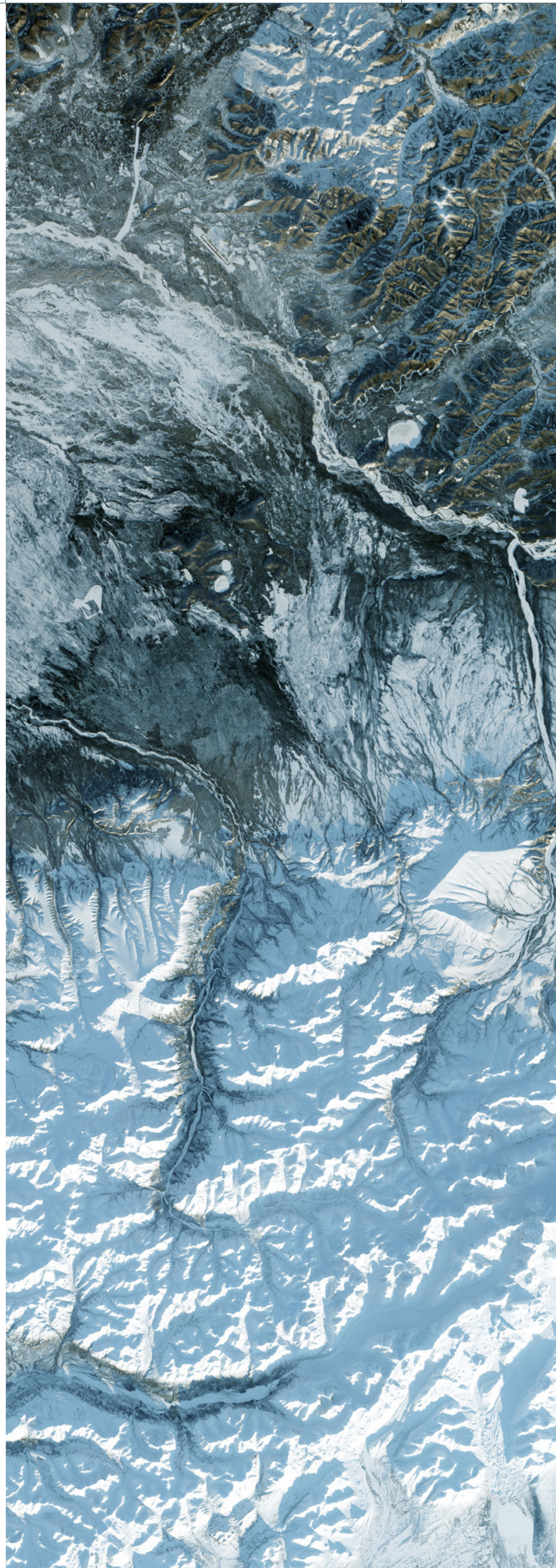
EVLI

WE SEE WEALTH AS AN ENGINE TO DRIVE SUSTAINABLE PROGRESS

EVLI PLC | ANNUAL REPORT | 2023

Contents



BUSINESS OVERVIEW

Evli in brief

On the way to become the leading wealth manager in the Nordics

We see wealth as an engine to drive sustainable progress. We draw on our heritage, broad expertise, and Nordic values to grow and manage wealth for institutions, corporations, and private persons in a responsible way.

Evli is the best fund house in the Nordics[1] and the leading asset manager in Finland[2] offering a broad range of services including mutual funds, asset management, and capital markets services, alternative investment products, equity research, share plan design and administration as well as Corporate Finance services. Responsible investing is integrated in every investment decision and Evli's expertise is widely acknowledged by clients. Evli has Finland's best expertise in responsible investment[3].

Read more at **evli.com** >

1985

Founded in

Sales in

15

countries through own offices and co–operation partners

2015

Listed on the Nasdaq Helsinki main list since

EUR 18.0 billion

Assets under management

~300

Employees

3rd largest

Fund management company in Finland

[1] Lipper Fund Awards 2023, kategoria Small Fund Companies.
[2] Morningstar Awards 2023 (c). Morningstar, Inc. All Rights Reserved. Awarded to Evli for the Best Fund House in Finland. Kantar Prospera External Asset Management 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2021, 2022, 2023 Finland. Kantar Prospera Private Banking 2019, 2020 Finland.
[3] SFR Scandinavian Financial Research Institutional Investment Services Finland 2017, 2019, 2021, 2022; Kantar Prospera External Asset Management 2017, 2018, 2019, 2020, 2023 Finland.

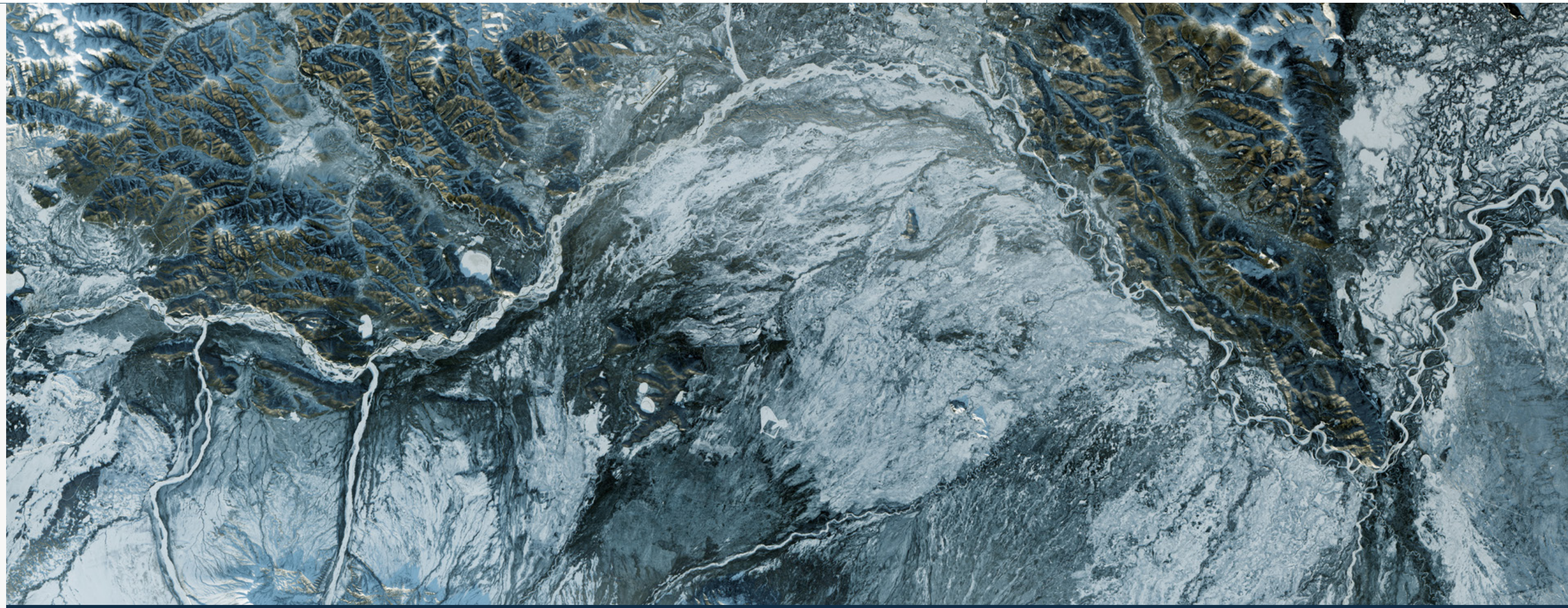
Branding reflects Evli's competitive advantage in different markets

Finland and Sweden

Comprehensive Wealth Management and Investment Banking services for private persons, corporations, and institutions

Internationally

Nordic fund management boutique for institutional investors



Evli's operations are divided into two client segments

Wealth Management and Investor Clients

The Wealth Management and Investor Clients segment offers services to present and future high net worth private individuals and institutions. The comprehensive product and service selection includes asset management services, fund products offered by Evli and its partners, various capital market services and alternative investment products.

Advisory and Corporate Clients

The Advisory and Corporate Clients segment provides corporate and capital management services, including advisory services on acquisitions and divestments, IPOs and share issues. The segment also provides planning and administration of compensation and incentive plans and corporate analysis services for listed companies.

CEO's review

Strong performance in a challenging environment

Inflation, fast–rising interest rates, continued geopolitical unrest, and generative AI characterized 2023. Evli performed strongly in this challenging environment and is now well–equipped for our next growth phase.

2023 was the year of racing inflation and fast–rising interest rates, straining life for families and businesses alike. Towards the end of the year, the stubborn inflation that has plagued much of the world since 2021, showed signs of easing and the European Central Bank ended its run of 10 consecutive interest rate hikes since July 2022. Still, core inflation remained above the 2 percent target, and thus interest rates are expected to remain elevated for some time before hopefully converging together with inflation to a healthy and sustainable level.

Younger generations, who only have experience of a world with low or even zero–level interest rates, have had to adapt to a new reality. For the rest of us, it's a return to an old reality.

It's not necessarily a bad one. A world with no price on money easily becomes a world of excesses, increasing the risk for bubbles. While the move away from a zero–interest rate world has undeniably been painful, it has also presented interesting investment opportunities, offering healthy returns with moderate risk.

Despite warnings of hard landings throughout the year, the US economy held up remarkably well. Economic activity in the EU was more sluggish and will most likely remain so well into 2024.

Growth in a new rate environment

Evli's revenue and operating profit developed strongly during 2023. The net revenue for 2023 was EUR 108.7 million (2022: EUR 96.1 million) and the operating profit was EUR 40.2 million (EUR 30.9 million), largely driven by increased fund fees. Return on equity was 22.8 percent (20.4%) with the ratio of recurring revenue to operating costs being 130 percent (123%).

The mutual fund capital, including alternative investment products, grew to approximately EUR 12.6 billion during the year and clients' assets under management rose to EUR 18.0 billion (EUR 16.0 billion).

Our remuneration services, Evli Alexander Incentive (EAI), continued its uninterrupted growth trajectory of 10 years: revenue increased to EUR 12.2 million (EUR 10.2 million). Incentive compensation gives employees a chance to increase their financial wellbeing, benefiting society as a whole, and I am hence pleased to see that our clients are increasingly interested in broadening their remuneration programs. In 2023 EAI also won new clients in Sweden, where we are expecting further growth in the coming years.

The year was not without its challenges. A trend of lower valuations combined with higher interest rates led to a slowdown in M&A activity and lower trading volumes, resulting in lower commission income for our Corporate Finance unit and brokerage activities.

Evli's international sales, accounting for 19 percent of Evli's total fund capital, faced unexpected headwinds in the early part of the year, but towards the end of the year there were signs of recovery.

After a period of strong interest in alternative funds, the higher interest rate levels together with inflation made investors more cautious towards the end of the year. Still, subscriptions and investment commitments to our alternative investment funds remained at a satisfactory level. In 2023, Evli launched the Evli Impact Forest Fund II, which collected subscriptions totaling approximately EUR 19 million in investment commitments at first closing. In total Evli's Alternative Investment funds collected subscriptions totaling EUR 225 million (EUR 500 million) in 2023.

Responsible investing for real–world change

During 2023, the discussion on ESG[1] regrettably became increasingly polarized. A nuanced discussion aiming to increase overall understanding is more helpful when we are to tackle the multi–faceted, complex challenges the world is facing in climate change and nature loss.

These issues are systemic in nature and hence lack straightforward solutions. Yet, we humans tend to simplify things to be able to make sense of them. But simplifying very complex challenges rarely leads to any common–sense solutions solving real world problems.

ESG is not about right or wrong, black or white. It's a framework, and a very necessary one, to help us measure, categorize, prioritize and improve. To do this, we need data and some form of taxonomy. Yet, the world is far too complex to be captured solely in data and taxonomy. These need to be complemented with a common–sense analysis, where we focus on the whole rather than on selected parts.

Only then can we arrive at what we at Evli call 'responsible investing'.

At Evli, we see responsible investing as an integral part of the risk analysis needed in any kind investment activity. Failing to consider sustainability issues when making investment decisions will compromise long–term value creation.

The key is long–term. While our job as wealth managers is to safeguard our clients from the impact of climate risk, we are also operating on the mandate to manage clients' wealth according to their objectives and investment horizons.

Endeavors aiming at decarbonizing the world are typically capital–intensive and tend to come with longer investment horizons. These features have temporarily reshuffled some investors' priorities.

Still, climate change is not going away and it's clear that radical measures are needed. Necessary actions entail financing new endeavors that ultimately help us decarbonize, but the responsible investor should not categorically shun high–emitting companies either. It is within these companies that the potential for change is the greatest. Active involvement, calling for clear road maps to diversify business portfolios, drives change more efficiently than categorical exclusion.

Evli remains committed to making real–world change happen. During the year, we signed the investor statement on the European Sustainability Reporting Standards (ESRS). We also continued our joint research project together with UNICEF Finland to explore investors' role in promoting child rights. In addition, Evli submitted its interim targets to Net Zero Asset Managers initiative and joined the global Nature Action 100 investor engagement initiative.

Geared for international growth

Diversification will be increasingly important in a tumultuous and uncertain world. We continued to broaden our offering and signed an agreement in November 2023 to acquire 67 percent of Zenito Oy. The Finnish investment service company has an impressive portfolio of funds that are among the best in their international asset classes, including the only precious metal mining fund in Finland.

In 2023, we updated our strategy and identified measures to help us grow substantially to become one of the leading wealth management firms in the Nordics. Encouraged by our proven track record of successful integration of acquired companies, we continue to carefully ponder future acquisitions.

During the year we intensified our operations in Sweden, especially when it comes to funds and remuneration programs. According to the updated strategy, we will continue to develop our operations in Sweden, but also develop our product offering and make sure we remain an attractive employer in the future. Engaging younger generations and creating a diverse working environment is crucial.

2023 was the year when generative AI made a decisive breakthrough, and we have explored AI's possibilities in investment activities as well as taken new tools into use to make our everyday work more efficient. Yet, the human element, be it in making investment decisions or client interaction, will be more important than ever in a turbulent world.

With the accumulated wealth growing in the Nordic countries due to entrepreneurial activity and generational transfer of family assets, I strongly believe that the need for a trusted advisor that can pilot clients towards their objectives, with the foresight the world needs, will increase.

Despite big global challenges, I remain an optimist. The financial resources to tackle these challenges have never been more plentiful. As wealth managers we play an important role in making sure that this capital is allocated wisely.

I want to thank clients, shareholders, and my colleagues at Evli and look forward to continuing our journey together!

[1] ESG stands for Environmental, Social and Governance

Highlights for 2023

03/2023

Morningstar awarded Evli as the best fund house in Finland

Morningstar, a fund research firm, awarded Evli Fund Management Company as the best fund house in Finland in its annual Morningstar Awards comparison. Evli Fund Management Company was also ranked in the top three in the Best Fixed Income Manager category. In addition, the Evli Global B Fund was among the top three in the Global Equities category.

Read more: **evli.com** >

05/2023

Evli was chosen as the best Nordic fund house in the Lipper Fund Awards

The Lipper Fund Awards chose Evli Fund Management Company as the best Nordic fund house in the category Small Fund Companies. In addition, Evli's funds again achieved the top spot both at the European level and in major European countries.

Read more: **evli.com** >

06/2023

Institutional investors ranked Evli the best asset manager in Finland

Evli was again ranked as "the Best Institutional Asset Manager" among 11 asset management companies, in the Kantar Prospera "External Asset Management Finland 2023" –survey. In addition to this, Evli was placed first overall in sustainable investments expertise.

Read more: **evli.com** >

03/2023

Evli joined to support Team Rynkeby's God Morgon charity bike ride

Evli joined as one of the sponsors of the Finnish Team Rynkeby – God Morgon cycling team. The Team Rynkeby – God Morgon Finland is part of a European charity cycling team in which local teams from different countries bike to Paris every year to raise money for seriously ill children.

Read more: **evli.com** >

05/2023

Evli and HJK continued cooperation to support football for young people

The collaboration between Evli and HJK to support children and young people in football was continued in 2023. The aim of the collaboration was to provide all children and youth the opportunity to play football, regardless of family background, financial situation, physical disability or other factors.

Read more: **evli.com** >

08/2023

Partnership between Evli and John Nurminen Foundation to protect the Baltic Sea continued

Evli continued for a third year as a key partner of the John Nurminen Foundation. The Foundation aims to improve the state of the Baltic Sea through projects that deliver measurable results. Another mission of the Foundation is to safeguard the marine cultural heritage.

Read more: **evli.com** >

09/2023

Evli joined the Nature Action 100 initiative to prevent nature loss

Evli joined the Nature Action 100, a global investor–led initiative, which focuses on driving greater corporate ambition and action to reduce nature loss. The initiative engages with 100 companies in key sectors that are deemed to be systemically important regarding nature and biodiversity loss.

Read more: **evli.com**

10/2023

Head of Institutional Clients Mona von Weissenberg was appointed member of Evli's Executive Group

M.Sc. (Econ.) Mona von Weissenberg was appointed as a member of Evli's Executive Group as of October 1, 2023. Von Weissenberg joined Evli at the end of 2022 following the merger of EAB Group Plc and Evli.

Read more: **evli.com**

11/2023

Evli expands its fund offering by acquiring the majority of Zenito Oy

Evli announced the acquisition of a majority stake in a Finnish investment services company Zenito Oy, whose specialized and active investment strategies have produced top results in their comparison groups.

Read more: **evli.com**

11/2023

Evli reached again top positions in the SFR institutional client survey

Evli was awarded the "Silver Award" in the "Institutional Investment Services Finland 2023" survey conducted by SFR Scandinavian Financial Research. Evli strengthened its market position as the leading institutional asset management house. Evli had highest market share as well as was the most used institutional asset manager in Finland.

Read more: **evli.com**

11/2023

Evli continued the study on taking child rights into account in investment activities

Evli continued the research project started with UNICEF Finland in autumn 2022 to find out how Finnish companies take child rights into account in their activities. In the project, Evli explores which industries have risks that may affect child rights and how child rights could be better considered in investment decisions.

Read more: **evli.com**

Business model

Added value with stable earnings development

RESOURCES

PERSONNEL
– 300 investment specialists

OFFICES AND DISTRIBUTION NETWORK
– 7 offices: Helsinki, Lahti, Oulu, Tampere, Turku, Vaasa, and Stockholm
– Distribution through partners and own offices in 15 countries

INTANGIBLE ASSETS
– Products and services
– Brand
– Client relationships
– Social network: partners, distribution network and community relations

FINANCIAL RESOURCES
– Balance sheet EUR 344.7 million
– Equity EUR 137.2 million
– Assets under Management EUR 18.0 billion
– Net revenue EUR 108.7 million

PROCESSES
– Product development
– Sales processes
– Utilization of automation, artificial intelligence and robotization
– Personnel management

Our ambition is to be the leading wealth manager and a responsible, proactive capital allocator in the Nordic region.

BUSINESS AREAS

WEALTH MANAGEMENT AND INVESTOR CLIENTS
Wealth management services, mutual funds, various capital market services, and alternative investment products to private persons, corporations, and institutions

ADVISORY AND CORPORATE CLIENTS
Corporate advisory services, incentive plan design and administration as well as investment research for companies of different sizes

BUSINESS PROCESSES

Self–developed products and services	Individual service combining traditional and digital service models and channels
Perseverance and goal orientation	Stewardship thinking and responsibie operations

Comprehensive support functions and controls including IT, financial administration, back–office, marketing, communication & IR, legal & compliance

STRATEGY
More information on pages 11–15

VALUES
Entrepreneurship, Valuable relationships, Learning, and Integrity

ADDED VALUE AND IMPACTS

CLIENTS
– Products and services that correspond to clients' needs and goals
– Opportunity to tailor service solutions
– Professional and competent service
– Responsible investments

PERSONNEL
– Over 300 investment specialists
– Salary and bonuses EUR 36.0 million
– Pension expenses EUR 5.0 million

OWNERS AND INVESTORS
– Dividend proposal EUR 1.16/share
– Equity/share EUR 5.02
– Stable development
– Responsible investment

SOCIETY AND ENVIRONMENT
– Investments EUR 1.0 million
– Paid taxes EUR 8.2 million
– Collaboration, support and sponsorship with universities as well as sports, culture and the environment

Megatrends and strategy

The world is more prosperous than at any time in history. The wise allocation of this capital is crucial to putting the world on a sustainable path. It requires broad understanding, curiosity, and a strong sense of foresight.

We're living in a time of great upheaval and change

The world is changing due to digital transformation, polarization, financial markets behaving abnormally, and geopolitical unrest. A new generation is stepping into positions within boards and in leadership positions, looking at the world differently and prioritizing different issues than their predecessors.

While short–term geopolitical turbulence and changes in the economy may affect investors' immediate incentives to take a broader view of the world, climate change is forcing everyone to think about the long–term.

Responsibility has become part of investment decision–making. Climate change requires cooperation on an unprecedented scale. Different actors need to work together across national borders and with supply chains, competitors, and customers. It forces companies to reassess their own agenda, in order to enable sustainable development at all levels: not just economic, but also environmental and societal.

We need to think broader to get further.

MEGATRENDS

Geopolitical unrest

The Russian invasion of Ukraine and the unrest in the Middle East as well as increased confrontation between the great powers are increasing uncertainty in the markets.

Macroeconomic turmoil

Sharply risen interest rates and inflation that has remained clearly above the central banks' targets are slowing down growth and economic prospects.

SHORT–TERM — LONG–TERM

Climate change

Climate change has forced the world to grapple with perhaps the greatest global challenge in history. It will require cooperation on an unprecedented scale.

Generation shift

A new generation of consumers, workers, and leaders demand concrete action to put the world on a sustainable path, both environmentally and societally.

We see wealth as an engine to drive progress

Evli see wealth as an engine to drive sustainable progress. We draw on our heritage, broad expertise, and Nordic values to grow and manage wealth for institutions, corporations and private persons in a responsible way.

Evli's offerings include mutual funds, asset management and capital markets services, alternative investment products, equity research, share plan design and administration as well as Corporate Finance services. Responsible investing is integrated in every investment decision and our expertise is widely acknowledged by our clients.

We are in a vanguard position to steer capital sustainably in the Nordic region. We believe that wealth and sustainability drive positive change together. Evli has the expertise, the vision, and the courage to initiate and drive the discussion on the initiatives that long–term value creation enables both for individuals, society, and our planet.

The Evli way of working

Over time, our founders' entrepreneurial attitude, courage and curiosity evolved into a unique way of working that fuels our work every day. Our way of working is deeply rooted in our four values: entrepreneurship, valuable relationships, learning, and integrity.

– An entrepreneurial attitude gives everyone the freedom to act on opportunities.
– We foster good relations with each other and with our clients. We value our relationship with each other and want to help our colleagues succeed. We are inspired by and want to inspire our clients. We walk alongside them.
– Constant learning means that we always strive to become better and are curious to explore new opportunities.
– Integrity means for us that we stand behind our decisions and have the courage to say no.

Long–term growth and development

Evli's long–term goal is to be a growing and profitable asset manager with a unique customer base and a broader international business. We want to be the forerunner in responsible wealth management in the Nordics, and in this way help our clients in managing their wealth to support a sustainable future. The cornerstones of our growth are finding and developing new investment solutions, leveraging digitalization, creating a unique client experience, and integrating responsibility into business operations.

"We want to be the forerunner in responsible wealth management in the Nordics, and in this way help our clients in managing their wealth to support a sustainable future."

Evli's constant pursuit is to create an even more scalable business model. Digitalization will play an important role in this, as Evli streamlines its investment and brokerage processes. The service experience seamlessly integrates traditional personal service with the use of electronic channels and digital services.

We aim to simplify both our own and our clients' investment processes and offer unique product and service solutions to our clients. Succeeding in this will enable Evli to achieve its business objectives of clear revenue growth, strong profitability, and a competitive return on equity.

Revenue growth will be pursued primarily organically and, where possible, through acquisitions. In wealth management, the company's most important business area, growth is sought by increasing both the assets under management and the number of new client relationships. In addition to Finland and Sweden, Evli also sees growth potential in asset management in other Nordic countries and Europe.

Client's interest always come first

Evli strives to create long–term client relationships. The company's client base is focused on institutional investors, other professional operators as well as wealthy and affluent individuals.

"We are our clients' wise and savvy pilot that scans wide in order to see far."

To serve a demanding client base, Evli constantly invests in finding and developing new investment solutions. The work towards development and innovation draws on both the strong expertise and specialized knowledge of businesses and their different perspectives on markets and client needs.

The unique service experience is underpinned by Evli's corporate culture, which is based on a mindset where the client's interests always come first and where the client's assets are managed as well as our own assets. It is based on hard work and resourcefulness, customer service and teamwork, building excellence and integrity in all our activities. Moreover, in an increasingly unpredictable world, Evli strives to be one step ahead of our clients so that we can guide them in an uncertain future. We are our clients' wise and savvy pilot that scans wide in order to see far.

Responsibility is part of business operations

Responsibility has already long been a part of Evli's investment activities. Evli's ability to integrate responsibility throughout its operations is essential to creating value. In asset management, Evli's most important area of operation, factors related to sustainability are systematically integrated into investment activities and portfolio management. Evli is constantly looking for new ways to further improve the sustainability of its products and services. More about Evli's sustainability and responsible investment practices on page 17–53.

Financial objectives

Evli's strategy is guided by its long-term financial targets:

- Significant growth of AUM (EUR 30 billion) over the long-term
- EBIT margin of 30%
- High return on equity (25%)
- Recurring revenue ratio in excess of 130%.

Evli's strategy

VALUES

Entrepreneurship

– An entrepreneurial attitude gives everyone the freedom to act on opportunities.

Valuable relationships

– We value our relationship with each other and want to help our colleagues succeed.

– We are inspired by and want to inspire our clients. We walk along side them.

Learning

– We always strive to become better and are curious to explore new opportunities.

Integrity

– We stand behind our decisions and have the courage to say no.

STRATEGIC FOCUS AREAS

Client experience

New investment opportunities

Responsibility

Digitalisation

TARGETS

Significant growth of AUM (EUR 30 billion) over the long–term

EBIT margin of 30%

High return on equity (25%)

Recurring revenue ratio in excess of 130%

AMBITION

Our ambition is to be the leading wealth manager and a responsible, proactive capital allocator in the Nordic region.

MEGATRENDS

Geopolitical unrest

Macroeconomic turmoil

Climate change

Generation shift

CORNERSTONES OF THE STRATEGY	OUTCOME 2023	TARGETS 2024
CLIENT EXPERIENCE – Increasing the client base in Finland and internationally – Perceived as "Simply Unique" by clients	**CLIENT EXPERIENCE** – Total assets under management of EUR 18.0 billion (2022: EUR 16.0 billion) – International assets under management EUR 2.4 billion (2022: EUR 2.2 billion) – Evli has been ranked in top positions in Kantar Prospera's survey for over 10 consecutive years in terms of overall quality: the first in seven years and the second in four years[1]	**CLIENT EXPERIENCE** – Deepen the presence in chosen markets – Strengthen the presence in Sweden – Expand the customer base – Stay the best and most used asset manager in Finland
NEW INVESTMENT OPPORTUNITIES – Mutual Funds and alternative investment products to private clients and institutions – Development of the integrated corporate service model to corporate clients	**NEW INVESTMENT OPPORTUNITIES** – Assets under management in mutual funds EUR 9.9 billion (2022: EUR 8.6 billion) and in alternative investment funds EUR 2.7 billion (2022: EUR 2.4 billion) – New mutual fund Evli Impact Equity – New alternative investment funds Evli Impact Forest Fund II and Evli Private Debt II	**NEW INVESTMENT OPPORTUNITIES** – Launch 1–2 new traditional mutual funds – Launch 1–2 new alternative investment funds
RESPONSIBILITY – Responsible products and services – Positive influence on society and the environment	**RESPONSIBILITY** – Stronger climate commitment & biodiversity work: launching the biodiversity roadmap, updating the Climate Change Principles, and publishing intermediate targets in relation to the Net Zero Asset Managers initiative – Continuing the study with UNICEF Finland on how investors and asset managers can promote child rights – Systematic engaging with companies independently and together with other investors – Evli was awarded for Finland's best expertise in responsible investment[2]	**RESPONSIBILITY** – Continue work on climate change, biodiversity, and human rights – Continue ESG integration, through among others internal ESG training and the development of data capabilities and reporting – Further improve the diversity of personnel
DIGITALISATION – New digital investment solutions and service models – Streamline investment and brokerage processes	**DIGITALISATION** – Developing processes, systems and offering using artificial intelligence – Launching new features in the My Evli online service – Launching new system for client communication	**DIGITALISATION** – Develop internal processes using artificial intelligence – Promote process development to support the strategic focus areas – Finalize the process for becoming a client – Develop new functionalities for the My Evli online service

[1] Kantar Prospera External Asset Management 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 Finland
[2] Kantar Prospera External Asset Management 2017, 2018, 2019, 2020, 2023 Finland

CASE

Revolution ahead: AI impacts on economy, earnings & market trends

When ChatGPT, a chatbot based on large language models, was launched in November 2022, it garnered 100 million users in less than two months. Following in ChatGPT's footsteps, similar software applications were introduced also by Google and Meta in 2023.

Prior to this, AI had primarily been a tool harnessed by major tech giants, often referred to as the "Magnificent 7" – the seven largest US companies. By 2023, AI technology became accessible to both the general public and smaller enterprises.

Despite these advancements, investors remained relatively cautious, often comparing the rise of AI to other recent hypes like SPACs and cryptocurrencies.

"However, AI is more than just a passing trend. It has the potential to revolutionize the way we work and significantly boost economic growth," says **Peter Lindahl**, Head of Systematic Funds at Evli.

Impact of AI on the economy

The potential of AI to boost economic growth is significant, evoking memories of the productivity surge that the ICT revolution ignited nearly three decades ago. Capital Economics points out that from 1995 to 2005, technologies such as the Internet increased US productivity by 1.5 percent annually. According to both Capital Economics and Goldman Sachs, the influence of AI might achieve similar heights in the upcoming years.

"The magnitude of this impact will however vary across countries and industries. Countries where innovation is robust and where companies actively invest in research and development are poised to emerge as frontrunners. Presently, the US appears to be the evident leader in this domain," states Lindahl.

Investment opportunities

Naturally, AI presents investment opportunities. Investors should distinguish between the AI hype and genuine investment ideas. While many AI–centric firms have risen in value, technology companies' growth outlook has concurrently been revised positively. For example, Goldman Sachs predicts that potential earnings for software firms could rise by 46% from current baseline levels, driven by AI.

"At present, the most promising AI investment opportunities are in US growth companies, predominantly within the tech sector. As AI evolves, opportunities will diversify across sectors and countries," says Lindahl.

The early beneficiaries of this technological wave are semiconductor and cloud companies. As previously noted, the software sector is also poised to lead in the development of AI products and solutions for both businesses and consumers.

However, there remains a looming risk of an investment bubble on the horizon. A recent report from Goldman Sachs, though, shows that the tech sector's valuations are currently far from bubble territory.

AI trends

Most AI–related innovation, R&D, and investments are concentrated in the US. In the long run, many global companies will benefit from AI, with varying degrees of impact.

"US growth stocks have excelled in 2023, even with rising bond yields, which usually challenge such companies. However, a specific subset of growth stocks, the unprofitable ones, has been impacted by higher interest rates. In contrast, many profitable growth firms are capitalizing on the AI trend," states Lindahl.

"AI is likely to influence markets for an extended period, bolstered by an improved economic and earnings growth outlook. Therefore, at least for the present, AI emerges as an investment theme that seems somewhat insulated from the effects of rising interest rates and a potential economic downturn."

RESPONSIBILITY

Responsibility

Wealth and responsibility drive positive change together

At Evli, responsibility has been an integral part of business for years and we are actively developing responsibility in our operations. Responsibility is also one of Evli's strategic focus areas. Evli has been awarded several years for the best expertise in responsible investment in Finland[1].

Responsibility built on Evli's values and transparency

Evli's business starts with clients and understanding their needs. The company's primary responsibility is to grow clients' wealth responsibly, according to their individual goals. Evli's client relationships are long-term and based on mutual trust and ethical business practices. When we help individuals and companies prosper in the long-term, we create progress also on a larger scale.

Evli's development and business opportunities depend not only on the trust of its clients, but also on the trust of its employees, owners, investors, partners, and society. To maintain and strengthen this trust, Evli must be proactive, transparent, highly ethical, and responsible in all aspects. Responsibility is based on Evli's values: entrepreneurship, valuable relationships, learning, and integrity. These values also form the foundation for the ethical principles which direct the actions of Evli and its employees and which guide the company's relationship with its clients and other stakeholders.

Evli seeks to be a responsible member of society and is committed to taking into account both the direct and indirect environmental impacts of its operations. Because corporate responsibility is part of Evli's everyday business operations, its annual report includes a corporate responsibility report. The responsibility section includes detailed information on how responsibility has been integrated into business operations and what indicators have been deemed essential for measuring Evli's responsibility.

[1] SFR Scandinavian Financial Research Institutional Investment Services Finland 2017, 2021, 2022; Kantar Prospera External Asset Management 2017, 2018, 2019, 2020, 2023 Finland

Responsibility report based on stakeholders' expectations

At Evli, responsibility is broadly defined as financial, social, and environmental responsibility. Ongoing dialogue with stakeholders is very important for Evli, as it helps to develop responsible ways of working and doing business. In 2018, for the first time, Evli conducted a materiality analysis for its key stakeholders to ensure that its responsibility report and responsibility priorities for the coming years reflect stakeholders' expectations and focus on issues that are material to the company. In 2020, the material topics were reassessed to ensure that these remain relevant and properly grouped. Based on the re-evaluation, the material topics remained unchanged, but the grouping was changed by dividing the material topics into three main groups: base, development areas, and focus areas, covering a total of eleven most relevant topics. In 2023, no changes were made to the analysis.

The materiality analysis has taken into account the importance of the issues raised for stakeholders and for Evli's business. The more detailed grouping also takes into account the opportunity for Evli to develop these areas to make its business more responsible. The base of the grouping are topics that create the foundation for business operations and are directly related to stakeholders' confidence in Evli and its business. At the middle of the grouping are the development areas, which are relevant to Evli and its stakeholders, enabling even more responsible business, and are partly determined by laws and regulations. At the top of the grouping are the focus areas of Evli's responsibility work. These are the topics that Evli has identified as significant to ensure its future competitiveness and create added value for its stakeholders in the long-term.

As a result of the materiality analysis, Evli has recognized, among others, that in improving responsibility and regarding environmental impacts, the single most important factor in Evli's operations is the responsibility of the company's investment operations and taking this into account in the product and service range.

Continuous dialogue with stakeholders

Evli's principal stakeholders are its clients, personnel, shareholders, investors, the authorities, partners, and media. An active and open dialogue with these principal stakeholders helps Evli to identify the areas of its operations that should be prioritized and developed. Regular discussions with different stakeholders form a foundation for understanding their views and needs. Correspondingly, it is important to tell stakeholders about the company's goals, execution policies, values, and changes in the operating environment. This helps create a common understanding and trust concerning business operations and factors that influence them.

Grouping of material topics based on the materiality analysis

Focus areas

- Responsible investing
- Profit performance
- Fairness: equality, non-discrimination and diversity
- Attractive employer

Prioritized areas of responsibility work at Evli. These have been identified as important to ensure Evli's future competitiveness and create added value for its stakeholders in the long-term.

Development areas

- Responsible marketing
- Work well-being and health
- Education and development
- Direct environmental impacts

Issues relevant to Evli and its stakeholders that enable more responsible business operations. Determined in part by laws and regulations. However, Evli itself determines how much it develops these areas of responsibility in order to be a more responsible company and to meet stakeholder expectations now and in the future.

Base

- Customer privacy protection and data security
- Taxes and tax footprint
- Prevention of corruption, bribes and money laundering

Areas that are fundamental to trust in the financial industry and are directly related to stakeholder confidence in Evli and its business. These are always handled in accordance with current legislation and regulatory requirements.

STAKEHOLDERS	STAKEHOLDER'S EXPECTATIONS	CHANNELS	EVLI'S ACTIONS IN 2023
CLIENTS	– Competitive products and services – Useful auxiliary and advisory services – Reliability, data protection – Service channels that meet needs – Responsible operations	– Questionnaires and client feedback – Websites and social media channels – Client meetings, events and webinars – Emails, newsletters and phone calls	– One new Article 9 UCITS fund and two new alternative investment funds were launched – The climate commitment was reinforced providing more specific milestones for the Net Zero Asset Managers (NZAM) initiative – Customer and investment product specific sustainability reports were published as part of reporting – Information in accordance with the Sustainable Finance Disclosure Regulation (SFDR) were given for funds and asset management strategies – Internal processes were developed to improve operational efficiency and customer service
PERSONNEL	– Fair treatment and open interaction – Job stability and competitive pay – Opportunities for professional development – Occupational health and well–being	– Intranet and HR personnel system – Occupational healthcare – Performance reviews and training events – Personnel surveys and other internal surveys – Personnel events	– The expertise and knowledge of the employees were developed – Operations were developed based on personnel surveys – Coaching was offered to management and employees on the theme of creating quality communication and encounters – The recruitment process and trainee program were developed
SHAREHOLDERS AND INVESTORS	– Creating long–term value – Profit performance – Dividend and good return on equity – Capital adequacy – Responsible operations	– Interim and half–year reports, financial statements bulletins and annual report – Corporate Governance Statement – Remuneration policy and report – Stock exchange and press releases – Annual General Meeting, Investor and analyst meetings – evli.com	– Evli updated its strategy – Operations were developed to create long–term stable financial performance – Economic, social and environmental aspects were taken into account in operations – Corporate transactions to increase efficiency and growth.
PARTNERS (INCLUDING AGENTS AND DISTRIBUTORS)	– Fair and equal treatment – Competitive products and services – Reliability and capital adequacy – Two–way communications	– evli.com – Meetings and training – Emails and phone calls	– Information and trainings about new products and services – Operational development based on feedback received – Open communication and continuous dialogue
THE AUTHORITIES	– Compliance with laws and regulations, integration of sustainable development with operations – Open, transparent and reliable reporting – Continuous interaction	– Phone calls and emails – Participation in events and training	– Compliance with new laws, regulations and provisions and developing business operations to adapt to changes in the operating environment – Open communication and continuous dialogue
MEDIA AND JOURNALISTS	– Relevant, reliable and open communications – Expertise	– Press and stock exchange releases – Press events and interviews – evli.com and social media channels – Monthly reviews, newsletters, emails and phone calls	– Multi–channel communication on topical matters – Prompt replies to inquiries and interview requests from the media – Media meetings
LOCAL COMMUNITIES	– Employment opportunities – Co–operation with universities – Support to communities and co–operation with businesses	– Meetings, events and webinars – evli.com and social media channels	– Universities' activities were supported – Summer employments and the trainee program were developed – Continued support for sports and cultural activities and environmental actions.

Focus areas in Evli's responsible operations in 2023

In 2023, Evli's sustainability work was divided into responsible products and services, responsible governance, and responsibility as an employer. In terms of responsible products and services, the focus areas were responsible marketing, customer privacy protection and data security, and responsible investing. The focus areas for responsible governance were profit performance, taxes and tax footprint, prevention of corruption, bribery and money laundering, and direct environmental impacts. As a responsible employer, Evli's focus areas were fairness, health and well–being at work, training and development, and employer branding.

Responsible business supports the company's value creation

Responsible products and services

- Responsible marketing
- Customer privacy protection and data security
- Responsible investing

Responsible governance

- Profit performance
- Taxes and tax footprint
- Prevention of corruption, bribes and money laundering
- Direct environmental impacts

Responsible employer

- Fairness: equality and diversity
- Health and well–being at work
- Training and development
- Employer branding

Responsible products and services

Evli's key principle is to offer products and services that meet its clients' needs and goals. In selling products and services, Evli focuses on ensuring that clients understand the product or service they are buying and the associated risks, as well as ensuring that the product or service suits the clients' investment goals. At Evli, responsible investing means that environmental, social, and good governance (ESG) factors are an integrated part of portfolio management.

Responsible marketing based on integrity, clarity, and transparency

Evli aims to be the leading asset manager and responsible capital allocator in the Nordic region. Achieving the aim, is supported by Evli's corporate culture, which is based on a mindset where the client's interests always come first and where the client's assets are managed as well as our own assets. It is based on hard work and resourcefulness, customer service and teamwork, building excellence and integrity in all Evli's activities. Moreover, in an increasingly unpredictable world, Evli strives to be one step ahead of our clients so that we can guide them in an uncertain future. The cornerstone of this kind of operation is that Evli knows its clients and becomes familiar with their business and financial situation as required by the client relationship. This enables Evli to offer every client such products and services that fit their needs and goals and to ensure that clients truly understand the product or service they are buying.

Transparent products and services that promote clients' needs improve client satisfaction. Evli measures client satisfaction. monitors clients' opinions by collecting feedback from them. By measuring client satisfaction Evli wants to identify issues that clients consider relevant, develop them, and quickly react to problems. In addition to Evli's internal client satisfaction surveys, Evli takes part in annual surveys conducted by external parties concerning wealth management.

Results and priorities for 2023

- In Kantar Prospera's "External Asset Management Finland 2023" survey, Evli was ranked "the Best Institutional Asset Manager" among 11 asset management companies. Evli has been leading the Kantar Prospera survey for over 10 years, based on the overall quality assessment. Evli was also the most used institutional asset manager in Finland for seventh year in a row.[1]
- In the SFR institutional client survey, Evli was awarded the "Silver Award" for excellence in asset management and mutual fund services in 2023. Based on the overall quality, Evli was ranked third in the survey. In addition, Evli clearly strengthened its market position as the leading institutional asset management house. More than 72 percent of the respondents use Evli's institutional asset management and mutual fund services.[2]

Customer data protection as a basis for trust

In Evli's operations, particular attention is devoted to data protection and the safeguarding of the client's privacy protection in the processing of personal data. Personal data is used for taking care of client relationships, offering products and services, direct marketing, and risk management. Evli is committed to processing personal data in accordance with the laws, appropriately and transparently. Personal data is processed in compliance with the EU's General Data Protection Regulation (GDPR) and specific legislation for the financial industry.

Evli Group has several person registers for managing personal data, each of which has a separate data protection notice. Data security is improved on a continual basis to ensure that it meets the requirements of the authorities, clients, and the changing operating environment.

Results and priorities for 2023

- Evli invested particularly in data protection by reviewing internal practices with an external partner.
- New employees joining Evli were trained in Evli's data protection and digital security.

[1] Kantar Prospera External Asset Management 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 Finland
[2] SFR Institutional Asset Management 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023

Responsible investment at Evli

At Evli, we believe that taking responsibility issues into account in investment decisions, alongside the analysis of key financial figures, increases understanding of the investment target and the risks and opportunities associated with it.

Responsible investment is integrated into investment activities and reporting

At Evli, responsibility factors have been integrated into the investment activities of Wealth Management, which means that responsibility is systematically considered in portfolio management. In practice, for listed investments this is done through an internal ESG[1] database based on sustainability data produced by MSCI ESG Research and ISS ESG, as well as through information published by companies and attained through company meetings. The ESG database provides portfolio managers with easy access to companies' ESG data when making equity and fixed income investments. For example, portfolio managers can search for companies' responsibility assessments (the so–called ESG scores), information on the share of revenue generated by controversial activities and any ESG violations, as well as information on companies' emissions and emission reduction targets, and how companies are aligned with the Paris Climate Agreement.

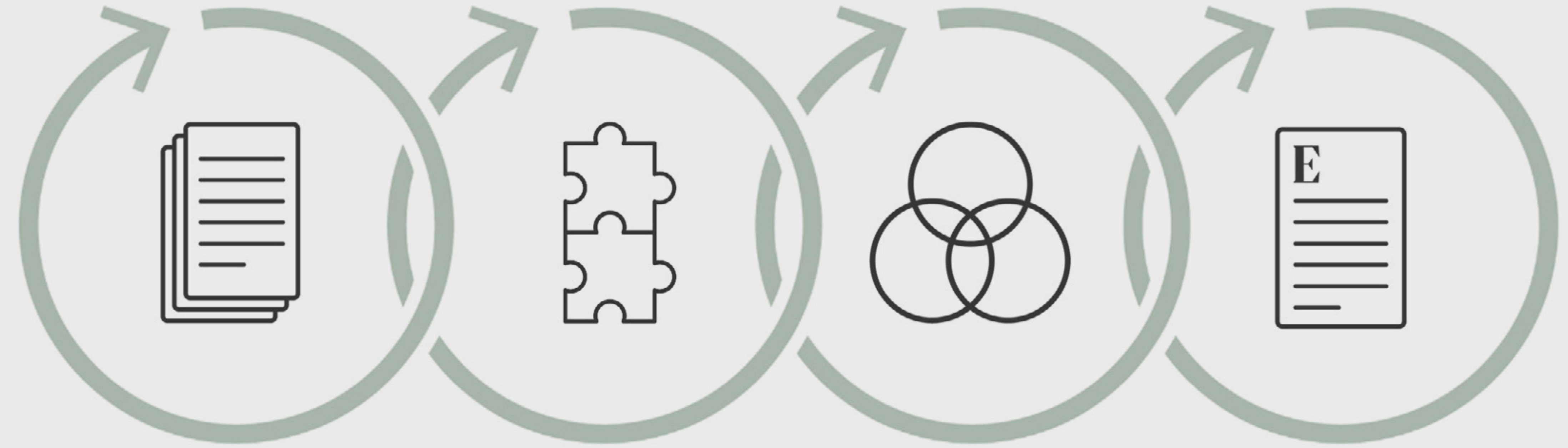
The ESG database is also used for reporting purposes. Evli publishes public ESG reports on all its equity and corporate bond funds, allowing anyone to monitor the responsibility of Evli's investments. In addition to ESG and UN Global Compact analyses, the ESG reports show the development of the investment's ESG ratings as well as the investment's reputational risk, carbon footprint, and company specific ESG data for the ten largest holdings. Furthermore, Evli reports on a semi–annual basis the responsibility of its clients' equity and corporate bond investments in separate client–specific responsibility reports.

[1] ESG stands for Environmental, Social and Governance.

An investment specific ESG analysis is part of all investments, including those for alternative investment funds. In the Evli Private Equity, Evli Infrastructure and Evli Private Debt funds, each new target fund is analyzed against the same ESG criteria, and investments are only made in funds that meet the criteria. The funds are also analyzed according to the same criteria during the investment period, and the ESG analysis data is transparently available to investors. Similarly, in Evli's growth company funds, ESG analysis and value creation are a key part of the investment process. Examples of portfolio work include the creation of ESG principles and KPI metrics together with each target company.

With its real estate funds, Evli works in a socially responsible manner and demands the same from its partners. In addition, through concrete measures Evli is able to influence the energy efficiency of buildings and the construction's carbon footprint. Evli's forestry funds identify ESG risks and opportunities in their target funds as well as measure and report on the carbon impact of the funds annually. The funds invest in sustainable commercial forestry that produce renewable, environmentally friendly products for a range of end uses. Sustainable forest management is ensured through third–party forest certification schemes, such as FSC and PEFC.

Four Pillars of Responsible Investing at Evli



Principles for Responsible Investment

- Policies by asset classes
- Separate Climate Change Principles and engagement policy
- Climate Target and Biodiversity Roadmap for taking biodiversity into account
- Internal division of responsibilities and governance model

ESG –integration in investment process

- Responsibility analysis as part of the investment decision–making
- Asset class–specific responsibility expertise
- Responsible investment team as support for portfolio managers

Engagement and active ownership

- Independent discussions with companies
- Collaborative engagement and investor initiatives
- Asset class–specific engagement and active ownership

Reporting

- Comprehensive and transparent reporting at fund and client level
- Responsible Investment Annual Report overviews annually progress in responsible investing

More responsible practices through engagement

Evli analyses its actively managed equity and corporate bond funds and the direct investments made by Wealth Management every three months to identify potential non-compliance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and to ensure compliance with Evli's Climate Change Principles. The UN Global Compact is an international corporate responsibility standard that requires companies to respect human rights, fight corruption and take environmental issues into account. The UN Guiding Principles on Business and Human Rights informs how states and companies should implement their obligations and responsibilities. The OECD Guidelines contain recommendations for multinational enterprises made by governments. The recommendations consist of voluntary principles and standards of responsibility and the application of legislation to international business. Information on non-compliance is available from the MSCI and ISS ESG databases and other sources such as news reports.

Each case of non-compliance and violation of the Climate Change Principles triggers a pre-defined process at Evli. First, the case is discussed with the portfolio manager, after which Evli's Responsible Investment (RI) team analyses the company's situation. The RI team has two options for further action:

1. Initiate measures of engagement

2. Exclude the investment.

The cases calling for engagement that have come to light in the quarterly inspections mostly concern environmental problems, human rights, workers' rights, or actions to mitigate climate change. Evli does not disclose the names of the companies with which it engages, as it believes that engagement with the company in a confidential manner is more effective.

Evli also engages companies related to different ESG themes and participates in various collaborative engagements and initiatives with other investors with the aim of making the operations of even more companies responsible. Responsibility is also systematically raised with the companies and partners of the alternative investment funds taking into consideration asset class-specific differences and best practices.

CASE

What is an investor's role in combating climate change and biodiversity loss?

Climate change and biodiversity loss are a systemic risk, and its management is resource intensive. Investments can change the world for the better.

We know that the climate is warming and biodiversity is declining, but what are we going to do about it? According to **Mikko Spolander**, Director General of the Economics Department at the Ministry of Finance, continuing the current way of consuming the planet's resources will become impossible before long, but a radical cut in our living standards is not realistic either.

The global average temperature increase might be stopped by reducing our living standards or by developing and introducing more efficient and cleaner technologies.

"We should make such drastic reductions in our living standards over the coming decades that I don't think it's possible. Adaptation to such changes is comparable to a situation where our living standards in Finland would fall to the level of early 1950s by 2050," Spolander comments in light of his calculations.

Therefore, Spolander puts his faith in technology and in the production and consumption based on more sustainable clean energy and recycling of materials, all generated by technology. Technology and industrial restructuring require innovation and fresh solutions which, in turn, open the door to the redistribution of markets and new success stories.

The change will require significant investments by the public as well as the private sector, and at least in the beginning we have to compromise on other aspects for their sake. However, according to Spolander, Finland cannot afford to be a bystander as then we would be unable to offer solutions to global markets and our competitiveness would be undermined.

Economic value of nature must be made visible

The megatrends report of Sitra, published in early 2023, highlights the erosion of nature's carrying capacity as a key challenge of our time and emphasizes that the slower we change our ways, the worse the impacts of biodiversity loss will become.

"Biodiversity loss presents a systemic risk to the financial markets, too," reminds Outi Haanperä, project director of Sitra's Nature and the economy project.

More and more individuals, companies and public operators are aware of the risks and impacts of biodiversity loss but carry on living as before. According to Haanperä, change is only achieved by making the economic value of nature visible in decision–making. She gives forests and wood as an example.

"We recognize very well the value of wood as a raw material and know the price of logs per cubic meter and the forest industry's share in exports. But forests provide a huge number of other benefits as well."

Trees sequester carbon, cool down and control local climate, promote biodiversity, contribute to human wellbeing, and prevent erosion. These important services are not visible, however, in our current way of valuing nature.

Haanperä says that the economic value of biodiversity can be better showcased by pricing nature risks in financial markets and putting a price on burdening nature. Mechanisms included in the latter are, for example, sustainable growth tax reform and introduction of ecological compensations. In addition, Haanperä believes there is room for innovative investment products in the markets.

Change is also an opportunity

Investments are not only an interesting global question, but also a local one. Finland's export potential of climate–aligned solutions is significant: up to 85–100 billion dollars by 2035 according to Boston Consulting Group's estimate. In terms of export, climate–aligned construction, bio–based materials as well as green hydrogen and green metals, for example, are interesting industries.

Spolander sees the consulting firm's estimate as large, but he believes Finland is in a position to become a great exporter – compared to its size – of climate–aligned and green knowledge and technology. The realization of investment plans relating to green energy and industries in Finland would be significant for the economy too. Government, companies, and investors alike will play a key role in the change.

Spolander and Haanperä were guest speakers at Evli's internal ESG training days for portfolio management in November 2023.

Focus areas for responsible investing 2023

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

Results and priorities for 2023

- Evli launched a new ESG report for the Evli Euro Government Bond fund. The ESG report will be published once a year, and it includes country–specific information on, for example, investments' carbon footprint as well as on the social and governance factors.
- In respect of the Sustainable Finance Disclosure Regulation (SFDR), Evli published the necessary information on its funds that are disclosed before investing, in accordance with the regulation. As part of the annual review of the funds, Evli published its periodic reports on how the sustainability characteristics of the equity and fixed income funds were met during 2022, as required by the SFDR. The corresponding periodic report was also published on alternative investment funds as well as on a portfolio–basis for asset management clients.
- Evli reported on the company–level PAI[1] indicators and adverse sustainability impacts in accordance with the regulation schedule at the end of June. Evli has also developed its monitoring and analysis process of the PAI indicators.
- In May, Evli organized an ESG seminar where investors and experts discussed the most important responsible investment themes. Incorporating biodiversity into investing took center stage in the keynote presentations and the panel discussion.
- Trainings on the SFDR reporting and responsible investing were arranged for Evli's personnel in the spring of 2023. In November, Evli organized portfolio management's ESG training days for over 50 people. The main themes of the training days were climate, biodiversity, and children's rights.
- Evli participated in general meetings of 27 companies and engaged 37 companies independently. The general meetings were attended by voting in advance or attending physical meetings. Prior to the general meetings, Evli engaged with eight companies in relation to good governance. Furthermore, Evli engaged with 19 companies in relation to climate targets and/or principles. In addition, ten engagement discussions and/or emails were also related to changing a company's operating practices, a suspected breach of norms, environmental issues, social responsibility in companies' subcontracting chains, for example, and developing companies' sustainability activities. Evli also participated in companies' materiality analyses, discussed sustainability themes with other stakeholders and actively participated in consultation discussion of the SFDR with various actors. In addition to its independent engagement, Evli was involved in collaborative engagement initiatives and/or investor letters, such as the Action 100+ initiative and the CDP investor letters.
- Related to the quarterly monitoring of norm violations, Evli excluded three companies from its investment universe. Of the exclusions, one was due to a serious environmental controversy and two due to a serious human rights violation. Evli's Responsible Investment team also dealt with two companies on suspicion of being related to nuclear weapons, and after the processing, both companies were excluded.
- Evli's Climate Targets' Working Committee continued its active work and set up smaller focus groups to focus on various climate work aspects. As part of its work towards climate targets, the principles of climate change and responsible investment were updated, especially in relation to exclusion and engagement. The update resulted in four companies being moved to the list of excluded companies. The following points of the principles were updated, for example:
  - With thermal coal and oil sands, the revenue threshold for exclusion at Evli was set at 10 percent. In accordance with the principles, it is accepted to depart from the exclusion if the company has a concrete plan to change its procedures and/or the company supports Just transition.

[1] Principal Adverse Impact, i.e. PAI indicators mean indicators that describe adverse impacts of investment decisions on sustainability factors.

- In addition to revenue restrictions, Evli does not finance new thermal coal–fired power plants, thermal coal mines or oil sands projects that are in the planning or construction stages.
- In the summer of 2023, Evli submitted a more detailed interim target to the Net Zero Asset Managers (NZAM) initiative. Evli's equity and corporate bond funds are included in the first interim target. With other asset classes, the work will be continued in accordance with Evli's road map of climate targets. Furthermore, the interim target consisted of three separate targets for investments, which are discussed in more detail on page 52.
- In July, Evli signed, together with other investors, the investor statement on the European Sustainability Reporting Standards (ESRS) of Eurosif, PRI, IIGCC, EFAMA and UNEP FI. The statement calls on the European Commission to uphold the previously set policies of the ESRS reporting to address the current data gaps of the European Union's sustainable finance rules.
- In September 2023, Evli joined the global Nature Action 100 initiative, which focuses on driving necessary corporate action to reverse nature loss.
- During 2023 Evli continued its research on biodiversity metrics regarding, for example, portfolio–specific analyses and TNFD reporting framework development. In December, Evli published Evli Wealth Management's biodiversity roadmap which sets action steps for 2023–2025 to consider biodiversity. The purpose of the roadmap is to gain a better understanding of the impact of investments on biodiversity, to promote Evli's biodiversity research and to develop biodiversity–related reporting.
- As part of its human rights work, Evli continued its joint research project it started together with UNICEF Finland to find out how investors can advance the fulfilment of children's rights. Evli was an expert in a benchmark survey conducted by UNICEF Finland of Finnish companies as well as considered ways to integrate children's rights more broadly into responsible investment practices. In addition, Evli constructed an extensive sector–specific, children's rights analysis primarily from the point of view of Finnish companies. In 2023, the sector analysis was developed for two sectors; as for other sectors, the work will continue in 2024. Evli was also interviewed about its work to promote children's rights by UNICEF's global Child–Lens Investing Framework publication.
- Evli's equity and fixed income funds were granted the ESG4Real certificate in the fall. ESG4Real is a non–profit and politically independent certificate that provides a foundation for responsible investment and analysis of ESG factors and provides independent quality assurance on how asset managers meet these requirements.
- In December, Evli's product range expanded with the Evli Impact Equity Fund that invests its assets mainly in the developed and emerging markets' equities without geographical restrictions. The fund invests in companies that, based on a sustainability and impact analysis, are engaged in economic activities that are considered to be materially sustainable and contribute to selected United Nations Sustainable Development Goals (SDGs). The fund is an Article 9 fund, so the aim of investment activities is to make sustainable investments in assets to contribute to positive, measurable social and environmental impact.
- In 2023, Evli's alternative investment funds also systematically developed responsible investment practices. Here are some examples of them:
- In the Evli Private Equity, Evli Infrastructure and Evli Private Debt funds, responsible investment work continued with an ESG analysis of 13 new funds, and the fund managers were provided the results of the previous year's ESG survey, so that they get feedback on their performance, in relation to the peer group, in various aspects of responsible investment. In addition, in the annual ESG assessment, more detailed bilateral discussions with the low performers among the target fund managers on their development areas were held. At the end of the year, the fund team also familiarized itself with the anti–ESG movement, which started in the United States, and analyzed its possible effects on the US target funds and specified the ESG survey's questions related to climate and biodiversity.
- In 2023, the growth company fund, Evli Growth Partners I, continued its work on climate in terms the calculation of carbon emissions and offsetting. In the Evli Growth Partners II fund, the calculation of carbon emissions and offsetting was performed for the fund's companies for the first time in 2023. For both funds, for the first time, data on the PAI indicators was collected and companies' capacity to check their business partners and key employees for sanctions was examined. In addition, two out of the three new investments of the Evli Growth Partners II fund drafted a responsibility policy. In the growth company funds, many portfolio companies also updated their ESG policies, and three companies published an extensive public report on the responsibility of their operations. For the new portfolio company, a sustainability analysis was made as part of the due diligence process, and the findings will serve as the basis for the ESG policy and the company's targets for the coming year.
- In EAB Private Equity's target companies, responsible investment activities were continued. Depending on a company's growth and holding period, an own responsibility policy and description on the integration of responsibility into the companies' business strategy was made or will be made. In the most recent investment, an ESG assessment was carried out as part of the due diligence inspection. In one target company, tailored

ESG training was arranged for the Board of Directors and management. All target companies also received one or more ISO certifications and published a whistleblowing channel. At the end of 2023, EAB Private Equity and Evli Growth Partners arranged a workshop for their portfolio companies that covered preparation for the CSRD directive and best practices and offered the participants an opportunity for peer learning and networking.

- In 2023, in Evli's real estate fund operations, operating models were combined, and new common responsible activities were planned. In addition, it was decided to make the real estate funds' first own responsibility report, and one quarter of the funds participated in the global GRESB (Global Real Estate Sustainability Benchmark). In properties owned by funds, several sustainability activities were carried out, such as energy efficiency projects and energy audits, and energy certificates were renewed. Furthermore, real estate funds engaged in active stakeholder engagement. The annual tenant satisfaction survey examined the tenants' views on responsibility. Tenant events were organized in many properties to improve understanding of responsible practices and of reducing environmental impact. As for suppliers, responsible operating models were demanded and monitored.
- In 2023, the Evli Impact Forest Fund I developed an ESG survey and assessment of its investee funds and assets. The questionnaire sought answers to issues related to the climate and biodiversity actions of investee managers. In addition, in 2023 the new Evli Impact Forest Fund II was launched, which continues its predecessor's investment strategy and seeks to create a positive carbon impact. In both funds, the performance fee received by Evli depends on the achievement of the stated carbon dioxide removal targets.

"We want to strengthen our position as a forerunner in responsible wealth management. We are committed to providing our clients with innovative, responsible, and impactful investment opportunities."

- Evli's responsible investment performed excellently in external evaluations, too. Evli was placed first overall in sustainable investments expertise in Finland in the Kantar Prospera's "External Asset Management 2023 Finland survey[1]. In the annual institutional investors' SFR customer survey Evli was ranked second in responsible investment expertise in Finland among large asset management companies[2].

You can read more about Evli's responsible investing and its development at **evli.com**. Evli also reports its climate risks according to the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework. The 2023 TCFD report can be read on pages 46–53.

[1] Kantar Prospera External Asset Management 2017, 2018, 2019, 2020, 2023 Finland
[2] SFR Scandinavian Financial Research Institutional Investment Services Finland 2017, 2021, 2022

CASE

Evli's new equity fund promotes a low carbon, resource efficient economy and human development

In late 2023, Evli launched a new Article 9 equity fund, Evli Impact Equity, which responds to investors' interest in investing to promote a low carbon, resource efficient economy and human development.

The Evli Impact Equity fund invests its assets both in developed and emerging markets' equities without geographical restrictions. The fund focuses on companies operating in areas such as power generation, renewables, environmental infrastructure, resource efficiency and reliability, provision of affordable and accessible education, and health care.

Aiming a positive environmental and social impact

Evli Impact Equity is specialized in impact investing. Impact investing in listed equities is about investing in companies that with their products, services, or technology or with significant turnaround of operations, contribute to transition to low carbon, resource efficient economy and human development. Impact investing also aims to generate competitive financial returns relative to broad stock market performance over the long term.

Evli Impact Equity measures contribution to positive environmental and social impact with real indicators such as renewable energy capacity added, energy savings, and life expectancy improved.

"Climate action urgency, regulatory pressure, technology advancement, and responsible consumption preferences create huge investment opportunities. According to McKinsey estimates transition to net zero emissions requires ca USD 9.2 trillion annual capital spending during 2022–2050[1]. Many investors have set goals to transit to global net zero emissions in 2050," says **Olga Marjasova**, Fund Manager of the Evli Impact Equity.

"With the Evli Impact Equity fund we want to contribute to the transition to low carbon economy by investing in companies whose products, technology and at times significant operation transition make achievement of net zero emissions possible."

Impact is integral part of fund investment process

Evli Impact Equity has defined an investment process on how to implement environmental and social impact objectives with portfolio holdings. First, impact objectives are stated and company activities relevant to contribute to objectives are screened. Then, quantitative and qualitative evaluation of impact potential and investment case is done. The fund also engages with companies on impact management and measurement as well as issues regarding environmental and social sustainability and good governance. The results will be reported on an annual basis in the fund's allocation and impact report.

The Evli Impact Equity complements Evli's broad range of funds and strengthens Evli's position in sustainable investing.

[1] McKinsey, The net–zero transition. What it would cost, what it could bring, January 2022

Responsible governance

Evli's operations are always based on good governance, legislation, and official regulations. In addition, integrity and ethical operations are considered the foundation of sustainable business.

Profit performance forms the core of financial responsibility

Financial responsibility is fundamental to Evli's operations. Financial responsibility means maintaining competitiveness, strong performance and good profit performance. These factors enable profitable growth and thus add value in the long–term to all Evli's key stakeholders: clients, society, personnel, and shareholders. Evli aims to improve profit performance by enhancing operating efficiency, innovating new products and service solutions, and developing its core processes. A financially solid company can shoulder its responsibility for the environment, look after its personnel, meet its clients' needs and serve society. Evli's goal is to increase the sales of its existing wealth management services, mutual funds, and alternative investment products in Finland and to increase the international sales of selected funds. The goal is also to bring new products and service solutions to the market, which will help to achieve a positive result development. In addition, Evli's aim is to enhance its operations in order to ensure the competitiveness of services and continuity of operations in the future.

Evli aims to be an interesting investment, both from the perspective of dividend income and the increase in share value. Evli avoids unnecessary risks and concentrates on moderate, long–term growth and development. With responsible operations, Evli creates long–term value for the owners and improves the ability to react to the opportunities and risks arising from economic, social, and environmental megatrends.

Results and priorities for 2023

- Evli Group's net revenue increased by 13 percent compared to the previous year and was EUR 108.7 million (1–12/2022: EUR 96.1 million). The rise was driven by the acquisition of EAB Group Plc, successful new sales, and positively developed financial markets.
- During January–December, net subscriptions of EUR 0.5 billion were made to Evli's traditional mutual funds (EUR –1.2 billion).
- The sales and product development of the alternative investment products performed well considering the market situation: in total, subscriptions and investment commitments to alternative investment products were made to the value of approximately EUR 225 million during 2023 (nearly EUR 500 million).
- Evli's international sales faced unexpected headwinds in the early part of the year, but towards the year-end there were signs of recovery. At the end of December, EUR 2.4 billion of Evli's fund capital came from customers outside Finland (EUR 2.2 billion).
- In 2023, Evli updated its strategy and identified measures to help us grow substantially to become one of the leading wealth management firms in the Nordics.

Taxes are paid in accordance with local legislation in each country of operation

Evli's head office is located in Finland. The company also has branch offices and subsidiaries in Sweden and the United Arab Emirates. In each country, Evli pays its taxes in accordance with the local legislation. Evli is committed to ensuring that it complies with all statutory obligations, and it discloses all required information to the relevant tax authorities and engages in an open discussion with them. Evli considers compliance with tax legislation as an important part of its corporate responsibility.

Results and priorities for 2023

- Evli paid a total of EUR 8.2 million in taxes (2022: EUR 5.8 million).

Corruption, bribes, and money laundering not acceptable

Evli does not accept corruption, bribery, or any other illegal activity under any circumstances. Evli's ethical principles guide its personnel in this matter. For example, employees will not offer, demand, or accept inappropriate gifts, trips, or payments. Moreover, there is an internal guideline on hosting in the company's name and giving business gifts.

Evli plays an important role in preventing money laundering and the funding of terrorism. For this purpose, Evli has clear operating instructions that apply to the entire personnel. In addition to statutory obligations, preventing money laundering is part of Evli's risk management and an important part of its business operations. Knowing the client is an integral part of the prevention of money laundering. Therefore, before a new client relationship is formed, the client's information is always analyzed as required by guidelines based on the law. All personnel who have direct contact with clients must take part in annual training events on money laundering and knowing the customer. Evli has also adopted an active role in developing the regulation and good operating practices in the industry.

Evli provides an opportunity to report violations through the whistleblowing procedure. If an employee suspects that unethical activities have occurred or that someone has engaged in activities that violate the law, regulations, the authorities' instructions, or Evli's internal guidelines, a separate procedure is available with dedicated guidelines that the employee can follow to report the matter.

Results and priorities for 2023

– No cases of corruption, bribery or money laundering were reported in Evli's operations.
– Training events were mainly regarding prevention of money laundering and funding of terrorism.

Environmental impacts of Evli's own operations

Evli's own operations do not have any significant immediate environmental impacts. The company's principal environmental impacts are related to its investment activities. However, Evli is aware that it can promote positive environmental impacts through its own operations by reducing the energy consumption and CO2 emissions of its offices and paying attention to the environmental impacts of waste and consumption of paper. Unnecessary travel is avoided by favoring telephone and video conferences. Employees continuously strive to reduce their ecological footprint in their everyday work.

Evli has set a target to be net zero in terms of emissions from its own operations (Scope 1 and 2) by 2025 at the latest.

Evli's head office in Helsinki has been awarded the LEED[1] Gold certification, one of the world's best–known green building certificates.

It is also important for Evli to increase environmental awareness among its clients and employees and offer products and services that help to mitigate harmful environmental impacts. With the continuous development of digital transaction channels and utilizing the opportunities given by technology, Evli offers new forms of services that have a smaller environmental impact than before.

Results and priorities for 2023

– Evli continued the development of its digital channels (website evli.com and the My Evli online service) in order to, among others, reduce the amount of paper reporting.
– Evli's energy consumption was five percent higher than in the comparison period. The increase was mainly due to expanded office space.

[1] LEED=Leadership in Energy and Environmental Desig

Responsible employer

As an employer, Evli is committed to creating responsible and high-quality work-life experiences for its employees and job applicants. Responsibility and responsible working practices are based on Evli's values: entrepreneurship, valuable relationships, learning, and integrity. Fairness, which encompasses equality, non-discrimination, and diversity, is an integral part of Evli's responsibility.

Evli's success is based on the professional skills of its employees and their ability to create new solutions, added value for the benefit of the clients and to serve them professionally. Evli believes that employee commitment and thriving at work is reinforced by creating a flexible, efficient, and balanced work community, which is characterized by innovativeness and the capability to develop and bring about change.

To ensure that the best experts in the business will serve clients also in the future, Evli pays particular attention to employee development and motivation. In addition to competitive pay, personnel benefits include expert level occupational healthcare services and varied opportunities for developing skills.

Most of the personnel work in Finland

At the end of 2023, the Evli Group had 354 employees, up by 2.9 percent on the previous year. Of the total personnel, 94 percent worked in Finland, approximately five percent in Sweden and nearly one percent in the United Arab Emirates.

The total number of new hires in 2023 was 29. The number of new employees does not include summer workers and trainees. The average personnel turnover was 6.8 percent.

[1] Includes both trainees and summer workers.

[2] Includes both permanent and temporary employees with full-time contracts.

PERSONNEL DATA	2023	2022	2021[6]	2020[6]
Personnel	354	344	290	261
Permanent	316	294	251	233
Temporary[1]	38	50	39	24
On study or parental leave	5	11	7	4
Full time[2]	327	312	244	240
Part time[3]	27	32	39	21
Women/men (%)	38/62	38/62	38/62	39/61
Average age	41	40	40	41
Average period of service (years)	8.33	7.97	9.3	10.5
Average personnel turnover (%)[4]	6.8	8.3	10.0	8.0
New hires[5]	29	29	32	20
Sickness absences, days/person	3.0	2.2	1.8	1.2
Occupational accidents at work	4	1	0	0
Training days/person	3.0	1.0	1.3	1.0
Personnel covered by performance reviews (%)	100	100	100	100

[3] Includes both permanent and temporary employees with part-time contracts.

[4] Personnel turnover was calculated using the following formula: ((Number of new persons employed Jan 1–Dec 31 + number of employees leaving Jan 1–Dec 31)/2)/number of employees on Dec 31.

[5] Includes conversion of fixed-term contracts into permanent contracts during the year.

[6] The figures for 2020–2021 are those of Evli Pankki Plc. Evli Plc was created by a partial demerger from Evli Bank Plc on April 2, 2022.

The figures in the table represent the situation on the last day of the year in question (31 December) and relate to persons employed by Evli. In addition, at the end of 2023, Evli employed 7 people under consulting or similar contracts to complement its own staff.

Diversity and equal opportunities

Evli Group's diversity is based on its values, ethical principles, and Human Resources Policy. Evli commits to creating a workplace that is non-discriminatory, open, and positive and in which all employees are treated equally, irrespective of gender, age, ethnic or national background, nationality, language, or faith. Diversity is taken into account in all personnel management from hiring to career advancement and development. All employees have equal opportunities to advance in their career.

Efficient diversity management and promotion of equality help improve work well-being, increase employee commitment, and fulfil the employees' competence potential. In addition, diversity increases innovation, productivity, and the company's competitiveness.

The diversity goals provide the guidelines for Evli's diversity and equality work and set a target level for Evli to achieve in promoting diversity across the organization. The diversity goals also define the guidelines for increasing gender equality and, where possible, promoting the employment of people from different language and ethnic groups in Finland. The diversity goals apply to all Evli's functions, and progress on achieving these goals is monitored annually.

One of the key elements of attaining the diversity goals is the recruitment process. All recruitment is based on fairness, transparency, and equity. The aim is to ensure that all qualified applicants have an equal chance of being selected. In addition to recruitment, equal treatment is ensured to all in the division of work tasks and career advancement.

Diversity strengthens Evli's goal of having a Board whose overall competence profile supports the development of Evli's business. Diversity is seen as a key success factor that enables Evli to reach its strategic goals and continuously improve its client-centric operations. The Board has a Diversity Policy, which includes the principles of diversity.

The diversity of the Board is viewed from different perspectives. For Evli, the essential factors are the Board members' versatile and complementary expertise, experience from various industries and management, and the personal qualities of the members. The age and gender distribution of the Board members are taken into account, which supports the diversity of the Board. The actualization and development of diversity towards the goals is evaluated in the annual self-evaluation discussion of the Board. Additional information about diversity of the Board of Directors is found on page 141.

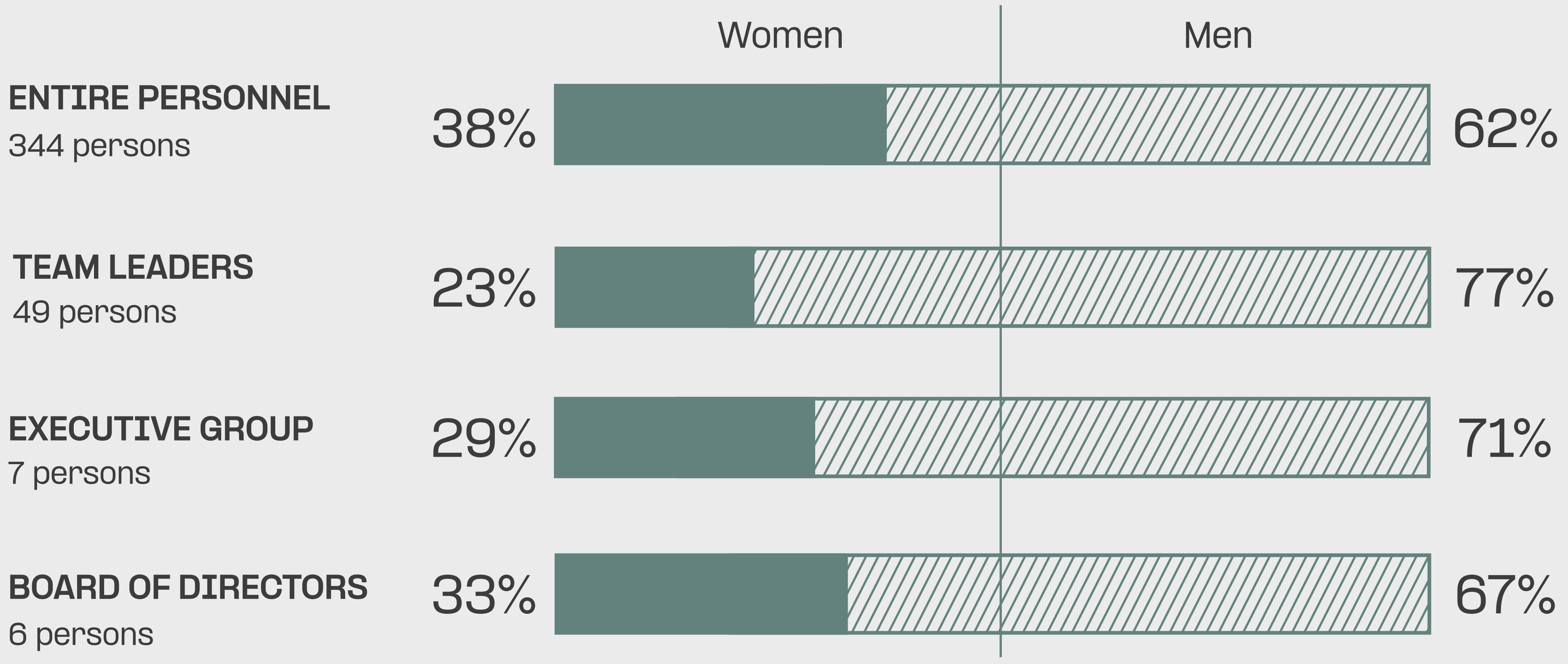
Results and priorities for 2023

- Evli's recruitment process was improved, and recruitment was further enhanced with a focus on diversity, for example by cooperating with various stakeholders to make the investment industry more attractive to women.
- In 2023, the trainees selected for the trainee program were of different genders. In all recruitment, the most suitable person, regardless of gender, was always selected.
- Progress was made on improving the representation of the under-represented gender on the Board, and currently two of the six members of the Board are women.
- In the autumn 2023, a second female member was appointed to Evli Group's six-member Executive Group.

EVLI'S DIVERSITY GOALS

- The long–term goal is gender balance in the organization.
- The minimum amount of under–represented gender in the Board shall be 40% by June 2026.
- The recruitment process will be further developed, and greater attention will be paid to diversity in recruitment, for example by working more closely with stakeholders, including students, to make the investment industry more attractive to women.
- In recruitment, the most suitable person for the position is always selected.
- We ensure that there are always candidates of different genders when filling leadership positions.
- Both genders must be represented in the group of people selected for the trainee program.

EVLI'S DIVERSITY 2023



Employee well–being is taken care of

Motivated and committed employees whose well–being are at a high level are vital to Evli's operations, development, and profitability. Evli's goal is to develop and promote the comprehensive well–being of the employees and invest in preventive well–being measures. Evli also aims to provide its personnel with a good and safe working environment that promotes well–being and job satisfaction for all.

One of the key conditions for both mental and physical well–being is work–life balance. This is supported at Evli through a flexible working culture, which includes, among others, the possibility of flexible working hours, remote working, and a shortened workweek. In addition, Evli uses a so–called age management model that takes into account and supports employees at different stages of their careers and lives.

Evli's employees have access to expert level occupational healthcare including, among others, access to specialist–level doctors, physiotherapy, endoscopies, ultrasound scans, X–rays, MRIs, and personal vaccinations. Employees also have the possibility to use sport, culture, and transport benefits, as well as an employee benefit bike.

Evli's age management model and the work capacity support model take into account physical, mental and social work capacity. The age management model aims, among other things, to share skills and knowledge and to keep work meaningful and motivating. Mental and physical well–being is also supported by providing employees with the opportunity to participate in various sports and recreational activities.

Job satisfaction and well–being at work are measured by means of an employee survey and regular in–house surveys. Based on the results, well–being at work and working practices are continuously developed.

Results and priorities for 2023

- Evli employees worked on a hybrid model combining remote and office work.
- Employees responded daily to a 'mood survey', which measured their daily wellbeing and their opinion on a topic changing each month. The survey and its results and feedback were used to support managers in the strategic development of leadership and well–being at work.
- Employees responded to a wider personnel survey conducted around every 18 months, the results of which are used at the organization–wide level.
- A well–being day was offered to employees, during which they had the opportunity to participate in various activities. In addition, employees had the opportunity to participate in golf training and competition and a downhill skiing weekend.

Continuous personnel development enables to increase competitiveness

Professional employees support the execution of the company's strategy and targets. Evli constantly develops its employees' professional expertise, as this enables it to keep up with the changes in the environment and offer clients innovative solutions that meet the market demand.

Training and skills development aim to increase staff motivation and job satisfaction. Evli's internal training program, Evli Academy, organizes events run by both internal and external trainers to develop the employees' skills and to improve occupational health and well–being at work.

In addition to training opportunities, Evli encourages learning on the job and job rotation. Job rotation is encouraged by, for example, publishing all open positions on Evli's Intranet.

Staff development and performance are supported by good leadership. Management's task is to support and encourage employees to succeed and to continuously develop their skills and common practices. To ensure that our team leaders are highly skilled, regular training and meetings are organized to promote their personal development. The leadership work is evaluated regularly based on external surveys.

Results and priorities for 2023

- The number of training days per person was around three. Training days mainly include internally organized training.
- During the year, Evli organized around 50 different types of internal training and information sessions.
- A total of 12 persons transferred to new job tasks as part of job rotation.
- Coaching was offered to management and employees on the theme of creating quality communication and encounters. In addition, regular team leader briefings were held throughout the year.
- Evli also used a reverse mentoring program, where both parties can gain new ideas and insights into the work by sharing new or more in–depth knowledge and so–called 'silent knowledge'.

Job stability and competitive pay

Competition for the best talent is very severe in the financial sector. Finding the right people and keeping them is vital for a company that offers expert services. Evli believes that by providing its employees good learning and development opportunities, and by investing in their well–being and work–life balance, it can attract new employees and commit them to the company.

Evli strives to offer competitive salaries to ensure the retention of talented people and their interest in Evli as an employer. The Evli Group's remuneration model is in place to promote the implementation of the company's strategy, competitiveness, and long–term financial success. It also aims to contribute to the positive development of shareholder value and to engage employees in a long–term commitment to the company's objectives.

Evli's recruitment activities emphasize finding people with the right qualities for the industry and who match Evli's corporate culture and are prepared to develop themselves to become future top experts at Evli. The primary way to attract recent graduates or students close to graduation to work at Evli is through the company's Trainee program. The goal of the program is to find motivated young talents that can become future top experts at Evli and bring innovations and ideas to the company.

In addition to the Trainee program, Evli works closely with schools and subject organizations, and visits schools to introduce students to the investment industry and Evli as a company. The purpose is to further increase awareness of Evli among students.

Results and priorities for 2023

- Systematic work continued to improve employer branding and awareness of Evli. To strengthen the employer image, for example, a more systematic use of social media channels and the improvement of Evli's own website continued as well as the cooperation with schools and subject organizations.
- The Trainee program was carried out around the year. During the year around 1,000 persons applied for the Trainee program and from these nine persons were hired to Evli as trainees.
- Evli continued its cooperation with the Women's Career Society to raise awareness of the financial sector among female students.

Reporting practice

Scope and structure of the report

As part of Evli's corporate responsibility report, the GRI report conducted complies with the Global Reporting Initiative (GRI) where applicable. The report also includes information related to Evli's own significant sustainability topics in accordance with the GRI standards' reporting principles. The GRI content index (pages 41–45) lists the GRI indicators used and provides information on where to find additional details related to them. The corporate responsibility report, which includes the GRI report, complements Evli's financial reporting and addresses the entire group's operations unless stated otherwise. The GRI report contains key information and metrics identified based on a materiality analysis of stakeholders and business relevance.

The report is divided into three parts: responsible products and services, responsible governance, and responsible employer. Under each section, the most relevant sustainability aspects related to the topic are examined. Evli's significant topics and focus areas for sustainability are presented in more detail on page 19.

Evli conducted its first GRI–compliant sustainability report in 2018. The scope and calculation boundaries of the 2023 report have remained the same, and its content and structure are consistent with the reports of the years 2022, 2021, 2020, and 2019.

The corporate responsibility report pertains to the fiscal year January 1 to December 31, 2023. The report was published on February 16, 2024. Evli's 2022 annual report, which also included the corporate responsibility report, was released on February 17, 2023.

Evli's annual report is published annually on a calendar year basis. The annual report includes a business review, corporate responsibility report, financial review, and financial statements, a description of the corporate governance and control systems, and the remuneration policy and report.

Further information about the corporate responsibility report can be obtained from Evli's responsible investment team and the marketing, communications, and investor relations team. Contact details for the teams are available at **evli.com**.

Material topics and their calculation threshold

RESPONSIBILITY THEMES	RELEVANT RESPONSIBILITY SUBJECTS	SIGNIFICANCE TO BUSINESS OPERATIONS AND STAKEHOLDERS	CALCULATION PARAMETERS
Responsible products and services	Responsible marketing	Development area	Own operations
	Customer privacy protection and data security	Base	Own operations
	Responsible investing	Focus area	Own operations – Responsibility of wealth management investments
Responsible governance	Profit performance	Focus area	Own operations
	Taxes and tax footprint	Base	Own operations
	Corruption, bribes and money laundering	Base	Own operations
	Direct environmental impacts	Development area	Own operations (Helsinki office)
Responsible employer	Fairness: equality, non–discrimination and diversity	Focus area	Own operations
	Work well–being and health	Development area	Own operations (Helsinki office)
	Education and development	Development area	Own operations (Helsinki office)
	Attractive employer	Focus area	Own operations

The management approach and its components

All business areas and functions at Evli are part of ensuring that responsibility is integrated into everyday work. Every employee is responsible for observing it in practice. Evli's Responsible Investments team supports the business areas in matters concerning responsibility and especially the coordination of responsible investment.

Evli believes that through responsible investment activities the company can have the most impact on responsibility. This is why Evli has invested most in the development of responsible investment in recent years. Evli's Responsible Investment team carries out the responsible investment work under the Head of Sustainability.

Compliance with the principles of responsible investment at Evli is supervised by the Responsible Investment Executive Group. In addition to the CEO, the Responsible Investment Executive Group includes managers from the business areas, Portfolio Management, Responsible Investment team, and Legal and Compliance. The Responsible Investment Executive Group decides on Evli's Principles for Responsible Investment and related practices and reports to Evli's Executive Group and through the Executive Group to Evli's Board of Directors.

GRI–index

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
GENERAL DISCLOSURES			
GRI 2: General Disclosures			
2–1	Organizational details	p. 5, 76, 114	
2–2	Entities included in the organixzation's sustainability report	p. 39, 48–49	
2–3	Reporting period, frequency and contact point	p. 39	The report was published on February 16 2024 and refers to the period 1.1.–31.12.2023, unless otherwise stated. The Evli Group publishes the Sustainability Report annually.
2–4	Restatements of information		No material changes have been made to previously reported data. Only smal adjustments to the reported data in the GRI–Index reporting table.
2–5	External assurance		The responsibility report, which includes a GRI report, is not externally audited.
2–6	Activities, value chain, and other business relationships	p. 4–5, 10–15	A list of the Group's subsidiaries and investments in associates is included in the financial statements section of the Annual Report. Legal entities and countries of operation are also listed in the financial statements.
2–7	Employees	p. 35–36	
2–8	Workers who are not employees	p. 36	
2–9	Governance structure and composition	p. 47, 139–143	
2–10	Nomination and selection of the highest governance body	p. 140–141	
2–11	Chair of the highest governance body	p. 141	
2–12	Role of the highest governance body in overseeing the management of impacts	p. 40, 47	
2–13	Delegation of responsibility for managing impacts	p. 40, 47	
2–14	Role of the highest governance body in sustainability reporting	p. 47	The report is part of the Annual Report, which has been approved by the Board of Directors.
2–15	Conflicts of interest		Evli Group Ethical Principles: **www.evli.com** Evli Group Manager's transactions: **www.evli.com**
2–16	Communication of critical concerns		Whistleblowing: **www.evli.com** The Board is informed of all whistleblowing cases.
2–17	Collective knowledge of the highest governance body		The Board of Directors of Evli has extensive expertise in different business areas, including responsible business management.
2–18	Evaluation of the performance of the highest governance body	p. 140–141	
2–19	Remuneration policies	p. 147–149	
2–20	Process to determine remuneration	p. 147–149	
2–21	Annual total compensation ratio	p. 151	
2–22	Statement on sustainable development strategy	p. 6–7, 18	

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
GENERAL DISCLOSURES			
GRI 2: General Disclosures			
2–23	Policy commitments		Investment commitments are defined in the Principles for Responsible Investment. For own activities, this will be clarified in the coming years. The key principles guiding the Evli Group's respon-sible investment policy are described at **www.evli.com**
2–24	Embedding policy commitments		Investment commitments are defined in the Principles for Responsible Investment. For own activities, this will be clarified in the coming years. The key principles guiding the Evli Group's respon-sible investment policy are described at **www.evli.com**
2–25	Processes to remediate negative impacts		Investment commitments are defined in the Principles for Responsible Investment. For own activities, this will be clarified in the coming years. The key principles guiding the Evli Group's respon-sible investment policy are described at **www.evli.com**
2–26	Mechanisms for seeking advice and raising concerns		Evli Group Ethical Principles: **www.evli.com**
2–27	Compliance with laws and regulations	p. 21–23, 33	There have been no non-compliance cases in 2023.
2–28	Membership associations	p. 28–30	
2–29	Approach to stakeholder engagement	p. 19–20	
2–30	Collective bargaining agreements		Evli complies with the collective agreements of the Financial Sector valid at the time. Employees with managerial contracts are not covered by the collective agreement.

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
MATERIAL TOPICS			
GRI 3: Material topics			
3–1	Process to determine material topics	p. 19	
3–2	List of material topics	p. 19, 39	
3–3	Management of material topics	p. 19, 39	
Economic impacts			
Economic Performance			
3–3	Process to determine material topics	p. 19	
201–1	Direct economic value generated and distributed	p. 10, 24–30	
201–2	Financial implications and other risks and opportunities due to climate change	p. 46–53	
Anti–corruption			
3–3	Process to determine material topics	p. 19	
205–2	Communication and training about anti– corruption policies and procedures	p. 33	
205–3	Confirmed incidents of corruption and actions taken		No incidents in 2023.
Anti–Competitive behaviour			
3–3	Process to determine material topics	p. 19	
206–1	Legal actions for anti–competitive behavior, anti–trust, and monopoly practices		No legal actions in 2023.
Tax			
3–3	Process to determine material topics	p. 19	
207–1	Approach to tax	p. 33	
Emissions			
Energy			
3–3	Process to determine material topics	p. 19	
302–1	Energy consumption within the organisation	p. 34	
302–4	Reduction of energy consumption	p. 34	

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
MATERIAL TOPICS			
Social impacts			
Employment			
3–3	Process to determine material topics	p. 19	
401–1	New employee hires and employee turnover	p. 35–36	
401–2	Benefits provided to full–time employees that are not provided to temporary or part–time employees		All employee benefits are offered throughout the personnel, regardless of employment.
401–3	Parental leaves	p. 37	Employees are provided with an opportunity of shortened working hours and depending on work tasks, the possibility of flexible working hours.
Occupational health and safety			
3–3	Process to determine material topics	p. 19	
403–1	Occupational health and safety management system		Evli Group maintains occupational safety operations covering the entire personnel and carries out workplace audits and monitoring which, in compliance with the Occupational Safety and Health Act, include both risk assessments and basic surveys required by the Occupational Health Care Act.
403–3	Occupational health services	p. 37	
403–6	Promotion of worker health	p. 37	
403–9	Work–related injuries	p. 36	
Training and Education		p. 19	
404–1	Average hours of training per year per employee	p. 36	
404–2	Programmes for upgrading employee skills and transition assistance programmes	p. 37–38	
404–3	Percentage of employees receiving regular performance and career development reviews		Evli's development discussion process covers all permanent employees who are not absent due to, for example, parental leave or study leave. Developmental discussion needs for temporary employees are assessed case–by–case
Diversity and Equal Opportunity			
3–3	Process to determine material topics	p. 19	

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
405–1	Diversity of governance bodies and employees	p. 36, 143	

GRI STANDARD	REPORTING REQUIREMENTS	REPORTING REFERENCE	ADDITIONAL INFORMATION
MATERIAL TOPICS			
Social impacts			
Marketing and labelling			
3–3	Process to determine material topics	p. 19	
417–3	Incidents of non-compliance concerning marketing communications		No incidents in 2023.
Customer Privacy			
3–3	Process to determine material topics	p. 19	
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 22–23	No incidents in 2023.

Annex

Task Force on Climate–related Financial Disclosures report

Evli has committed to supporting the Task Force on Climate–related Financial Disclosures (TCFD) reporting framework and published its first TCFD report in 2020 based on the situation in 2019. This annex provides information, based on TCFD's recommendations, on Evli's climate risks and opportunities and compiles information on Evli's climate work progress in 2023.

Introduction

In August 2019, Evli became a public supporter of the TCFD with the goal of developing Evli's own climate risk reporting. The TCFD is an international climate risk reporting framework designed to improve reporting on the economic impact of climate change by making it clearer, more comparable and more consistent.

It is important for asset managers and other investors to be able to identify and assess the economic impact of climate change on both their own operations and those of investment companies, as the transition to a low–carbon economy is changing the business environment. Furthermore, companies are also exposed to the physical effects of climate change. On the other hand, climate change also creates opportunities for companies that offer products or services that contribute to climate change adaptation and mitigation.

Reports based on TCFD's recommendations provide stakeholders information on a company's:

1. **governance** of climate–related risks and opportunities (role of the Board of Directors and the management);
2. **strategy** related to the actual and potential impact of climate–related risks and opportunities on the company's business, strategy and financial planning;
3. **risk management** related to the company's processes for identifying, assessing and managing climate risks;
4. **metrics and targets** for assessing and managing climate–related risks and opportunities.

REPORTING FRAMEWORK OF THE TCFD REPORT

Governance

As part of the broader debate on responsibility, Evli's Board and Executive Group regularly address climate-related issues. Evli's Head of Sustainability attends Board and Executive Group meetings from time to time. In addition to the work of the Board and Executive Group, Evli has a Responsible Investment Executive Group, which decides on the principles and practical procedures of responsible investment at Evli. In addition to the CEO, the Responsible Investment Executive Group includes managers from the business areas, Portfolio Management, Responsible Investment team, and Legal and Compliance.

The Responsible Investment team, under the supervision of the Head of Sustainability, is responsible for coordinating and developing ESG issues in the funds and discretionary portfolio management, as well as for engaging with companies. The Responsible Investment team monitors the implementation of the UN Global Compact principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Evli Principles for Climate Change. The team has the right to exclude individual companies from investments. When analysing potential investments and making investment decisions, Evli's portfolio managers also take ESG matters into account, including climate issues. Portfolio managers are responsible for implementing the Principles for Responsible Investment and ESG integration in portfolio management. Portfolio management and other specialists working on responsible investment are systematically offered training in climate change, risks and opportunities caused by it and its potential impacts on investments. In 2023, for example, Evli organised portfolio management's ESG training days, with one of the main topics being climate change.

The investment activities of Wealth Management are guided by the Evli Principles for Responsible Investment, which define responsible investment practices. In addition, Wealth Management is governed by the Evli Principles for Climate Change, which describe Evli's approach to taking climate change and its related impacts on its investments into account. Evli published separate climate targets in 2021, according to which, Evli aims to achieve carbon neutrality by 2050 at the latest. The target applies to emissions from both Evli's own operations and investments. The climate targets also include separate milestones. For climate targets, a roadmap has been defined and a working committee has been set up to further clarify how to best achieve the investment-related milestone through real-world emission reductions and in line with the Paris Agreement.

THE RESPONSIBLE INVESTMENTS GOVERNANCE MODEL

Responsible Investment Executive Group

- Decides on the principles and practical procedures of responsible investing
- Members: CEO and managers from the business areas, Portfolio Management, Responsible Investment team, and Legal and Compliance
- Regular meetings approximately on a quarterly basis
- Reports to Evli's Executive Group

Responsible investment team

- Makes proposals to the Responsible Investment Executive Group on responsible investment principles and practices, and supports the work of portfolio managers and client representatives
- Monitors norm violations and Evli's Principles for Climate Change, and has the right to exclude individual companies from investments
- Is responsible for engaging with companies
- Reports to the Responsible Investment Executive Group

Portfolio managers

- Take ESG matters into consideration when analysing potential investments and making investment decisions
- Are responsible for implementing the Principles for Responsible Investment and ESG integration
- Report to the Responsible Investment team on companies that violate the Principles for Responsible Investment

Strategy

At Evli, responsibility has been an integral part of portfolio management for many years, as the company believes that taking responsibility into account will create long-term added value. In January 2020, Evli made responsibility one of its strategic focus areas for the coming years, and in June 2021, Evli set its climate targets and the included milestones in line with its strategic objectives. Climate change mitigation has always been an important issue for Evli, and the company wants to contribute to creating products that address climate change challenges.

As an asset manager, the most significant climate risks and opportunities for Evli are related to its investment activities, as Evli's own operations do not cause significant direct environmental impacts. In its own operations, Evli has committed to reducing energy consumption and carbon dioxide emissions from its premises and to avoiding unnecessary travel. One of Evli's three milestones of climate targets concerns emissions from its own operations (Scope 1 and 2). However, Evli's strategy focuses on the integration of climate-related risks and opportunities and their impacts into Evli's products and investment strategies, which has also been reflected in the climate targets.

Most of Evli's emissions come indirectly through investments. The second milestone of the climate targets is to reduce indirect emissions from investments by 50 percent by 2030, provided that the investment environment allows this. In the longer term, Evli aims to be a carbon neutral asset manager by 2050 at the latest. To reinforce this commitment, Evli joined the Net Zero Asset Managers (NZAM) initiative in the summer of 2022. As the initiative signatory, Evli must confirm its interim target, in accordance with the initiative, within a year of making the commitment. In the summer of 2023, Evli submitted its interim target to the NZAM initiative, which was based on a report made by Evli's Climate Working Committee. The interim target is in line with the best practices defined by the initiative, and it was approved by the member organisations of the NZAM initiative in summer 2023. Evli's interim target in line with the NZAM initiative is described in more detail in the section "Metrics and targets" on page 52.

The TCFD divides climate change risks into risks from the transition to a low-carbon economy and physical risks from climate change. Transition risks are the financial risks arising from the transition to a low-carbon economy. These include risks arising from changes in policy, regulation, technology and markets, which, if they materialise, could affect the market value and returns on investments. As clients' climate strategies evolve, Evli must be able to ensure that its products and services meet their changing needs. Investing in companies that are perceived to contribute to climate change also increases the reputational risk associated with investment activities. Physical risks, on the other hand, are the economic risks arising from climate change, which can be the result of single events or long-term changes in the climate. In Evli's investment activities, physical risks may materialise, for example, in real estate investments, which may be increasingly exposed to extreme weather events and sea level rise or flooding damage, for example, as a result of climate change. The physical impacts of climate change also extend to other asset classes, such as equity and corporate bond investments. Within these asset classes, industries dependent on foreign raw materials, for example, may be vulnerable to increasing extreme weather conditions.

In addition to physical and transition risks, climate change risks can also be considered through the climate targets of the investee companies. Such targets can be used to examine how well companies' business and strategy are aligned with the Paris Agreement, and how well they are prepared to respond to climate change in their own operations. Setting climate targets is part of a company's long-term risk management, and the absence of targets also increases risk from an investor's perspective. Evli regularly monitors the climate targets of its active equity and corporate bond funds and its direct equity and corporate bond investments and their development. In addition, Evli's engagement work aims to encourage companies to set science-based climate targets. The first phase of the engagement, which started in 2021, has focused in particular on high emitting companies whose emissions or targets are not aligned with the 1.5°C target. In 2023, Evli monitored the progress of the engaged companies and developed its engagement process as part of the climate targets roadmap.

Climate change also brings opportunities for investors. These include, for example, investing in companies that take advantage of opportunities to mitigate and adapt to climate change. In addition, climate change will increase the market for sustainable investments, such as green bonds, providing opportunities for the development of new products. In autumn 2019, Evli organised the first issuance of Green Note autocall certificates in Finland. The funds raised through the issue will be used to finance projects supporting sustainable development. In 2021, Evli carried out three similar issuances. In addition to these, two new funds were launched in 2020, Evli

Green Corporate Bond, an investment fund focusing on green corporate bonds, and Evli Impact Forest Fund I, a forest fund that aims to mitigate climate change by achieving positive carbon impacts. In 2023, Evli launched the new Evli Impact Forest II fund, which continues its predecessor's investment strategy and pursues a positive carbon impact. In the case of the forest funds, which are part of the alternative investment funds, Evli's performance fee depends on the achievement of the fund's carbon dioxide removal target. In 2022, as part of the merger of EAB Group Plc into Evli, the range of sustainability funds increased with among others Evli Renewable Energy Infrastructure Fund II, a renewable energy fund that offers the opportunity to invest in reducing global CO2 emissions. Evli also offers its clients the wealth management's climate portfolio strategy that aims to reduce the investment portfolio's greenhouse gas emissions and direct investments towards climate solutions according to the client's objectives. Careful allocation and risk analysis are the core of the investment strategy.

Evli has examined the sustainability of its investment strategy by conducting scenario analyses based on climate data provided by ISS ESG. The purpose of the scenario analysis is to assess the potential impact of climate–related risks and opportunities in global warming scenarios. The scenario analysis is also included in the tools used by portfolio managers of the equity and corporate bond funds managed by Evli, so the analysis information can be used both before and during the investment decision. The tools also allow systematic monitoring of the evolution of investment strategy scenarios. For example, Evli monitors how equity and corporate bond funds are aligned with the 1.5–degree and 2–degree scenarios. The scenario analyses are based on analyses produced by ISS ESG. In addition to the scenarios, Evli monitors and reports on the fossil fuel reserves of its investments and the transition of companies to low carbon. More detailed figures on the scenarios and other metrics can be found in the section "Metrics and targets" on page 50–53.

Risk management

Evli's Principles for Climate Change and climate targets set the baseline for taking into account and managing climate change and its impacts in investment activities. The identification and assessment of climate risks are based on an analysis of the investments by portfolio managers and the Responsible Investment team. Climate risk management measures include analysing and monitoring greenhouse gas emissions of investments, engagement and exclusion. Evli uses data from an external service provider, which is also used by the company's portfolio managers for investment decisions, for monitoring the climate change principles and other day–to–day work related to responsibility. Evli has also defined a climate roadmap for its climate targets, according to which it will systematically carry out its climate work.

The emissions of investee companies in Evli's equity and corporate bond funds are monitored by analysing the carbon intensity weighted by the portfolio weights of the funds, among others, as recommended by the TCFD, which measures the exposure of the portfolio to carbon–intensive companies. Emission data and other climate

ROADMAP TO BECOMING A NET ZERO ASSET MANAGER

1. **Building a snapshot**
2. **Development of climate risk management**
3. **Updating the exclusions**
4. **Engagement**
5. **Systematic analysis of the targets**

analysis data, along with other ESG data, are integrated into the portfolio management systems, and thereby allowing Evli to also monitor and assess the evolution of climate risks in its investments. In line with its Principles for Climate Change, Evli has excluded companies producing peat for energy production and avoids investing in companies with a significant proportion (at least 10%) of their revenue coming from thermal coal mining, its use in energy production or oil sands extraction. If a company has a concrete plan to change its procedures and/or the company supports Just Transition, the Responsible Investment team may decide to depart from the exclusion. Evli does not finance new thermal coal–fired power plants, thermal coal mines or oil sands projects that are in the planning or construction stages. In addition to the general exclusion principles, some of Evli's funds follow an even broader exclusion for coal and fossil fuels, with a 5 percent revenue threshold for exclusion. The information required by the climate change principles, as well as the broader exclusion information for the funds, are included in the portfolio management system, which prevents investments in excluded companies and requires portfolio managers to justify any investment that exceeds the avoidable limits. Should the avoidable limit for climate change principles be exceeded, this would automatically be reported to the Responsible Investment team, which would analyse the company and decide on further action.

Evli sees active ownership and corporate engagement as one of the ways to manage climate change risks. Climate change mitigation is one of Evli's key themes for engagement. In its engagement work, Evli also encourages companies to report transparently in line with the TCFD framework and set climate targets. In addition, Evli monitors company–specific targets and their progress. When making the NZAM commitment, Evli also set targets for engagement, which continue engagement in line with Evli's roadmap of climate targets. These targets are described in more detail in the section "Metrics and targets". As part of its independent engagement work based on its climate targets, Evli was in contact with 19 companies in 2023 and monitored the progress of the companies that were engaged with in the previous years. In 2023, Evli attended in 26 general meetings in Finland and one general meeting in Sweden.

In addition to independent engagement, Evli is committed to several investor initiatives that aim, among other things, to have a broader impact on the market, to influence companies at risk from a climate change perspective and to encourage governments in different countries to take more ambitious measures to mitigate climate change. Evli is involved in the following major climate initiatives, for example: the Climate Action 100+ initiative, CDP investor letters (climate change, deforestation and water) and the CDP's collaborative engagement to set science–based targets. Evli has also signed, together with other investors, a letter to governments, the Global Investor Statement to Governments on the Climate Crisis, which encourages governments to ensure that the global temperature rise is limited to 1.5°C, take early action to keep greenhouse gas emissions in line with the 2030 target, promote the reduction of non–carbon emissions, increase the availability of climate finance and strengthen climate reporting across the financial system through mandatory TCFD reporting, requiring science–based climate transition plans, and coordinating and promoting consistency in global financial regulation. In addition, Evli has signed, together with other investors, the global COP15 investor statement "Moving Together on Nature", which called on governments to take coordinated action to tackle climate change and biodiversity loss around the world and give financial institutions a stronger mandate to align financial activities with biodiversity targets, and to adopt an ambitious Global Biodiversity Framework.

In addition to these measures, Evli regularly monitors changes in climate change regulation. Evli has been involved in the EU legislative debate in Finland as a member of Finsif and Finance Finland and participated in global discussion, as a PRI signatory, at events organised by PRI. In 2023, Evli participated in Finance Finland's Sustainable Finance Disclosure Regulation (SFDR) consultation as well as in a workshop, organised by PRI for its signatories, related to SFDR consultation. Furthermore, one significant stakeholder group is Evli's data providers, with which Evli engages in continuous dialogue about, among others, climate data. The purpose is to develop Evli's own operations, tools and reporting as well as to improve the data available to investors in order to achieve the climate targets.

Metrics and targets

Evli regularly monitors the development of the carbon footprint of its equity and corporate bond funds by calculating the carbon intensity weighted by the portfolio weights of the funds, i.e. by analysing Scope 1 and Scope 2 emissions[1] of each investment, relating them to the company's revenue and weighting each investment by its relative share in the portfolio. The carbon intensity obtained by the fund is compared to the corresponding figure of the fund's benchmark index.

Evli has also mapped the absolute and financed emissions of its investments. The absolute emissions of Evli's investments are the total emissions of the investments in relation to Evli's ownership share of the total value of the investments. Similarly, the financed emissions are calculated by dividing the absolute emissions of the investments by the present value of all investments. The absolute emissions and weighted average carbon intensity is presented in the below table for Scope 1, 2 and 3 emissions. For Scope 3 emissions, it should be noted that the figures are largely still based on estimates and should be interpreted as indicative. In addition to Evli's equity and corporate bond funds, direct equity and corporate bond investments in wealth management are included in the data in the table.

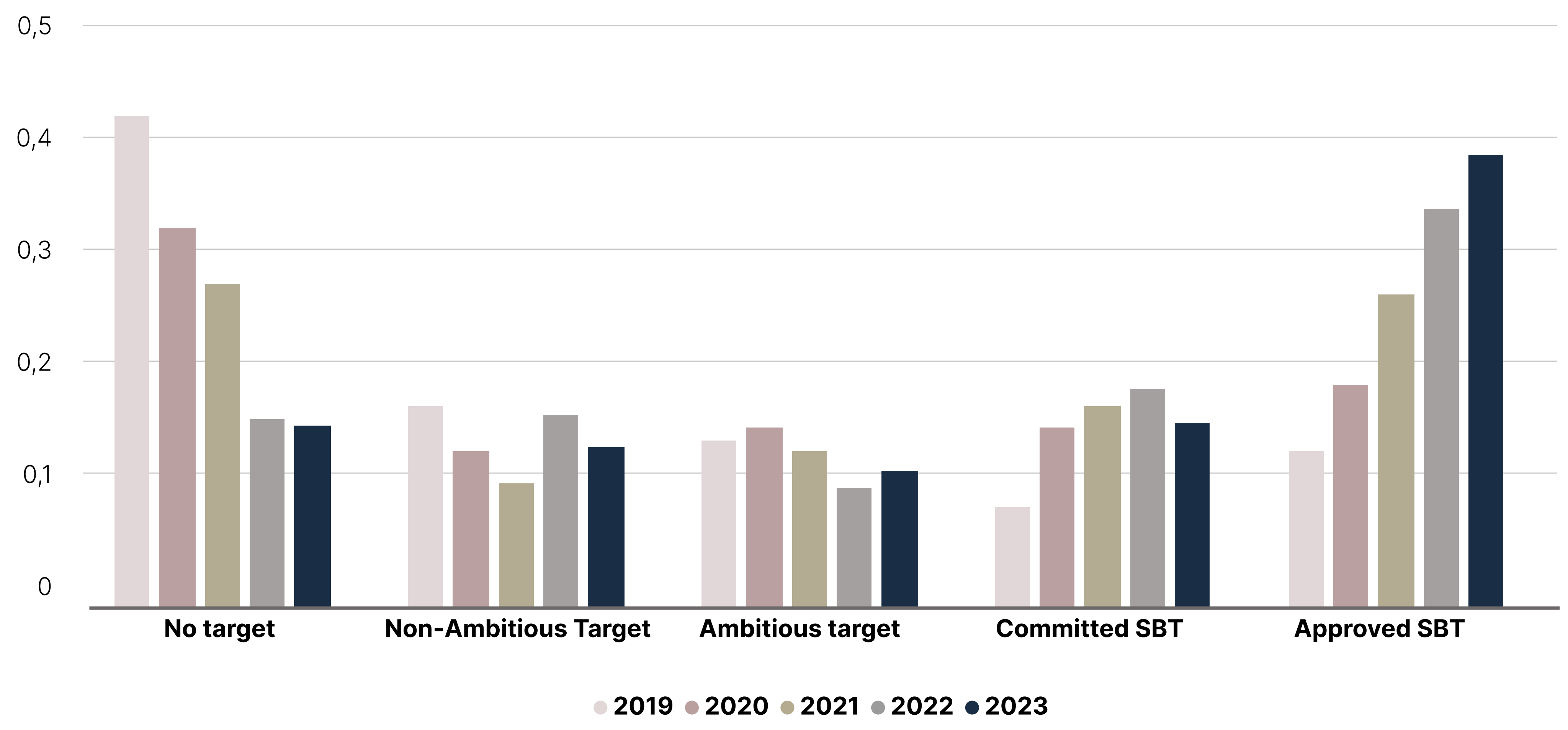
	Scope 1 + 2	Scope 1+2+3
Absolute emissions (t CO_2 e, coverage 73%)	937,000	4,903,000
Carbon intensity (t CO_2 e/$M Sales, coverage 81%)	131.9	804.1

Source: Evli, MSCI ESG Research

While carbon footprint tracking helps to understand the emissions profile of investments, it is not a complete single measure of the emissions associated with a portfolio and does not help to assess future emissions trends or mitigation opportunities. For this reason, in addition to carbon emissions, Evli monitors the emissions reduction targets of its investments and their development as one of its key indicators. Evli has mapped the distribution of its investments' climate targets between 2019 and 2023, and the development of the targets is shown in the graph on page 51. The climate targets of the investments range from "No target" to "Approved science–based target (SBT)". Evli aims to increase the proportion of investments that have science–based climate targets, thereby reducing the potential risks to investments caused by climate change.

[1] The calculation of carbon footprint figures is defined by the international standard GHG protocol (Greenhouse Gas Protocol), for example. The GHG protocol breaks down greenhouse gas emissions into scopes 1–3. Scope 1 greenhouse gas emissions refer to direct emissions from activities that are owned or controlled by the company. Scope [2] greenhouse gas emissions, on the other hand, refer to the indirect emissions from the activity that arise from the production of purchased energy, and Scope 3 includes indirect emissions related to products purchased by the company, outsourcing, business travel, etc.

Distribution of climate targets 2019–2023



Source: Evli, ISS ESG

The mapping of climate targets takes into account all of Evli's direct investments, including equity and corporate bond funds and the direct equity and corporate bond investments made in wealth management. The graph shows the evolution of the climate targets between 2019 and 2023. The graph indicates that over the course of five years, the share of "No target" has significantly decreased and the share of science-based targets has clearly increased. For example, the share of "Approved SBT" increased by 27 percentage points and the share of "Committed SBT" increased by 8 percentage points. In 2023, the share of committed SBTs was a little smaller than in 2022 which can be explained by the companies with committed SBTs getting the targets approved. Hence the share of approved SBTs was 5 percentage points higher compared to 2022 level. Correspondingly, between 2019 and 2023, the share of "No targets" decreased by 28 percentage points. The positive trend shown in the graph is in line with Evli's ambitions, as encouraging the setting of climate targets is an important part of Evli's engagement work and climate roadmap. 10 of the companies covered by Evli's own climate engagement, which started in 2021, committed to a science-based climate target in 2022–2023.

Evli also uses scenario analysis to identify climate-related risks and opportunities. At the end of 2023, 28 percent of Evli's equity and corporate bond funds were aligned with the 1.5-degree scenario and 41 percent with the 2-degree scenario. In addition, Evli analyses the share of companies owning fossil fuel reserves and compares it to the corresponding figure in the fund's benchmark index. Evli also examines the transition of companies to low-carbon status, dividing companies into different categories according to the risks and opportunities associated with their energy transition. This allows Evli to better assess the potential for reducing the carbon footprint of funds and to identify companies that are at risk from a climate change perspective. Evli also regularly explores new tools to better measure the actual impact of investments on different stakeholders and the environment, including the impact on climate change. Evli's ESG reports for equity and corporate bond funds are publicly available on Evli's website **evli.com**.

Evli's climate targets

In line with its responsible investment objectives, Evli published separate climate targets in June 2021. Evli aims to achieve carbon neutrality by 2050 at the latest. The target applies to emissions from both Evli's own operations and investments. In addition to the main target, Evli set three interim targets:

1) Evli aims to achieve carbon neutrality for emissions from its own operations (Scope 1 and 2) by 2025 at the latest.
2) Evli set an interim target of a 50% reduction in indirect emissions from investments by 2030, provided that the investment environment enables this. The base year is 2019.
3) Evli set up a Working Committee to further explore how best to achieve the investment-related milestone through real-world emission reductions and in line with the Paris Climate Agreement.

   In 2022, it was decided that the Climate Working Committee continues supporting climate work until 2025. In 2022, Evli strengthened its climate commitment by signing the Net Zero Asset Managers initiative.

The interim targets and the roadmap of climate targets support Evli's long-term goal of carbon neutrality. In line with the climate targets roadmap, Evli will refine the monitored metrics as work progresses and report accordingly.

Targets in line with the Net Zero Asset Managers initiative

In addition to its own climate targets, Evli has an interim target approved by the Net Zero Asset Managers (NZAM) initiative in 2023, which is based on Evli's milestones of climate targets and roadmap, set in 2021, and providing more concrete tools and clearer metrics to support Evli's short–term and long–term climate targets. In the first stage, the NZAM interim target includes Evli's equity and corporate bond funds, as sufficient data is most readily available on them. With other asset classes, the work will be continued in accordance with Evli's roadmap of climate targets.

Evli's NZAM interim target is based on two methodologies approved by the initiative. Evli defined the interim targets related to assessment of companies (portfolio coverage targets) by following the Paris Aligned Investment Initiative's[1] Net Zero Investment Framework[2] (NZIF) methodology. Based on Net Zero Asset Owner Alliance's[3] Target–Setting Protocol[4] (TSP) methodology, Evli defined an interim target for investments (sub–portfolio target) and an engagement target. Evli will report on the progress of the targets annually.

At the end of 2023, the situation in the interim target of investments (sub–portfolio target) was a –44.7 percent decrease in carbon footprint compared with the base year 2019.

In accordance with the engagement target, Evli engaged with four company independently and with 12 companies through collaborative engagement initiatives in 2023. In addition, Evli continued its independent engagement with other high emitting companies.

At the end of 2023, 49.6 percent of the investments of material sectors were net zero, aligned or aligning.

NET ZERO ASSET MANAGERS INTERIM TARGETS

Sub–portfolio target

Base year	2019
Carbon footprint of the base year	241.8 t CO_2e/$M Sales
Target year	2030
Decrease in the emissions of investments	–50%

Engagement target

The aim is that Evli will engage with the 20 highest emitting companies that have not committed to or do not have an approved science–based target (SBTi) or that are not aligned to a net zero pathway as defined in the NZIF methodology.

Base year	2022
Target year	2025

Portfolio coverage targets

The target is to achieve a certain percentage of assets under management (AUM) in material sectors that is net zero, aligned or aligning.

Base year	2022, share of AUM 42%
Target year	2027, share of AUM 55%
Target year	2030, share of AUM 65%

[1] The Paris Aligned Investment Initiative (PAII) was launched in May 2019 by the Institutional Investors Group on Climate Change (IIGCC). The objective of the initiative is to examine how investors can align their portfolios to the goals of the Paris Agreement.
[2] The Net Zero Investment Framework developed by the PAII provides a common set of recommended actions, metrics and methodologies through which investors can maximise their contributions to achieving global net zero emissions by 2050 or sooner (www.parisalignedasse–towners.org/media/2021/03/PAII–Net–Zero–Investment–Framework_Implementation–Guide.pdf).
[3] The UN–convened Net Zero Asset Owner Alliance (NZAOA) is a member–led initiative of institutional investors committed to transitioning their investment portfolios to net zero greenhouse gas emissions by 2050 — consistent with a maximum temperature rise of 1.5°C.
[4] Target–Setting Protocol is a broad framework for reporting and delivering short–term climate targets (www.unepfi.org/industries/tar–get–setting–protocol–third–edition/).

	Carbon intensity (t CO_2e / USD million) (1)	Compared to benchmark (2)	Weight of companies owning fossil fuel reserves (%) (3)	Compared to benchmark (%-points) (2)	Coverage / Fund (4)	Coverage / Benchmark index (4)	Investments in Solutions class in the MSCI Low Carbon Transition classification (5)
Equity Funds							
AJ Evli Value Hedge	176.5		1.4%		64.3%		5.2%
Evli Emerging Frontier	124.1		2.3%		21.3%		
Evli Europe	200.4	115.8%	13.6%	5.3%	99.6%	99.6%	4.2%
Evli GEM	422.3	27.6%	8.6%	1.0%	91.2%	99.6%	3.3%
Evli Impact Equity	178.7	38.9%	0.0%	-6.8%	89.2%	99.9%	15.2%
Evli Japan	81.5	3.6%	4.3%	-3.3%	90.4%	100.0%	2.1%
Evli Global	52.3	-51.0%	0.0%	-6.7%	96.8%	99.6%	3.3%
Evli Global X	52.9	-50.4%	0.0%	-6.7%	97.1%	99.6%	3.3%
Evli Equity Factor Europe	38.8	-58.2%	0.0%	-8.4%	98.8%	99.6%	9.0%
Evli Equity Factor Global	41.4	-61.2%	0.0%	-6.7%	98.1%	99.6%	4.0%
Evli Equity Factor USA	42.2	-59.4%	0.0%	-5.2%	99.3%	99.6%	2.4%
Evli North America	134.9	22.6%	10.8%	5.1%	99.4%	99.6%	1.4%
Evli Nordic	173.6	204.0%	10.4%	7.4%	97.5%	99.6%	6.4%
Evli Nordic Small Cap	43.3	-58.0%	4.7%	3.0%	79.0%	87.8%	8.9%
Evli Sweden Equity Index	18.5	0.0%	0.0%	0.0%	95.4%	100.0%	2.7%
Evli Swedish Small Cap	65.2	44.7%	0.0%	0.0%	78.5%	93.7%	5.7%
Evli Finland Mix	143.4		0.0%		82.4%		4.5%
Evli Finnish Small Cap	117.6	21.5%	0.0%	0.0%	69.3%	72.7%	12.7%
Evli Finland Select	182.5	12.8%	0.0%	0.0%	94.5%	91.4%	9.6%
Evli USA Growth	42.7	-58.9%	3.6%	-1.6%	90.8%	99.6%	17.4%
Fixed Income Funds							
Evli Green Corporate Bond	100.4	-40.3%	3.7%	-3.4%	91.1%	96.0%	12.8%
Evli European High Yield	102.6	-18.4%	0.6%	-3.8%	64.3%	78.7%	
Evli European Investment Grade	79.5	-43.5%	0.0%	-8.7%	91.4%	97.6%	7.4%
Evli Emerging Markets Credit	369.9	-35.9%	11.8%	-4.0%	71.8%	87.3%	2.7%
Evli Euro Liquidity	103.0		0.5%		78.5%		4.5%
Evli Short Corporate Bond	210.8		0.0%		83.9%		4.6%
Evli Nordic 2025 Target Maturity	98.4		0.0%		64.0%		12.9%
Evli Nordic Corporate Bond	113.8	9.8%	0.0%	-6.4%	77.9%	97.8%	13.2%
Evli Corporate Bond	97.6	-18.6%	1.0%	-5.7%	85.5%	93.9%	4.6%

Sources: Evli, MSCI ESG Research

1 Evli uses weighted average carbon intensity to measure carbon footprint. A fund's weighted average carbon intensity is calculated by dividing the company–specific scope 1 and scope 2 greenhouse gas emissions by the company's revenues. After that, company–specific carbon intensity is multiplied by the company's portfolio weight. The fund–specific carbon footprint is a sum of company–specific carbon intensities apportioned based on portfolio weights. Scope 1 greenhouse gas emissions refer to emissions directly occurring from sources that are owned or controlled by the company. Scope 2 greenhouse gas emissions refer to indirect emissions generated in the production of electricity purchased by the company.

2 Compared to benchmark figure shows how the fund compares to corresponding figures for the benchmark index. As it is not possible to calculate this figure to all benchmark indeces, some sections are left blank.

3 Weight of companies owning fossil fuel reserves shows the share of companies owning coal, gas or oil reserves in the fund. In this report coal reserves refer to use of coal in energy production (thermal coal).

4 Coverage indicates the share of fund's/index's holdings (measured by market value) for which emissions data is available. The emissions data is based on emissions reported by the companies or other publicly available emissions data (e.g. CDP) and the data provider's estimate of emissions.

5 Shows the share of companies which have been classified in MSCI's Low Carbon Transition Classification to Solutions category. The Solutions category means that, according to MSCI's analysis, the companies in this category have the potential to benefit through the growth of low–carbon products and services.

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FINANCIAL REVIEW

Key financial figures

	2023	2022[1]	Carve-out 2021	Carve-out 2020	Carve-out 2019
Income statement key figures					
Net revenue, M€	108.7	96.1	116.2	80.1	74.9
Operating profit/loss, M€	40.2	30.9	56.6	32.3	25.5
Operating profit margin, %	37.0	32.1	48.7	40.4[2]	34.0[2]
Profit/loss excl. non-recurring items related to mergers and acquisitions, M€		37.1			
Profit for the financial year, M€	32.0	25.1	45.5	25.5	20.2
Profitability key figures					
Return on equity (ROE), %	22.8	20.4	50.4	35.7	32.3
Balance sheet key figures					
Equity-to-assets ratio, %	39.8	39.1	27.7	-	-
Other key figures					
Expense ratio (operating costs to net revenue)	0.63	0.67	0.52	-	-
Recurring revenue ratio, %	130	123	135	128	124
Permanent personnel at the end of the period	316	294	283	-	-
Assets Under Management, mrd. €	18.0	16.0	17.5	-	-
Share based key figures					
Earnings per share, €	1.09	0.83	-	-	-
Equity to owners of parent entity per share, €	4.9	5.1	-	-	-
Dividend per share, €	1.16	0.80	-	-	-
Capital return per share, €	-	0.35	-	-	-
Dividend to earnings ratio, %	105%	97%	-	-	-
Effective dividend yield, %	5.8%	7.6%	-	-	-
Price to earnings ratio (P/E)	18.1	18.3	-	-	-
Market value, M€	521.8	398.1	-	-	-
Diluted number of shares at the end of period	27,367,899	26,945,975	-	-	-
Trading volume (B-share), %	10	6	-	-	-

[1] Includes Carve–out figures for 1–3/2022
[2] Unaudited

22.8 (2022: 20.4)

RETURN ON EQUITY (%)

130 (2022: 123)

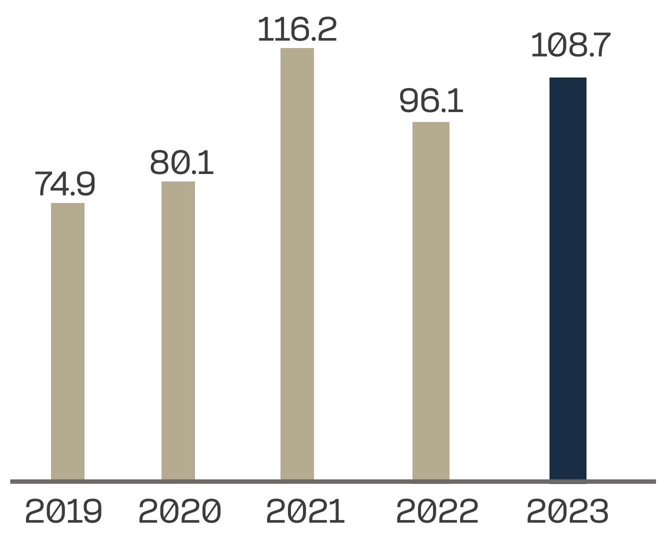
RECURRING REVENUE RATIO (%)

18.0 (2022: 16.0)

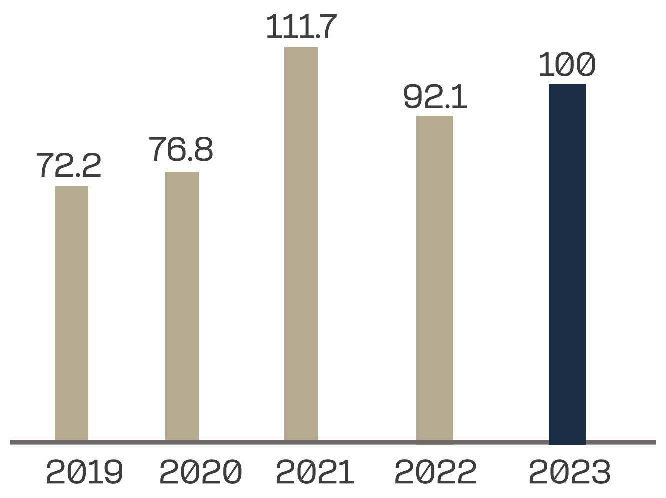
ASSETS UNDER MANAGEMENT (BN. €)

Graphs of the financial development

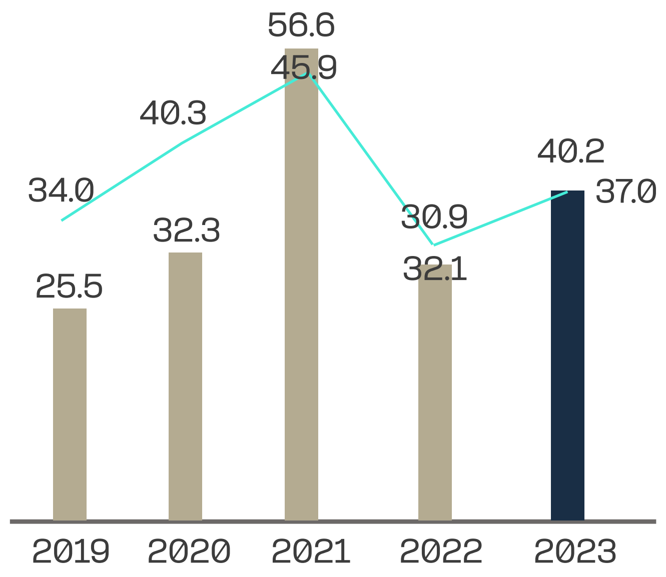
NET REVENUE (M€)



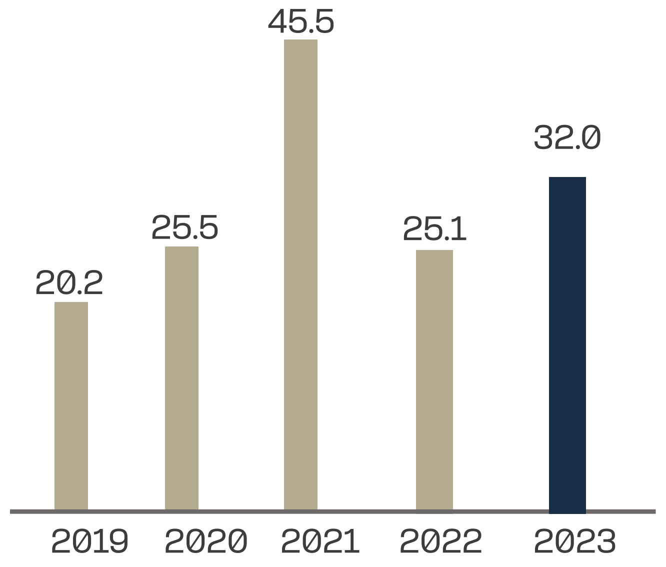
NET COMMISSION INCOME (M€)



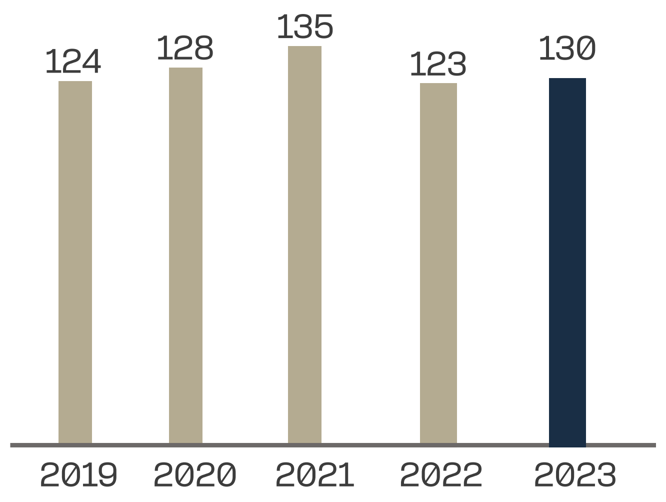
OPERATING PROFIT (M€) AND PROFIT MARGIN (%)



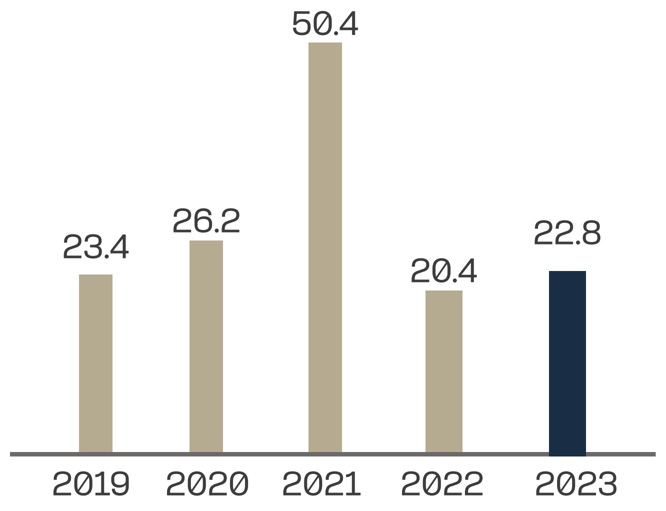
NET PROFIT (M€)



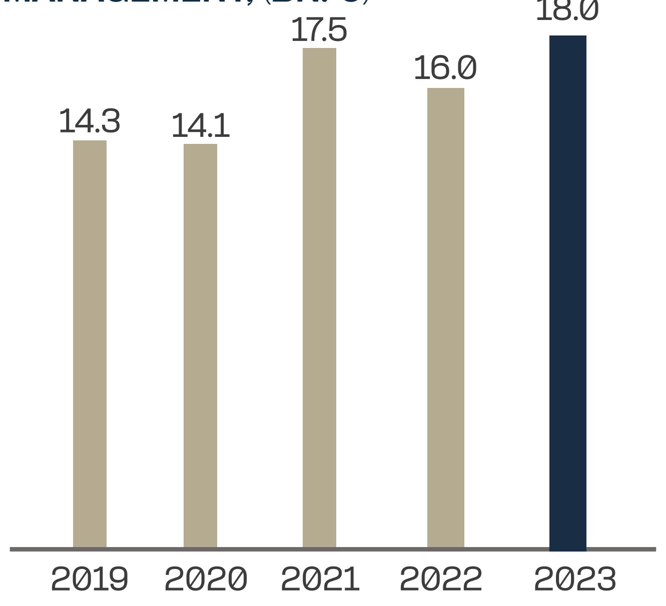
PROPORTION OF RECURRING REVENUE TO OPERATING EXPENSES (%)



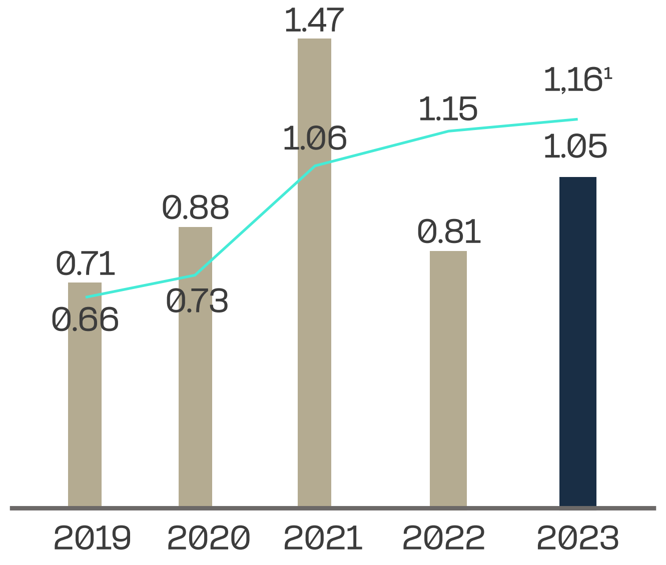
RETURN ON EQUITY (%)



DEVELOPMENT OF ASSETS UNDER MANAGEMENT, (BN. €)



DIVIDEND & EARNINGS/SHARE (€)



[1] Board of Directors' proposal to the annual general meeting

Board of directors report 1.1.–31.12.2023

Market Developments

Despite the market turbulence seen during the autumn, 2023 was a good year from an investor's perspective. The stock markets, which had risen rapidly during the first half of the year, especially in the United States, Europe, and Japan, took a downturn in the third quarter. However, the decline quickly reversed, and valuation levels rose towards the end of the year, despite the weakening outlook for corporate earnings growth. At the same time, the return levels of fixed income investments increased during the year, offering interesting investment opportunities. Despite the rise in valuation levels, uncertainty and risks in the market were high. The continuation of the war in Ukraine, the escalation of the Israeli–Palestinian situation into an attack on Gaza in late autumn, and the subsequent rise in tensions in the Middle East put investors on their toes. In addition to the geopolitical risks, concerns were raised about China's weaker–than–expected economic growth, problems plaguing the country's real estate sector, and ongoing tensions with the United States. The Nordic real estate market also ran into problems, which led to depreciations in values and a slowdown in trade. This was reflected especially in the operations of real estate funds.

Central banks' interest rate movements were a significant factor in the development of equity and fixed income markets during 2023. Central banks in Europe and the United States sought to curb accelerating inflation with rapid interest rate hikes in the early part of the year, while slowing economic growth. Although inflation began to decline at the end of the year, the continued strong economic growth and employment situation in the United States led the Federal Reserve to indicate that a decline in key interest rates was not imminent soon. This was also indicated by the European Central Bank, which stressed that the tightening policy would continue in monetary policy.

In the United States and Europe, investment market development was generally positive, as was in Japan. In Finland, on the other hand, valuation levels declined, weighed down by the price development of the largest, cyclical companies on the stock exchange. U.S. equities (S&P 500) rose 26.3 percent and European equities (Stoxx 600) rose 16.8 percent between January and December 2023. During the same period, Finnish equities (OMX Helsinki Cap) fell by 0.6 percent.

The development of the fixed income markets was also positive during 2023. The value of corporate bonds with a higher credit rating increased by 8.2 percent. Euro area government bond values rose by 7.2 percent. The value of lower–rated high–yield bonds, on the other hand, increased by 11.8 percent. The exchange rate of the euro rose by 3.1 percent against the dollar.

Development of revenue and result

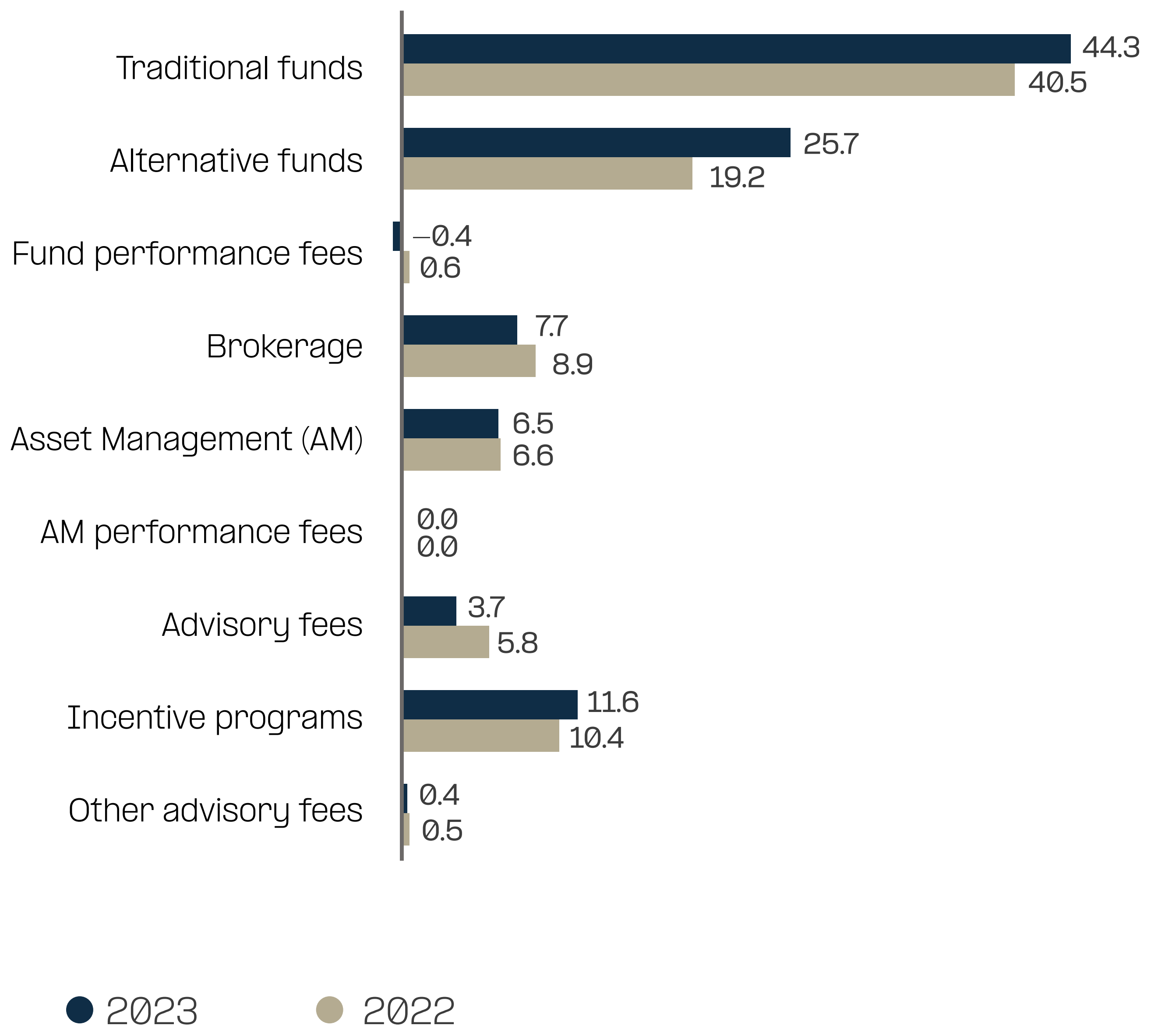
Following the acquisition of EAB Group Plc ("EAB"), successful new sales, and positively developed financial markets, Evli Group's net revenue increased by 13 percent compared to the previous year and was EUR 108.7 million (1–12/2022: EUR 96.1 million). Performance–related fees during 2023 amounted to EUR –0.4 million (EUR 0.6 million). The performance–based fees include a write–down of EUR 0.5 million related to EAB–era fee provisions for Solar Yield Funds and a write–down of EUR 0.9 million in the Evli Residential I fund's carry fee accrual from previous financial years. The Group's net commission income increased nearly by nine percent from the comparison period to EUR 100.0 million (EUR 92.1 million). Income from own investments amounted to EUR 3.0 million (EUR 3.7 million), including income from securities trading and currency brokerage.

Total costs for 2023, including depreciation and impairment, amounted to EUR 69.2 million (EUR 65.5 million). The increase in expenses is mainly explained by the acquisition of EAB and general inflation. Personnel expenses amounted to EUR 41.0 million (EUR 39.2 million), including an estimate of performance–based bonuses for the personnel. Other administrative expenses amounted to EUR 21.0 million (EUR 19.6 million). Depreciation, amortizations, and impairments amounted to EUR 5.6 million (EUR 5.8 million) and other operating expenses to EUR 1.6 million (EUR 0.8 million). Impairment losses on other financial assets amounted to EUR –0.8 million, consisting of a write–down of shares in the associated company SAV–Rahoitus Oyj (EUR –0.75 million). The share of profit of associates was EUR 0.7 million (EUR 0.3 million). Evli's cost–income ratio was 0.63 (0.67).

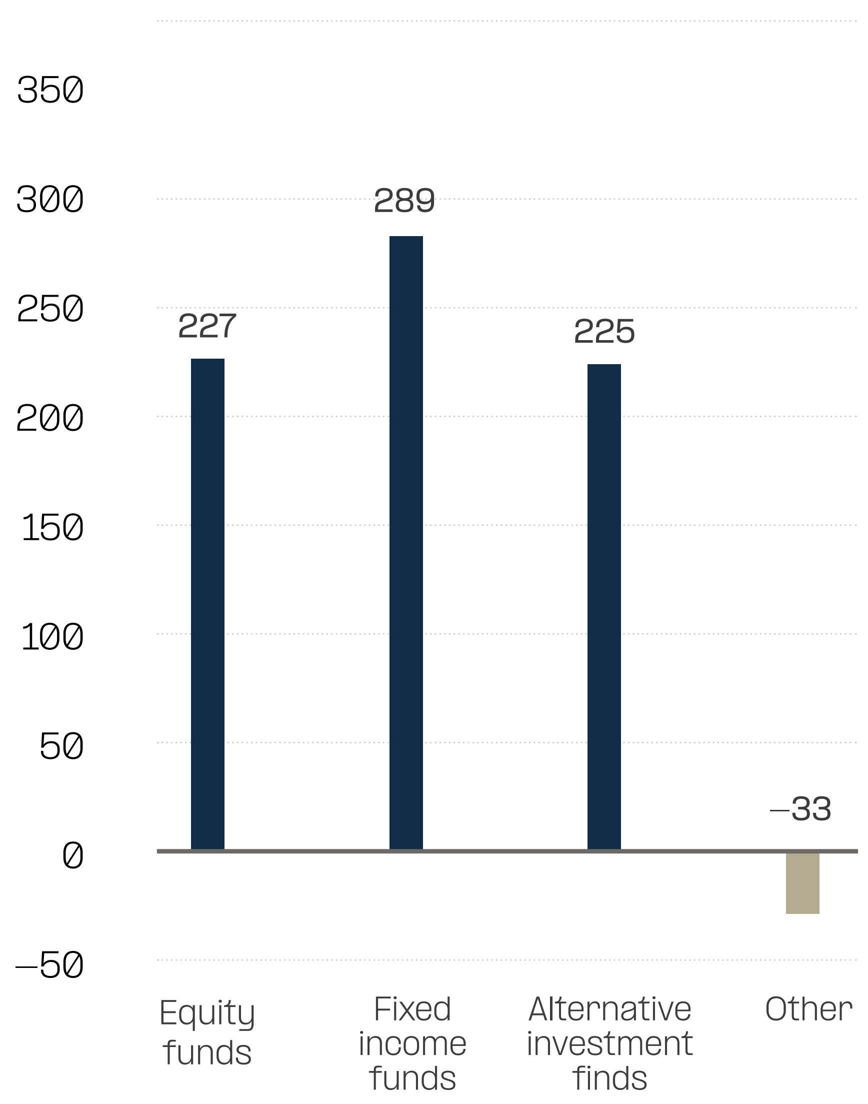
Operating profit increased by more than 30 percent year–on–year and was EUR 40.2 million (EUR 30.9 million). The operating profit margin was 37.0 percent (32.1%). The profit for the year 2023 was EUR 32.0 million (EUR 25.1 million).

Evli presents the result of the valuation of the investment of Alisa Bank Plc as a separate item in the statement of other comprehensive income in accordance with IFRS 9. During 2023, the change in value of the investment amounted to EUR –2.3 million.

DEVELOPMENT OF COMMISSION INCOME (MEUR)



NET SALES PER FUND TYPE 2023 (MEUR)



Business areas

Wealth management and investor clients

The Wealth Management and Investor Clients segment offers services to present and future high net worth private individuals and institutions. The comprehensive product and service selection includes asset management services, fund products offered by Evli and its partners, various capital market services and alternative investment products. The segment also includes execution and operations activities that directly support these core activities.

Discretionary asset management

Assets under management increased from the level of the previous year as a result of strong market development. At the end of 2023 Evli had EUR 5.7 billion (EUR 5.5 billion) in discretionary asset management assets, which includes both traditional and digital services.

Traditional mutual funds

Net subscriptions of EUR 0.5 billion (EUR –1.2 billion) were made to Evli's mutual funds during January–December. According to Evli's strategy, the goal is to increase the international sales of its investment products. In 2023 net subscriptions from foreign investors amounted to EUR –20 million (EUR –0.7 billion).

The returns of all Evli's fixed income funds developed positively during 2023. Of the funds, the best returns relative to the benchmark index were generated by Evli Short Corporate Bond and Evli Nordic Corporate Bond funds. The return development of almost all equity funds was also positive during the year, driven by the general market situation. Relative to the benchmark index, the best returns were generated by Evli Finnish Small Cap and Evli GEM funds.

During 2023, 42 percent of Evli's traditional investment funds performed better than their benchmark index. In a three–year review, 45 percent of mutual funds outperformed the benchmark index. At the end of the year, Evli was best in the comparison of management companies by the analysis house Morningstar, receiving 4.00 stars.

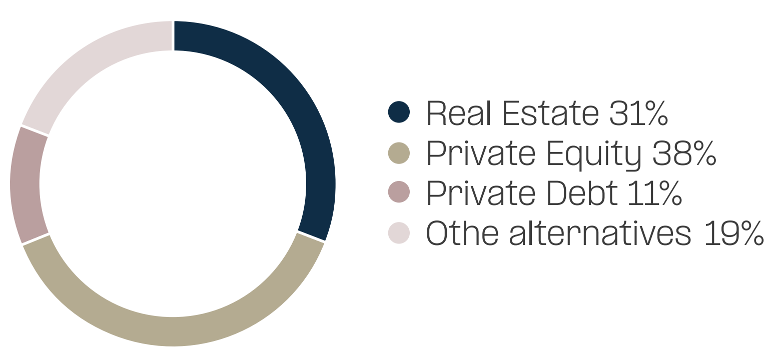
The total capital of traditional investment funds managed by the fund management company was EUR 9.9 billion (EUR 8.6 billion). Of this, around EUR 3.5 billion were invested in equity funds (EUR 2.8 billion), EUR 6.3 billion in fixed income funds (EUR 5.6 billion) and EUR 0.2 billion in mixed funds (EUR 0.2 billion). At the end of December, EUR 2.4 billion of Evli's fund capital came from customers outside Finland (EUR 2.2 billion) when direct fund investments are examined.

Responsibility is a central part to Evli's asset management. At the end of the year, the average ESG rating of Evli's funds was "A" (source: MSCI ESG database).

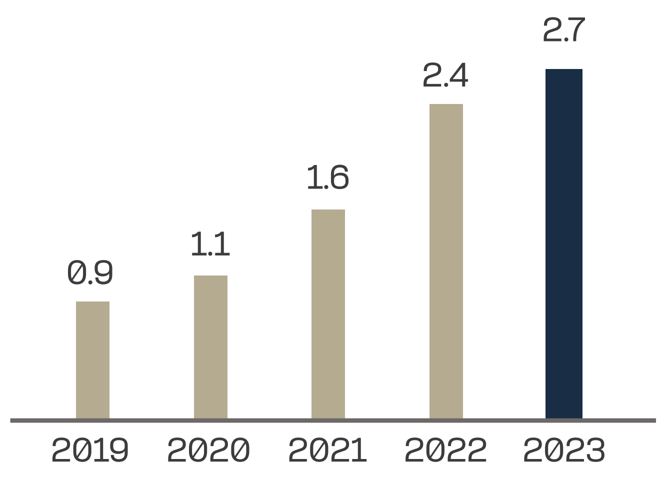
Alternative investment products

The sales and product development of the strategically important alternative investment products performed well considering the market situation during the review period. In total, subscriptions and investment commitments to alternative investment products were made during 2023 to the value of approximately EUR 225 million. The largest subscriptions were directed to Evli Private Equity I (approximately EUR 56 million), Evli Private Debt II (approximately EUR 54 million) and Evli Leveraged Loan (approximately EUR 39 million).

ASSETS UNDER MANAGEMENT IN ALTERNATIVE FUNDS 31.12.2023



ASSETS UNDER MANAGEMENT IN ALTERNATIVE FUNDS (BN. €)



Other investment products

During 2023, demand for direct investment products was modest despite the high volatility in the markets. During the year, commissions from brokerage activities decreased from the comparison period in almost all asset classes.

Financial performance

In 2023 the net revenue of the Wealth Management and Investor Clients segment increased from the comparison period due to good fund development and net sales carried over from the acquisition of EAB. The development of net sales was burdened by clearly lower commission income and lower yield fees than in the comparison period. Net sales increased by 11 percent from the previous year and were EUR 84.2 million (EUR 75.7 million). During the year, performance–related fees from asset management or funds amounted to EUR –0.4 million (EUR 0.6 million).

The operating result increased by 20 percent on the comparison period and was EUR 33.0 million (EUR 27.4 million).

KEY FIGURES – WEALTH MANAGEMENT AND INVESTOR CLIENTS

M€	2023	2022*	Change %
Net revenue	84.2	75.7	11%
Operating profit/loss before Group allocations	43.4	38.1	14%
Operating profit/loss	33.0	27.4	20%

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

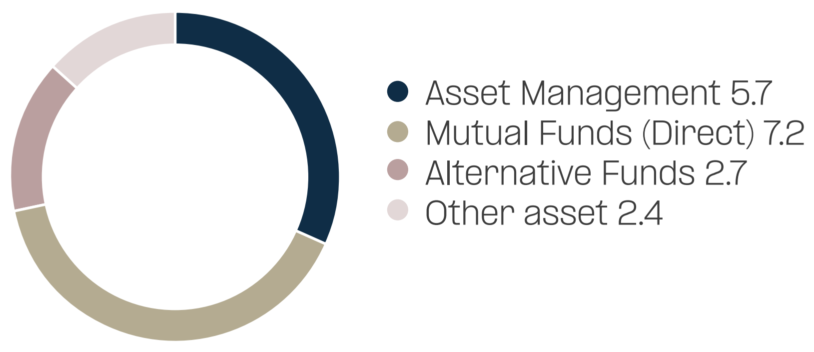
Development of client assets under management

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

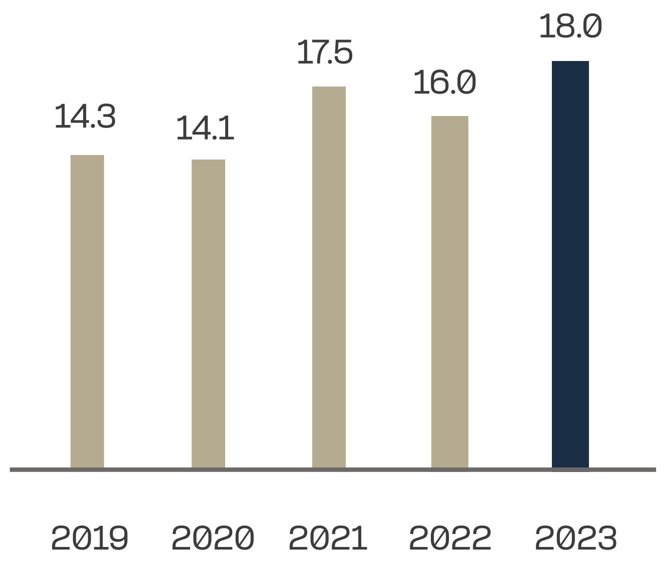
Customer assets under management increased from the previous year's level due to new sales and positive market development. At the end of the year, the Group's total net assets under management stood at EUR 18.0 billion (EUR 16 billion). At the end of the year, the full power of attorney was within the scope of asset management for EUR 5.7 billion (EUR 5.5 billion). Correspondingly, direct investments in Evli's traditional investment funds totaled EUR 7.2 billion (EUR 6.0 billion) at the end of 2023. The assets under management of alternative investment funds amounted to EUR 2.7 billion (EUR 2.4 billion). Assets managed through subsidiaries and associated companies also rose to EUR 2.4 billion (EUR 2.1 billion).

Advisory and corporate clients

ASSETS UNDER MANAGEMENT (BN. €)



ASSETS UNDER MANAGEMENT (BN. €)



The Advisory and Corporate Clients segment provides corporate and capital management services, including advisory services on acquisitions and divestments, IPOs and share issues. The segment also provides planning and administration of compensation and incentive plans and corporate analysis services for listed companies.

M&A transactions

Uncertainty and increased financing costs weighed on the M&A markets well into the autumn, but as the end of the year approached, the situation improved, and assignments reached the finish line. Despite the uncertain market environment, the company's order book is reasonable, and the outlook is favorable.

Remuneration services

At the end of 2023, the company had over 220 incentive programs or personnel funds under management. Evli annually advises around 150 companies on compensation planning mandates. In the domestic client base, activity remained at a very high level, especially with the implementation of share issues and share savings plans for the entire personnel. Sales to both Swedish listed and domestic unlisted companies also increased during the year. The company's offer base has also grown steadily.

Net revenue of the incentive business during the year was approximately EUR 12.2 million (EUR 10.2 million). The development of net revenue was positively affected by, among other things, the increase in the number of customer companies from the comparison period and the still growing cross–selling of services. In addition, existing customers' interest in more extensive incentive plans, such as share savings plans for the entire personnel, and communication services continued to grow. The personnel fund business resulting from the acquisition of EAB and the expansion of the business into Sweden also brought growth.

Financial performance

In 2023 the net revenue in the Advisory and Corporate Clients segment decreased by four percent from the previous year and amounted to EUR 15.8 million (EUR 16.4 million). Revenue development was negatively impacted by the decrease in advisory fees received from M&A transactions. Significant fluctuations in revenue from one year to the next are typical of the segment's M&A activities.

KEY FIGURES — ADVISORY AND CORPORATE CLIENTS

M€	2023	2022*	Change %
Net revenue	15.8	16.4	-4%
Operating profit/loss before Group allocations	4.5	6.1	-26%
Operating profit/loss	2.7	4.2	-37%

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

Group operations

The Group Operations segment includes support functions serving the business areas, such as Information Management, Financial Administration, Marketing, Communications and Investor Relations, Human Resources, and Internal Services. The company's own investment operations and the Group's supervisory functions (Legal and Compliance, Risk Management, and Internal Audit) are also part of Group Operations.

Financial performance

In 2023 the net revenue in the Group Operations segment increased compared to the previous year and was EUR 8.7 million (EUR 4.0 million). The increase was driven by a change in the interest rate environment reflected in the interest margin and by own investment activity.

KEY FIGURES — GROUP OPERATIONS

M€	2023	2022*	Change %
Net revenue	8.7	4.0	119%
Operating profit/loss before Group allocations	-7.7	-13.3	43%
Operating profit/loss	4.5	-0.8	691%

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

Responsibility

Responsibility is one of Evli's strategic focus areas. Responsible operations create long–term value and keep us competitive in the changing global operating environment.

Responsible investing

In Wealth Management, the company's most significant business area, responsibility factors have been integrated as a systematic part of portfolio management. The investments made by Evli's mutual funds are monitored for possible breaches of standards. In addition, the asset management team engages in influencing the companies it invests in independently and together with other investors.

Evli's work in the field of responsibility was recognized by customers. In Kantar Prospera's "External Asset Management 2023 Finland" –survey Evli's responsible investing expertise was ranked the best in Finland and in the SFR Scandinavian Financial Research client survey, Evli was ranked second among large asset management houses in Finland in terms of responsible investment expertise.

Responsible employer

Evli is committed to creating responsible and high-quality work-life experiences for its employees and job applicants. Fairness, which encompasses equality, non-discrimination, and diversity, is an integral part of Evli's responsibility. At Evli, each business unit is responsible for ensuring that responsibility issues are taken into account in their daily work and that all employees are implementing responsibility into practice. Responsible working practices are based on Evli's values: entrepreneurship, valuable relationships, learning, and integrity.

Read more about the development of responsibility at Evli during 2023 on pages 17–53.

Balance sheet and funding

At the end of December 2023, Evli Group's balance sheet total was EUR 344.7 million (EUR 366.6 million). The Group's equity at the end of the year stood at EUR 137.2 million (EUR 143.4 million).

The Group's cash and cash equivalents at the end of 2023 stood at EUR 126.0 million (EUR 115.4 million) and liquid investment fund investments totaled EUR 26.0 million (EUR 23.8 million). Evli Plc has granted investment loans to its customers. At the end of 2023, loans drawn totaled EUR 19.2 million (EUR 34.8 million). These are presented in the balance sheet under claims on the public and public sector entities. There were no credit losses during 2023.

The lease liability related to business premises recorded in the balance sheet at the end of 2023 was EUR 11.3 million (EUR 12.9 million), of which short-term liabilities accounted for EUR 2.4 million (EUR 1.7 million). Evli Plc has issued structured notes totaling EUR 106.7 million (EUR 106.3 million). These form the basis of the Group's long-term financing together with equity. The company's share capital at the end of December was EUR 53.7 million. There were no changes in the share capital during the year.

The Group's Common Equity Tier 1 capital per 31.12.2023 was EUR 42.9 million and the Group's own funds in relation to the required minimum capital were 258.2 percent. As an investment firm, Evli Plc complies with the Investment Services Companies' Capital Adequacy Framework (IFD/IFR). The most restrictive capital requirement for Evli at the end of the year was determined based on fixed overheads. The minimum capital requirement based on fixed overheads was EUR 16.6 million. The Group's equity ratio was 39.8 percent on 31.12.2023.

Decisions taken by the general meeting

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

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

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

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

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

Number of Board members, members, and fees

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

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

Auditors and auditors' fees

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New article in the Articles of Association:

"Article 10 § Notice Convening the General Meeting of Shareholders

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

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

Shares and shareholders

Evli Plc's total number of shares at the end of December was 26,484,899 shares, of which 14,425,812 were series A shares and 12,059,087 series B shares. The company held no own shares at the end of December 2023.

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

The company decided on April 21, 2022, on a directed share issue without consideration for the reward payments based on the Restricted Share Plans 2018 and 2019. A total of 209,597 new B shares of Evli Plc were entered into the Trade Register on June 27, 2023. The new shares were admitted to public trading on Nasdaq Helsinki on June 28, 2023

Pursuant to Section 4 of the Articles of Association, the company converted 8,000 A shares into B shares on July 25, 2023. The converted shares were admitted to public trading on Nasdaq Helsinki on July 26, 2023.

Pursuant to Section 4 of the Articles of Association, the company converted 33,336 A shares into B shares on November 10, 2023. The converted shares were admitted to public trading on Nasdaq Helsinki on November 13, 2023.

The closing price of Evli Plc's share on December 31, 2023, was EUR 19.70. The lowest closing price for the period was EUR 15.25 and the highest was EUR 21.30. A total of 1,151,499 Evli Plc shares were traded during the review period. The combined market value of A and B shares was EUR 521.8 million on December 31, 2023. For the purpose of calculating the market value, the A share is valued at the closing price of the B share for the period.

Evli's total number of shareholders was 6,697 at the end of year. Finnish companies owned 53 percent and the shareholding of Finnish private individuals was 27 percent. The remaining 19 percent of the shares were owned by financial and insurance corporations, general government, non–profit–making entities, and foreign investors. More information about the share and shareholders on pages 64–67.

Business risks and risk management

The most significant risks for the Group in the near term are the general market development and the impact of the changing operating environment and inflation on Evli's businesses. The performance of the asset management business is mainly influenced by the development of assets under management, which depends on, among others, the development of capital markets and the general demand for investment products. On the other hand, alternative investment products in particular are based on long–term agreements which provide a steady income stream. Profit development is also influenced by the realization of performance–related fee income linked to the successful management of client assets. Performance fees can vary widely from quarter to quarter and from financial year to financial year.

General market developments also have an impact on brokerage and advisory mandates. In the Corporate Finance business, potential changes in market confidence among investors and corporate managers may lead to project delays or interruptions.

In addition to its core business, Evli has granted investment loans to its clients, as well as owning equity and mutual fund investments. The most significant risks related to its own investment activities are liquidity, market, and interest rate risks. These risks are managed through limits set by Evli Plc's Board of Directors, which are monitored on an ongoing basis. The company's investments are made on the basis that they must not endanger the Group's results or solvency. Despite good supervision, investment activities always involve a certain degree of risk, which may result in significant quarterly fluctuations in the returns from investment activities.

A more detailed description of operational risks is provided on pages 101–108.

Outlook for 2024

The business environment is expected to remain uncertain and difficult to predict in 2024. The expansion of geopolitical risks, fears of inflation and interest rates, and concerns about the sustainability of economic growth increase uncertainty in the markets.

Despite the challenging market environment, Evli has succeeded in strengthening its position in the market. Growth is supported by a wide range of products and customer base. Due to our strong position and growth prospects, we esti–mate that the operating result will be at or above the comparison period.

Helsinki, January 25, 2024

EVLI PLC
Board of Directors

Shares and Shareholders

Shares and Shareholders' Equity

Evli Plc has two share series, series A and series B shares. One series A share confers twenty (20) votes and one series B share one (1) vote at the General Meeting. The two series of shares have equal rights to dividends and other forms of profit distribution. The Company's series B share is listed on the official list of Nasdaq Helsinki with the ticker symbol "EVLI" and ISIN code FI4000513437.

At the end of December 2023, the aggregate number of Evli's shares was 26,484,899, with the series A shares accounting for 14,425,812 shares and series B shares for 12,059,087 shares. The company held no own shares at the end of December 2023. At the end of 2023, the company's share capital amounted to EUR 53.7 million.

Trading in shares

At the end of December, 12,059,087 of Evli's series B shares were publicly traded in Nasdaq Helsinki. The share exchange between January and December totaled EUR 21.7 million while the number of Evli shares exchanged was 1,151,499. During 2023, the highest closing price of the share was EUR 21.30 while the lowest closing price was EUR 15.25. The share's closing price on December 31, 2023, was EUR 19.70. Evli's market capitalization, calculated based on both the unlisted series A and the listed series B shares, was EUR 521.8 million on December 31, 2023. Series A shares are valued at the year-end closing price of series B shares.

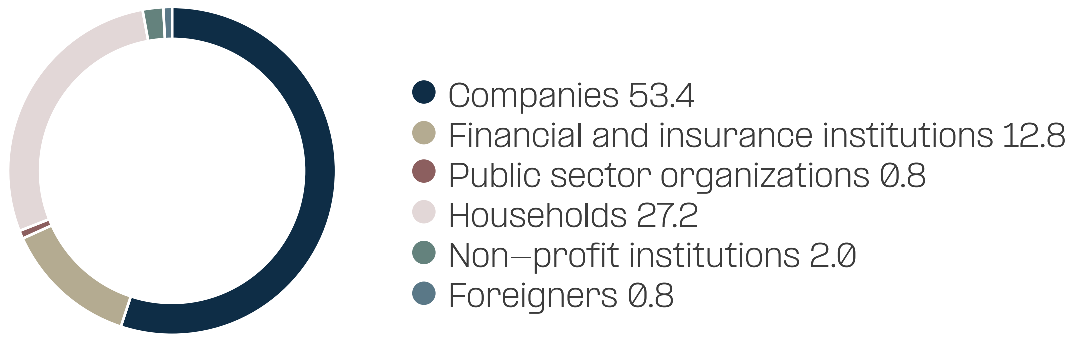
Shareholders

At the end of 2023, Evli had 6,697 shareholders in the book-entry register. The stake of Finnish companies was 53 percent and that of private Finnish individuals was 27 percent. The remaining 20 percent of the shares were owned by Financial and insurance institutions, public sector organizations, non-profit institutions and foreign investors.

MARKET CAPITALISATION, M€

521.8 (2022: 398.1)

BREAKDOWN OF SHAREHOLDINGS BY OWNER GROUP



BREAKDOWN OF VOTES BY OWNER GROUP

LARGEST SHAREHOLDERS 31.12.2022

	A Shares	B Shares	Shares total	% of shares	Number of votes	% of votes
1. Oy Prandium Ab	3,803,280	950,820	4,754,100	17,95	77,016,420	25,62
2. Oy Scripo Ab	3,803,280	950,820	4,754,100	17,95	77,016,420	25,62
3. Ingman Group Oy Ab	1,860,000	905,000	2,765,000	10,44	38,105,000	12,68
4. Oy Fincorp Ab	2,319,780	330,394	2,650,174	10,01	46,725,994	15,55
5. Lehtimäki Jyri Maunu Olavi	533,728	117,031	650,759	2,46	10,791,591	3,59
6. Moomin Characters Oy Ltd	0	609,810	609,810	2,3	609,810	0,2
7. Tallberg Claes Henrik	369,756	32,588	402,344	1,52	7;427,708	2,47
8. Hollfast John Erik	328,320	71,680	400,000	1,51	6,638,080	2,21
9. Danske Invest Finnish Equity Fund	0	286,940	286,940	1,08	286,940	0,1
10. Umo Invest Oy	0	240,074	240,074	0,91	240,074	0,08

BREAKDOWN OF SHAREHOLDINGS BY OWNER GROUP 31.12.2023

	Number of shareholders	% of shareholders	Number of shares	% of shares	Number of votes	% of votes
Companies	303	4.52	14,140,543	53.39	194,005,183	64.55
Financial and insurance institutions	27	0.40	3,384,295	12.78	48,244,402	16.05
Public sector organizations	3	0.05	206,583	0.78	206,583	0.07
Households	6,309	94.21	7,209,431	27.22	57,359,399	19.08
Non-profit institutions	24	0.36	521,280	1.97	521,280	0.17
Foreigners	31	0.46	220,290	0.83	238,480	0.08
Total	**6,697**	**100.00**	**26,484,899**	**100.00**	**301,377,804**	**100.00**
of which nominee registered			802,477	3.03	802,477	0.27
Number of shares issued			**26,484,899**	**100.00**	**301,377,804**	**100.00**

BREAKDOWN OF SHAREHOLDINGS BY SIZE CLASS 31.12.2022

	Number of shareholders	% of shareholders	Number of shares	% of shares	Number of votes	% of votes
1 - 100	3,077	45.95	128,404	0.49	128,404	0.04
101 - 1,000	3,022	45.13	948,851	3.58	948,851	0.32
1,001 - 10,000	483	7.21	1,329,681	5.02	1,557,681	0.52
10,001 - 100,000	85	1.27	3,083,880	11.64	12,338,970	4.11
100,001 - 1,000,000	26	0.39	6,070,709	22.92	46,737,587	15.55
> 1,000,000	4	0.06	14,923,374	56.35	238,863,834	79.47
Total	**6,697**	**100.00**	**26,484,899**	**100.00**	**301,377,804**	**100.00**
of which nominee registered	9		802,477	3.03	802,477	0.27
Number of shares issued			**26,484,899**	**100.00**	**301,377,804**	**100.00**

Authorisations given to the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of the company's own series A and series B shares in one or more tranches. The total number of own series A shares to be acquired may be a maximum of 1,448,515 shares, and the total number of own series B shares to be acquired may be a maximum of 1,179,015 shares. The proposed number of shares represented approximately 10 percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Based on the authorization, the company's own shares may only be acquired with unrestricted equity. The Board of Directors will decide how the company's own shares will be acquired. Financial instruments such as derivatives may be used in the purchasing. The company's own shares may be acquired in other proportion than the shareholders' proportional shareholdings (private purchase). Shares may be acquired through public trading at the prevailing market price formed for the series B shares in public trading on the Nasdaq Helsinki Oy on the date of acquisition. The authorization replaced earlier unused authorizations to acquire the company's own shares. The authorization will be in force until the next Annual General Meeting but no later than until June 30, 2024.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to Chapter 10, section 1, of the Companies Act in one or more tranches, for a fee or free of charge. Based on the authorization, the number of shares issued or transferred, including shares received based on special rights, may total a maximum of 2,627,530 series B shares. The proposed number of shares represents approximately 10 percent of all the shares of the company on the date of the Notice of the Annual General Meeting. Of the above-mentioned total number, however, a maximum of 262,753 shares may be used as part of the company's share-based incentive schemes, representing approximately one (1) percent of all the shares of the company on the date of the Notice of the Annual General Meeting. The authorization will entitle the Board of Directors to decide on all the terms and conditions related to the issuing of shares and special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription rights. The Board of Directors may decide to issue either new shares or any own shares in the possession of the company. The authorization replaced earlier unused authorizations concerning the issuance of shares as well as the issuance of options and other special rights entitling to shares. The authorization will be in force until the end of the next Annual General Meeting but no longer than until June 30, 2024.

Evli's series A shares can be converted into series B shares under Article 4 of the Articles of Association. During 2023, the company converted A shares into B shares as follows:

- 18,000 A shares were converted into B shares on May 8, 2023. Public trading with the converted shares began at Nasdaq Helsinki Ltd on May 9, 2023.
- 8,000 A shares were converted into B shares on July 25, 2023. Public trading with the converted shares began at Nasdaq Helsinki Ltd on July 26, 2023.
- 33,336 A shares were converted into B shares on November 10, 2023. Public trading with the converted shares began at Nasdaq Helsinki Ltd on November 13, 2023.

Option and share-based incentive programs

Evli has five share-based incentive programs in place: 2021, 2021–2025, 2022, 1/2023–6/2026, and 9/2023–12/2026. The rewards based on the incentive program are given in Evli shares. Further information on the incentive program on Evli's webpage **evli.com/en/investors** and Note 2.8. Employee benefits as well as from the remuneration policy on pages 147–149.

Share ownership of executives

The share ownership of Evli's Board members , including the holdings in the controlled corporations, were 7 535,962 shares in total on December 31, 2023, accounting for 28.5 percent of the total shares and 38.3 percent of voting rights. The members of the Board held no stock options.

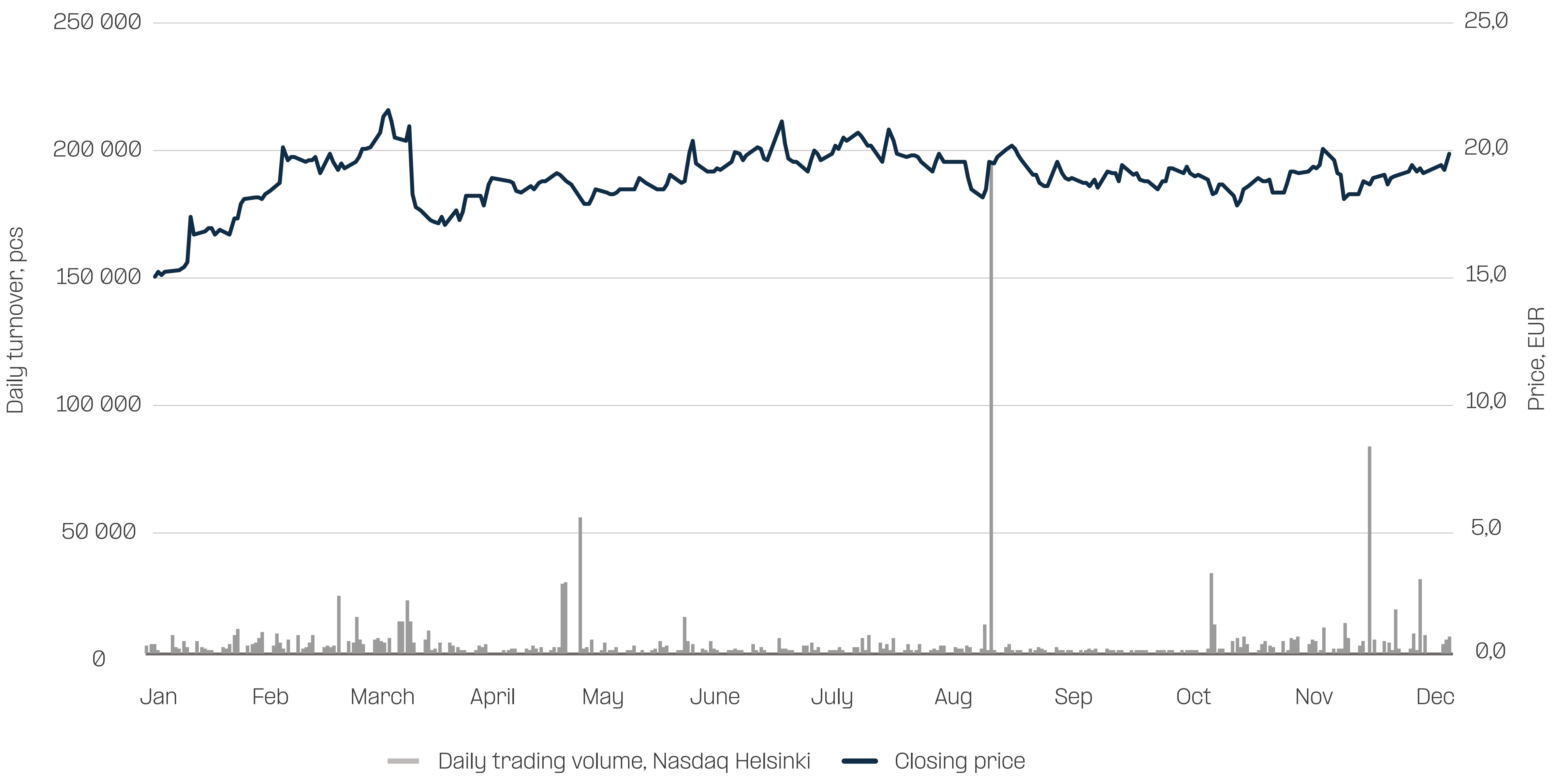
At year–end, CEO Maunu Lehtimäki owned 650,759 shares which is 2.5 percent of the shares and 3.6 percent of the voting rights. Moreover, he has been allocated 40,000 Evli shares in the context of the share–based incentive program 9/2023–12/2026.

At year–end, other members of Evli Group's Executive Group owned 660,083 shares in aggregate, corresponding to 2.5 percent of the total shares and 2.4 percent of the voting rights. In addition, the Executive Group has been allocated 180,000 Evli shares in total in the context of the share–based incentives program 9/2023–12/2026. Detailed information on ownership is given in the corporate governance report, on page 143.

CHANGES IN THE SHARE CAPITAL, BOARD AUTHORIZATIONS AND OPTION PROGRAMS

	A-shares	B-shares	shares, total	Share capital, M€	Fund of invested nonrestricted equity, M€
1.1.2023	14,485,148	11,790,154	26,275,302	53.7	26.6
Additions	-	268,933	268,933	0.0	0.0
Decreases	-59,336	-	-59,336	0.0	-9.2
31.12.2023	**14,425,812**	**12,059,087**	**26,484,899**	**53.7**	**17.5**

SHARE PRICE DEVELOPMENT AND TRADING VOLUME (SERIES B SHARES) FROM JANUARY 1 TO DECEMBER 31, 2023



Information to shareholders

Basic share information

Evli Plc has two share series, series A and series B shares. One series A share confers twenty (20) votes, and a series B share confers one (1) vote at the General Meeting. The share series have identical entitlements to dividends and other profit sharing. The company's series B shares are listed on the official list of Nasdaq Helsinki with the ticker symbol "EVLI" and ISIN code FI4000513437..

- A shares (December 31, 2023): 14,425,812
- B shares (December 31, 2023): 12,059,087

Investor calendar 2024

- Silent period December 26, 2023—January 25, 2024
- Financial Statements Bulletin 2023 on January 25, 2024
- Annual Report and Financial Statements for 2023 approximately on February 14, 2024
- Final registration date for voting at the Annual General Meeting on March 8, 2024, at 4:00 pm.
- Annual General Meeting in Helsinki on March 14, 2024
- Dividend record date on March 18, 2024
- Proposed dividend payment date on March 25, 2024
- Silent period March 23—April 22, 2024
- Interim Report January–March 2024 on April 22, 2024
- Silent period June 15—July 15, 2024
- Half-year Financial Report January–June 2024 on July 15, 2024
- Silent period September 22—October 25, 2024
- Interim Report January–September 2024 on October 25, 2024.

Evli's financial reports as well as stock exchange and press releases are published in Finnish and in English. Evli's stock exchange releases and press releases can be subscribed to at **evli.com/en/investors**.

Annual General Meeting of shareholders

The Annual General Meeting (AGM) of Evli Plc will be held on March 14, 2024, in Helsinki.

The notice to the AGM and the Board's proposals to the AGM are published as a stock exchange release and on evli.com. The notice lists the matters to be discussed at the AGM. A shareholder has the right to request on the agenda of the AGM an item that falls within the competence of the general meeting by virtue of the Limited Liability Companies Act, provided that the shareholder demands so in writing to the Board of Directors, well in advance of the meeting, so that the item can be added in the notice of the annual general meeting.

A shareholder is entitled to participate in the AGM, if the shareholder's date of entry in the list of shareholders maintained by Euroclear Finland Oy is not later than March 4, 2024.

Registration and voting

A shareholder wishing to participate in the AGM must register as a participant by March 8, 2024, at 4:00 pm. Additional information about the registration at **evli.com/agm2024**.

Proposed distribution of dividends

The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 1.16. The Board of Directors proposes that the dividend is paid on March 25, 2024.

Evli's investor communications

The main channel for Evli's investor communications is the company's website, **evli.com/en/investors**, where the company publishes all its stock exchange and press releases, its interim reports, financial statements, annual reports, and General Meeting notices. The website also has presentations related to the reporting of results for investors and analysts, an investor calendar, and information intended for shareholders and analysts about the company's shares, financial performance, ownership, and Corporate Governance.

ANNUAL GENERAL MEETING

14.3.
2024

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Managing capital adequacy

Capital adequacy management is a central part of Evli's day–to–day operations. Evli operates on a sustained basis and capital adequacy management aims to ensure the continuity of operations also in the long run. Although all business operations are inherently risky, Evli's capital adequacy management is founded on the premise that risks are controlled and the group does not take excessive risks. Risk modelling and contingency planning aims to ensure that own funds are sufficient to cover any material risks to Evli.

Evli Plc's Board of Directors has overall responsibility for capital adequacy management. The responsibility for day–to–day management lies primarily with the group's Financial Administration. Risk management and internal audit support the management process by helping to ensure that the risks associated with operations are taken into account with sufficient accuracy and that operations do not take on such a high level of risk that it would pose a material risk to Evli's operations.

The management of capital adequacy is based on a capital plan, which is reviewed at least once a year and is based on an analysis of the company's business, outlook and key risks. As part of the overall capital plan, Evli defines and maintains targets for capital adequacy levels and acceptable risk levels and limits.

As an investment firm, Evli Plc complies with the EU investment firm framework (IFD/IFR). The starting point for capital adequacy management is formed by the regulatory minimum capital adequacy requirements, which are described by the Pillar I capital requirement. These are complemented by an additional consideration of risks outside Pillar I or the Pillar II elements.

Evli applies a minimum target according to which its own funds in relation to risk–weighted balance sheet items must not fall below 13 percent (the minimum target level for capital adequacy). The Group's core capital (CET 1) as at December 31, 2023 was EUR 42.3 million. Correspondingly, the ratio of own funds to risk–weighted exposure was 20.6 percent, and the ratio of own funds to the minimum capital requirement was 257.2 percent. The most restrictive capital requirement for Evli at the end of the reporting period was based on fixed overheads. The minimum capital requirement based on fixed overheads was EUR 16.4 million. Evli Group's leverage ratio was 39.8 percent as at December 31, 2023. Detailed information on capital adequacy is provided i the tabel to the right.

M€	IFR, 31.12.2023 Evli-Group	IFR, 31.12.2023 Evli Plc
Total equity	137.2	99.2
Common Equity Tier 1 capital (CET 1) before deductions	137.2	99.2
Deductions from CET 1, total	-94.2	-74.3
Intangible assets	-48.7	-16.0
Profit for the financial year	-32.0	-25.7
Other deductions	-13.6	-32.5
Common Equity Tier 1 capital (CET1)	**42.9**	**24.9**
Additional Tier 1 capital (AT1)		
Additional Tier 1 capital (T1 = CET1 + AT1)	**42.9**	**24.9**
Tier 2 capital (T2)		
Total own funds (TC = T1 + T2)	**42.9**	**24.9**
Own funds requirement (IFR)		
Fixed overhead costs requirement	16.6	10.2
K-factor requirement	4.1	4.1
Minimum requirement	0.75	0.75
Total requirement (most restrictive)	**16.6**	**10.2**
CET1 compared to total requirement (%)	258.2%	244.0%
T1 compared to total requirement (%)	258.2%	244.0%
Total own funds compared to total requirement (%)	258.2%	244.0%
Total risk weighted assets	**207.7**	**127.8**
CET1 compared to risk weighted assets (%)	20.7%	19.5%
T1 compared to risk weighted assets (%)	20.7%	19.5%
Total own funds compared to risk weighted assets (%)	20.7%	19.5%
Excess own funds compared to total requirement	**26.3**	**14.7**

Calculation of key ratios

IFRS KEY RATIOS

Ratio		Definition	
Net revenue		From Income Statement. Includes gross returns, deducted by interest and commission expenses.	
Profit/loss for the financial year		From Income Statement.	
Earnings per Share (EPS), undiluted	=	Profit for the year after taxes attributable to the shareholders of Evli Plc / Average number of shares outstanding during the reporting period	x 100
Earnings per Share (EPS), diluted	=	Profit for the year after taxes attributable to the shareholders of Evli Plc / Average number of shares outstanding during the period including option rights issued through share-based incentive plans	x 100
Equity ratio, %	=	Equity incl. non-controlling interest's share of equity / Average balance total	x 100

ALTERNATIVE KEY RATIOS

Ratio		Definition	
Operating profit/loss	=	Net revenue – administrative expenses – depreciation, amortisation and impairment – other operating expenses +– share of results of associates	
Operating profit/loss excluding non-recurring items related to mergers and acquisitions	=	Operating profit less non-recurring items related to corporate restructuring	
Return on equity (ROE), %	=	Profit / Loss for financial year / Equity capital and minority interest (average of the figures for the beginning and at the end of the year)	x 100
Return on assets (ROA), %	=	Profit / Loss for financial year / Average total assets (average of the figures for the beginning and at the end of the year)	x 100
Equity-to-assets ratio, %	=	Equity / Balance sheet total	x 100
Expense ratio as earnings to operating costs	=	Administrative expenses + depreciation and impairment charges+ other operating expenses / Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income	
Equity per share	=	Equity attributable to the shareholders of the Group / Operating expenses of the company, excluding the reservation for personnel bonuses for the review period	
Recurring revenue to operating costs ratio	=	Revenue from time-based contracts[1] / All operative expenses excluding reservation for personnel bonuses for the review period	
Dividend per share	=	Dividend paid or proposed for the financial year	
Market value	=	Number of shares at the end of the period x closing price	
Earnings per share (EPS) excl. one-off effects of acquisitions. diluted	=	Operating profit less one-off items for corporate restructuring / Average number of shares outstanding during the reporting including option rights issued through share-based incentive plans	

[1] Management, analysis, custody and client interest margin income from wealth management, fund savings and incentive plans

Financial statements 1.1.–31.12.2023 Contents

The figures in the financial statement are presented in millions of euros, unless indicated otherwise.

Consolidated comprehensive income statement , IFRS

	Note	2023	2022
Fee and commission income	2.1	102.9	95.4
Net income from securities transactions	2.2	3.0	3.7
Income from equity investments	2.3	0.1	0.0
Interest income	2.4	8.8	1.6
Other operating income	2.5	0.8	0.1
INCOME TOTAL		**115.7**	**100.9**
Fee and commission expenses	2.6	-2.9	-3.3
Interest expenses	2.7	-4.1	-1.5
NET REVENUE		**108.7**	**96.1**
Administrative expenses			
Personnel expenses	2.8	-41.0	-39.2
Other administrative expenses	2.9	-21.0	-19.6
Depreciation and amortization on tangibleand intangible assets	2.10	-4.8	-5.1
Other operating expenses	2.11	-1.6	-0.8
Excpected credit losses on loans and other receivables		0.0	0.0
Impairment losses on other financial assets	2.12	-0.8	-0.7
Share of profit or loss of associates	2.13	0.7	0.3
OPERATING PROFIT/LOSS		**40.2**	**30.9**
Income taxes	2.14	-8.2	-5.8
PROFIT / LOSS FOR THE FINANCIAL YEAR		**32.0**	**25.1**
Attributable to			
Minority interest		3.3	4.3
Shareholders of parent company		28.8	20.7

	Note	2023	2022
OTHER COMPREHENSIVE INCOME / LOSS			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations		-0.1	-0.6
Items that may not be reclassified subsequently to profit or loss		0.0	0.0
Fair value change of financial instruments recognized in OCI		-2.9	-3.4
Deferred taxes		0.6	0.7
Other comprehensive income/loss		**-2.5**	**-3.3**
Other comprehensive income after taxes / loss for the year		-2.5	-3.3
OTHER COMPREHENSIVE INCOME / LOSS FOR THE YEAR		**29.6**	**21.7**
Attributable to			
Non-controlling interest		3.3	4.3
Equity holders of parent company		26.3	17.4
	2.15		
Earnings per share (EPS), fully diluted (EUR)	2.15	1.05	0.81
Earnings per share (EPS), undiluted (EUR)		1.09	0.83

Operating profit

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 sum formed after employee benefits expenses, other administrative expenses, depreciation, amortization and possible impairment losses, and other operating expenses are deducted from net revenue and share of profit and loss of associates. All other items than the ones mentioned above are presented below operating profit in profit or loss.

Earnings per share

Undiluted earnings per share are calculated by dividing the profit or loss attributable to the parent company's shareholders by the weighted average number of shares in circulation during the financial period, excluding Evli shares acquired and held by the Group during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares by the dilutive effect of the stock options granted under share–based incentive programs.

Consolidated balance sheet, IFRS

ASSETS	Note	31.12.2023	31.12.2022
Cash and equivalents	3.1	0.0	0.0
Claims on credit institutions	3.2	126.0	115.4
Claims on the public and public sector entities	3.3	19.2	34.8
Debt securities	3.4	2.0	2.0
Shares and participations	3.5	42.5	41.3
Derivative contracts	3.6	5.9	0.4
Shares and participations in associates	3.7	5.2	5.7
Intangible assets and goodwill	3.8	48.7	49.6
Property, plant and equipment	3.9	1.1	1.1
Right-of-use assets	3.10	11.3	12.9
Other assets	3.11	74.4	95.7
Accrued income and prepayments	3.12	3.4	3.3
Income tax receivables	3.13	1.3	1.0
Deferred tax assets	3.14	3.6	3.4
TOTAL ASSETS		**344.7**	**366.6**

LIABILITIES AND EQUITY	Note	31.12.2023	31.12.2022
LIABILITIES			
Liabilities to credit institutions and central banks	3.15	3.4	0.0
Liabilities to the public and public sector entities	3.15	0.0	0.5
Debt securities issued to the public	3.16	106.7	106.3
Derivative contracts and other liabilities held for trading	3.17	6.0	0.4
Other liabilities	3.18	61.8	81.6
Accrued expenses and deferred income	3.19	27.3	32.1
Income tax liability	3.20	2.4	2.1
Deferred tax liabilities	3.21	0.0	0.0
TOTAL LIABILITIES		**207.6**	**223.2**
EQUITY			
Share capital		53.7	53.7
Fund of invested non-restricted equity		17.5	26.6
Fair value reserve		-5.1	-2.7
Translation difference		-0.6	-0.5
Retained earnings		67.5	61.5
Non-controlling interest		4.1	4.7
TOTAL EQUITY	3.22	**137.2**	**143.4**
TOTAL LIABILITIES AND EQUITY		**344.7**	**366.6**

Cash flow statement, IFRS

	2023	2022
Operating activities		
Operating profit	40.2	30.9
Adjustment for items not included in cash flow	5.4	11.2
Income taxes paid	-6.9	-9.8
Cash flow from operating activities before changes in operating	**38.7**	**32.2**
Changes in operating asset	32.2	83.0
Changes in operating liabilities	-26.7	-7.3
Cash flow from operating activities	**44.1**	**107.9**
Investing activities		
Merger cash consideration	0.0	-3.0
Dividends and changes in associated companies	0.3	0.2
Change in intangible asset	-1.4	-0.8
Change in property. plant and equipment	0.0	0.0
Cash flow from investing activities	**-1.0**	**-3.6**
Financing activities		
Change in Loans from credit institutions	3.3	-13.4
Equity transactions with the parent entity Evli Bank*	0.0	9.6
Dividends paid	-30.2	-25.3
Dividends paid to NCI	-3.5	-4.2
Payments of loan/IFRS 16 Right of use asset	-2.1	-2.1
Cash flow from financing activities	**-32.5**	**-35.4**
Cash and cash equivalents at the beginning of period	115.4	47.8
Cash received in merger	-	1.3
Cash and cash equivalents at the end of period	126.0	115.4
Change	**10.6**	**68.8**

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

Additional information to the cash flow statement

In the cash flow statement, the flows of cash and cash equivalents during the financial year are presented for all operations. The cash flow statement has been prepared in accordance with the indirect method, where cash inflows and outflows are reported primarily in gross terms. Cash flows are classified as cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

Cash flow from operating activities

Operating activities are the principal revenue-producing activities. Cash flows are primarily fees and interest received, and payments to providers of goods and services and personnel. Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Pending transactions and changes in the trading book are presented in net terms.

Cash flow from investing activities

Cash flow from investing activities consists of investments in intangible rights such as software licenses and client agreements, and payments related to mergers and acquisitions.

Cash flow from financing activities

Financing activities include payments from equity items to shareholders, share issues and payments of leasing liabilities.

Cash and cash equivalents

Cash assets consist of cash, and loans to banks payable on demand.

Consolidated statement of changes in equity, IFRS

	Share Capital	Fair value reserve	Translation difference	Fund of invested unrestricted equity	Retained earnings	Equity attributable to the owners of parent entity	Non-controlling interest	Total equity
Equity 31.12.2021	**0.0**	**0.0**	**0.1**	**0.0**	**96.8**	**96.9**	**5.2**	**102.1**
Translation difference			-0.6			-0.6	-0.3	-0.9
Profit/loss for the period					20.7	20.7	4.3	25.1
Distributions					-25.3	-25.3	-4.2	-29.5
Fair value adjustment of Alisa Bank Plc shares		-2.7				-2.7		-2.7
Other changes				0.0	1.2	1.2	-0.4	0.8
Equity transactions with Evli Bank	30.0				8.9	38.9		38.9
Effect of demerger 2.4.2022	23.7			26.7	-40.8	9.6		9.6
Equity 31.12.2022	**53.7**	**-2.7**	**-0.5**	**26.6**	**61.5**	**138.7**	**4.7**	**143.4**
Translation difference			-0.1			-0.1	0.0	-0.1
Profit/loss for the period					28.8	28.8	3.3	32.0
Dividends				-9.2	-21.0	-30.2	-3.5	-33.7
Fair value adjustment of Alisa Bank Plc shares		-2.3				-2.3		-2.3
Other changes	0.0			0.0	-1.7	-1.7	-0.4	-2.1
Equity 31.12.2023	**53.7**	**-5.1**	**-0.6**	**17.5**	**67.5**	**133.0**	**4.1**	**137.2**

Notes to the consolidated financial statements

1. Accounting policies

1.1. Basic information on the company

The Evli Plc ("Evli", "Evli Group" or "Group") is Finland's leading asset manager, serving institutional, corporate and private clients. The services include mutual funds, asset management and capital markets services, alternative investment products, corporate analysis, planning and management of incentive systems, and M&A services. Responsibility is part of every investment decision, and our expertise in responsibility issues is valued by our clients. Evli Plc was created on April 2, 2022 through a partial demerger from Evli Bank Plc. In the partial demerger, all assets, liabilities and exposures related to Evli Bank Plc's wealth management business, custody, clearing and brokerage and corporate finance businesses and their supporting activities were transferred to a new, independent company Evli Plc.

The Group's parent company, Evli Plc ("Company"), is a Finnish limited liability company incorporated under the laws of Finland with the Business ID 3239286–2. The Company is domiciled in Helsinki and its registered address is Aleksanterinkatu 19, 00100 Helsinki, Finland. The company is listed on the Nasdaq Helsinki stock exchange.

These financial statements were approved by the Board of Directors at its meeting on February 14, 2024. According to the Finnish Companies Act, the Annual General Meeting has the right to approve, reject or amend the financial statements after they have been published.

A copy of the consolidated financial statements can be obtained from **evli.com** or from the parent company's head office at Aleksanterinkatu 19, 00100 Helsinki, Finland.

1.2. Basis for preparation of the financial statements

The consolidated financial statements have been prepared in compliance with IFRS (International Financial Reporting Standards), approved for application in the EU, and IAS (International Accounting Standards) valid at the end of the 2023 financial year, together with their respective SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations. In addition, Finland's accounting and limited liability company legislation and official regulations have also been considered in the preparation of the consolidated financial statements. The financial year for Evli Group is the calendar year.

The consolidated financial statements for the year ended December 31, 2022 have been prepared for the purpose of presenting the financial position, results of operations and cash flows of Evli Group on a consolidated and carve–out basis. Until April 2, 2022, Evli Group did not exist as a separate legal group preparing consolidated financial statements and as such until April 1, 2022 the financial statements have been presented on a carve–out basis, as explained in note 1.8 "Basis of preparation of carve–out financial information" and as from April 2, 2022 following the formation of the legal group on a consolidated basis, as explained in note 8. "Consolidation principles".

Thus, the comprehensive income statement and cash flow statement information for the year ended December 31, 2022 is presented as a combination of carve–out financial information for the period January 1 – April 1, 2022 and consolidated financial information for the period April 2 – December 31, 2022, as management believes that such presentation of financial information results in a faithful representation of the financial performance and cash flows for Evli providing investors with relevant information on a full financial year basis. The balance sheet figures as at December 31, 2022 are reported consolidated figures.

The consolidated financial statements have been prepared based on historical cost, with the exception of financial assets and liabilities recognized at fair value through profit or loss, and derivative financial instruments.

The consolidated financial statements have been prepared on a going concern basis. This assumes that the Group has sufficient resources to continue as a going concern and that the management intends to do so, at least for one year from the date of signing the financial statements.

The general accounting policies for the preparation of the consolidated financial statements are described later in this section. Information about the judgments made by the management in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognized in the financial statements, and about the assumptions concerning the future and the key assumptions underlying estimates, are disclosed under item 1.5 Matters requiring management judgment of the accounting policies.

The financial information is mainly presented in millions of euros. All figures shown are rounded, and the sum of the individual figures may differ from the total shown. The indicators are calculated using exact values.

1.3. Translation of items denominated in foreign currency

The figures showing the profit/loss and financial position of the Group's units are measured in the currency used in each unit's main functional environment ("functional currency"). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Monetary balance sheet items are translated into the functional currency at the rate prevailing on the balance sheet date. Exchange rate differences arising in connection with the valuation are included in net income from foreign exchange operations.

The income statements of foreign Group entities are translated into euros at the weighted average rates for the period, and the balance sheets at the rates prevailing on the balance sheet date. In the consolidated income statement and balance sheet, the translation differences resulting from the use of different rates for the translation of Group results for the period is recognized in income and expenses recognized directly in equity and presented under equity. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from post–acquisition cumulative changes in equity items are recognized in income and expenses recognized directly in equity and presented under equity. When a subsidiary is disposed of wholly or partly, the cumulative translation differences are recognized in profit or loss as part of gains or losses from disposal.

1.4. Financial assets and liabilities

The Group's financial assets are classified in accordance with the IFRS 9 Financial Instruments standard as follows:

a) those measured at amortized cost
b) those measured at fair value through profit or loss
c) those measured at fair value through other comprehensive income

The classification is based on the business model defined by the Group and the type of contractually accrued cash flows of financial assets. On initial recognition, the Group measures a financial asset item at fair value, and in the case of a financial asset item that is not measured at fair value through profit or loss, the transaction costs directly attributable to the item are added or deducted. Financial assets measured at fair value through profit or loss are initially recognized at fair value in the balance sheet and transaction costs are recognized through profit or loss.

'Financial assets measured at amortized cost' comprise financial assets whose business model is to hold financial assets and collect contractual cash flows consisting exclusively of payments of principal and interest. This item includes sales receivables, loan and other receivables and cash and cash equivalents. Assets classified under the group are measured at amortized cost using the effective interest rate method. The carrying amount of current sales and other receivables is deemed to be equal to their fair value. These items are current assets if they are expected to be realized within 12 months of the end of the reporting period. The Group's sales receivables are mainly short–term. The group recognizes a deduction for expected credit losses on financial assets measured at amortized cost.

Financial assets that are classified at initial recognition as those measured at fair value through profit or loss are classified in 'Financial assets measured at fair value through profit or loss'. Evli's fund investments are classified as financial assets recognized at fair value through profit or loss. Investments in funds are included in the balance sheet item Shares and participations. The fair value of liquid mutual fund investments is determined using quoted market prices and rates. Equity fund investments are generally valued in accordance with industry practice; the fair value of equity and real estate fund investments is the most recent fund value reported by the fund management company, plus capital contributions and less capital redemptions that have occurred between the balance sheet date and the management company's reporting date. The fair value of real estate owned by real estate funds is based on the fair value determined by an external assessor.

The 'Financial assets measured at fair value through other comprehensive income' category includes the investment made by Evli in Alisa Bank Plc. The investment is of a long–term nature and is not related to the group's operating activities. For these reasons, the company presents the effect on profit or loss arising from the measurement of the investment as a separate item in the statement of comprehensive income in accordance with IFRS 9.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or the Group has transferred substantially all the risks and rewards of ownership of the financial asset to an external party. Cash assets consist of cash and cash equivalents. Repayable on demand deposits in credit institutions are also included in cash and cash equivalents in the cash flow statement.

Financial liabilities are classified into the following groups:

a) those measured at amortized cost
b) those measured at fair value through profit or loss

On initial recognition, the Group measures a financial liability at fair value and, in the case of a financial liability not measured at fair value through profit or loss, the transaction costs directly attributable to the item will be added or deducted. Financial liabilities measured at fair value through profit or loss are initially recognized in the balance sheet at fair value and transaction costs are recognized through profit or loss.

Financial liabilities recognized at amortized cost consist of interest–bearing loans and non–interest–bearing liabilities and are measured at amortized cost using the effective interest method. These include structured notes issued by the company, among others. The difference between the amount received and the amount repayable is recognized in the income statement using the effective interest method over the period of the loan. Financial liabilities are classified as current unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Purchase liabilities are classified as current liabilities if they are due for payment within 12 months. A financial liability or part of it is derecognized only when the liability ceases to exist, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Hedge accounting

The Group does not apply hedge accounting in accordance with IFRS 9 in the financial statements.

1.5. Matters requiring management judgment

The drawing up of financial statements in accordance with IFRS standards requires that certain accounting assessments are made. In addition, management must use its judgment. Judgment affects the choice of accounting policies and their application, the amount of assets, liabilities, revenues and expenses to be reported and the notes that must be presented. The management will exercise its judgment on the basis of estimates and assumptions that are based on earlier experience and the best view available to it on the balance sheet date especially concerning the future performance of the investment services market. Estimates and decisions based on judgment are constantly monitored and they are based on actual performance and certain other factors such as expected future events that are reasonably anticipated to occur considering prevailing circumstances. Actual performance may deviate from estimates.

At Evli, the most significant estimates concern the impairment testing of goodwill and the measurement principles of theoretically measured financial instruments. Further information on them is provides in the note in question, under the title "Management judgment".

1.6. Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the Group can reliably estimate the amount of the obligation.

1.7. Adoption of new and amended standards and interpretations applicable in future financial years

No significant changes in standards are expected for the coming financial year that would have a material impact on the accounting policies applied to the consolidated financial statements.

1.8 Basis of preparation for the carve–out financial information (until April 1, 2022)

Basis of preparation

Evli operated as part of Evli Bank Plc Group until the completion of the partial demerger on April 2, 2022. The consolidated financial statements have been prepared on a carve–out basis until April 1, 2022 as Evli did not operate and report as a separate legal consolidated group throughout the historical periods presented.

Evli's carve–out financial information until April 1, 2022 is prepared on a carve–out basis from Evli Bank Plc's consolidated financial statements by combining the historical revenues, costs, assets, liabilities and cash flows attributable to Evli Bank Plc's wealth management business, custody, clearing and brokerage and corporate finance businesses and their supporting activities transferred to Evli through the partial demerger. Additionally, the carve–out financial information includes certain allocated revenues, costs, assets, liabilities and cash flows from Evli Bank Plc.

The carve–out financial information is prepared according to IFRS standards as adopted by EU with consideration of specified carve–out principles described in the accompanying section 'Carve–out principles' according to which revenues, costs, assets, liabilities and cash flows have been allocated to Evli for the purpose of presenting the carve–out financial information. IFRS does not include guidance for the preparation of carve–out financial information, accordingly in preparing Evli's carve–out financial information certain accounting conventions commonly used for the preparation of historical carve–out financial information have been applied. These conventions are described below in section 'Carve–out principles'.

Evli's carve–out financial information does not necessarily illustrate the financial position and financial performance which Evli would have generated had it been an independent group and reported its financial information as a separate group for the periods presented. The objective of the carve–out financial information is neither to illustrate or estimate what the financial performance, financial position or cash flows of Evli are in the future.

The carve–out financial information is prepared based on the going concern principle and historical acquisition costs except for items in financial assets, financial liabilities and derivatives fair valued through profit and loss.

Applied Carve–out principles

The following sections captures the accounting and allocation principles that have been applied in preparing the carve–out financial information.

The carve–out financial information include allocation of revenues, costs, assets, liabilities and cash flows that are based on management judgement, assumptions and estimates as described below. The most significant estimates, solutions based on judgement and assumptions relate to allocating group costs, cash management, financing allocations and invested equity. According to Evli's management the allocations in the carve–out financial information are reasonable, but they do not necessarily illustrate the costs and revenues that would have incurred if new Evli would have been a separate unit and prepared its own consolidated financial statements. In the carve–out financial information, Evli does not have other material business transactions with the remaining entity Evli Bank Plc than financing activities, common insurances, common support functions, common head quarter functions and shared premises.

The structure of the carve–out financial information

The carve–out financial information includes revenues, costs, assets, liabilities and cashflows of Evli Bank Plc allocated to Evli for carve–out purposes and all the following subsidiaries and associated companies previously included in the Evli Bank Plc group including their subsidiaries and associated companies which were transferred to Evli in the partial demerger, as presented in the table to the right.

COMPANY	Country	Ownership % December 31, 2021	Ownership % April 1, 2022
Evli Plc resulting from the partial demerger	Finland	100%	100%
Subsidiaries:			
Aurator Asset Management Ltd	Finland	100%	100%
Evli Corporate Finance AB	Sweden	52.10%	52.10%
Terra Nova Capital Advisors	UAE	55%	55%
Evli Research Partners Oy (a subsidiary of Evli Corporate Finance AB)	Finland	70%	70%
Evli Investment Solutions Oy	Finland	85%	85%
Evli Life Oy	Finland	100%	100%
Evli Fund Management Company Ltd	Finland	100%	100%
Evli Fondbolag AB, Stockholm branch	Sweden	100%	100%
Evli Alexander Incentives Oy	Finland	65%	65%
EAI Residential Partners Oy	Finland	75%	75%
Evli Private Equity Partners Oy	Finland	80%	80%
Evli Private Equity I GP Oy (a subsidiary of Evli Private Equity Partners Oy)	Finland	100%	100%
Evli Private Equity II GP Oy (a subsidiary of Evli Private Equity Partners Oy)	Finland	100%	100%
Evli Private Equity III GP Oy (a subsidiary of Evli Private Equity Partners Oy)	Finland	92.5%	92.5%
EAI Feeder GP Oy	Finland	100%	100%
Evli HC I GP Oy	Finland	82%	82%
EGP General Partner Oy	Finland	70%	70%
EGP General Partner II Oy	Finland	70%	70%
Evli Infrastructure Partners Oy	Finland	82%	82%
Evli Infrastructure I GP Oy (a subsidiary of Evli Intrastructure Partners Oy)	Finland	100%	100%
Evli Impact Forest I GP Oy	Finland	100%	100%
Evli Private Debt I GP Oy	Finland	85%	85%
Evli Residential II GP Oy	Finland	70%	70%
Associated companies:			
Northern Horizon Capital A/S	Denmark	50%	50%
Ahti Invest Oy	Finland	30%	30%

The Evli carve–out financial information includes all other functions of old Evli Bank Plc group attributable to Evli Bank Plc's wealth management business, custody, clearing and brokerage and corporate finance businesses and their supporting activities transferred to Evli through partial demerger, in principle all functions except those functions that require a banking license to operate. The subsidiaries of Evli Bank Plc have historically included only businesses attributable to Evli. The financial information of the subsidiaries is therefore used directly as basis for the carve–out financial information with relevant intercompany eliminations.

Companies in which the Group has a majority holding but in which a third party has control are not consolidated in the carve–out financial information. These are holding companies owned in connection with the management of customer company incentive programs. Evli is not entitled to the variable returns of these holding companies and Evli does not bear the risk in the companies' assets or liabilities. Furthermore, funds managed on behalf of clients are also not consolidated, since the Group has no control over them.

Group internal and related party transactions

Carve–out group internal transactions have been eliminated in the carve–out financial information. The carve–out financial information includes transactions and balances related to Evli functions. Transactions and balance sheet items in which Evli Bank Plc is the counterparty which previously would have been eliminated as intercompany transactions are now treated as related party transactions. In the periods of the carve–out financial information, Evli has no other material business transactions with Evli Bank Plc than financing arrangements.

Evli Bank Plc group internal receivables and liabilities in which Evli Bank Plc is the other counterparty and a subsidiary that is a part of Evli Group the other, are allocated to Evli Group as well as related finance revenues and costs. As an exception to this principle is the subsidiaries deposits to Evli Bank Plc which in these carve–out financial information are presented as receivables from Evli Bank Plc that has historically acted as provider of banking services to the group companies.

To the Evli parent has also been allocated the acquisition costs of subsidiary shares and the internal ownership has been eliminated with the acquisition method.

Equity

Evli has not previously formed on separate legal group nor presented consolidated financial statements. Therefore, it is not appropriate to separately disclose share capital or other funds/equity items prior to partial demerger. The line Invested equity and retained earnings illustrates the net assets of Evli until 1.4.2022 in the carve–out financial information. Non–controlling interests and translation differences are disclosed separately.

All cash flow generating and other changes in equity items which are among other dividends payments or other profit sharing to Evli Bank Plc are disclosed in the cash flow statement under the line dividends to Evli Bank Plc shareholders or other equity transactions with Evli Bank Plc and in the combined changes of equity statement under the dividends to Evli Bank Plc owners or Equity transactions with Evli Bank Plc.

These carve–out financial statements are presented in euros, which is the functional currency and presentation currency of Evli Plc. The subsidiaries and branches in Evli Group also have other functional currencies. Translation differences arising from the accounting treatments from these subsidiaries and their changes are disclosed on the line translation differences in equity.

CHANGE IN EQUITY FOR THE CARVE–OUT PERIOD

	Share Capital	Fair value reserve	Translation difference	Fund of invested unrestricted equity	Retained earnings	Equity attributable to the owners of parent entity	Non-controlling interest	Total equity
Equity 31.12.2021	**0.0**	**0.0**	**0.1**	**0.0**	**96.8**	**96.9**	**5.2**	**102.1**
Translation difference	-	-	-0.2	-	-	-0.2	-	-0.2
Profit/loss for the period	-	-	-	-	6.9	6.9	0.8	7.7
Distributions	-	-	-	-	-25.3	-25.3	-3.9	-29.1
Other changes	-	-	-	-	1.1	1.1	0.0	1.1
Equity transactions with Evli Bank	-	-	-	-	-0.6	-0.6	-	-0.6
Equity 1.4.2022	**0.0**	**0.0**	**-0.1**	**0.0**	**78.9**	**78.8**	**2.2**	**81.0**
Translation difference	-	-	-0.4	-	-	-0.4	-0.3	-0.6
Profit/loss for the period	-	-	-	-	13.9	13.9	3.5	17.3
Dividends	-	-	-	-	0.0	0.0	-0.3	-0.3
Fair value adjustment of Alisa Bank Plc shares	-	-2.7	-	-	-	-2.7	-	-2.7
Other changes	-	-	-	0.0	0.7	0.7	-0.4	0.3
Equity transactions with Evli Bank	30.0	-	-	-	8.9	38.9	-	38.9
effect of demerger 2.4.2022	23.7	-	-	26.7	-40.8	9.6	-	9.6
Equity 31.12.2022	**53.7**	**-2.7**	**-0.5**	**26.6**	**61.5**	**138.7**	**4.7**	**143.4**

Group costs

Evli Bank Plc as the group parent has been responsible for the group's leadership and general management. When preparing the carve–out financial information, Evli's share of these general management and personnel costs has been estimated and allocated to Evli Group. Shared services are, among others, IT–services, Human Resources, Finance Administration, top management and Internal Services. Regarding shared services costs for IT, HR and Internal Services, the costs are allocated based on the number of employees. Top management and Finance Administration are allocated based on an estimate of used time. The management consider these estimates to be reasonable. Other general administration costs not directly invoiced from Evli functions have been allocated based on a best estimate made by management.

Historical arrangements in Evli Bank Group have influenced these allocations and they do not necessarily illustrate or estimate the levels in the future.

Share–based payments

The key persons of new Evli have previously been a part of Evli Bank Plc's share based incentive programs. The amounts of these programs allocated to the carve–out financial information are based on factual employees working for the Carve–out business functions. Realized historical costs for these programs do not necessarily illustrate the levels of costs incurred by future share–based incentive programs of Evli's key personnel after the demerger.

Cash management and finance arrangements

As a bank Evli Bank Plc has been responsible of the Group's financing requirements and cash management. The funding of Evli Bank Group has consisted of equity–based funding, issued bonds or certificates and deposits. The liquid assets have consisted of deposit in the Bank of Finland and claims on credit institutions payable on demand.

Evli's funding base in the carve–out financial information in accordance with the demerger plan consists of issued bonds, share of total equity and loans from Evli Bank Plc and customers for funding brokerage and derivatives collateral demands. Evli Bank Plc has provided funding for the carve–out group for brokerage and trading related collateral requirements. The level of loan from Evli Bank is based on the gap between received and paid collaterals. Previous group internal loans from Evli Bank Plc to subsidiaries have been eliminated in this carve–out financial statements as this internal receivable has been allocated to Evli's parent company. All liabilities or receivables the carve–out group has against Evli Bank Plc are disclosed as related party transactions.

Evli's cash and cash equivalents consist of the subsidiaries bank accounts in credit institutions (including deposits in Evli Bank) and those claims on credit institutions in previous Evli Bank Plc that are related to carve–out business functions according to the demerger plan. Due to the fact that Evli Plc is founded through a partial demerger and the different functions have previously shared Evli Bank's cash and cash equivalents, this allocation of cash and cash equivalents has required management assessment.

Derivatives

External derivatives made by Evli Bank Plc that directly relate to Evli's business functions according to the demerger plan have been allocated to the carve–out financial information. These derivatives mainly consist of derivatives related to structured bond issues or FX–derivatives where Evli acts as an intermediary between the market and the client.

Income taxes

The subsidiaries of Evli have been separate tax entities during the review period. The tax expense and tax assets and liabilities regarding the subsidiaries are presented as actual outcomes in the Carve–out financial statements.

Evli Plc, founded in the partial demerger from Evli Bank Plc has not declared taxes of its own for the financial periods covered by the carve–out financial information. Evli's tax expense is disclosed as Evli would have been a separate tax entity.

Tax amount illustrated as tax for the review period consists of tax receivables or tax liabilities based on separate hypothetical tax declaration of each individual company, which has been booked as tax expense for the review period in carve–out financial statement and as business transaction between Evli Bank Plc, that has been booked in invested equity. The line paid taxes in the cash flow statement illustrate paid taxes by the carve–out entities according to tax declarations.

The tax expenses in the combined income statement do not necessarily illustrate future tax expenses.

Management judgement

The preparation of carve–out financial information has required judgement and estimates from the management that affect the figures and disclosures presented in the carve–out financial information. These judgements and estimates of historical evidence and probable future scenarios are assessed for financial statement day. The actual outcomes may differ from these estimates and assumptions. The most essential assumptions and estimates which include more judgement are those related to carve–out principles, impairment testing parameters and theoretically valued financial instruments.

2. Notes to the consolidated income statement

2.1. FEE AND COMMISSION INCOME

	2023	2022
Credit related fees and commissions	0.0	0.0
Income from payment transactions	0.0	0.0
Insurance brokerage	0.5	0.2
Advisory services	16.7	17.4
Securities brokerage	6.0	8.9
Securities issue	0.0	0.0
Mutual funds	70.8	60.7
Asset management	6.5	6.6
Custody services	0.3	0.2
Other operations	1.9	1.5
Commission income, total	**102.9**	**95.4**

Evli receives management fee income from Wealth Management and Investor Clients from mutual funds and asset management portfolios and pays clients fee reimbursements related to these. Fund fees consisting of management fees and fee reimbursements are recognized on a monthly basis and are mainly invoiced retrospectively in one, three, six or twelve–month periods. These fees are typically calculated based on the capital value or initial investment commitment in the fund or client portfolio and on the agreed fee percentage over time. Any non–recurring fees related to the funds, such as acquisition, subscription or redemption fees, are allocated to the month in which the right to the fee arises.

With successful investment activities, fee income may include performance–based fees. These may consist of performance–based fees related to mutual and non–UCITS funds, carry fees received by the management company of an equity fund, and performance–based fees related to asset management portfolios. The performance–based fees of mutual funds are taken into account daily in the values of the funds and invoiced retrospectively on a monthly basis. The performance–based fees of non–UCITS funds are invoiced quarterly. The final performance–based fee received by Evli from non–UCITS funds is determined by the fund's full–year return, which may change from the amount recognized in a preceding quarter. The performance–based fees relating to asset management portfolios are recognized as income annually only after the final amount of the fee can be reliably estimated.

The Evli Group annually reviews the performance–based fees due to the management company from equity funds (so–called carry fees) and models the probabilities related to their realization. A performance–based fee related to a fund agreement and due to the management company is only paid once the IRR (Internal Rate of Return) defined by the hurdle rate has been attained on a cash flow basis. Typically, the fee is only payable towards the end of a fund's life cycle. If a fund's return does not attain the hurdle rate, the management company will not receive any performance–based fee. The company will only consider the performance–based fee from equity funds to the extent that it is probable that there will be no significant reversal of the amount of accrued recognized income at a later date. Evli brokers direct investment instruments such as equities, ETFs and derivatives for its clients. For the brokerage services it provides, the company receives a one–time brokerage fee. The brokerage fee received is linked to the transaction executed and the return associated with the brokerage activity is recognized on a trade date basis. In addition to the investment instruments mentioned above, Evli also brokers equity–linked notes. The fee received on the sale of the company's own and other operators' equity–linked notes is recognized immediately in the income statement. The full amount of the fee is available for use on the date of issue of the bond and is used to cover services related to the issue of the bond. The interest expense for the note issued by the company itself is calculated by using the effective interest method. These notes are recognized in the balance sheet at the amortized cost, and the interest component of the loan, which is the same as the value of the option, is recognized as a separate debt item in the group "Derivative contracts and trading liabilities".

Evli's Advisory and Corporate Clients segment receives monthly retainer and success fees related to the Corporate Finance business. Monthly retainer fees are recognized as income over time whereas recognition of success fees, treated as variable consideration, is linked to the completion of projects. Project success fee income is recognized as income in the period when the outcome of the project can be estimated reliably and when the performance obligation has been met. The costs incurred for a project are expensed immediately.

Evli also receives fees related to the design and administration of incentive programs. Fees related to the design of incentive programs are invoiced on monthly basis and recognized as income for the period in which the invoicing has taken place. Fees for the administration of incentive programs are invoiced on a quarterly, semi–annual or annual basis. The fees are amortized evenly for the period in which the work is carried out. Other advisory fees, from analytical services, for example, are recognized in the period in which the work is performed.

MANAGEMENT JUDGMENT

The commission income of asset management and mutual funds is subject to adjustment items that can in some circumstances include ambiguity with respect to the date of validity and scope, among other things. This applies to situations in which price reductions have been agreed upon with clients by using "fee reimbursement contracts". For this reason, the management has used its judgment and has strived to make the most conservative assessment of the fee reimbursement debt arising from these, or any contracts of which there is knowledge but have not yet been entered in the system. The debt is recovered monthly and is included as an item that reduces fund and asset management fees. Consideration is also related to the probabilities and amounts of realization of carry–fees.

2.2. NET INCOME FROM SECURITIES TRANSACTIONS

2023	**Gains and losses on sales**	**Changes in fair value**	**Other items**	**Total**
Debt securities	0.0	0.0	-	0.0
Shares and derivative contracts	0.2	1.9	-	2.1
Net income from securities transactions, total	**0.2**	**1.9**	**-**	**2.1**
Net income from foreign exchange operations	0.6	0.3	-	0.9
Net income from securities transactions and foreign exchange operations, total	**0.8**	**2.3**	**-**	**3.0**
2022				
Debt securities	1.1	-0.0	-	1.0
Shares and derivative contracts	0.2	1.4	-	1.6
Net income from securities transactions, total	**1.3**	**1.3**	**-**	**2.6**
Net income from foreign exchange operations	1.1	0.0	-	1.1
Net income from securities transactions and foreign exchange operations, total	**2.4**	**1.3**	**-**	**3.7**

2.3. INCOME FROM EQUITY INVESTMENTS

	2023	**2022**
Dividends from financial assets valued at fair value	0.1	0.0
Dividends from associated companies	-	-
Income from equity investments, total	**0.1**	**0.0**

2.4. INTEREST INCOME

	2023	2022
Debt securities	0.2	0.0
Claims on credit institutions	7.4	0.7
Claims on the public and public sector entities	1.2	0.9
Other interest income	0.1	0.0
Interest income, total	**8.8**	**1.6**

2.5. OTHER OPERATING INCOME

	2023	2022
Rental income	0.0	0.0
Other income	0.8	0.1
Other operating income, total	**0.8**	**0.1**

2.6. FEE AND COMMISSION EXPENSES

	2023	2022
Trading fees paid to stock exchanges	-0.2	-0.9
Other commission expenses	-2.7	-2.4
Commission expenses, total	**-2.9**	**-3.3**

2.7. INTEREST EXPENSES

	2023	2022
Liabilities to the public, public sector entities and credit institutions	-0.0	-0.5
Debt securities issued to the public	-4.0	-0.9
Other interest expenses	-0.0	-0.1
Interest expenses, total	**-4.1**	**-1.5**

Interest income and expenses are calculated using the effective interest rate method. In recognizing an impairment loss on a contract classified as a financial asset, the recovery of interest is continued at the lowered accounting balance using the original effective interest rate of the contract. If the receipt of interest is unlikely, it is recognized as an impairment loss. Interest income obtained from financial assets is recognized as interest income.

Borrowing costs are recognized as an expense in the period in which they are incurred. The directly attributable transaction costs of a certain borrowing are included in the original amortized cost of the borrowing and are amortized as interest expense by using the effective interest method or, if necessary, by following a formula whose result can be deemed as being sufficiently near the sum calculated by using the effective interest method.

2.8. PERSONNEL EXPENSES

	2023	2022
Wages and salaries	-33.1	-32.1
Social security costs		
Pension expenses	-5.0	-5.0
Other social security costs	-1.7	-1.5
Equity-settled share options	-1.3	-0.5
Employee benefits, total	**-41.0**	**-39.2**

The total salaries paid by the Evli Group to its personnel consist of fixed salaries and remuneration, variable remuneration under the annually adopted reward system, and long–term incentive programs.

Fixed salaries play an important role in the company. By aiming to offer its employees a competitive pay level, the company ensures that it continues to be staffed by a skilled workforce. A reward system based on variable salaries applies to all the Group's employees. The objective of the reward system is to support the implementation of the company's strategy as well as promote its competitiveness and long–term financial success.

In addition to the above remuneration methods, the company may create separate long–term incentive programs. Evli Group has five share–based incentive programs in force at the end of the period for 2021, 2021–2025, 2022, 1/2023–6/2026 ja 9/2023–12/2026. For the 2021 program, the shares will be issued free of charge four years after the launch of the program, provided that the individuals in question are still employed by the company. Under the 2021–2025 and 2022–2023 programs, members have the opportunity to earn shares for successful performance, in accordance with the terms of the program. Under the 1/2023–6/2026 and 9/2023–12/2026 share plans, plan members may earn shares based on performance. Under the 1/2023–6/2026 plan, awards are based on the annualised fund turnover from new investments in Sweden. The vesting criteria for the 9/2023–12/2026 plan are linked to the company's operating profit (EBIT). The company's Board of Directors decides upon the distribution of shares.

The Evli Group provides a reward fund for its employees. All employees of the Evli Group companies that are based in Finland are members of the fund. Using the fund is voluntary. Decisions to enter rewards in the fund are made one year at a time. Social security costs are not withheld from assets invested in the fund. The fund invests its member share capital in accordance with the Act on Personnel Funds. Capital is invested in accordance with a strategy prepared jointly by the fund's Board of Directors and Wealth Management.

In the payment of benefits payable upon termination of employment, Evli complies with normal agreements related to termination of employment pursuant to valid legislation. During the financial year, the company has not paid sign–on payments to new employees. All of the Evli Group's retirement plans are defined contribution plans. Payments to defined contribution plans are reflected in profit or loss in the period in which they are incurred. The Evli Group finances all its retirement plans as contributions to pension insurance companies. The contributions take different countries' local regulations and practices into account.

2.8.1. PERSONNEL COUNT

	2023	2022
Number of personnel during the period, average	354	312
Number of personnel at the end of the period	354	344
Employees by business segment at the end of the period		
Wealth Management and Investor Clients	218	208
Advisory and Corporate Clients	87	83
Group Operations	49	53
Total	**354**	**344**
Employees by geographic market at the end of the period		
Finland	332	322
Sweden	20	20
Arab Emirates	2	2
Total	**354**	**344**

2.8.2. SHARE BASED INCENTIVES DURING THE REPORTING PERIOD 1.1.2023 – 31.12.2023

Plan	Restricted Shares			Performance Share Plan 2021-2025	PSP 2022	Performance Share Plan 2023-2025	Performance Share Plan 2023-2026	TOTAL
Instrument	**Restricted Share Plan 2018**	**Restricted Share Plan 2019**	**Restricted Share Plan 2021**	**Performance Period 2021-2025**	**PSP 2022**	**Performance Period 01/2023-06/2026**	**Performance Period 09/2023-12/2026**	**TOT/WA**
Type			SHARE					
Initial amount, pcs	233,000	350,000	118,000	120,000	78,000	100,000	520,000	1,519,000
Initial allocation date	8.6.2018	14.6.2019	12.2.2021	12.2.2021	21.4.2022	7.3.2023	14.9.2023	
End of restriction period	30.6.2022 / 30.6.2023 / 30.6.2024	30.6.2024	8.2.2026	*	1.6.2023 / 1.6.2024 / 1.6.2025	30.11.2026	31.12.2029	
Maximum contractual life, yrs	5.1	5.0	5.0	-	3.1	3.7	6.3	5.3
Remaining contractual life, yrs	0.0	0.0	2.1	-	0.42 / 1.42 / 2.42	2.9	6.0	2.7
Number of persons at the end of the reporting year	0	0	20	2	6	5	31	
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity	

* The reward is awarded in installments during 2021–2025 when the required performance criteria are met. Each installment has a three-year deferral period. Ownership rights to the shares subject to the reward are transferred to the beneficiary only after the end of the deferral period. The shares paid as a reward will be subject to a one-year transfer restriction.

Changes during the period	Restricted Share Plan 2018	Restricted Share Plan 2019	Restricted Share Plan 2021	Performance Period 2021-2025	Performance Period 2022-2023	Performance Period 2023-2024	Performance Period 01/2023-06/2026	Performance Period 09/2023-12/2026	Total
1.1.2023									
Outstanding at the beginning of the reporting period, pcs	68,673	350,000	106,000	120,000	26,000	0	0	0	670,673
Changes during the period									
Granted	0	0	0	0	0	26,000	100,000	505,000	631,000
Forfeited	0	0	0	0	0	0	0	0	0
Invalidated during the period	0	0	0	0	0	0	0	0	0
Excercised	68,673	350,000	0	0	0	0	0	0	418,673
Expired	0	0	0	0	0	0	0	0	0
31.12.2023									
Excercised at the end of the period	137,346	350,000	0	0	0	0	0	0	487,346
Outstanding at the end of the period	0	0	106,000	120,000	26,000	26,000	100,000	505,000	883,000

Fair value determination

The fair value of share based incentives have been determined at grant date and the fair value is expensed until vesting. The pricing of the share based incentives granted during the period was determined by the following inputs and had the following effect:

VALUATION PARAMETERS FOR INSTRUMENTS GRANTED DURING PERIOD	
Share price at grant, €	18.89
Share price at reporting period end, €	19.70
Expected dividends, €	8.47
Fair value 31 Dec 2023, €	3,036,465

EFFECT OF SHARE–BASED INCENTIVES ON THE RESULT AND FINANCIAL POSITION DURING THE PERIOD	
Expenses for the financial year, share-based payments, equity-settled, €	1,214,618
Future cash payment to be paid to the tax authorities from share-based payments, estimated at the end of the period, €	4,572,823

2.9. OTHER ADMINISTRATIVE EXPENSES

	2023	2022
Office expenses	-1.6	-1.8
IT and infosystems	-9.3	-8.6
Business expenses	-1.3	-0.9
Travel expenses	-0.8	-0.6
Car costs	-0.1	0.1
Other HR related expenses	-1.4	-1.0
Marketing expenses	-1.3	-0.9
Banking and custodian expenses	-1.0	-0.9
External services	-4.1	-4.8
Other administrative expenses, total	**-21.0**	**-19.5**

2.10. DEPRECIATION AND AMORTIZATION ON TANGIBLE AND INTANGIBLE ASSETS

	2023	2022
Applications and software	-2.3	-2.5
Other intangible assets	0.0	0.0
Leasehold improvements	0.0	-0.1
Assets acquired under finance leases	-0.2	-0.1
Right-of-Use assets	-2.1	-2.1
Equipment and furniture	-0.2	-0.2
Impairment of goodwill	-	-
Depreciation, amortization and impaiment losses, total	**-4.8**	**-5.1**

2.11. OTHER OPERATING EXPENSES

	2023	2022
Supervision expenses	-1.3	-0.6
Rental expenses	-0.1	-0.1
Other expenses	-0.3	-0.2
Other operating expenses, total	**-1.6**	**-1.0**

2.12. EXPECTED CREDIT LOSSES ON LOANS AND OTHER RECEIVABLES

	2023	2022
Claims on the public and public sector entities		
Expected credit losses on group level	0.0	0.0
Expected credit losses individual	0.0	0.0
Guarantees and other off-balance sheet commitments	0.0	0.0
Sales receivables	0.0	0.0
Realised loan losses	0.0	0.0
Impairment losses on other financial assets	-0.8	-0.7
Impairment losses, total	**-0.8**	**-0.7**

2.13. SHARE OF PROFIT OR LOSS OF ASSOCIATES

	2023	2022
Northern Horizon Capital A/S	0.7	0.3

MANAGEMENT JUDGMENT

Evli does not participate in daily management of associated companies' business operations, and instead focuses on influencing strategic decisions at the board level. At the time of preparing Evli's consolidated financial statements, the income statement and balance sheet of associated companies are not yet known, which is why Evli's management must use judgment in estimating the share of associated companies' profit for the financial year. The estimate is based on the most recent known profit performance, prior experience of possible last–minute changes, and other possible factors that indicate changes.

2.14. INCOME TAXES

	2023	2022
Current tax expense	-8.4	-5.6
Taxes from previous years	0.2	0.0
Deferred taxes	-0.0	-0.2
Other taxes	0.0	-0.0
Income taxes, total	**-8.2**	**-5.8**

The profit and loss account's tax expenses comprise current and deferred tax. Current tax is calculated on the taxable profit for the period determined on the basis of the enacted tax rate of each country, adjusted by any taxes related to previous periods.

Deferred tax is generally calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The largest temporary differences arise from the depreciation of fixed assets and tax losses. No deferred tax is recognized on the undistributed profits of subsidiaries to the extent it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured by using the tax rates enacted by the balance sheet date.

2.14.1. RECONCILIATION BETWEEN THE INCOME TAX EXPENSE RECOGNIZED IN THE INCOME STATEMENT AND THE TAXES CALCULATED USING THE PARENT COMPANY'S DOMESTIC TAX RATE.

	2023	2022
Profit/loss before taxes, Finland	40.9	29.0
Profit/loss before taxes, other countries	-0.7	1.8
Profit/loss before taxes, total	**40.2**	**30.9**
Tax at domestic tax rate	-8.0	-6.2
Effect of foreign subsidiaries' differing tax rates	-0.1	-0.1
Tax at source paid abroad		-
Income not subject to tax	0.2	0.9
Expenses not deductible for tax purposes	-0.5	-0.2
Taxes from previous years	0.2	0.0
Other change		-
Unrecognised tax assets on previous years' losses	0.0	-0.1
Other taxes	-0.0	-0.1
Income tax charge in the consolidated income statement	**-8.2**	**-5.8**

2.15. EARNINGS PER SHARE (EPS)

	2023	2022
Profit for the year attributable to shareholders in Evli Bank Plc	28.8	20.7
Avarage number of A-shares	14,455,480	14,489,148
Avarage number of B-shares	11,924,621	10,577,222
Share and option rights for share-based incentive programs	1.09	0.83
Own shares	883,000	670,673
Comprehensive income attributable to shareholders in Evli Bank Plc	1.05	0.81

As both A and B series shares entitle holders to equal amounts of the company's profit, these are not shown separately.

3. Notes to the consolidated balance sheet

3.1. CASH AND EQUIVALENTS

	2023	2022
Petty cash	-	-
Other	0.0	0.0
Cash and cash equivalents total	**0.0**	**0.0**

3.2. CLAIMS ON CREDIT INSTITUTIONS

	2023	2022
Repayable on demand		
Domestic credit institutions	121.3	88.5
Foreign credit institutions	0.5	3.9
Repayable on demand, total	**121.8**	**92.5**
Other than repayable on demand		
Domestic credit institutions	0.3	2.1
Foreign credit institutions	3.9	20.9
Other than repayable on demand, total	**4.2**	**23.0**
Claims on credit institutions, total	**126.0**	**115.4**

3.3. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

	2023	2022
Enterprises and housing associations	7.2	13.5
Financial and insurance corporations	0.3	0.3
Households	8.3	17.4
Foreign countries	3.5	3.6
Claims on the public and public sector entities by sector, total	**19.2**	**34.8**

3.4. DEBT SECURITIES

	2023	2022
Publicly quoted	-	-
Others		
Bonds issued by banks	2.0	2.0
Other debt securities	0.0	0.0
Debt securities, total	**2.0**	**2.0**

Debt certificates are valued at fair value and relate to Finnish investments.

3.5. SHARES AND PARTICIPATIONS

	2023	2022
Publicly quoted		
Held for trading	0.9	0.0
Other	28.6	29.3
Publicly quoted, total	**29.6**	**29.3**
Others		
Held for trading	-	-
Other	13.0	12.0
Others, total	**13.0**	**12.0**
Shares and participations, total	**42.5**	**41.3**

Net risk position is described in section Market Risk, Notes on Risk Position.3.6. Derivative contracts

3.6. DERIVATIVE CONTRACTS

Overall effect of risks associated with derivative contracts

Nominal value of underlying, gross

2023	Remaining maturity					
	Less than 1 year	**1-5 years**	**5-15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Held for trading						
Interest rate swaps	0.1	5.7	0.2	-0.1	5.9	6.0
Futures	-	-	-	-	-	-
Options bought	-	-	-	-	-	-
Options sold	-	-	-	-	-	-
Currency-linked derivatives	-	-	-	-	-	-
Held for trading, total	**0.1**	**5.7**	**0.2**	**-0.1**	**5.9**	**6.0**

Overall effect of risks associated with derivative contracts

Nominal value of underlying, gross

2022	Remaining maturity					
	Less than 1 year	**1-5 years**	**5-15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Held for trading						
Interest rate swaps	3.3	15.0	0.2	0.0	0.4	0.4
Futures	-	-	-	-	-	-
Options bought	-	-	-	-	-	-
Options sold	-	-	-	-	-	-
Currency-linked derivatives	-	-	-	-	-	-
Held for trading, total	**3.3**	**15.0**	**0.2**	**0.0**	**0.4**	**0.4**

Derivative financial instruments are initially recognized at cost, which corresponds to their fair value. Subsequently derivative financial instruments are measured at fair value. Resulting gains and losses are treated in accordance with the purpose of the derivative instrument.

The company does not apply hedge accounting, and derivative financial instruments are classified as held for trading. Changes in the value of derivatives in this category during the year and the realized gains/losses are presented in the income statement under net income from securities trading.

Financial derivatives are embedded derivatives related to structured bonds issued by Evli. Their task is to protect against changes in the value of the underlying asset. The proportion of open risk in the gross amount is small.

3.7. SHARES AND PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

	2023	2022
At the beginning of the period	5.7	4.0
Share of profit/loss	0.7	0.3
Additions	0.1	2.2
Disposals	-1.2	-0.9
At the end of the period	**5.2**	**5.7**

3.8. INTANGIBLE ASSETS AND GOODWILL

Goodwill	2023	2022
Cost at 1.1.	**46.1**	**9.2**
Increases/Decreases	-0.0	36.9
Cost at 31.12.	46.1	46.1
Accumulated depreciation at 1.1.	**0.0**	**0.0**
Impairment losses for the period		
Accumulated depreciation at 31.12.	0.0	0.0
Book value at 31.12.	**46.1**	**46.1**

Software or projects in progress	2023	2022
Cost at 1.1.	**-**	**-**
Increases/Decreases	-	-
Cost at 31.12.	-	-
Book value at 31.12.	**-**	**-**

Applications and software	2023	2022
Cost at 1.1.	**26.1**	**24.7**
Increases/Decreases	1.4	1.4
Cost at 31.12.	27.4	26.1
Accumulated amortisation and impairment losses at 1.1.	**-22.6**	**-20.1**
Amortisation for the period	-2.3	-2.5
Accumulated amortisation and impairment losses at 31.12.	-24.9	-22.6
Book value at 31.12.	**2.5**	**3.4**

Other intangible assets	2023	2022
Cost at 1.1.	**7.1**	**7.1**
Increases/Decreases	-	-
Cost at 31.12.	7.1	7.1
Accumulated amortisation and impairment losses at 1.1.	**-7.1**	**-7.1**
Amortisation for the period	-	-
Accumulated amortisation and impairment losses at 31.12.	-7.1	-7.1
Book value at 31.12.	**-**	**-**
The most significant “Other intangible assets” are client relationships.		
Book value of intangible assets at 31.12.	**48.7**	**49.6**
Intangible assets, total at 31.12.	**48.7**	**49.6**

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the Group's interest in the fair value of the identifiable net assets and liabilities acquired at the acquisition date. Goodwill is measured at historical cost less cumulative impairment losses. Goodwill is not amortized. Goodwill arising in connection with acquisitions is tested annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For this purpose, goodwill is allocated to cash–generating units, or, in the case of a subsidiary, goodwill is included in the subsidiary's acquisition cost and the subsidiary forms a cash–generating unit. If the carrying amount of goodwill for a cash–generating unit exceeds its recoverable amount, an impairment loss equal to the difference will be recognized.

For the testing of impairment, the recoverable amounts of an asset are determined by calculating the asset's value in use. The calculations are based on five–year cash flow plans approved by the management.

In the cash flow model, items affecting each cash–generating unit's operational cash flow — mainly income and expenses — are examined. Cash flows extending after the five–year forecast period have been calculated using the “final value method”.

The income and expenses of each asset are estimated based on the management's understanding of future developments.

In the final value method growth is determined using the management's conservative estimate of long–term cash flow growth. The cash flows used to measure value in use are discounted to the present value using the discount rate that reflects assessments of the time value of money and the risks specific to the asset.

In conjunction with goodwill testing, the sensitivity of the testing to changes in the variable affecting each result is also assessed. Sensitivity analyses are performed on goodwill impairment testing calculations using worst–case scenario forecasts. These scenarios were used to examine the change in value in use by changing the basic assumptions in the definition of value. Future income and expense cash flows, the discount rate and final value growth rate were changed in the sensitivity analyses. Among other things, the following tests were performed:

- income expectations for the five–year period under review were stressed using 20 percent lower return assumptions than originally assumed;
- the cost trend was stressed using 30 percent higher cost–development than originally assumed;
- the terminal value was set at 0 percent; and
- the discount rate was increased by three percent.

On the basis of the sensitivity analyses carried out, the change in the recoverable amount for the units tested does not lead to a situation in which the carrying amount is greater than the value in use.

2023	Administration and design of incentive schemes	Wealth Management and Investor clients
Goodwill, EUR million	5.5	40.6
Assumption of growth in turnover	8%	4%
Assumption of growth in costs	4%	3%
Discount rate	14.1%	14.1%
Terminal growth rate	2%	2%

MANAGEMENT JUDGMENT

Impairment testing of goodwill is based on the estimated future recoverable net cash flows of the cash generating units to which goodwill has been allocated, which is then compared to the unit's carrying amount. The testing requires making of assumptions concerning variables such as the growth rate of returns, costs of operations and the discount rate at which the incoming cash flows are converted to the current value.

At each balance sheet date the management assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

Intangible assets

Intangible assets are recognized in the balance sheet only if their acquisition cost can be reliably measured and if it is probable that the expected future economic benefits attributable to the assets will flow to the company. Intangible assets with definite useful lives are recognized in the balance sheet at historical cost and are amortized in the profit and loss account on a straight–line basis over their known or estimated useful lives. Intangible assets include software licenses and other intangible rights whose useful life is 3–5 years.

Impairment of tangible and intangible assets

At each balance sheet date the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. In addition, goodwill and intangible assets not yet available for use are tested for impairment annually, regardless of the existence of indication of impairment. The need for impairment is assessed for each cash–generating unit.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined as the future net cash flows expected to be derived from the said asset or cash–generating unit which are discounted to present value. The discount rate used is a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset is higher than its recoverable amount. The useful life of the asset is reviewed when the impairment loss is recognized. An impairment loss is reversed if circumstances have changed, and the recoverable amount has changed since the date of recognizing the impairment loss. Impairment losses recognized for goodwill are not reversed under any circumstances.

3.9. PROPERTY, PLANT AND EQUIPMENT

	2023	2022
Equipment and furniture		
Cost at 1.1.	2.1	2.1
Exchange difference	-0.0	0.0
Increases/Decreases	0.0	0.0
Cost at 31.12.	2.2	2.1
Accumulated amortisation and impairment losses at 1.1.	-1.8	-1.7
Translation difference from depreciation for the period	0.0	0.0
Amortisation for the period	0.1	-0.2
Accumulated amortisation and impairment losses at 31.12.	-1.8	-1.8
Book value at 31.12.	**0.4**	**0.3**
Leasehold improvements		
Cost at 1.1.		
Cost at 31.12.	1.4	1.4
Accumulated depreciation at 1.1.	1.4	1.4
Depreciation for the period	-1.4	-1.3
Accumulated depreciation at 31.12.	0.0	-0.1
Book value at 31.12.	-1.4	-1.4
Book value at 31.12.	**-**	**-**
Other tangible assets		
Cost at 1.1.	0.6	0.6
Cost at 31.12.	0.6	0.6
Book value at 31.12.	**0.6**	**0.6**
Property, plant and equipment, total at 31.12.	**1.1**	**1.1**
Book value of tangible assets at 31.12.	**1.1**	**1.1**

Tangible fixed assets are measured at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the carrying amount of tangible fixed assets only if it is probable that the future economic benefits attributable to the assets will flow to the Group and that the cost of acquiring the assets can be reliably measured. Other repair and maintenance costs are recognized in profit or loss in the period in which they were incurred.

Assets are depreciated on a straight–line basis over their estimated useful lives. The estimated useful lives are as follows:

– Machinery and equipment: 5 years
– IT equipment: 3 years
– Assets under finance leases: 3–5 years
– Renovations of leased premises: term of lease

The residual values and useful lives of assets are reviewed at each reporting date and, if necessary, are adjusted to reflect changes occurring in expectations of useful life.

The depreciation of an item of property, plant and equipment will cease when the tangible fixed asset is classified as held for sale under IFRS 5 Non–current assets held for sale and discontinued operations.

Gains and losses from the sales or disposals of tangible fixed assets are included in other operating income and expenses.

3.10. RIGHT OF USE ASSETS

	2023	2022
Right of use assets at the beginning of the period	12.9	7.4
Additions	0.5	7.2
Disposals	-	-
Depreciations	-2.1	-1.7
Right of use assets at the end of the period	**11.3**	**12.9**

As a general rule, all leases are recognized in the balance sheet as a right–of–use asset and as a lease liability, except for short–term leases and contracts for low–value assets, to which Evli applies the expedients allowed by accounting standards. An asset (the right–of–use a leased asset) and a financial liability for the payment of rents are recognized in the balance sheet. The most significant lease agreements concluded by Evli Group concern leased premises and storage space related to the premises. The leases of premises are for a fixed term and do not include covenants or rents that vary according to revenue, for example low–value lease contracts entered into by Evli Group relate to leased IT equipment.

The right–of–use is amortized on a straight–line basis and deferred interest expense on the lease liability is recognized on the income statement. The Evli Group recognizes the right–of–use asset and the lease liability at the inception of the lease. Initially, the lease liability is measured at current value of the rents that have not been paid at the inception of the lease. The future cash flows of the leases have been discounted to the current value using the company's cost of funds rate. Rents payable are allocated to equity and interest expense. The interest expense is recognized in the income statement over the lease term through profit or loss so that the interest rate on the outstanding debt is the same in each period. The company has not calculated a separate interest component for the assets required for financing the lease liabilities due to the company's assessment of the effect beeing immaterial when assessing the right–of–use assets and corresponding liabilities.. Depreciation on the right–of–use asset is recognized on a straight–line basis from the inception of the lease over the lease term.

Typically, lease contract terms range between two and five years and may contain an option to extend the lease term. The Company has negotiated individual contracts with potentially differing terms and conditions for each location. Potential options to extend current leases have not been considered due to uncertainty related to the use of those options.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as other leases. Payments made on operating leases are recognized in profit or loss on a straight–line basis over the lease term.

3.11. OTHER ASSETS

	2023	2022
Securities sale receivables	1.2	1.3
Commission receivables	30.3	31.2
Securities broking receivables	42.9	63.2
Other receivables	0.0	0.0
Other assets total	**74.4**	**95.7**

Other receivables include, among others, collateral receivables related to the trading book

3.12. ACCRUED INCOME AND PREPAYMENTS

	2023	2022
Interest	0.2	0.3
Staff-related	0.1	0.1
Other items	3.0	2.9
Accrued income and prepayments total	**3.4**	**3.3**

3.13. INCOME TAX RECEIVABLES

	2023	2022
Income tax receivables	1.3	1.0

3.14. DEFERRED TAX ASSETS

	2023	2022
Tax assets		
Due to timing differences	3.4	2.0
Other temporary differences	-	-
From tax losses carried forward	0.3	1.4
Deferred taxes total	**3.6**	**3.4**

MANAGEMENT JUDGMENT

The entry of deferred tax assets in the balance sheet calls for judgment. Deferred tax assets are recognized to the extent that future taxable income is likely to be generated, against which the confirmed losses can be used. The impairment of deferred tax assets may be necessary if the future taxable income does not correspond with the estimate. Deferred tax assets are assessed annually in relation to the Group's ability to generate sufficient taxable income in the future.

3.15. LIABILITIES TO CREDIT INSTITUTIONS, CENTRAL BANKS AND PUBLIC

	2023	2022
Credit institutions		
Other than repayable on demand, credit institutions	3.4	-
Other than repayable on demand, public	-	0.5
Liabilities to credit institutions and public, total	**3.4**	**0.5**

3.16. DEBT SECURITIES ISSUED TO THE PUBLIC

	2023	2022
Certificate of deposits	-	-
Bonds	106.7	106.3
Debt securities issued to the public, total	**106.7**	**106.3**

3.16.1. CHANGES IN BONDS ISSUED TO THE PUBLIC

	2023	2022
Issues	34.1	30.9
Repurchases	33.7	16.0

3.17. DERIVATIVE CONTRACTS AND OTHER LIABILITIES HELD FOR TRADING

	2023	2022
Derivative contracts	6.0	0.4
Due to short selling of shares	-	-
Derivative contracts and other liabilities held for trading, total	**6.0**	**0.4**

3.18. OTHER LIABILITIES

	2023	2022
Securities broking liabilities	42.8	62.5
Securities purchase liabilities	-	-
Finance lease payables	0.1	0.2
Right-of-use liability	11.3	12.9
Income tax payable	0.1	0.0
Personnel related	0.9	1.1
Other short-term liabilities	5.8	3.9
VAT payable	0.7	1.0
Other liabilities, total	**61.8**	**81.6**

Other short term liabilities include brokerage related short term liabilities.

Right-of-use-liabilities	**2023**	**2022**
Rental liabilities up to one year	2.4	1.7
Rental liabilities over one year and less than 5 years	8.0	10.4
Rental liabilities over 5 years	0.8	0.8
Leasing liabilities not later than one year	0.1	0.1
Leasing liabilities over year not later than five year	0.1	0.1

3.19. ACCRUED EXPENSES AND DEFERRED INCOME

	2023	2022
Interest	0.1	0.0
Personnel related	15.7	18.8
Other accrued expenses	11.6	13.2
Accrued expenses and deferred income, total	**27.3**	**32.1**

3.20. INCOME TAX LIABILITY

	2023	2022
Direct income tax liability	2.4	2.1

3.21. DEFERRED TAX LIABILITIES

	2023	2022
Due to timing differences	0.0	0.0
Deferred tax liability, total	**0.0**	**0.0**

3.22. SHARE CAPITAL

2023	A-shares	B-shares	Shares total	Share capital, M€	Unrestricted equityfund, M€
At the beginning of period 1.1.	14,485,148	11,790,154	26,275,302	53.7	26.6
Additions	-	268,933	268,933	-	-
Decreases	-59,336	-	-59,336	-	-9.2
At the end of period 31.12.	14,425,812	12,059,087	26,484,899	53.7	17.5
2022					
At the beginning of period 1.4.	14,493,148	9,364,289	23,857,437	23.7	26.6
Additions	-	2,425,865	2,425,865	30.0	-
Decreases	-8,000	-	-8,000	-	-
At the end of period 31.12.	14,485,148	11,790,154	26,275,302	53.7	26.6

Share capital consists of shares in the parent company, which are classified as equity. The share capital includes the subscription price received in connection with share issues to the extent that the subscription price is not recognized in the reserve for invested unrestricted equity under the decision to issue shares. Initial balances were formed in relation to demerger in 2022. Share capital was increased in relation to EAB Group merger. The company has two series of shares, series A and B. The shares have uniform rights to the company's profits and assets, but A shares have 20 votes and B shares one (1) vote for each share at the general meeting The shares have no nominal value. All issued shares have been fully paid up.

Treasury shares

The consideration paid for treasury shares and the transaction costs directly attributable to the acquisition, adjusted for tax effects, are deducted from equity until the shares are cancelled or reissued. If these treasury shares are subsequently reissued, the consideration received is recognized directly in equity, net of any transaction costs directly attributable to the issue and of the tax portion.

Existing share issue authorizations

On March 14, 2023, the Annual General Meeting of the Company authorized the Board of Directors to decide on the issue of shares and special rights entitling to shares. The authorization allows the Board of Directors to decide on the issue or transfer of up to 2,627,530 B shares in the company. Of the above–mentioned total number, however, a maximum of 262,753 shares may be used as part of the company's share–based incentive programs. The authorization is valid until the end of the next Annual General Meeting, but not later than June 30, 2024.

Existing authorizations to acquire shares in the company

The Board of Directors is authorized by the General Meeting to acquire a maximum of 1,448,515 A shares and a maximum of 1,179,015 B shares. Under the authorization, treasury shares may only be acquired with unrestricted equity. The authorization is valid until the end of the next Annual General Meeting, but not later than June 30, 2024.

Invested unrestricted equity reserve

The invested unrestricted equity reserve includes other investments of an equity nature and the share subscription price to the extent that it is not explicitly included by decision in the share capital.

Retained earnings

Retained earnings include assets accumulated from previous financial years that have not been distributed as dividends to owners.

3.23. TREASURY SHARES HELD BY THE COMPANY

The company did not hold any treasury shares at December 31, 2023.

4. Off–balance–sheet commitments

4.1. BREAKDOWN OF OFF–BALANCE SHEET COMMITMENTS

	2023	2022
Investment commitments	2.8	2.9
Unused credit facilities	2.6	3.7
Business mortgages	-	4.5

Commitments given on behalf of a customer for a third party include collaterals for derivatives positions given on behalf of customers. The customers have covered their derivatives collateral to Evli in full. Other irrevocable commitments given on behalf of a customer comprise subscription commitments guaranteed on behalf of customers.

5. Segment reporting

5.1. SEGMENT INCOME STATEMENT

	2023					2022				
	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group	Wealth Management and Investor Clients	Advisory and Corporate Clients	Group Operations	Unallocated	Group
REVENUE										
Net Interest Income	0.0	0.0	4.8	0.0	4.8	0.0	0.0	0.1	0.0	0.1
Commission income and expense. net	84.2	15.8	0.0	0.0	100.0	75.7	16.4	0.0	0.0	92.1
Net income from securities transactions and foreign exchange dealing	0.0	0.0	3.2	0.0	3.2	0.0	0.0	3.7	0.0	3.7
Other operating income	0.0	0.0	0.8	0.0	0.8	0.0	0.0	0.1	0.0	0.1
External sales	84.2	15.8	8.7	0.0	108.7	75.7	16.4	4.0	0.0	96.1
Inter-segment sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	**84.2**	**15.8**	**8.7**	**0.0**	**108.7**	**75.7**	**16.4**	**4.0**	**0.0**	**96.1**
Timing of revenue recognition										
Over time	77.4	8.1	0.0	0.0	85.6	67.1	7.5	0.0	0.0	74.5
At a point of time	6.8	7.6	0.0	0.0	14.4	8.5	9.0	0.0	0.0	17.6
RESULT										
Segment operating expenses	-39.3	-10.8	-13.6	0.0	-63.6	-35.6	-9.9	-14.1	0.0	-59.7
Business units operating profit before depreciations and Group allocations	**44.9**	**5.0**	**-4.9**	**0.0**	**45.1**	**40.0**	**6.5**	**-10.1**	**0.0**	**36.4**
Depreciation. amortisation and write-down	-1.6	-0.5	-2.7	0.0	-4.8	-1.2	-0.4	-3.5	0.0	-5.1
Impairment losses on loans and other receivables	0.0	0.0	-0.7	0.0	-0.7	-0.7	0.0	0.0	0.0	-0.7
Share of profits (losses) of associates	0.0	0.0	0.7	0.0	0.7	0.0	0.0	0.3	0.0	0.3
Business units operating profit before Group allocations	**43.4**	**4.5**	**-7.7**	**0.0**	**40.2**	**38.1**	**6.1**	**-13.3**	**0.0**	**30.9**
Allocated corporate expenses	-10.4	-1.8	12.2	0.0	0.0	-10.7	-1.9	12.6	0.0	0.0
Operating profit including Group allocations	**33.0**	**2.7**	**4.5**	**0.0**	**40.2**	**27.4**	**4.2**	**-0.8**	**0.0**	**30.9**
Income taxes	0.0	0.0	0.0	-8.2	-8.2	0.0	0.0	0.0	-5.8	-5.8
Segment profit/loss after taxes	**33.0**	**2.7**	**4.5**	**-8.2**	**32.0**	**27.4**	**4.2**	**-0.8**	**-5.8**	**25.1**

5.2. GEOGRAPHICAL REVENUES

	2023	2022
Finland	103.5	88.8
Sweden	4.1	6.2
Other countries	1.2	1.1
Total	108.7	96.1

Segment information is reported in accordance with the Group's division of business and geographical segments. The business segments consist of business units whose products and services and earnings logic and profitability differ from one another. The business risks related to the business segments are also different. Evli's operations are divided by client type and services into two segments: the Wealth Management and Investor Clients segment and the Advisory and Corporate Clients segment. Operations not included above are classified as Group Operations. and the business segments mentioned above make use of these operations.

The Wealth Management and Investor Clients segment offers personal asset management services to present and future high net worth private individuals and institutions. The product and service selection includes fund products offered by Evli and its partners. and various capital market services and alternative investment products. The segment also includes production and implementation activities that directly support core activities.

The Advisory and Corporate Clients segment provides services related to M&A transactions. including corporate acquisitions and divestments. and advisory services related to IPOs and share issues. The segment also provides planning and administration of compensation and incentive plans and corporate analysis services for listed companies.

The Group Operations segment includes support functions serving the business areas. such as Information Management. Financial Administration. Group Marketing, Communications and Investor Relations. Legal Department. Human Resources and Internal Services. The company's own investment operations that support the company's operations. and the Group's supervisory functions; Compliance. Risk Control and Internal Audit. are also part of Group Operations.

Inter–segment pricing occurs in arm's length transactions at fair value. The revenue and expenses that are deemed as directly attributable to or can be allocated on a reasonable basis to a particular business area are allocated to that business area. The revenue and expenses that are not allocated to a particular business area. and the inter–business–area eliminations in the Group. are reported under Group Operations. The distribution of the Group's assets and liabilities among the business areas is not monitored on a regular basis and is therefore not reported in connection with the segment reporting.

6. Notes on the risk position

Risk management and internal control

Evli operates in a constantly changing market environment, which subjects the company to risks caused by changes in the business environment and the company's own operations.

Risk management refers to actions aimed at systematically surveying, identifying, analyzing and managing risks. The objective of risk management is to:

- Ensure the sufficiency of Evli's own assets in relation to risk positions
- Maintain the financial result and the variation in valuations within the set objectives and limits
- Price risks correctly to reach sustainable profitability.
- Support an disturbance free implementation of the Group's strategy and business.

Organization of the control operations

The company's Board of Directors is primarily responsible for the Company Group's risk management. The Board of Directors confirms the principles and responsibilities of risk management, the Group's risk limits and other general guidelines according to which the risk management and internal control is organized. The Board has also set up a Management Risk Committee that briefs it on risk–taking matters.

The Group's risk management is founded on the "three lines of defense" model.

1. The first line of defense consists of the business units. The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit.

2. The second line of defense consists of the Risk Control and Compliance functions. The Risk Control function oversees daily operations and compliance with the risk limits granted to the business units, as well as compliance with risk–taking policies and guidelines. The Risk Control function reports its findings to the Risk Committee, the Executive Group and the Board of Directors.

The Compliance function is responsible for ensuring compliance with the rules in all of the Group's operations by supporting operating management and the business units in applying the provisions of the law, the official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules.

3. The third line of defense is Internal Audit. Internal Audit is a body that is independent of business operations, supports the Board of Directors and the senior management, and is organized administratively under the CEO. Internal Audit assesses the functioning of the Company Group's internal control system, the appropriateness and efficiency of the functions and compliance with instructions. It does this by means of inspections that are based on the internal audit action plan adopted annually by the Audit Committee of the Board of the company.

Main risk areas

Evli divides risks into three main categories:

1. Strategic risks: Changes in the market environment and new products
2. Financial risks: Market, liquidity and credit risks
3. Operational risks: Practices, processes and information systems

Strategic risks

Strategic risk is closely linked to a change in either the market environment, customer behavior or the company's own operations. In terms of own operations, this could be new products or partnerships. Changes in the business environment and customer behavior have a significant impact on Evli's performance, which is why strategic risks are actively monitored and managed.

The performance of assets under management is a key determinant of the returns of Wealth Management and it depends on factors such as the performance of capital markets, the general demand for investment products and the success of investment operations. As a result, the Group's fee income is partly dependent on general stock and interest rate market developments. Market developments and investment trends also influence the type of investment products that customers are interested in.

Evli cannot influence general market developments or the state of the economy through its activities, but through its own actions it can reduce its sensitivity to changes in the market environment. Evli's management aims to contribute to improving the manageability and profitability of its operations by ensuring efficient organization of its businesses and diversification of its income base through the provision of a wide range of investment products and services. In addition, the Group's management seeks to oversee key business development projects and, where appropriate, make financially sound acquisitions to scale up operations. Evli seeks to identify and manage strategic risks by analyzing market developments and the competitive environment. The strategy and related risks are regularly on the Board's agenda.

Financial risks

Financial risk is a risk caused by the operating environment of the company and any market changes therein. Financial risks include market risk that contains equity, currency and interest rate risk and liquidity and credit risk.

6.1. Market risks

Market risk refers to the possibility of loss due to fluctuations in market prices (price risk).

The market risk affecting Evli can be either direct or indirect. Direct market risk refers to the company's sensitivity to market changes through its own financial assets and liabilities. In addition to direct market risks, Evli is indirectly exposed to market changes, for example when a general market downturn reduces the amount of assets under management for clients and thus the management fees linked to them. In addition, a sharp fall in prices tends to drive investors to redeem their investments, which decreases the amount of assets under management. In addition, advisory services tend to be less in demand in times of market stress.

Market risks can be divided into equity, interest rate and currency risks.

Equity risks mean the sensitivity of the company's profitability and market value in the balance sheet to the changes in the general price level of the stock market. The company's direct equity risks consist of Corporate Finance operations, temporary position of the brokerage business and strategic investments. The majority of the company's strategic investments are private equity funds in which the company has acted as either a product developer and/or distributor. In addition, the company has made investments in liquid investment funds it manages and in individual smaller companies. Since 2.4.2022, Evli has also an investment in Alisa Bank Plc which fair value changes are recognized directly in equity. In principle, all investments are valued using market quotes. When a public market price is not available, the investment portfolio and the assets of the trading book are valuated using theoretical valuation methods. Instruments measured by theoretical means were recognized entirely through profit or loss during the financial year, because the maturity periods of theoretically measured agreements are short, and the accounting parameters used are primarily based on information from the markets. In the end of 2023 a 10 percent change in the stock market would correspond to a EUR 3.3 million effect in equity.

Interest risk means the sensitivity of the company's profitability or balance sheet to the changes in the general interest rate. Interest rate risk arises from, among other things, the company's investments in fixed-income funds. Any current or non-current interest-bearing loans also expose Evli to interest rate risk. A change of 100 basis points in interest rates would have a EUR 0.4 million effect on Evli's equity.

Currency risk refers to the uncertainty of cash flow and earnings caused by changes in exchange rates. Evli's operative actions are mainly denominated in euros. The Group has operations in Sweden and the United Arab Emirates, which expose Evli to the risk of exchange rate fluctuations, but this is minor and does not expose the Group to significant currency risk. In Evli's own investment operations, investments are mainly made in euro-denominated assets, so the exposure to currency risks in investment operations is not significant. Evli does not specifically monitor changes in exchange rates with regard to investment operations but considers them to be part of the change in the fair value of the investment. The Group's most significant currency position was in Swedish crowns, which the Group had at the end of the review period for EUR 8.4 million. This was mainly related to Evli's operations in Sweden. A 10 percent change in the exchange rate would have an effect of EUR 0.9 million on the Group's equity.

In solvency calculation, the Group's market risk is measured by the positions related to the trading book. In accordance with minimum capital adequacy calculation, the necessary amount of own funds is set aside to cover market risk. The minimum capital requirement is calculated for the position risk of the trading book and for the currency risk of the operations as a whole. The Group's investments classified under the trading book amounted to EUR 0.9 million at December 31, 2023. The minimum capital requirements for market risk were accordingly EUR 0.2 million at December 31, 2023.

6.1.1. MINIMUM CAPITAL REQUIREMENT FROM MARKET RISK

	Original exposure value	Risk-weighted exposure value
Trading book		
Equity instruments	0.9	0.1
Total	**0.9**	**0.1**

6.1.2. ASSETS AND LIABILITIES IN DOMESTIC AND FOREIGN CURRENCIES

2023	Domestic currency	Foreign currency	Total
Assets			
Financial assets at amortized cost			
Cash and cash equivalents	0.0	0.0	0.0
Claims on credit institutions	113.1	12.9	126.0
Claims on the public and public sector entities	18.8	0.4	19.2
Financial assets at fair value through profit or loss			
Debt securities	2.0	-	2.0
Shares and participations	38.1	4.4	42.5
Derivative contracts	5.9	-	5.9
Other assets	144.5	4.5	149.0
Total	**322.5**	**22.2**	**344.7**
Liabilities			
Financial liabilities at amortized cost			
Liabilities to credit institutions	3.4	-	3.4
Liabilities to the public and public sector entities	-	-	-
Debt securities issued to the public	106.7	-	106.7
Financial liabilities at fair value through profit or loss	6.0	-	6.0
Other liabilities	88.1	3.3	91.5
Total	**204.2**	**3.3**	**207.6**

2022	Domestic currency	Foreign currency	Total
Assets			
Financial assets at amortized cost			
Cash and cash equivalents	0.0	0.0	0.0
Claims on credit institutions	106.8	8.6	115.4
Claims on the public and public sector entities	34.2	0.6	34.8
Financial assets at fair value through profit or loss			
Debt securities	2.0	-	2.0
Shares and participations	39.8	1.5	41.3
Derivative contracts	0.4	-	0.4
Other assets	147.2	3.1	150.3
Total	**352.8**	**13.8**	**366.6**
Liabilities			
Financial liabilities at amortized cost			
Liabilities to credit institutions	0.0	-	0.0
Liabilities to the public and public sector entities	0.5	-	0.5
Debt securities issued to the public	106.3	-	106.3
Financial liabilities at fair value through profit or loss	0.4	-	0.4
Other liabilities	108.2	7.7	115.9
Total	**215.5**	**7.7**	**223.2**

6.2. Liquidity risk

Liquidity risk is the risk that Evli's available cash and cash equivalents are not sufficient to cover the needs of the business and thus jeopardizing continuity.

In terms of liquidity risk, the Group has a conservative risk appetite. The Group's liquidity is constantly monitored, and it is maintained by keeping a significant part of the company's assets either in bank deposits available on demand or invested in liquid low–risk assets that can be quickly converted into cash. In addition to investments, the company's assets are tied up in loans it has granted, against which the company has sought to raise longer–term financing by issuing structured bonds. The financing from the bonds is not fully available, because part of the funds is committed to collateral that Evli places with various market counterparties in situations where the hedge on structured products is loss–making. Funds also used in settlement due to settlement issues and the provision of collateral. The Investment Firms Regulation requires investment services firms to hold liquid assets of at least one third of the capital requirement for fixed overheads calculated in accordance with the Regulation. The capital requirement calculated on the basis of Evli's fixed overheads is EUR 16.6 million and the liquidity requirement calculated on this basis is EUR 5.5 million. Evli Group's liquid assets amounted to EUR 126.0 million on December 31, 2023.

The following table illustrates the contractual maturity analysis of financial liabilities.

6.2.1. MATURITIES OF ASSETS AND LIABILITIES

	2023					2022				
	Total	Maturity: less than 3 months	Maturity: 3-12 months	Maturity: 1-5 years	Maturity: over 5 years	Total	Maturity: less than 3 months	Maturity: 3-12 months	Maturity: 1-5 years	Maturity: over 5 years
Assets										
Financial assets at amortized cost										
Cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Claims on credit institutions	126.0	126.0	0.0	0.0	0.0	115.4	115.4	-	-	-
Claims on the public and public sector entities	19.1	2.0	7.2	9.9	0.0	34.6	4.7	13.0	16.9	-
Financial assets at fair value through profit or loss										
Debt securities	2.0	0.0	0.0	2.0	0.0	2.0	-	-	2.0	0.0
Shares and participations	42.5	29.6	0.0	2.2	10.8	41.3	29.3	0.9	4.8	6.3
Derivative contracts	6.0	0.2	-0.4	5.9	0.2	0.4	0.1	0.0	0.3	-
Accrued interest	0.2	0.0	0.1	0.1	0.0	0.3	0.0	0.2	0.1	-
Other assets	90.4	90.4	0.0	0.0	0.0	95.7	95.7	-	-	-
Liabilities										
Financial liabilities at amortized cost										
Liabilities to credit institutions	3.4	3.4	0.0	0.0	0.0	0.0	-	-	-	-
Liabilities to the public and public sector entities	0.0	0.0	0.0	0.0	0.0	0.5	-	0.5	-	-
Debt securities issued to the public	106.7	6.0	11.7	79.6	9.4	106.3	6.6	11.8	81.8	6.2
Financial liabilities at fair value through profit or loss	6.0	0.2	-0.4	5.9	0.2	0.4	0.1	0.0	0.3	-
Accrued interest, debt	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-
Other liabilities	91.5	91.5	0.0	0.0	0.0	68.7	68.7	-	-	-
Off-balance sheet commitments	5.3	0.0	0.0	2.6	2.8	6.3	3.2	1.2	1.9	-
Right-of-use liabilities	11.3	0.6	1.8	8.0	0.8	12.9	0.4	1.3	10.4	0.8

6.3. Credit risks

Credit risk is the risk of loss in the event that a customer or a counterparty of an Evli Group company fails to meet its obligations under a credit relationship and any collateral provided is insufficient to cover the receivable. Credit risk also includes country and settlement risks. Country risk is the credit risk associated with foreign claims allocated by country. Settlement risk is the risk of loss of the receivable being settled, associated with the settlement process.

Credit risks are mainly managed through customer and counterparty–specific limits and collateral requirements. These, in turn, are monitored and managed on a daily basis. The management of settlement risk focuses on ensuring the suitability and reliability of counterparties. In principle, clearing is concentrated in reliable clearing houses. The Management Risk Committee approves all counterparties with whom non–standardized derivatives agreements are made. The company has pledged cash to marketplaces and clients have pledged their client portfolios to Evli.

The table below shows the collateral given and received:

6.3.1. COLLATERALS SET AND RECEIVED

	2023			2022		
	Fair value of encumbered assets	**Fair value of unencumbered assets**	**of which usable as collateral**	**Fair value of encumbered assets**	**Fair value of unencumbered assets**	**of which usable as collateral**
Assets						
Liquid assets and Central Bank deposits	-	-	-	-	-	-
Claims on credit institutions	4.2	121.8	121.8	22.9	92.5	92.5
Claims on the public and public sector entities	-	19.2	-	-	34.8	-
Debt securities	-	2.0	2.0	-	2.0	2.0
Shares and participations	-	42.5	42.5	-	41.3	41.3
Other assets	-	159.1	-	-	95.7	-
Total	**4.2**	**344.7**	**166.3**	**22.9**	**266.3**	**135.8**

6.3.2. USAGE OF COLLATERAL

	2023	2022
Set collaterals		
Markeplace collateral, stock- and derivatives trades	0.1	0.1
Collateral for OTC derivatives trades	3.9	22.8
Collateral for securities lending	0.1	0.0
Total	**4.2**	**22.9**
Received collateral		
Received cash	3.4	-
Received securities	96.9	166.9
Total	**100.3**	**166.9**

6.4. Expected credit losses

Evli calculates the Expected Credit Loss (ECL) for financial assets measured at amortized cost for each reporting date. The expected credit loss is a probability–weighted estimate of the credit risks that will materialize.

The credit risks of financial assets are under constant scrutiny at the company. The company monitors various factors, both quantitative and qualitative, which are estimated to be significant in evaluating credit risk. Estimates of future economic trends are also taken into account.

Credit risk is assessed through a three–phase model, where the credit loss for Phase 1 exposures is estimated for the following 12 months. If the credit risk of a receivable has grown substantially after a loan is granted, the receivable's risk level is raised to Phase 2, in which case the expected credit loss is estimated for the entire exercise period. In a situation where one or more factors negatively affecting the solvency of the counterparty has occurred, the credit is raised to Phase 3. A loan is recognized as non–performing when more than 90 days have passed without the borrower paying interest or making repayment or if it is estimated that the borrower is unlikely to perform on its future payment obligations.

If based on all available information it is estimated that the credit risk has decreased substantially after the loan's risk level has been raised to phase 2, and the risk is at the same level as at the time of granting the loan, the loan's risk level can be returned to phase 1.

The amount of expected credit losses (ECL) is calculated using the formula:
ECL = exposure x probability of default (%) x total loss when realization of collateral is included

The parameters are generally measured on the Group levels, and financial assets are classified into Groups of assets with similar risks and collateral. The probability of default of counterparties is primarily measured with statistical data on the problem receivables in the credit stock on the national level. For sales receivables, a simplified procedure is used. The Group has no assets in the 'measured at fair value through comprehensive income' class and the debt securities are not valued at amortized cost. For credits that have been transferred to Phase 2, unique calculation parameters are always defined at the time of transfer.

The table to the right shows the distribution of loans granted and the number of non–performing credits.

6.4.1 DISTRIBUTION OF LOANS

2023	Lending stock	Average remaining maturity years	Overdue by at least 90 days	Impaired loans
Exposure and home country				
Private Persons Finland	10.2	0.9	0.3	0.0
Corporations Finland	8.4	1.2	0.0	0.0
Other sectors Finland	0.0	0.0	0.0	0.0
Private persons EU countries	0.5	0.4	0.0	0.0
Corporations EU countries	0.0	0.0	0.0	0.0
Private persons other countries	0.0	0.0	0.0	0.0
Total	**19.2**	**1.0**	**0.3**	**0.1**

2022	Lending stock	Average remaining maturity years	Overdue by at least 90 days	Impaired loans
Exposure and home country				
Private Persons Finland	17.4	1.3	0.0	0.0
Corporations Finland	13.5	1.5	0.0	0.0
Other sectors Finland	0.3	0.7	0.0	0.0
Private persons EU countries	3.6	0.6	0.0	0.0
Corporations EU countries	0.1	0.6	0.0	0.0
Private persons other countries	0.0	0.0	0.0	0.0
Total	**34.8**	**1.4**	**0.0**	**0.0**

The table below shows the balance sheet items broken down into the phases 1–3:

6.4.2. IFRS 9, EXPECTED CREDIT LOSSES IN STAGES

2023	Amount	Phase 1	Phase 2	Phase 3	Expected credit loss	Opening balance 1.1., credit loss provision
Balance sheet item						
Receivables from credit institutions	126.0	126.0	-	-	-	-
Receivables from public	19.2	18.4	0.6	0.3	0.0	0.1
Corporate	8.2	8.1	0.1	-	0.0	0.0
Private	11.1	10.3	0.4	0.3	0.0	0.0
Other	-	-	-	-	-	-
Sales receivables	9.4	9.1	0.3	-	0.0	0.0
Off-balance sheet loan commitments	2.6	2.5	0.1	-	0.0	0.0
Total	**157.3**	**156.1**	**0.9**	**0.3**	**0.1**	**0.1**

2022	Amount	Phase 1	Phase 2	Phase 3	Expected credit loss	Opening balance 1.1., credit loss provision
Balance sheet item						
Receivables from credit institutions	115.4	115.4	-	-	-	-
Receivables from public	34.8	32.6	2.2	-	0.1	0.1
Corporate	13.7	13.7	-	-	0.0	0.0
Private	21.0	18.8	2.2	-	0.0	0.0
Other	-	-	-	-	-	-
Sales receivables	10.1	10.0	0.1	-	0.0	0.0
Off-balance sheet loan commitments	3.7	3.7	0.0	-	0.0	0.0
Total	**164.0**	**161.7**	**2.3**	**-**	**0.1**	**0.1**

From 1.1. to 31.12.2023, there has been one transfer from level 1 to level 2, one transfer from level 1 to level 3 and one transfer from level 2 to level 3 for lending. One of the loans transferred to level 3 has been paid during the fourth quarter. Evli has payments on one loan that are overdue by 90 days. The expected credit losses are recognized in the profit and loss account.

6.5. Operational risks

Operational risks mean a direct or indirect danger or financial loss that is caused by insufficient or failed internal processes; systems, personnel or external factors. Operational risks also include legal risks and compliance and data security risks. Therefore, operational risks are associated, for example, with the management system, operative processes, information systems, persons and various external factors or threats. In addition to the direct risk of financial loss, operational risk can also take the form of a weakening or loss of reputation or trust.

Operational risks are seen as a key area of risk management at Evli. Each business unit is responsible for managing the operational risks of its own business area. Evli continuously pays special attention to the identification, monitoring and control of operational risks. Business units carry out regular self–assessments of the operational risks of products, services, persons, operating processes and systems. Evli has prepared a separate group–wide procedure for identifying, assessing, controlling and reporting risks. Through operational risk self–assessment, the company aims to identify critical risks and identify appropriate measures to minimize or control them. The reporting of disruptions to operations and errors and losses caused by operational risks to the authorities is carried out in accordance with established requirements.

The basic approach to operational risk management is to prevent risks on the one hand, and to minimize the damage caused by risks on the other. To this end, Evli has, among other things, comprehensive internal guidelines, which are monitored. Employees are regularly trained, and daily work processes and systems are actively monitored. Security is ensured and efforts have been made to duplicate critical systems to ensure continuity. In addition, the company has prepared for possible risks by, among other things, taking out comprehensive insurance policies.

Evli operates in an industry governed by strict rules and regulations. The company has a separate Compliance function, which aims to ensure that Evli always complies with laws and regulations. While the materialization of operational risk often leads to reputational and financial damage, the materialization of compliance risk can also lead to sanctions imposed by the authorities. Responsibility for compliance and supervision always lies with top and executive management, and with all managers. Nevertheless, every Evli employee is responsible for complying with rules and regulations. Compliance risk is managed by monitoring legislative developments and by continuously training employees internally on upcoming regulatory changes.

Modern investment services are essentially digital and digital services are a key part of Evli's strategy. At the heart of everything Evli does is information systems that involve data protection and security risks. One of the key objectives of all of the Group's functions is the efficient, error free and secure processing of information in a variety of formats. The confidentiality, accuracy and usability of such information is protected at all times. Evli has designated data protection and information security managers who are responsible for developing, monitoring, guiding and reporting on data protection and security to management.

The capital requirement for operational risks is part of the capital requirement set out in the Investment Firms Regulation. The own funds requirement calculated on the basis of the Evli Group's fixed overheads was EUR 16.6 million and the Group's own funds amounted to EUR 42.9 million at December 31, 2023.

6.6. Continuity management

The company's operations may be threatened by external or internal crises of a physical or other nature. In crisis situations, an organization must:

- be prepared
- have crisis management capability
- have prepared by means of drills.

To ensure operational continuity, Evli has a continuity plan that covers all of its functions. The purpose of continuity planning is to ensure that, in the event of certain threats materializing, it is possible to ensure the safety of the Group's customers and employees, to protect tangible and intangible property, to comply with the law and other regulations, to maintain the targeted level of customer service and internal operations and to preserve the trust of stakeholders. Each continuity plan will include system recovery plans, including guidelines on how to get information systems into operating condition in situations of severe failure, how to continue operations and how to return operations to normal. In addition, the company has compiled a recovery plan that complies with official requirements.

6.7. Managing capital adequacy

An essential element of the regulations is compliance with the solvency requirement set by the regulations and the Internal Capital And Risk Assesment (ICARA). The capital adequacy regulation is based on the principle that the quantity, quality and allocation of the company's own assets must be continuously sufficient to cover the material risks applying to the supervised party. It is not possible, however, to use capital to replace deficiencies in the qualitative aspects of risk bearing capacity. Broadly speaking, risk bearing capacity includes not only capital and profitability, but also reliable management, well–organized internal control and risk management.

As an investment services firm, Evli complies with the EU Investment Firms Directive (EU 2019/3034 IFD) and the EU Investment Firms Regulation (EU 2019/2033 IFR). Evli's Board of Directors has set a minimum target solvency requirement of 13 percent for the Group. The Group's solvency ratio was 20.7 percent on December 31, 2023. More detailed information on the Group's solvency and solvency management is available in the solvency section of the annual report.

7. Other notes

7.1. CLASSIFICATION OF ASSETS AND LIABILITIES

2023	Financial assets measured at amortized cost	Fair value through profit and loss	Fair valued through comprehensive income	Other assets	Total book value	Level 1	Level 2	Level 3
Assets								
Cash and cash equivalents	0.0	-	-	-	**0.0**	-	-	-
Claims on credit institutions	126.0	-	-	-	**126.0**	-	-	-
Claims on the public and public sector entities	19.2	-	-	-	**19.2**	-	-	-
Debt securities	-	2.0	-	-	**2.0**	-	0.0	2.0
Shares and participations	-	39.9	2.6	-	**42.5**	29.6	-	13.0
Derivative contracts	-	5.9	-	-	**5.9**	-	-	5.9
Shares and participations in associates	-	-	-	5.2	**5.2**	-	-	-
Intangible assets and goodwill	-	-	-	48.7	**48.7**	-	-	-
Property, plant and equipment	-	-	-	1.1	**1.1**	-	-	-
Other assets	-	-	-	74.4	**74.4**	-	-	-
Leasing assets	-	-	-	11.3	**11.3**	-	-	-
Accrued income and prepayments	-	-	-	3.4	**3.4**	-	-	-
Income tax receivables	-	-	-	1.3	**1.3**	-	-	-
Deferred tax assets	-	-	-	3.6	**3.6**	-	-	-
Total assets	**145.3**	**47.8**	**2.6**	**149.0**	**344.7**	**29.6**	**0.0**	**20.9**
Liabilities								
Liabilities to credit institutions and central banks	3.4	-	-	-	**3.4**	-	-	-
Liabilities to the public and public sector entities	-	-	-	-	**0.0**	-	-	-
Debt securities issued to the public	106.7	-	-	-	**106.7**	-	-	-
Financial liabilities at fair value through profit or loss	-	6.0	-	-	**6.0**	-	-	6.0
Other liabilities	-	-	-	61.8	**61.8**	-	-	-
Accrued expenses and deferred income	-	-	-	27.3	**27.3**	-	-	-
Income tax liability	-	-	-	2.4	**2.4**	-	-	-
Deferred tax liabilities	-	-	-	0.0	**0.0**	-	-	-
Liablities total	**110.1**	**6.0**	**0.0**	**91.5**	**207.6**	**0.0**	**0.0**	**6.0**

2022	Financial assets measured at amortized cost	Fair value through profit and loss	Fair valued through comprehensive income	Other assets	Total book value	Level 1	Level 2	Level 3
Assets								
Cash and cash equivalents	-	-	-	0,0	**0,0**	-	-	-
Claims on credit institutions	115.4	-	-	0.0	**115.4**	-	-	-
Claims on the public and public sector entities	34.8	-	-	0.0	**34.8**	-	-	-
Debt securities	-	2.0	-	0.0	**2.0**	0.0	0.0	2.0
Shares and participations	-	35.8	-	0.0	**35.8**	29.3	0.0	12.0
Derivative contracts	-	0.4	-	0.0	**0.4**	0.0	0.0	0.4
Shares and participations in associates	-	-	5.5	5.7	**11.2**	-	-	-
Intangible assets and goodwill	-	-	-	49.6	**49.6**	-	-	-
Property, plant and equipment	-	-	-	1.1	**1.1**	-	-	-
Other assets	-	-	-	95.7	**95.7**	-	-	-
Leasing assets	-	-	-	12.9	**12.9**	-	-	-
Accrued income and prepayments	-	-	-	3.3	**3.3**	-	-	-
Income tax receivables	-	-	-	1.0	**1.0**	-	-	-
Deferred tax assets	-	-	-	3.4	**3.4**	-	-	-
Total assets	**150.2**	**38.2**	**5.5**	**172.7**	**366.6**	**29.3**	**0.0**	**14.4**
Liabilities		**-**	**-**					
Liabilities to credit institutions and central banks	-	-	-	-	**0.0**	-	-	-
Liabilities to the public and public sector entities	0.5	-	-	-	**0.5**	-	-	-
Debt securities issued to the public	106.3	-	-	-	**106.3**	-	-	-
Financial liabilities at fair value through profit or loss	-	0.4	-	-	**0.4**	0.0	0.0	0.4
Other liabilities	-	-	-	81.6	**81.6**	-	-	-
Accrued expenses and deferred income	-	-	-	32.1	**32.1**	-	-	-
Income tax liability	-	-	-	2.1	**2.1**	-	-	-
Deferred tax liabilities	-	-	-	0.0	**0.0**	-	-	-
Liablities total	**106.8**	**0.4**	**0.0**	**115.8**	**223.0**	**0.0**	**0.0**	**0.4**

Classification of assets and liabilities

The treatment of assets and liabilities is explained in the accounting policies in section 1.4. When valuing financial assets and liabilities, Evli classifies balance sheet items into three levels depending on how the valuation level is determined. For Level 1 balance sheet items, fair values are based on published price quotations in active markets. For Level 2, the values are determined using valuation models with inputs other than the quoted prices at Level 1 that are directly or indirectly observable for the asset or liability. The fair values of Level 3 items are determined using valuation models with inputs that are not directly observable for the asset or liability.

Valuation level 1 includes quoted shares and participations, mutual funds, exchange–traded derivatives, and debt securities quoted on active public and over–the–counter markets.

Level 3 shares and participations are generally instruments that are not publicly quoted, such as equity and real estate funds, unquoted shares and warrants. Level 2 derivatives are forward contracts whose valuation is calculated using quoted market parameters such as interest rates and exchange rates. Derivatives at level 3 are derivatives whose valuations have been calculated using commonly used derivative pricing models such as Black–Scholes, or, in the case of OTC instrument, obtained from a counterparty. Valuation involves parameters that are not quoted on the market, such as volatility. If the volatility used is the publicly available historical volatility, the change will not have a significant impact on the fair values of level 3 options. Valuations of debt securities obtained from markets that are not fully active are assigned to valuation level 2. Valuations of debt securities at valuation level 3 are valuations of illiquid instruments obtained directly from the organizer of the issue or calculated by Evli.

7.2. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Share purchase price 1.4.2022: (€/share)	0.5856
Number of shares: (amount)	15,288,303
Initial acquisition, market value: (€ million)	**9.0**
Share price 31.12.2022 (€/share):	0.36
Number of shares: (amount)	15,288,303
Market value 31.12.2022: (€ million)	**5.5**
Share price 31.12.2023 (€/share):	0.1716
Number of shares: (amount)	15,288,303
Market value 31.12.2023: (€ million)	**2.6**
Change in value for the review period: (€ million)	
(Market value 31.12.2023 - Market value 31.12.2022)	-2.9
Calculated tax effect of value change: (€ million)	0.6
Profit impact of the valuation after taxes: (€ million)	**-2.3**

Evli Plc was created on April 2, 2022 as a result of a partial demerger. As part of the overall arrangement, Evli made a significant investment in Alisa Bank Plc, the other entity created in the arrangement. The investment is of a long–term nature and is not related to the group's operating activities. For these reasons, the company presents the effect of the valuation of the investment as a separate item in the statement of comprehensive income in accordance with IFRS 9. The table above illustrates the impact of the revaluation on the group's statement of comprehensive income for the period. The shares are included in the item 'other shares level 1.

7.3. ANALYSIS OF FINANCIAL INSTRUMENTS CATEGORIZED IN LEVEL 3

	2023	2022
Financial assets:		
Shares and participations classified as held for trading	-	-
Unlisted shares and participations	2.2	2.3
Venture capital funds and real estate funds	10.8	9.5
Debt securities	2.0	2.0
Quoted equity derivatives	-	-
OTC derivatives	5.9	0.4
Total financial assets held at fair value	**20.9**	**14.2**
Financial liabilities:		
Shares and participations classified as held for trading	-	-
Quoted equity derivatives	-	-
OTC derivatives	6.0	0.4
Total financial liabilities held at fair value	**6.0**	**0.4**

CHANGES IN LEVEL 3 INSTRUMENTS:

2023	Unlisted shares	Private equity and real estate funds	Debt securities	OTC derivatives - assets	OTC derivatives - liabilities
At the beginning of period 1.1	2.3	9.5	2.0	0.4	0.4
Purchased	-	2.4	-	-	-
Sold	-0.1	-	-	-	-
Fair value change	-	-1.1	-	5.5	5.6
Total at end of 31.12	**2.2**	**10.8**	**2.0**	**5.9**	**6.0**

2022	Unlisted shares	Private equity and real estate funds	Debt securities	OTC derivatives - assets	OTC derivatives - liabilities
At the beginning of period 1.1	0.2	6.6	0.4	2.3	2.3
Purchased	2.1	1.9	2.0	-	-
Sold	-	-	-0.4	-	-
Fair value change	-	1.1	-	-1.9	-1.9
Total at end of 31.12	**2.3**	**9.5**	**2.0**	**0.4**	**0.4**

Total unrealized profit is recorded in net income from securities transactions.

7.4. FAIR VALUES AND BOOK VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	2023		2022	
	Book value	Fair Value	Book value	Fair Value
Financial assets				
Liquid assets	0.0	0.0	0.0	0.0
Claims on credit institutions	126.0	126.0	115.4	115.4
Claims on the public and public sector entities	19.2	19.2	34.8	34.8
Debt securities	2.0	2.0	2.0	2.0
Shares and participations	42.5	42.5	41.3	41.3
Derivative contracts	5.9	5.9	0.4	0.4
Financial liabilities				
Liabilities to credit institutions and central banks	3.4	3.4	-	-
Liabilities to the public and public sector entities	-	-	0.5	0.5
Debt securities issued to the public	106.7	105.7	106.3	106.5
Derivative contracts and other liabilities held for trading	6.0	6.0	0.4	0.4

7.5. ASSETS UNDER MANAGEMENT – AS OF 31 DECEMBER

Billion euros	2023	2022
Gross	18.4	16.1
Net	15.6	13.9
Assets under management on the basis of power of attorney		
Discretionary asset management	5.6	5.4
Consultative asset management	0.2	0.1
Total	**5.8**	**5.5**

Consolidation and related party

Consolidation principles

The consolidated financial statements comprise the financial statements of Evli Plc and all its subsidiaries in which the parent company has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements also encompass those associates in which the parent company directly or indirectly owns 20–50 percent of the shares with voting rights or in which it otherwise exercises significant influence, but not control. Associates are consolidated using the equity method. The Group's share of associates' profit is presented separately in the income statement.

The Group's internal shareholdings are eliminated using the acquisition method of accounting. The assets, liabilities, contingent assets and contingent liabilities of a company acquired according to the acquisition method are assessed at fair value at the time of acquisition. Intangible assets, such as trademarks, patents or client relationships, that are not included in the acquired company's balance sheet are identified and assessed in connection with the acquisition. Goodwill is recognized for the amount by which the transferred consideration, the share of non–controlling interests of the target of acquisition and the previously held share of the target of acquisition exceed the Group's share of the fair value of acquired net assets and liabilities.

All intra–group transactions, receivables, liabilities, unrealized gains and internal distribution of profits are eliminated in preparing the consolidated financial statements. Unrealized losses are not eliminated if the loss is due to impairment of an asset. The profit for the period attributable to the parent company's equity holders and non–controlling interests is presented in the income statement. The non–controlling interests' share of equity is presented separately in the balance sheet within equity. Comprehensive income is allocated to the parent company's owners and to non–controlling interests even if this would lead to the non–controlling interests' share becoming negative, unless the non–controlling interests have an exemption not to meet obligations which exceed the non–controlling interests' investment in the company.

The consolidated financial statements include the parent company Evli Plc and the following subsidiaries and associates:

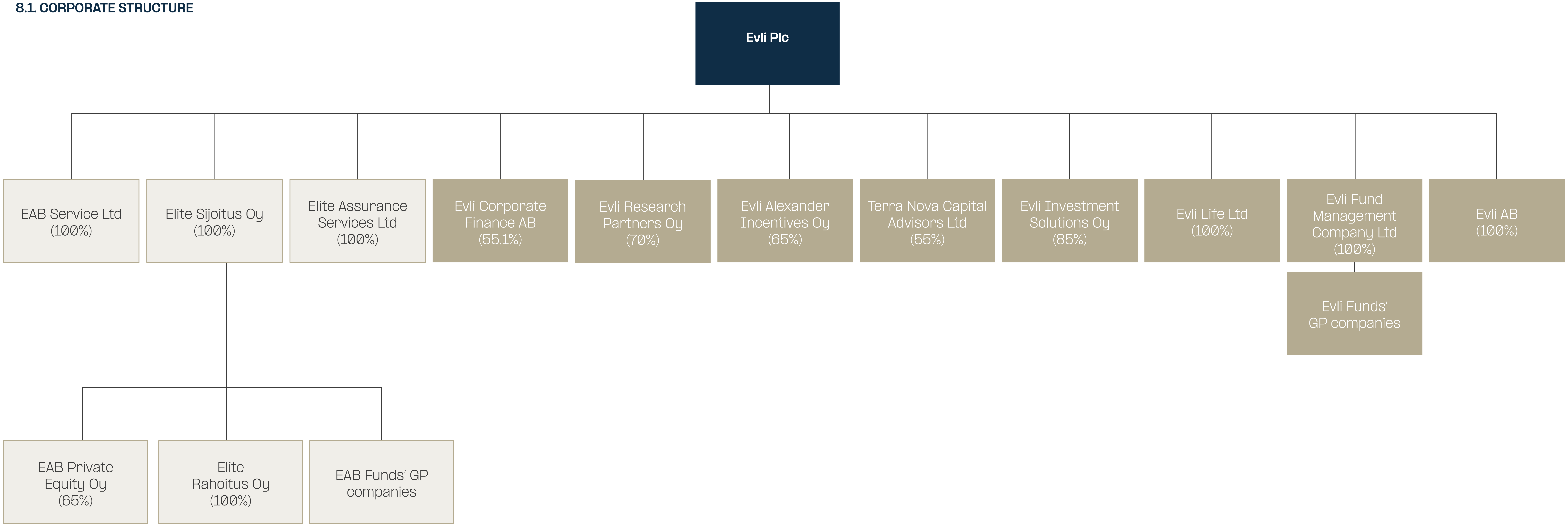
COMPANY	Country	ownership %
Evli Plc	Finland	100%
Evli Corporate Finance AB ("ECF")	Sweden	64%
Terra Nova Capital Advisors	UAE	55%
Evli Research Partners Oy	Finland	70%
Evli Investment Solutions Oy	Finland	85%
Evli Life Oy	Finland	100%
Evli Fund Management Company Ltd	Finland	100%
Evli Fondbolag AB, Stockholm branch	Sweden	100%
Evli AB	Sweden	100%
Evli Alexander Incentives Oy ("EAI")	Finland	65%
EAI Residential Partners Oy	Finland	75%
Evli Private Equity Partners Oy ("EPEP")	Finland	80%
Evli Private Equity I GP Oy (a subsidiary of EPEP)	Finland	80%
Evli Private Equity II GP Oy (a subsidiary of EPEP)	Finland	80%
Evli Private Equity III GP Oy (a subsidiary of EPEP)	Finland	74%
EAI Feeder GP Oy	Finland	100%
Evli HC I GP Oy	Finland	82%
EGP General Partner Oy	Finland	70%
EGP General Partner II Oy	Finland	70%
Evli Infrastructure Partners Oy ("EIP")	Finland	82%
Evli Infrastructure I GP Oy (a subsidiary of EIP)	Finland	82%
Evli Infrastructure II GP Oy (a subsidiary of EIP)	Finland	82%
Evli Impact Forest I GP Oy	Finland	85%
Evli Impact Forest II GP Oy	Finland	100%
Evli Private Debt I GP Oy	Finland	85%
Evli Residential II GP Oy	Finland	70%
EAB Private Equity Oy ("EAB PE")	Finland	65%
Project First GP Oy (subsidiary of EAB PE)	Finland	65%
Project Second GP Oy (subsidiary of EAB PE)	Finland	65%
Project Third GP Oy (subsidiary of EAB PE)	Finland	65%
Project Fourth GP Oy (subsidiary of EAB PE)	Finland	65%
EFVAF II GP Oy	Finland	100%
EFVAF III GP Oy	Finland	100%
EAB RE Infra II GP Oy	Finland	100%
EAB Pääomarahastot I GP Oy	Finland	100%
EAB Credit Fund I GP Oy	Finland	100%
Elite Älyenergia Oy	Finland	100%
Elite Intian Aurinko Oy	Finland	100%
Elite Kiinteistökehitys Oy	Finland	100%
Elite Rahoitus Oy	Finland	100%
Elite Sijoitus Oy	Finland	100%
EAB Palvelu Oy	Finland	100%
EAI Palkitsemispalvelut Oy (subsidiary of EAI)	Finland	65%
Elite Vakuutuspalvelu Oy	Finland	100%

COMPANY	Country	ownership %
Evli Private Debt II GP Oy	Finland	85%
Evli Private Capital Oy	Finland	73%
Evli Private Capital I GP Oy (subsidiary of Evli Private Capital Oy)	Finland	73%
Northern Horizon Capital	Denmark	47%
Ahti Invest Oy	Finland	30%
SAV-Rahoitus Oyj	Finland	46%

Entities outside the group

Companies in which the Group has a majority holding but in which a third party has control are not consolidated in the consolidated financial statements. In addition, holding companies owned in connection with the management of customer company incentive programs have not been consolidated. Evli is not entitled to the variable returns of these holding companies and Evli does not bear risk in the companies' assets or liabilities. Furthermore, funds managed on behalf of clients are also not consolidated, since the Group has no control over them.

8.1. CORPORATE STRUCTURE



8.2. FINANCIAL SUCCESS IN COMPANIES WITH NON–CONTROLLING OWNERS

2023	Assets	Liabilities	Revenue	Profit/Loss for financial year	Dividends paid to non-controlling interest	NCI of equity
Evli Corporate Finance AB	1.2	0.2	3.0	0.0	0.3	0.4
Terra Nova Capital Advisors Ltd	0.6	0.1	1.2	0.7	0.2	0.2
Evli Research Partners Oy	0.3	0.2	0.4	0.0	0.5	0.0
Evli Investment Solutions Oy	0.8	0.0	1.3	0.7	0.1	0.1
EAI Residential Partners Oy	0.6	0.1	0.6	0.5	0.1	0.1
Evli Private Equity Partners Oy	1.1	0.4	3.6	3.0	0.6	0.7
Evli HC I GP Oy	1.5	0.4	0.0	0.0	0.0	0.2
EGP General Partner Oy	0.6	0.1	1.1	0.4	0.2	0.2
Evli Infrastructure Partners Oy	0.0	0.0	1.0	0.9	0.2	0.0
Evli Alexander Incentives Oy	8.0	0.7	10.7	3.1	1.3	2.5
Evli Private Debt I Gp Oy	3.8	0.1	0.6	0.2	0.0	0.6
Evli Residential II GP Oy	0.4	0.1	0.3	0.2	0.1	0.1
Evli Private Equity III GP Oy	1.5	0.2	1.6	1.3	0.1	0.3
EGP General Partner II Oy	1.1	0.1	1.5	0.9	0.3	0.3
Evli Impact Forest I GP Oy	0.5	0.5	0.0	0.0	0.0	0.0
EAB Private Equity Oy	0.5	0.4	0.7	0.3	0.0	0.0
Evli Private Debt II GP Oy	0.1	0.1	0.0	0.0	0.0	0.0
Evli Private Capital Oy	0.0	0.0	0.0	0.0	0.0	0.0

2022	Assets	Liabilities	Revenue	Profit/Loss for financial year	Dividends paid to non-controlling interest	NCI of equity
Evli Corporate Finance AB	3.7	1.8	5.3	1.3	1.7	0.8
Terra Nova Capital Advisors Ltd	0.5	0.1	1.1	0.6	0.2	0.2
Evli Research Partners Oy	0.3	0.1	0.5	0.1	0.0	0.1
Evli Investment Solutions Oy	0.8	0.0	1.2	0.7	0.2	0.1
EAI Residential Partners Oy	0.6	0.1	0.6	0.4	0.1	0.1
Evli Private Equity Partners Oy	1.2	0.4	2.5	1.9	0.4	0.2
Evli HC I GP Oy	0.2	0.0	0.0	0.0	0.0	0.0
EGP General Partner Oy	0.6	0.0	1.1	0.5	0.1	0.2
Evli Infrastructure Partners Oy	0.2	0.1	1.3	1.3	0.2	0.0
Evli Alexander Incentives Oy	8.3	4.1	10.2	3.6	1.2	1.5
Evli Private Debt I Gp Oy	0.4	0.2	0.4	0.2	0.0	0.0
Evli Residential II GP Oy	0.4	0.1	0.3	0.2	0.0	0.1
Evli Private Equity III GP Oy	1.6	0.5	1.3	1.0	0.0	0.3
EGP General Partner II Oy	1.6	0.3	1.6	1.0	0.0	0.4
Evli Impact Forest I GP Oy	0.7	0.6	0.0	0.0	0.0	0.0

8.3. CHANGES IN CORPORATE STRUCTURE

Zenito Oy acquisition

During the fourth quarter of 2023 Evli announced the acquisition of the majority of shares (approx 67%) in Zenito Oy. The transaction closed after the financial year on 31.1.2024 and thus Zenito Oy is not consolidated in the Group as of 31.12.2023. The acquisition enhanced Evli's client base and product knowledge. Zenito's estimated revenue for 2023 was 1.3 million euros and operating profit 0.3 million euros.
The following consideration is estimated to be paid for the acquisition:

PRICE OF ACQUISITION ESTIMATE MEUR	
Cash	3.4
Payment made in shares	0
Total	**3.4**

As a result of the acquisition, the following net assets and goodwill are estimated to be recognized in the Group's balance sheet:

PURCHASE PRICE ALLOCATION	
Balance sheet item	
Claims on credit institutions	0.5
Other assets	0.2
Deferred tax assets	0.0
recognised balance sheet items, total	**0.7**
Goodwill	2.7
Recognised assets, total	**3.4**

Figures are based on estimates of 31.12.2023 figures of Zenito Oy.

Receivables that will be transferred to Evli are estimated to approximately EUR 0.7 million. In Evli's assessment, the receivables have been measured at fair value and no impairment adjustments have been necessary. The goodwill identified in the allocation of the purchase price is mainly related to future expectations of business synergies and growth opportunities. Goodwill is not tax deductible.

The acquisition did not have a material impact on the company's cash and cash equivalents. The total cash consideration for the acquisition was EUR 3.4 million. The costs related to carrying out the arrangement and the reorganization costs following the arrangement have been identified as operating expenses in the income statement.

Other changes

Evli has established five new general partner companies during 2023.

EAI Palkitsemispalvelut Oy, a wholly owned subsidiary of Evli Alexander Incentives Oy, was merged into Evli Alexander Incentives as of 31.12.2023. The purpose of the merger was to streamline the group structure.

8.4. HOLDINGS IN CONSOLIDATED ASSOCIATED COMPANIES

	2023	2022	2023	2022	2023	2022
Company name	Northern Horizon Capital A/S	Northern Horizon Capital A/S	Ahti Invest Oy	Ahti Invest Oy	SAV-Rahoitus Oyj	SAV-Rahoitus Oyj
Domicile	Denmark	Denmark	Finland	Finland	Finland	Finland
Assets	10.1	8.2	-	-	-	-
Liabilities	2.9	2	-	-	-	-
Revenue	7.6	6.9	-	-	-	-
Profit/Loss	1.4	0.7	-	-	-	-
Profit adjustment	0	0	-	-	-	-
Evli's share of profit/loss	0.7	0.4	-	-	-	-
Ownership (%)	47	50	30	30	46.3	46.3
Balance sheet value in the Group	3.4	3.1	1.0	1.0	0.8	1.5

8.5. RELATED PARTY DISCLOSURES

	2023	2022
Board		
Board fees	0.4	0.4
CEO		
Salary and short term benefits	0.5	0.5
Pension benefits	0.1	0.1
Share based incentive programs	1.0	0
Total	1.6	0.6
Other Executive Group members		
Salary and short term benefits	1.3	1.5
Pension benefits	0	0
Share based incentive programs	2.7	0.1
Total	4.0	1.6

The amounts shown in the table above correspond to the expenditure recognized as expenses in the financial periods concerned. Salary amounts include any fringe benefits. Share–based payments include share–based incentive programs awards amortized over the financial period. Some of the awards are deferred and their final value will be determined at a later date when the fees are confirmed and paid.

8.6. TRANSACTIONS WITH RELATED PARTIES

	Associated companies	Group management
2023		
Sales	0.0	0.0
Purchases	0.2	0.0
Receivables	1.0	0.0
Liabilities	0.0	0.0
2022		
Sales	0.0	0.0
Purchases	0.2	0.0
Receivables	0.0	0.0
Liabilities	0.0	0.0

Evli Plc's ("Evli") related parties include the associated companies Northern Horizon Capital A/S, SAV–Rahoitus Oyj and Ahti Invest Oy. Related parties also include key management personnel, their close family members and companies controlled by these persons. For the comparison period, related parties also included Evli Bank Plc in the carve–out analysis.

Transactions between management and the company are typical of transactions between an investment services firm and a client. The company's receivables from management relate to any investment loans granted to management on market terms. There are no loan arrangements between the company and management that differ from other Evli customers.

8.7. FEES PAID TO AUDITORS

	2023	2022
Group		
Audit		
Ernst & Young Oy	0.1	0.0
PricewaterhouseCoopers Oy	0.2	0.3
Assignments referred to in section 1, subsection 1, point 2 of the Audit Act		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.1
Tax advice		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.0
Other services		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.1
Total	**0.4**	**0.5**
Parent Company		
Audit		
Ernst & Young Oy	0.1	0.0
PricewaterhouseCoopers Oy	0.1	0.2
Assignments referred to in section 1, subsection 1, point 2 of the Audit Act		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.1
Tax advice		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.0
Other services		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.0
Total	**0.2**	**0.3**

Parent company's income statement

	Note	2023	2022
Fee and commission income	9.1	49.1	25.7
Net income from securities transactions	9.2	3.1	4.3
Income from equity investments	9.3		
Subsidiaries		14.7	0.0
Associated companies		0.4	0.2
Other		0.1	0.0
Interest income	9.4	8.7	1.3
Other operating income	9.5	6.8	11.2
INCOME TOTAL		**82.9**	**42.7**
Fee and commission expenses	9.6	-3.2	-2.6
Interest expenses	9.7	-4.0	-1.2
NET REVENUE		**75.7**	**38.9**
Administrative expenses			
Personnel expenses	9.8.1	-21.3	-19.6
Other administrative expenses	9.9	-14.0	-10.6
Depreciation and amortization on tangible and intangible assets	9.10	-4.9	-4.6
Other operating expenses	9.11	-3.1	-1.7
Expected credit losses on loans and other receivables	9.12	0.0	0.0
Impairment losses on other financial assets		-0.8	0.0
OPERATING PROFIT/LOSS		**31.7**	**2.3**
Appropriations		-2.8	
Income taxes	9.13	-3.1	-0.4
PROFIT / LOSS FOR THE FINANCIAL YEAR		**25.7**	**2.0**

Parent company's balance sheet

ASSETS	Note	2023	2022
Cash and equivalents	9.14	0.0	0.0
Claims on credit institutions	9.15		
Repayable on demand		88.5	45.8
Other		4.2	22.9
Claims on the public and public sector entities	9.16	37.4	55.0
Debt securities	9.17	2.0	2.0
Shares and participations	9.18	40.4	39.1
Shares in associated companies	9.20	6.2	6.9
Shares in subsidiaries		20.4	22.2
Derivative contracts	9.19	5.9	0.4
Intangible assets and goodwill	9.21	16.0	20.1
Property. plant and equipment	9.22	1.0	0.8
Other assets	9.23	10.1	77.4
Accrued income and prepayments	9.24	1.4	1.3
Deferred tax assets	9.25	1.3	0.7
TOTAL ASSETS		**234.8**	**294.7**

LIABILITIES AND EQUITY	Note	2023	2022
LIABILITIES			
Liabilities to credit institutions	9.26	3.4	0.0
Liabilities to the public and public sector entities		0.0	0.0
Debt securities issued to the public	9.27	106.7	106.3
Derivative contracts and other liabilities held for trading	9.28	6.0	0.4
Other liabilities	9.29	5.7	66.0
Accrued expenses and deferred income	9.30	13.7	16.0
Deferred tax liabilities		0.0	0.0
TOTAL LIABILITIES		**135.5**	**188.8**
EQUITY			
Share capital		53.7	53.7
Fair value reserve		-5.1	-2.7
Fund of invested non-restricted equity		15.9	25.1
Retained earnings		8.9	27.7
Profit/loss for financial year		25.7	2.0
TOTAL EQUITY	9.31	**99.2**	**105.9**
TOTAL LIABILITIES AND EQUITY		**234.8**	**294.7**

Parent company's statement of cash flow

	2023	2022
Operating activities		
Operating profit	31.7	2.3
Adjustment for items not included in cash flow	3.6	5.6
Income taxes paid	-1.1	-2.2
Cash flow from operating activities before changes in operating assets and liabilities	**34.2**	**5.7**
Changes in operating asset	38.0	-10.6
Changes in operating liabiities	-18.7	4.7
Cash flow from operating activities	**53.5**	**-0.2**
Investing activities		
Cash consideration in EAB Group Plc merger	0.0	-3.0
Change in participating interests and subsidiaries	-1.9	0.2
Change in intangible asset	-0.5	-0.4
Change in property. plant and equipment	-0.3	-0.1
Cash flow from investing activities	**-2.6**	**-3.3**
Financing activities		
Change in loans from credit institutions	3.3	-4.8
Distributions	-30.2	0.0
Cash flow from financing activities	**-26.9**	**-4.8**
Cash and cash equivalents at the beginning of period	68.7	78.1
Cash received through merger of EAB Group Plc	0.0	1.1
Cash and cash equivalents at the end of year	92.7	68.7
Change	**23.9**	**-8.3**

Parent Company's accounting policies

Basic information on the company

Evli Plc ("Evli" or "company") is domiciled in Helsinki and its registered address is Aleksanterinkatu 19, 00100 Helsinki, Finland.

Evli's financial statements have been prepared and presented in accordance with the provisions of the Act on Credit Institutions, the Ministry of Finance decision regarding credit institutions' and investment services providers' financial statements and the Financial Supervisory Authority's regulations. In addition, the provisions of the Accounting Act and the Limited Liability Companies Act concerning financial statements are complied with, with the exceptions mentioned in Article 30(2) of the Act on Credit Institutions.

Evli's accounting policies are consistent with those of the Evli Group, except as described below. The financial years are not comparable regarding to the income statement. Evli Oyj was established 2.4.2022

Employee benefits

The Evli Group finances all its retirement plans as contributions to pension insurance companies.

Income and deferred taxes

Deferred tax is generally calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The largest temporary differences arise from the depreciation of fixed assets.

Brokerage receivables and liabilities

The brokerage receivables and liabilities have been netted in 2023 according to FSA's regulations.

Leases

Leases of property, plant and equipment in which substantially all the company's risks and rewards of ownership are classified as finance leases. In Evli's financial statements, leases payable under these contracts are treated as rental expenses. Moreover, an asset acquired under a finance lease is not included in the balance sheet.

Parent company's notes to income statement

9.1. FEE AND COMMISSION INCOME

	2023	2022
Credit related fees and commissions	0.0	0.0
Income from payment transactions	0.0	0.0
Insurance brokerage	0.0	0.0
Advisory services	1.7	1.1
Securities brokerage	6.0	5.1
Securities issue	0.0	0.0
Mutual funds	32.3	14.3
Asset management	6.5	4.1
Custody services	0.6	0.4
Other operations	1.9	0.8
Commission income, total	**49.1**	**25.7**

Profits and losses on sales and changes in the fair value of securities transactions are recorded in the profit and loss statement. In addition, exchange rate profits and losses relating to the underlying business are recorded under net income from foreign exchange operations.

9.2. NET INCOME FROM SECURITIES TRANSACTIONS

	Gains and losses on sales	Changes in fair value	Other items	Total
2023				
Debt securities	0.0	0.0	-	0.0
Shares and derivative contracts	0.2	1.9	-	2.1
Net income from securities transactions, total	0.2	1.9	-	2.1
Net income from foreign exchange operations	0.6	0.4	-	1.0
Net income from securities transactions and foreign exchange operations, total	**0.8**	**2.3**	**-**	**3.1**
2022				
Debt securities	1.0	-0.0	-	1.0
Shares and derivative contracts	0.2	1.5	-	1.8
Net income from securities transactions, total	1.3	1.5	-	2.8
Net income from foreign exchange operations	1.5	0.0	-	1.5
Net income from securities transactions and foreign exchange operations, total	**2.8**	**1.5**	**-**	**4.3**

9.3. INCOME FROM EQUITY INVESTMENTS

	2023	2022
Dividends from financial assets valued at fair value	0.1	0.0
Dividends from subsidiaries	14.7	0.0
Dividends from associated companies	0.4	0.2
Income from equity investments, total	**15.2**	**0.2**

9.4. INTEREST INCOME

	2023	2022
Claims on credit institutions	7.2	0.7
Claims on the public and public sector entities	1.3	0.6
Other interest income	0.2	0.0
Interest income, total	**8.7**	**1.3**

9.5. OTHER OPERATING INCOME

	2023	2022
Rental income	0.0	0.0
Gain on sale of owner-occupied investment properties	0.0	0.0
Other income	6.8	11.2
Other operating income, total	6.8	11.2

9.6. FEE AND COMMISSION EXPENSES

	2023	2022
Trading fees paid to stock exchanges	-0.2	-0.5
Other commission expenses	-3.1	-2.1
Commission expenses, total	-3.2	-2.6

9.7. INTEREST EXPENSES

	2023	2022
Liabilities to the public, public sector entities and credit institutions	-0.0	-0.3
Debt securities issued to the public	-4.0	-0.8
Other interest expenses	-0.0	-0.1
Interest expenses, total	**-4.0**	**-1.2**

9.8.1. PERSONNEL EXPENSES

	2023	2022
Wages and salaries	-15.7	-14.1
Social security costs	-	-
Pension expenses	-2.2	-2.6
Other social security costs	-0.4	-0.4
Equity-settled share options	-2.9	-2.5
Employee benefits, total	**-21.3**	**-19.6**

Detailed information on executive remuneration can be found in the remuneration annex of the annual report.

9.8.2. PERSONNEL COUNT

	2023	2022
Number of personnel during the period, average	181	158
Number of personnel at the end of the period	184	161
Number of employees per segment		
Wealth Management and Investor Clients	131	112
Advisory and Corporate Clients	7	6
Group Operations	46	43
Total	**184**	**161**
	End of period	**Change**
Permanent full time personnel	160	**25**
Permanent part time personnel	0	**0**
Fixed term personnel	24	**-2**
Total	**184**	**23**

9.9. OTHER ADMINISTRATIVE EXPENSES

	2023	2022
Office expenses	-1.8	-1.4
IT and infosystems	-6.9	-4.9
Business expenses	-0.9	-0.5
Travel expenses	-0.4	-0.2
Car costs	-0.1	0.0
Other HR related expenses	-0.9	-0.6
Marketing expenses	-0.7	-0.4
Banking and custodian expenses	-0.6	-0.5
External services	-1.6	-2.1
Other administrative expenses, total	**-13.9**	**-10.6**

9.10. DEPRECIATION AND AMORTIZATION ON TANGIBLE AND INTANGIBLE ASSETS

	2023	2022
Applications and software	-1.8	-3.5
Other intangible assets	-0.2	-0.2
Leasehold improvements	-	0.0
Equipment and furniture	-0.2	-0.1
Depreciation of goodwill	-2.8	-0.8
Depreciation, amortization and impaiment losses, total	**-4.9**	**-4.6**

9.11. OTHER OPERATING EXPENSES

	2023	2022
Supervision expenses	-0.9	-0.1
Rental expenses	-1.8	-1.4
Other expenses	-0.4	-0.2
Other operating expenses, total	**-3.1**	**-1.7**

9.12. EXPECTED CREDIT LOSSES ON LOANS AND OTHER RECEIVABLES

	2023	2022
Claims on the public and public sector entities		
Expected credit losses on group level	0.0	0.0
Expected credit losses individual	0.0	0.0
Guarantees and other off-balance sheet commitments	0.0	0.0
Sales receivables	0.0	0.0
Realised loan losses	0.0	0.0
Impairment losses on other financial assets	-0.8	0.0
Impairment losses, total	**-0.7**	**0.0**

9.13. INCOME TAXES

	2023	2022
Current tax expense	-3.0	0.0
Taxes from previous years	-0.1	0.0
Deferred taxes	0.0	-0.4
Other taxes	0.0	0.0
Income taxes, total	**-3.1**	**-0.4**

Parent company's notes to balance sheet

9.14. CASH AND EQUIVALENTS

	2023	2022
Petty cash	0.0	0.0
Balances with central banks	0.0	0.0
Other	0.0	0.0
Cash and cash equivalents total	**0.0**	**0.0**

9.15. CLAIMS ON CREDIT INSTITUTIONS

	2023	2022
Repayable on demand		
Domestic credit institutions	88.4	45.8
Foreign credit institutions	0.0	0.0
Repayable on demand, total	**88.5**	**45.8**
Other than repayable on demand		
Domestic credit institutions	0.3	2.1
Foreign credit institutions	3.9	20.9
Other than repayable on demand, total	**4.2**	**22.9**
Claims on credit institutions, total	**92.7**	**68.7**

9.16. CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES

	2023	2022
Enterprises and housing associations	7.0	12.9
Financial and insurance corporations	0.3	0.3
Households	8.3	17.4
Foreign countries	3.5	3.6
Group companies	18.3	20.8
Claims on the public and public sector entities by sector, total	**37.4**	**55.0**

9.17. DEBT SECURITIES

	2023	2022
Publicly quoted	0.0	0.0
Others		
Bonds issued by banks	2.0	2.0
Other debt securities	0.0	0.0
Debt securities, total	**2.0**	**2.0**

Debt securities are valued at fair value and relate to Finnish investments.

9.18. SHARES AND PARTICIPATIONS

	2023	2022
Publicly quoted		
Held for trading	0.9	0.0
Other	28.6	29.4
Shares and participations, total	**29.6**	**29.4**
Others		
Held for trading	0.0	0.0
Other	10.8	9.7
Others, total	**10.8**	**9.7**
Shares and participations, total	**40.4**	**39.1**

Net risk position is described in section Market Risk, Notes on Risk Position.

9.19. DERIVATIVE CONTRACTS

Overall effect of risks associated with derivative contracts

Nominal value of underlying, gross

	Remaining maturity					
2023	**Less than 1 year**	**1-5 years**	**5-15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Held for trading						
Interest rate swaps	0.1	5.7	0.2	-0.1	5.9	6.0
Futures	-	-	-	-	-	-
Options bought	-	-	-	-	-	-
Options sold	-	-	-	-	-	-
Currency-linked derivatives	-	-	-	-	-	-
Held for trading, total	**0.1**	**5.7**	**0.2**	**-0.1**	**5.9**	**6.0**

2022	**Less than 1 year**	**1-5 years**	**5-15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Held for trading						
Interest rate swaps	3.3	18.2	0.2	0.0	0.4	0.4
Futures	-	-	-	-	-	-
Options bought	-	-	-	-	-	-
Options sold	-	-	-	-	-	-
Currency-linked derivatives	-	-	-	-	-	-
Held for trading, total	**3.3**	**18.2**	**0.2**	**0.0**	**0.4**	**0.4**

9.20. SHARES AND PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

	2023	**2022**
At the beginning of the period	6.9	5.4
Additions	0.1	1.5
Disposals	-0.8	0.0
At the end of the period	**6.2**	**6.9**

9.21. INTANGIBLE ASSETS AND GOODWILL

	2023	2022
Goodwill		
Cost at 1.1	19.2	1.2
Increases/Decreases	-	18.0
Cost at 31.12.	19.2	19.2
Accumulated depreciation at 1.1	-1.6	-0.8
Impairment losses for the period	-2.8	0.0
Accumulated depreciation at 31.12.	-4.4	-1.6
Book value at 31.12.	**14.8**	**17.5**
Software or projects in progress		
Cost at 1.1	0.0	0.0
Increases/Decreases	0.0	0.0
Cost at 31.12.	0.0	0.0
Book value at 31.12.	**0.0**	**0.0**
Applications and software		
Cost at 1.1	22.2	21.5
Increases/Decreases	0.5	0.7
Cost at 31.12.	22.7	22.2
Accumulated amortisation and impairment losses at 1.1	-19.7	-17.7
Amortisation for the period	-1.8	-2.0
Accumulated amortisation and impairment losses at 31.12.	-21.5	-19.7
Book value at 31.12.	**1.2**	**2.5**
Other intangible assets		
Cost at 1.1	2.3	2.3
Increases/Decreases	0.2	0.0
Cost at 31.12.	2.5	2.3
Accumulated amortisation and impairment losses at 1.1	-2.3	-2.1
Amortisation for the period	-0.2	-0.2
Accumulated amortisation and impairment losses at 31.12.	-2.5	-2.3
Book value at 31.12.	**0.0**	**0.0**
The most significant "Other intangible assets" are client relationships.		
Book value of intangible assets at 31.12.	**16.0**	**20.1**
Intangible assets, total at 31.12.	**16.0**	**20.1**

9.22. PROPERTY, PLANT AND EQUIPMENT

	2023	2022
Equipment and furniture		
Cost at 1.1	1.7	1.7
Exchange difference	-	0.0
Increases/Decreases	0.3	0.1
Cost at 31.12.	2.1	1.7
Accumulated amortisation and impairment losses at 1.1	-1.5	-1.3
Translation difference from depreciation for the period	-	0.0
Amortisation for the period	-0.2	-0.2
Accumulated amortisation and impairment losses at 31.12.	-1.7	-1.5
Book value at 31.12.	**0.4**	**0.2**
Leasehold improvements		
Cost at 1.1	1.4	1.4
Cost at 31.12.	1.4	1.4
Accumulated depreciation at 1.1	-1.4	-1.4
Depreciation for the period	0.0	0.0
Accumulated depreciation at 31.12.	-1.4	-1.4
Book value at 31.12.	**0.0**	**0.0**
Other tangible assets		
Cost at 1.1	0.6	0.6
Cost at 31.12.	0.6	0.6
Book value at 31.12.	**0.6**	**0.6**
Property, plant and equipment, total at 31.12.	**1.0**	**0.8**
Book value of tangible assets at 31.12.	**1.0**	**0.8**

9.23. OTHER ASSETS

	2023	2022
Securities sale receivables	1.2	1.3
Commission receivables	3.3	3.8
Securities brokerage receivables*	0.1	63.2
Other receivables**	5.4	9.2
Other assets total	**10.1**	**77.4**

* The presentation of brokerage receivables and liabilities has changed 2023. The items are netted in 2023.
**Other receivables include, inter alia, intra–group receivables.

9.24. ACCRUED INCOME AND PREPAYMENTS

	2023	2022
Interest	0.1	0.2
Taxes	0.1	0.0
Staff-related	0.1	0.0
Other items	1.1	1.1
Accrued income and prepayments total	**1.4**	**1.3**

9.25. DEFERRED TAX ASSETS

	2023	2022
Tax assets		
Due to timing differences*	1.3	0.7
Other temporary differences	-	-
From tax losses carried forward	-	-
Deferred taxes total	**1.3**	**0.7**

Deferred tax assets result mainly from the valuation of Alisa Bank shares regognized directly in equity.

9.26. LIABILITIES TO CREDIT INSTITUTIONS AND CENTRAL BANKS

	2023	2022
Credit institutions		
Repayable on demand	0.0	0.0
Other than repayable on demand	3.4	0.0
Liabilities to credit institutions and central banks, total	**3.4**	**0.0**

9.27. DEBT SECURITIES ISSUED TO THE PUBLIC

	2023	2022
Certificate of deposits	0.0	0,0
Bonds	106.7	106.3
Debt securities issued to the public, total	**106.7**	**106.3**

CHANGES IN BONDS ISSUED TO THE PUBLIC	**2023**	**2022**
Issues	34.1	30.9
Repurchases	23.7	16.0

9.28. DERIVATIVE CONTRACTS AND OTHER LIABILITIES HELD FOR TRADING

	2023	2022
Derivative contracts	6.0	0.4
Due to short selling of shares	0.0	0.0
Derivative contracts and other liabilities held for trading, total	**6.0**	**0.4**

9.29. OTHER LIABILITIES

	2023	2022
Securities brokerage liabilities**	0.0	62.5
Securities purchase liabilities	0.0	0.0
Finance lease payables	0.0	0.0
Right-of-use liability	0.0	0.0
Income tax payable	0.1	0.0
Personnel related	0.5	0.6
Other short-term liabilities**	5.0	2.6
Prepayments of cash customers	0.0	0.0
VAT payable	0.2	0.3
Other liabilities, total	**5.7**	**66.0**

*The presentation of brokerage receivables and liabilities has changed 2023. The items are netted in 2023.
**Other short–term liabilities are trading–related short–term liabilities

9.30. ACCRUED EXPENSES AND DEFERRED INCOME

	2023	2022
Interest	0.0	0.0
Tax payables	2.5	0.4
Personnel related	10.0	12.5
Other accrued expenses	1.2	3.2
Accrued expenses and deferred income, total	**13.7**	**16.0**

9.31. SHARE CAPITAL

2023	Shares: A-share	B-share	Shares total	EUR: Share capital	Fair value reserve	Fund of invested unrestricted equity	Retained earnings	Total equity
At the beginning of period 1.1.	14 485 148	11 790 154	26 275 302	53.7	**-2.7**	**25.1**	**29.7**	105.9
Additions	-	268 933	268 933	-	**-**	**-**	**25.9**	25.9
Decreases	-59 336	-	-59 336	-	**-2.3**	**-9**	**-21**	-32.6
At the end of period 31.12.	14 425 812	12 059 087	26 484 899	53.7	**-5.1**	**15.9**	**34.6**	99.2

2022	A-share	B-share	Shares total	Share capital	Fair value reserve	Fund of invested unrestricted equity	Retained earnings	Total equity
At the beginning of period 2.4.	14,493,148	9,364,289	23,857,437	23.7	**0.0**	**25.1**	**27.7**	76.6
Additions	-	2,425,865	2,425,865	30.0	**0.0**	**0.0**	**2.0**	32.0
Decreases	-8,000	-	-8,000	0.0	**-2.7**	**0.0**	**0.0**	-2.7
At the end of period 31.12.	14,485,148	11,790,154	26,275,302	53.7	**-2.7**	**25.1**	**29.7**	105.9

9.32. MATURITIES OF ASSETS AND LIABILITIES

2023	Total	Maturity: less than 3 months	Maturity: 3-12 months	Maturity: 1-5 years	Maturity: over 5 years
Assets					
Financial assets at amortized cost					
Cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Claims on credit institutions	92.7	92.7	0.0	0.0	0.0
Claims on the public and public sector entities	37.3	2.0	7.2	28.2	0.0
Financial assets at fair value through profit or loss					
Debt securities	2.0	0.0	0.0	2.0	0.0
Shares and participations	40.4	29.6	0.0	0.0	10.8
Derivative contracts	6.0	0.2	-0.4	5.9	0.2
Accrued interest	0.1	0.0	0.1	0.0	0.0
Other assets	54.3	54.3	0.0	0.0	0.0
Liabilities					
Financial liabilities at amortized cost					
Liabilities to credit institutions	3.4	3.4	0.0	0.0	0.0
Liabilities to the public and public sector entities	0.0	0.0	0.0	0.0	0.0
Debt securities issued to the public	106.7	6.0	11.7	79.6	9.4
Financial liabilities at fair value through profit or loss	6.0	0.2	-0.4	5.9	0.2
Accrued interest, debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	62.3	62.3	0.0	0.0	0.0
Off-balance sheet commitments	5.3	0.0	0.0	2.6	2.8
Rental commitmens	10.4	0.6	1.4	7.6	0.8

2022					
Assets					
Financial assets at amortized cost					
Cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Claims on credit institutions	68.7	68.7	0.0	0.0	0.0
Claims on the public and public sector entities	54.8	4.7	13.0	37.1	0.0
Financial assets at fair value through profit or loss					
Debt securities	2.0	0.0	0.0	2.0	0.0
Shares and participations	39.1	29.2	0.9	2.6	6.3
Derivative contracts	0.4	0.1	0.0	0.3	0.0
Accrued interest	0.2	0.0	0.2	0.0	0.0
Other assets	77.4	77.4	0.0	0.0	0.0
Liabilities					
Financial liabilities at amortized cost					
Liabilities to credit institutions	0.0	0.0	0.0	0.0	0.0
Liabilities to the public and public sector entities	0.0	0.0	0.0	0.0	0.0
Debt securities issued to the public	106.3	6.6	11.8	81.8	6.2
Financial liabilities at fair value through profit or loss	0.4	0.1	0.0	0.3	0.0
Accrued interest, debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	66.0	66.0	0.0	0.0	0.0
Off-balance sheet commitments	6.3	3.2	1.2	1.9	0.0
Rental commitmens	**12.9**	**0.4**	**1.3**	**10.4**	**0.8**

9.33. ASSETS AND LIABILITIES IN DOMESTIC AND FOREIGN CURRENCIES

2023	Domestic currency	Foreign currency	Total
Assets			
Financial assets at amortized cost			
Cash and cash equivalents	-	-	-
Claims on credit institutions	84.7	8.0	92.7
Claims on the public and public sector entities	37.0	0.4	37.4
Financial assets at fair value through profit or loss			
Debt securities	2.0	-	2.0
Shares and participations	56.4	4.4	60.8
Derivative contracts	5.9	-	5.9
Other asset items	33.5	2.5	36.0
Total	**219.4**	**15.3**	**234.8**
Liabilities			
Financial liabilities at amortized cost			
Liabilities to credit institutions	3.4	-	3.4
Liabilities to the public and public sector entities	-	-	-
Debt securities issued to the public	106.7	-	106.7
Financial liabilities at fair value through profit or loss			
Derivative contracts	6.0	-	6.0
Other liabilities items	16.7	2.7	19.4
Tota	**132.8**	**2.7**	**135.5**

2022	Domestic currency	Foreign currency	Total
Assets			
Financial assets at amortized cost			
Cash and cash equivalents	0.0	0.0	0.0
Claims on credit institutions	66.4	2.4	68.7
Claims on the public and public sector entities	54.4	0.6	55.0
Financial assets at fair value through profit or loss			
Debt securities	2.0	0.0	2.0
Shares and participations	59.9	1.5	61.4
Derivative contracts	0.4	0.0	0.4
Other asset items	105.4	2.0	107.4
Total	**288.4**	**6.5**	**294.9**
Liabilities			
Financial liabilities at amortized cost			
Liabilities to credit institutions	0.0	0.0	0.0
Liabilities to the public and public sector entities	0.0	0.0	0.0
Debt securities issued to the public	106.3	0.0	106.3
Financial liabilities at fair value through profit or loss			
Derivative contracts	0.4	0.0	0.4
Other liabilities items	76.0	6.0	82.0
Total	**182.8**	**6.0**	**188.8**

9.34. SECURITIES LENDING

	2023	2022
Market value of securities lending at 31.12., lent in	0.0	0.0
Market value of securities lending at 31.12., lent out	0.0	0.0

9.35. FAIR VALUES AND BOOK VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

2023	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Liquid assets	-	-			
Claims on credit institutions	92.7	92.7			
Claims on the public and public sector entities	37.4	37.4			
Debt securities	2.0	2.0			2.0
Shares and participations	40.4	40.4	29.6		10.8
Derivative contracts	5.9	5.9			5.9
Financial liabilities					
Liabilities to credit institutions	3.4	3.4			
Liabilities to the public and public sector entities	0.0	0.0			
Debt securities issued to the public	106.7	105.7			
Derivative contracts and other liabilities held for trading	6.0	6.0			6.0

2022	Book value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Liquid assets	0.0	0.0			
Claims on credit institutions	68.7	68.7			
Claims on the public and public sector entities	55.0	55.0			
Debt securities	2.0	2.0			2.0
Shares and participations	39.1	39.1	29.5		9.6
Derivative contracts	0.4	0.4			0.4
Financial liabilities					
Liabilities to credit institutions	0.0	0.0			
Liabilities to the public and public sector entities	0.0	0.0			
Debt securities issued to the public	106.3	106.5			
Derivative contracts and other liabilities held for trading	0.4	0.4			0.4

9.36. RISK MANAGEMENT – GIVEN AND RECEIVED COLLATERALS

2023	Fair value of encumbered assets	Fair value of unencumbered assets	of which usable as collateral
ASSETS			
Liquid assets and Central Bank deposits	-	-	-
Claims on credit institutions	4.2	88.5	88.5
Claims on the public and public sector entities	-	37.4	-
Debt securities	-	2.0	2.0
Shares and participations	-	40.4	40.4
Other assets	-	66.6	-
Total	**4.2**	**234.8**	**130.8**

2022	Fair value of encumbered assets	Fair value of unencumbered assets	of which usable as collateral
ASSETS			
Liquid assets and Central Bank deposits	0.0	0.0	0.0
Claims on credit institutions	22.9	45.8	45.8
Claims on the public and public sector entities	0.0	55.0	0.0
Debt securities	0.0	2.0	2.0
Shares and participations	0.0	39.1	39.1
Other assets	0.0	77.4	0.0
Total	**22.9**	**219.3**	**86.9**

USAGE OF COLLATERAL	2023	2022
Collaterals placed		
Markeplace collateral, stock- and derivatives trades	0.1	0.1
Collateral for OTC derivatives trades	3.9	22.8
Collateral for securities lending	0.1	0.0
Total	**4.2**	**22.9**
Received collateral		
Received cash	3.4	0.0
Received securities	96.9	166.9
Total	**100.3**	**166.9**

9.37. FEES PAID TO AUDITORS

	2023	2022
Tilintarkastus		
Ernst & Young Oy	0.1	0.0
PricewaterhouseCoopers Oy	0.1	0.2
Assignments referred to in section 1, subsection 1, point 2 of the Audit Act		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.1
Tax advice		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.0
Other services		
Ernst & Young Oy	0.0	0.0
PricewaterhouseCoopers Oy	0.0	0.0
Total	**0.2**	**0.3**

9.38. BREAKDOWN OF OFF–BALANCE SHEET COMMITMENTS

	2023	2022
Commitments given to a third party on behalf of a customer	0.0	0.0
Irrevocable commitments given in favour of a customer	2.8	2.8
Rental commitments	10.4	12.9
Unused credit facilities, given to clients	2.6	3.7
Business mortgages	0.0	4.5

MANDATORY ELEMENTS OF THE ESEF TAXONOMY

Name of reporting entity or other means of identification	Evli Plc
Domicile of entity	Helsinki
Legal form of entity	Public limited company
Country of incorporation	Finland
Address of entity's registered office	Aleksanterinkatu 19, 00100 Helsinki
Principal place of business	Helsinki
Description of nature of entity's operations and principal activities	Evli Plc is Evli Group's ("Evli") parent company, which is listed on the Nasdaq Helsinki stock exchange. Evli is Finland's leading asset manager, serving institutional, corporate and private clients. Its services include mutual funds, asset management and capital markets services, alternative investment products, corporate analysis, planning and management of incentive systems, and M&A services.
Name of parent entity	Evli Plc
Name of ultimate parent of group	Evli Plc

The ESEF report has been assured by the auditors.

The Board of Directors' proposal to the general meeting for the distribution of profits

The parent company's distributable assets on December 31, 2023 totaled EUR 50.5 million of which EUR 34.6 million were retained earnings and EUR 15.9 million were in the reserve for invested unrestricted equity. When calculating the distributable assets, the parent company's capitalized development costs of EUR 1.2 million need to be deducted. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 1.16 per share be paid. The total proposed dividend calculated according to the number of shares (excluding own shares held by the company) on the balance sheet date is EUR 30.7 million. There have been no major changes in the company's financial position after the end of the financial year. The proposed distribution of profit does not endanger the financial solidity or liquidity of the company.

Helsinki, February 14, 2024

Henrik Andersin
Chairman

Christina Dahlblom

Fredrik Hacklin

Sari Helander

Robert Ingman

Antti Kuljukka

Maunu Lehtimäki
CEO

Auditor's Note
Based on the auditing an audit report has been issued today.
Helsinki, February 16, 2024

Ernst & Young Oy (EY)
Authorized Public Accountants

Miikka Hietala
Authorised Public Accountant

Auditor's report

(Translation of the Finnish Original)

To the Annual General Meeting of Evli Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evli Oyj (business identity code 3239286–2) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non–audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non–audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non–audit services that we have provided have been disclosed in consolidated financial statements note 8.7 and note 9.37 in the parent company's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Recognition of commission income *We refer to the accounting policy and the note 2.1 "Fee and commission income"* The commission income in the consolidated financial statements mainly consist of fund management fees, asset management fees, securities brokerage fees and advisory fees. The total amount of commission fees amounted to 102,9 million euros, which is 94,6% of the net revenue of the group. Commission income consist of performance-based fees and fee reimbursements. There are manual phases in the processing of commission income recognition. Recognition of commission fee was determined to be key audit matter because there are management estimation and assumptions involved regarding the timing and measurement of performance-based fees recognition and reimbursements.	Our audit procedures included, among others, evaluation of the revenue recognition principles in the group accounting policies in accordance with the applicable accounting standards. We assessed the processes and IT-systems supporting recognition of commission income. We audited the accruals of recognition of commission income by utilizing data-analytic methods. In addition, we tested single transactions to verify proper cut-off of commission income and matched against agreements. We also evaluated the appropriateness and sufficiency the of the disclosures made by management.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 14, 2023.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki February 16, 2024

Ernst & Young Oy

Authorized Public Accountant Firm

Miikka Hietala

Authorized Public Accountant

GOVERNANCE

Corporate Governance Statement

The governance of Evli Plc ("Evli" or "company") is based on the Articles of Association, the Finnish Limited Liability Companies Act, applicable statutory provisions governing the Finnish securities markets, the Market Abuse Regulation (MAR), the regulations of the Finnish Financial Supervisory Authority, the rules and regulations of Nasdaq Helsinki Ltd, and other statutes and regulations concerning the governance of public limited companies. The Articles of Association, the published policies and other information on Evli's corporate governance can be found at the company's website **evli.com/en/investors**.

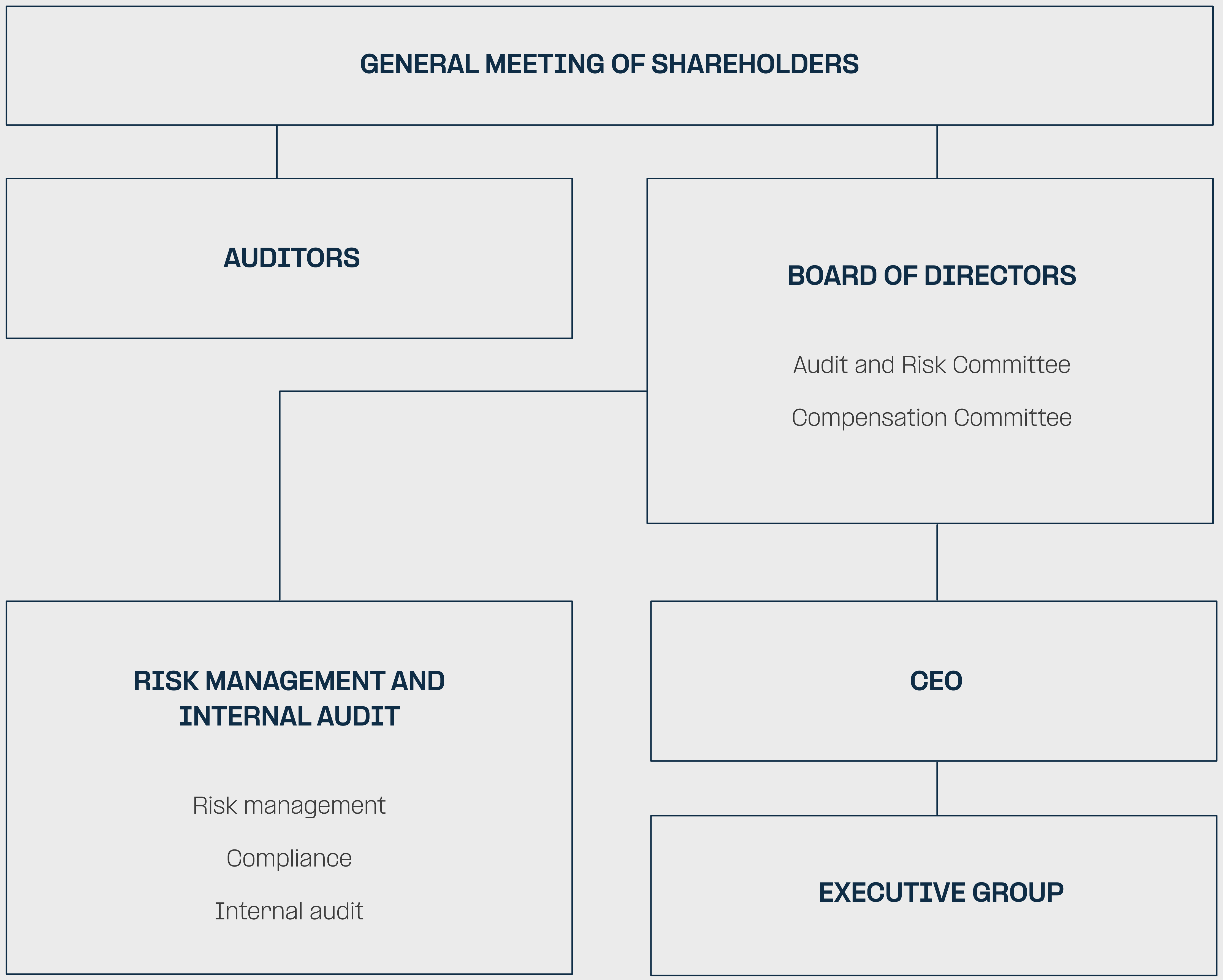
Evli also complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The Code can be viewed in full on the Securities Market Association's website at cgfinland.fi/en. This Corporate Governance Statement referred to in Chapter 7, section 7 of the Securities Markets Act (746/2012) has been compiled in compliance with the Finnish Corporate Governance Code and it has been prepared as a separate report from the Board of Directors' Report.

Evli's governance structure

Evli's management and business operations are the responsibility of the General Meeting, the Board of Directors and the CEO, whose tasks are determined in the Finnish Limited Liability Companies Act and in Evli's Articles of Association. Evli Group's Executive Group assists the CEO in the operative management of the company. The Executive Group consists of managers of the business areas and group functions, and it helps the CEO in the approval and execution of Group–level operating principles and procedures.

Evli's Board of Directors is primarily responsible for Evli Group's risk management. The Board of Directors confirms the principles and responsibilities of risk management, the risk limits of the Group and other general guidelines according to which the risk management and internal audit are organized.

EVLI PLC'S GOVERNANCE STRUCTURE



General Meeting of Shareholders

The ultimate decision-making power in the company is exercised by shareholders at General Meetings. By participating in the General Meeting either personally or via a proxy, a shareholder may exercise his/her right to vote and make inquiries and participate in decision-making on matters concerning the company. At the General Meeting, each Series A share of Evli entitles its holder to twenty (20) votes and each Series B share to one (1) vote. General Meetings are held at least once a year. The Annual General Meeting (AGM) is held upon completion of the company's financial statements, at a place and on a date designated by the Board of Directors. The date must be no later than the end of June.

Matters to be discussed at a General Meeting are specified in the Limited Liability Companies Act and in Evli's Articles of Association. The General Meeting normally discusses not only the matters specified by law and in the Articles of Association but also items presented to the meeting by the Board of Directors. Under the Limited Liability Companies Act, shareholders are also entitled to bring up for discussion at a General Meeting any matter that falls within the authority of the meeting.

A notice to the General Meeting is published no earlier than three (3) months prior the record date of the General Meeting, and no later than three (3) weeks prior to the General Meeting, however, no later than nine (9) days before the record date of the General Meeting. The notice is published on Evli's website (evli.com) and as a stock exchange release. The Board of Directors may, at their discretion, announce the General Meeting in one or more newspapers. Documents to be presented in the General Meeting and the Board's proposals for decisions to the General Meeting are made available at Evli's website (evli.com) three (3) weeks before the General Meeting.

Annual General Meeting (AGM)

At the AGM, information is presented about the company's activities. The AGM also decides on the following:

- the adoption of the financial statements of the previous financial year
- the company's profit distribution
- discharging the Board members and the CEO and his/her deputy from liability
- the election of Board members and their remuneration
- the appointment of auditors and their remuneration.

Extraordinary General Meeting

The Board of Directors may convene an Extraordinary General Meeting if it considers this necessary. The auditor and any shareholder with more than ten percent of the company's shares also have the right to demand that an Extraordinary General Meeting be called to discuss a matter to be presented by the auditor or shareholder.

Board of Directors

Evli's AGM elects each year a Board of Directors ("Board"), which, between General Meetings, exercises the ultimate decision-making power in Evli Group. The task of Evli's Board is to manage the company in accordance with the laws and official regulations, and in compliance with the Articles of Association and the decisions of the General Meeting.

Duties of the Board of Directors

The Board has approved a written procedure defining its duties and meeting practices. The tasks of the Board are, among others:

- taking responsibility for the company's administration and appropriate organization of operations
- ensuring that the company's accounting and asset management are monitored in an appropriate manner
- handling all matters that are of extensive and fundamental importance for the operation of the company and the entire Group
- deciding upon the Evli Group's business strategy and approving the budget
- confirming the principles for the arrangement of Evli Group's risk management and internal audit
- appointing the CEO and the members of the Executive Group and relieving them of their duties
- deciding on the CEO's salary and other benefits
- approving the objectives for the Group's human resources planning and monitoring their implementation
- deciding the basis for the Group's remuneration system and other comprehensive matters that concern the personnel.

In accordance with the principles of good governance, the Board also ensures that the company, in its operations, endorses the corporate values that have been set out for compliance. The Board conducts an annual review of its activities and working practices in the form of an internal self-assessment.

Composition of the Board of Directors

At the AGM, four to eight (4–8) members are elected to the Board of Directors of Evli by representatives of major shareholders and external independent experts. The major shareholders of the company prepare a proposal on the composition of the Board for the AGM. The Board members should be elected so that the composition of the Board is as diverse as possible and supports Evli's business goals and meets the following principles:

- The Board as a whole must have sufficient competence and experience to be able to carry out its duties diligently and efficiently, taking into consideration the type and scope of the company's operations and its strategic goals and the changes within business and the rest of society.
- The members of the Board should have supplementary education and skills and experience in areas that are important to the company.
- The members of the Board should have experience of Board work and executive duties in business or other areas of society.
- The Board should include both men and women as far as it is possible.
- The Board should also be diverse in terms of age distribution and number of terms.

In addition, in accordance with the Corporate Governance Code 2020, persons elected to the Board must have the opportunity to spend sufficient time carrying out their duties. All Board candidates must submit their own assessment of their independence to the Board at least once every year. In addition, the company also evaluates the independence of all existing members on the basis of documents in its possession and, when needed, using public documents in accordance with the Corporate Governance Code issued by the Securities Market Association in 2020 or other applicable regulations.

The Board members are elected for a term of one year, which starts at the conclusion of the AGM and ends at the conclusion of the next AGM following the election. The Board elects a Chairman and a Deputy Chairman among themselves.

The members of Evli's Board of Directors in 2023 were Henrik Andersin, Fredrik Hacklin, Sari Helander, Robert Ingman and Antti Kuljukka as well as from January 1 to March 14, 2023 Teuvo Salminen and as of March 14, 2023 Christina Dahlblom.

The Board consists of industry experts and the company's major shareholders. All Board members are independent of the company. With the exception of Henrik Andersin and Robert Ingman, the other Board members are independent of the company's significant shareholders. Based on the shareholdings of controlled companies, Henrik Andersin and Robert Ingman are not independent of the company's significant shareholders.

Diversity of the Board of Directors

The Board has a diversity policy that includes diversity principles. Diversity strengthens Evli's goal of having a Board whose overall competence profile supports the development of Evli's business. Diversity is seen as a key success factor that enables Evli to reach its strategic goals and continuously improve its client–centric operations.

The diversity of the Board is viewed from different perspectives. For Evli, the essential factors are the Board members' versatile and complementary expertise, experience from various industries and management, and the personal qualities of the members. The age and gender distribution of the Board members is taken into account, which supports the diversity of the Board. The actualization and development of diversity towards the goals is evaluated in the annual self–evaluation discussion of the Board.

At the end of the financial year 2023, the Board members represented a wide range of expertise on management and board tasks in several industries, and their educational backgrounds and expertise complement each other. In addition, both genders were represented on the Board. Of the Board members, two were female and four were male. The median age was 56, and the age difference between the youngest and the oldest member was 18 years.

Committees set up by the Board

The Board has established an Audit and Risk Committee and a Compensation Committee to prepare matters to be handled by the Board. The committees have no independent decision–making power; instead, decisions are made by the Board on the basis of recommendations and information supplied by the committees. The committees make regular reports on their activities to the Board.

Audit and Risk Committee

The Audit and Risk Committee is responsible for assisting the Board in ensuring that the company has an adequate internal audit system covering all operations and that the company's risk management has been arranged appropriately. It also monitors the financial statements reporting process.

The Audit and Risk Committee is also responsible for:

- Overseeing the accuracy and correctness of the company's financial reporting and monitoring the statutory auditing of the financial statements and consolidated financial statements.
- Preparing the proposal on the appointment of auditors and the auditors' fees, to be made to the AGM.
- Ensuring that the company's operations and internal audit have been arranged in accordance with all applicable laws, regulations, and good management and governance practices.
- Monitoring the activity and efficiency of the internal audit function.
- Assessing the independence of the statutory auditor or auditing firm, and especially the provision of ancillary services to the company.

The Audit and Risk Committee consists of at least three members, who may not be part of the company's management and must be independent of the company. In addition to the Committee's regular members, the meetings are attended by the auditors, the CEO, the CFO, and the internal auditor. The Committee meets every quarter.

The Audit and Risk Committee's members in 2023 were Sari Helander (Chairman), Robert Ingman and Antti Kuljukka. The Committee met five times in 2023. The Audit and Risk Committee members' average attendance rate at meetings was 100 percent. The participation of each member in the meetings is listed in table 1.

Compensation Committee

The Compensation Committee is responsible for assisting the Board in the preparation of matters related to the company's employment terms and compensation.

In addition, the Compensation Committee assists the Board in the following:

- Preparation of matters related to the compensation and incentive systems for management and personnel.
- Regular assessment of the functioning of and compliance with the compensation system.

In addition, the Compensation Committee prepares the remuneration policy and remuneration report of the company's governing bodies.

The Committee consists of at least three members, elected by the Board from among its members. The Committee Chairman is chosen from among the Committee members and must be an independent Board member.

The members of Evli's Compensation Committee in 2023 were Fredrik Hacklin (chairman), Henrik Andersin and Christina Dahlblom. The Committee met five times in 2023. The Compensation Committee members' average attendance rate at meetings was 100 percent. The participation of each member in the meetings is listed in the table 1.

Table 1: Evli Plc's Board of Directors in 2023

Name	Personal data	ATTENDANCE AT BOARD MEETINGS IN 2023	ATTENDANCE IN AUDIT AND RISK COMMITTEE MEETINGS 2023	ATTENDANCE IN COMPEN–SATION COMMITTEE MEETINGS 2023	OWNERSHIP IN THE COMPANY[1], NUMBER OF SHARES: A–SHARES	OWNERSHIP IN THE COMPANY[1], NUMBER OF SHARES: B–SHARES	INDEPENDENCY: OF THE COMPANY	INDEPENDENCY: OF THE SHARE–HOLDERS
Henrik Andersin	Chairman of the of the Board Member of the Compensation Committee Born 1960 M.Sc. (Econ.) Board professional	13/13	–	5/5	3,803,280	950,820	√	
Christina Dahlblom	Member of the Board since March 14, 2023 Member of the Compensation Committee Born 1978 Ph.D. (Marketing) Entrepreneur, Flo Co Oy	9/10	–	4/4	–	1,000	√	√
Fredrik Hacklin	Member of the Board Chairman of the Compensation Committee Born 1978 Ph.D. (Management), M.Sc. (Engineering) Professor, Director, and Member of Executive Committee at ZHAW School of Management and Law, Zurich, Associate professor at ETH Zurich	13/13	–	5/5	–	2,150	√	√
Sari Helander	Member of the Board Chairman of the Audit and Risk Committee Born 1967 M.Sc. (Econ.) CFO, Ramirent Group	13/13	4/4	1/1	-	4,000	√	√
Robert Ingman	Member of the Board Member of the Audit and Risk Committee Born 1961 M.Sc. (Tech.), M.Sc. (Econ.) Board professional	12/13	5/5	–	1,860,000[2]	910,000[2]	√	
Antti Kuljukka	Member of the Board Member of the Audit and Risk Committee Born 1961 M.Sc. (Soc.Sc.), eMBA. Maj evp. Board professional	12/13	5/5	–	–	4,712	√	√
Teuvo Salminen	Member of the Board until March 14, 2023 Chairman of the Audit and Risk Committee Born 1954 M.Sc. (Econ.) Board professional	2/3	1/1	–		59,952	√	√

[1] Shareholding on December 31, 2023, including holdings through a controlled company
[2] Includes holdings of Ingman Group Oy Ab

Corporate management

Evli's corporate structure

Evli's business operations are organized around two client segments: Wealth Management and Investor Clients, and Advisory and Corporate Clients. The segments are supported by common group functions, which include Information Management, Financial Administration, Marketing, Communications and Investor Relations, Legal and Compliance, Human Resources, Internal Services, Risk Management and Internal Audit.

CEO

Evli's Board appoints the company's CEO and decides the terms and conditions of his or her service relationship. The CEO is responsible for the company's day-to-day management in compliance with the instructions and decisions provided by the Board. Evli Group's Executive Group assists the CEO in the operative management of the company.

The CEO's duties include the management and supervision of the Group's business, preparation of matters to be handled by the Board, and implementation of the Board's decisions. In accordance with the Limited Liability Companies Act, the CEO ensures that the company's accounting is lawful, and that the asset management is arranged reliably.

The CEO's period of notice is six months, and the severance compensation payable to the CEO in addition to the salary for the period of notice corresponds to 12 months' salary. The CEO's retirement age is 63 years. The company's CEO is Maunu Lehtimäki, M.Sc. (Econ.), born in 1967.

Executive Group

The Executive Group consists of the CEO and six members. The CEO presents a proposal regarding the choice of members to the Executive Group, and these names are then subject to confirmation by the Board of Directors.

The CEO convenes the Executive Group as necessary and serves as its chairman. The Executive Group normally meets twice a month. The Executive Group's task is to support the CEO in preparing and implementing the strategy and in coordinating the Group's operations. The Executive Group's duties also include preparing and executing matters that are significant or involve fundamental principles and ensuring internal co-operation and communication.

Table 2: Evli's Executive Group in 2023

		Ownership in the company[1], number of shares	
Name and personal data	**Role and responsibility**	**A shares**	**B shares**
Maunu Lehtimäki[2] Born 1967, M.Sc. (Econ.)	CEO	533,728	117,031
Mari Etholén[3] Born 1973, LL.M.	Head of HR and Legal Affairs	60,000	30,948
Panu Jousimies[4] Born 1969, M.Sc. (Econ.)	Head of Execution and Operations	59,691	69,049
Juho Mikola[5] Born 1981, M.Sc. (Econ.)	CFO and Deputy CEO	68,000	61,220
Esa Pensala[6] Born 1974, M.Sc. (Tech.)	Head of Private Clients	142,000	50,200
Kim Pessala[7] Born 1969, M.Sc. (Econ.)	Head of Investment products and services; CEO of Evli Fund Management Company Ltd	12,331	106,644
Mikael Thunved In the Executive Group until September 30, 2023, Born 1965, B.Sc. (Econ.)	CEO of Evli Ab	–	83,600
Mona von Weissenberg[8] In the Executive Group since October 1, 2023, Born 1979, M.Sc. (Econ.)	Head of Institutional clients	–	–

[1] Shareholdings on December 31, 2023, including holdings through controlled entities
[2] 40,000 Evli shares allocated under the share-based incentive scheme established in 2023
[3] 30,000 Evli shares allocated under the share-based incentive scheme established in 2023
[4] 20,000 Evli shares allocated under the share-based incentive scheme established in 2023
[5] 40,000 Evli shares allocated under the share-based incentive scheme established in 2023
[6] 30,000 Evli shares allocated under the share-based incentive scheme established in 2023
[7] 35,000 Evli shares allocated under the share-based incentive scheme established in 2023
[8] 25,000 Evli shares allocated under the share-based incentive scheme established in 2023

Risk management and internal control

The company's organizational structure, clearly established responsibilities and authorizations, and its competent employees support the planning, execution, control, and monitoring of business operations in a manner that facilitates the achievement of set objectives.

Risk management refers to actions aimed at systematically surveying, identifying, analyzing, and preventing risks. The objectives of risk management are to:

- ensure the sufficiency of own assets in relation to risk positions
- ensure that fluctuations in financial results and valuations remain within the confirmed objectives and limits
- price risks correctly to achieve sustainable profitability
- support the uninterrupted implementation of the Group's strategy and income generation.

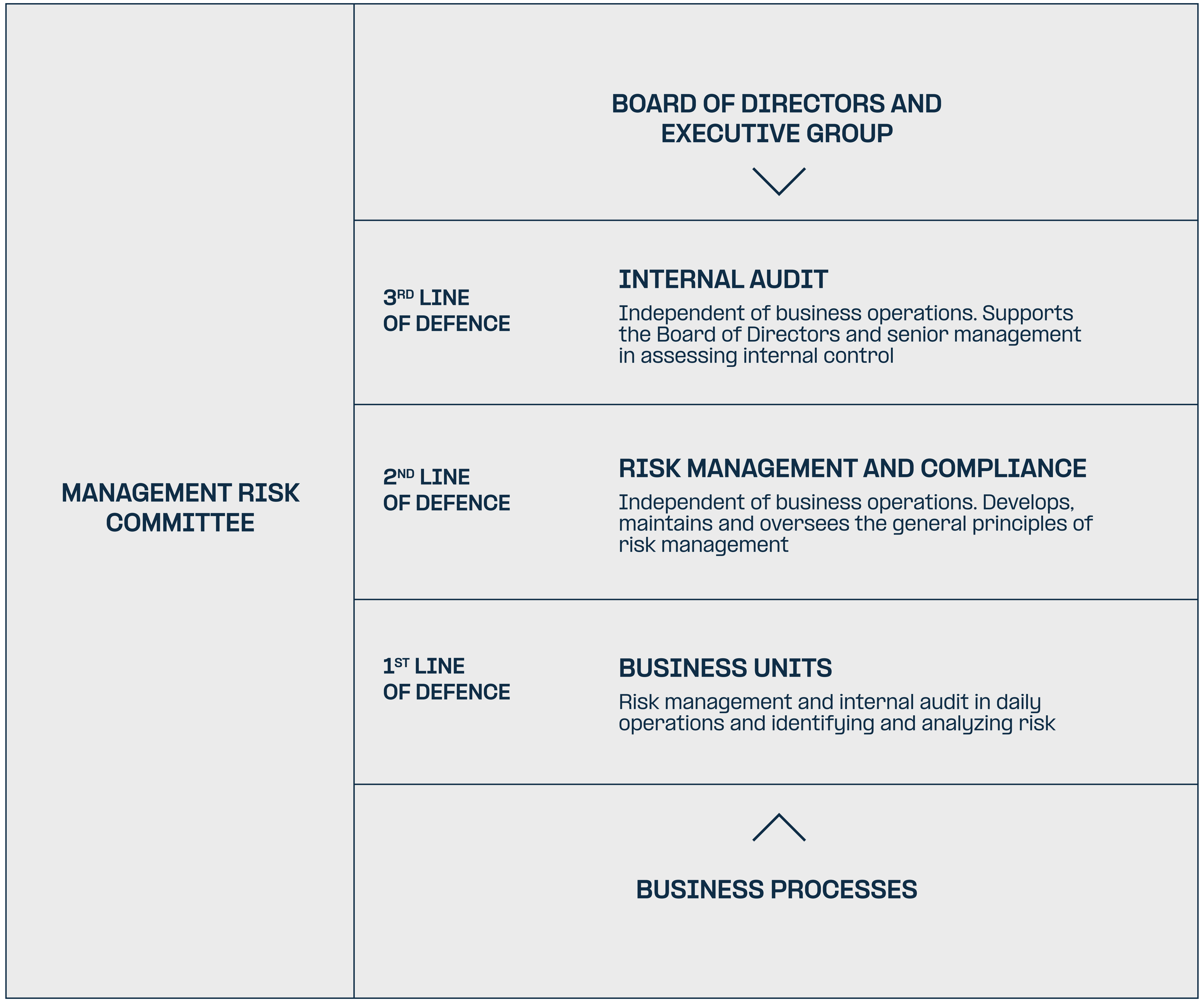
Evli defines risk as an event or series of events that jeopardize the company's income generation over the short or long term.

The Board of Evli is primarily responsible for Evli Group's risk management. The Board confirms the risk management policies, responsibilities, the Group's risk limits, and other general guidelines governing how risk management and internal control are to be organized. The Board has also set up a Management Risk Committee, which briefs the Audit and Risk Committee on risk–taking matters. In addition to the general risk management policies, Evli Group's risk management is founded on the "three lines of defense" model.

First line of defense – business units

Risk management is a part of internal control, and therefore the responsibility for executing risk management measures lies first with the business units, as the first line of defense. The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit. The task of business units is to:

- build the processes and competence for risk management and internal audit
- identify and analyze risks
- make decisions on risk management by means of various protection measures.



Second line of defense – Risk Control and Compliance

The second line of defense comprises the independent Risk Control and Compliance functions, whose primary tasks are to develop, maintain and oversee the general principles and framework of risk management.

The Risk Control function oversees daily operations and compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. Risk Control reports on Evli Group's overall risk position to the Board and the Executive Group each month.

The Compliance function is responsible for ensuring compliance with the rules in all Evli Group's operations by supporting operating management and the business units in applying the provisions of the law, the official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules in accordance with the separate compliance policy and monitoring plan confirmed by the Board of Evli. The Compliance function reports regularly via the Audit and Risk committee to the Board of Evli and to the operating management.

Third line of defense – Internal Audit

The third line of defense is Internal Audit. The Internal Audit is a support function for the Board of Directors and senior management that is independent of the business functions. It is administratively subordinate to the CEO and reports to the CEO and, via the Audit and Risk Committee, to the Board of Evli. The Internal Audit assesses the functioning of Evli Group's internal control system, the appropriateness and efficiency of the functions and the compliance with instructions. It does this by means of inspections that are based on the internal audit action plan adopted annually by the Audit and Risk Committee of the Board of Evli.

Internal Audit follows not only the internal audit guidelines, but also the internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding guidelines on information systems audit standards (The Information Systems Audit and Control Association).

Audit

The shareholders elect the company's auditors each year at the AGM. The auditors must be an auditing firm approved by the Finland Chamber of Commerce. The auditors' term continues until the end of the first AGM that follows the election of the auditors. The auditors' duties are to ensure that the financial statements have been prepared in accordance with the applicable statutes and provide a true and fair view of the company's financial position and performance and other necessary information for the company's stakeholders.

As part of their annual audit duties, the auditors of Evli audit the accounts and administration of the separate companies. The internal audit requirements are taken into account in the auditors' audit plans. Each year, the auditors submit their report to Evli's AGM.

The auditors also report the main points of the annual audit plan to the Board and to the Board's Audit and Risk Committee as well as presenting, in connection with each interim report and the financial statements, a written audit report covering the entire Group.

The auditor of the company was the auditing firm PricewaterhouseCoopers Oy from January 1 to March 14, 2023, with Authorised Public Accountant Jukka Paunonen as the principally responsible auditor. Since March 14, 2023, the auditor of the company was an auditing firm EY Oy, with Authorised Public Accountant Miikka Hietala as the principally responsible auditor.

In 2023, the total fees paid to PricewaterhouseCoopers Oy amounted to EUR 0.2 million and the total fees paid to EY Oy amounted to EUR 0.1 million. In addition, EUR 0.0 was paid in 2023 to the auditing firm KPMG Oy Ab, who acted as the auditor of EAB Group Plc in 2022. In 2023, the total fees paid to the auditors amounted to EUR 0.4 million. The audit fee amounted to EUR 0.4 million and the non-audit fees to EUR 0.0 million.

Insider management

Evli has a guideline on insider rules and regulations that is approved by the Board of Evli and is based on the Market Abuse Regulation (MAR), Nasdaq Helsinki Ltd's Guidelines for Insiders of Listed Companies, as well as other relevant regulations and directives. Evli Group companies that are registered outside of Finland shall comply not only with these guidelines, but also with the national legislation and official regulations of the country where the company is located. The guideline on insider rules and regulations is distributed to all persons engaged in an employment or service relationship with the Group. The persons defined in the guideline on insider rules and regulations shall comply with the restrictions regarding the use of insider information and trading, for example the closed window period.

The company has determined that the persons subject to notification obligations for their transactions with Evli shares and other financial instruments based on it are the members of the Board of Directors and the Executive Group and their related parties. Evli publishes in a stock exchange release the transactions in Evli shares and other financial instruments carried out by persons in management positions and their related parties as required by the Market Abuse Regulation.

According to the law, a person in a managerial position may not trade in securities issued by the company for 30 days before the publication of an interim report or the financial statements bulletin. Evli also applies a similar 30-day trading restriction to Evli Group's employees who participate in the preparation or publication of the interim report and financial statements and who become aware of unpublished financial information at the

Group level. The person in charge of insider issues at Evli is the company's Head of Legal Affairs. Evli evaluates and monitors related party transactions between the company and its related parties.

Evli maintains a list of related parties. Evli's related parties comprise its subsidiaries as well as the Board of Directors, the CEO, and the Executive Group, including any companies controlled or significantly influenced by them. Evli's financial management monitors and reports related party transactions as part of the company's normal reporting and control practices. Related party transactions which are not considered normal business activities are decided by the Board of Directors. Evli reports relevant and material related party transactions annually in the notes of the consolidated financial statements.

Evli also maintains registers of project–specific and transaction–specific insiders that are required at any given time.

Financial reporting

The Board of Directors is responsible for overseeing Evli Group's financial reporting. The Audit and Risk Committee assists the Board in this work. The CEO's and CFO's tasks are to monitor and ensure that the accounting and the financial reporting accord with the law, the Group's accounting policies and the guidelines and orders issued by the Group's Board of Directors.

The Group's accounting and results reporting are centralized under the responsibility of the Group's Financial Administration. The Financial Administration is subordinate to the CFO and responsible for producing, on a centralized basis, the financial statements information required for external accounting as well as internal accounting analyses, and the results reports for monitoring business activities, the separate companies and the Group's profitability. Profit performance is reported monthly both to the Executive Group and the Board of Directors in the form of specific results reports. The aim is to identify and demonstrate success factors as well as development areas well in advance, thus making it possible to react to these. Reporting practices are also used for monitoring the implementation of the business plans for the business units. The Group's Financial Administration is also responsible for monitoring and reporting on the performance of each business unit. Further responsibilities include reporting the financial results, sales and activity at least monthly, and even daily depending on the unit, to the Executive Group and other concerned parties.

Evli Group complies with the International Financial Reporting Standards (IFRS) approved for application in the EU. The Group prepares annual financial statements and also quarterly interim reports (IAS 34). The instructions on financial reporting and the accounting principles are applied in all of the Group companies. The accounting of all of the Group companies is included in the same accounting system, with the exception of the Group company in the United Arab Emirates.

Remuneration Policy

The Remuneration Policy of Evli Plc ("Evli" or "company") describes the general principles and the framework concerning the remuneration of the Board of Directors and the CEO. The policies regarding the CEO also apply to a potential Deputy CEO. Evli also complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The objective of Evli Group's remuneration model is to support the implementation of the company's strategy and to promote the company's competitiveness and long–term financial success. A further aim is to contribute to a positive trend in shareholder value, committing Evli's Board of Directors and CEO to the company's objectives in the long run.

Evli complies with the Securities Market Association's Corporate Governance Code. This Remuneration Policy has been prepared in accordance with the Corporate Governance Code 2020. The Remuneration Policy is presented at Evli's Annual General Meeting (AGM) at least every four years and whenever significant changes are proposed. The Remuneration Report is presented annually at Evli's AGM.

In all remuneration, Evli complies with applicable financial regulations. This Remuneration Policy has been prepared taking into account the applicable regulations and Evli Group's overall remuneration model for all employees. The Remuneration Policy must comply with the remuneration principles applicable to all Evli employees.

The Group's remuneration model consists of the following elements:

– A competitive fixed basic salary constitutes a solid foundation for maintaining and constantly developing basic functions.
– A short–term variable remuneration, in accordance with the annual remuneration plan approved by the Board of Directors, is used to promote both Evli's short–term growth objectives and the attainment of its strategic targets.
– Long–term variable remuneration is used to support the company's strategic development and to commit key employees to the company's business operations.

In accordance with the remuneration principles, the short–term and long–term variable remuneration may not exceed 200 percent of the annual fixed salary.

Decision–making relating to remuneration

The Remuneration Policy has been prepared by the Board's Compensation Committee and approved by the Board for presentation to the General Meeting. Compliance with, and the performance and outcomes of, the remuneration model are monitored by the Compensation Committee appointed by the Board of Directors, and by the Board of Directors. The company's internal audit conducts an annual audit of the remuneration.

The remuneration of members of Evli Group's bodies is always decided by the body that has appointed them.

Evli's AGM decides on the compensations payable to the members of the Board of Directors. The company's major shareholders are responsible for preparing the remuneration proposal. The principles and elements of the remuneration of the CEO and any Deputy CEO are approved by Evli's Board of Directors in accordance with this Remuneration Policy. The Compensation Committee, appointed by the Board of Directors, prepares proposals on matters related to remuneration for decision–making by the Board. All changes to the CEO's salary and remuneration or executive contract are made by the Board of Directors based on a proposal by the Compensation Committee in accordance with the Remuneration Policy.

ELEMENTS OF THE REMUNERATION	PURPOSE AND LINK TO STRATEGY	DESCRIPTION
Fixed salaries	The aim is to recruit and commit high–quality experts to implement the company's strategy.	The base salary includes taxable fringe benefits (for example, a mobile phone). When evaluating the base salary level, a variety of factors can be taken into account, such as market conditions, competitiveness, past performance, and individual skills, as well as experience in the company and in business management. The base salary is, in principle, reviewed annually.
Short–term Incentives (STI)	The purpose is to encourage and guide in achieving short–term financial and operational goals.	The short–term incentive scheme is based on one–year performance criteria. Rewards are paid in cash after the end of the performance period, based on the achievement of the targets. The maximum pay–out for the annual incentive is capped. Short–term incentives are tied to the company's financial success, adherence to policies and guidelines, and ensuring solvency.
Long–term incentives (LTI)	The purpose is to encourage for long–term shareholder value growth and commitment to the company.	The Board of Directors decides on long–term incentives within the limits set by the Annual General Meeting. Long–term incentive programs generally include a minimum three–year vesting period. The Board of Directors sets the targets, indicators and their weightings that may be the basis for the incentives. At the end of the vesting period, the Board of Directors can evaluate the payment criteria to determine the final payment level.
Pension	The purpose is to provide a pension in accordance with local market practices.	The retirement age and any supplementary pension arrangements provided are decided by the Board of Directors in line with market practices.
Share ownership	The purpose is to ensure strong alignment between the interests of the CEO and the shareholders in the longer term.	The Board decides on the long–term target share ownership for the CEO.

Remuneration of the Board of Directors

In general, the remuneration of the Board of Directors is decided by the General Meeting based on a proposal by the major shareholders. The decision on the remuneration of the members of the Board of Directors shall be based on the Remuneration Policy presented to the AGM and which is in force.

The remuneration of the members of the Board of Directors consists of a fixed monthly compensation and possible compensation for meeting attendance. The Chairman of the Board of Directors and the chairmen of the committees appointed by the Board of Directors may be paid an increased compensation.

In situations in which a member of the Board of Directors participates in project-based activities to develop the company's operations outside the work carried out by the Board of Directors, a separate compensation may be paid for such work at the Board's discretion. In addition to the monthly compensation and possible compensation for meetings, the members of the Board of Directors are compensated for their travel expenses. In principle, the Board of Directors' compensation and allowance are paid in cash.

Remuneration of the CEO

The Board of Directors of Evli Group adopts the principles and elements of the CEO's remuneration on an annual basis in line with the Remuneration Policy in force. All changes to the CEO's salary and remuneration are subject to approval by the Board of Directors.

The CEO's remuneration is comprised, in principle, of a fixed salary and short-term and long-term variable remuneration. In addition, the CEO may be granted a separate, reasonable retirement plan or other benefits to ensure that a competent CEO is committed to the company's development.

The amount of the CEO's variable remuneration and the relative proportion to his fixed salary are within the limits set by financial regulations. The CEO's short-term and long-term variable remuneration may not exceed 200 percent of the annual fixed salary.

The variable remuneration is linked to the company's financial success and the achievement of its strategic goals. If deemed pertinent, the company may, by a decision of the Board of Directors, decide not to pay the variable bonus, in whole or in part. The Board decides on the long-term variable renumeration for the CEO on a case-by-case basis.

In certain circumstances, the company is obliged to defer payment of the variable bonus. In such case, the company will defer payment of the variable bonus in accordance with the regulations set by the financial market. The amount of the bonus payable after the deferral depends on the financial performance of the company during the deferral period and may even be zero. The company expects that the CEO will not hedge with his/her personal actions against any risk related to the amount or timing of future variable remuneration. In certain circumstances, the company may also reclaim a variable bonus already paid.

The company shall also always have the right to reclaim a variable bonus already paid if, after such payment, it becomes apparent that the person receiving the bonus has endangered the financial position of the company, violated the company's operating principles and practices, or contributed to such conduct through neglect. The CEO has a notice period consistent with current market practices. Similarly, in cases where the CEO's contract is terminated by the company, he/she is entitled to severance pay in accordance with prevailing market practices.

The above matters concerning the CEO also apply to a potential Deputy CEO.

Conditions for temporary deviation

The remuneration of the company's bodies must, in general, be based on the Remuneration Policy approved by the General Meeting. Deviations from the policy's principles can only be made if the achievement of the company's long-term goals and strategy is otherwise judged to be at risk. The option to temporarily deviate from the Remuneration Policy of the bodies is intended to apply only in exceptional circumstances in which the core operating circumstances of a listed company have, after the General Meeting's consideration of the bodies' Remuneration Policy, changed as a result of a change of CEO or a merger or an acquisition proposal, and the existing Remuneration Policy is thus no longer appropriate in the changed circumstances.

Deviation is also possible in situations where remuneration policy would not be possible due to remuneration restrictions under financial regulations. If the deviation from the Remuneration Policy is expected to continue other than on a temporary basis, the company shall draw up a new Remuneration Policy, which will be discussed at the next AGM. Because of the provisions regarding the notice to the AGM and the availability of the meeting materials, there may be insufficient time to submit a new Remuneration Policy to the next AGM if the need for deviation arises close to the time of the meeting. In such a case, the Remuneration Policy shall be submitted to the General Meeting for which it can be appropriately prepared.

If the temporary deviation from the Remuneration Policy concerns the remuneration of a new CEO or is due to a corporate restructuring or similar exceptional circumstances, the new remuneration terms will apply as agreed regardless of the duration of the temporary deviation. Deviations from the policies and principles of the policy are documented and reported to the Board of Directors and as part of the remuneration report at the AGM.

Remuneration Report 2023

This Remuneration Report sets out how Evli Plc ("Evli" or "company") has implemented its Remuneration Policy in 2023 and presents the remuneration and other financial benefits paid to the members of the Board of Directors ("Board") and to the Group's CEO and the Deputy CEO during the year. Remuneration of the company's governing bodies and their members is based on the Remuneration Policy approved on March 9, 2022. The policy will be applied until the Annual General Meeting 2026, unless the Board decides to bring it forward for an advisory decision at an earlier General Meeting.

The Remuneration Report has been reviewed by Evli's Compensation Committee and approved by the Board. The shareholders will make an advisory decision on the approval of the Remuneration Report 2023 at Evli's Annual General Meeting in spring 2024.

Overview of remuneration in 2023

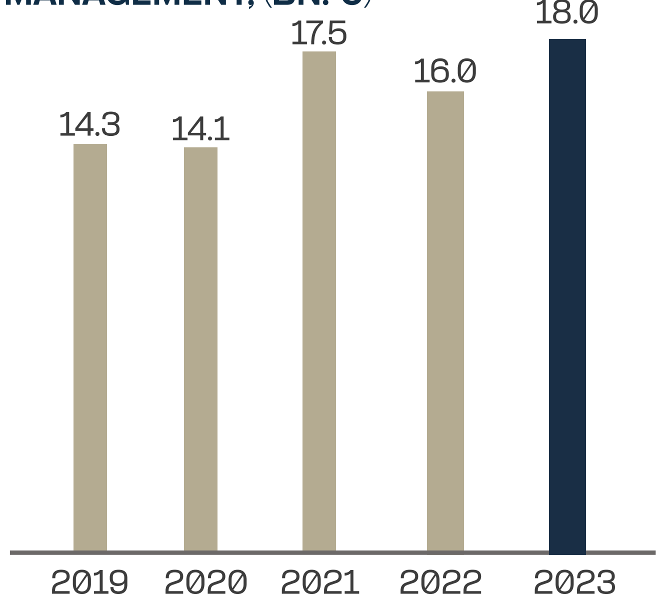
The decision–making on remuneration has been made in accordance with the decision–making process defined in the Remuneration Policy. No temporary deviations from the Remuneration Policy were applied in 2023. Furthermore, the Board did not observe any circumstances or activities that would have resulted in a need to apply claw–back clauses applicable to the CEO's variable remuneration in 2023. The Board also did not deem it necessary to use its right to adjust the performance criteria applied in 2023.

In line with the Remuneration Policy, remuneration in 2023 has supported Evli's business strategy with a focus on creating long–term growth and shareholder value. Although a significant part of the CEO's and the Deputy CEO's total remuneration is in the form of fixed payments, performance–based components are set to encourage the achievement of targets. Remuneration is balanced to avoid excessive risk–taking. The Compensation Committee has evaluated the CEO's and the Deputy CEO's remuneration for 2023 to ensure a competitive and fair total remuneration compared to relevant peers and the market. To encourage share ownership in the company, shareholding guidelines for the CEO were in place to further support and align shareholder and top executive interests.

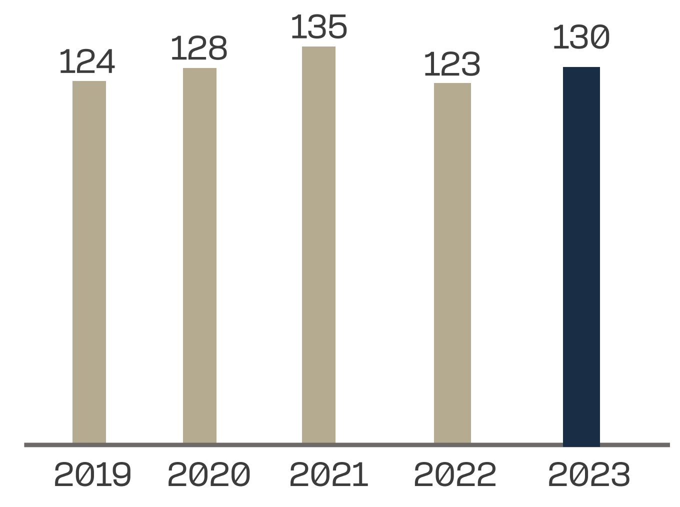
Development of financial performance and remuneration

Evli's business has developed positively over the past five years. The review takes into account the investment services activities carried out before the foundation of Evli Plc, during the period of Evli Bank Plc. The company has set four key performance indicators that it considers to be good proxies for its business performance. These are the development of assets under management, the recurring revenue ratio, return on equity and net commission income. From a shareholder perspective, the company has been able to provide stable returns to investors as depicted by dividend per share development.

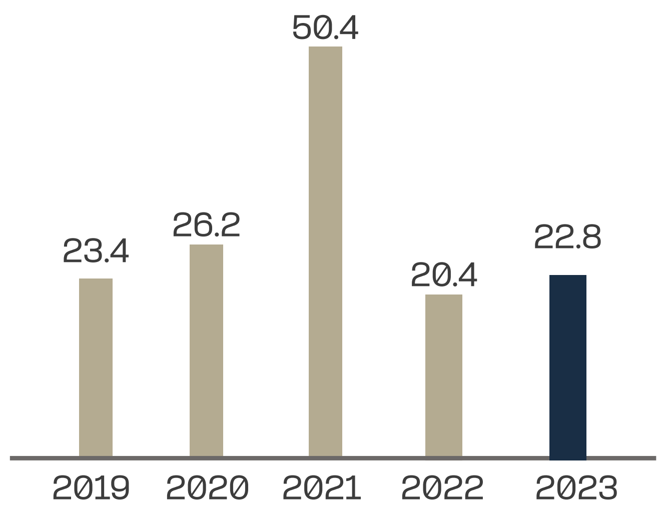
DEVELOPMENT OF ASSETS UNDER MANAGEMENT, (BN. €)



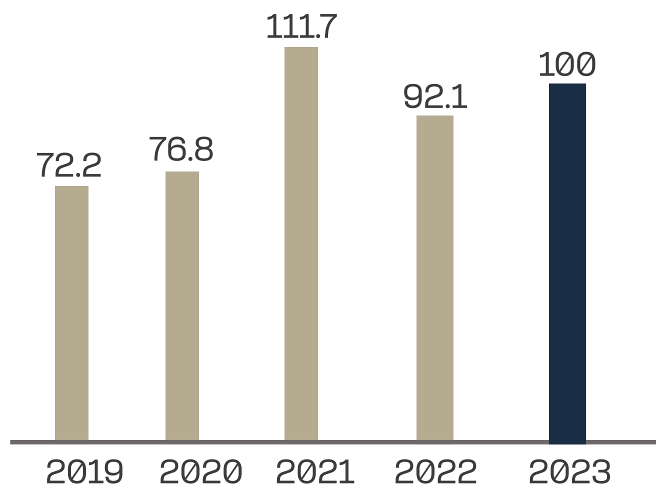
PROPORTION OF RECURRING REVENUE TO OPERATING EXPENSES (%)



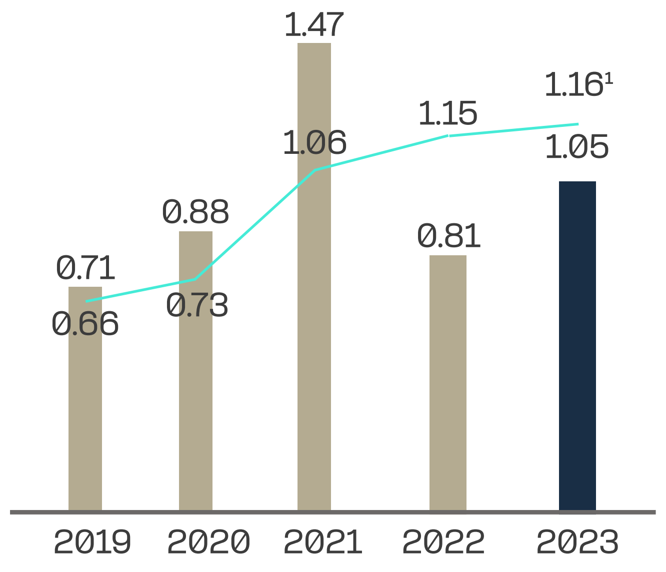
RETURN ON EQUITY (%)



NET COMMISSION INCOME (M€)



DIVIDEND & EARNINGS/SHARE (€)



[1] Board of Directors' proposal to the annual general meeting

YEAR DEVELOPMENT OF REMUNERATION

	2023	2022	2021	2020	2019
BOARD OF DIRECTORS					
Chairman of the Board of Directors, EUR	90,000	90,000	90,000	84,000	90,000
Development, %	–	–	7	–7	4
Chairmen of the committees (on average), EUR	71,000	72,000	70,500	67,200	72 000
Development, %	–1	2	5	–7	2
Other members of the Board (on average), EUR	60,000	60,000	60,000	56,000	60,000
Development, %	–	–	7	–7	–
CEO					
CEO, EUR	844,204[4]	626,010	699,888	446,605[3]	488,116[2]
Development, %	35	–11	57	–9	11
AVERAGE EMPLOYEE SALARY					
Total salary costs, EUR	33,100,000	32,100,000	29,500,000	29,000,000	29,000,000
Number of employees at the end of the year	354	344	290	261	249
Average salary for the employees, EUR[1]	93,503	103,7805	101,724	116,466	116,466
Development, %	–10	2	8	–3	9

[1] The salary development of the average employee is calculated from personnel expenses by deducting other personnel expenses from the total and dividing it by the number of employees at the end of the year. The comparability of wage developments is weakened by the variability of fixed–term contracts from one year to the next.

[2] In addition, the CEO subscribed to the 212,500 shares granted to him in the Option–program 2014. The total value of the subscription was EUR 1,810,500 based on the closing price on the subscription day.

[3] In addition, the CEO subscribed to the 40,000 shares granted to him in the Option–program 2016. The total value of the subscription was EUR 372,000 based on the closing price on the subscription day.

[4] In addition, the CEO recieved 50,000 shares granted to him in the Option–program 2019. The total value of the subscription was EUR 992,516 based on the closing price on the subscription day.

Remuneration of the Board of Directors in 2023

Evli Plc's General Meeting decides on the compensations payable to the Board members. The Annual General Meeting of March 14, 2023, made the following resolution on the compensation for attendance at meetings payable to the Chairman of the Board and other members:

- Chairman of the Board EUR 7,500 per month
- Chairmen of the committees EUR 6,000 per month
- Members EUR 5,000 per month

The Board has established and appointed an Audit and Risk Committee and a Compensation Committee to prepare matters to be handled by the Board. In 2023, the total compensation paid to the Evli Group Board members amounted to EUR 414,652. This sum is made up of meeting participation fees related to the work carried out by the Board and its committees. In 2023, the Board members did not receive any shares or share–based rights as compensation for their work, nor were they granted any other benefits.

COMPENSATION PAID TO THE MEMBERS OF THE BOARD, €

	2023
Henrik Andersin, Chairman of the Board	90,000
Christina Dahlblom, Member of the Board since March 14, 2023	48,043
Fredrik Hacklin, Member of the Board, Chairman of the Compensation Committee	70,000
Sari Helander, Member of the Board, Chairman of the Audit and Risk Committee	72,000
Robert Ingman, Member of the Board	60,000
Antti Kuljukka, Member of the Board	60,000
Teuvo Salminen, Member of the Board until March 14, 2023	14,609
TOTAL	414,652

Remuneration of the CEO and the Deputy CEO in 2023

The Board of Evli Group adopts the principles and elements of the remunerations for the CEO and the Deputy CEO on an annual basis. The remuneration follows Evli's Remuneration Policy in force. All changes in the CEO's and the Deputy CEO's salary and remuneration are subject to the Board's approval.

Short–term incentives in 2023

In 2023, Evli had a short–term incentive plan in place for the employees, including the CEO and the Deputy CEO. The incentive plan performance criteria are evaluated annually by the Board. The performance targets linked to the short–term incentive for the CEO and his deputy for 2023 are presented in the table on next page. In accordance with the remuneration policy, variable remuneration may not exceed 200 percent of the annual fixed remuneration. The purpose of short–term incentives is to encourage the achievement of financial and other short–term objectives in line with the business strategy. The short–term incentive plan remuneration is dependent on the financial performance of Evli, as well as reaching strategic targets.

SHORT–TERM INCENTIVE PLAN CRITERIA 2023

	WEIGHT	ACHIEVEMENT, CEO	ACHIEVEMENT, DEPUTY CEO
Evli Group financial performance, development of the operating profit	50%	Exceeded	Exceeded
Group level Key Performance Indicator targets	30–50%	Partly exceeded	Partly exceeded
Finalizing strategic projects	0–20%	Partly exceeded	Partly exceeded

Although the business environment turned out to be extraordinary during 2023 due to realized geopolitical risks and a changed inflation and interest rate environment, no adjustments were made to the performance targets. For 2023, the achievement of the criteria is shown in the table above.

For the CEO, the short–term incentives earned in 2023 amounted to approximately 29 percent of the maximum compensation in accordance with the Remuneration Policy. For the Deputy CEO, the corresponding figure was approximately 29 percent. In accordance with the regulations, the renumeration will be paid in installments: 50 percent in spring 2024 and 50 percent in steps during the next three years. The delayed remuneration is linked to the performance of Evli Plc's share price during the delay period.

Long–term incentives in 2023

The existing long–term incentive plans for the CEO and his deputy have been implemented as performance share plans (PSP). The purpose of the share–based retention plans is to encourage the executives and the selected key employees to work on a long–term basis to increase shareholder value and to commit to the company. The Board decides annually on the issuance of new plans based on the Compensation Committee's proposal within limits provided by the General Meeting.

The Performance Share Plan offers an opportunity to earn the company's shares as a reward for continuous service and retention of the company and the individual. Under performance share plans, rewards are granted on the achievement of targets linked to the plan. The grant is followed by a vesting period of at least three years. Granting is based on the Board's assessment of the achievement of the targets set for the plan at the given time. Share Plans are usually delivered to the participants after the delay period, provided that the conditions for payment of variable remuneration are met and their employment with the company has continued uninterrupted throughout the duration of the plan and until the shares are delivered. The vesting period is further followed by a retention period of one year in accordance with the regulation set for the financial sector. The rewards under the Share Plans are paid as a combination of shares and cash. The cash component is dedicated to cover the taxes and statutory social security contributions related to shares.

The CEO and the Deputy CEO participated in the 2023 long–term incentive plan. In the plan, the target group has an opportunity to earn Evli Plc's series B shares based on performance. The performance period of the plan began on September 1, 2023, and will end on December 31, 2026. The performance criteria of the plan are tied to the operating profit of the company (EBIT). The potential rewards from the plan will be deferred and paid to participants approximately three years after the end of the performance period, in compliance with the legislation governing the financial sector. The payment of the rewards is followed by a retention period of one year, during which the key employee cannot transfer the shares paid as a reward.

During 2023, the CEO was paid a reward of 50,000 shares under the 2019 Restricted Share Plan. The Deputy CEO was paid a reward of 30,000 shares under the corresponding plan. In addition, he was paid a reward under the 2018 Restricted Share Plan equivalent to 4,667 shares.

SUMMARY OF SHARE–BASED INCENTIVES ISSUED AND PAID TO THE CEO AND THE DEPUTY CEO

		GRANTED INSTALLMENTS, NUMBER OF SHARES[1]					
PLAN – INSTALLMENT	GRANT DATE	CEO	DEPUTY CEO	PERFORMANCE PERIOD	VESTING PERIOD	PAYMENT YEAR	WAITING PERIOD
Restricted share plan 2018 – Installment 2	11.6.2020		4,667	–	3 years	2023	+1 year
Restricted share plan 2019 – Installment 1	14.6.2019	50,000	30,000	–	3 years	2023	+1 year
2023 long–term incentive plan	14.9.2023	max. 40,000	max. 40,000	3 years	3 years	2029	+1 year

[1] Gross number of shares before income taxes on the payment of shares.

Remuneration paid to the CEO and the Deputy CEO in 2023

REMUNERATION OF THE CEO IN 2023, €

	BASE SALARY	ADDITIONAL PENSION PAYMENT	PAID SHORT–TERM INCENTIVES	PAID LONG–TERM INCENTIVES	TOTAL
CEO, MAUNU LEHTIMÄKI	509,040[1]	76,356	258,807[2]	992,516[3]	1,836,720

[1] Including fringe benefits.
[2] Total short–term incentives paid in 2023. The table below details the vesting periods for which short–term incentives paid in 2023 have vested. Incentive awards paid are always based on performance in previous years.
[3] Includes the 2019 RS plan payment at 19.4729 EUR/share (exchange rate on 28.6.2023).

BREAKDOWN OF SHORT–TERM INCENTIVES PAID IN 2023

	FROM 2019	FROM 2020	FROM 2021	FROM 2022	TOTAL
CEO, MAUNU LEHTIMÄKI	158,808	–	–	100,000	258,807

The CEO has no significant separate fringe benefits and is covered by the shared Evli Group reward system. The CEO has a six–month notice period binding on both parties. The CEO is entitled to receive a severance pay corresponding to 12–months' salary if the CEO's contract is terminated by the company.

The variable remuneration due to CEO Maunu Lehtimäki from 2023, which has not yet been paid at the time of publication of this report, amounts to EUR 300,000.

REMUNERATION OF THE DEPUTY CEO IN 2023, €

	BASE SALARY	ADDITIONAL PENSION PAYMENT	PAID SHORT–TERM INCENTIVES	PAID LONG–TERM INCENTIVES	TOTAL
CFO, JUHO MIKOLA	222,840[1]	–	132,045[2]	688,151[3]	1,043,036

[1] Including fringe benefits.
[2] Total short–term incentives paid in 2023. The table below details the vesting periods for which short–term incentives paid in 2023 have vest ed. Incentive awards paid are always based on performance in previous years.
[3] Includes the 2019 RS plan payment at 19.4729 EUR/share (exchange rate on 28.6.2023) and the 2018 RS plan payment at 19.4729 EUR/share (exchange rate on 28.6.2023).

BREAKDOWN OF SHORT–TERM INCENTIVES PAID IN 2023

	FROM 2019	FROM 2020	FROM 2021	FROM 2022	TOTAL
CFO, JUHO MIKOLA	90,723	–	–	41,322	132,045

The Deputy CEO has no significant separate fringe benefits and is covered by the shared Evli Group reward system. The deputy CEO has a notice period in accordance with the collective agreement in the financial sector binding on both parties.

The variable remuneration due to Deputy CEO Juho Mikola from 2023, which has not yet been paid at the time of publication of this report, amounts to EUR 127,500.

Board of Directors

HENRIK ANDERSIN

Chairman of the Board
Member the Compensation Committee

- Born 1960
- M.Sc. (Econ.)
- Member of the Board of Directors of Evli Plc since April 2, 2022 (Member of the Board of Directors of Evli Bank Plc 1985–April 1, 2022, Chairman of the Board 2006–2022; CEO of Evli 1994–2006)
- Board professional
- One of Evli Bank's founding partners and main owners
- Chairman of the Board of Oy Scripo Ab
- M.Sc. (Econ.). Born 1960
- Independent of the company
- Shareholding: Holdings through controlled company Oy Scripo Ab 3,803,280 A shares and 950,820 B shares

CHRISTINA DAHLBLOM

Member of the Board since March 14, 2023
Member the Compensation Committee

- Born 1978
- Ph.D. (Econ.)
- Member of the Board of Directors of Evli Plc since March 14, 2023
- Main occupation: Entrepreneur, Flo Co Oy
- Professor of Practice, Hanken School of Economics
- Vice–Chairman of the Board of Nuorten yrittäjyys ja talous NYT ry, Member of the Board of Viking Line Abp, and Member of the Supervisory Board of Hive Helsinki Sr
- Independent of the company and of significant shareholders
- Shareholding: 1,000 B shares

FREDRIK HACKLIN

Member of the Board
Chairman of the Compensation Committee

- Born 1978
- Ph.D. (Management), M.Sc. (Engineering)
- Member of the Board of Directors of Evli Plc since April 2, 2022 (Member of the Board of Directors of Evli Bank Plc 2019–April 1, 2022)
- Main occupation: Professor, Director and Member of Executive Committee at ZHAW School of Management and Law, Zurich, and Associate professor at ETH Zurich
- Independent of the company and its significant shareholders
- Shareholding: 2,150 B shares

SARI HELANDER

Member of the Board
Chairman of the Audit and Risk Committee

- Born 1967
- M.Sc. (Econ.)
- Member of the Board of Directors of Evli Plc since April 2, 2022 (Member of the Board of Directors of Evli Bank Plc 2019–April 1, 2022)
- Main occupation: CFO, Ramirent Group
- Member of the Board of Enersense International Plc
- Independent of the company and its significant shareholders
- Shareholding: 4,000 B shares

ROBERT INGMAN

Member of the Board
Member of the Audit and Risk Committee

- Born 1961
- M.Sc. (Tech.), M.Sc. (Econ.)
- Member of the Board of Directors of Evli Plc since April 2, 2022 (Member of the Board of Directors of Evli Bank Plc 2010–April 1, 2022)
- Board professional
- Chairman of the Boards of Directors of Ingman Group Oy Ab, Ingman Finance Oy Ab, Ingman Development Oy Ab, Digia Plc, Etteplan Oyj, Qt Group Plc, and Halti Oy
- Independent of the company
- Shareholding: 1,860,000 A shares and 910,000 B shares[1]

ANTTI KULJUKKA

Vice–Chairman of the Board
Member of the Audit and Risk Committee

- Born 1961
- M.Sc. (Soc.Sc.), eMBA. Maj evp.
- Member of the Board of Directors of Evli Plc since April 2, 2022
- Board professional
- Main occupation: Senior advisor, HTM Solutions Oy
- Member of the Boards of Directors of Turvallisuuden tukisäätiö and Jääkärisäätiö; Vice–Chairman of the delegation of the Finnish Orienteering Federation
- Independent of the company and significant shareholders
- Shareholding: 4,712 B share

TEUVO SALMINEN

Member of the Board until March 14, 2023

- Born 1954
- M.Sc. (Econ.)
- Member of the Board of Directors of Evli Plc until March 14, 2023 (Member of the Board of Directors of Evli Bank Plc 2010–April 1, 2022)
- Board professional
- Chairman of the Board of T2H Oy, Member of the Boards of Alisa Bank Plc, Cargotec Corporation and 3Step It Group Oy
- Independent of the company and significant shareholders
- Shareholding: 59,952 B shares

[1] Includes holdings of Ingman Group Oy Ab

Executive Group

MAUNU LEHTIMÄKI
Chief Executive Officer

- Born 1967
- M.Sc. (Econ.)
- Joined Evli in 1996
- Shareholding:
  533,728 A shares and
  117,031 B shares

MARI ETHOLÉN
Head of HR and Legal Affairs

- Born 1973
- LLM
- Joined Evli in 2001
- Shareholding:
  60,000 A shares and
  30,948 B shares

PANU JOUSIMIES
Head of Execution and Operations

- Born 1969
- M.Sc. (Econ.)
- Joined Evli in 1997
- Shareholding:
  59,691 A shares and
  69,049 B shares

JUHO MIKOLA
CFO, Deputy CEO

- Born 1981
- M.Sc. (Econ.)
- Joined Evli in 2004
- Shareholding:
  68,000 A shares and
  61,220 B shares

ESA PENSALA
Head of Private Clients

- Born 1974
- M.Sc. (Tech.)
- Joined Evli in 2001
- Shareholding:
  142,000 A shares and
  50,200 B shares

KIM PESSALA
Head of Investment products and services; CEO of Evli Fund Management Company

- Born 1969
- M.Sc. (Econ.)
- Joined Evli in 1995
- Shareholding:
  12,331 A shares and
  106,644 B shares

MIKAEL THUNVED
CEO of Evli Ab
Executive Group member until September 30, 2023

- Born 1965
- B.Sc. (Econ.)
- Joined Evli in 2002
- Shareholding:
  Holdings through controlled company 83,600 B shares

MONA VON WEISSENBERG
Head of Institutional Clients
Executive Group member since October 1, 2023

- Born 1979
- M.Sc. (Econ.)
- Joined Evli in 2022
- Shareholding:
  no shares

Independent Auditor's Report on Evli Oyj's ESEF–Consolidated Financial Statements (Translation of the Finnish original)

To the Board of Directors of Evli Oyj

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files Evli–2023–12–31–fi.zip of Evli Oyj (business identity code: 3239286–2) for the financial year 1.1.–31.12.2023 to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- Preparation of ESEF–financial statements in accordance with Article 3 of ESEF RTS
- Tagging the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included within the ESEF–financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- Ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of ESEF RTS.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF–financial statements are consistent with the audited financial statements.

The nature, timing and extent of the procedures selected depend on the auditor's judgement including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion the tagging of the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included in the ESEF financial statements Evli–2023–12–31–fi.zip of Evli Oyj for the year ended 1.1.–31.12.2023 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of Evli Oyj for the year ended 1.1.–31.12.2023 is included in our Independent Auditor's Report dated 15.2.2024. In this report, we do not express an audit opinion any other assurance on the consolidated financial statements.

Helsinki 16.2.2024

Ernst & Young Oy

Authorized Public Accountant Firm

Miikka Hietala

KHT

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