EAB Group Plc, Stock Exchange Release, 14 February 2020 at 9.00 a.m.

EAB Group Plc' financial statements bulletin 2019 – The Group's IFRS turnover and comparable net turnover decreased by 7%, and its loss for the period was EUR 1.5 million

EAB Group's (hereinafter "EAB" or "the Group") IFRS turnover for the period 1 January–31 December 2019 was EUR 18.4 million (EUR 19.6 million in 2018), and its loss for the period was EUR 1.5 million (profit of EUR 1.4 million in 2018). The Group's operating result was EUR -1.3 million (EUR 1.8 million in 2018). The turnover included EUR 10.6 million (EUR 11.4 million) in income from fund management, which included EUR 1.2 million (EUR 1.9 million) in performance-based fees. Income from asset management and other investment services amounted to EUR 6.2 million (EUR 6.8 million). Income from the service business and other operating income amounted to EUR 1.5 million (EUR 1.4 million).

The Group's ongoing net turnover (excluding performance related fees) increased by 5% in the second half of the financial year compared to the first half of the year. In addition to positive turnover development, we achieved our targeted cost savings and thus reduced our operating loss to EUR 0.5 million (EUR 0.8 million in the first half). The cost savings realized during the financial year will be fully reflected in 2020. We expect 2020 ongoing net turnover to grow slightly from the 2019 level, and we also expect the result for 2020 to be positive.

The Board of Directors proposes that it shall be authorized to distribute a maximum return of capital of EUR 0.05 from the non-restricted equity fund. Return of capital is subject to approval by the Financial Supervisory Authority.

The figures presented in the stock exchange release are unaudited.

The Group's financial performance in January–December 2019 (compared with 2018):

- The IFRS turnover decreased by 7% to around EUR 18.4 million (EUR 19.6 million).
- The comparable net turnover** decreased by 7% to around EUR 18.1 million (EUR 19.4 million).
- The operating result was around EUR -1.3 million (EUR 1.8 million).
- The result for the period was around EUR -1.5 million (profit of EUR 1.4 million).
- The reported solvency of the Consolidation Group*** decreased by 4.4 percentage points to 12.8% (17.2%).

The amount of assets under management and insurance assets, including investment commitments to private equity funds, increased by 2% and was EUR 3,127 million on 31 December 2019 (EUR 3,044 on 31 December 2018).

Following the challenging market situation and investors' risk avoidance in early 2019, the full-year turnover failed to meet our expectations. At the same time, our total expenses were temporarily burdened by IT project costs, our public listing and a previously announced write-off of an individual receivable. This being said, our performance in the second half of the year was considerably better. We succeeded in increasing the Group's ongoing turnover (turnover excluding performance-based fees) by 5% compared with the first half of the year, ending up at the level of second half of 2018 (EUR 8.7 million in 7-12/2019 vs EUR 8.9 million in 7-12/2018).

Our ongoing efficiency measures started to result in visible cost reductions, and we achieved EUR 0.7 million in total cost savings compared with the first half of the year. We also reached our personnel cost target set in August, with H2/2019 personnel costs amounting to EUR 3.75 million. The full effect of the implemented measures will be visible in 2020.

The Group’s solvency was 12.8% and thus remained at a satisfactory level (4.8% percentage points above the regulatory minimum).

The Group’s financial performance in July–December 2019 (compared with July–December 2018):

- The turnover decreased by 9% to around EUR 9.0 million (profit of EUR 9.9 million).
- The operating result was EUR -0.5 million (profit of EUR 0.3 million).
- The result for the period was around EUR -0.6 million (profit of EUR 0.2 million).

The Group’s key figures in brief (more detailed information is provided in the notes to the financial statements)

Group’s key figures	7-12/2019	7-12/2018	1–12/2019	1–12/2018
Turnover, EUR million	9.0	9.9	18.4	19.6
Operating profit*, EUR million	-0.5	0.3	-1.3	1.8
Operating profit, % of turnover	-5.9	3.5	-7.2	8.9
Profit for the period, EUR million	-0.6	0.2	-1.5	1.4
Profit for the period, % of turnover	-7.1	2.4	-8.1	7.3
Earnings per share, diluted, EUR	-0.04	0.01	-0.09	0.09
Comprehensive earnings per share, diluted, EUR	-0.04	0.01	-0.09	0.09
Alternative performance measures	**7-12/2019**	**7-12/2018**	**1–12/2019**	**1–12/2018**
Comparable turnover**, EUR million	8.9	9.8	18.1	19.4
Adjusted earnings per share****, diluted, EUR	-0.05	0.02	-0.11	0.11
Adjusted comprehensive earnings per share****, diluted, EUR	-0.05	0.02	-0.11	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 turnover. The operating profit also includes the share of the profit or loss of associates.

** The comparable net turnover is based on net fees pertaining to funds administered on behalf of external parties, whereas the reported turnover shows these fees in gross terms.

*** 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 9,226 treasury shares on 31 December 2019 (6,442,900 on 31 December 2018). 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 (108) employees, of whom 26 (35) worked for the parent company and 62 (73) worked for a subsidiary. All in all, the Group had 110 employees and tied agents at the end of the period.

DANIEL PASTERNACK, CEO

In 2019, we achieved our long-term goal of being listed on the main list of the Nasdaq Helsinki. The transition to the main list has increased the company's recognisability and reliability among investors and other stakeholders. Following the transition, we are also expecting the liquidity of our share to improve over time, in addition to its appeal as an investment. These goals are also supported by our company being monitored by analysts more extensively than before: in addition to Inderes, Nordea is monitoring the performance of EAB Group shares and publishes its assessments on its website free of charge.

During 2019, we strengthened our strategic ability to succeed in the financial sector, which is undergoing a transition. Kari Juurakko, our long-time Chair of the Board, handed over the reins to Therese Cedercreutz, who has extensive experience in helping Finnish listed companies with strategy work and business development. At the same time, we improved the efficiency of our organisation by digitising our appointment functionalities, outsourcing our IT support functions and streamlining our product offering and administration. As a result of these arrangements, our number of employees decreased by around 20% and we are close to achieving our goal of EUR 1 million in annual cost savings.

Because of the challenging market situation and investors' risk avoidance in early 2019, the full-year turnover failed to meet our expectations. Our total expenses were temporarily burdened by IT project costs, our public listing and a previously announced write-off of an individual customer receivable. Our performance in the second half of the year was considerably better. We succeeded in increasing our continuous turnover (turnover excluding one-off performance-based fees) by 5% compared with the first half of the year, regaining the level achieved in 2018. Our ongoing efficiency measures began to produce visible cost reductions, and we achieved EUR 0.7 million in total cost savings compared with the first half of the year. The full effect of the implemented measures will be visible in 2020.

The heightened market uncertainty and low interest levels support our strategic focus on alternative investments in the real estate and infrastructure sectors and in renewable energy. In 2018, we launched the first Elite Indian Solar Fund, and we are preparing to launch another clean energy fund during the first half of 2020. Last year, we also collected double the amount of commitments to our second real estate development fund compared with the first one, and we clearly exceeded our goal of EUR 100 million. We aim to invest all of the assets this year, which is why we believe that the portion of alternative investments of our ongoing fees will exceed 50% during 2020.

In product development, we have invested in responsible investing, which enjoys a growing demand and is more resistant to price competition pressure than traditional investment funds. We believe that – out of the options available to us – impacting through investing is the most effective way to mitigate climate change and promote good practices. We have recently highlighted this insight systematically in our communication and marketing and received positive feedback from customers and the market. Energy efficiency and environmental impact investments play a key role in our infrastructure funds. In security investments, we make use of the extensive ESG research carried out by BNP Paribas, our most significant owner, in addition to our portfolio management expertise. In connection with our annual report, we will publish our new, sharpened strategy, which centres around our intention to lead the way in responsible investing and thereby further strengthen our position as an expert in asset management. In line with our slogan, a "balance between good and money" can be achieved when the investments are done in order to promote good common goals and provide our customers with good returns.

In addition to managing our customers' assets responsibly, we have neutralised our carbon footprint through an investment in our impact investment products. We are seeking to operate openly and exemplarily. In connection with our annual report for 2019, we will also publish, for the first time as a listed company, a corporate governance statement and a remuneration report. We are fully compliant with the Finnish Corporate Governance Code. We are also investing strongly in well-being at work, and we hired a well-being expert to supervise this work in late 2019.

Finally, I would like to highlight the fact that we are the clear market leader in personnel funds in Finland. Last year, we grew strongly in this area through an acquisition and organic growth, and more than 85,000 personnel fund members are already enjoying our Group's remuneration services. Through a personnel fund, an organisation can increase commitment and participation among its employees, reward them equally for achieving goals and promote the accumulation of their wealth. I believe that there is a constantly growing need for goals of this type in modern society.

This is only the beginning of our story as a listed company, and we aim to outpace market growth significantly. At the same time, we will keep our expenses under strict control and will focus on more stable and stronger areas, such as alternative investments and services. After an eventful 2019, we are well positioned for a new and interesting decade amidst the transformation of the financial sector. I would like to thank our customers, owners and employees for their cooperation, and I wish us all continued success.

OPERATING ENVIRONMENT

The strong performance of risky assets continued in 2019, with the global equity markets increasing by 28.9% in euro terms (MSCI World AC). Share prices reached an all-time high level. At the beginning of the year, not many people would have ventured to predict such positive returns in a situation where the central banks – the Federal Reserve in particular – were signalling that the period of loose monetary policy was over and that a return to a more normal state was at hand. However, the fear turned out to be unfounded. At the beginning of January, the Federal Reserve changed its previous statement concerning the normalisation of its monetary policy in line with a previously approved programme. This change was due to the market turbulence during the last quarter of 2018. In January, the bank signalled that future changes to the key interest rate would be made based on macro data. Market expectations of interest rate hikes soon turned into expectations of interest rate cuts, and interest rates were cut as many as three times during the year. In so doing, the Federal Reserve strengthened investors' expectations of reliable support from the Fed for economic growth and liquidity.

During the year, other central banks made similar moves, which kept global interest rates strongly on the decline and generated very positive returns, even for fixed-rate investors, particularly in the emerging interest rate markets and low-rated corporate bond markets. Where do we stand at the beginning of 2020? Even though forecasting the direction is extremely difficult over a one-year horizon, we believe that developments in 2020 will be largely determined by the themes that also prevailed last year. The most important themes include trade policy, measures that support global economic growth and improvements in companies' results.

The United States and China signed an initial trade deal in January 2020. However, we do not believe that the conflict will be resolved quickly, as major issues remain completely unresolved. Nevertheless, both sides have made minor concessions, and in the best case, the initial deal marks the beginning of more extensive dialogue. The uncertainty caused by the trade war in terms of economic growth is one of the key issues of 2020. Although the impacts have undeniably been negative, we do not believe that the world economy will hit a recession during the current year. Unless political risks begin to increase again, trade and industry should recover gradually. The International Monetary Fund (IMF) predicts that global economic growth will be around 3% for 2019 and will increase slightly to 3.4% in 2020, which is close to the long-term average level. From the investment markets' perspective, possible measures implemented by the central banks will continue to be a key theme in 2020. We believe that the Fed will keep its key interest rate at the current level, at least for the first half of the year, because the bank has clearly indicated that it is happy with the current situation and that the economic situation would need to change significantly for the bank to intervene in the interest rate level. The expectations concerning the European Central Bank are relatively modest, as the economic impacts of the new stimulus package launched in late autumn 2019 are still being evaluated.

Investors are also focusing on companies' outlooks for improvements in results. The high returns in the equity market in 2019 were largely based on investors' willingness to accept higher valuation multiples as a result of the strong decrease in interest rate levels. Much less attention was being paid to the slowing of economic growth in the greater part of the world when the equity markets focused on the benefits of lower interest rates and the continuation of monetary policy support from the central banks. Can this continue if improvements in results remain modest? Will investors be willing to pay higher prices for the same results? We believe this is possible over the short term, but not over the long term. In many markets, the valuation levels are already above their ten-year average – clearly above the ten-year average in the United States. This means that improvements in results are needed for a more sustainable increase. In 2020, the United States and the emerging markets, among other regions, are expected to regain a two-digit rate of improvement in results, while Europe is expected to rise back to a level close to 10%. If the valuation multiples are assumed to normalise, the total returns in the equity market are likely to be below 10% in 2020, as the forecasts for improvements in results during the current year involve considerable uncertainty in our opinion. However, we are expecting the equity market to continue to offer better returns than the fixed-income market in 2020.

In other respects, the company's operating environment remained unchanged during the period, and no significant changes are to be expected in 2020. The regulatory environment also remained stable from the Group's perspective. The regulatory changes that came into effect during the period did not have significant financial impacts on the company.

The tax treatment of insurance-linked investments was amended in March 2019 by new legislation, which came into effect at the beginning of 2020. The new legislation harmonised the tax treatment of insurance-linked investments to be consistent with that of investment funds, for example. The amendment may have a negative impact on the sale of insurance-linked investment products in the future.

MATERIAL EVENTS DURING THE PERIOD

One of the most significant events of 2019 was the company's transition to the main list of the Nasdaq Helsinki and the arrangements to this effect. In addition, the company continued to implement measures to improve its profitability and achieve its other strategic goals.

In February, EAB Group Plc's subsidiaries Elite Partners Ltd and Nousukaari Oy merged with the parent company in accordance with the arrangement announced in October 2018. At the same time, the EAB Group Plc shares held by the subsidiaries were cancelled.

On 5 April 2019, the Annual General Meeting (AGM) decided to amend the company's Articles of Association in accordance with the proposal of the Board of Directors. In connection with the registration of the amended Articles of Association, the A and B share series were combined at the ratio of 1:1. Since then, the company has had only one series of shares, with all shares producing equal rights. The amendment of the Articles of Association and combination of the share series were contingent on the transfer of the company to the main list of the Nasdaq Helsinki.

The AGM also resolved to establish a permanent Shareholders' Nomination Board. The main duties of the Nomination Board include preparing and presenting proposals concerning the election and remuneration of the members of the company's Board of Directors to an Annual General Meeting and, when necessary, to an Extraordinary General Meeting, as well as identifying successors for current members of the Board of Directors. In addition, the AGM authorised the Board of Directors to decide on issuing shares and granting special rights entitling their holders to shares.

At its organisation meeting on 5 April 2019, the Board of Directors decided to establish an Audit Committee and a Remuneration Committee.

On 17 April 2019, EAB Group Plc filed an application for the acceptance of all company shares for trading on the main list of the Nasdaq Helsinki. The Financial Supervisory Authority approved the prospectus related to the transfer to the main list on 25 April 2019, and the Nasdaq Helsinki approved the application for listing on 26 April 2019.

The new Articles of Association were registered in the Trade Register on 30 April 2019. In connection with the registration, the A and B share series were combined. Since then, the company has had only one series of shares, with each share producing equal rights.

The company was transferred to the main list of the Nasdaq Helsinki on 2 May 2019.

In mid-August, the company issued a profit warning and adjusted its guidance for 2019. The company announced that its result for January–June 2019 would be negative, with its turnover remaining nearly unchanged. At the same time, the company estimated that its result for 2019 would be negative and its turnover for 2019 would decrease slightly.

In August, the company's Board of Directors decided to start acquiring the company's own shares based on the authorisation granted by the Annual General Meeting. Own shares may be acquired to develop the company's capital structure, to be used as consideration in corporate acquisitions or other corporate restructuring, or to finance investments, or as part of the company's incentive plan.

At the same time, the company announced that it would continue measures to improve profitability and would start planning a new efficiency programme. The programme aims for around EUR 1 million in annual cost savings in personnel and other expenses. The purpose of the efficiency programme is to ensure the achievement of the company's profitability goal and other strategic goals by increasing customer focus and scalability in its operations. The plan was discussed with employees in cooperation negotiations, which were completed in September. After the negotiations, the Group laid off 9 people, two of whom were offered new employment contracts for new jobs.

In September, the company announced that its five largest shareholders had appointed their representatives on the Shareholders' Nomination Board. The company also announced that the Chair of its Board of Directors would be changed. Therese Cedercreutz, who had joined the Board in spring 2019, was selected as the new Chair.

In November, Kari Juurakko, member of the Board and Chair of the Remuneration Committee, announced that he would resign from the company's Board of Directors. As a result of his resignation, the number of Board members decreased to six. At the same time, the Board decided to change the composition of the Remuneration Committee and the Audit Committee.

In November and December, the company transferred its own shares to a present and former key employee. The transfers were related to the payment of deferred variable remuneration and were in line with the company's remuneration scheme.

THE GROUP'S OUTLOOK FOR 2020

Forecast for 2020:

- Based on the ongoing turnover (excluding performance-based items) and achieved cost-efficiency, we estimate that our result for 2020 will be positive and our ongoing turnover will increase slightly from 2019 level.
- The forecast is based on our current business operations, excluding any acquisitions.

Demand for EAB Group's services has continued at a good level. Demand has been particularly strong for alternative investments, such as real estate and infrastructure investments. We believe that the portion of alternative investments will exceed 50% of our ongoing fees during 2020, and we expect this to mitigate the impact of any equity market disturbances on the Group's turnover and result.

The full effect of the investments we made in cost-efficiency in 2019 should become visible during 2020. We will continue to implement measures in 2020, and their combined effect should be reflected in improved profitability.

PERSONNEL

The Group had 88 employees at the end of 2019 (108 on 31 December 2018). Of our personnel, 9 were on fixed-term contracts. The number of employees was 41 in business operations and asset management and 47 in Group functions (legal, administration, HR, IT, finance, marketing and communications). In addition, our customers were served by 22 tied agents. The number of employees decreased as a result of the cooperation negotiations in September, which led to the termination of 9 jobs. In addition, 7 fixed-term employment contracts ended during the period.

We are increasingly paying attention to well-being at work. In December, the company hired a permanent well-being expert, who is responsible for helping and supporting the Group's employees with maintaining and improving their well-being comprehensively.

More than 90% of our employees own shares in the parent company directly or through the personnel fund.

CHANGES IN GROUP STRUCTURE DURING THE PERIOD

The merger of the Group's subsidiaries Elite Partners Ltd and Nousukaari Oy with EAB Group Plc was completed on 12 February 2019.

The merger of Ox Finance Oy, Elite PK-yrityslaina Oy and Taurus Properties GP Oy with Elite Sijoitus Oy was completed on 31 May 2019.

Elite Sijoitus Oy, a subsidiary of EAB Group Plc, established a subsidiary, EAB Credit Fund I GP Oy, on 24 October 2019.

Elite Sijoitus Oy, a subsidiary of EAB Group Plc, established a subsidiary, EAB Pääomarahastot I GP Oy, on 1 November 2019.

The merger of Auta Invest Oy, Smart Money Oy and TL Trade Oy with Elite Sijoitus Oy was completed on 31 December 2019.

SHARES AND SHARE CAPITAL

EAB Group Plc's total number of shares was 13,843,272 at the end of December. The company held 9,226 treasury shares. At the end of December, the company's share capital amounted to EUR 730,000. There were no changes in the share capital during the review period.

On 5 April 2019, the Annual General Meeting decided to distribute a return of capital of EUR 0.10 per share from the unrestricted equity reserve. The return of capital was implemented on 16 April 2019. The total return of capital amounted to EUR 1,384,327.

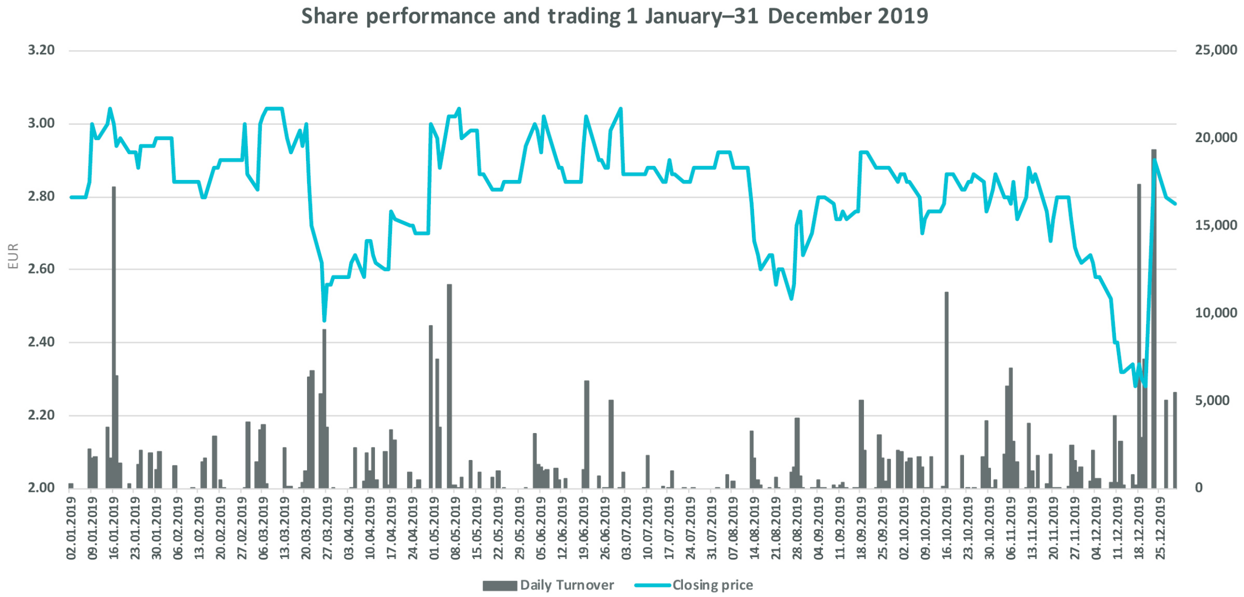
On 5 April 2019, the Annual General Meeting decided to amend the company's Articles of Association. In connection with the registration of the amended Articles of Association, the A and B share series were combined at the ratio of 1:1. Since then, the company has had only one series of shares, with all shares producing equal rights. The amendment to the Articles of Association and the combination of the share series were implemented on 30 April 2019.

On 5 April 2019, the Annual 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. On 28 August 2019, the company started its programme to purchase its own shares. On the balance sheet date, the company held 9,226 treasury shares directly.

At the end of December, there were 13,843,272 EAB Group Plc shares subject to public trading on the Nasdaq Helsinki. The share trading volume in January–December was EUR 1.0 million, or 350,398 shares. At the end of December, the closing price of the company's share was EUR 2.78. The highest share price during the review period was EUR 3.20 and the lowest was EUR 2.20. EAB Group Plc's market capitalisation was EUR 38.5 million at the end of December.

ELITE
ALFRED BERG

Share performance and trading 1 January–31 December 2019



Largest shareholders

	Shareholders	Shares	% of shares	Change 12 month	Change 12 month, %
1	* Nordea Bank Abp	2,440,222	17.63	0	0
2	Juurakko Kari Antero	2,190,010	15.82	4,000	0.18
3	Umo Invest Oy	1,389,921	10.04	25,921	1.90
4	Nieminen Janne Pentti Antero	1,112,031	8.03	0	0
5	Kaaria Jouni Sami Olavi	1,067,261	7.71	1,231	0.12
6	Gösta Serlachiuksen Taidesäätiö	857,200	6.19	0	0
7	Pasternack Daniel	768,103	5.55	-222,998	-22.50
8	Niemi Rami Toivo	487,820	3.52	0	0
9	Kiikka Hannu Ilmari	484,182	3.50	0	0
10	Sijoitusyhtiö Jenna & Juliet Oy	300,000	2.17	0	0
11	KW-Invest Oy	261,949	1.89	0	0
12	Vakuutusosakeyhtiö Henki-Fennia	257,141	1.86	3,000	1.18
13	Westin Victoria Maria	222,998	1.61	222,998	100.00
14	TK Rahoitus Oy	141,743	1.02	6,045	4.45
15	Eläkevakuutusosakeyhtiö Veritas	140,659	1.02	0	0
16	Contango Oy	126,570	0.91	0	0
17	Hampulipampuli Oy	120,000	0.87	0	0
18	A-A Transport Oy	91,418	0.66	4,081	4.67
19	Suomalainen Lääkäriseura Duodecim Ry	85,000	0.61	0	0
20	Kiinteistötähti Oy	75,188	0.54	54,467	262.86
	20 largest shareholders, total	**12,619,416**	**91.16**		
	Nominee-registered	**2,445,082**	**17.66**		
	Others	**1,223,856**	**8.84**		
	Total	**13,843,272**	**100**		

* Nominee-registered

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

EAB Group Plc's Annual General Meeting was held in Helsinki, Finland, on 5 April 2019. The Annual General Meeting (AGM) passed resolutions on the following matters:

Adoption of the financial statements for 2018, use of the profit shown on the balance sheet and resolution on the payment of a return of capital

The AGM adopted the financial statements for 2018. In accordance with the proposal by the Board of Directors, the AGM decided that, based on the balance sheet adopted for the financial year 2018, a return of capital of EUR 0.10 per share be distributed from the unrestricted equity reserve to shareholders indicated on the list of shareholders held by Euroclear Finland Ltd on the record date of the payment, 9 April 2019. It was decided that the remaining distributable assets be retained in shareholders' equity.

Discharge of the members of the Board of Directors and the CEO from liability

The AGM discharged the members of the Board of Directors and the Chief Executive Officer from liability for the 2018 financial year.

Number of members of the Board of Directors and their remuneration

The number of members of the Board of Directors was confirmed at seven. Kari Juurakko, Janne Nieminen, Vincent Trouillard-Perrot, Juha Tynkkynen, Pasi Kohmo, Therese Cedercreutz and Topi Piela were elected as members of the Board.

The AGM resolved that Board members independent of the company in accordance with the Finnish Corporate Governance Code will be paid EUR 22,500 per year for their service on the Board.

Auditors and their fees

The AGM elected KPMG Oy Ab, Authorised Public Accountants, as the company's auditor, with APA Tuomas Ilveskoski as the auditor in charge. The auditor's fee and travel expenses will be paid against an invoice approved by the company.

Amendment of the Articles of Association and combination of the share series

The AGM decided to amend the Articles of Association in accordance with the proposal by the Board of Directors. According to the proposal, in connection with the registration of the amended Articles of Association, the A and B share series would be combined at the ratio of 1:1. After this, the company would have only one series of shares, with each share producing equal rights.

The AGM decided that the amendment of the Articles of Association and the combination of the share series would be contingent on the transfer of the company to the main list of the Nasdaq Helsinki and would not come into effect and be registered until the company's application to be transferred to the main list of the Nasdaq Helsinki had been approved by the Nasdaq Helsinki Listing Committee.

Ratio between fixed and variable remuneration

The AGM approved the proposal of the Board of Directors according to which the variable component of the remuneration of a person working for the company may exceed 100% of the total amount of the fixed remuneration. However, the portion of the variable component of the remuneration may not exceed 200% of the total amount of the fixed remuneration.

Authorisations of the Board of Directors

The AGM authorised the Board of Directors to decide on the following matters:

Issue of shares and granting of special rights entitling their holders to shares

The Board of Directors may issue new shares, grant special rights carrying entitlement to shares and transfer treasury shares held by the company up to the quantity of 10,000,000 shares in total.

New shares or special rights carrying entitlement to shares may be issued or treasury shares may be transferred to the company's shareholders in proportion to their current holdings, or in a directed issue deviating from the shareholders' pre-emptive right when the company has a weighty economic reason to do so, such as the use of shares as consideration in corporate acquisitions or other corporate restructuring, or to finance investments, or as part of the company's incentive plan.

The Board of Directors may also decide on a share issue without consideration to the company itself.

New shares and special rights carrying entitlement to shares, as well as treasury shares, may be issued against or without payment. A directed issue can be a free issue only if there is a particularly weighty reason for the company to do so, taking the interests of all shareholders into account.

The Board of Directors will decide on all other details related to share issues and transfers.

The authorisation is proposed to be valid for five (5) years as of the end of the AGM.

The authorisation repeals the issue authorisation granted on 4 April 2018.

Repurchase of own shares

The Board of Directors may decide on the purchase or acceptance as pledge of a maximum of 1,300,000 shares in the company.

The shares may be acquired in public trading on the marketplace maintained by Nasdaq Helsinki Ltd, at the market price at the time of purchase, in deviation from the proportional shareholdings of the company's shareholders, using the company's distributable equity. The acquisition and payment of shares will be executed in accordance with the rules of the marketplace.

The company must have 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 corporate restructuring, to finance investments, or as part of the company's incentive plan.

The purchase or acceptance as pledge of the company's own shares reduces the amount of the company's distributable equity.

The Board of Directors may decide on other details pertaining to the repurchase of shares.
The authorisation is valid until 5 October 2020.

The authorisation repeals the authorisation for the repurchase of own shares issued on 4 April 2018.

Establishment of a Shareholders' Nomination Board

The AGM approved the proposal of the Board of Directors to establish a Shareholders' Nomination Board and adopted a Charter for the Board.

RISK MANAGEMENT AND RISK POSITION

EAB Group's most significant near-term risks are the 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 value in 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 liquidity risk.

Geopolitical tensions, and economic development in the most developed countries and China in particular, play a key role in the near-term development of the financial markets. If the world economy develops significantly more slowly than expected, this will pose a significant threat not only to the favourable development of the equity market in particular, but also to the stability of the financial markets in general.

The alternative investment solutions offered by the Group constitute an increasingly significant portion of its business operations, which in part mitigates the impact of a possible market decline on the Group's turnover and result.

As a result of the challenging market environment and investors' risk avoidance in early 2019, the market risk related to the Group's business operations materialised to such an extent that the Group failed to meet expectations concerning its turnover for the review period.

The Group's operations are exposed to a considerable operational risk. This risk mainly consists of factors related to information systems and information security and factors related to internal processes. The Group engages in business operations of the type that typically involve operational risks to a significant degree. The Group acknowledges the significance of operational risks and continuously develops methods to manage operational risks. The Group identifies, assesses, measures and monitors operational risks in relation to its approved level of risk-taking. The Group actively takes measures to reduce the impact of materialised operational risks, taking the approved level of risk-taking and risk appetite into account.

There were no significant operational risk events during the review period.

The Group's market risk and operational risks are managed actively 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 the related risk profiling.

The 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. During the financial year, the Group renewed its financing. As a result of this, the Group had EUR 1,000,000 in undrawn credit on the balance sheet date to secure its liquidity position.

More information about the risks related to the Group's business operations and the monitoring of these risks is provided in the Group's annual report.

USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND RESOLUTION OF THE PAYMENT OF RETURN OF CAPITAL

The parent company's distributable funds on the 31.12.2019 totalled 20.9 million of which the loss for the period amounted to EUR 0.5 million. The Board of Directors proposes that the Annual General Meeting will give an authorization where the Board has power to decide, within its discretion, on distribution of assets from the unrestricted equity reserve as it follows:

Return of capital from the unrestricted equity reserve will be at maximum EUR 0.05 per share. The remaining distributable assets will remain equity.

Pursuant to the Companies Act, when deciding on potential return of capital the Board of Directors are obligated to review solvency and financial standing of the company. Furthermore, return of capital entails consent from the Financial Supervisory Authority.

Authorization concerning the distribution of assets is valid until the Annual General Meeting of 2021.

EAB Group Plc will release a separate statement on final decisions made by the Board of Directors concerning return of capital.

MATERIAL EVENTS AFTER THE REVIEW PERIOD

There were no events with a material effect on the Group's position between 1 January 2020 and 14 February 2020.

PUBLICATION OF FINANCIAL STATEMENTS, CORPORATE GOVERNANCE STATEMENT, AND ANNUAL GENERAL MEETING

EAB Group's annual report for 2019 will be published during the week beginning 9 March 2020 (presumably on 13 March 2020) in Finnish on the Group's website at www.eabgroup.fi/sijoittajat/talousraportit-ja-esitykset.

The company will publish Corporate Governance Statement for 2019 separately from the Board of Directors' Report. The Statement will be based on Corporate Governance Code 2020 and will be published at the time of Annual Report on March 13, 2020 and will be available in Finnish on the company's website at www.eabgroup.fi/sijoittajat/hallinnointi/selvitys-hallinto-ja-ohjausjarjestelmasta after publication.

The parent company's Annual General Meeting will be held on Friday, 3 April 2020 in Helsinki, Finland. The Board of Directors will publish a separate invitation to the Annual General Meeting.

On 31 December 2019, there were 13,843,272 shares in the parent company, of which 9,226 were held by the company. The parent company has not issued warrants, convertible bonds or other financial instruments that would increase the total number of shares.

EAB Group Plc's half-year report for 1 January–30 June 2020 is scheduled to be published on 28 August 2020.

EAB GROUP PLC
Board of Directors

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EAB Group Plc

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EAB Group offers a diverse range of high-quality savings, investment and asset management services for private investors, institutions and professional investors. The Group's parent company, EAB Group, is listed on the Nasdaq Helsinki stock exchange. EAB Group uses Elite Alfred Berg as its marketing name. The Group consists of EAB Asset Management Ltd, which offers investment services, and EAB Fund Management Ltd, which serves as a fund management company and an authorised alternative investment fund manager. The Group's customer base consists of individuals and corporations, and the Group serves its customers through 13 locations across the country. The Group's personnel consists of 88 investment professionals, and services are also provided by more than 20 tied agents. The Group manages more than EUR 3 billion in assets on behalf of its customers. Read more about EAG Group's services at www.eabgroup.fi.

DISTRIBUTION:
Nasdaq Helsinki Ltd
Key media outlets
www.eabgroup.fi

APPENDIX:
Financial statements bulletin including tables and key figures

Tables and key figures of Financial statement

Content

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

MEUR	7-12/2019	7-12/2018	1-12/2019	1-12/2018
Fee income	9.0	9.8	18.3	19.5
Income from equity investments	0.0	0.0	0.0	0.1
Other operating income	0.0	0.0	0.1	0.1
REVENUE TOTAL	**9.0**	**9.9**	**18.4**	**19.6**
Fee expenses	-1.8	-2.3	-3.9	-4.1
Adminstrative expenses				
Personnel expenses	-3.8	-3.8	-8.0	-7.6
Other admistrative expenses	-2.2	-2.1	-4.1	-3.7
Depreciation and amortization tangible and intangible assets	-1.4	-1.2	-2.6	-2.3
Other operating expenses	-0.3	-0.3	-0.6	-0.4
Expected credit loss at amortized cost	0.0	0.0	-0.3	0.0
Share of associates' profit/loss	-0.1	0.1	-0.1	0.2
OPERATING PROFIT (LOSS)	**-0.5**	**0.3**	**-1.3**	**1.8**
Interest income	0.1	0.1	0.1	0.1
Interest expenses	-0.3	-0.2	-0.4	-0.3
Income taxes	0.1	0.0	0.2	-0.1
PROFIT/LOSS FOR THE FINANCIAL YEAR	**-0.6**	**0.2**	**-1.5**	**1.4**
COMPREHENSIVE INCOME / LOSS FOR THE YEAR	**-0.6**	**0.2**	**-1.5**	**1.4**
Attributable to				
Equity holders of parent company	-0.7	0.2	-1.5	1.4
Non-controlling interest	0.0	0.0	0.0	0.0
COMPREHENSIVE INCOME / LOSS FOR THE YEAR	**-0.6**	**0.2**	**-1.5**	**1.4**
Earning/share (EPS), diluted	-0.04	0.01	-0.09	0.09
Comprehensive earning/share (EPS), diluted	-0.04	0.01	-0.09	0.09

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS BY HALF YEAR

MEUR	H2/2019	H1/2019	H2/2018	H1/2018
Fee income	9.0	9.3	9.8	9.7
Income from equity investments	0.0	0.0	0.0	0.0
Other operating income	0.0	0.1	0.0	0.0
REVENUE TOTAL	**9.0**	**9.3**	**9.9**	**9.8**
Fee expenses	-1.8	-2.0	-2.3	-1.7
Adminstrative expenses				
Personnel expenses	-3.8	-4.2	-3.8	-3.8
Other admistrative expenses	-2.2	-1.9	-2.1	-1.7
Depreciation and amortization tangible and intangible assets	-1.4	-1.3	-1.2	-1.1
Other operating expenses	-0.3	-0.4	-0.3	-0.1
Impairment losses on other financial assets	0.0	-0.3	0.0	0.0
Share of profit of loss of accociates	-0.1	0.0	0.1	0.1
OPERATING PROFIT (LOSS)	**-0.5**	**-0.8**	**0.3**	**1.4**
Interest income	0.1	0.0	0.1	0.0
Interest expenses	-0.3	-0.2	-0.2	-0.1
Income taxes	0.1	0.1	0.0	-0.1
PROFIT/LOSS FOR THE PERIOD	**-0.6**	**-0.8**	**0.2**	**1.2**
TOTAL COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**-0.6**	**-0.8**	**0.2**	**1.2**
Total comprehensive income attributable to:				
Equity holders of parent company	-0.7	-0.8	0.2	1.2
Non-controlling interest	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME / LOSS FOR THE PERIOD	**-0.6**	**-0.8**	**0.2**	**1.2**
Earning/share (EPS)	-0.04	-0.05	0.01 €	0.09 €
Comprehensive earning/share (EPS), diluted	-0.04	-0.05	0.01 €	0.09 €

CONSOLIDATED BALANCE SHEET, IFRS

MEUR	31.12.2019	31.12.2018
ASSETS		
Cash and cash equivalents	0.5	1.1
Trade receivables	9.5	11.7
Investments	0.8	0.5
Shares and units of associates	1.6	1.7
Intagible assets	13.6	13.4
Tangible assets	3.0	3.2
Share issue receivables	0.1	0.2
Other assets	0.2	0.4
Accured income and prepayments done	2.8	1.3
Deferred tax assets	2.9	2.8
TOTAL ASSETS	**35.3**	**36.4**
LIABILITIES AND EQUITY CAPITAL		
LIABILITIES		
Liabilities to credit institutions	7.4	7.0
Derivatives	0.0	0.0
Other liabilities	4.7	3.9
Accrued expenses and prepayments received	3.7	3.1
Deferred tax liabilities	0.2	0.3
LIABILITIES TOTAL	**16.0**	**14.3**
EQUITY		
Share capital	0.7	0.7
Reserve for unrestricted equity	20.9	22.3
Retained earnings	-0.9	-2.4
Profit (loss) for the period	-1.5	1.4
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**19.2**	**22.0**
Non-controlling interest	0.1	0.1
TOTAL EQUITY	**19.3**	**22.1**
LIABILITIES AND EQUITY	**35.3**	**36.4**

CONSILIDATED STATEMENT OF CASH FLOW, IFRS

MEUR	1-12/2019	1-12/2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/loss for the financial year	-1.5	1.4
Adjustments for		
Depreciation and amortization	2.6	2.3
Interest income and expenses	0.3	0.2
Non-cash operating activities	0.1	-0.1
Income taxes	-0.2	0.1
Change in net working capital		
Increase (-), decrease (+) of receivables	0.3	-2.1
Increase (+), decrease (-) of non-interest-bearing liabilities	1.2	-1.6
Change in inventories	0.0	0.0
Change in net working capital	1.5	-3.7
Paid interest expenses	-0.5	-0.3
Received interest income	0.0	0.0
Paid/received income taxes	0.0	0.1
CASH FLOW FROM OPERATING ACTIVITIES	**2.5**	**0.0**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-1.6	-2.0
Investments in other investments	-0.4	-0.4
Increase (-), decrease (+) of loan receivables	0.1	0.0
Acquired subsidiaries less of financial assets at the time of acquisition	0.0	-1.8
CASH FLOW FROM INVESTING ACTIVITIES	**-1.9**	**-4.1**
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	0.0	3.2
Payments of lease liabilities	-0.9	-0.9
Capital repayments paid	-1.4	-0.7
Acquires shares of non-controlling-interest	0.0	0.0
Increase (-), decrease (+) of loans granted	0.7	-1.1
Dividends paid	0.0	0.0
Repayment of loans	-8.0	-5.2
Withdrawals of loans	8.4	8.0
CASH FLOW FROM FINANCING ACTIVITIES	**-1.2**	**3.3**
CASH AT THE BEGINNING OF THE PERIOD	1.1	2.0
CHANGE IN CASH	-0.5	-0.9
CASH AT THE END OF THE PERIOD	0.5	1.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total equity attributable to equity holders of the parent company					
MEUR	Share capital	Reserve for unrestricted equity	Retained earnings	Total	Non-controlling-interest	Total equity
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**

	Total equity attributable to equity holders of the parent company					
MEUR	Share capital	Reserve for unrestricted equity	Retained earnings	Total	Non-controlling-interest	Total equity
Equity on 1 January 2018	**0.7**	**19.5**	**-2.6**	**17.6**	**0.1**	**17.7**
Comprehensive profit for the financial year						
Profit (loss) for the financial year			1.4	1.4	0.0	1.4
Transactions with the owner of the company						
Dividends/Capital repayments paid		-0.7		-0.7	0.0	-0.8
Share issue		3.4		3.4		3.4
Acquisition of own shares		-0.1		-0.1		-0.1
Sale of own shares		0.1		0.1		0.1
Other changes		0.0	0.2	0.3		0.3
Equity on 31 December 2018	**0.7**	**22.3**	**-1.0**	**22.0**	**0.1**	**22.1**

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

IFRIC 23 Uncertainty over Income Tax Treatments (effective for financial years beginning on or after 1 January 2019)

The interpretation brings clarity to the accounting for income tax treatments that have yet to be accepted by tax authorities. The key test is whether the tax authority will accept the company's chosen tax treatment. When considering this the assumption is that tax authorities will have full knowledge of all relevant information in assessing a proposed tax treatment.

The interpretation has not had any material impact on the Group's 2019 financial statements.

No significant standard changes are expected in the coming financial year, which would have any material impact on the Group's financial statement' accounting principles.

3. Key figures and formulas of key figures

Key figures

MEUR	H2/2019	H2/2018	1-12/2019	1-12/2018
Turnover	9.0	9.9	18.4	19.6
Operating profit*	-0.5	0.3	-1.3	1.8
Operating profit, % of turnover	-5.8 %	3.5 %	-7.2 %	8.9 %
Profit for the period	-0.6	0.2	-1.5	1.4
Profit for the period, % of turnover	-7.0 %	2.4 %	-8.0 %	7.3 %
Earning/share (EPS), diluted	-0.04	0.01	-0.09	0.09
Comprehensive earning/share (EPS), diluted	-0.04	0.01	-0.09	0.09
Alternative performance measures				
Comparable turnover**	8.9	9.8	18.1	19.4
EBITDA	0.8	1.5	1.3	4.1
EBITDA, % of turnover	9.4 %	15.5 %	7.1 %	21.0 %
Earning per share capital, EUR	1.39	1.09	1.39	1.09
Return of equity (ROE), %	-3.1 %	1.2 %	-7.1 %	7.2 %
Return of assets (ROA), %	-1.8 %	0.7 %	-4.1 %	4.3 %
Equity ratio, %	54.4 %	60.5 %	54.4 %	60.5 %
Gearing ratio, %	52.5 %	44.2 %	52.5 %	44.2 %
Expense/income ratio, %	108.0 %	97.9 %	109.0 %	92.2 %
Personnel and share data				
Number of employees, end of period	88	108	88	108
Number of shares outstanding, end of period (1,000)	13 843	20 267	13 843	20 267
Number of shares outstanding, end of period. diluted (1,000)	13 834	13 824	13 834	13 824
Average number of shares (1,000)	17 055	16 555	17 055	16 555
Average number of shares (1,000), diluted	17 041	16 537	17 041	16 537

*) 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 turnover 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 turnover 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 turnover

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

EBITDA, % of turnover

$$\frac{\text{Operating profit + depreciation and amortization}}{\text{Turnover}} \times 100$$

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, %

$$\frac{\text{Fee expenses + interest expenses + adminstrative expenses+ depreciation and amortization + other operating expenses}}{\text{Revenue total + share of associates' profit/loss(net) + interest income}} \times 100$$

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.

The 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.

Distribution of turnover	**H2/2019**	**H2/2018**	**1-12/2019**	**1-12/2018**
Fees income from UCITS funds	3.2	3.7	6.2	7.8
Fees from AI funds	1.9	1.0	3.2	1.8
Performance-based fees	0.3	1.1	1.2	1.9
Fees from discretionary wealth management	0.8	0.8	1.6	1.7
Fees from the sale of insurance products	0.4	1.1	1.4	1.5
Other investments service and brokerage incomes	1.4	1.4	3.2	3.6
Service income	1.0	0.6	1.5	1.2
Other income	0.0	0.1	0.1	0.2
Total	**9.0**	**9.8**	**18.4**	**19.6**
Timing of performance obligations	**H2/2019**	**H2/2018**	**1-12/2019**	**1-12/2018**
A point in time	2.9	3.2	6.2	6.5
Over time	6.2	6.6	12.2	13.1
Total	**9.0**	**9.8**	**18.4**	**19.6**

5. Intangible and tangible assets

The mergers of the parent company's subsidiaries Elite Partners Ltd and Nousukaari Ltd merged into EAB Group Ltd were carried out on 12 February 2019. The mergers of OX Finance Ltd, Elite Pk-yrityslaina Ltd and Taurus Properties GB Ltd into Elite Sijoitus Ltd were carried out on 31 May 2019. The subsidiary Elite Sijoitus Ltd established company of EAB Credit Fund I GP Ltd on 24 October 2019. The subsidiary Elite Sijoitus Ltd established company of EAB Private Equity Fund I GP Ltd on 1 November 2019. The mergers of Auta Invest Ltd, Smart Money Ltd and TL Trade Ltd into Elite Sijoitus Ltd were carried out on 31 December 2019.

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

31.12.2019 MEUR	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		0.5		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 MEUR	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. Leases liabilities		2.7		**2.7**
Derivatives		0.0		**0.0**
Accounts payable		1.6		**1.6**
Total liabilities	**0.0**	**11.8**	**0.0**	**11.8**

31.12.2018 MEUR	At fair value through the statement of income	Measured at amortised cost of finan-cial assets	Measured at amortised cost of finan-cial liabilities	Book values total
Assets				
Cash and cash equivalents		1.1		**1.1**
Trade receivables		11.7		**11.7**
Shares and units	0.5			**0.5**
Share issue receivables		0.2		**0.2**
Total assets	**0.5**	**13.0**	**0.0**	**13.5**
Liabilities				
Liabilities to credit institutions			7.0	**7.0**
Other liabilities incl. Leases liabilities			2.8	**2.8**
Derivatives	0.0			**0.0**
Accounts payable			0.7	**0.7**
Total liabilities	**0.0**	**0.0**	**10.5**	**10.5**

Fair value levels

31.12.2018 MEUR	Level 1	Level 2	Level 3	Fair values total
Assets				
Cash and cash equivalents		1.1		**1.1**
Trade receivables		11.9		**11.9**
Shares and units	0.5			**0.5**
Share issue receivables		0.2		**0.2**
Total assets	**0.5**	**13.2**	**0.0**	**13.7**
Liabilities				
Liabilities to credit institutions		7.0		**7.0**
Other liabilities incl. Leases liabilities		2.8		**2.8**
Derivatives		0.0		**0.0**
Subordinated loans		**0.7**		**0.7**
Total liabilities	**0.0**	**10.5**	**0.0**	**10.5**

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

	31.12.2019	31.12.2018
Undrawn credit facilities	1.0	0.0

8. 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.

MEUR	1-12/2019	1-12/2018
Sales		
To subsidiaries and associates	0.3	0.0
To company's keypersonels	0.0	0.1
Total sales to related parties	**0.3**	**0.1**
Purchases		
From company's key personel	1.1	1.1
Total purchases from related parties	**1.2**	**1.1**
Trade receivables		
From subsidiaries and associates	0.0	
From company's key personel	0.0	
Total trade receivables	**0.0**	**0.0**
Loans and interest income receivables		
From subsidiaries and associates	0.5	1.2
From company's key personel	0.3	0.3
Total loans and interest income receivables	0.8	1.5
Trade payables		
To subsidiaries and associates	0.0	0.0
To company's key personel	0.0	0.0
Total trade payables		
Other liabilities		
To subsidiaries and associates	0.0	0.2
Total other liabilities		**0.2**

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