

FINANCIAL REVIEW 1-6/2021

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EVLI

Q2 Highlights – Record first half

FINANCIAL PERFORMANCE

- Net revenue grew in each segment
- Group level net revenue at EUR 55.8 million (EUR 33.0 million)
- Operating profit grew nearly three-fold to EUR 24.9 million (EUR 8.6 million)
- Recurring revenue at 127% (121%)

STRATEGY

- AUM reached new all-time high at EUR 16.1 billion
- After difficult COVID year, growth from international markets
- Net subscriptions to alternative funds over EUR 180 million
- Private Debt fund launched with EUR 59 million first closing
- Incentive business attracted customers among non-listed and Swedish clientele
- Climate target for 2050 carbon neutrality set

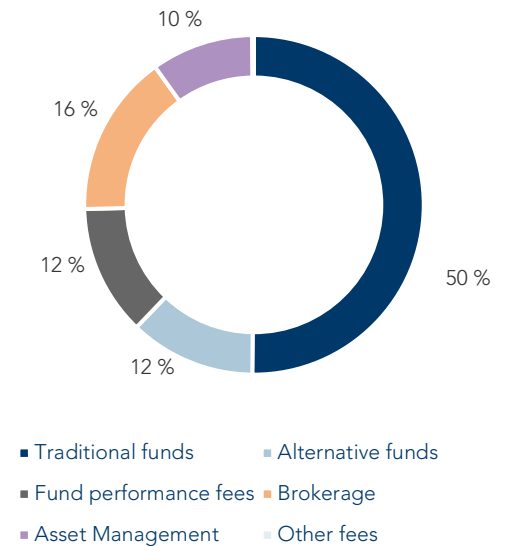
MARKET ENVIRONMENT

- Stock markets continued on growth trajectory during first half
- Expectations towards global growth have increased as vaccination proceeds and economies begin to open up again
- Fear of sudden inflation linger, central banks however calm

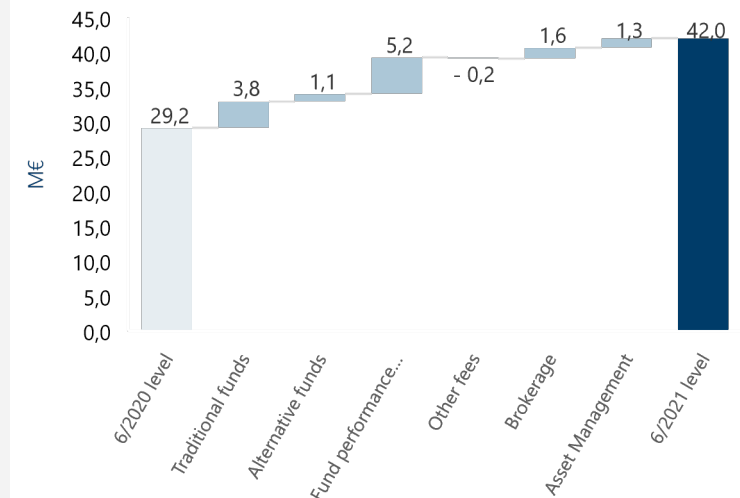
Wealth Management & Investor Clients

- Net revenues increased 45% to EUR 42.2 million (EUR 29.1 million)
- Operating profit increased 88% to EUR 19.1 million (EUR 10.1 million)
- AUM EUR 16.1 billion (EUR 12.9 billion)
 - Discretionary asset management EUR 5.6 billion (EUR 4.9 billion)
 - Mutual funds EUR 7.2 billion (EUR 5.5 billion)
 - Alternative investment funds EUR 1.3 billion (EUR 1.0 billion)
 - EUR 2.1 billion from subsidiaries and associated companies (EUR 1.5 billion)
- Fundraising to alternatives according to expectations
 - Evli Infrastructure Fund I raised EUR 51 million
 - Evli Impact Forest Fund I raised EUR 32 million
 - Evli Private Equity I raised EUR 33 million
 - Evli Private Debt Fund I raised EUR 59 million

Split of Wealth Management fees 1-6/2021



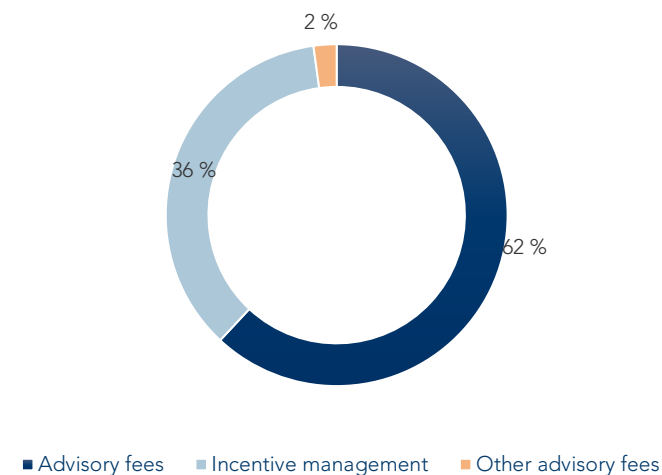
Development of Investor client commission



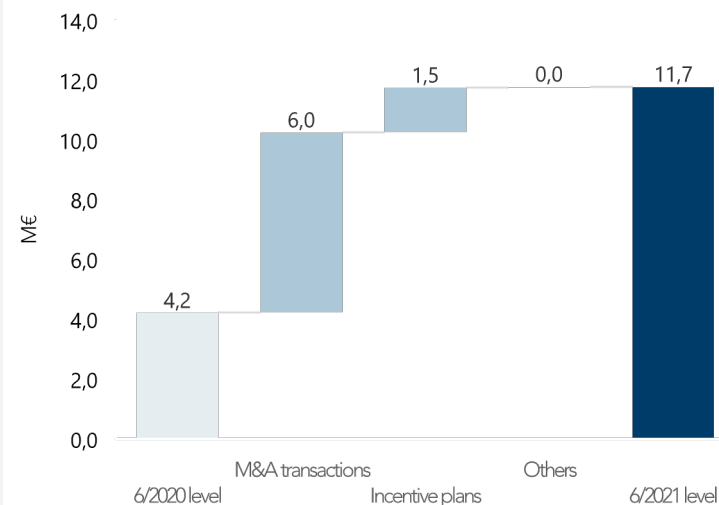
Advisory & Corporate Clients

- Net revenues increased 164% to EUR 11.7 million (EUR 4.4 million)
- Operating profit increased to EUR 5.7 million (EUR 0.9 million)
- Corporate Finance advisory fees grew to EUR 7.6 million (EUR 1.4 million)
 - Acted as advisor in 11 published transactions during Q2
 - Client activity has picked up significantly after a difficult year
 - Mandate base on a good level
- Incentive business revenues increased to EUR 4.2 million (EUR 2.7 million)
 - Revenue development driven by an increase in the number of client companies
 - Strategic drive to grow among non-listed and Swedish companies progressing well
 - The company is responsible for the management of some 100 incentive plans and acts as an advisor to about 110 companies in reward-related planning annually

Split of advisory commissions 1-6/2021



Development of advisory commissions

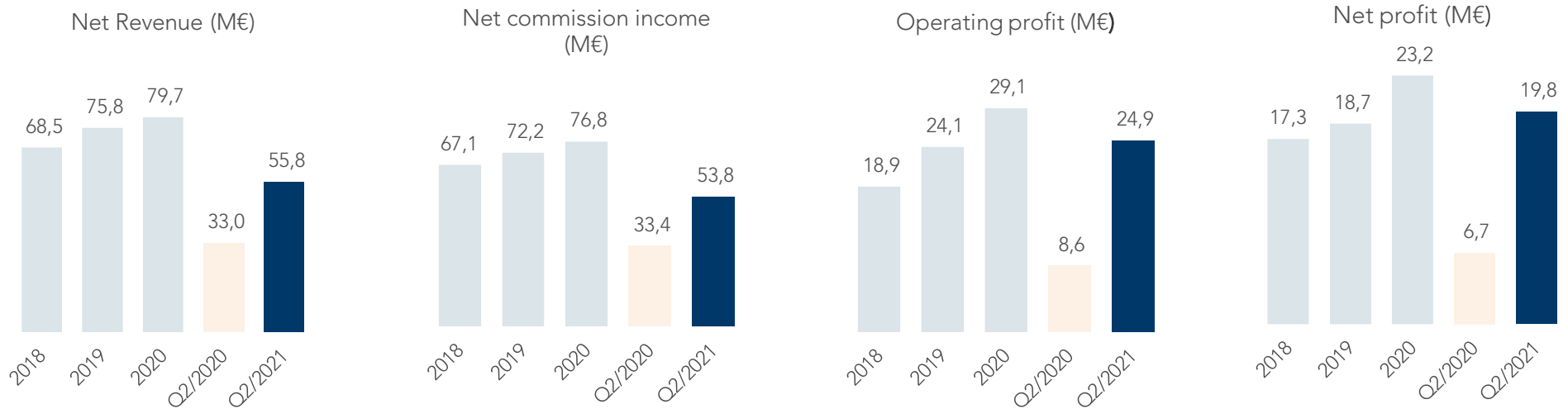


Financial figures 1-6/2021



EVLI

Financial development 2018-2021



KPIs 30.6.2021

Return on Equity
(Target >15%)

37.7%

Recurring revenue ratio
(target >100%)

127%

Assets Under management

16.1

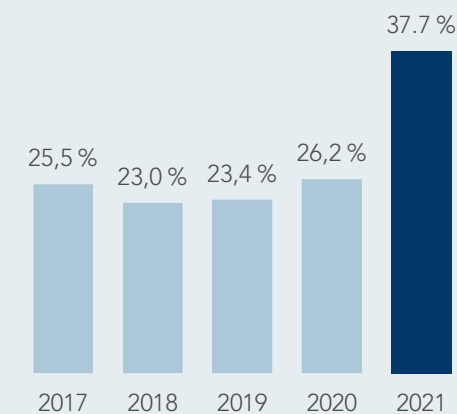
Net Commissions

55.8

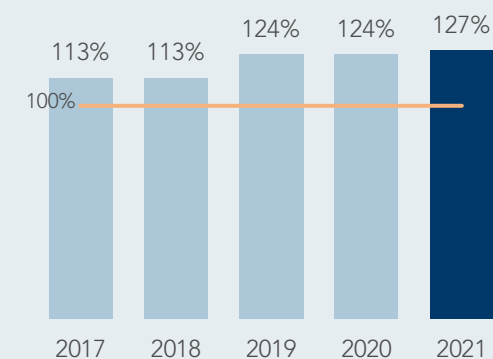
Key figures

	H1 2021	H1 2020	2020	2019	2018
Profitability key figures					
Return on equity (ROE), %	37.7	17.3	26.2	23.4	23.0
Return on assets (ROA), %	5.3	1.4	2.7	2.1	1.9
Balance sheet key figures					
Equity-to-assets ratio, %	15.6	7.9	12.3	8.9	9.5
Capital adequacy ratio, %	15.9	15.3	15.2	15.1	16.2
Key figures per share					
Earnings per Share (EPS), fully diluted, €	0.63	0.25	0.87	0.71	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	0.64	0.25	0.88	0.71	0.67
Dividend/share, €	-	-	0.73	0.66	0.61
Equity per share, €	4.63	3.05	3.86	3.40	3.27
Share price at the end of the period, €	18.80	8.58	12.20	10.40	7.28
Other key figures					
Expense ratio	0.55	0.74	0.63	0.68	0.72
Recurring revenue ratio, %	127	121	124	124	113
Personnel at the end of the period	281	248	261	249	254
Market value, M€	453.3	205.1	294.1	248.6	172.5

Return on Equity (%)



Proportion of recurring revenue to operating expenses (%)



Profit and Loss Statement

M€	4-6/2021	4-6/2020	1-6/2021	1-6/2020	Change, %	2020	2019	2018
Net interest	0.0	0.2	0.1	0.2	-44%	0.2	0.3	0.7
Net commissions	27.8	27.8	53.8	33.4	61%	76.8	72.2	67.1
Net income from securities trading and FX	0.8	0.8	1.8	-0.8		2.4	3.2	0.7
Other operative income	0.0	0.0	0.0	0.0	-	0.2	0.1	0.1
NET REVENUE	28.7	18.8	55.8	33.0	69%	79.7	75.8	68.5
Personnel expenses	-9.9	-7.5	-19.4	-14.1	38%	-30.5	-30.4	-27.9
General expenses	-4.1	-2.8	-8.0	-6.5	24%	-12.5	-14.0	-15.9
Depreciations and amortizations	-1.4	-1.5	-2.4	-3.0	-18%	-5.7	-3.5	-2.1
Other operative expenses	-0.3	-0.5	-1.0	-0.7	56%	-1.7	-3.7	-3.6
Impairment losses	0.1	0.0	0.0	-0.2		-0.1	-0.1	0.0
NET OPERATING PROFIT/LOSS	13.1	6.5	24.9	8.6	190%	29.1	24.1	18.9
Share of profit/loss of associates	0.0	0.0	0.3	0.2		0.4	-0.6	2.6
Taxes	-3.4	-1.7	-5.4	-2.1		-6.3	-4.9	-4.2
PROFIT/LOSS FOR THE PERIOD	9.6	4.8	19.8	6.7		23.2	18.7	17.3
Attributable to								
Non-controlling interest	2.6	0.4	4.4	0.6		1.9	1.4	1.3
Equity holders of parent company	7.0	4.4	15.4	6.0		21.3	17.3	16.0

Balance Sheet

ASSETS, M€	30.6.2021	30.6.2020	LIABILITIES, M€	30.6.2021	30.6.2020
Liquid assets	322.7	337.4	Liabilities to credit institutions and central banks	4.1	7.5
Debt securities eligible for refinancing with central banks	32.1	41.8	Liabilities to the public and public-sector entities	393.1	490.1
Claims on credit institutions	76.5	88.6	Debt securities issued to the public	101.1	139.4
Claims on the public and public-sector entities	106.2	109.8	Derivative contracts and other trading liabilities	17.5	35.1
Debt securities	1.3	62.9	Other liabilities	77.5	155.9
Shares and participations	59.5	54.6	Accrued expenses and deferred income	28.9	18.6
Participating interests	2.8	4.0	Deferred tax liabilities	0.0	-0.1
Derivative contracts	17.6	35.2	LIABILITIES TOTAL	622.0	846.6
Intangible assets	14.9	12.8	Equity to holders of parent company	110.2	71.8
Property, plant and equipment	1.5	1.4	Non-controlling interest in capital	4.9	1.0
Other assets	96.0	166.2	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	737.1	919.3
Accrued income and prepayments	6.0	4.0			
Deferred tax assets	0.1	0.5			
TOTAL ASSETS	737.1	919.3			

Focus in Q3/2021

1. Alternative investment funds – building platform for next generation products

- Preparation work to launch next round of products to existing asset classes
- Launch of new real-estate fund and leverage loan fund

2. International sales

- Broaden presence in Sweden
- New customers from Central Europe

1. Strengthening our position in the domestic market

- Increase client base both among private and institutional clients
- Broadening incentive offering towards non-listed companies and cross sales among existing clients

2. Next steps in partial demerger to banking entity and asset management group

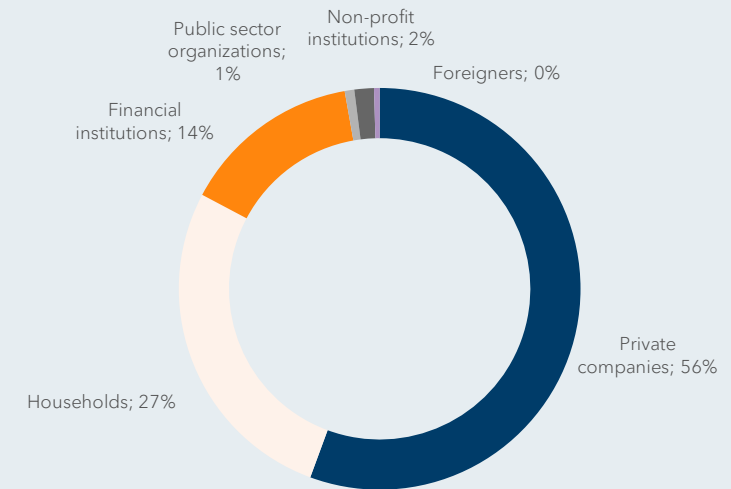


Share Price Development and Trading Volume

Share price development and trading volume* 1.1.2021-30.6.2021



Breakdown of shareholdings by owner group 30.6.2021**



Listed on Nasdaq Helsinki 2015

Market cap M€ 453.3***

Registered shareholders 5,530***

Outlook for 2021 specified

We expect 2021 profit to clearly exceed previous years level

↗ Supporting factors

- Assets under management at new all time high
- More stable alternative investments grown to form a good part of assets under management
- Increased customer demand towards Evli's products and services

Challenges

- ↘ • Risks related to common stock and fixed-income markets remain
- Potential decrease in asset values would impact negatively company's profitability
- Uncertainty related to advisory fees and development of Evli's own investment portfolio



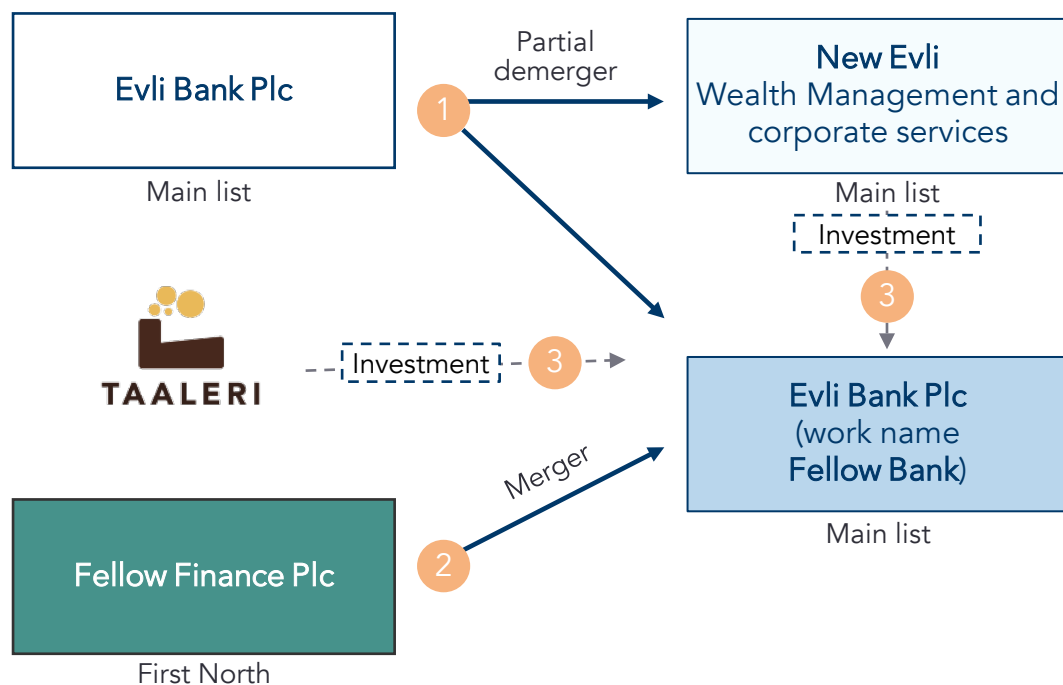
EVLI BANK PLC PARTIAL DEMERGER

Profitable growth through strategic focus



Evli demerger – strategic focus

Formation of new Evli and Fellow Bank



- 1 Evli Bank Plc ("Evli") is planning a partial demerger in which the company will be divided into two companies: Evli Bank Plc ("Evli Bank") and "New Evli"
 - Evli Bank would continue credit institution operations
 - Wealth Management and Corporate services related business and assets would be transferred to New Evli
- 2 After the partial demerger, Fellow Finance Plc ("Fellow Finance") would merge with Evli Bank to form a new banking group, Fellow Bank ("Fellow Bank")
 - Fellow Bank would continue on the stock exchange's main list
- 3 Following the merger, New Evli and Taaleri Plc ("Taaleri") would capitalize Fellow Bank further through a directed share issue so that both own close to 18 percent of Fellow Bank
 - The assets of Fellow Bank through the merger and the new core capital to be raised from New Evli and Taaleri, will guarantee high capital adequacy and enable growing the company
 - The implementation of the above-mentioned arrangement is estimated to take place at the beginning of Q2 2022

Fellow Bank



Evli's current shareholders will own ~ 27% of Fellow Bank directly



"New Evli" has committed to inject EUR 9 million of capital to Fellow Bank and become a major shareholder (17.6 percent)



New Evli will be an active shareholder and a strategic partner to Fellow Bank



New Evli will offer its clients attractive deposit products and rates through Fellow Bank

Effects for Evli's shareholders

1. Evli's shareholders will receive shares from New Evli
 - Two share classes
 - New Evli shares 1:1 reflecting current ownership
2. Evli's shareholders will also hold Fellow Bank shares
 - One share class
 - After merger and directed share issues, Evli shareholders will own ~27 percent of Fellow Bank directly
 - New Evli will have ~17.6 percent ownership in Fellow Bank
3. Excess capital is freed in transaction
 - Net assets of ~EUR 6.5 million to Fellow Bank in demerger
 - Capital investment of ~ EUR 9 million in directed share issue by New Evli
 - Ample amount of excess capital in New Evli after transaction

Additional benefits to Evli

1

More focus to Wealth Management growth strategy

2

Enables creation of growth strategy to banking business through new offering and broader client segment

3

Clearer value proposition for both New Evli and Fellow Bank

4

Lighter administration framework

5

Lower risks

6

Regulation framework to reflect the nature of business

7

Lower capital requirements

8

Increased consolidation capabilities

9

More flexible dividend policy

Evli's strategy

Evli to focus further to the strategic goal of becoming a leading Nordic provider of wealth management and corporate services

Evli's strategy focuses on the development and growth of international sales and alternative asset classes, as well as strengthening market leadership in both private and institutional wealth management and corporate advisory and incentive services

The demerger of credit institution (banking business) will free up both financial and human resources for the continued development of existing and new products and services



Evli's strategic focus areas

Clients

Increasing the client base in Finland and internationally

Digitalization

New digital investment solutions and service models. Utilization of process automation, software robotics and artificial intelligence

Sustainability

Sustainability integrated in all business operations. Target to be carbon net-neutral by 2050 in line with Paris agreement.

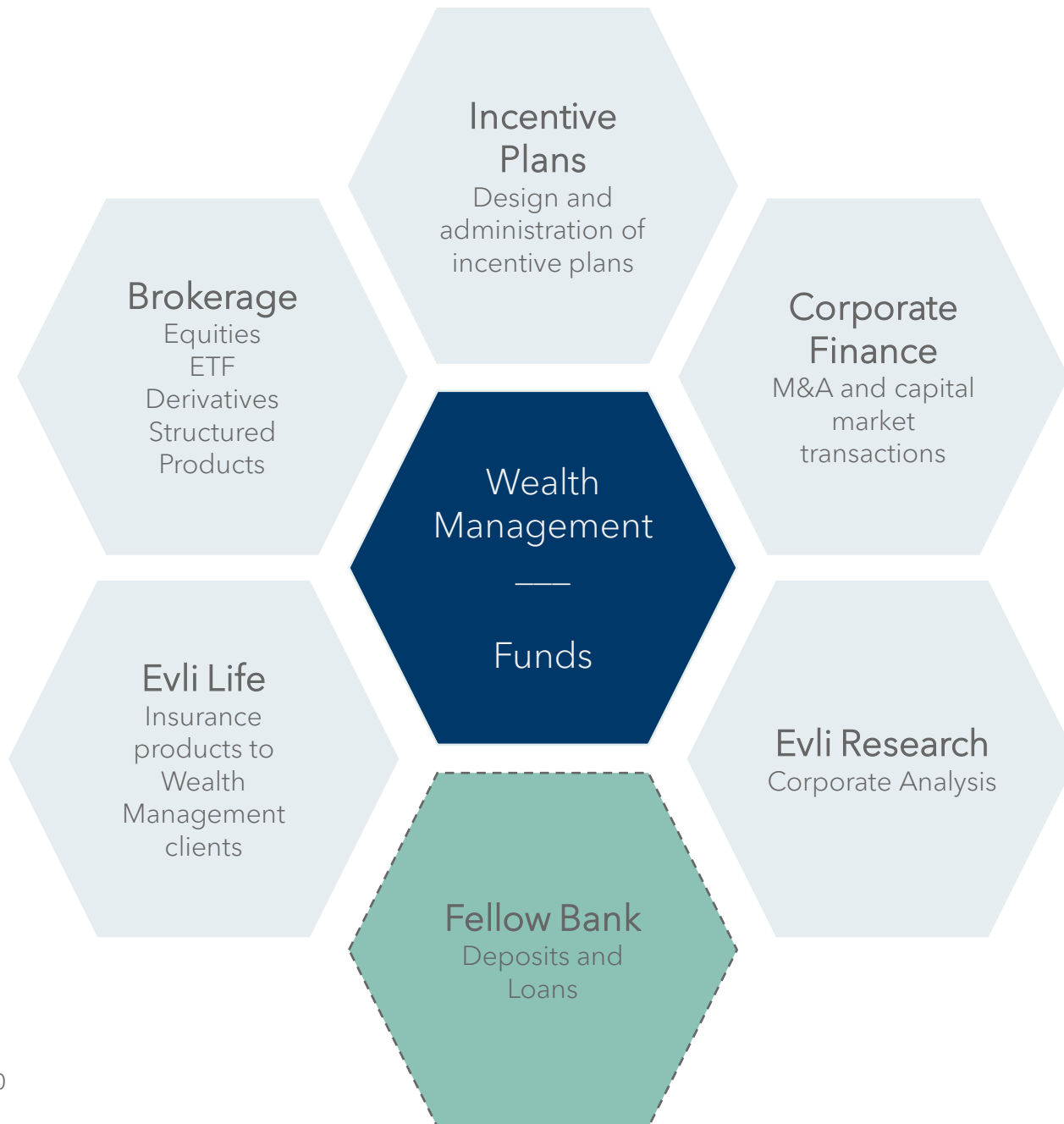
Product offering

broad range of varied alternative investment products to support traditional asset classes, enabling the implementation of a comprehensive and well-diversified asset management strategy

An integrated corporate service model to corporate clients. Partnerships to complement the service offering



Wealth management and funds at the core



Evli's business model characteristics are

Scalability

Growth of AUM and management fees without significant increases on costs

Business positioning

Focus on in-house expertise and long-term client relationships facilitates higher profit-margins

Unique brand

The way to differentiate and stand out amongst competitors

Preliminary Financial targets for New Evli

The Board of New Evli to specify financial targets further during Spring 2022

1.

Return on Equity
(ROE)

> 25 %

2.

Operating Margin
(EBIT)

> 30 %

3.

Recurring Revenue
Ratio

> 130 %

Doubling assets under management in long-term

Disclaimer

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