ELITE ALFRED BERG

EAB Group Plc
Financial statements bulletin
1.1.–31.12.2020

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EAB Group Plc's financial statements bulletin 2020

The Group's net result for the period improved considerably from the reference year to EUR 0.3 million based on initiated efficiency program

Operating income of the EAB Group (hereinafter "EAB" or "the Group") for the period 1 January–31 December 2020 was EUR 18.7 million (EUR 18.4 million in 2019), and the result for the period was EUR 0.3 million (EUR -1.5 million in 2019). The Group's operating result was EUR 0.6 million (EUR -1.3 million in 2019). Operating income included EUR 12.3 million (EUR 10.6 million) in income from fund management, which included EUR 2.2 million (EUR 1.2 million) in performance-based fees. Income from asset management and other investment services amounted to EUR 4.7 million (EUR 6.2 million). Income from the service business and other operating income amounted to EUR 1.7 million (EUR 1.5 million).

During the latter half of the accounting period, the Group's continuous operating income (excluding performance-based fees) increased by 9% from the first half of the year, the Group achieved the planned cost savings and its operating profit increased to EUR 1.4 million (operating loss of EUR 0.8 million during the first half of the year).

Given that the current market environment is retained, we estimate that the net profit for 2021 will be positive. Acquisitions or other major changes in operations might have an impact on the outlook.

The Board proposes that it be authorised to distribute a maximum dividend of EUR 0.05 per share. Pursuant to the Limited Liability Companies Act, when making any decisions on the payment of dividend, the Board must assess the company's solvency and financial standing. Furthermore, the Board must assess the impact of dividend distribution on the company's solvency when considering the changes in solvency regulation that will enter into force in 2021. EAB Group Plc will publish the Board's decisions on dividend distribution separately.

The figures presented in the stock exchange release are unaudited.

Financial performance of the Group in January–December 2020 (compared to 2019):

- Operating income increased by 2% to approximately EUR 18.7 million (EUR 18.4 million).
- Comparable net operating income** decreased by 7% to approximately EUR 16.9 million (EUR 18.1 million).
- Operating profit increased by some EUR 1.9 million to EUR 0.6 million (loss of EUR 1.3 million).
- Operating profit increased by some EUR 1.7 million to EUR 0.3 million (loss of EUR 1.5 million).
- Reported solvency of the Consolidation Group*** increased by 2.8 percentage points to 15.6% (12.8%).

The amount of assets under management and insurance assets, including investment commitments to private equity funds, increased by 9.3% to EUR 3,419 million on 31 December 2020 (EUR 3,127 million on 31 December 2019).

In early 2020, COVID-19 caused a historically fast market crash, which resulted in comparable net operating income for the entire year remaining below the level of 2019. However, the result for the entire year was positive due to the recovery of the markets and EAB's own quick adjustment measures. EAB's performance was excellent, especially towards the end of the year. We succeeded in increasing the Group's continuous operating income (operating income without one-off performance-based fees) by 9% compared with the first half of the year, returning to the level of the second half of 2019 (EUR 8.9 million between July and December 2020 and EUR 8.9 million between July and December 2019).

The initiated efficiency measures began to produce visible cost reductions, and we achieved the stated goal of a lower cost level during the latter half of the year (total savings of EUR 0.8 million) compared with the level of the first half of the year.

The Group's solvency was 15.6%, i.e. it remained at a good level (7.6 percentage points above the regulatory minimum).

Financial performance of the Group in July–December 2020 (compared to July–December 2019):

- Operating income increased by 11% to approximately EUR 10.0 million (EUR 9.0 million).
- Operating profit increased by some EUR 1.9 million to EUR 1.4 million (loss of EUR 0.5 million).
- Operating profit increased by some EUR 1.6 million to EUR 1.0 million (loss of EUR 0.6 million).

The Group's key figures in brief

(detailed information is provided in the notes)

Group's key figures	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Operating income, EUR million	10.0	9.0	18.7	18.4
Operating profit*, EUR million	1.4	-0.5	0.6	-1.3
Operating profit, percentage of operating income	13.7	-5.8	3.2	-7.2
Result for the period, EUR million	1.0	-0.6	0.3	-1.5
Result for the period, percentage of operating income	10.1	-7.0	1.4	-8.0
Earnings per share, diluted, EUR	0.07	-0.04	0.02	-0.09
Comprehensive earnings per share, diluted, EUR	0.07	-0.04	0.02	-0.09

Alternative performance measures	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Comparable operating income**, EUR million	8.9	8.9	16.9	18.1
Adjusted earnings per share****, diluted, EUR	0.07	-0.05	0.02	-0.11
Adjusted comprehensive earnings per share****, diluted, EUR	0.07	-0.05	0.02	-0.11

*) IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: the operating profit is the net sum remaining after employee benefit expenses, other administrative expenses, depreciation and impairment losses, other operating expenses and impairment losses on receivables have been deducted from the net operating income. The operating profit also includes the share of the profit or loss of associates.

**) For funds managed on behalf of external partners, comparable operating income is based on net fees, while reported operating income describes gross fees.

***) The Group reports its solvency to the Financial Supervision Authority in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council. The regulation entered into force in 2014. The solvency ratios presented correspond to those reported to the Financial Supervisory Authority and only include Group companies supervised by the Financial Supervisory Authority (EAB Group Plc, EAB Asset Management Ltd and EAB Fund Management Ltd).

****) Adjusted earnings per share are based on the number of outstanding shares. EAB Group Plc, the parent company of the Group, held 49 786 treasury shares on 31/12/2020 (9,226 on 31/12/2019). These excess shares are taken into account in the adjusted earnings per share, which present a true and fair view on the Group's earnings per share.

At the end of the period, the Group had 88 (88) employees, of whom 24 (26) worked for the parent company and 64 (62) worked for a subsidiary. All in all, the Group had 112 employees and tied agents at the end of the period.

Daniel Pasternack, CEO

Investors will remember 2020 as a year of a historically fast market crash and the V-shaped recovery curve. The world did not come to an end this time, either. Instead, the strong recovery measures restored faith and a digital leap assisted companies to find their footing in the new operating environment.

EAB also adjusted its operations to adapt to the increased level of uncertainty and prevent the health hazard to its employees and customers. Measures taken allowed us to achieve major savings of approximately one million euros, and we believe that we will be able to retain the achieved cost level for quite some time. The restrictions caused by COVID-19 will continue to slow the acquisition of new customers somewhat, but our current customers and our organisation are used to working from home and using web conferencing. As an indication of this, EAB's customer satisfaction improved in 2020, both in the private customer segment, measured by the Net Promoter Score, and in the institutional customer segment, where we were among the best three companies in the SFR 2020 challenger series for the first time.

The sales of our traditional investment funds or UCITS funds were successful in 2020, and net subscriptions during the year were positive by some EUR 44 million. Our investment operations were also highly successful: the combined net appreciation of our own investment funds was more than 20% or a little more than EUR 100 million. Due to the successful investments, two of EAB's investment funds achieved the highest Morningstar rating of five stars during the year. In addition, our rating according to the UN Principles of Responsible Investment was A, both in terms of weighted average and in the key category of strategy and governance.

Cooperation in equity and fixed-income portfolio management with the pan-Nordic Alfred Berg investment organisation in Norway and Sweden has started fluently. The next steps will be closer cooperation and further development, as well as deeper integration of the ESG analysis into our investment decisions. We will also start reporting fund-specific responsibility indicators during this year and publish EAB's first corporate responsibility report in connection with the annual report.

Sustainability is also a central theme in the alternative investment funds. In Real Estate Value Add Fund III, which will be launched shortly, responsibility covers not only environmental aspects, but social responsibility in the supply chain and the choice of tenants, for example. A new private equity fund with investments into sustainable energy production will also be launched in the near future. Collection of the fund capital has gone well. The fund will be made available to private investors later this year.

In 2020, we also continued our work to achieve our strategic goals for the next three to five years and determined, with the entire organisation, our internal goals and focus areas for 2021. Our goal of increasing the share of private equity fund based revenue in our total operating income is retained and we aim to achieve a level where private equity funds bring two thirds of our operating income in three to five years. As part of this work, we are expanding our responsible private equity investment operations by strengthening investment team that focuses on sustainable environmental and circular economy investments.

Risks associated with the investment markets remain elevated due to the uncertainty regarding the performance of the COVID-19 vaccines and vaccination schedules, for example. The market situation continues to favour alternative investments, and the investors' interest in ESG is expected to increase further. The premise for the coming year is therefore promising.

Operating environment 2020

The investment markets' positive tone continued during the second half of 2020: all the key indices on both the stock and bond markets experienced a considerable increase in July and August. Of the primary markets, the increase was the highest in the United States, where the main indices exceeded the top levels prior to the COVID-19 pandemic in August. During previous cycles, a recovery from falling markets has taken some three years on average, but this time the recovery in the United States only took five months. The positive atmosphere was influenced by familiar factors: historically extensive fiscal stimulus measures by governments and central banks, financial data that gained more vigour after the summer and sometimes even exceeded expectations, the second quarter being better than feared for businesses and positive news regarding possible more extensive COVID-19 vaccinations before the end of 2020.

The markets focused almost solely on factors that support them, and – for the time being – nearly completely ignored threats involving a decline of relations between the superpowers, the second wave of the COVID-19 pandemic and a slowdown of growth during the latter part of the year without a major improvement in the employment situation, particularly in the United States.

After the period of strong returns, the markets took a clear downturn in September and October. Investors' lower risk appetite was above all caused by concerns for the growth prospects at the end of the year. There were still plenty of unanswered questions about, for instance, possible further fiscal stimulus packages, the spread of the pandemic and, as a new theme, the final result of the United States presidential election once Donald Trump, the president at the time, announced that he had contracted COVID-19 just a couple of weeks prior to the election day.

There was another turn for the better in November 2020 when the uncertainty regarding the key themes was clearly reduced. From the perspective of returns, November became historically one of the best months, as the MSCI World Index, which describes the global stock markets, rose by 9.4% in euro terms. The atmosphere on the markets experienced a major boost due to increased vaccine optimism after encouraging clinical research results from Pfizer and Moderna, and the resolution of the presidential election in the United States, for example. The positive market atmosphere continued during the last month of the year, which caused the global stock markets to increase by 2.3% in euro terms. The return for the entire year was thus 6.7%, which can be considered a major achievement, considering the devastation caused by the pandemic to global growth and the operating environment of businesses, as well as the atmosphere on the markets during the pandemic's acceleration phase in the spring. Such a positive development could not have been possible without the unprecedented fiscal policy stimuli provided by central banks and governments.

In terms of the pandemic, the situation remained challenging at the end of the year: it was a race against time, because many were of the opinion that the mass vaccination campaigns were proceeding excruciatingly slowly. Only 14.6 million shots had been given globally by the turn of the year, meaning the taming of the coronavirus was just starting. The slow progress of the mass vaccination campaigns may become a problem for the finance markets if the return to normal takes longer than anticipated. Investors have relatively high hopes of a fast recovery in economic growth and the improvement of results, which means we cannot afford major disappointments. In our opinion, this was one of the major risk factors in the otherwise reasonably positive investment market environment at the turn of the year. The year 2021 will be an interesting investment year.

Excluding the effects of the coronavirus pandemic, the company's operating environment remained mostly unchanged during the 2020 financial period. The regulatory environment also remained stable from the Group's perspective. The regulatory changes that took effect during the year have no significant financial impact on the company.

As a result of the COVID-19 pandemic, the labour market parties in Finland agreed on temporary changes to the deadlines laid down in the Act on Co-operation within Undertakings and the waiting periods for earnings-related unemployment allowance. In March 2020, the company launched a significant savings programme to reduce the impact of the market disturbances caused by the pandemic. The temporary changes made enabled quick implementation of the saving measures and thus had a positive impact on the company's ability to implement the savings programme.

As part of the savings programme, development investments were postponed to ensure the company's solvency. During the year, two of the Group companies applied for business development support for their development projects from Business Finland's development funding provided during the COVID-19 pandemic. Both projects received the applied funding. One of the projects has already been realised and the other is proceeding according to plan. The development grant enabled the promotion of certain development projects despite the savings measures.

The tax treatment of insurance-linked investments was amended in March 2019 by new legislation that came into force at the beginning of 2020. The new legislation harmonises the tax treatment of insurance-linked investments with that of investment funds, for example. The change is expected to have a negative impact on the attractiveness of insurance-linked investment products to customers. However, the sales of investment policies did not significantly deviate from the management's forecasts in 2020 when the impact of the pandemic is considered.

Two regulation packages at the EU level will be implemented in 2021. They will affect the company's future operating environment. New solvency regulations for investment service companies will enter into force in the summer of 2021. The new regulations will renew the solvency requirements for investment service groups. According to the company's current assessment, the reform could have a financial impact on the company. The magnitude of the impact can be assessed more accurately when the regulation details are finalised. Furthermore, an EU regulation package on the responsibility of investment products will enter into force in 2021. In the future, regulations will require more extensive communication regarding the responsibility aspects of investment operations and investment products, for example. The new regulations will not give rise to any significant additional costs or investment needs for the company, and the current view is that they will support the company's strategy, which emphasises responsibility.

Development of operating income and result

Between January and December 2020, EAB Group's comparable operating income decreased by 7% year-on-year to EUR 16.9 million (EUR 18.1 million). The negative development was due to the decline of the stock market caused by COVID-19 and a decrease in subscription fees due to a delayed launch of new private equity funds. The delay in the sales of new private equity funds was also negatively reflected in the sales of insurance products.

However, the changes in operations pursued by the Group in recent years have begun to bear fruit, and despite the challenging market situation, the Group was able to increase its continuous operating income (fees from UCITS funds, fees from private equity funds, full-proxy asset management fees and service income) by 6% to EUR 13.2 million (EUR 12.4 million during the reference period). Continuous operating income accounted for 71% of the Group's operating income during the period under review (68% during the reference period).

Total costs for the period under review, including depreciation and amortisation, amounted to EUR 18.8 million (EUR 19.9 million). When the EUR 1.8 million pass-through item in commission expenses is considered, the Group's total costs decreased by EUR 2.6 million. The decrease was due to the depreciation and amortisation of non-recurring items, and the implementation of savings programmes in the autumn of 2019 and spring of 2020. However, commission expenses in proportion to sales increased as a result of the restructuring, because part of the personnel expenses were transferred to tied agent costs. The Group's personnel expenses decreased to EUR 6.8 million (EUR 8.0 million) as a result of the change in the number of personnel and layoffs. The Group's administrative expenses amounted to EUR 3.2 million (EUR 4.1 million). Other operating expenses amounted to EUR 0.7 million (EUR 0.6 million). The increase in other operating expenses was mainly due to increased insurance costs resulting from the market disturbance caused by the pandemic. The Group's depreciation, amortisation and impairment amounted to EUR 2.7 million (EUR 2.6 million). The main reason for the increase in depreciation and amortisation is further development of information system projects. EAB's cost to income ratio was 99% (109%).

In 2020, the Group's operating profit was EUR 0.6 million (EUR -1.3 million). The operating profit margin was 3.2% (-7.2%). The result for the period under review was EUR -0.3 million (EUR -1.5 million).

EAB Group's comparable operating income for July–December returned to the level of 2019, amounting to EUR 8.9 million. The restoration of income growth was the result of the positive recovery of the markets from the disturbance early in the year and the growth of EAB Group's own private equity funds. During the second half of the year, continuous operating income increased from the reference period to EUR 7.0 million (EUR 6.9 million).

Total costs for the second half of the year, including depreciation and amortisation, decreased from the reference period to EUR 9.2 million (EUR 9.6 million). In accordance with the strategy, the Group's personnel expenses decreased from the reference period during the second half of the year to EUR 3.3 million (EUR 3.8 million). Other administrative expenses also experienced a considerable decrease from the reference period, amounting to EUR 1.6 million (EUR 2.2 million).

EAB Group's operating profit for the second half of the year was EUR 1.4 million (EUR -0.5 million), and the operating profit margin was 13.7% (-5.8%). The result for the second half of the year was EUR 1.0 million (EUR -0.6 million).

Material events during the period

During the period, the coronavirus pandemic had remarkable impacts on humans and organizations as well as on the global economy. In EAB Group, the personnel moved to work remotely, face-to-face meetings with customers and other stakeholders were restricted and events were cancelled. The pandemic's effect on markets reflected also on EAB Group's economic situation.

In March, EAB Group Plc published its Annual Report, Corporate Governance Statement and Remuneration Report for 2019 as well as its Remuneration Policy and new strategy. EAB Group informed it will invest more and more in responsibility in future and due to that updated its strategy with a new mission and vision and new business objectives. Financial targets remained unchanged.

EAB Group's Executive Group was changed in March as Taavi Rissanen, Chief Operating Officer and Head of Group HR, decided to pursue new challenges outside the Group. Chief Operations Officer Klaus Hannus assumed Rissanen's responsibility for operations. In the Executive Group, Executive Vice President Raisa Friberg is thereafter responsible for operations and CEO Daniel Pasternack for human resources.

In March, the coronavirus pandemic affected remarkably on markets. Following the pandemic's effect on markets and particularly its negative effect on stock markets the Group cancelled its revenue and profit guidance for the year and started a substantial cost-saving programme, that aimed at total additional savings of at least 1,3 million euros during 2020. The goal was to achieve at least 0,7 million euros savings through reduction of personnel costs and around 0,6 million euros savings through postponing of certain IT related development investments. The Group companies started co-operation negotiations with the personnel, which were concluded on 6 April 2020. After the negotiations, the Group laid off 6 persons and temporarily laid off all of its personnel for a period that corresponds to one month of work time during April through October 2020.

Due to the coronavirus pandemic and the restrictions of all public gatherings given by the authorities the Board of Directors of the parent company decided to cancel the Annual General Meeting scheduled to be held on 3 April 2020.

In the end of April, the parent company transferred its own shares to current and former key employees of the company. The transfers were related to the payment of deferred variable remuneration and were in accordance with the company's remuneration scheme.

On 7 August 2020, the company announced a new share-based incentive plan to be established for the Group key employees.

On 21 August 2020, the Group signed a co-operation agreement with Alfred Berg Norway, that will expand EAB's product offering, enable the provision of more comprehensive expertise and investment research to customers and improve the Group's cost efficiency in line with the plan announced on 19 March 2020.

At the end of August, EAB Group Plc published an updated Remuneration Policy for Governing Bodies, which was discussed at the Annual General Meeting on 22 September 2020.

In the beginning of September, the parent company transferred its own shares to a former key employee. The transfer was related to the payment of deferred variable remuneration and was in accordance with the company's remuneration scheme.

On 8 September 2020, the company announced about the changes to EAB Group's Executive Group as Mona von Weissenberg had been appointed Head of Institutional Customer Business Area and a member of the Executive Group. Von Weissenberg took on her position in November. Previous member of the Executive Group, Kristian Warras, continues in a role of Senior Advisor.

On 11 September 2020, EAB Group Plc announced the composition of the Shareholders' Nomination Board. According to the proposals of the five largest shareholders, Vincent Trouillard-Perrot, Kyösti Kakkonen, Joonas Haakana, Janne Nieminen, and Jouni Kaaria were nominated to the Nomination Board. In September, the Nomination Board amended its proposals in the notice of Annual General Meeting regarding the number of the Board of Directors and the election of the members of the Board.

The Annual General Meeting of EAB Group Plc held on 22 September 2020 approved the Remuneration Policy for Governing Bodies, confirmed the number of the members of the Board of Directors, and elected Therese Cedercreutz, Pasi Kohmo, Topi Piela, Juha Tynkkynen, Janne Nieminen and Vincent Trouillard-Perrot as members of the Board as well as Helge Arnesen and Julianna Borsos as new members of the Board. Therese Cedercreutz was appointed as Chairman of the Board of Directors. In addition, the AGM authorised the Board of Directors to decide on the acquisition or acceptance as pledge of a maximum of 1,300,000 of the Company's shares.

In the early December 2020, Elite Alfred Berg nominated an Advisory Board consisting of external specialists to support the Group's sustainability work. The Advisory Board consists of Lisa Beauvilain, Anne Larilahti, Benjamin Maury and Elina Moisio as external specialists. In addition, Therese Cedercreutz, Daniel Pasternack and Toni Iivonen from EAB participate in the Advisory Board work.

In the mid-December, the company gave preliminary information on the full year 2020 net result. Due to savings measures taken and the growth in operating income, the net result for July-December 2020 was anticipated to be fairly positive making the full year 2020 net result slightly positive.

The Group's outlook for 2021

Given that the current market environment is retained, we estimate that the net profit for 2021 will be positive. Acquisitions or other major changes in operations might have an impact on the outlook.

Personnel

At the end of December 2020, the Group had 88 employees (88 on 31 December 2019). Of the personnel, 9 (9) had fixed-term employment contracts. The number of employees in business operations and asset management was 45 (41) and the number of employees in Group functions (legal, administration, HR, IT, finance, marketing and communications) was 43 (47). In addition, 24 (22) tied agents served the company's customers. The increase/decrease in the number of personnel was affected by, among other things, employer/employee negotiations in March, which resulted in the discontinuation of 6 positions. Furthermore, 5 fixed-term employment contracts were terminated during the accounting period.

The COVID-19 pandemic continued until the end of 2020, hampering work. Especially important issues included ergonomics while working from home, as well as self-direction and self-management skills. HR supported supervisors in their challenging remote management efforts. It has become clear that continuous working from home places more burden on some than others. The year was highly challenging for some, while others discovered new opportunities during the prevailing situation. As the remote working recommendation is still valid in Finland, working at the Helsinki office is subject to strict limitations.

The burden on the personnel was further increased by layoffs implemented in 2020 as a result of the impact of the COVID-19 pandemic on the business. All employees were laid off in a staggered manner for a total of 21 working days between April and October.

Investment in the development of the personnel's wellbeing and the Group's HR functions will continue. A personnel survey was realised in November 2020, and based on the survey results, development areas were selected for all the teams. In addition, tried and tested strengths and operating methods will be further improved. Investment in coping at work and improving the personnel's competences have been made through team training and a new internal training model, for example.

Some 40% of the employees are direct shareholders of EAB Group Plc. More than 90% of the employees own shares in the parent company directly or through the personnel fund.

Changes in group structure during the period

With a transaction implemented on 27 May 2020, the subsidiary Elite Sijoitus Oy acquired 20% of the shares of its subsidiary Thermo Power Finland Oy, thereby increasing its ownership to 100%.

Through a transaction completed on 31 August 2020, the subsidiary Elite Sijoitus Oy acquired 100% of the shares of its affiliated company Elite Palkitsemispalvelut Oy. The transaction was realised in three parts: 75% of the shares were acquired from EAB Group Plc and 5% from Credos Oy, and the remaining 20% were acquired indirectly by purchasing all the shares of KRL-palvelut Oy.

On 10 December 2020, the Group company Thermo Power Finland Oy established a subsidiary, EAB RE Infra II GP Oy.

KRL-palvelut Oy was merged with Elite Sijoitus Oy on 31 December 2020.

Shares and share capital

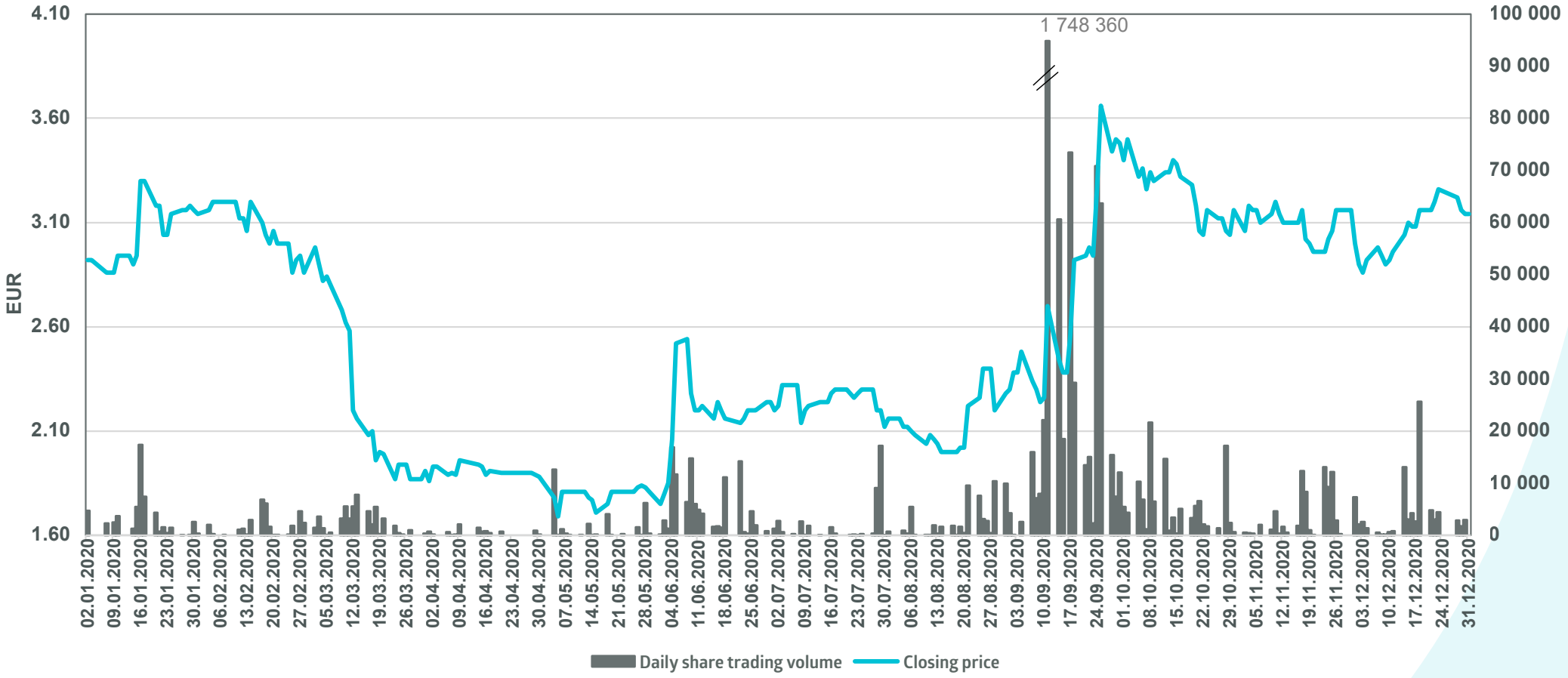
At the end of December 2020, EAB Group Plc's total number of shares was 13,843,272, of which the company held 49,786 shares. At the end of December 2020, the company's share capital amounted to EUR 730,000. There were no changes in the share capital during the period under review.

On 5 April 2019, the general meeting authorised the parent company's Board of Directors to start a programme to purchase the company's own shares. According to the authorisation, the Board may decide on the purchase or acceptance as pledge of a maximum of 1,300,000 shares in the company. The company launched the programme to purchase its own shares on 28 August 2019. The purchase programme was concluded prior to the 2020 general meeting on 18 September 2020. On the balance sheet date, the company held 49,786 treasury shares directly.

On 22 September 2020, the general meeting authorised the parent company's Board of Directors to start a programme to purchase the company's own shares. According to the authorisation, the Board may decide on the purchase or acceptance as pledge of a maximum of 1,300,000 shares in the company. The purchase programme for the new shares had not been launched by the balance sheet date.

At the end of December 2020, 13,843,272 EAB Group Plc shares were subject to public trading on Nasdaq Helsinki. The share trading volume from January to December was EUR 6,248,000, or 2,854,119 shares. At the end of December, the closing price of the company's share was EUR 3.14. The highest share price during the period under review was EUR 3.88 and the lowest EUR 1.60. EAB Group Plc's market capitalisation was EUR 43.5 million at the end of December.

Share price development and trading volume 1.1.-31.12.2020



Daily share trading volume of date 10th of September 2020 is shown cut off for technical reasons.

Largest shareholders

	Shareholders as at 31.12.2020	Number of shares	% of shares
1	* Nordea Bank Abp	2 441 472	17.64
2	Joensuun Kauppa ja Kone Oy	1 518 400	10.97
3	Umo Invest Oy	1 389 921	10.04
4	Nieminen Janne Pentti Antero	1 112 031	8.03
5	Kaaria Jouni Sami Olavi	1 060 865	7.66
6	Gösta Serlachiuksen Taidesäätiö	857 200	6.19
7	Pasternack Daniel	768 103	5.55
8	Juurakko Kari Antero	511 599	3.70
9	Niemi Rami Toivo	487 820	3.52
10	Kiikka Hannu Ilmari	484 182	3.50
11	Sijoitusyhtiö Jenna & Juliet Oy	300 000	2.17
12	KW-Invest Oy	261 949	1.89
13	Westin Victoria Maria	219 498	1.59
14	Vakuutusosakeyhtiö Henki-Fennia	209 901	1.52
15	TK Rahoitus Oy	153 743	1.11
16	Kakkonen Kari Heikki Ilmari	150 000	1.08
17	Eläkevakuutusosakeyhtiö Veritas	140 659	1.02
18	Contango Oy	126 570	0.91
19	Kiinteistötähti Oy	122 600	0.89
20	Hampulipampuli Oy	95 000	0.69
	20 largest shareholders in total	**12 411 513**	**89.66**
	Nominee-registered	**2 508 724**	**18.12**
	Others	**1 431 759**	**10.34**
	Total	**13 843 272**	**100**

* Nominee-registered

Resolutions of the Annual General Meeting

The following matters were adopted and resolved in the Annual General Meeting of EAB Group Plc on 22 September 2020:

Adoption of the financial statements

The financial statement and related consolidated financial statement for the financial year 2019 were adopted.

Use of the profit shown on the balance sheet and resolution on the payment of a return of capital

The parent company's distributable funds on the 31.12.2019 totalled EUR 20.9 million of which the loss for the period amounted to EUR 0.5 million. It was decided that assets are not distributed.

Resolution on discharge from liability for the members of the Board of Directors and the CEO

The members of the Board of Directors and the Chief Executive Officer were discharged from liability for the financial year 1 January–31 December 2019.

Remuneration Policy for Governing Bodies

The Remuneration Policy for Governing Bodies was approved.

Resolution on the remuneration of the members of the Board of Directors

The members of the Board of Directors will be paid remuneration as follows: Board members independent of the Company are paid EUR 22,500 per year for their service on the Board. Chairman of the Board is paid EUR 30,000 per term for service on the Board. Remuneration is also paid to the Board members independent of the Company's but not its major shareholders. No remuneration is paid to Board members or Chairman working for EAB Group or otherwise dependent of the company.

Resolution on the number of members of the Board of Directors

The number of the members of the Board of Directors was confirmed as eight (8).

Election of the members of the Board of Directors

The current members of the Board of Directors Therese Cedercreutz, Pasi Kohmo, Topi Piela, Juha Tynkkynen, Janne Nieminen and Vincent Trouillard-Perrot were re-elected to the Board of Directors, and Helge Arnesen and Julianna Borsos were elected to the Board of Directors as new members.

Therese Cedercreutz was appointed as Chairman of the Board of Directors.

Among the elected members, Therese Cedercreutz, Pasi Kohmo, Topi Piela and Juha Tynkkynen have been assessed to be independent of the Company and of the Company's major shareholders. Among the elected members Janne Nieminen has been assessed to be dependent on the Company, but independent of its major shareholders. Among the elected members Julianna Borsos has been assessed to be independent of the Company but not its major shareholders. Among the elected members Vincent Trouillard-Perrot and Helge Arnesen have been assessed to be dependent on the Company and its major shareholders.

Resolution on the remuneration of the Auditor

The elected auditor will be reimbursed in accordance with the auditor' invoice approved by the company.

Election of the Auditor

Authorised Public Accountant Firm KPMG Oy Ab was elected as the Company's Auditor, with APA Tuomas Ilveskoski as an auditor in charge, was elected until close of the next Annual General Meeting.

Authorising the Board of Directors to decide on the acquisition of the Company's own shares

The Board of Directors was authorised to decide on the acquisition or acceptance as pledge, of a maximum of 1,300,000 of the Company's shares (corresponding to 9.39% of the Company's shares).

The shares may be acquired in public trading on the marketplace maintained by Nasdaq Helsinki Ltd, at the market price at the time of the purchase, not in proportion with the shareholdings of the Company's shareholders, using the Company's distributable equity. The acquisitions and the payment of the shares will be executed in accordance with the rules of the marketplace.

There must be a weighty economic reason for the acquisition of shares, such as the use of shares or special rights to develop the Company's capital structure, as consideration in corporate acquisitions or other restructuring, to finance investments or as part of the Company's incentive plan.

The acquisition or acceptance as pledge of Company's own shares will reduce the amount of the Company's reserves of unrestricted equity.

The Board of Directors may decide on other matters related to the acquisition of Company's own shares.

The authorisation is valid until 22 February 2022.

The authorisation superseded the authorisation for acquisition of the Company's own shares issued on 5 April 2019.

Risk management and risk position

The most significant risks for the EAB Group in the near future are market risk, operational risk and liquidity risk.

The Group is exposed to a market risk that mainly arises from the market-based investment products and services provided by the Group. A decrease in investors' risk appetite and a more extensive decline in the value of various market-based asset classes would have a negative impact on the amount of assets managed by the Group and on its fee income. The market risk related to the Group's business operations contributes to the probability and impact of the materialisation of the Group's liquidity risk.

The global health crisis caused by the COVID-19 pandemic during the period under review will continue to directly and indirectly affect the global economy for a long time to come. The effective vaccines developed by pharmaceutical companies and their implementation at the end of the period under review create some hope for a return to normal everyday life and the consumption habits people had prior to the pandemic. On the other hand, the pandemic has speeded up structural changes, especially digitalisation, and a complete return to the situation preceding the pandemic is not to be expected. However, it is likely that we will avoid the worst-case scenarios for the impact of the coronavirus on the global economy due to the combined effect of the extensive implementation of the vaccines, the flexibility and adaptability of businesses and the continuous recovery measures.

On a global scale, improvements in the trade policy relations between economic areas or at least on their predictability are to be expected as the new administration takes over in the United States in January 2021. However, relations between China and the United States are expected to remain tense, and the risk of an escalated trade policy conflict cannot be excluded.

The agreement on cooperation and trade relations between the EU and the United Kingdom after Brexit, which was finally signed in late 2020, has clarified the future outlook in Europe. In the euro area, concerns arise especially due to the economic situation of the large southern EU member states and the significant share of non-performing receivables of the banking sector's total receivables.

The euro countries have reached an agreement on massive COVID-19 recovery packages and a funding scheme in the event of a banking crisis. The euro countries have significantly increased their borrowing due to the pandemic, which is likely to increase the pressure to continuously realise structural changes to restore the real economy. The private sector's sufficient resilience is key in a scenario where the economy of the euro area can no longer be sustainably recovered under the management of the central banks.

Potential dwindling of the recovery of the global economy – the real economy in particular – after the pandemic could create mistrust in the financial markets and thus plunge global economic performance into significant new disruption. If prolonged, the disruption could lead to a more extensive global economic and banking crisis that would also have a significant impact on the operations of the Group.

A significant part of the Group's operating income is market-determined. If realised, the risks mentioned above could have a significant impact on the fee income from the Group's market-based services and products. On the other hand, the alternative investment solutions offered by the Group constitute a significant portion of the business operations, which in part mitigates the impact of a potential market decline on the Group's operating income and result.

The market risk associated with the Group's business operations materialised during the first quarter of 2020, as the direct negative effects of the COVID-19 pandemic on the real economy resulted in an extensive market decline, which was reflected as decreased fee income. The lowest valuation levels of March rapidly rose starting in the second quarter, and the levels at the end of the period under review were significantly higher than during the early part of the year. Despite the relatively high valuation levels, the uncertainty regarding the future outlook of the global economy continued throughout the period, further amplified by the pandemic, and manifested itself periodically as an abnormally strong fluctuation in the investment markets. All in all, the direct and indirect effects of the COVID-19 pandemic on the alternative investment products managed by the Group remained low during the period under review.

The Group's operations are exposed to a considerable operational risk, which mainly consists of factors related to information systems and information security, as well as factors related

to internal processes. The Group acknowledges the significance of operational risks and is continuously developing methods to manage the operational risks. The Group identifies, assesses, measures and monitors operational risks in relation to its approved level of risk-taking. The Group actively seeks to reduce the impact of materialised operational risks, taking the approved level of risk taking and risk appetite into account.

The net impact of the five most significant operational loss events during the reporting period was EUR 131,500, or 0.8% of the Group's annual comparable operating income (2020). The Group's market and operational risks are actively and proactively managed in accordance with its internal risk management principles. Risks and assessments of their potential effects are an integral part of the Group's solvency management and related risk profiling.

The Group's liquidity risk arises from an imbalance of cash flows. Liquidity risk refers to the risk that the Group's liquid cash assets and the availability of additional financing are not sufficient to cover its business needs. The purpose of the Group's effective liquidity position management is to maintain sufficient liquid assets in such a way that financing for the Group's business operations is continuously ensured and that the Group is able to fulfil its payment obligations regardless of external factors and factors dependent on other market operators.

The Group limits its liquidity risk by monitoring the Group's and each Group company's liquidity situation on a regular basis. In addition, the Group maintains and regularly accumulates a buffer of unencumbered liquid assets in case of a quick and unexpected weakening of the liquidity situation. The Group's financial package included EUR 1,000,000 of undrawn credit at the balance sheet date securing its liquidity position.

With the continuity planning, the Group prepares for any future disruptions in the operating environment. Based on the modelling carried out at the end of the period under review, the Group's liquidity and solvency level will remain safe also in the event of a significant market disturbance. Despite the increased risk caused by COVID-19, the Group has performed its debt liabilities without disturbances, and the availability of financing has remained good. Efficiency measures decided as part of continuity planning during the period under review have strengthened the Group's financial position when compared to the beginning of 2020.

In compliance with the Group's continuity plan, a Crisis Team has been organised and been actively engaged in ensuring the Group's operations as a result of the pandemic and the disturbance caused by it. During these exceptional circumstances, continuity of the operations has been secured by extensive remote working capacity and a switch to working from home, arranged and managed by the Crisis Team. The Crisis Team has closely monitored the exceptional operating environment and assessed its impact on the Group's operations. Furthermore, development of the Group's resources and the level of working capacity have been subject to continuous monitoring. The organisation of the Group's operations has been actively guided by internal guidelines, which are based on continuous situation assessments and scenario analyses carried out by the Crisis Team, as well as by official guidelines and recommendations.

For more information about the risks related to the Group's business operations and the monitoring of these risks, please see the Group's annual report.

Profit distribution

On 31 December 2020, the parent company's distributable assets amounted to EUR 21.5 million, of which EUR 0.5 million was profit from this accounting period. The Board of Directors will propose to the AGM that it would be authorised on the payment of dividend at its discretion as follows:

The amount of dividend to be paid based on the authorisation may be a maximum of EUR 0.05 per share. The remaining distributable assets are to be retained in shareholders' equity.

Pursuant to the Limited Liability Companies Act, when making any decisions on the payment of dividend, the Board must assess the company's solvency and financial standing. Furthermore, the Board must assess the impact of dividend distribution on the company's solvency when considering the changes in solvency regulation that will enter into force in 2021.

The authorisation remains valid until the start of the next annual general meeting.

EAB Group Plc will publish separately the Board's decisions on dividend distribution based on the AGM authorisation.

Material events after the review period

There were no events with a material effect on the Group's position between 1 January 2021 and 12 February 2021.

Financial statements, corporate governance statement, remuneration report, corporate responsibility report and annual general meeting

EAB Group Plc's annual report 2020 will be published on 4 March 2021 in Finnish on the EAB Group website at www.eabgroup.fi/sijoittajat/talousraportit-ja-esitykset.

Simultaneously with the annual report, the company will publish a corporate governance statement, a remuneration report for governing bodies and a corporate responsibility report for 2020.

The corporate governance statement will be prepared in compliance with the recommendations included in the Corporate Governance Code 2020 of the Securities Market Association. The statement will be available on 4 March 2021 in Finnish on the company's website at www.eabgroup.fi/sijoittajat/hallinnointi/selvitys-hallinto-ja-ohjausjarjestelmasta. The remuneration report will also be prepared in compliance with the recommendations included in the Corporate Governance Code 2020. The remuneration report will be available on 4 March 2021 in Finnish at www.eabgroup.fi/sijoittajat/hallinnointi/palkitseminen.

The corporate responsibility report complies with ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of the EAB Group. The corporate responsibility report will be available on 4 March 2021 in Finnish at www.eabgroup.fi/konserni/vastuullisuus and www.eabgroup.fi/sijoittajat/talousraportit-ja-esitykset.

The parent company's annual general meeting will be held on 25 March 2021 in Helsinki, Finland. The Board of Directors will publish a separate invitation to the annual general meeting.

On 31 December 2020, there were a total of 13,843,272 shares in the parent company, of which 49,786 were held by the company. The parent company has not issued any warrants, convertible bonds or other financial instruments that would increase the total number of shares.

EAB Group Plc's half-year financial report from 1 January to 30 June 2021 is scheduled to be published on 6 August 2021.

EAB GROUP PLC
Board of Directors

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EAB Group Plc's financial statement 1.1.–31.12.2020

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

EUR million	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Fee income	9.9	9.0	18.5	18.3
Income from equity investments	0.0	0.0	0.0	0.0
Other operating income	0.1	0.0	0.1	0.1
REVENUE TOTAL	**10.0**	**9.0**	**18.7**	**18.4**
Fee expenses	-2.4	-1.8	-4.9	-3.9
Administrative expenses				
Personnel expenses	-3.3	-3.8	-6.8	-8.0
Other administrative expenses	-1.6	-2.2	-3.2	-4.1
Depreciation and amortization tangible and intangible assets	-1.3	-1.4	-2.7	-2.6
Other operating expenses	-0.3	-0.3	-0.7	-0.6
Expected credit loss at amortized cost	0.0	0.0	-0.1	-0.3
Share of associates' profit/loss	0.4	-0.1	0.3	-0.1
OPERATING PROFIT (LOSS)	**1.4**	**-0.5**	**0.6**	**-1.3**
Interest income	0.1	0.1	0.1	0.1
Interest expenses	-0.3	-0.3	-0.4	-0.4
Income taxes	-0.2	0.1	0.0	0.2
PROFIT/LOSS FOR THE PERIOD	**1.0**	**-0.6**	**0.3**	**-1.5**
COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**1.0**	**-0.6**	**0.3**	**-1.5**
Attributable to				
Equity holders of parent company	1.0	-0.7	0.3	-1.5
Non-controlling interest	0.0	0.0	0.0	0.0
COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**1.0**	**-0.6**	**0.3**	**-1.5**
Earning/share (EPS), diluted	0.07	-0.04	0.02	-0.09
Comprehensive earning/share (EPS), diluted	0.07	-0.04	0.02	-0.09

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

EUR million	H2/2020	H1/2020	H2/2019	H1/2019	H2/2018
Fee income	9.9	8.6	9.0	9.3	9.8
Income from equity investments	0.0	0.0	0.0	0.0	0.0
Other operating income	0.1	0.1	0.0	0.1	0.0
REVENUE TOTAL	**10.0**	**8.7**	**9.0**	**9.3**	**9.9**
Fee expenses	-2.4	-2.6	-1.8	-2.0	-2.3
Administrative expenses					
Personnel expenses	-3.3	-3.5	-3.8	-4.2	-3.8
Other administrative expenses	-1.6	-1.6	-2.2	-1.9	-2.1
Depreciation and amortization tangible and intangible assets	-1.3	-1.4	-1.4	-1.3	-1.2
Other operating expenses	-0.3	-0.3	-0.3	-0.4	-0.3
Impairment losses on other financial assets	0.0	0.0	0.0	-0.3	0.0
Share of profit of loss of accociates	0.4	-0.1	-0.1	0.0	0.1
OPERATING PROFIT (LOSS)	**1.4**	**-0.8**	**-0.5**	**-0.8**	**0.3**
Interest income	0.1	0.0	0.1	0.0	0.1
Interest expenses	-0.3	-0.2	-0.3	-0.2	-0.2
Income taxes	-0.2	0.2	0.1	0.1	0.0
PROFIT/LOSS FOR THE PERIOD	**1.0**	**-0.8**	**-0.6**	**-0.8**	**0.2**
TOTAL COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**1.0**	**-0.8**	**-0.6**	**-0.8**	**0.2**
Total comprehensive income attributable to:					
Equity holders of parent company	1.0	-0.8	-0.7	-0.8	0.2
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**1.0**	**-0.8**	**-0.6**	**-0.8**	**0.2**
Earning/share (EPS)	0.07	-0.06	-0.04	-0.05	0.01
Comprehensive earning/share (EPS), diluted	0.07	-0.06	-0.04	-0.05	0.01

CONSOLIDATED BALANCE SHEET, IFRS

EUR million	31.12.2020	31.12.2019
ASSETS		
Cash and cash equivalents	0.6	0.5
Trade receivables	8.1	9.5
Investments	1.0	0.8
Shares and units of accociates	1.9	1.6
Intangible assets	12.9	13.6
Tangible assets	2.7	3.0
Share issue receivables	0.1	0.1
Other assets	0.1	0.1
Accured income and prepayments done	2.4	3.0
Deferred tax assets	3.1	2.9
TOTAL ASSETS	**32.8**	**35.3**
LIABILITIES AND EQUITY CAPITAL		
LIABILITIES		
Liabilities to credit institutions	5.5	7.4
Derivatives	0.0	0.0
Other liabilities	3.7	4.7
Accrued expenses and prepayments received	4.1	3.7
Deferred tax liabilities	0.3	0.2
LIABILITIES TOTAL	**13.7**	**16.0**
EQUITY		
Share capital	0.7	0.7
Reserve for unrestricted equity	20.8	20.9
Retained earnings	-2.5	-2.5
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**19.1**	**19.2**
Non-controlling interest	0.0	0.1
TOTAL EQUITY	**19.1**	**19.3**
LIABILITIES AND EQUITY	**32.8**	**35.3**

CONSILIDATED STATEMENT OF CASH FLOW, IFRS

EUR million	1-12/2020	1-12/2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/loss for the financial year	0.3	-1.5
Adjustments for:		
Depreciation and amortization	2.7	2.6
Interest income and expenses	0.4	0.3
Non-cash operating activities	-0.3	0.1
Income taxes	0.0	-0.2
Change in net working capital		
Increase (-), decrease (+) of receivables	1.8	0.3
Increase (+), decrease (-) of non-interest-bearing liabilities	-0.8	1.2
Change in net working capital	1.0	1.5
Paid interest expenses	-0.3	-0.5
Received interest income	0.0	0.0
Paid/received income taxes	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES	**3.7**	**2.5**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-1.0	-1.6
Investments in other investments	-0.1	-0.4
CASH FLOW FROM INVESTING ACTIVITIES	**-1.1**	**-1.9**
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease liabilities	-0.9	-0.9
Capital repayments paid	0.0	-1.4
Acquisition of shares of non-controlling-interest	-0.4	0.0
Increase (-), decrease (+) of loans granted	0.2	0.8
Dividends paid	0.0	0.0
Repayment of loans	-1.9	-8.0
Withdrawals of loans	0.5	8.4
CASH FLOW FROM FINANCING ACTIVITIES	**-2.5**	**-1.1**
CASH AT THE BEGINNING OF THE PERIOD	0.5	1.1
CHANGE IN CASH	0.1	-0.5
CASH AT THE END OF THE PERIOD	0.6	0.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Total equity attributable to equity holders of the parent company				Non-controlling interest	Total equity
	Share capital	Reserve for unrestricted equity	Retained earnings	Total		
Equity on 1 January 2020	**0.7**	**20.9**	**-2.5**	**19.2**	**0.1**	**19.3**
Comprehensive profit for the financial year						
Profit (loss) for the financial year			0.3	0.3		0.3
Transactions with the owner of the company						
Dividends / Capital repayments paid				0.0	0.0	0.0
Acquisition of own shares		-0.1		-0.1		-0.1
Sale of own shares		0.0		0.0		0.0
Other changes		0.0	0.0	0.0		0.0
Changes of shareholding in subsidiaries						
Acquisition of shares of non-controlling-interest, that didn't result in a change of controlling			-0.3	-0.3	-0.1	-0.3
Equity on 31 December 2020	**0.7**	**20.8**	**-2.5**	**19.1**	**0.0**	**19.1**

EUR million	Total equity attributable to equity holders of the parent company				Non-controlling interest	Total equity
	Share capital	Reserve for unrestricted equity	Retained earnings	Total		
Equity on 1 January 2019	**0.7**	**22.3**	**-1.0**	**22.0**	**0.1**	**22.1**
Comprehensive profit for the financial year						
Profit (loss) for the financial year			-1.5	-1.5	0.0	-1.5
Transactions with the owner of the company						
Dividends / Capital repayments paid		-1.4		-1.4	0.0	-1.4
Acquisition of own shares		0.0		0.0		0.0
Sale of own shares		0.1		0.1		0.1
Other changes		0.0	0.0	0.0	0.0	0.0
Equity on 31 December 2019	**0.7**	**20.9**	**-2.5**	**19.2**	**0.1**	**19.3**

Notes of accounting

1. Accounting principles

The interim financial report was prepared in accordance with IAS 34 (Interim Financial Reporting), as adopted by the EU.

This is the Group's financial statements bulletin prepared in accordance with the International Financial Reporting Standards (IFRS) and the IAS 34 Interim Financial Reporting standard.

EAB Group's Chief Operating Decision Maker (CODM) is the Chief Executive Officer. Due to EAB Group's business model, nature of activities and governance structure, the reportable operating segment is the entire group. The Chief Operating Decision Maker assesses the profitability of operations at the level of the Group as a whole.

The figures presented in the financial statements bulletin are unaudited.

All figures have been rounded and consequently the sum of individual figures may deviate from the sum figure presented.

Discretion used by management

The preparation of the financial statements in accordance with the IFRSs requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. The estimates are based on the management's best knowledge of current events and actions, and actual results may differ from the estimates.

The most significant areas where the Group's management has used discretion in the application of the accounting principles are related to the principles for the recognition of income from fees and carried interest income in particular. In addition, management has used discretion pertaining to assumptions used in impairment testing, the valuation of assets and liabilities and in recognising provisions for other uncertain risks or uncertain tax consequences.

2. New oncoming standards

There is not excpected significant standard changes in the coming financial year, which will be expected effect to the accounting principles of group financial statement.

3. Key figures and formulas of key figures

Main key figures

EUR million	H2/2020	H2/2019	1-12/2020	1-12/2019
Operating income	10.0	9.0	18.7	18.4
Operating profit*	1.4	-0.5	0.6	-1.3
Operating profit, % of operating income	13.7	-5.8	3.2	-7.2
Profit for the period	1.0	-0.6	0.3	-1.5
Profit for the period, % of operating income	10.1	-7.0	1.4	-8.0
Earning/share (EPS), diluted	0.07	-0.04	0.02	-0.09
Comprehensive earning/share (EPS), diluted	0.07	-0.04	0.02	-0.09
Alternative performance measures				
Comparable operating income**	8.9	8.9	16.9	18.1
EBITDA	2.7	0.8	3.3	1.3
EBITDA, % of operating income	30.4	9.4	19.6	7.1
Earning per share capital, EUR	1.33	1.39	1.33	1.39
Return of equity (ROE), %	5.4	-3.1	1.4	-7.1
Return of assets (ROA), %	3.1	-1.8	0.8	-4.1
Equity ratio, %	56.0	54.4	56.0	54.4
Gearing ratio, %	54.7	52.5	54.7	52.5
Expense/income ratio, %	88.8	108.0	98.8	109.0
Personnel and share data				
Number of employees, end of period	88	88	88	88
Number of shares outstanding, end of period (1,000)	13 843	13 843	13 843	13 843
Number of shares outstanding, end of period, diluted (1,000)	13 793	13 834	13 793	13 834
Average number of shares (1,000)	13 843	17 055	17 055	17 055
Average number of shares (1,000), diluted	13 814	17 041	13 814	17 041

*) The accounting standard IAS 1 — Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: Operating profit is the net amount of net operating income less employee benefits expense, other administrative costs, depreciation and impairments, other operating expenses and impairments on assets. Operating profit also includes a share of the profit or loss of associated companies.

**) Comparable operating income is based on net fees pertaining to funds administered on behalf of external parties, whereas reported revenues show these fees in gross terms.

Formulas for key figures

Operating profit, % of operating income

$$\frac{\text{Operating profit}}{\text{Operating income}} \times 100$$

EBITDA, % of operating income

$$\frac{\text{Operating profit + Depreciation and amortization}}{\text{Operating income}} \times 100$$

Earning/share (EPS), EUR not diluted and diluted

$$\frac{\text{Profit for the financial period to equity holders of parent company}}{\text{Adjusted number of shares, average over the financial period without own shares}}$$

Equity per share

$$\frac{\text{Total equity attributable to equity holders of parent company}}{\text{Adjusted number of shares, average over the financial period without own shares}}$$

Return of equity (ROE), %

$$\frac{\text{Profit for the financial period}}{\text{Total equity on average}} \times 100$$

Return of assets (ROA), %

$$\frac{\text{Profit for the financial period}}{\text{Total balance sheet on average}} \times 100$$

Gearing ratio, %

$$\frac{\text{Total equity}}{\text{Total blance sheet}} \times 100$$

Cost/income ratio, %

$$\frac{\text{Fee expenses + Interest expenses + Administrative expenses + Depreciation and amortization + Other operating expenses}}{\text{Revenue total + Share of associates' profit/loss (net) + Interest income}} \times 100$$

4. Breakdown of revenues

The assessment of contracts with a customer and recognition of revenue is based on a five-step model determining when and in which amount revenues are recognised. The model is based on the identification of the contract with a customer, identification of the performance obligations, determination of the transaction price, allocation of the transaction price and recognition of revenue. The Group's transaction prices are mainly fixed. Revenue from services is recognised when service is being rendered (over time) or after the service has been rendered (a single point in time).

A more detailed breakdown of the revenue categories is presented in the table. Most of the income from funds is recognised over time while service-related revenue is recognised on a single date after the service has been rendered.

EAB Group's income consists mainly of the asset and fund management fees. Part of the received fees is refunded to customers in the form of fee refunds. As a result, the asset and fund management fees and fee refunds included in the net income are recorded on a monthly basis and are mainly invoiced in either one or three months periods. The fees are typically calculated over time based on the assets under management and the agreed fee percentage.

Fees from the sale of insurance products are recognized at one point in time when the contract is started.

EAB Group recognises revenue from carried interest when a fund has transferred to carry and to the extent carried interest is based on realised cash flows and management has estimated it being highly probable that there is no risk of repayment of carried interest back to the fund. Carried interest is recognised when EAB Group is entitled to it by the reporting date, has received a confirmation on the amount and is relatively close to receiving it in cash.

Carried interest is earned based on the same performance obligation as the management fee and is a variable consideration, which is subject to the "highly probable" constraint. The clawback risk is measured by using the expected value method, i.e. by calculating a probability weighted average of estimated alternative investment exit outcomes.

Breakdown of operating income	H2/2020	H2/2019	1-12/2020	1-12/2019
Fees from UCITS funds	3.1	3.2	6.0	6.2
Fees from AI funds	2.2	1.9	4.1	3.2
Performance-based fees	1.4	0.3	2.2	1.2
Fees from discretionary wealth management	0.8	0.8	1.6	1.6
Fees from the sale of insurance products	0.4	0.4	1.0	1.4
Other investments service and brokerage incomes	1.2	1.4	2.2	3.2
Service income	0.9	1.0	1.6	1.5
Other income	0.1	0.0	0.2	0.1
Total	**10.0**	**9.0**	**18.7**	**18.4**

A point in time	H2/2020	H2/2019	1-12/2020	1-12/2019
Over time	2.5	2.9	4.8	6.2
Total	7.5	6.2	13.8	12.2
Yhteensä	**10.0**	**9.0**	**18.7**	**18.4**

5. Changes in group structure

With a transaction implemented on 27 May 2020, the subsidiary Elite Sijoitus Oy acquired 20% of the shares of its subsidiary Thermo Power Finland Oy, thereby increasing its ownership to 100%.

Through a transaction completed on 31 August 2020, the subsidiary Elite Sijoitus Oy acquired 100% of the shares of its affiliated company Elite Palkitsemispalvelut Oy. The transaction was realised in three parts: 75% of the shares were acquired from EAB Group Plc and 5% from Credos Oy, and the remaining 20% were acquired indirectly by purchasing all the shares of KRL-palvelut Oy.

On 10 December 2020, the Group company Thermo Power Finland Oy established a subsidiary, EAB RE Infra II GP Oy.

KRL-palvelut Oy was merged with Elite Sijoitus Oy on 31 December 2020.

6. Book values of financial assets and liabilities by measurement categories

Book values 31.12.2020 EUR million	At fair value through the statement of income	Measured at amortised cost of financial assets	Measured at amortised cost of financial liabilities	Book values total
Assets				
Cash and cash equivalents		0.6		0.6
Trade receivables		8.1		8.1
Shares and units	1.0			1.0
Share issue receivables		0.1		0.1
Total assets	**1.0**	**8.8**	**0.0**	**9.8**
Liabilities				
Liabilities to credit institutions			5.5	5.5
Other liabilities incl. lease liabilities			3.5	3.5
Accounts payable			0.5	0.5
Total liabilities	**0.0**	**0.0**	**9.6**	**9.6**

Fair value levels 31.12.2020 EUR million	Level 1	Level 2	Level 3	Fair values total
Assets				
Cash and cash equivalents		0.6		0.6
Trade receivables		8.3		8.3
Shares and units	1.0			1.0
Share issue receivables		0.1		0.1
Total assets	**1.0**	**9.0**	**0.0**	**9.9**
Liabilities				
Liabilities to credit institutions		5.6		5.6
Other liabilities incl. lease liabilities		3.5		3.5
Accounts payable		0.5		0.5
Total liabilities	**0.0**	**9.6**	**0.0**	**9.6**

Book values 31.12.2019 EUR million	At fair value through the state-ment of income	Measured at amortised cost of financial assets	Measured at amortised cost of financial liabilities	Book values total
Assets				
Cash and cash equivalents		0.5		0.5
Trade receivables		9.5		9.5
Shares and units	0.8			0.8
Share issue receivables		0.1		0.1
Total assets	**0.8**	**10.2**	**0.0**	**11.0**
Liabilities				
Liabilities to credit institutions			7.4	7.4
Other liabilities incl. lease liabilities			2.7	2.7
Derivatives	0.0			0.0
Accounts payable			1.6	1.6
Total liabilities	**0.0**	**0.0**	**11.7**	**11.7**

Fair value levels 31.12.2019 EUR million	Level 1	Level 2	Level 3	Fair values total
Assets				
Cash and cash equivalents		0.5		0.5
Trade receivables		9.6		9.6
Shares and units	0.8			0.8
Share issue receivables		0.1		0.1
Total assets	**0.8**	**10.3**	**0.0**	**11.1**
Liabilities				
Liabilities to credit institutions		7.5		7.5
Other liabilities incl. lease liabilities		2.7		2.7
Derivatives		0.0		0.0
Subordinated loans		1.6		1.6
Total liabilities	**0.0**	**11.8**	**0.0**	**11.8**

Level 1

Unadjusted quoted prices in active markets for identical assets.

Level 2

The fair values of level 2 instruments are based to a significant degree on other input data than quoted prices included in level 1, but nevertheless data that are observable for the asset or liability item concerned either directly or indirectly.

Level 3

Level 3 comprises financial instruments whose fair value is determined on the basis of input data concerning the asset or liability item, which are not based on observable market data but to a significant degree on management judgment and its application to generally accepted valuation models.

Level 1 comprises financial instruments whose market price is readily and regularly available from the stock exchange, market information service or supervisory authority. Level 1 financial instruments are shares in private equity or real estate funds.

Level 2 values are based on input market prices readily and regularly available from the stock exchange, broker, market information service system, market information service provider or supervisory authority. Level 2 financial instruments include fixed-income securities and over-the-counter (OTC) derivatives classified as financial assets/liabilities at fair value through profit or loss.

Level 3 includes financial instruments whose fair value is wholly or partly estimated using valuation methodologies relying on non-observable market data. Management discretion is used in the valuation of assets in accordance with the accounting principles.

7. Off-balance-sheet commitments

	31.12. 2020	31.12.2019
Undrawn credit facilities	1.0	1.0

7. Related-party transactions

The company's related parties include entities with significant control over the company, its subsidiaries, associates, members of the Board of Directors and Executive Group, including the CEO and Deputy CEO. In addition, related parties include the close family members of persons belonging to related parties and entities controlled solely or jointly by a person belonging to related parties.

Related-party transactions with the company's related parties

	1-12/2020	H1-12/2019
Sales		
To subsidiaries and associates	0.1	0.3
To company's key personnel	0.0	0.0
Total sales to related parties	**0.1**	**0.3**
Purchases		
From company's key personnel	1.0	1.1
Total purchases from related parties	**1.0**	**1.1**
Trade receivables		
From subsidiaries and associates	0.0	0.0
From company's key personnel	0.0	0.0
Total trade receivables	**0.0**	**0.0**
Loans and interest income receivables		
From subsidiaries and associates	0.5	0.5
From company's key personnel	0.1	0.3
Total loans and interest income receivables	**0.6**	**0.8**
Trade payables		
To company's key personnel	0.0	0.0
Total trade payables	**0.0**	**0.0**

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