	101.8	115.4
Change	-17.3	54.0	68.8

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

*Includes carve-out figures for 1-3/2022

**Items from the comparative periods which are based on carve-out principles. The 9.6 million in 2022 is the difference between the equity in the carve-out financial statements and the actual split of equity in the demerger agreement.

CAPITAL ADEQUACY

M€	IFR. 30.6.2023 Evli-Group
Total equity	126.9
Common Equity Tier 1 capital (CET 1) before deductions	126.9
Deductions from CET 1. total	-83.1
Intangible assets	-49.1
Profit for the financial year	-13.2
Other deductions	-20.7
Common Equity Tier 1 capital (CET1)	43.9
Additional Tier 1 capital (AT1)	
Additional Tier 1 capital (T1 = CET1 + AT1)	43.9
Tier 2 capital (T2)	
Total own funds (TC = T1 + T2)	43.9
Own funds requirement (IFR)	
Fixed overhead costs requirement	16.6
K-factor requirement	4.2
Minimum requirement	0.75
Total requirement (most restrictive)	16.6
CET1 compared to total requirement (%)	264.0
T1 compared to total requirement (%)	264.0
Total own funds compared to total requirement (%)	264.0
Total risk weighted assets	207.7
CET1 compared to risk weighted assets (%)	21.1
T1 compared to risk weighted assets (%)	21.1
Total own funds compared to risk weighted assets (%)	21.1
Excess own funds compared to total requirement	27.3

ACCOUNTING POLICIES

Evli Plc's Interim 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 of 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 31.12.2022, 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 group's 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 financial statements.

The figures are unaudited.

NOTES TO BALANCE SHEET

Commission income

M€	1-6/2023	1-6/2022*	1-12/2022
Revenue recognized over time			
Traditional funds	22.3	21.2	40.5
Alternative funds	11.5	6.7	19.2
Asset Management (AM)	3.5	3.4	7.0
Incentive management. administration	4.1	3.7	7.2
Paid research fees	0.3	0.4	0.5
Revenue recognized over time, total	41.7	35.3	74.4
Revenue recognized at point in time			
Fund performance fees	0.1	0.4	0.6
Brokerage	4.4	6.3	8.7
AM performance fees	0.0	0.0	0.0
Incentive management. design	2.2	1.5	3.2
Corporate Finance fees	1.8	2.4	5.8
Other fees	0.0	-0.4	-0.7
Revenue recognized at point in time, total	8.4	10.3	17.7
Total net commission income	50.1	45.6	92.1

*Includes carve-out figures for 1-3/2022

Debt securities

M€	30.6.2023	30.6.2022	31.12.2022
Bonds, fair value*	111,7	102.2*	106.3
Debt securities issued to the public	111,7	102.2	106.3

*The issued bonds include derivatives which are presented separately in the balance sheet. All derivatives as of 30.6.2023 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

M€	Maturity: less than 3 months	Maturity: 3-12 months	Maturity: 1-5 years	Maturity: over 5 years
Debt securities issued to the public				
30.06.2023	11.4	6.3	87.9	6.1
30.06.2022	2.1	9.3	78.5	12.3
31.12.2022	6.6	11.8	85.9	1.7

Changes in issued debt securities

M€	30.6.2023	30.6.2022	31.12.2022
Bonds issued (change)	16.9	21.5	30.9
Bonds Repurchased (change)	12.0	4.0	16.0

Off-Balance sheet commitments

M€	30.6.2023	30.6.2022	31.12.2022
Investment commitment	3.0	3.2	2.8
Unused credit facilities	3.5	3.2	3.7

Transactions with related parties

M€	June 2023 Associated companies	June 2022 Associated companies	June 2023 Group management	June 2022 Group management
Sales	0.0	0.0	0.0	0.0
Purchases	0.1	0.1	0.0	0.0
Receivables	0.5	0.0	0.0	0.0
Liabilities	0.5	0.0	0.0	0,3

The associated company Northern Horizon Capital A/S, SAV-Rahoitus Oyj 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.

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

30.6.2023				
Fair value. M€	Level 1	Level 2	Level 3	Ending Balance
Financial assets				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Shares and participations. other	33.4	0.0	13.1	46.5
Debt securities eligible for refinancing with central banks	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	2.1	2.1
Positive market values from derivatives	0.0	0.0	2.6	2.6
Total financial assets held at fair value	33.4	0.0	17.7	51.1
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	2.6	2.6
Total financial liabilities held at fair value	0.0	0.0	2.6	2.6

30.6.2022				
Fair value. M€	Level 1	Level 2	Level 3	Ending Balance
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

31.12.2022				
Fair value. M€	Level 1	Level 2	Level 3	Ending Balance
Financial assets				
Shares and participations classified as held for trading	0.2	0.0	0.0	0.2
Shares and participations. other	29.3	0.0	11.8	41.1
Debt securities eligible for refinancing with central banks	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	2.0	2.0
Positive market values from derivatives	0.0	0.0	0.4	0.4
Total financial assets held at fair value	29.5	0.0	14.3	43.8
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	0.4	0.4
Total financial liabilities held at fair value	0.0	0.0	0.4	0.4

Changes in level 3 instruments

1.1.–30.6.2023	Unlisted shares and participations	Private Equity and Real Estate funds	Debt securities	OTC derivatives	OTC derivatives - liabilities
Initial balance 1.1	2.3	9.5	2.0	0.4	0.4
Purchases	-	1.5	-	0.0	0.0
Sales	-0.1	-	-	0.0	0.0
Fair value change	0.1	-0.2	0	2.2	2.2
Ending balance 30.6.	2.2	10.8	2.0	2.6	2.6

1.1.–31.12.2022	Unlisted shares and participations	Private Equity and Real Estate funds	Debt securities	OTC derivatives	OTC derivatives - liabilities
Initial balance 1.1	0.2	6.6	0.4	2.3	2.3
Purchases	2.1	1.9	2.0	0.0	0.0
Sales	0.0	-	-0.4	0.0	0.0
Fair value change	0.0	1.1	0	-1.9	-1.9
Ending balance 30.6.	2.3	9.5	2.0	0.4	0.4

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

On April 2, 2022, 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 (Fellow Bank Plc is Alisa Bank Plc starting April 21, 2023). 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. The shares are included in other shares level 1.

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 31.12.2022 (€/share):	0.36
Number of shares: (amount)	15.288.303.00
Market value 31.12.2022: (€ million)	5.5
Share price 30.6.2023 (€/share):	0.38
Number of shares: (amount)	15.288.303.00
Market value 31.3.2023: (€ million)	5.8
Change in value for the review period: (€ million) (Market value 30.9.2022 - acquisition price)	0.3
Calculated tax effect of value change: (€ million)	-0.1
Profit impact of the valuation after taxes: (€ million)	0.2

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 receivables.

Balance sheet item. 30.6.2023, M€	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	97.9	97.9	0.0	0.0	0.0	0.0
Receivables from public	27.6	26.1	1.5	0.0	0.1	0.1
Receivables from the public; corporate	10.8	10.8	0.0	0.0	0.0	0.0
Receivables from the public; private	16.8	15.3	1.5	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	9.8	9.8	0.0	0.0	0.0	0.0
Off-balance sheet loan commitments	3.3	3.2	0.1	0.0	0.0	0.0
	138.6	137.0	1.6	0.0	0.1	0.1

Balance sheet item. 30.6.2022, M€	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. 31.12.2022, M€	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	115.4	115.4	0.0	0.0	0.0	0.0
Receivables from public	34.8	32.6	2.2	0.0	0.1	0.1
Receivables from the public; corporate	13.7	13.7	0.0	0.0	0.0	0.0
Receivables from the public; private	21.0	18.8	2.2	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	10.1	10.0	0.1	0.0	0.0	0.0
Off-balance sheet loan commitments	3.7	3.7	0.0	0.0	0.0	0.0
	164.0	161.7	2.3	0.0	0.1	0.1

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.

During the period 1.1-31.3.2023 there are no transfers from level 1 to level 2. Related to one loan there are payments over 90 days due. The expected credit loss has been recognized in the income statement.

Calculation of key ratios

IFRS key ratios

Net revenue	=	From Income Statement. Includes gross returns. deducted by interest and commission expenses.	
Profit/loss for the financial year	=	From Income Statement	
Earnings per Share (EPS). undiluted	=	$\frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Plc}}{\text{Average number of shares outstanding during the reporting period}}$	x 100
Earnings per Share (EPS). diluted	=	$\frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Plc}}{\text{Average number of shares outstanding during the period including option rights issued through share-based incentive plans}}$	x 100

Alternative key ratios

Operating profit/loss	=	Net revenue – administrative expenses – depreciation. amortisation and impairment – other operating expenses +- share of results of associates	
Return on equity (ROE). %	=	$\frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}}$	x 100
Return on assets (ROA). %	=	$\frac{\text{Profit / Loss for financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}}$	x 100
Equity-to-assets ratio. %	=	$\frac{\text{Equity}}{\text{Balance sheet total}}$	x 100
Expense ratio as earnings to operating costs	=	$\frac{\text{Administrative expenses + depreciation and impairment charges+ other operating expenses}}{\text{Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income}}$	
Equity per share	=	$\frac{\text{Equity attributable to the shareholders of the Group}}{\text{Number of shares at the end of the period}}$	
Recurring revenue to operating costs ratio	=	$\frac{\text{Revenue from time-based contracts*}}{\text{All operative expenses}}$	
Dividend per share	=	Dividend paid or proposed for the financial year	
Market value	=	Number of shares at the end of the period x closing price	

* Wealth management fees, management fees from mutual funds, corporate analysis, incentive plan administration fees, custody fees and net interest margin

Ten largest shareholders on June 30, 2023

	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	18.0	77,016,420	25.6
2. Oy Scripo Ab	3,803,280	950,820	4,754,100	18.0	77,016,420	25.6
3. Ingman Group Oy Ab	1,860,000	820,000	2,680,000	10.1	38,020,000	12.6
4. Oy Fincorp Ab	2,319,780	330,147	2,649,927	10.0	46,725,747	15.5
5. Lehtimäki Jyri Maunu Olavi	533,728	195,031	728,759	2.8	10,869,591	3.6
6. Moomin Characters Oy Ltd	0	413,735	413,735	1.6	413,735	0.1
7. Tallberg Claes	369,756	32,588	402,344	1.5	7,427,708	2.5
8. Hollfast John Erik	328,320	71,680	400,000	1.5	6,638,080	2.2
9. Joensuun Kauppa ja Kone Oy	0	262,565	262,565	1.0	262,565	0.1
10. Umo Invest Oy	0	240,074	240,074	0.9	240,074	0.1

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