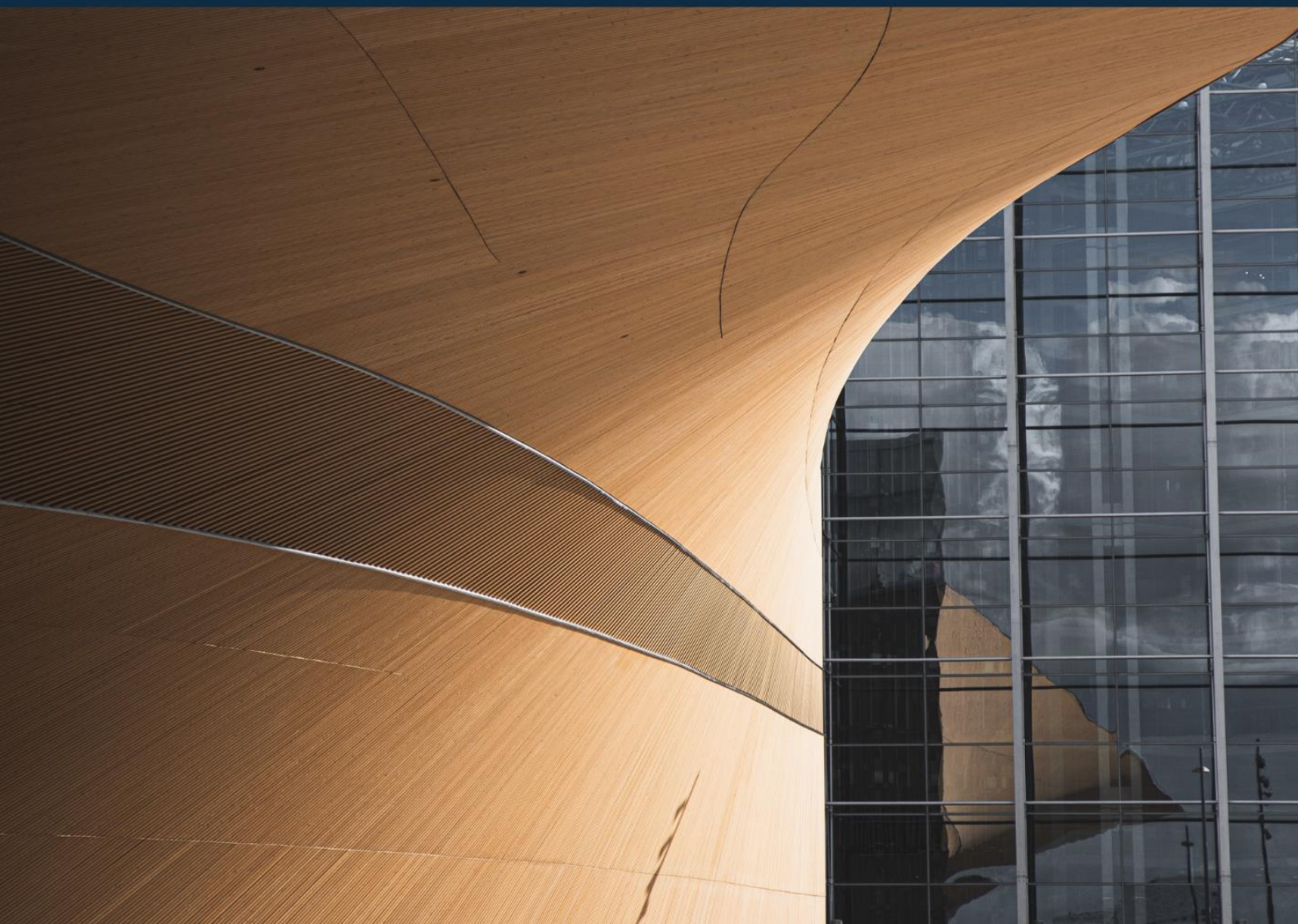


# EVLI

Evli Plc  
INTERIM REPORT 1–9/2022

**GOOD PROFITABILITY MAINTAINED  
IN AN EXCEPTIONAL MARKET**



## GOOD PROFITABILITY MAINTAINED IN AN EXCEPTIONAL MARKET

### Financial performance January-September 2022

- Operating income was EUR 66.7 million (1-9/2021: EUR 81.2 million)
- Operating profit was EUR 25.8 million (EUR 39.7 million. Operating profit excluding non-recurring items related to mergers and acquisitions was 27.3 million euros.
- Operating result of the Wealth Management and Investor Clients segment decreased to EUR 22.3 million (EUR 29.8 million)
- Operating result of the Advisory and Corporate Clients segment decreased to EUR 2.8 million (EUR 6.5 million)
- At the end of September, assets under management amounted to EUR 14.4 billion (EUR 16.1 billion) on a net basis
- Return on equity was 27.3 percent (46.0%)
- Earnings per share, fully diluted, was EUR 0.71. The corresponding earnings per share excluding non-recurring items related to mergers and acquisitions was EUR 0.77.
- The ratio of recurring revenues to operational costs was 134 percent (141%).

### Financial performance July-September 2022

- The Group's net revenue was EUR 20.5 million (EUR 25.4 million)
- The Group's operating profit was EUR 7.8 million (EUR 13.3 million)
- Earnings per share, fully diluted, amounted to EUR 0.21.

EAB Group Plc merged with Evli Plc on October 1, 2022, i.e. after the end of the review period. Consequently, the figures of EAB Group Plc are not taken into account in this interim report.

## OUTLOOK FOR 2022 UNCHANGED

The year 2022 has continued 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**

	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Income statement key figures</b>					
Operating income, M€	20.5	25.4	66.7	81.2	116.2
Operating profit/loss, M€	7.8	13.3	25.8	39.7	56.6
Operating profit margin, %	38.0	52.3	38.7	48.8	48.7
Profit/loss excl. non-recurring items related to mergers and acquisitions, M€			27.3	-	-
Profit/loss for the financial year, M€	6.7	11.4	20.7	32.2	45.5
<b>Profitability key figures</b>					
Return on equity (ROE), %			27.3	46.0	50.4
Return on assets (ROA), %			12.0	14.7	11.3
<b>Balance sheet key figures</b>					
Equity-to-assets ratio, %			31.3	24.8	27.7
<b>Key figures per share</b>					
Earnings per Share (EPS), fully diluted, €	0.21		0.71	-	-
Earnings per Share (EPS) excl. non-recurring items related to mergers and acquisitions, fully diluted, €					
Dividend per share, €			1.06	-	-
Equity per share, €			4.04	-	-
Share price at the end of the period, €			16.30	-	-
<b>Other key figures</b>					
Expense ratio (operating costs to net revenue)	0.63	0.48	0.62	0.52	0.52
Recurring revenue ratio, %			134	141	135
Personnel at the end of the period			252	282	283
Market value, M€			389.4	-	-

## CEO MAUNU LEHTIMÄKI

As in the start of the year, the third quarter was marked by an exceptionally weak market environment for investments. All major asset classes, from government bonds to corporate bonds and equities, fell in value compared to the beginning of the year. Even gold, traditionally seen as a safe haven, lost value. The fall in prices was fuelled by the war in Ukraine, rising geopolitical tensions, higher energy prices, especially for electricity and natural gas in Europe, as well as accelerating inflation and higher key policy rates. The appreciation of the US dollar against almost all other currencies added to the pressure on the global economy. The International Monetary Fund (IMF) estimates that around 40 percent of world trade is denominated in dollars, regardless of whether the US is a trading partner, which means that dollar appreciation raises import prices, increases government deficits and raises debt servicing costs. Several emerging market countries have recently come close to defaulting and the situation is still expected to worsen.

In the third quarter, Evli's business reflected the historically weak performance of the capital markets. Net revenue fell by around 19 percent to EUR 20.5 million. The Group's operating profit decreased by around 41 percent to EUR 7.8 million. Fee income from alternative investment products and the incentives business increased, but fee income from traditional funds and the Corporate Finance unit were well below the previous year. The decline in fee income was driven by a weaker market and operating environment, which caused asset values to fall, redemptions to increase, and M&A activity to slow down.

In January-September, Evli's return on equity was good at 27.3 percent (46.0%). The ratio of recurring income to operating expenses was 134 percent (141%). The Group's solvency and liquidity were at an excellent level.

Operating income in the Wealth Management and Investor Clients segment decreased by 21 percent to EUR 16.3 million. Client assets under management fell to EUR 14.4 billion (EUR 16.1 billion), reflecting the weak market development and increased net redemptions. Evli Fund Management Company's investment fund capital, including alternative investment products, amounted to EUR 10.1 billion (EUR 12.0 billion). Net redemptions of traditional investment funds amounted to around EUR 1 billion for the year to date and were mainly in short-term fixed income funds, corporate bond funds and European equities. However, fee income from alternative investment products increased by 34 percent, already accounting for around 27 percent of total fund fee income.

Operating income in the Advisory and Corporate Clients segment increased by 14 percent to EUR 3.6 million.

Invoicing in the Corporate Finance unit remained at the same level as in the comparison period and amounted to EUR 1.4 million (EUR 1.4 million) in the quarter. The unit has a good mandate base and the outlook is reasonable despite the weakened operating environment. Revenue in the Incentives business increased to EUR 1.9 million (EUR 1.6 million). The company has continued to win new clients for incentive plan design and administration, and the outlook is good.

The key drivers of Evli's strategy, international sales and alternative investment products, developed in two different ways during the quarter. International sales, with Evli's corporate bond funds at its core, suffered in the year to date from rising interest rates and general market uncertainty. Redemptions by international clients amounted to almost EUR 670 million and the share of international clients in Evli's total fund capital, including alternative investment products, fell to 21 percent (25%).

Sales of alternative investment products in the third quarter amounted to a total of EUR 111 million (EUR 140 million). The sales were spread across several funds, with the Evli Infrastructure II fund, which had its first closing, attracting the largest subscription volume. We expect demand for alternative investment products to remain at a good level also during the rest of the year.

Responsibility is one of Evli's strategic focus areas. In the third quarter, as part of our work in line with our climate goals, we signed the Net Zero Asset Managers initiative, which will further improve our climate change milestones and reporting. In addition to the climate commitment, we strengthened our work on biodiversity by becoming the first Finnish asset manager to join the Taskforce on Nature-related Financial Disclosures forum.

After the quarter, a corporate reorganisation took place as planned, in which EAB Group Plc merged with Evli Plc. The combined company is one of Finland's leading providers of investment and wealth management services, with a broad range of expertise and a client base that includes institutional, corporate and private clients. The combined company has a strong financial position and excellent prospects for future growth in line with Evli's strategy. Its larger size will allow Evli to operate its business operationally more efficiently. For our clients, the combined company will offer a broader range of products and services and more comprehensive expert resources.

## MARKET DEVELOPMENTS

The first nine months of 2022 were a very exceptional period. Although the year started with positive market sentiment supported by strong economic growth, the situation changed completely in February when Russia launched a war of aggression against Ukraine. The escalation of geopolitical risks over the summer and autumn, the explosive rise in energy prices and accelerating inflation, together with rapidly rising interest rates, increased fears and uncertainty about the future. As a result, valuation levels of equities, fixed income investments and real assets decreased and the fear of a coming recession increased.

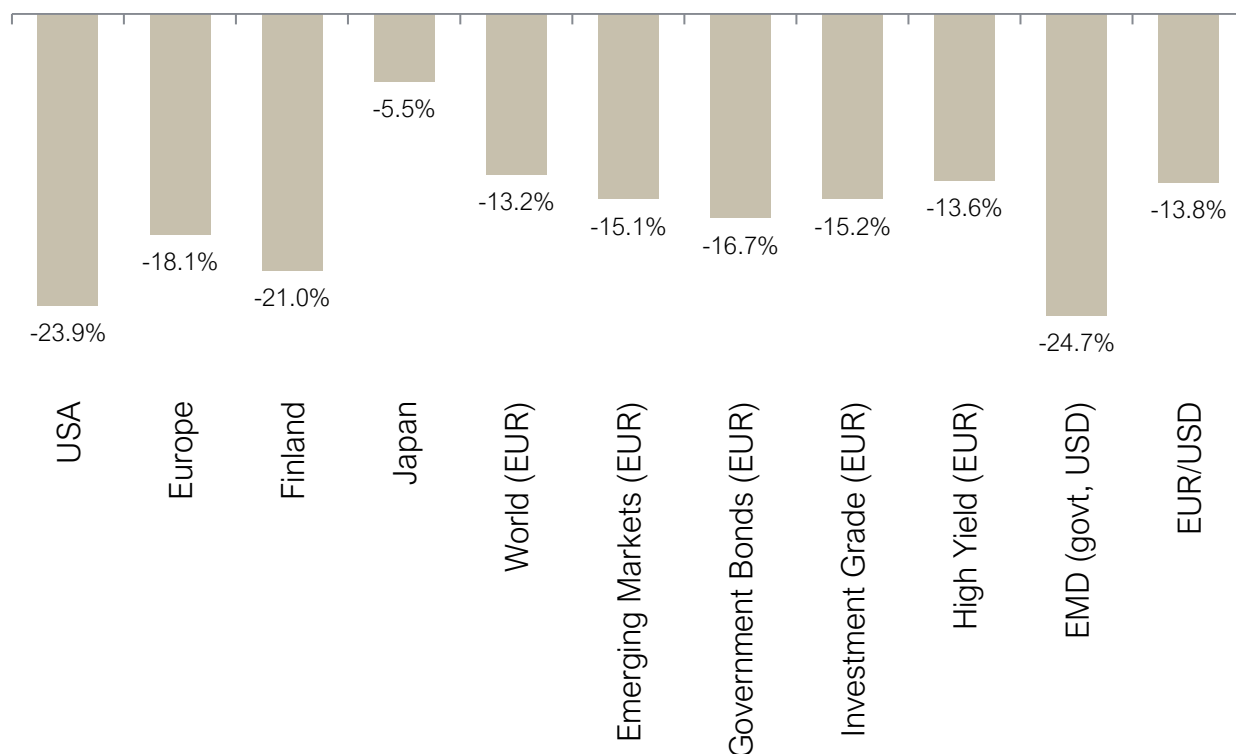
During the spring, commodity and energy prices in particular came under upward pressure from tightening supply, Western sanctions on Russia and a fall in output following the start of war. Pressure only increased during the summer and autumn as gas supplies to Europe were reduced and challenging weather conditions limited Europe's own energy production. Price pressures spread more widely to consumer prices during the summer and autumn. In order to curb inflation, both the

US and European central banks raised their policy rates at an exceptionally rapid pace during the year, which was particularly reflected in a drop in the value of fixed income investments. Despite these measures, inflation has remained high, suggesting that further rate hikes are likely.

There were no safe havens in the investment markets during the beginning of the year. In stock markets, US equities (S&P 500) fell by 23.9 percent and European equities (Stoxx 600) by 18.1 percent during the first nine months of the year. Over the same period, Finnish shares (OMX Helsinki Cap) fell by 21.0 percent.

Fixed income markets were also negative in January-September. Higher-rated corporate bonds fell by 15.2 percent and euro area government bonds by 16.7 percent. Meanwhile, lower-rated high yield bonds fell by 13.6 percent. The euro depreciated by 13.8 percent against the dollar and reached parity.

Market performance 1-9/2022



## DEVELOPMENT OF REVENUE AND RESULT

Reflecting the general market development, Evli Group's net revenue decreased by 18 percent from the comparison period to EUR 66.7 million (EUR 81.2 million). The negative development of net revenue was mainly due to lower fees from advisory business as well as a significant decrease in performance fees, which are dependent on the development of investment activities, versus the comparison period. The performance fees of the review period amounted to EUR 0.5 million (EUR 7.0 million). The net fee income for the Group fell by 16 percent compared with the reference period to EUR 65.4 million (EUR 77.5 million). Income from own investment activities amounted to EUR 1.3 million (EUR 3.3 million), including income from securities trading and currency brokerage.

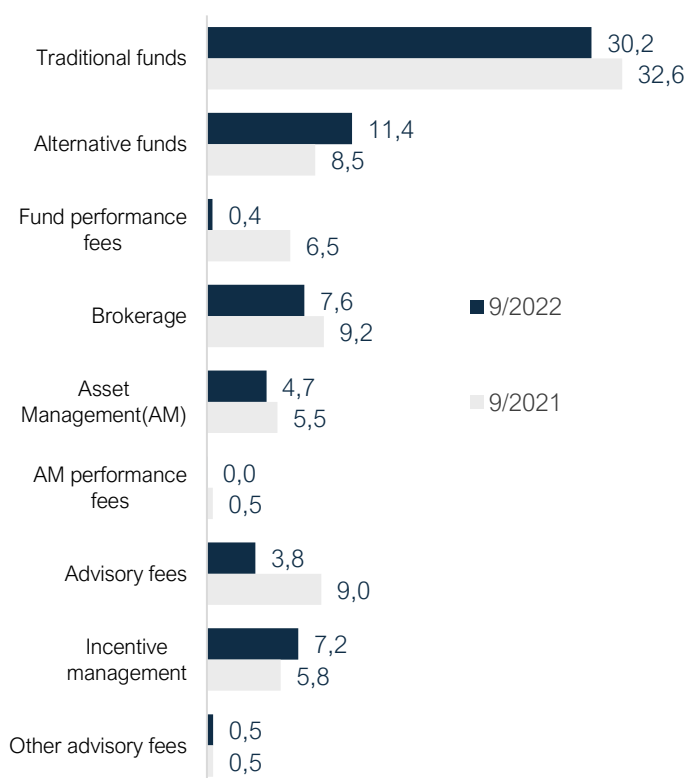
Total costs for the review period, including depreciation, amounted to EUR 41.1 million (EUR 42.0 million). Expenses include EUR 1.5 million of non-recurring costs related to the corporate transactions. During the last quarter of the year, Evli will incur non-recurring costs related to the merger of EAB Group Plc in terms of personnel and administrative costs. The Group's personnel expenses amounted to EUR 24.2 million (EUR 26.3 million), including an estimate of performance bonuses for the personnel. The Group's administrative

expenses amounted to EUR 12.7 million (EUR 11.2 million). The Group's depreciation and impairment amounted to EUR 3.7 million (EUR 3.7 million). Other operating expenses were EUR 0.5 million (EUR 0.8 million). Evli's expense/income ratio was 0.62 (0.52).

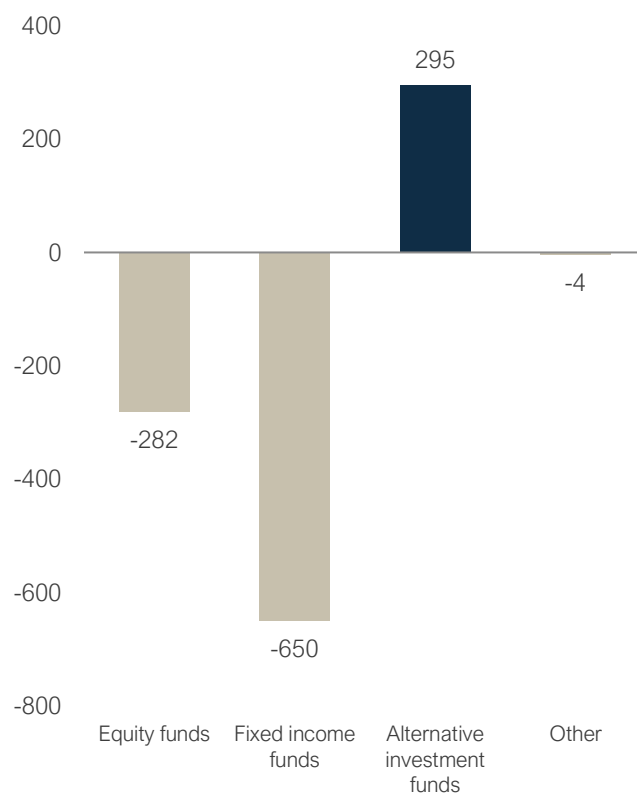
The operating profit decreased from the corresponding period by 35 percent and was EUR 25.8 million (EUR 39.7 million). Operating profit margin was 38.7 percent (48.8%). The net result for the period considered was EUR 20.7 million (EUR 32.2 million). Due to the weakened result, the Group's return on equity decreased to 27.3 percent (46.0%).

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 other comprehensive income in accordance with IFRS 9. During the period, the change in value of the investment amounted to EUR -3.7 million.

Market performance 1-9/2022 (MEUR)



Net sales per fund classes 1-9/2022 (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 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 4.9 billion (EUR 5.8 billion) in discretionary asset management assets, which includes both traditional and digital services.

According to the Kantar Prospera's "External Asset Management 2022 Finland" survey published in summer, 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 1.4 billion) were made to Evli's mutual funds in January-September. 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 0.6 billion).

The returns of Evli's fixed income funds remained negative in the review period due to higher interest rates. The best performing funds in relation to the benchmark index were Evli Euro Government Bond and Evli European High Yield. The performance of equity funds was also negative in the review period due to the general market situation. The Evli Japan and Evli Equity Factor

USA funds performed best in relation to the benchmark index.

In January-September, 33 percent of Evli's traditional mutual funds outperformed their benchmarks. In a three-year review, 48 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 3.77 stars.

The combined capital of traditional investment funds managed by the Evli Fund Management Company was EUR 8.2 billion (EUR 10.6 billion). Of this, approximately EUR 2.3 billion was invested in equity funds (EUR 3.2 billion), EUR 5.8 billion in fixed income funds (EUR 7.2 billion) and EUR 0.1 billion in balanced funds (EUR 0.2 billion). At the end of September, EUR 2.1 billion of Evli's fund capital came from clients outside of Finland (EUR 3.1 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).

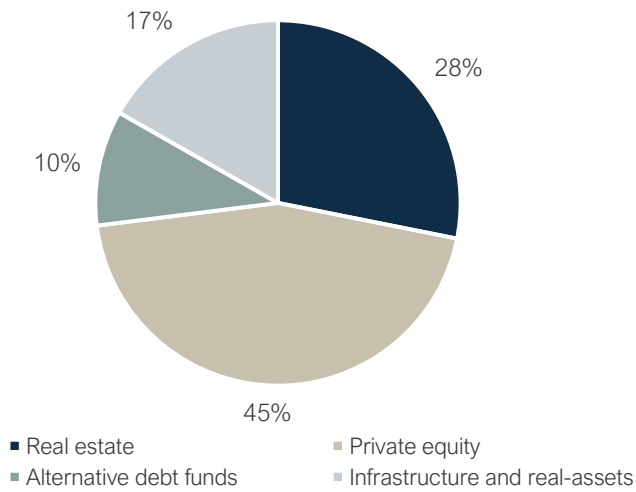
#### Alternative investment products

The strategically important sales of alternative investment products were in line with expectations during the review period.

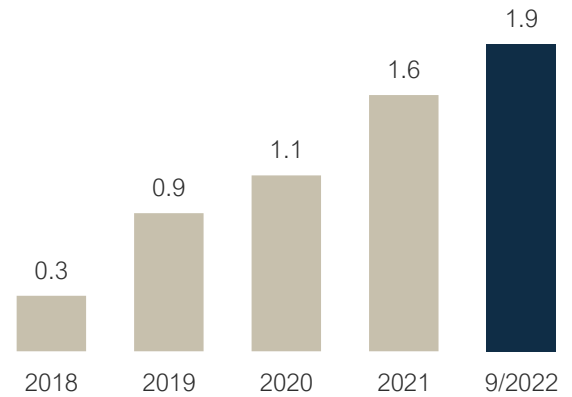
During the third quarter of the year, Evli issued the Evli Infrastructure II fund, which is a continuation of the previously very successful Evli Infrastructure I fund.

Subscriptions and commitments to alternative investment products totalled approximately EUR 111 million during the third quarter. Of the subscriptions and commitments, approximately EUR 36 million were allocated to private equity products, split evenly between Evli Private Equity I and Evli Private Equity III. The new Evli Infrastructure II fund raised approximately EUR 72 million in its first closing. Furthermore, the Evli Rental Yield fund and Evli Leveraged Loan funds attracted subscriptions of around EUR 3 million and EUR 1 million respectively.

Alternative assets under management



Assets under Management in alternative investment products (€ bn)



### Other investment products

The challenging market environment was also reflected in the commissions received from brokerage of other investment products. During the period under review, commissions from brokerage activities fell clearly from the comparison period.

### Financial performance

**In January-September** the net revenue of the Wealth Management and Investor Clients segment decreased from the comparison period due to the weak market development, the fund redemptions and lower

performance-based fees. The net revenue of the segment decreased by 14 percent from the previous year and was EUR 53.9 million (EUR 62.8 million). The performance-related fees from asset management and funds amounted to EUR 0.5 (EUR 7.0 million).

**In July-September** the net revenue of the Wealth Management and Investor Clients segment decreased by 21 percent compared to the review period and was EUR 16.3 million (EUR 20.6 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€	1-9/2022	1-9/2021	Change %	7-9/2022	7-9/2021	Change %
Net revenue	53.9	62.8	-14%	16.3	20.6	-21%
Operating profit/loss before Group allocations	30.0	36.0	-17%	8.1	12.0	-33%
Operating profit/loss	22.3	29.8	-25%	6.8	10.8	-37%



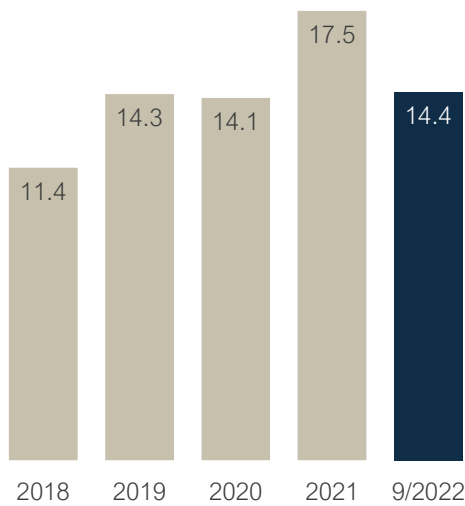
### Development of client assets under management

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

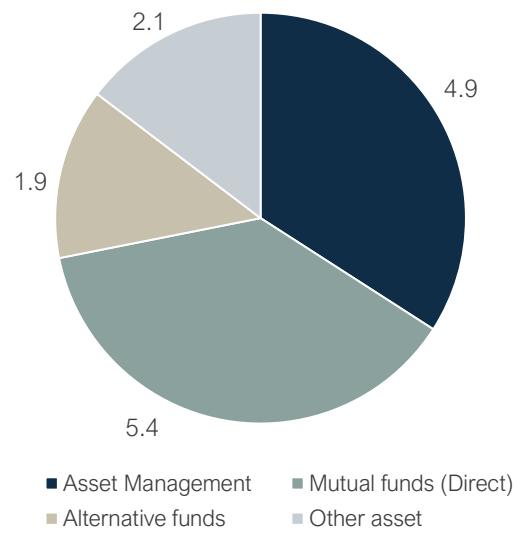
Assets under management decreased from the comparison period due to negative net sales and the market development. At the end of September, the Group's total net assets under management amounted to EUR 14.4 billion (EUR 16.1 billion).

At the end of September, assets under discretionary management amounted to EUR 4.9 billion (EUR 5.8 billion). Correspondingly, direct investments in Evli's traditional mutual funds were EUR 5.4 billion (EUR 7.1 billion) at the end of the review period. The assets under management in alternative investment products was EUR 1.9 billion (EUR 1.3 billion). Assets managed through subsidiaries and associated companies stayed at the previous year's level and were EUR 2.1 billion (EUR 2.1 billion).

Assets under management (bn. €)



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

Client activity in the advisory business remained reasonable throughout the review period, but signs of slowing down are noticeable. 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. Due to the slowdown of client activity, turnover for the period under review was below the level of the comparison period.

Evli's announced mandates for the third quarter:

- Sale of Zington to VASS Group
- Sale of Swevet to MWI Animal Health
- Sale of Triggerfish IO Digital
- Reverse IPO of Vimab Group onto Nasdaq First North Stockholm
- Acquisition of Bredbyns Schakt AB by Netel

### Incentive systems

At the end of the review period, the company had around 130 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 was EUR 7.2 million (EUR 5.8 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 revenue from the companies' top executive and board of directors' compensation reports are also focused to the latter half of the year.

### Financial performance

In **January-September**, the net revenue in the Advisory and Corporate Clients segment decreased from the previous year and amounted to EUR 11.5 million (EUR 14.8 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 **July-September** the net revenue of the Advisory and Corporate Clients segment increased from the comparison period and was EUR 3.6 million (EUR 3.1 million). The positive development was the result of favourable development of the incentive business along with the increased number of customers.

### Key figures - Advisory and Corporate Clients segment

M€	1-9/2022	1-9/2021	Change %	7-9/2022	7-9/2021	Change %
Net revenue	11.5	14.8	-22%	3.6	3.1	14%
Operating profit/loss before Group allocations	4.2	8.0	-47%	1.1	1.0	8%
Operating profit/loss	2.8	6.5	-56%	0.9	0.7	22%

## 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-September**, the net revenue in the Group Operations segment decreased compared to the previous year and was EUR 1.3 million (EUR 3.7 million).

In **July-September**, the net revenue of the Group Operations segment decreased compared to the comparison period and was EUR 0.6 million in total (EUR 1.6 million).

### Key figures – Group Operations segment

M€	1-9/2022	1-9/2021	Change %	7-9/2022	7-9/2021	Change %
Net revenue	1.3	3.7	-65%	0.6	1.6	-62%
Operating profit/loss before Group allocations	-8.7	-4.8	82%	-1.7	0.1	-1521%
Operating profit/loss	0.4	2.9	-85%	-0.2	1.6	-111%

### PERSONNEL

At the end of September, the Group had 252 permanent employees. In addition, the Group employed 44

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 Evli engage with companies, both independently and in cooperation with other investors.

### Responsible investing

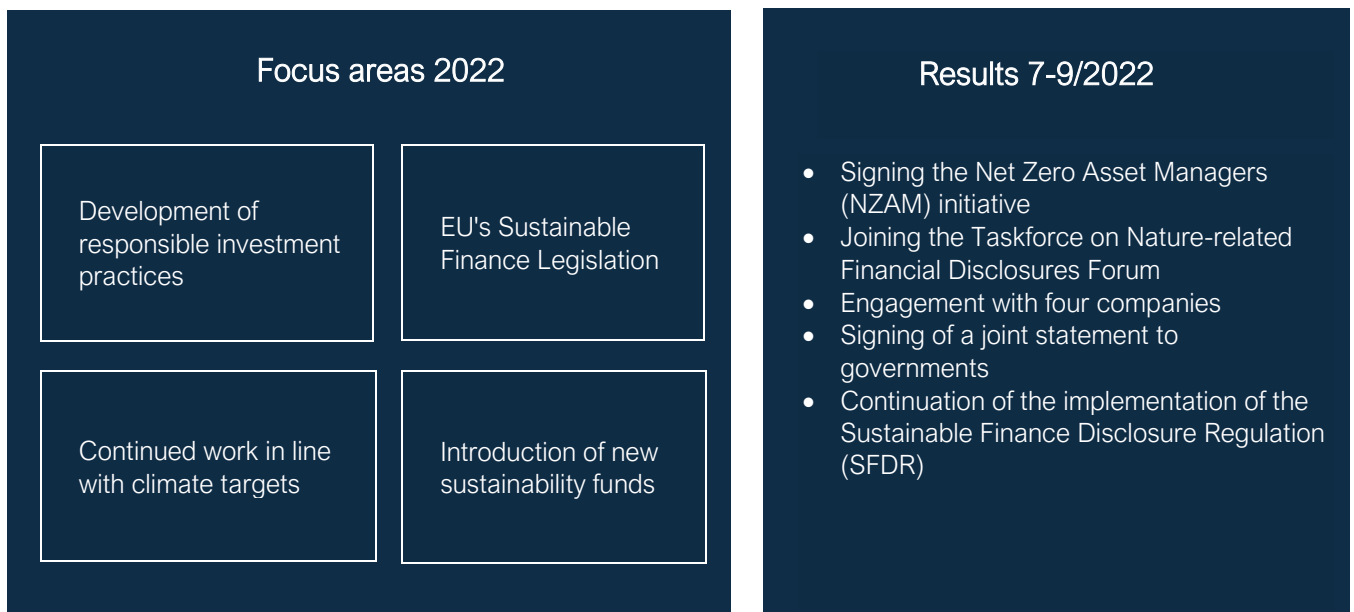
As part of the Climate work Evli signed the Net Zero Asset Managers (NZAM) initiative in the summer of 2022. The initiative requires several actions from the signees. Asset managers must fulfil requirements such as setting intermediate targets and pursue yearly progress reporting. Asset managers must also set a clear roadmap and engage in active ownership. In addition to the climate pledge, Evli strengthened its study related to biodiversity by joining the Taskforce on Nature-related Financial Disclosures Forum in the summer of 2022, being also the first Finnish asset manager to join. The forum aims to develop a reporting framework for investors to understand the impact and dependencies of their activities and nature-related risks and opportunities. Through these new initiatives and continuous development of the activities, Evli strives to

take the effects of the investments into account even more widely and further develop operations.

During the third quarter, Evli engaged with four companies. The engagement cases were related to climate targets, companies' sustainability work in general and good governance. Evli, together with other investors, also signed a letter to governments, 2022 Global Investor Statement to Governments on the Climate Crisis, which encourages:

- to ensure limiting global temperature rise to 1.5°C
- taking early action to ensure that their 2030 greenhouse gas emissions are aligned
- contributing to the reduction in non-carbon dioxide greenhouse gas emissions
- scaling up the provision of climate finance
- and strengthen climate disclosures across the financial system through mandatory TCFD-aligned reporting, requiring science-based climate transition plans, and coordinating and driving consistency across global financial regulation.

Evli also actively continued its work in accordance with the Sustainable Finance Disclosure Regulation (SFDR) in terms of both preparation for reporting and data capabilities.



## BALANCE SHEET AND FUNDING

The Group's balance sheet total at the end of September was EUR 321.4 million (EUR 436.7 million). The Group's equity at the end of the review period was EUR 100.7 million (EUR 108.1 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 126.2 million (EUR 43.5 million) and liquid mutual fund investments to EUR 17.1 million (EUR 51.4 million). Evli Plc has granted investment loans to its clients. At the end of the review period, the loans totalled EUR 38.4 million (EUR 107.8 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 6.1 million (EUR 8.0 million), of which short-term liabilities

amounted to EUR 1.7 million (EUR 1.7 million). Evli Plc has issued structured bonds for a total amount of EUR 103.3 million (EUR 91.1 million), which together with equity form the basis of the Group's long-term debt financing. At the end of September, the company's share capital amounted to EUR 23.7 million.

The group's core capital (CET 1) as at September 30, 2022, was EUR 56.4 million and the group's own funds to minimum capital ratio was 433.4 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 31.3 percent at September 30, 2022. Detailed information on capital adequacy is provided in the table section of the release.

## DECISIONS TAKEN BY THE EXTRAORDINARY GENERAL MEETING

Evli Plc's Extraordinary General Meeting held on July 14, 2022 approved Evli Plc's ("Evli") and EAB Group Plc's arrangement pursuant to which EAB group's parent company EAB Group Plc, and its fully owned subsidiary EAB Asset Management Ltd will merge into Evli.

### Merger, Evli and EAB Group Plc

To carry out the combination, the General Meeting resolved to approve the statutory absorption merger of EAB Group into Evli as set forth in the merger plan ("the Merger Plan") approved and signed by the Board of Directors of the companies, dated and published on May 31, 2022, as well as registered with the Trade Register on June 2, 2022, and the proposals of the Board of Directors for the execution of the plan regarding following matters:

- a) issuance of shares of Evli as merger consideration to the shareholders of EAB, and
- b) increase of share capital

The contemplated effective date of the merger is October 1, 2022. The effective date of the merger can still change in accordance with the merger plan.

According to the Merger Plan, EAB Group Plc will merge into Evli by way of statutory absorption merger whereby all assets and liabilities of EAB Group Plc are transferred to Evli without a liquidation procedure in accordance with the Merger Plan.

In addition to other matters described in the Merger Plan, the resolution on the merger included, among

other things, the following key matters described more detail in the Merger Plan:

- a) Merger consideration  
Pursuant to the Merger Plan, the shareholders of EAB Group Plc will receive as merger consideration 0.172725 new class B shares in Evli for each share they own in EAB Group Plc and a cash consideration for a total amount of EUR three (3) million, which shall be equally distributed between the outstanding shares of EAB Group Plc.
- b) Increase of share capital  
The General Meeting resolved pursuant to the Merger Plan to increase the share capital of Evli by EUR 30,000,000 in connection with the registration of the completion of the merger. After the increase, the share capital of Evli is EUR 53,745,459.66.

### Merger, Evli and EAB Asset Management Ltd

The General Meeting resolved to approve the statutory absorption merger of EAB Asset Management Ltd into Evli as set forth in the merger plan approved and signed by the Board of Directors of the companies, dated and published on May 31, 2022, as well as registered with the Trade Register on June 2, 2022. As the Evli and EAB Asset Management Ltd merger is completed after the merger of Evli and EAB Group Plc has been completed, EAB Asset Management Ltd shall be a fully owned subsidiary of Evli at the time of the completion and no merger consideration shall be issued.

## SHARES AND SHAREHOLDERS

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

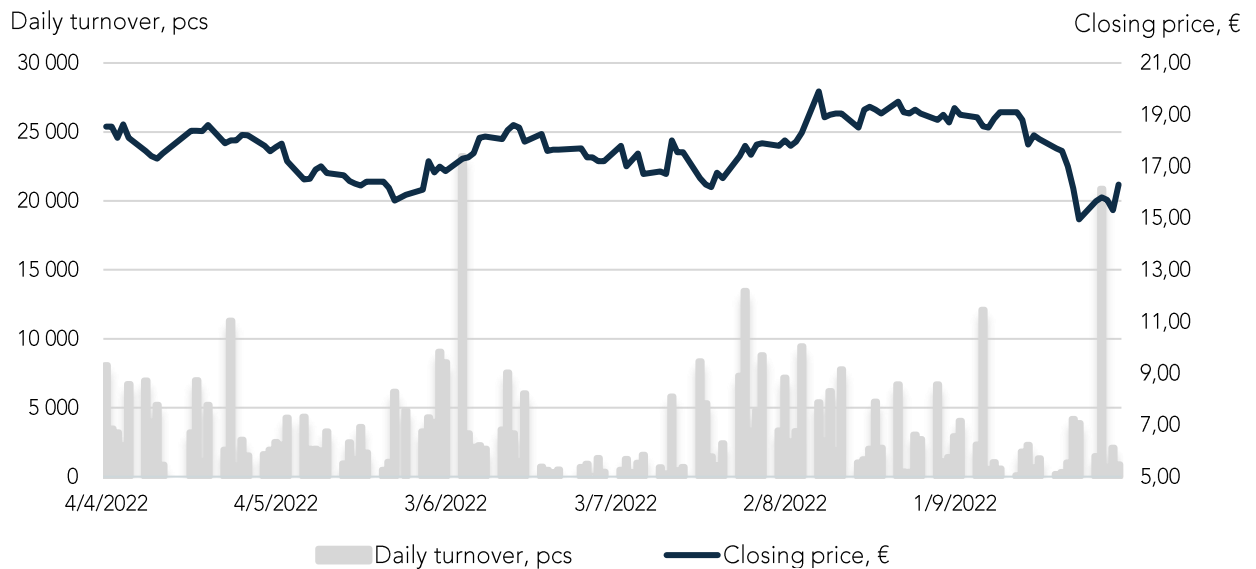
Evli Plc's total number of shares at the end of September was 23,889,557 shares, of which 14,485,148 were series A shares and 9,404,409 series B shares. The company held no own shares at the end of September 2022.

The closing price of Evli Plc's share on September 30, 2022, was EUR 16.30. The lowest closing price for the period was EUR 14.95 and the highest was EUR 19.90.

A total of 218,797 Evli Plc shares were traded during the period under review. The combined market value of A and B shares was EUR 389.4 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 5,936 at the end of September. Finnish companies owned 56.1 percent and the shareholding of Finnish private individuals was 27.3 percent. The remaining 16.6 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 34.

Share price development and trading volume (series B shares) from April 4 to September 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](http://evli.com).

## CHANGES IN GROUP STRUCTURE

During the second quarter of the year, 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

As previously announced, EAB Group Plc merged with Evli Plc on October 1, 2022. The combined company forms Evli, which offers even more comprehensive wealth management products and services. The

integration between the companies has progressed according to plan.

## OUTLOOK FOR 2022 UNCHANGED

The year 2022 has continued 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, October 20, 2022

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](http://evli.com)



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**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

M€	1-9/2022	1-9/2021	1-12/2021
Fee and commission income	67.7	79.6	114.4
Net income from securities transactions	1.3	3.3	3.7
Income from equity investments	0.0	0.0	0.0
Interest income	0.7	1.0	1.4
Other operating income	0.1	0.0	0.2
<b>INCOME TOTAL</b>	<b>69.9</b>	<b>84.0</b>	<b>119.7</b>
Fee and commission expenses	-2.3	-2.0	-2.7
Interest expenses	-0.9	-0.7	-0.8
<b>NET INCOME</b>	<b>66.7</b>	<b>81.2</b>	<b>116.2</b>
Administrative expenses			
Personnel expenses	-24.2	-26.3	-36.6
Other administrative expenses	-12.7	-11.2	-17.6
Depreciation and amortization on tangible and intangible assets	-3.7	-3.7	-4.8
Other operating expenses	-0.5	-0.8	-1.3
Expected credit losses on loans and other receivables	0.0	0.0	0.1
Share of profit or loss of associates	0.3	0.5	0.5
<b>OPERATING PROFIT/LOSS</b>	<b>25.8</b>	<b>39.7</b>	<b>56.6</b>
Income taxes	-5.1	-7.5	-11.2
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>20.7</b>	<b>32.2</b>	<b>45.5</b>
<b>Attributable to</b>			
Minority interest	3.2	5.4	6.7
Shareholders of parent company	17.5	26.8	38.8
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>20.7</b>	<b>32.2</b>	<b>45.5</b>
<b>OTHER COMPREHENSIVE INCOME / LOSS</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences - foreign operations	-0.8	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	-3.7	0.0	0.0
Deferred taxes	0.7	0.0	0.0
<b>Other comprehensive income/loss</b>	<b>-3.7</b>	<b>0.2</b>	<b>0.1</b>
Other comprehensive income after taxes / loss for the year	-3.7	0.2	0.1
<b>OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR</b>	<b>17.0</b>	<b>32.3</b>	<b>45.6</b>
<b>Attributable to</b>			
Non-controlling interest	3.2	5.4	6.7
Equity holders of parent company	13.8	26.9	38.9
Earnings per share (EPS), fully diluted (EUR)	0.71		
Earnings per share (EPS), undiluted (EUR)	0.73		

**QUARTERLY CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

M€	Q3/2022	Q2/2022	Q1/2022	Q4/2021	Q3/2021
Fee and commission income	20.5	22.7	24.5	34.9	24.3
Net income from securities transactions	0.6	1.0	-0.3	0.4	1.5
Income from equity investments	0.1	-0.1	0.0	0.0	0.0
Interest income	0.3	0.1	0.3	0.3	0.3
Other operating income	0.0	0.0	0.0	0.2	0.0
<b>INCOME TOTAL</b>	<b>21.6</b>	<b>23.8</b>	<b>24.5</b>	<b>35.8</b>	<b>26.1</b>
Fee and commission expenses	-0.7	-0.6	-1.0	-0.7	-0.6
Interest expenses	-0.3	-0.3	-0.2	0.0	-0.2
<b>NET INCOME</b>	<b>20.5</b>	<b>22.9</b>	<b>23.3</b>	<b>35.0</b>	<b>25.4</b>
Administrative expenses					
Personnel expenses	-7.7	-8.4	-8.1	-10.3	-7.3
Other administrative expenses	-3.9	-5.0	-3.8	-6.3	-3.6
Impairment charges on goodwill	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization on tangible and intangible assets	-1.2	-1.2	-1.3	-1.1	-1.3
Other operating expenses	-0.1	0.0	-0.3	-0.4	0.0
Expected credit losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
Share of profit or loss of associates	0.2	0.0	0.0	0.1	0.2
<b>OPERATING PROFIT/LOSS</b>	<b>7.8</b>	<b>8.3</b>	<b>9.7</b>	<b>17.0</b>	<b>13.3</b>
Income taxes	-1.1	-2.0	-2.0	-3.7	-1.9
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>6.7</b>	<b>6.3</b>	<b>7.7</b>	<b>13.3</b>	<b>11.4</b>
<b>Attributable to</b>					
Minority interest	1.4	1.0	0.8	1.3	1.0
Shareholders of parent company	5.3	5.4	6.9	12.0	10.4
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>6.7</b>	<b>6.3</b>	<b>7.7</b>	<b>13.3</b>	<b>11.4</b>
<b>OTHER COMPREHENSIVE INCOME / LOSS</b>					
<i>Items that are or may be reclassified subsequently to P&amp;L</i>					
Foreign currency translation differences - foreign operations	-0.3	-0.3	-0.1	0.0	0.0
<i>Items that may not be reclassified subsequently P&amp;L</i>					
Fair value change of financial instruments recognized in OCI	-1.0	-2.6	0.0	0.0	0.0
Deferred taxes	0.2	0.5			
<b>Other comprehensive income/loss</b>	<b>-1.1</b>	<b>-2.4</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>
Other comprehensive income after taxes / loss for the year	-1.1	-2.4	-0.1	0.0	0.0
<b>OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR</b>	<b>5.6</b>	<b>3.9</b>	<b>7.6</b>	<b>13.3</b>	<b>11.4</b>
<b>Attributable to</b>					
Non-controlling interest	1.4	1.0	0.8	1.3	1.0
Equity holders of parent company	4.2	2.9	6.8	12.0	10.4

**CONSOLIDATED BALANCE SHEET**

<b>M€</b>	<b>30.9.2022</b>	<b>30.9.2021</b>	<b>31.12.2021</b>
<b>ASSETS</b>			
Cash and equivalents	0.0	0.0	0.0
Claims on credit institutions	126.2	43.5	47.8
Claims on the public and public sector entities	38.4	107.8	87.4
Debt securities	0.0	0.7	0.7
Shares and participations	30.7	58.8	49.6
Derivative contracts	0.3	17.3	26.4
Shares and participations in associates	4.1	3.0	4.0
Intangible assets and goodwill	13.0	14.2	13.8
Property, plant and equipment	1.1	1.2	1.2
Right-of-use assets	6.1	8.0	7.6
Other assets	98.4	178.9	127.1
Accrued income and prepayments	1.5	1.5	2.3
Income Tax receivables	0.7	1.6	0.1
Deferred tax assets	1.1	0.1	0.1
<b>TOTAL ASSETS</b>	<b>321.4</b>	<b>436.7</b>	<b>368.3</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Liabilities to credit institutions and central banks	0.0	62.5	8.6
Debt securities issued to the public	103.3	91.1	91.0
Derivative contracts and other liabilities held for trading	0.3	17.1	26.3
Other liabilities	88.2	127.7	105.4
Accrued expenses and deferred income	23.9	25.2	29.3
Income tax liabilities	5.0	5.0	5.5
Deferred tax liabilities	0.0	0.0	0.0
<b>TOTAL LIABILITIES</b>	<b>220.7</b>	<b>328.6</b>	<b>266.1</b>
<b>EQUITY</b>			
Equity to holders of parent company	96.6	102.4	96.9
Non-controlling interest in capital	4.1	5.7	5.2
<b>TOTAL EQUITY</b>	<b>100.7</b>	<b>108.1</b>	<b>102.1</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>321.4</b>	<b>436.7</b>	<b>368.3</b>

**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
<b>Equity 31.12.2020</b>	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					26.8	26.8	5.4	32.2
Dividends					0.0	0.0	-1.4	-1.4
Other changes					2.2	2.2	-1.3	0.9
Equity transactions with Evli Bank					-1.8	-1.8		-1.8
<b>Equity 30.9.2021</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>102.2</b>	<b>102.4</b>	<b>5.7</b>	<b>108.1</b>
Translation difference			0.0			0.0		0.0
Profit/loss for the period					12.0	12.0	1.3	13.3
Dividends					-17.4	-17.4	-1.7	-19.1
Other changes					-0.7	-0.7	-0.1	-0.8
Equity transactions with Evli Bank					0.7	0.7		0.7
<b>Equity 31.12.2021</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>96.8</b>	<b>96.9</b>	<b>5.2</b>	<b>102.1</b>
Translation difference			-0.8			-0.8	-0.4	-1.2
Profit/loss for the period					17.5	17.5	3.2	20.7
Dividends					-25.3	-25.3	-3.7	-29.0
Fair value adjustment of Fellow Bank Plc shares		-2.9			0.0	-2.9	0.0	-2.9
Other changes					1.5	1.5	-0.2	1.4
Effect of demerger 2.4.2022	23.7			26.7	-40.8	9.6		9.6
<b>Equity 30.9.2022</b>	<b>23.7</b>	<b>-2.9</b>	<b>-0.7</b>	<b>26.6</b>	<b>49.8</b>	<b>96.6</b>	<b>4.1</b>	<b>100.7</b>

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 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

30.9.2022 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	-0.2
Commission income and expense. net	53.9	11.5	0.0	0.0	65.4
Net income from securities transactions and foreign exchange dealing	0.0	0.0	1.4	0.0	1.4
Other operating income	0.0	0.0	0.0	0.0	0.1
External sales	53.9	11.5	1.3	0.0	66.7
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
<b>NET REVENUE</b>	<b>53.9</b>	<b>11.5</b>	<b>1.3</b>	<b>0.0</b>	<b>66.7</b>
Timing of revenue recognition					
Over time	46.6	5.7	0.0	0.0	52.3
At a point of time	7.3	5.8	0.0	0.0	13.1
Segment operating expenses	-22.4	-7.0	-8.0	0.0	-37.4
<b>Business units operating profit before depreciations and Group allocations</b>	<b>31.4</b>	<b>4.5</b>	<b>-6.7</b>	<b>0.0</b>	<b>29.3</b>
Depreciation, amortisation and write-down	-1.4	-0.3	-2.0	0.0	-3.7
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
<b>Business units operating profit before Group allocations</b>	<b>30.0</b>	<b>4.2</b>	<b>-8.7</b>	<b>0.0</b>	<b>25.6</b>
Allocated corporate expenses	-7.8	-1.4	9.1	0.0	0.0
<b>OPERATING PROFIT</b>	<b>22.3</b>	<b>2.8</b>	<b>0.4</b>	<b>0.0</b>	<b>25.6</b>
Share of profits (losses) of associates	0.0	0.0	0.3	0.0	0.3
Income taxes*	-3.0	-0.9	-1.2	0.1	-5.1
<b>SEGMENT PROFIT/LOSS</b>	<b>19.2</b>	<b>2.0</b>	<b>-0.5</b>	<b>0.1</b>	<b>20.7</b>

30.9.2021 segment income statement, M€	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
Net Interest Income	0.0	0.0	0.3	0.0	0.3
Commission income and expense. net	62.7	14.8	0.1	0.0	77.5
Net income from securities transactions and foreign exchange dealing	0.0	0.0	3.3	0.0	3.3
Other operating income	0.0	0.0	0.0	0.0	0.0
External sales	62.7	14.8	3.7	0.0	81.2
Inter-segment sales	0.0	0.0	0.0	0.0	0.0
<b>NET REVENUE</b>	<b>62.7</b>	<b>14.8</b>	<b>3.7</b>	<b>0.0</b>	<b>81.2</b>
Timing of revenue recognition					
Over time	47.5	5.0	-0.6	0.0	51.9
At a point of time	15.8	9.9	0.0	0.0	25.6
Segment operating expenses	-25.1	-6.5	-6.8	0.0	-38.3
<b>Business units operating profit before depreciations and Group allocations</b>	<b>37.6</b>	<b>8.3</b>	<b>-3.0</b>	<b>0.0</b>	<b>42.9</b>
Depreciation, amortisation and write-down	-1.7	-0.3	-1.7	0.0	-3.7
Impairment losses on loans and other receivables	0.0	0.0	0.0	0.0	0.0
<b>Business units operating profit before Group allocations</b>	<b>35.9</b>	<b>8.0</b>	<b>-4.7</b>	<b>0.0</b>	<b>39.2</b>
Allocated corporate expenses	-6.2	-1.5	7.7	0.0	0.0
<b>OPERATING PROFIT</b>	<b>29.7</b>	<b>6.5</b>	<b>3.0</b>	<b>0.0</b>	<b>39.2</b>
Share of profits (losses) of associates	0.0	0.0	0.5	0.0	0.5
Income taxes*	-3.3	-1.4	-2.7	0.0	-7.5
<b>SEGMENT PROFIT/LOSS</b>	<b>26.4</b>	<b>5.0</b>	<b>0.7</b>	<b>0.0</b>	<b>32.2</b>

**CONSOLIDATED CASH FLOW STATEMENT**

<b>M€</b>	<b>1-9 2022</b>	<b>1-9 2021</b>	<b>1-12 2021</b>
Operating activities			
Operating profit	25.8	39.7	56.6
Adjustment for items not included in cash flow	8.9	7.7	13.6
Income taxes paid	-6.3	-3.6	-7.6
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>28.4</b>	<b>43.8</b>	<b>62.7</b>
Changes in operating asset	99.5	-20.4	59.6
Changes in operating liabilities	-9.5	-40.6	-60.8
<b>Cash flow from operating activities</b>	<b>118.5</b>	<b>-17.2</b>	<b>61.5</b>
Investing activities			
Change in intangible asset	-1.0	-0.4	-0.6
Change in property, plant and equipment	0.0	-0.1	-0.2
<b>Cash flow from investing activities</b>	<b>-1.0</b>	<b>-0.5</b>	<b>-0.7</b>
Financing activities			
Change in Loans from credit institutions	-8.6	-0.7	7.9
Change in Loans from parent entity Evli Bank*	0.0	38.4	-24.1
Equity transactions with the parent entity Evli Bank*	0.0	-1.7	-2.53
Dividends paid	-25.3	0.0	-17.4
Dividends paid to NCI	-3.7	-1.4	-3.1
Payments of loan/IFRS 16 Right of use asset	-1.4	-1.3	-1.7
<b>Cash flow from financing activities</b>	<b>-39.1</b>	<b>33.2</b>	<b>-41.0</b>
Cash and cash equivalents at the beginning of period	47.8	28.0	28.0
Cash and cash equivalents at the end of period	126.2	43.5	47.8
<b>Change</b>	<b>78.4</b>	<b>15.5</b>	<b>19.8</b>

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, 30.9.2022 Evli-Group
Total equity	100.7
Common Equity Tier 1 capital (CET 1) before deductions	100.7
Deductions from CET 1, total	-44.3
Intangible assets	-13.0
Profit for the financial year	-20.7
Other deductions	-10.6
<b>Common Equity Tier 1 capital (CET1)</b>	<b>56.4</b>
Additional Tier 1 capital (AT1)	
<b>Additional Tier 1 capital (T1 = CET1 + AT1)</b>	<b>56.4</b>
Tier 2 capital (T2)	
<b>Total own funds (TC = T1 + T2)</b>	<b>56.4</b>
Own funds requirement (IFR)	
Fixed overhead costs requirement	13.0
K-factor requirement	3.9
Minimum requirement	0.75
<b>Total requirement (most restrictive)</b>	<b>13.0</b>
CET1 compared to total requirement (%)	433.4%
T1 compared to total requirement (%)	433.4%
Total own funds compared to total requirement (%)	433.4%
<b>Total risk weighted assets</b>	<b>162.6</b>
CET1 compared to risk weighted assets (%)	34.7%
T1 compared to risk weighted assets (%)	34.7%
Total own funds compared to risk weighted assets (%)	34.7%
<b>Excess own funds compared to total requirement</b>	<b>43.4</b>

## **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 July 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**

Illustrative consolidated income statement without non-recurring costs related to corporate restructuring\*\*

M€	1-9/2022	Non-recurring costs	1-9/2022 excl. non-recurring costs
Fee and commission income	67.7		67.7
Net income from securities transactions	1.3		1.3
Income from equity investments	0.0		0.0
Interest income	0.7		0.7
Other operating income	0.1		0.1
<b>INCOME TOTAL</b>	<b>69.9</b>		<b>69.9</b>
Fee and commission expenses	-2.3		-2.3
Interest expenses	-0.9		-0.9
<b>NET INCOME</b>	<b>66.7</b>		<b>66.7</b>
Administrative expenses			
Personnel expenses	-24.2		-24.2
Other administrative expenses	-12.7	1.5	-11.2
Depreciation and amortization on tangible and intangible assets	-3.7		-3.7
Other operating expenses	-0.5		-0.5
Expected credit losses on loans and other receivables	0.0		0.0
Share of profit or loss of associates	0.3		0.3
<b>OPERATING PROFIT/LOSS</b>	<b>25.8</b>	<b>1.5</b>	<b>27.3</b>
Income taxes	-5.1		-5.1
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>20.7</b>	<b>1.5</b>	<b>22.2</b>
<b>Attributable to</b>			
Minority interest	3.2		3.2
Shareholders of parent company	17.5	1.5	19.0
<b>PROFIT / LOSS FOR THE FINANCIAL YEAR</b>	<b>20.7</b>	<b>1.5</b>	<b>22.2</b>
Earnings per share (EPS), fully diluted (EUR)	0.71		0.77
Earnings per share (EPS), undiluted (EUR)	0.73		0.80

\*Non-recurring legal services, consulting, auditing and IT costs related to the partial demerger and the EAB merger.

\*\*This is not financial information regarding interim reports in accordance with the IAS 34 standard. The purpose of the illustrative income statement is to show the impact of non-recurring costs related to business arrangements on the group's financial profitability during the review period. Evli has incurred non-recurring costs for legal services, consulting, auditing and information system development in connection with the partial demerger and the merger of EAB Group Plc implemented during the review period. Regarding the integration work related to the merger, non-recurring costs can also be expected in the last quarter of the year.

## Commission income

M€	Q3/2022	Q3/2021	1-9/2022	1-9/2021	1-12/2021
Revenue recognized over time					
Traditional funds	9.0	11.4	30.2	32.6	44.2
Alternative funds	4.7	3.4	11.4	8.5	12.3
Asset Management (AM)	1.5	1.9	5.0	5.8	7.9
Incentive management, administration	1.5	1.3	5.2	4.5	6.1
Paid research fees	0.1	0.1	0.5	0.5	0.5
<b>Revenue recognized over time, total</b>	<b>16.9</b>	<b>18.3</b>	<b>52.3</b>	<b>51.9</b>	<b>70.9</b>
Revenue recognized at point in time					
Fund performance fees	0.0	1.3	0.4	6.5	8.2
Brokerage	1.3	2.5	7.6	9.1	11.4
AM performance fees	0.0	0.1	0.0	0.5	7.7
Incentive management, design	0.4	0.2	1.9	1.3	2.5
Corporate Finance fees	1.4	1.4	3.8	9.0	11.8
Other fees	-0.2	-0.2	-0.6	-0.6	-0.8
<b>Revenue recognized at point in time, total</b>	<b>2.9</b>	<b>5.4</b>	<b>13.2</b>	<b>25.7</b>	<b>40.8</b>
<b>Total net commission income</b>	<b>19.8</b>	<b>23.7</b>	<b>65.4</b>	<b>77.6</b>	<b>111.7</b>

## Debt securities

M€	30.9.2022	30.9.2021	31.12.2021
Bonds, fair value	103.3*	91.1	91.0
<b>Debt securities issued to the public</b>	<b>103.3</b>	<b>91.1</b>	<b>91.0</b>

\*The issued bonds include derivatives which are presented separately in the balance sheet. All derivatives as of 30.9.2022 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

M€	Maturity: less than 3 months	Maturity: 3-12 months	Maturity: 1-5 years	Maturity: 5-10 years
30.9.2022				
Debt securities issued to the public	2.6	18.4	78.6	3.7
30.9.2021				
Debt securities issued to the public	0.9	9.2	80.9	0.0
31.12.2021				
Debt securities issued to the public	0.9	10.7	75.2	4.2

## Changes in issued debt securities

M€	30.9.2022	30.9.2021	31.12.2021
Bonds issued (change)	25.1	0.0	4.2
Bonds Repurchased (change)	4.5	30.0	34.3

## Off-Balance sheet commitments

M€	30.9.2022	30.9.2021	31.12.2021
Commitments given to a third party on behalf of a customer	0.0	11.9	0.4
Irrevocable commitments given in favour of a customer	2.9	2.4	2.6
Guarantees on behalf of others	0.0	0.0	0.0
Unused credit facilities	3.3	13.3	18.1

## Transactions with related parties

M€	September 2022 Associated companies	September 2021 Associated companies	September 2022 Group management	September 2021 Group management	September 2022 Evli Bank Plc	September 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	0.7	0.0	33.1
Liabilities	0.0	0.0	0.4	0.0	0.0	62.5

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 relate 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 July 2, 2022.

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

Fair value, M€	30.9.2022			Ending Balance
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Shares and participations classified as held for trading	0.2	0.0	0.0	0.2
Shares and participations. other	22.4	0.0	8.1	30.5
Debt securities eligible for refinancing with central banks	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0
Positive market values from derivatives	0.0	0.0	0.3	0.3
<b>Total financial assets held at fair value</b>	<b>22.6</b>	<b>0.0</b>	<b>8.4</b>	<b>30.9</b>
<b>Financial liabilities:</b>				
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
<b>Total financial liabilities held at fair value</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>

Fair value, M€	30.9.2021			Ending Balance
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Shares and participations classified as held for trading	0.1	0.0	0.0	0.1
Shares and participations. other	50.8	0.0	7.9	58.8
Debt securities eligible for refinancing with central banks				0.0
Debt securities	0.0	0.4	0.4	0.7
Positive market values from derivatives	0.0	15.0	2.3	17.3
<b>Total financial assets held at fair value</b>	<b>50.9</b>	<b>15.3</b>	<b>10.6</b>	<b>76.8</b>
<b>Financial liabilities:</b>				
Shares and participations classified as held for trading	0.0	0.0	0.0	0.0
Negative market values from derivatives	0.0	14.8	2.3	17.1
<b>Total financial liabilities held at fair value</b>	<b>0.0</b>	<b>14.8</b>	<b>2.3</b>	<b>17.1</b>

Fair value, M€	31.12.2021			Ending Balance
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
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
<b>Total financial assets held at fair value</b>	<b>42.2</b>	<b>24.3</b>	<b>10.1</b>	<b>76.6</b>
<b>Financial liabilities:</b>				
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
<b>Total financial liabilities held at fair value</b>	<b>0.0</b>	<b>24.0</b>	<b>2.3</b>	<b>26.3</b>

## 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. 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 30.9.2022 (€/share):	0.345
Number of shares: (amount)	15,288,303.00
Market value 30.6.2022: (€ million)	5.3
Change in value for the review period: (€ million) (Market value 30.9.2022 - acquisition price)	-3.7
Calculated tax effect of value change: (€ million)	0.7
Profit impact of the valuation after taxes: (€ million)	-3.0

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



## Credit loss provision for financial assets measured at amortized cost

Balance sheet item, 30.9.2022, M€	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	126.3	126.3	0.0	0.0	0.0	0.0
Receivables from public	38.4	36.0	2.4	0.0	0.1	0.1
Receivables from the public; corporate	16.3	16.1	0.3	0.0	0.0	0.0
Receivables from the public; private	22.0	20.0	2.1	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	1.7	1.6	0.1	0.0	0.0	0.0
Off-balance sheet loan commitments	3.3	3.0	0.3	0.0	0.0	0.0
	169.7	166.9	2.8	0.0	0.1	0.1

Balance sheet item, 30.9.2021, M€	Amount	Level 1	Level 2	Level 3	Expected credit loss	Opening balance 1.1. credit loss provision
Receivables from credit institutions	43.5	43.5	0.0	0.0	0.0	0.0
Receivables from public	107.8	107.1	0.7	0.0	0.1	0.2
Receivables from the public; corporate	30.1	29.8	0.3	0.0	0.1	0.1
Receivables from the public; private	77.7	77.3	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	3.9	3.9	0.0	0.0	0.0	0.0
Off-balance sheet loan commitments	13.1	13.1	0.0	0.0	0.0	0.0
	168.3	167.6	0.7	0.0	0.1	0.2

Balance sheet item, 31.12.2021, M€	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, eight transfer from level 1 to level 2 have been made during 1.1-30.9.2022. There are no payment instalments that are over 90 days late. The expected credit loss is 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** =  $\frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Plc}}{\text{Average number of shares outstanding during the reporting period}} \times 100$

**Earnings per Share (EPS), diluted** =  $\frac{\text{Profit for the year after taxes attributable to the shareholders of Evli Plc}}{\text{Average number of shares outstanding during the period including option rights issued through share-based incentive plans}} \times 100$

### Alternative key ratios

**Operating profit/loss** = Net revenue - administrative expenses - depreciation, amortisation and impairment - other operating expenses +- share of results of associates

**Operating profit/loss excluding non-recurring items related to mergers and acquisitions** = Operating profit less non-recurring items related to corporate restructuring (see separate annex for details)

**Return on equity (ROE), %** =  $\frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$

**Return on assets (ROA), %** =  $\frac{\text{Profit / Loss for financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$

**Equity-to-assets ratio, %** =  $\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$

**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** =  $\frac{\text{Equity attributable to the shareholders of the Group}}{\text{Operating expenses of the company, excluding the reservation for personnel bonuses for the review period}}$

**Recurring revenue to operating costs ratio** =  $\frac{\text{Revenue from time-based contracts*}}{\text{All operative expenses excluding reservation for personnel bonuses for the review period}}$

**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

**Osakekohtainen tulos (EPS) ilman yrittäjärjestelyjen kertaeriä, laimennettu** =  $\frac{\text{Operating profit less one-off items for corporate restructuring}}{\text{Average number of shares outstanding during the reporting including option rights issued through share-based incentive plans}}$

\* Management, analysis, custody and client interest margin income from wealth management, fund savings and incentive plans

## Ten largest shareholders September 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	19.9%	77,016,420	25.8%
2. Oy Scripo Ab	3,803,280	950,820	4,754,100	19.9%	77,016,420	25.8%
3. Ingman Group Oy Ab	1,860,000	800,000	2,660,000	11.1%	38,000,000	12.7%
4. Oy Fincorp Ab	2,319,780	323,694	2,643,474	11.1%	46,719,294	15.6%
5. Lehtimäki Jyri Maunu Olavi	533,728	171,031	704,759	3.0%	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%