EAB Group Plc's Annual Report 2021

ELITE
ALFRED BERG

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2021 in brief

ELITE ALFRED BERG

Elite Alfred Berg in brief

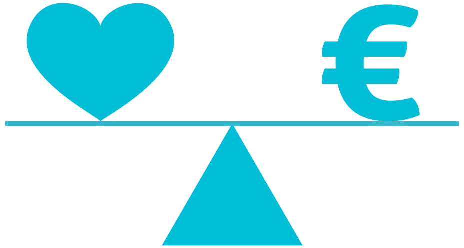
Elite Alfred Berg is an expert in investments that helps private individuals, professional investors and companies in Finland manage their assets comprehensively, systematically, and responsibly. More than 10,000 customers rely on our services to manage assets worth EUR nearly 4 billion. We collaborate in portfolio management with Alfred Berg Norway and Sweden. Our combined customer assets in the Nordic countries amount to more than EUR 15 billion. As the leading provider of personnel funds in Finland, we serve 95,000 personnel fund members. Our customers are served by more than 100 investment professionals in 13 locations around Finland. The Group's parent company, EAB Group Plc, is listed on the Nasdaq Helsinki stock exchange.

Our experts invest both professional and private investors' assets responsibly, actively and in pursuit of good returns. Responsibility and effectiveness are at the heart of our investment activities, because we believe this will enable us to provide our customers with better returns, while creating added value for other stakeholders and the environment. In accordance with our mission, we invest in the future by investing responsibly. This means that we promote a better future by investing in initiatives and companies that combine good practices and good returns.

over 100 Investment professionals	10,000 Clients	4 bn. € Managed client assets*	22.2 mil. € Operating income
13 Locations	95,000 Personnel fund members	15 bn. € Nordic client assets**	11 % Annual growth 2014–2021***

* Client assets in Finland
** Combined client assets of Elite Alfred Bergin and Alfred Bergin in Norway and Sweden
*** The annual growth of comparable operating income 11% CAGR 2014–2021

Our goal is to achieve the best service experience in our field, based on an expert and personal service. The foundation of our services is getting to know the customer's aims and needs, and finding a suitable solution for all their investing requirements. In our investment activities, we utilise our own innovative funds, the funds available from our largest owner BNP Paribas, and open architecture investment solutions. This enables our customers to utilise the full spectrum of the finance markets, from alternative types of property and direct investments in securities to cost-effective index products.



#balanceofgoodandmoney

Daniel Pasternack, CEO

EAB Group's result for the 2021 accounting period was EUR 2.1 million, which is the Group's best result ever. This testifies to our persistent work to achieve a change, which is now beginning to bear fruit. Costs remained well under control and our improvement on the profit side came from practically stable operating income without any significant performance-based items. We also successfully launched new products, the real impact of which on the result will only be felt starting from this year.

The second renewable energy private equity fund and the third real estate development fund, launched early in the year, were among the key newcomers to our product range. Both funds made their first investments at the end of the year. The acquisition of investment commitments has been going well and will continue in early 2022. At the end of the year, we also launched a completely new type of venture capital activity through EAB Private Equity, where investments are raised on a target-by-target basis for one new investment at a time. The transparency of this concept differs significantly from the traditional fund-type investment operations, in which the fund's assets are raised before the actual investment targets are known to the investors.

The investment performance and sales of traditional UCITS funds were also good this year. Their investment capital increased by around EUR 100 million to just over EUR 700 million. Our Elite Alfred Berg Korko E and Elite Alfred Berg Eurooppa Fokus funds were awarded a five-star rating in the Morningstar fund comparison, which takes the fund's risk and actual return over time into account.

In the investment business, ESG integration progressed during the year, with a deeper sustainable investment process and positive screening now covering not only our UCITS funds, but also our infrastructure and real estate funds. During the year, we also published our first fund-specific sustainability reports, which provide reference data on the funds' investment objects. These and other measures, as well as our next steps, are discussed in our annual report for 2022.

Our strategy is clear, and we are making steady progress towards our goals. Our product range has been streamlined, and the current organisation effectively supports the products. Profitability is developing in line with our targets, and the venture capital business is well on its way to becoming a solid pillar of our operations. Together with the Board of Directors I would like to thank all the employees for their excellent work.

Key events 2021

03/2021

In March 2021, EAB Group published its first corporate responsibility report. The report describes the Group's role as a responsible actor in relation to its stakeholders and the surrounding society. The corporate responsibility report complies with ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of the Group.

04/2021

In April, Elite Alfred Berg launched its second renewable energy private equity fund. Elite Alfred Berg Renewable Energy Infrastructure Fund II Ky acquires ready-made or ready-to-build solar and wind power plants in Europe and develops them on a case-by-case basis where possible.

EAB Group Plc's annual general meeting was arranged on 25 March 2021 without the presence of shareholders at the company's headquarters in Helsinki. Helge Arnesen, Julianna Borsos, Therese Cedercreutz, Pasi Kohmo, Janne Nieminen, Topi Piela, Vincent Trouillard-Perrot and Juha Tynkkynen were elected as Board members.

05/2021

In May, the company announced that CEO Daniel Pasternack would step down as CEO to focus on developing the Group's responsible private equity fund operations. Daniel Pasternack had requested a transfer from the role of CEO to take responsibility for the Group's strategically important private equity fund business and had agreed the transfer with the Board of Directors. In the future, he will lead the Group's renewable energy and circular economy investment team. Pasternack will continue as CEO until his successor is appointed.

06/2021

In June, an Elite Alfred Berg real estate fund sustainability report was published, summarising the key areas and actions included in the sustainability work for the real estate funds we manage. The real estate sector plays an important role in various aspects of responsibility and sustainability due to its high social and economic importance, labour demand, emissions and energy consumption. We believe that by investing and acting responsibly, we can improve the returns on our properties, reduce the maintenance costs and property-specific risks, improve the occupancy rate and increase the value of our properties.

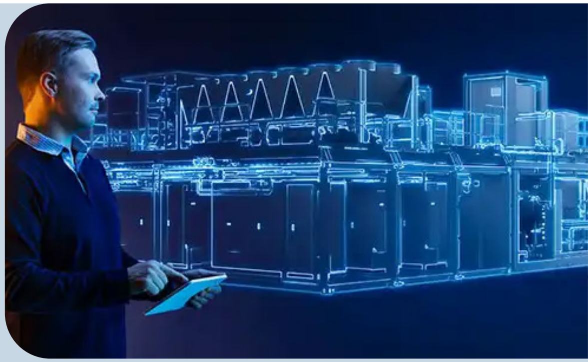
In June, the Group also published the first sustainability reports for its investment funds. Among other things, the reports cover the fund's sustainability rating, the risk score of the ESG components, the ESG risks of the fund's holdings, the carbon risk score and distribution of carbon risks.

06/2021

Elite Alfred Berg's third real estate development fund, EAB Value Added Fund III Ky, was launched in June 2021. In August, the fund's investment capacity increased to €100 million, including external capital. The fund acquired its first investments in September, and the assets are expected to be fully invested during the investment period ending in early 2023. The fund will be open to institutional investors until approximately June 2022. It is also offered to wealthy private clients through feeder funds.

08/2021

The new HR and Sustainability Director, Sini Sittnikow, joined the Group in August. Sittnikow is responsible for the human resources function at Elite Alfred Berg and coordinates the development of corporate responsibility and the implementation of sustainable investing in portfolio management with the rest of the sustainability team. She considers the development of HR management and leadership one of the company's most important competitive strengths.



12/2021

The private equity firm EAB Private Equity, established by Elite Alfred Berg, made its first investment in December by acquiring a significant share in technology company Proventia. With the investment, EAB Private Equity became a partner in Proventia with a holding of some 20%, alongside the company's chief shareholder Head Invest. Exceptionally strong megatrends support Proventia's business and offer exciting new growth opportunities. As an active owner, EAB Private Equity will support the management in the next stage of the company's growth story and in the further development of the business.

In December, the Group also launched a new type of target-specific venture capital activity with the aim of finding one to two attractive investment targets in the unlisted market each year. When selecting investment targets, the focus will be on companies that benefit from the megatrends of sustainable development. With its clients who invest in the project, EAB Private Equity will make a capital investment in a target company already known at the fundraising stage. This greater transparency differs significantly from the traditional fund-type investment operations in which the fund's assets are raised before the actual investment targets are known to the investors.

Strategy

Strategy and goals

We updated our financial targets for the next three to five years in 2021. We set increasing our comparable operating income to EUR 40 million and our profitability to 35% of the comparable operating income as our goal for 2025. Increasing the share of private equity funds in our operating income to achieve a level where private equity funds bring two thirds of our operating income by 2025 remains one of our goals.

Goals for the next 3–5 years	Goals for 2021	Progress in 2021
Increasing operating income to €40 million by 2025 and increasing profitability (operating profit) to more than 35% of the comparable operating income	Improving profitability of the business	Operating income increased by 19%, and profitability improved by 9.6 percentage points to 12.8%
Increasing the share of private equity funds to two thirds of the operating income while retaining the quality of listed products and growth according to the markets	Increasing the share of private equity funds in the operating income	The share of private equity funds in the operating income increased by 5 percentage points to 31.3%
Gaining half of the one hundred largest Finnish institutional investors as the company's customers, as well as gaining some international investors for the private equity fund products	Growing the institutional customer business in Finland and starting the acquisition of international investors	We won several bids in both the public and private sectors. Cooperation in the private equity business with Alfred Berg Norway has been developed.
Creating at least two accredited equity investment expert teams in the Group to focus on sustainable environmental and circular economy investments	Starting the creation of new private equity fund teams	The real estate fund business grew significantly, and the real estate funds published their first sustainability report. We also launched a new renewable energy infrastructure fund. We launched a new type of target-specific venture capital activity with the aim of finding one to two attractive investment targets in the unlisted market each year. When selecting investment targets, the focus will be on companies that benefit from the megatrends of sustainable development

Key improvement priorities

Financial targets

- Increasing operating income to €40 million by 2025
- Increasing profitability (operating profit) to more than 35% of the comparable operating income
- Increasing the share of private equity funds to two thirds of the operating income while retaining the quality of listed products and growth according to the markets

Business objectives

- Gaining half of the one hundred largest Finnish institutional investors as the company's customers, as well as gaining some international investors for the private equity fund products
- Creating at least two accredited equity investment expert teams in the Group to focus on sustainable environmental and circular economy investments

Goals for 2022

- Improving profitability of the business
- Increasing the share of private equity funds to 40% of the operating income
- Gaining new institutional investors from the top 100 institutions in Finland, and gaining one international institutional investor for the private equity funds
- Successfully launching the new real estate fund and conducting at least two co-investment rounds by the end of 2022

Elite Alfred Berg's vision

By becoming the forerunner in responsible investment, we grow into the most respected Nordic asset management expert

Means of development

- Improving the customer experience by developing the service model, service channels and service design
- Developing product launches
- Developing tools and resources for sales support
- Developing tools and resources for data, reporting and analytics

Indicators

- Profitability of business operations
- Sales of new venture capital products and the share of venture capital products in the operating income
- Share of ESG and impact investments in the managed assets
- Product quality
- Customer satisfaction
- Dedication of employees

Finance

Result in brief

EAB Group Plc's financial statements bulletin 2021

The Group's operating income increased by 19%, and the result for the period of EUR 2.1 million was the Group's best ever

Operating income of the EAB Group (hereinafter "EAB" or "the Group") for the period 1 January–31 December 2021 was EUR 22.2 million (EUR 18.7 million in 2020), and the result for the period was EUR 2.1 million (EUR 0.3 million in 2020). The Group's operating result was EUR 2.9 million (EUR 0.6 million in 2020). Operating income included EUR 13.9 million (EUR 12.3 million) in income from fund management, which included EUR 0.9 million (EUR 2.2 million) in performance-based fees. Income from asset management and other investment services amounted to EUR 6.0 million (EUR 4.7 million). Income from the service business and other operating income amounted to EUR 2.3 million (EUR 1.7 million).

The Group's comparable operating income increased by 29% year-on-year, and the Group achieved the planned cost savings. As a result, the Group achieved its best net result ever (EUR 2.1 million), with an increase of 733% compared to the previous year.

The Group's solvency calculated based on the new regulation was 165.1% (157.5%).

The Board of Directors proposes that profit for the financial year 2021 is distributed as dividends in the amount of EUR 0.11 per share (EUR 0.05).

Financial performance of the Group in January–December 2021 (compared to 2020):

- Operating income increased by 19% to approximately EUR 22.2 million (EUR 18.7 million).
- Comparable net operating income** increased by 29% to approximately EUR 21.9 million (EUR 16.9 million).
- Operating profit increased by 384% to approximately EUR 2.9 million (EUR 0.6 million).
- The result for the period increased by 733% to approximately EUR 2.1 million (EUR 0.3 million).
- Reported solvency of the Consolidation Group*** calculated based on the new regulation was 165.1% (157.5%).

The amount of assets under management and insurance assets, including investment commitments to private equity funds, increased by 15% to EUR 3,938 million on 31/12/2021 (EUR 3,419 million on 31/12/2020).

Financial performance of the Group in July–December 2021 (compared to July–December 2020):

- Operating income increased by 17% to approximately EUR 11.7 million (EUR 10.0 million).
- Comparable net operating income** increased by 29% to approximately EUR 11.5 million (EUR 8.9 million).
- Operating profit increased by 25% to approximately EUR 1.7 million (EUR 1.4 million).
- The result for the period grew by 31%, amounting to approximately EUR 1.3 million (EUR 1.0 million).

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The Group's key figures in brief (detailed information is provided in the notes)

Group's key figures	7–12/2021	7–12/2020	1–12/2021	1–12/2020
Operating income, EUR million	11.7	10.0	22.2	18.7
Operating profit*, EUR million	1.7	1.4	2.9	0.6
Operating profit, percentage of operating income	14.7	13.7	12.8	3.2
Result for the period, EUR million	1.3	1.0	2.1	0.3
Result for the period, percentage of operating income	11.3	10.1	9.6	1.4
Earnings per share, diluted, EUR	0.09	0.07	0.15	0.02
Comprehensive earnings per share, diluted, EUR	0.09	0.07	0.15	0.02

Alternative performance measures	7–12/2021	7–12/2020	1–12/2021	1–12/2020
Comparable operating income**, EUR million	11.5	8.9	21.9	16.9
Adjusted earnings per share****, diluted, EUR	0.09	0.07	0.15	0.02
Adjusted comprehensive earnings per share****, diluted, EUR	0.09	0.07	0.15	0.02

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

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

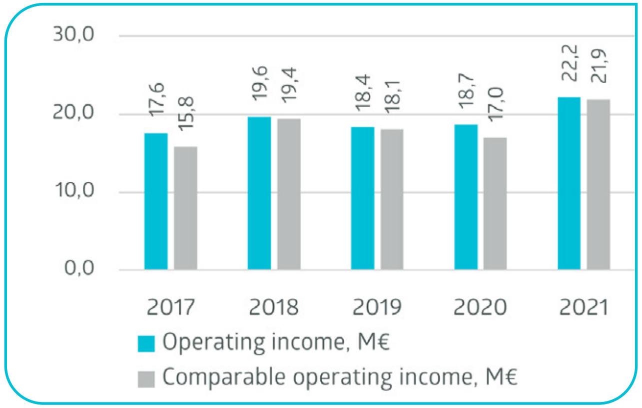
***) The Group reports its solvency to the Financial Supervision Authority in accordance with Regulation (EU) No 2034/2019 of the European Parliament and of the Council. The regulation entered into force in 2021. The solvency ratios presented correspond to those reported to the Financial Supervisory Authority and only include Group companies supervised by the Financial Supervisory Authority (EAB Group Plc, EAB Asset Management Ltd and EAB Fund Management Ltd) and the financial services companies EAB Service Ltd and SAV-Rahoitus Oyj.

****) Adjusted earnings per share are based on the number of outstanding shares. EAB Group Plc, the parent company of the Group, held 37,748 treasury shares on 31/12/2021 (49,786 on 31/12/2020). These excess shares are taken into account in the adjusted earnings per share, which present a true and fair view on the Group's earnings per share.

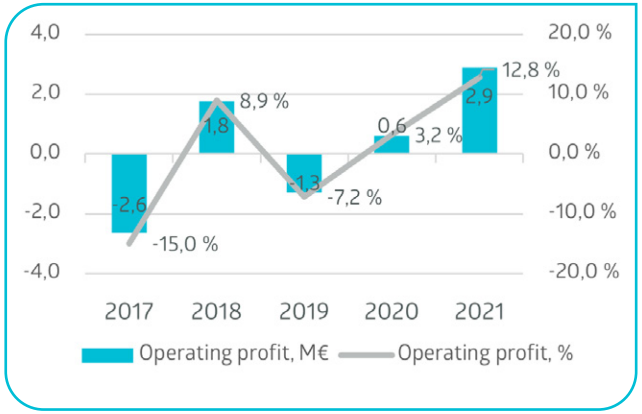
At the end of the period, the Group had 89 (88) employees, of whom 17 (24) worked for the parent company and 72 (64) worked for a subsidiary. All in all, the Group had 111 (109) employees and tied agents at the end of the period.

Financial development

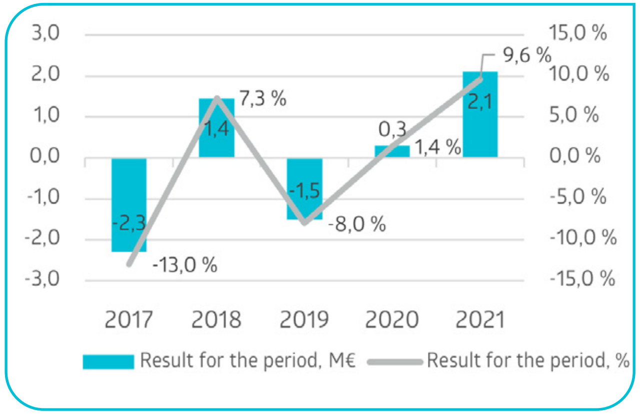
Operating income, EUR million / Comparable operating income, EUR million



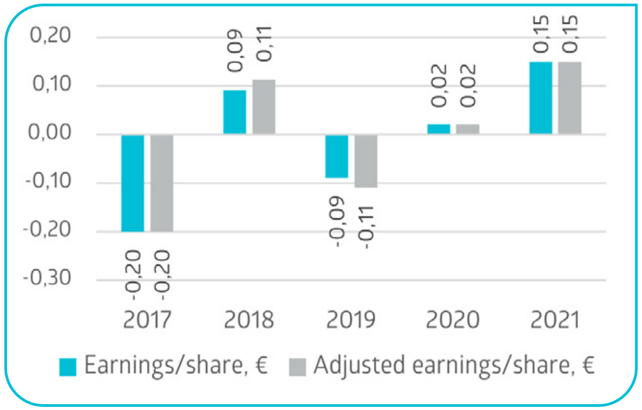
Operating profit, EUR million / Operating profit, %



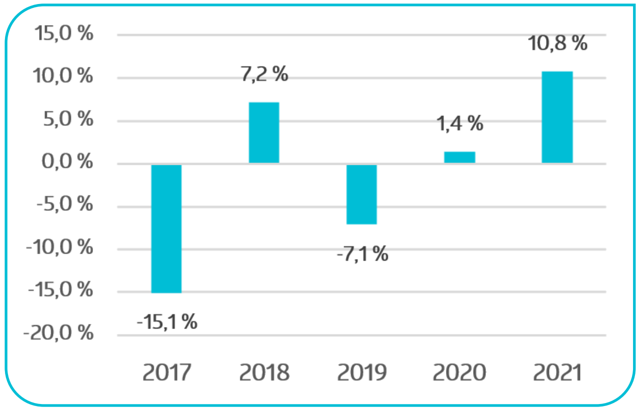
Result for the period, EUR million / Result for the period, %



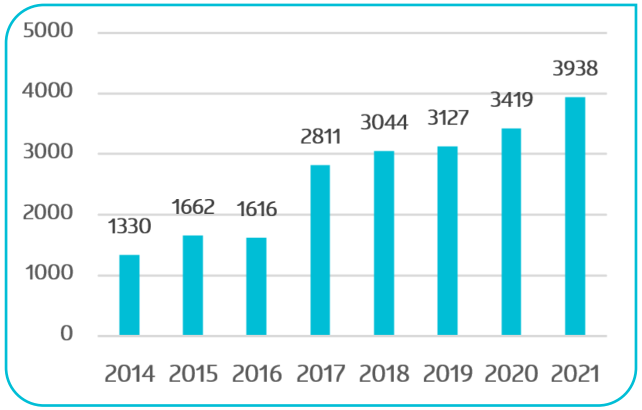
Earnings per share, EUR / Adjusted earnings per share, EUR



Return on equity (ROE), %



Assets under management, EUR million



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Key figures and formulas of key figures

Main key figures

Milj. euroa	1-12/2021	1-12/2020
Operating income	22.2	18.7
Operating profit*	2.9	0.6
Operating profit, % of operating income	12.8	3.2
Profit for the period	2.1	0.3
Profit for the period, % of operating income	9.6	1.4
Earning/share (EPS), diluted	0.15	0.02
Comprehensive earning/share (EPS), diluted	0.15	0.02
Alternative performance measures		
Comparable operating income**	21.9	16.9
EBITDA	5.4	3.3
EBITDA, % of operating income	24.6	19.6
Earning per share, EUR	1.48	1.38
Return on equity (ROE), %	10.8	1.4
Return on assets (ROA), %	6.4	0.8
Equity ratio, %	61.2	56.0
Gearing ratio, %	22.2	38.8
Expense/income ratio, %	88.4	98.8
Personnel and share data		
Number of employees, end of period	89	88
Number of shares outstanding, end of period (1,000)	13 843	13 843
Number of shares outstanding, end of period, diluted (1,000)	13 806	13 793
Average number of shares (1,000)	13 843	13 843
Average number of shares (1,000), diluted	13 800	13 814

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

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

FORMULAS FOR KEY FIGURES

Operating profit, % of operating income

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

EBITDA, % of operating income

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

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

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

Equity per share

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

Return on equity (ROE), %

$$\frac{\text{Result for the period}}{\text{Equity on average}} \times 100$$

Return on assets (ROA), %

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

Gearing ratio, %

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

Cost/income ratio, %

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

Board of Directors' report

Operating environment 2021

During the first half of 2021, performance of the investment markets was relatively strong, especially in the stock markets. The development of the interest market was two-sided, however: on one hand, profits remained low on the government bond side as a result of a general increase of the interest rate and on the other, profits from lower credit rating corporate bonds were significantly more positive as a result of smaller risk premiums. The positive return from high-risk investments was driven by the same positive drivers throughout the first half of the year: calming messages from central banks on future monetary policies, a clarification of the global macro outlook as the mass vaccination campaigns progressed, strong results for the first quarter and a record flow of investments into risky assets.

At the end of the first half of the year, the focus of the markets increasingly shifted to the recovery of the economy and its speed. The level of recovery has an impact on central banks' willingness to stimulate the economy and correspondingly, increasing inflation makes it more likely that the central banks will start to increase their interest rates more quickly than expected. Such a development would be negative, especially in terms of the most highly valued stock market segments like large high-tech companies. The increasing interest rates would have a negative impact on the present value of the future cash flows of these companies. Furthermore, the increased interest rates would make bonds a relatively more attractive option. It is also likely that the increased interest rates would accelerate sector rotation in the stock markets from interest-sensitive segments such as real estate, social service and technology companies into other segments such as oil companies, mining companies and banks.

The positive trend in the investment markets came to a halt during the third quarter of 2021. Share prices in developed markets remained almost unchanged in euro terms in the third quarter. Companies' strong results had increased the share prices in the US until August, when the US Federal Reserve seemed hesitant to end its stimulus policy. In September, the Fed stated that a reduction of promissory note purchases would be announced at its November meeting and that the purchases would end by mid-2022.

Euro area share prices also remained almost unchanged during the third quarter. In Europe, the third quarter started amidst a positive Q2 earnings season and the continued economic recovery from the COVID-19 pandemic. However, concerns about inflation increased globally as the quarter progressed as a result of supply chain bottlenecks and rising energy prices. Moreover, at the end of the third quarter, electricity prices in Europe rose sharply due to factors such as low gas supply and light winds in the summer.

In Asia, share yields were clearly negative during the third quarter, mainly due to the negative performance of the Chinese stock market. This was partly caused by concerns of whether Evergrande Real Estate Group would be able to repay its debts. The Evergrande situation raised global investor concerns about potential cascading risks. Investor sentiment towards China was also weighed down by government regulation affecting the education and technology industries. The concerns about China also weighed on emerging market share indices in general during the third quarter. US and European government bond yields remained virtually unchanged during the quarter. Among corporate bonds, lower credit rating bonds generated positive yields, while the yields on higher credit rating bonds changed little.

In the fourth quarter, share prices in developed markets continued to rise again. The strong improvement of results boosted share prices. The performance of fixed income investments remained stable during the quarter, because the markets had to deal with rising inflation and stricter central bank policies. The emergence of the highly contagious Omicron variant of the coronavirus led to a spike in stock market volatility at the end of November. However, the markets recovered quickly, as data from South Africa and the UK indicated a lower risk of the severe form of the disease with Omicron than with the previous variants. On the other hand, fears of poorer future economic and earnings growth, partly due to the projected normalisation of the Fed policy, led to a flattening of the US yield curve.

In the US, President Joe Biden signed a long-awaited $1,200 billion infrastructure bill. The bill includes $550 billion in additional spending, 49% of which will be used to improve the US transport sector, including ports, airports, railways, roads, bridges and public transport, and 32% to improve the water and electricity infrastructure. The rest will be spent on broadband (12%) and the environment (7%). However, the ambitious $1,700 billion Build Back Better bill failed to secure a majority in the Senate in December.

In the fourth quarter, low gas supply and maintenance work on nuclear power plants, among other factors, led to sharp increases in gas and electricity prices across Europe, but the prices fell again towards the end of the quarter. The higher energy prices accelerated inflation in Europe. Inflation is also a problem outside Europe. In December, three out of four major central banks in developed markets stated that they were more concerned about the approaching inflation in 2022 than about a possible economic shock caused by Omicron.

In 2021, the real estate market remained cautious about the risks posed by the pandemic. Transaction volumes picked up speed during the autumn of 2021, in particular, reaching a transaction volume of around €5 billion in the first three quarters, which is around €1.2 billion more than during the same period in 2020. Furthermore, the share of housing of the transaction volume has increased to a high level. The share of foreign investors has remained above 50% of the transaction volume despite the difficulties in investments due to the pandemic. In the office facility rental market, companies are still extensively exploring their own solutions and are active in the facility market, but rentals have been scarce so far. The pandemic changed how office work is done and thus companies' space requirements. This means that in the future, lessors must be able to offer more flexible facility solutions and lease structures.

2021 was a very strong year for the venture capital market in terms of the aggregate number and value of transactions – even a record-breaking year, depending on the indicator used. The year was also marked by large club deals and other significant individual transactions. The conditions for corporate acquisitions were favourable as a result of the global economic recovery, low interest rates and high amount of capital seeking return on investment. The high volume of transactions in the corporate acquisitions market also led to an increase in financing volumes in the alternative private debt market. The impact of global megatrends on the capital markets is particularly strong in the infrastructure category, where growth and investment opportunities are driven by climate goals and digitalisation, among other factors.

There were few changes in the company's operating environment in 2021, as the short-term effects of the pandemic eased, particularly after the summer, and concern switched from the management of the pandemic to an assessment of the increasing inflation expectations, central bank policies and growth prospects. At the end of the year and at the beginning of 2022, the fourth wave of the pandemic caused some uncertainty, but expectations of an end to the pandemic strengthened for the most part. From the regulatory perspective, the Group's operating environment remained stable, despite the fact that the implementation of two important European-level regulation packages was started during the year. These will influence the company's operating environment in the future.

The first of the EU's financial sustainability regulations entered into force in early March. It is currently expected that the regulations in their entirety will be applied by the end of 2022. In the future, the regulations will necessitate extensive communication regarding the responsibility aspects of investment operations and investment products, for example. The new regulations will not give rise to any significant additional costs or investment needs for the company, and will support the company's strategy, which emphasises responsibility.

New solvency regulations for investment service companies entered into force in June 2021. The new regulations renewed the solvency requirements for investment service groups, for example. The regulatory changes that took effect during the early part of the year have no significant financial impact on the company.

The company's operation during the year was supported by the positive development of the equity market and other markets, which boosted the value of asset items. The development of the Finnish economy was also more positive than expected, and the feared increase in the unemployment rate did not materialise during the year. No changes of taxation that would have a significant impact on the company's operations or the demand for its services took place during the year.

Material events during the period

During the period, the reduction of expenses the EAB Group executed earlier and the Group's investments in responsibility gained profit. The Group published its first Corporate Responsibility Report and got forward in developing sustainable private capital business.

In February 2021, the Board of EAB Group Plc decided to commence acquiring 70,000 company's own shares. The company told the share buy-back program would start on 15 February 2021 at the earliest and end on 17 December 2021 at the latest. The acquisition of the own shares was based on the authorization given by the Annual General Meeting held on 22 September 2020.

In February, March, and April, EAB Group Plc transferred without consideration its own shares to current and former key employees of the company. The transfers were related to the payment of deferred variable remuneration and were in accordance with the company's remuneration scheme.

In March, EAB Group Plc published its Annual Report, Corporate Governance Statement, Corporate Responsibility Report and Remuneration Report for 2020. The Annual Report was published for the first time in accordance with European Single Electronic Format (ESEF) reporting requirements with the format of the report being Extensible Hypertext Markup Language (XHTML). The Corporate Responsibility Report was the first one of the EAB Group, and it described the role of the Group as a responsible actor in relation to its stakeholders and the surrounding society. The Corporate Responsibility Report complies with ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of the EAB Group.

The Annual General Meeting was held through exceptional arrangements without the presence of the shareholders at the company's premises at Helsinki on 25 March 2021. The shareholders were able to participate in the meeting and exercise their rights only by voting in advance by using the centralised proxy representative designated by the company and by presenting their counterproposals and questions in advance. The Board was authorised to decide on the acquisition or acceptance as pledge, of a maximum of 1,300,000 of the Company's shares.

In May, the company announced Daniel Pasternack, CEO of EAB Group Plc, would focus on developing EAB Group's sustainable private capital business line and would resign as CEO, upon the appointment of a successor. Pasternack would also head the Group's renewable energy and circular economy investment team going forward.

At the end of June, the company stated as preliminary information that its' net result for January-June 2021 is expected to become clearly positive based on a positive development of the business and that the full-year net result 2021 is also expected to be clearly positive.

At the beginning of August, the Board of EAB Group Plc decided to distribute a dividend of EUR 0.05 per share to shareholders in accordance with the mandate received from the Annual General Meeting in 2021.

At the end of August, EAB Group Plc transferred without consideration its own shares to former key employee of the company. The transfer was again related to the payment of deferred variable remuneration and was in accordance with the company's remuneration scheme.

In September, the company's five largest registered shareholders BNP Paribas Asset Management Holding, Joensuun Kauppa ja Kone Oy, Umo Invest Oy, Janne Nieminen and Jouni Kaaria nominated the members to the Shareholders' Nomination Board. The members appointed were Vincent Trouillard-Perrot, Kyösti Kakkonen, Joonas Haakana, Janne Nieminen, and Jouni Kaaria.

In December, the Board decided to change the key employees' Performance Share Plan. The Board decided on the details of the new performance period of the share-based incentive plan and to amend the terms of the plan so that the reward for the performance periods starting in 2021 and 2022 will be paid in one instalment, one year after each performance period and with no waiting period regarding the reward.

In December, Project First Ky, a company controlled by EAB Private Equity, a private equity company established by the Group, acquired a significant stake in a technology company Proventia. This also marked the start of a new, target-specific private equity strategy which aims to find 1–2 targets per year. In the origination of potential investments, EAB Private Equity focus especially on companies that benefit from the sustainability megatrend.

The Group's outlook for 2022

Given that the favorable market environment is retained, we estimate that the net profit percentage for 2022 will be clearly positive. If market conditions would deteriorate significantly, the company will re-evaluate the estimate. The estimate is based on the current operations. Acquisitions or other major changes in operations might have an impact on the outlook.

Personnel

The Group had 89 employees at the end of 2021 (88 on 31 December 2020). Of the employees, 8 had fixed-term employment contracts. The number of employees was 44 in business operations and asset management and 45 in Group functions (legal, administration, HR, IT, finance, marketing and communications). Our customers were also served by 22 tied agents.

The COVID-19 pandemic continued in 2021, hampering work. Especially important issues included ergonomics while working from home, as well as self-direction and self-management skills. HR supported supervisors in their challenging remote management efforts. It has become clear that continuous working from home places more burden on some than others. The year was highly challenging for some, while others discovered new opportunities during the prevailing situation. As the remote working recommendation remains valid in Finland, working at the offices is subject to strict limitations.

Efforts to improve employee wellbeing and the Group's HR function continued in 2021. During the spring, the results of an employee survey realised in November 2020 and related development areas were worked on team by team. The opportunity to influence the development of one's own work and communication between teams clearly need to be improved, and measures to improve these areas have been taken. As a follow-up, we realised with experts from Elite Palkitsemispalvelut Oy a reward survey for all the employees in the spring of 2021. The plan is to carry out the next more comprehensive personnel survey to monitor the development of dedication in the autumn of 2022. We monitor the development of employee satisfaction with quarterly pulse surveys.

In August 2021, a new HR and Sustainability Director, Sini Sittnikow, joined the Group to develop the Group HR function.

A total of 30.6% of the employees are direct shareholders of EAB Group Plc. More than 64% of the employees own shares in the parent company directly or through the personnel fund.

Changes in group structure during the period

On 23 March 2021, Group company Elite Sijoitus Oy established a subsidiary, EAB EFVAF III GP Oy.

On 26 June 2021, the parent company EAB Group Plc purchased all the shares in SAV-Rahoitus Oyj owned by its subsidiary Elite Sijoitus Oy.

With a transaction completed on 12 October 2021, Group company Elite Sijoitus Oy acquired a 100% holding in EAB Private Equity Oy. On 29 November 2021, EAB Private Equity Oy arranged a directed issue in which Elite Sijoitus Oy and company's key personnel subscribed for new shares so that Elite Sijoitus Oy's shareholding in EAB Private Equity Oy decreased to 65%.

With a transaction completed on 13 November 2021, Group company EAB Private Equity Oy acquired a 100% percent holding in Project First GP Oy.

Shares and share capital

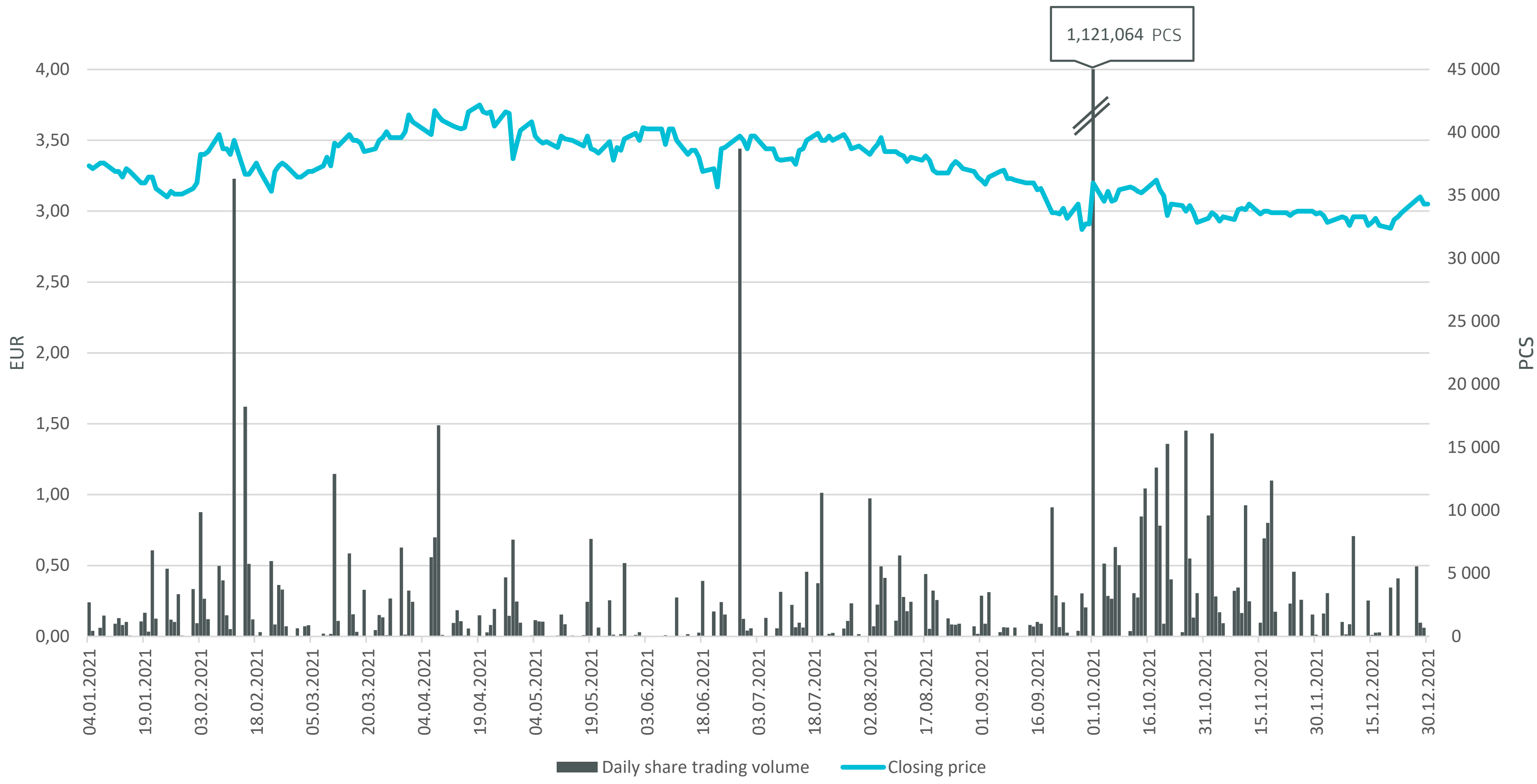
At the end of December 2021, EAB Group Plc's total number of shares was 13,843,272, of which the company held 37,748 shares. At the end of December 2021, the company's share capital amounted to EUR 730,000. There were no changes in the share capital during the period under review.

On 25 March 2021, the Annual General Meeting decided to authorise the Board to decide at its discretion on the payment of dividend for the accounting period 1 January to 31 December 2020 in such a manner that the amount of dividend to be paid based on the authorisation could be a maximum of EUR 0.05 per share. The Board decided on the payment of dividend on 6 August 2021, and dividend distribution took place on 7 September 2021. The total dividend amounted to EUR 690,269.

On 25 March 2021, the Annual General Meeting authorised the parent company's Board to start a programme to purchase the company's own shares. According to the authorisation, the Board may decide on the purchase or acceptance as pledge of a maximum of 1,300,000 of the company's shares. The purchase programme for the new shares had not been launched by the balance sheet date.

At the end of December 2021, 13,843,272 EAB Group Plc shares were subject to public trading on Nasdaq Helsinki. The share trading volume from January to December was EUR 5,796,164, or 1,845,043 shares. At the end of December, the closing price of the company's share was EUR 3.05. The highest share price during the period under review was EUR 3.84 and the lowest EUR 2.82. EAB Group Plc's market capitalisation at the end of December was EUR 42.2 million.

Share price development and trading volume 1.1.—31.12.2021



Daily share trading volume of October 10, 2021 is shown cut off for presentation reasons.

Largest shareholders

	Shareholders 31.12.2021	Number of shares	% of shares
1	* Skandinaviska Enskilda Banken Ab (publ) Helsingin Sivukonttori	2,491,339	18.00
2	Joensuun Kauppa ja Kone Oy	1,518,400	10.97
3	Umo Invest Oy	1,389,921	10.04
4	Nieminen Janne Pentti Antero	1,112,031	8.03
5	Kaaria Jouni Sami Olavi	1,048,543	7.57
6	Gösta Serlachiuksen Taidesäätiö	857,200	6.19
7	Pasternack Daniel	768,103	5.55
8	Juurakko Kari Antero	495,493	3.58
9	Niemi Rami Toivo	487,820	3.52
10	Kiikka Hannu Ilmari	484,182	3.50
11	Sijoitusyhtiö Jenna & Juliet Oy	300,000	2.17
12	KW-Invest Oy	261,949	1.89
13	Westin Victoria Maria	219,498	1.59
14	Vakuutusosakeyhtiö Henki-Fennia	205,801	1.49
15	Kiinteistötähti Oy	151,000	1.09
16	TK Rahoitus Oy	151,000	1.09
17	Kakkonen Kari Heikki Ilmari	150,000	1.08
18	Eläkevakuutusosakeyhtiö Veritas	140,659	1.02
19	Contango Oy	126,570	0.91
20	A-A Transport Oy	91,645	0.66
	20 largest shareholders in total	**12,451,154**	**89.94**
	Nominee-registered	**2,520,590**	**18.21**
	Others	**1,392,118**	**10.06**
	Total	**13,843,272**	**100**

* Nominee-registered

Resolutions of the Annual General Meeting

EAB Group Plc's Annual General Meeting was held on 25 March 2021 at Helsinki. The meeting was held through exceptional arrangements without the presence of the shareholders.

The following matters were adopted and resolved in the Annual General Meeting:

Adoption of the financial statements

The financial statement and related consolidated financial statement for the financial year 2020 were adopted.

Use of the profit shown on the balance sheet and resolution on the payment of dividend

The parent company's distributable funds on the 31.12.2020 totalled EUR 21.5 million of which the profit for the period amounted to EUR 0.5 million. It was resolved that the Board of Directors are authorized to decide, at its discretion, on the distribution of the dividend for financial period 1 January – 31 December 2020, so that the dividend distributed on the basis of the authorization is a maximum of EUR 0.05 per share and the rest of the distributable assets will remain in equity.

The Company will publish any possible decisions on dividend payment by the Board of Directors separately, and simultaneously confirm the dividend record and payment dates. Possible dividend will be paid to shareholders who on the applicable record date for the dividend payment will be recorded in the Company's shareholders' register maintained by Euroclear Finland Oy.

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

The members of the Board of Directors and the Chief Executive Officer were discharged from liability for the financial year 1 January–31 December 2020.

Remuneration Report for Governing Bodies

The Remuneration Report was approved.

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

The members of the Board of Directors will be paid remuneration as follows:

- Board members independent of the Company are paid EUR 22,500 per term for their service on the Board.
- Chair of the Board is paid EUR 30,000 per term for service on the Board.
- Members of the Audit Committee are paid EUR 2,500 per term for their service in the Audit Committee

Forty (40) % of yearly remuneration is settled with the Company's shares. Remaining amount of remuneration is settled with cash.

Shares for remuneration are acquired from the Helsinki stock exchange during the three months following the date the Company's half-year report is to be published. The Company defrays on expenses following from acquisition of shares. Remuneration for the work of the Audit Committee is paid in cash.

In case the acquisition of shares is not possible for example due the lack of liquidity of the shares at the time and by the mean mentioned above. The portion of the remuneration that cannot be paid in shares may be paid in cash.

The shares acquired for Board members are not to be sold before three years from the purchase, or before the membership of the Board has ended, whichever is later.

Resolution on the number of members of the Board of Directors

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

Election of the members of the Board of Directors

Helge Arnesen, Julianna Borsos, Therese Cedercreutz, Pasi Kohmo, Janne Nieminen, Topi Piela, Vincent Trouillard-Perrot and Juha Tynkkynen were elected as members of the Board of Directors for a term of office expiring at the close of the next Annual General Meeting.

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

Resolution on the remuneration of the Auditor

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

Election of the Auditor

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

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

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

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

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

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

The authorisation is valid until 25 September 2022.

The authorisation superseded the authorisation for acquisition of the Company's own shares issued on 22 September 2020.

Risk management and risk position

EAB Group's most significant near-term risks are market risk, operational risk and liquidity risk.

The Group is exposed to a market risk that mainly arises from the market-based investment products and services provided by the Group. A decrease in investors' risk appetite and a more extensive decline in the value of various market-based asset classes would have a negative impact on the amount of assets managed by the Group and on its fee income. The market risk related to the Group's business operations contributes to the probability and impact of the materialisation of the Group's liquidity risk. In accordance with the Group's strategy, the focus in terms of investment products and services in general lies on responsible investment activities and the effective management of the sustainability risk.

At the end of the period under review, equity markets saw increasing volatility due to the weakened COVID-19 situation when the strong spread of a new viral variant increased uncertainty on the market about the economic growth outlook. However, the overall development of developed economies has been positive during the period under review, and stock market valuation levels have risen relatively steadily. Development has been poorer in export-rich developed countries, reflecting accelerating inflation on the one hand, and weak resilience to the impact of the pandemic and production and supply disruptions on the other.

During the period under review, the Federal Reserve System and European central banks started to tighten their monetary policies by reducing asset purchases under their purchase programmes. On the other hand, the central banks have indicated that they are willing to continue to target monetary policy support should an acute deterioration in the pandemic require it. In the euro area, an increase of the key interest rate is not expected yet, at least not in the short term, as the EEA includes heavily indebted national economies whose debt sustainability is to be safeguarded until a more stable productivity phase. Meanwhile, the Fed has indicated that it will raise its key interest rate in 2022.

The gradual tightening of the central banks' monetary policy is justified by the fact that economic growth has been brought back on track and large-scale stimulus led by the central banks to mitigate the effects of the pandemic is no longer considered appropriate. Inflation has also picked up speed, especially during the second half of the period under review, in the US and Europe. However, inflation above the medium-term objective is seen as temporary in the euro area as a result of the recent powerful surge in energy prices and weak supply of consumer goods, as well as the raw materials and components required to produce them.

China's economic growth continued to decelerate during the period under review, while inflation picked up speed. The Chinese real estate sector is struggling, because the housing market has cooled and housing prices have started to decrease, while financing conditions for debt-driven developers have been tightened. The People's Bank of China is likely to seek to limit the impact of its property market shocks to a short-term disruption of China's domestic financial markets, which will be managed through government-led property and housing market stimulus measures. As economic growth slows and inflation picks up speed, maintaining stable economic growth, the monetary policy objective of the People's Bank of China, is becoming increasingly challenging.

At the end of the period under review, the overall picture of the development of the global economy in the near future is positive, despite certain threats. Naturally, the positive development will depend on the functioning of the real economy and financial markets without major disruptions and a slowdown of inflation in key economic areas. A key risk factor for stable economic growth in the short term is a further significant deterioration of the pandemic, which would lead to a closure of societies and economies and a significant disruption of global production and supply chains. Other key short-term risks include a sharper-than-expected deterioration of China's economic development and continued cooling of the geopolitical relations between the superpowers to the point of various degrees of conflict.

During the period under review, public and private actors in the global market economy have moved at an accelerating pace towards more sustainable production, consumption and financing solutions. The EU has been at the forefront of this transition, working to reduce its greenhouse gas emissions and thus curb the rise in the global average temperature in line with the internationally agreed climate targets. Through its economic policies, the EU is providing increasingly powerful steering to consumers, businesses and governments in its area to produce and consume products and services that support and promote the environment, society and good governance. In investment markets, money is increasingly flowing into investments that are supposedly effective in managing sustainability risks.

Demand for financial products focusing on responsible investments is expected to remain high in the coming years as economies transition via an intermediate phase to more permanent solutions for the production of sustainable goods and services. Excessive valuation levels of these financial products are also to be expected on the investment markets, because demand pressure also diverts funds to investments that do not meet the criteria for responsible investment. The technical criteria for responsible investment are still being finalised in the euro area, which will pose a regulatory risk for developers of financial products in the near future. Furthermore, technological developments in areas such as renewable energy products and services will be rapid, which will increase the risk of companies choosing a technological solution that proves short-sighted in hindsight.

A significant part of the Group's operating income is market-determined. If realised, the risks described above could have a significant impact on the fee income from the Group's market-based services and products, in particular. Regarding the sustainability risks, the impact could also be significantly reflected in the profitability and turnover of the alternative investment solutions offered by the Group. The Group will continue to shift its business focus from market-based investment products and services to alternative investment solutions. Alternative investment solutions will dilute the negative impact of a potential market decline on the Group's operating income and result.

The Group's operations are exposed to a considerable operational risk, which mainly consists of factors related to information systems and information security, as well as factors related to internal processes. The Group acknowledges the significance of operational risks and is continuously developing methods to manage them. The Group identifies, assesses, measures and monitors operational risks in relation to its approved level of risk-taking. The Group actively seeks to reduce the impact of materialised operational risks, taking the approved level of risk taking and risk appetite into account. The net impact of the five most significant operating loss events during the reporting period was EUR 16,800, which corresponds to 0.08% of the Group's annual comparable net operating income (2021).

The market and operational risks to which the Group is subjected are actively and proactively managed in accordance with internal risk management principles. Risks and assessments of their potential effects are an integral part of the Group's solvency management and the related risk profiling.

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

The Group limits its liquidity risk by monitoring the liquidity position of the Group and each Group company on a regular basis. The Group also maintains and regularly accumulates a buffer of unencumbered liquid assets in case of a quick and unexpected weakening of the liquidity position. At the end of the period under review, the Group's funding package included EUR 1,000,000 in undrawn credit to secure the Group's liquidity position.

With continuity planning, the Group prepares for any future disruptions in the operating environment. Based on modelling carried out at the end of the period under review, the Group's liquidity and solvency level will also remain safe in the event of a significant market disturbance. The Group has handled its debt liabilities without disturbances, and the availability of financing has remained good.

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

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

Group's solvency management principles

Capital adequacy management

The management of capital adequacy is part of the Group's management and decision-making, both at the strategic and operational levels, and is thus part of reliable governance. The goal of capital adequacy management is to ensure that the Group's risk-carrying capacity remains at a high level to ensure disturbance-free business in the event of any unexpected losses as well. The risk-carrying capacity consists of the amount, quality, allocation and availability of capital, profitability of the business, as well as reliable governance, internal control and risk management, including insurance.

Capital adequacy management creates an integral whole with risk management and internal control, because an assessment of the adequacy of capital is based on the identification, measurement and assessment of risks. Proper risk management enables the reliable determination of the capital required the business operations due to the risks and the systematic allocation of the capital, based on current and planned risk taking. Internal control and risk management support the Group's management by ensuring that the Group does not accept any risks in its operations that would cause significant danger to the capital adequacy or liquidity of the Group companies.

Solvency management ensures that the amount, quality and allocation of the Group's capital base are always sufficient to cover the Group's material risks. The adequacy of the capital buffer is regularly tested using stress tests.

In its solvency management approaches, principles and methods, the Group has considered the focus areas and requirements of its business, as well as the special characteristics of its risk profile.

In addition to the minimum solvency requirements of Pillar 1, the requirements of Pillars 2 and 3 have been taken into account in solvency management where applicable.

The solvency management process is a whole consisting of the business strategy and the capital strategy. Setting of the capital goals and consideration of the adequacy of capital are based on the level of risk taking as a whole. A conversion of risks into capital requirements forms the core of solvency management. The Board of Directors of the Group's parent company and the senior management have identified and assessed material risks relevant to the Group's business operations and operating environment, and decided on actions to manage, monitor and limit these risks.

Proactive capital planning is part of the strategic planning by the Group's management and the achievement of these goals. The Group continuously assesses and maintains the amount, quality and allocation of the required internal capital at a level that is sufficient to cover all risks of any nature to which the Group is or may be subjected. The Group regularly – at least once a year – assesses its capital plan and capital adequacy management strategy and process to ensure that they remain comprehensive and in proportion to the nature, scope and diversity of the Group's business operations. Furthermore, updates are made whenever the Group's strategy or business plan is updated.

The starting point for the measurement and assessment of the Group's risk-based capital requirement in solvency management is the results generated by the calculation methods included in Pillar 1. The Group assesses the capital requirement based on the credit risk and operational risk on the basis of the results of the Pillar 1 calculation methods, and further expands the analysis by introducing any dimensions that remain outside the Pillar 1 calculations ("Pillar 2 elements").

Solvency, 1 000 000 EUR

	2021	2020
Paid up capital instruments	0.7	0.7
Share premium	21.5	21.4
Retained earnings	-0.3	0.6
Goodwill	-9.3	-10.2
Intangible assets	-3.0	-3.4
Deferred tax assets	-2.2	-2.7
Holdings in financial sector entities	-1.5	-1.5
Profit for the period	1.0	-0.3
Not eligible share of profits accrued during the financial year or at the end of the financial year and other adjustments	-1.1	-0.1
Tier 1 capital	**5.7**	**4.6**
Common equity tier 1 capital	**5.7**	**4.6**
Own funds	**5.7**	**4.6**
Fixed overhead requirement	**3.4**	**2.9**
CET 1 ratio	**165.10**	**157.50**
Tier 1 ratio	**165.10**	**157.50**
Own funds ratio	**165.10**	**157.50**

The Group reports its solvency to the Financial Supervision Authority in accordance with Regulation (EU) No 2034/2019 of the European Parliament and of the Council. The regulation entered into force in 2021. The solvency ratios presented correspond to those reported to the Financial Supervisory Authority and only include Group companies supervised by the Financial Supervisory Authority (EAB Group Plc, EAB Asset Management Ltd and EAB Fund Management Ltd) and the financial services companies EAB Service Ltd and SAV-Rahoitus Oyj.

EU IF CC1.01 - COMPOSITION OF REGULATORY OWN FUNDS

		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet in the audited financial statements
	COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		
1	**OWN FUNDS**	**5.7**	
2	**TIER 1 CAPITAL**	**21.9**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**21.9**	
4	Paid up capital instruments	0.7	Shareholders' Equity row #1
5	Share premium	21.5	Shareholders' Equity row #2
6	Retained earnings	-0.3	Shareholders' Equity row #3
7	Accumulated other comprehensive income	0.0	
8	Other reserves	0.0	
9	Minority interest given recognition in CET1 capital	0.0	
10	**OTHER FUNDS**	**0.0**	
11	**(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	**-16.2**	
12	(-) Own CET1 instruments	0.0	
13	(-) Direct holdings of CET1 instruments	0.0	
14	(-) Indirect holdings of CET1 instruments	0.0	
15	(-) Synthetic holdings of CET1 instruments	0.0	
16	(-) Losses for the current financial year	0.0	
17	(-) Goodwill	-9.3	Assets row #5
18	(-) Other intangible assets	-3.0	Assets row #5
19	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-2.2	Assets row #10
20	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	0.0	
21	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	0.0	
22	(-) CET1 instruments of financial sector entites where the institution does not have a significant investment	-1.5	Assets row #3
23	(-) CET1 instruments of financial sector entities where the institution has a significant investment	0.0	
24	(-) Defined benefit pension fund assets	0.0	
25	(-) Other deductions	-0.1	Assets row #7
26	**ADDITIONAL TIER 1 CAPITAL**	**0.0**	
27	Paid up capital instruments	0.0	
28	Share premium	0.0	

		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet in the audited financial statements
	COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		
29	**(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1**	**0.0**	
30	(-) Own AT1 instruments	0.0	
31	(-) Direct holdings of AT1 instruments	0.0	
32	(-) Indirect holdings of AT1 instruments	0.0	
33	(-) Synthetic holdings of AT1 instruments	0.0	
34	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	0.0	
35	(-) AT1 instruments of financial sector entities where the institution has a significant investment	0.0	
36	**TIER 2 CAPITAL**	**0.0**	
37	Paid up capital instruments	0.0	
38	Share premium	0.0	
39	Subordinated loans	0.0	
40	**(-) TOTAL DEDUCTIONS FROM TIER 2**	**0.0**	
41	(-) Own T2 instruments	0.0	
42	(-) Direct holdings of T2 instruments	0.0	
43	(-) Indirect holdings of T2 instruments	0.0	
44	(-) Synthetic holdings of T2 instruments	0.0	
45	(-) T2 instruments of financial sector entities where the institution does not have a significant investment	0.0	
46	(-) T2 instruments of financial sector entities where the institution has a significant investment	0.0	

EEU IFCC2: OWN FUNDS: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

		a Balance sheet as in published/ audited financial statements As at period end	b Under regulatory scope of consolidation As at period end	c Cross reference to EU IFCC 1
	ASSETS - BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED/AUDITED FINANCIAL STATEMENTS			
1	Cash and cash equivalents	2.4	2.1	
2	Trade receivables	7.0	17.7	
3	Investments	1.4	0.3	
4	Shares and units of associates	2.1	1.5	Row #22
5	Intangible assets	12.4	12.3	Row #17 and row #18
6	Tangible assets	2.5	0.1	
7	Share issue receivables	0.1	0.1	Row #25
8	Other assets	0.1	0.0	
9	Accrued income and prepayments done	2.9	2.7	
10	Deferred tax assets	2.5	2.2	Row #19
	Total Assets	**33.4**	**39.1**	
	LIABILITIES - BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED/AUDITIED FINANCIAL STATEMENTS			
1	Liabilities to credit institutions	4.6	4.7	
2	Derivatives	0.0	0.0	
3	Other liabilities	3.8	8.1	
4	Accrued expenses and prepayments received	4.3	3.5	
5	Deferred tax liabilities	0.2	0.0	
	Total Liabilities	**12.9**	**16.3**	
	SHAREHOLDERS' EQUITY			
1	Share capital	0.7	0.7	Row #4
2	Reserve for unrestricted equity	20.8	21.5	Row #5
3	Retained earnings	-1.1	0.6	Row #6
4	Non-controlling interest	0.0	0.0	
	Total Shareholders' equity	**20.6**	**22.8**	

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EU IF CCA: OWN FUNDS: MAIN FEATURES OF OWN INSTRUMENTS ISSUED BY THE FIRM

		a Common equity tier 1 capital
1	Issuer	EAB Group Plc
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: FI4000157441
3	Public or private placement	Finnish law
4	Governing law(s) of the instrument	
5	Instrument type (types to be specified by each jurisdiction)	Share capital as defined in Article 28 of EU Regulation No. 575/2013
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	
7	Nominal amount of instrument	N/A
8	Issue price	N/A
9	Redemption price	N/A
10	Accounting classification	Equity attributable to owners of the parent company
11	Original date of issuance	30/11/2015
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	N/A
23	Noncumulative or cumulative	Noncumulative
24	Convertible or non-convertible	N/A
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A

		a Common equity tier 1 capital
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the intrument (signposting)	www.eabgroup.fi/sijoita-meihin/listautuminen

Profit distribution

On 31 December 2021, the parent company's distributable assets amounted to EUR 21.2 million, of which EUR 0.1 million was profit from this accounting period. The Board of Directors proposes that profit is distributed as dividends in the amount of EUR 0.11 per share. The remaining distributable assets are to be retained in shareholders' equity.

Material events after the review period

There were no events with a material effect on the Group's position between 1 January 2022 and 28 February 2022.

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

EAB Group Plc's annual report 2021 will be published on 17 March 2022 on the EAB Group website at www.eabgroup.fi/sijoita-meihin/raportit-ja-esitykset.

Simultaneously with the annual report, the company will publish a corporate governance statement, a remuneration report for governing bodies and a corporate responsibility report for 2021.

The corporate governance statement will be prepared in compliance with the recommendations included in the Corporate Governance Code 2020 of the Securities Market Association. The statement will be available on 17 March 2022 in Finnish on the company's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/selvitys-hallinto-ja-ohjausjarjestelmasta. The remuneration report will also be prepared in compliance with the recommendations included in the Corporate Governance Code 2020. The remuneration report will be available on 17 March 2022 in Finnish at www.eabgroup.fi/sijoita-meihin/hallinnointi/palkitseminen/.

The corporate responsibility report complies with ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of the EAB Group. The corporate responsibility report will be available on 17 March 2022 in Finnish at www.eabgroup.fi/vastuullisuus/vastuullisuus-elite-alfred-bergilla and www.eabgroup.fi/sijoita-meihin/raportit-ja-esitykset.

The parent company's annual general meeting will be held on 7 April 2022 in Helsinki, Finland. The Board of Directors will publish a separate invitation to the annual general meeting.

On 31 December 2021, there were a total of 13,843,272 shares in the parent company, of which 37,748 were held by the company. The parent company has not issued any warrants, convertible bonds or other financial instruments that would increase the total number of shares.

EAB Group Plc's half-year financial report from 1 January to 30 June 2022 is scheduled to be published on 5 August 2022.

EAB GROUP PLC
Board of Directors

Further information:
EAB Group Plc

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EAB Group's financial statement 1.1.–31.12.2021

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

EUR million	Annex	1-12/2021	1-12/2020
Fee income	1	22.1	18.5
Income from equity investments	2	0.0	0.0
Other operating income	3	0.1	0.1
OPERATING INCOME TOTAL		**22.2**	**18.7**
Fee expenses	4	-4.5	-4.9
Administrative expenses			
Personnel expenses	5	-8.6	-6.8
Other administrative expenses	6	-3.0	-3.2
Depreciation and amortization of tangible and intangible assets	11	-2.5	-2.7
Other operating expenses	7	-0.8	-0.7
Expected credit loss at amortized cost	8	-0.1	-0.1
Share of associated companies profit/loss	12	0.2	0.3
OPERATING PROFIT (LOSS)		**2.9**	**0.6**
Interest income	9	0.1	0.1
Interest expenses	10	-0.3	-0.4
Income taxes	13	-0.5	0.0
PROFIT/LOSS FOR THE PERIOD		**2.1**	**0.3**
COMPREHENSIVE INCOME / LOSS FOR THE PERIOD		**2.1**	**0.3**
Attributable to			
Equity holders of parent company		2.1	0.3
Non-controlling interest		0.1	0.0
COMPREHENSIVE INCOME / LOSS FOR THE PERIOD		**2.1**	**0.3**
Earning/share (EPS), diluted	14	**0.15**	**0.02**
Comprehensive earning/share (EPS), diluted		**0.15**	**0.02**

ELITE ALFRED BERG

GROUP BALANCE SHEET

EUR million	Annex	31.12.2021	31.12.2020
ASSETS			
Receivables from credit institutions	*15*	2.4	0.6
Receivables from the public and public sector entities	*16*	7.0	8.1
Shares and holdings	*18*	1.4	1.0
Holdings in associated companies	*19*	2.1	1.9
Intangible assets	*20*	12.4	12.9
Tangible assets	*21*	2.5	2.7
Share issue receivables	*22*	0.1	0.1
Other assets	*23*	0.1	0.1
Accrued income and prepayments	*24*	2.9	2.4
Deferred tax assets	*25*	2.5	3.1
TOTAL ASSETS		**33.4**	**32.8**
LIABILITIES AND EQUITY			
LIABILITIES			
Credit institution liabilities	*26*	4.6	5.5
Derivatives	*19, 27*	0.0	0.0
Other liabilities	*28*	3.7	3.7
Accrued expenses and advances received	*29*	4.3	4.1
Deferred tax liabilities		0.2	0.3
TOTAL LIABILITIES		**12.8**	**13.7**
EQUITY	*30*		
Share capital		0.7	0.7
Reserve for invested unrestricted equity		20.8	20.8
Retained earnings		-1.1	-2.5
PARENT COMPANY OWNERS' SHARE		**20.5**	**19.1**
Non-controlling interest share		0.1	
TOTAL EQUITY		**20.6**	**19.1**
TOTAL LIABILITIES AND EQUITY		**33.4**	**32.8**

GROUP STATEMENT OF CASH FLOW

EUR million	Annex	1-12/2021	1-12/2020
CASH FLOW FROM OPERATIONS			
Financial period result		2.1	0.3
Adjustments to the financial period result			
Depreciation and impairment		2.5	2.7
Interest income and expenses		0.2	0.4
Transactions that do not include payment		-0.2	-0.3
Income taxes		0.5	0.0
Change in working capital			
Change in receivables, increase (-) / decrease (+)		0.4	1.8
Change in non-interest-bearing liabilities, increase (+) / decrease (-)		0.3	-0.8
Change in working capital, total		0.7	1.0
Paid interests and fees		-0.3	-0.3
Interest received		0.0	0.0
Paid/received income taxes		0.0	0.0
CASH FLOW FROM OPERATIONS		**5.6**	**3.7**
CASH FLOW FROM INVESTMENTS			
Investments in intangible assets		-0.9	-1.0
Investments in tangible assets		-0.2	0.0
Other investments		-0.5	-0.1
Acquisitions of subsidiaries		0.0	0.0
CASH FLOW FROM INVESTMENTS		**-1.6**	**-1.1**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease debt		-0.8	-0.9
Paid capital returns / dividends		-0.7	0.0
Non-controlling interest acquisition		0.0	-0.4
Change in granted credit, increase (-) / decrease (+)		0.3	0.2
Dividends paid to the non-controlling partners of subsidiaries		0.0	0.0
Credit repayment		-0.9	-1.9
Credit withdrawals		0.0	0.5
CASH FLOW FROM FINANCING ACTIVITIES		**-2.1**	**-2.5**
Cash and cash equivalents at the beginning of the period		0.6	0.5
Change in cash and cash equivalents		1.8	0.1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2.4**	**0.6**

GROUP STATEMENT OF CHANGES IN EQUITY

	Equity of parent company owners					
EUR million	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest share	Total equity
Equity 1 January 2021	**0.7**	**20.8**	**-2.5**	**19.1**	**0.0**	**19.1**
Comprehensive earnings for the financial period						
Profit (loss) for the financial period			2.1	2.1	0.1	2.1
Transactions with the owners						
Dividends / return of capital			-0.7	-0.7		-0.7
Buy-back acquisitions		0.0		0.0		0.0
Sale of company's own shares		0.0		0.0		0.0
Other changes		0.0	0.0	0.0		0.0
Changes in subsidiary holdings						
Non-controlling interest acquisition that did not change the controlling interest			0.0	0.0		0.0
Equity 31 December 2021	**0.7**	**20.8**	**-1.1**	**20.5**	**0.1**	**20.6**

	Equity of parent company owners					
EUR million	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest share	Total equity
Equity 1 January 2020	**0.7**	**20.9**	**-2.5**	**19.2**	**0.1**	**19.3**
Comprehensive earnings for the financial period						
Profit (loss) for the financial period			0.3	0.3		0.3
Transactions with the owners						
Dividends / return of capital				0.0	0.0	0.0
Buy-back acquisitions		-0.1		-0.1		-0.1
Sale of company's own shares		0.0		0.0		0.0
Other changes		0.0	0.0	0.0		0.0
Changes in subsidiary holdings						
Non-controlling interest acquisition that did not change the controlling interest			-0.3	-0.3	-0.1	-0.3
Equity 31 December 2020	**0.7**	**20.8**	**-2.5**	**19.1**	**0.0**	**19.1**

Notes to the consolidated financial statement

Accounting policies

Group's basic information

The EAB Group is an investment service group that offers responsible investment and asset management services to private customers, businesses and professional investors. The group's parent company EAB Group Plc and its subsidiaries form the EAB Group. The parent company is domiciled in Helsinki, and its registered address is Kluuvikatu 3, 00100 Helsinki.

The consolidated financial statement covers 1 January – 31/12/2021. On 28 February 2021, the Board of EAB Group Plc approved the publication of the group's financial statements. In accordance with Finland's Limited Liability Companies Act, the ordinary general meeting has the right to accept, reject or change the financial statements after their publication.

A copy of the consolidated financial statement is available at www.eabgroup.fi or from the main office of the group's parent company at Kluuvikatu 3, 3rd floor, 00100 Helsinki.

Principles of preparing the financial statements

The consolidated financial statement of EAB Group Plc has been prepared in accordance with the interna-tional financial reporting standards (IFRS) approved in the EU, and the IAS and IFRS standards, as well as SIC and IFRIC interpretations valid at the end of the 2021 financial period, have been applied in preparing the financial statements. In addition to the IFRS, Finnish legislation on accounting and limited liability com-panies, as well as regulations by the authorities, have been considered in the preparation of the consoli-dated financial statement.

In Finland's Accounting Act and the regulations issued under it, international financial reporting standards refer to the standards and their interpretations that have been accepted to be applied for corporations as laid down by the Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the ap-plication of international accounting standards. The notes to the consolidated financial statement are also compliant with the requirements of accounting and corporate legislation that complement the IFRS regu-lations.

The figures in the financial statements are presented as millions of euros with one decimal place unless otherwise stated. The consolidated financial statement was prepared based on the original acquisition costs, except for derivative agreements and other financial assets and liabilities measured at fair value through profit or loss. The figures presented in the financial statements are rounded from exact figures, meaning that the combined sum of individually presented figures may differ from the presented sum. The key indicators have been calculated from the exact figures.

The Group reports its solvency to the Financial Supervision Authority in accordance with Regulation (EU) No 2034/2019 of the European Parliament and of the Council. The regulation entered into force in 2021. The solvency ratios presented correspond to those reported to the Financial Supervisory Authority and only include Group companies supervised by the Financial Supervisory Authority (EAB Group Plc, EAB Asset Management Ltd and EAB Fund Management Ltd) and the financial services companies EAB Service Ltd and SAV-Rahoitus Oyj.

Changes in items drawn in foreign currency

Transactions drawn in foreign currency are marked in functional currency at the ex-change rate of the transaction date. The exchange rate differences of any receivables or liabilities arising on the transaction date have been recognised in the income statement. The receivables and liabilities have not been set for the exchange rate of the closing date in the financial statements, as the items did not fundamentally im-pact the company's result.

Presentation of the statements of income and cash flow

Operating profit

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

Earnings per share (EPS)

Earnings per share are calculated by dividing the profit or loss of the parent company's shareholders with the average number of external shares of the financial period, except for the company's own shares held by the group.

Principles for calculating the statement of cash flow

The statement of cash flow includes the cash flows of liquid assets and other comparable funds during the financial period in all business operations. The statement of cash flow is presented in the indirect method of reporting cash flows from operating activities, in which the operational payment-based trans-actions are presented mainly in net terms. Cash flows are classified into cash flows of operating activities, investments, and financing activities.

Operating activities

Operating activities refers to activities that produce the principal revenue. The cash flow constitutes the principally received rewards and payments made to providers of goods and services and personnel. The items included in the changes of receivables and liabilities under operating activities are regular assets and liabilities belonging to operating activities.

Cash flow from investments

The cash flow from investments includes investments in intangible and tangible assets such as software licences, renovation work on leased facilities, and payments related to corporate acquisitions.

Financing activities

The financing activity transactions include equity item payments to shareholders, payments of interest-bearing debt to creditors, and lease debt.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balance payable on demand.

The accounting policies that require managerial discretion and key risk factors related to the estimates

When preparing the financial statements, the group's management makes estimates and assumptions on the future with conclusions that may differ from the estimates and assumptions made. They must also use discretion when applying the accounting policies of financial statements.

The main sections of financial statements, in which the group management has used discretion when applying the accounting principles, concern the income recognition principles and particularly the recognition of returns' profit distribution as income. The management has also used discretion in the assumptions used for testing depreciation, in the valuation of receivables and liabilities, and in recording the provisions concerning other uncertain risks.

The group management makes solutions based on discretion that concern the selection of accounting policies for financial statements and their application. Additionally, the estimates made in connection with preparing the financial statements are based on the management's best understanding at the closing date of the reporting period. The estimates are based on previous experiences and assumptions concerning the future and found the most likely at the time when the accounts are closed, and which relate to the expected development of the group's financial environment and the market situation. The group regularly monitors the realisation of the estimates and assumptions, as well as the changes in the factors behind them.

The group's main estimates and risk factors are presented in the financial statements in connection with the note in question.

New and changed standards, as well as interpretations to be applied in future financial periods

No new or changed standards are expected to have significant influence on the group's financial statements.

Operating income and segment information

Segment information

The Chief Operating Decision Maker (CODM) of the EAB Group is the CEO. Due to the EAB Group's business model, nature of operations, and management structure, the whole group is the operational segment subject to reporting. The Chief Operating Decision Maker observes operational profitability at the level of the entire group.

Information concerning the whole corporation

The EAB Group's operating income is entirely accrued in Finland, and the group's long-term assets are located in Finland. The group had no customers whose operating income amounted to at least 10% of the group's operation income in the 2020 and 2021 accounting periods.

Division of operating income

Accounting policy

The five-stage model is used in assessing customer agreements and recording sales profits to determine when and at what value the sales profits should be recorded. The model itemises the customer agreement and the agreement's performance obligations, defines transaction prices, allocates transaction prices for performance obligations, and records sales profits. Transaction prices are mostly fixed in the group. Sales profits from services are recorded when performing the service (in the process of time) or after performing the service (single point of time).

A detailed itemisation of the service types of profits is presented in the table. Profits of the fees from funds are mostly recorded over time, and at a single point in time for profits related to service operations after the service has been performed.

The biggest fee and commission income of the EAB Group come from asset management business and the management fees of related funds and asset management portfolios. Some fees are returned to the customer as fee returns. The management fee income from asset management and fee returns included in the net income are thus recorded monthly and invoiced mostly retrospectively in periods of one or three months. These fees are calculated typically based on the equity in the fund/customer portfolio and the agreed fee percentage over time.

The fees from selling insurance products are recorded when the agreement is made.

The EAB Group records the returns' profit distribution once the funds have been transferred to profit distribution, and if the distribution share is based on realised cash flows, and the management has assessed as highly likely that the fund will bear no repayment risk. The returns' profit distribution will be recorded once the EAB Group is deemed to have the right to it, and after the group has received confirmation of its amount.

The profit distribution share is earned based on the same performance liability as the management fees, and it is by nature a changing compensation, and its recording is affected by the "highly likely" restriction. The likely clawback risk is measured with the waiting model, that is, by calculating the weighted average for all possible conclusions.

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Division of operating income	2021	2020
Fees from UCITS funds	7.5	6.0
Fees from AI funds	5.5	4.1
Performance-based fees	0.9	2.2
Fees from full-proxy asset management	1.7	1.6
Fees from selling insurance products	0.8	1.0
Other investment service fees or commission	3.5	2.2
Service income	2.2	1.6
Other income	0.1	0.2
Total	**22.2**	**18.7**

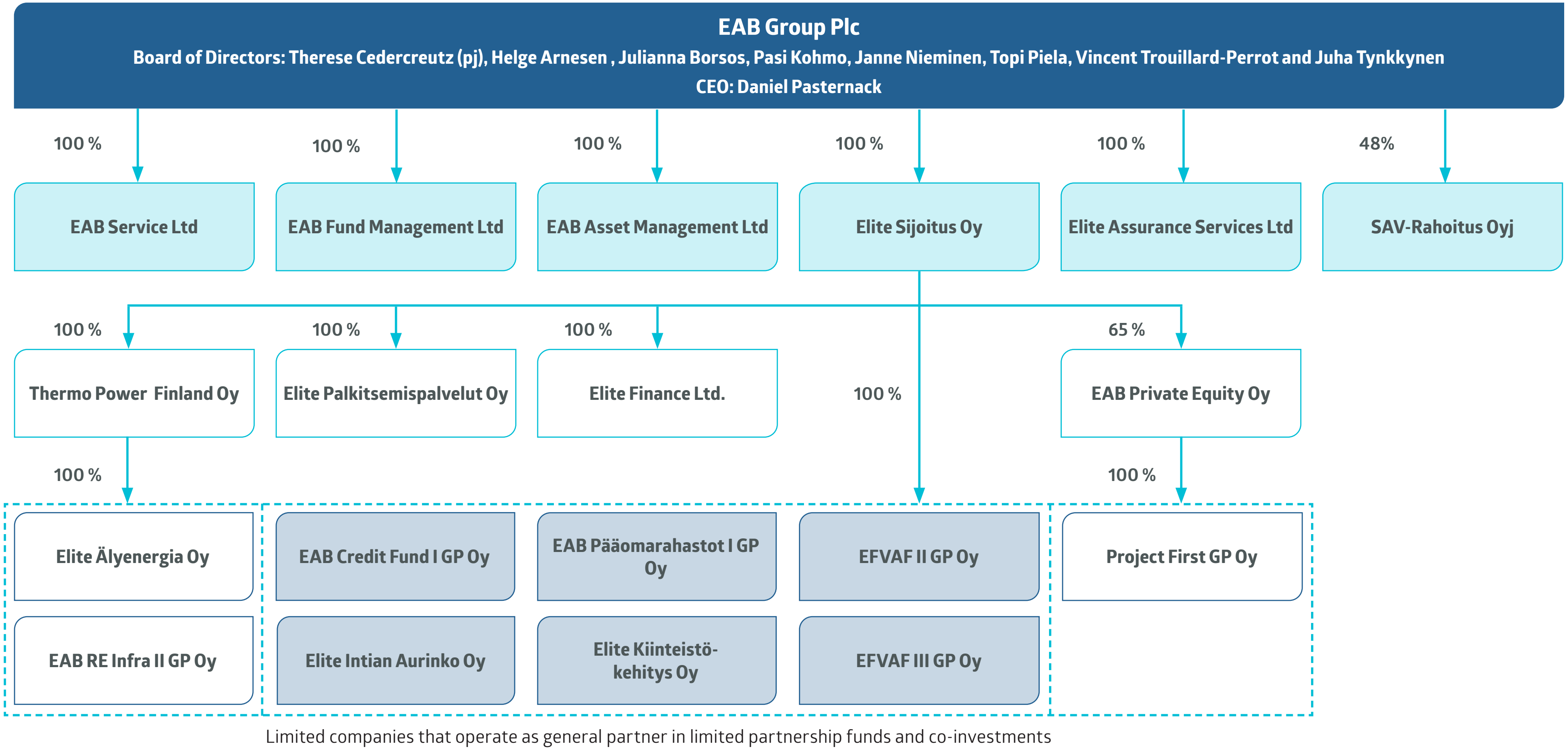
Date of the fulfilment of performance liability	2021	2020
At a single point in time	6.6	4.9
Over time	15.6	13.8
Total	**22.2**	**18.7**

Property items based on agreements	2021	2020
Uninvoiced asset management fees	1.3	1.1
Other uninvoiced fees	0.3	0.2
Property items based on agreements, total	**1.6**	**1.3**

The property items based on agreements are included in the accrued income of the balance sheet (Annex 24).

General consolidation principles

Group structure



General consolidation principles

Subsidiaries

The combined financial statements covers EAB Group Plc and all its subsidiaries over which the parent company has a controlling interest. The controlling interest arises when the group participates in the corporation and is subject to its changing income or has the right to its changing income and can influence the income by using its power over the corporation. Subsidiaries are combined to the consolidated financial statement starting from the date when the group gains a controlling interest in them. Correspondingly, the combination is ended on the date when the controlling interest ceases.

Mutual shareholding within the group has been eliminated with the acquisition method. The individualised assets, liabilities, and conditional assets and liabilities that the company bought in accordance with the acquisition method has at the time of acquisition are valued at fair value. Intangible assets that are not included in the acquired company's balance sheet, such as customer relationships, are identified and valued in connection with the purchase. Goodwill is entered to the extent that the value of the transferred compensation, non-controlling interest, and formerly owned share combined and measured at fair value exceeds the fair value net wealth of the acquired corporation at the time of acquisition.

All internal business transactions, receivables, liabilities and unrealised gains of the group, as well as internal profit distribution, are eliminated when preparing the consolidated final statement. Unrealised losses are not eliminated if the loss is a result of impairment. The distribution of the profit for the period to the owners of the parent company and non-controlling owners is presented in connection with the income statement. The non-controlling share of equity is presented as a separate item in the balance sheet. The comprehensive result is also allocated to the owners of the parent company and non-controlling owners if it will make the non-controlling owners' share negative.

Associated companies

Associated companies are companies over which the group has significant influence.

The consolidated financial statement includes the associated companies of which the parent company owns 20—50% of voting shares either directly or indirectly, or over which it has otherwise significant influence but no control power. The associated company is combined with the equity share method. The group's share of the profit or loss of associates is presented in its own row in the statement of comprehensive income. Associated companies have no other comprehensive income items.

Companies outside the group

Investment and alternative funds managed on behalf of customers are not combined with the consolidated financial account, because the group has no control in them. The group is not significantly exposed to the changes of yield from the funds' operation, and the group is therefore not considered to have control.

Associated companies	Shareholding, %	Share of voting control, %
SAV-Rahoitus Oyj	48	48

The assets and liabilities of the associated company are listed in Annex 19. Holdings in associated companies.

Changes in group structure

Changes in holdings during the financial period:

On 23 March 2021, Group company Elite Sijoitus Oy established a subsidiary, EAB EFVAF III GP Oy. On 26 June 2021, the parent company EAB Group Plc acquired all shares owned by the subsidiary Elite Sijoitus Ltd in SAV-Rahoitus Plc.

With a transaction completed on 12 October 2021, Group company Elite Sijoitus Oy acquired a 100% holding in EAB Private Equity Oy. On 29 November 2021, EAB Private Equity Oy arranged a directed issue in which Elite Sijoitus Oy and company's key personnel subscribed for new shares so that Elite Sijoitus Oy's shareholding in EAB Private Equity Oy decreased to 65%.

With a transaction completed on 13 November 2021, Group company EAB Private Equity Oy acquired a 100% percent holding in Project First GP Oy.

Related party transactions

The company's group structure is presented in detail on page 46. Consolidation and business combination.

The EAB Group's related parties include the partner company, subsidiaries, associated companies, and key persons in the group's management: Board members and the group's management team including the CEO. In addition to those mentioned above, their spouses and other close family members are considered related parties. Related parties also refer to companies in which the aforementioned persons have control or significant influence.

2021 Business with related parties	Key persons in management	Associated companies
Sales	0.0	0.0
Purchases	0.1	
Tied agent remuneration	0.0	
Lease agreements	0.0	
Granted loans	0.0	0.6

2020 Business with related parties	Key persons in management	Associated companies
Sales	0.0	0.1
Purchases	0.1	
Tied agent remuneration	0.6	
Lease agreements	0.0	
Granted loans	0.1	0.5

A key person in management has been granted a five-year loan of 0.1 million euros. The annual interest of the loan is 2%.

The company granted a share subscription loan for the company's management and key persons in 2018 in connection with the employee issue. The annual interest of the share subscription loan is 4%, and the debt is reduced evenly in every calendar quarter for five years. The debtor has the right to settle their debt before the due date. The debtor has pledged their shares of EAB Group Plc against the loan.

The share subscription loans have been specified in Annex 23. Share issue receivables.

Management employment benefits	2021	2020
Short-term employment benefits	-0.9	-0.8
Other long-term benefits		
Share-based fees		
Management employment benefits, total	**-0.9**	**-0.8**

Management employment benefits include salaries, fees, fringe benefits, payment-based pension costs, and other social costs.

Management salaries per person	2021	2020
Pasternack, Daniel (CEO)	-0.2	-0.2
Management team excluding the CEO	-0.7	-0.5
Management team salaries, total	**-0.9**	**-0.7**

The CEO and deputy CEO have the right to a statutory pension, and their retirement age is defined in accordance with the statutory employee pension scheme.In 2021, the CEO's statutory pension cost was 0.0 million euros (0.0 million euros in 2020).

The calculation principles for the share-based incentive system for rewarding the management, as well as the remuneration amounts, are specified in section 5. Personnel costs are on page 54.

Board's fees	2021	2020
Cedercreutz. Therese	0.0	0.0
Arnesen. Helge		
Borsos. Julianna	0.0	0.0
Kohmo. Pasi	0.0	0.0
Nieminen. Janne		
Piela. Topi	0.0	0.0
Trouillard-Perrot. Vincent		
Tynkkynen. Juha	0.0	0.0
Board's fees, total	**-0.1**	**-0.1**

Board members independent of the company receive 22,500 euros per year for working on the Board. The chair of the Board receives 30,000 euros as an annual reward for the term of office for working on the Board. The Adit Committee members receive 2,500 euros as an annual reward for the term of office.

Shares owned by the Board and management

The company's Board members, the CEO, and other management team members, as well as their related parties, owned a total of 6,507,521 company shares on 31 December 2021. These shares account for 47.01% of all shares, and 47.01% of the combined votes of shares.

Fees paid to the audit firm	2021	2020
Financial audit – group		
KPMG	0.2	0.1
Financial audit – parent company		
KPMG	0.1	0.2
Financial audit in total	**0.2**	**0.3**

Other than financial audit services	2021	2020
Advisor services – group		
KPMG	0.0	0.0
Others	0.0	0.0
Advisor services – parent company		
KPMG	0.0	0.0
Others	0.0	0.0
Advisor services in total	**0.1**	**0.1**

Financial risks and capital management

Risk management objectives

The purpose of EAB Group's risk management is to ensure that the essential risks for business are identified and reported, and that the risks are quantified, evaluated, managed and monitored. The goal of risk management is to ensure that the group's companies do not take a high risk that could fundamentally endanger the financial solidity or liquidity of one of the companies or the whole group.

Organisation and position of risk management in the group

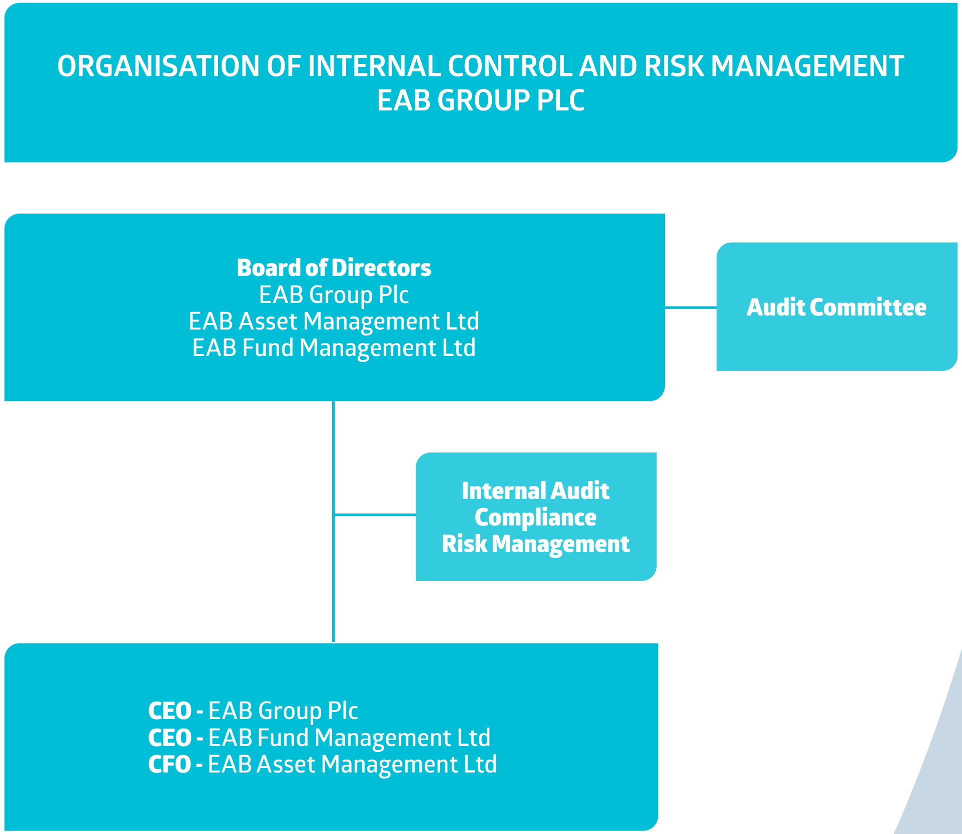
The Board of Directors of the group's parent company has decided not to establish a separate risk assessment function. When making its decision, the Board took into account the nature and scope of the business operations. Risk management is centralised and partly outsourced. The outsourcing of risk management does not affect the responsibility of the company's Board for the organisation of risk management.

The CEO bears the main responsibility for risk management. By controlling the risks and risk management, the CEO ensures that the group follows the risk management principles and risk strategy approved by the Boards. The CEO may delegate practical risk management tasks at their discretion.

The members of the group's management team are responsible for developing risk management within their area of responsibility. This means, among other things, introducing guidelines and rules in everyday operations. The members of the management team also ensure that each employee identifies the operational risks associated with their own work and the procedures for their management.

The Risk Management Committee assists the director responsible for risk management and other members of the risk management organisation. The committee is a preparatory body which, in some cases, also makes decisions on risk management issues.

The head of risk management reports primarily to the CEOs of the group companies when they are the persons responsible for the group's risk management. The head of risk management reports regularly, and at least every six months, to the group's Risk Management Committee, the Board of the group's parent company and the Boards of the authorised companies within the group on the key findings and analyses, as well as the proposals for action based on the findings. Reporting includes the actions taken to fix any issues.



Risk management and areas of risk

Risk management ensures the identification, assessment, measurement, limitation and reporting of risks that are significant in terms of the quality and nature of the group's operations as part of day-to-day business management. The risks may be internal or external, measurable or non-measurable, or within or beyond the group's control, meaning that the group cannot affect the risks directly and can only protect itself from the risks. The group has determined measurement methods for the management of measurable risks, and relevant assessment methods for the management of non-measurable risks.

Internal audit comprises independent and objective assessment and verification activities to audit the adequacy, effectiveness and efficiency of internal control. The internal auditor has unlimited rights to information and inspections in relation to the audited company.

Risk areas

In the EAB Group, the most significant risks are divided into five categories: 1) credit and counterparty risk, 2) market risk, 3) liquidity risk, 4) operational risks and 5) strategic risks.

Credit and counterparty risk

Credit risk generally refers to the risk that the borrower or other counterparty in a contract is not able to meet its obligations towards the company or the value of the collateral is not sufficient to cover the liability.

The credit risk mainly consists of fees charged from customers, deposits of liquid assets, loans granted and other commission and fee receivables. The group has an agreement-based right to charge fees from the customers, which can reduce exposure to credit risks. Based on its financial history, the group has a small amount of credit losses. The age distribution of sales receivables and overdue sales receivables are presented in Annex 16. The group companies have no other significant counterparty risk or credit risk accumulations.

The group defines the expected credit loss of the allocated acquisition cost for financial assets to be valued.

On 31 December 2021, the group had granted a total of 0.7 million euros (0.7 million euros), of which 0.0 million euros (0.0 million euros) was a short-term loan. The key terms and pledges for loans are described in the Annex Related party transactions.

Market risk

Market risk refers to the possibility of loss resulting from fluctuations in market prices. As regards the group's market-based products and services, the key factor in market risk management is to assess the impact of market developments on the Group's earning of fees and commissions.

The market risk and its potential impacts are measured, assessed and monitored in relation to the group's liquidity and its risk level and willingness to take risks. The group's market risk is managed by the CFO of the parent company.

Liquidity risk

The liquidity risk arises from an imbalance of cash flows. Liquidity risk refers to the risk that the group's liquid cash assets and the availability of additional financing are insufficient to cover its business needs.

The purpose of the group's effective liquidity position management is to maintain sufficient liquid assets so that financing for the group's business operations is continuously ensured, and that the group can fulfil its payment obligations regardless of external factors and factors dependent on other market operators.

The group's cash flow is formed of the fee income from asset management and performance-based fee income, the fee incomes of which are susceptible to changes in market values, as well as changes in the amounts of managed assets. The customer base of the group is dispersed, and it does not contain any significant credit risk accumulations.

The group limits its liquidity risk by regularly monitoring the liquidity position of the group and each group company. The group also maintains and regularly accumulates a buffer of unencumbered liquid assets in case of a quick and unexpected weakening of the liquidity position.

The group has long-term funding of 8,439,703 euros withdrawn in 2019, with a five-year loan period. The debt has an interest of 12 months Euribor + 4% marginal.

On the closing date, the group still had 1,000,000 euros in undrawn credit to secure the group's liquidity position.

The group regularly conducts stress tests on the basis of risk scenarios regarding the group and the market and scenarios combining these. Stress tests aim to detect any burdens on the liquidity position, review risk management guidelines, ensure the appropriateness of the approved level of risk taking in risk situations and develop continuity plans for liquidity risk. The CEO and the group's other senior management regularly discuss the scenarios that the stress tests are based on and the related assumptions, as well as the results of the tests carried out.

When the results of tests based on the scenarios so require, the key strategies and internal guidelines of the group and group companies will be corrected

The maturity distribution of the group's financial assets and liabilities have been presented in Annex 33, and the maturity distribution of derivative agreements in Annex 19

Operational risk

Operational risks are the group's most significant risk area, which is why operational risk management is the most important part of the group's risk management. Operational risk means the risk of loss resulting from inadequate internal processes, personnel, systems or external factors. Legal risks as well risks related to money laundering and terrorist financing are included in operational risks.

Operational risk management aims to reduce the likelihood and impact of unforeseen losses and any threats to the group's reputation. Operational risks are also covered partly with the asset liability insurance of the group's operation.

The group's senior management is responsible for developing and maintaining the methods used in managing operational risks

Operational risks are prevented by maintaining and developing operating methods, corporate culture, systems and expertise, and by ensuring that the group's controls function effectively, and that there are enough of them. The procedures for introducing new products and services include the organisation of operational risk identification and management.

As part of the Group's operational risk management, a self-assessment of risks and controls is performed on a regular basis. The aim is to identify key operational issues related to the Group's operational risks and to assess the probability and impact of risk materialisations in relation to the Group risk appetite, risk tolerance and risk-bearing capacity. Group-wide risk assessment is carried out at least once a year and immediately whenever the situation so requires. The Group has an operational risk reporting system in place with an aim for incidents to be addressed and the necessary corrective action to be taken.

Operational risks are managed with the help of risk identification that individualises the major operational risks of the group that have been identified and assessed, and in which the likelihood and impact of the risks are assessed. The risk identification that covers the whole group is updated regularly at least once a year and immediately if the situation demands it. The group has a reporting system for operational risks that allows the processing of damage events and based on which the decision to take corrective measures is made.

Strategic risk

The group's strategic risks arise from changes in the operating environment, such as general economic conditions, or changes in the competitive environment or markets. When realised, these risks may cause, for example, a reduction in business volume and the customer base, as well as changes in the product portfolio.

The balance sheet includes a significant amount of goodwill and deferred tax assets recognised in respect of losses confirmed or to be confirmed later in taxation. Their valuation is based on forecast growth of business and profitability. If the development of business operations is weaker than predicted, impairment losses may have to be recognised through profit or loss from balance sheet values.

The Board of Directors and the executive management of the group's parent company aim to identify and manage strategic business risks through continuous proactive planning based on analyses and forecasts of market developments, the situation of competitors, the situation of partners and the surveying of customers' needs. Predicting changes in the group's operating environment is of key importance in risk identification. Changes in the operating environment may include market-related changes, changes in legislation related to investment and insurance products, regulatory changes, tax changes affecting investment behaviour and changes in the business priorities of various partners.

The company's Board review and specify the group companies' strategy and strategic risks at least annually and discuss and decide on possible actions related to the companies' strategy.

Notes to the group income statement

1. FEE AND COMMISSION INCOME

	2021	2020
Fee income from asset management	19.0	14.8
Performance-based fees	0.9	2.2
Other fee income	2.3	1.7
Fee and commission income, total	**22.2**	**18.7**

The detailed itemisation of fee income has been presented in the Appendix operating income and segment information on page 44.

2. INCOME FROM EQUITY INVESTMENTS

	2021	2020
Dividend yield from financial assets valued at fair value	0.0	0.0
Income from equity investments, total	**0.0**	**0.0**

3. OTHER OPERATING INCOME

	2021	2020
Received allowances	0.0	0.1
Other operating income	0.1	0.0
Operating income, total	**0.1**	**0.1**

4. FEE EXPENSES

	2021	2020
Tied agent remuneration/subscription fees	-3.3	-2.8
Asset management fees	-0.6	-1.8
Other expenses	-0.5	-0.3
Fee expenses, total	**-4.5**	**-4.9**

5. PERSONNEL EXPENSES

Accounting policies

The EAB Group's personnel remuneration consists of salaries, overtime bonuses, bonuses, and long-term incentive programmes. The group has offered re-employment training for some of its employees.

Salaries and fees are paid monthly and recorded in the income statement as they arise.

The EAB Group has a bonus system for its personnel. The group's management team, portfolio management team, and certain key persons have their own bonus systems. The group also has a general remuneration system for the whole personnel. The rewards are paid once a year in the general and management team's systems, and twice a year in the bonus system for the portfolio management team.

On 7 August 2020, the EAB Group announced a long-term share-based incentive system for the management team. The purpose of the system is to bring together the goals of the owners and key persons to increase the company's long-term value. The system's

	2021	2020
PERSONNEL EXPENSES		
Salaries and fees	-7.2	-5.8
Social costs	-0.2	-0.1
Pension costs	-1.2	-0.9
Total	**-8.6**	**-6.8**
Average number of employees in the financial period	89	88
Number of employees at the end of the financial period	89	88
REMUNERATIONS		
Changing cash part	-0.6	-0.4
Social security costs	0.0	0.0
Pension costs	0.0	0.0
Deferred part	-0.1	
Number of recipients	52	18

	2021	2020
JOHDON OSAKEPOHJAINEN KANNUSTINJÄRJESTELMÄ		
Date of issue	7.8.2020	7.8.2020
Maximum number	635 000	635 000
Entitlement period	1.8.2020-31.7.2022	1.8.2020-31.7.2022
Maximum validity, years	5	5
Persons at the end of the financial period	9	9
Realisation method	Cash and share	Cash and share
Valuation principles for the granted incentive		
Allocation course, euros	2.08	2.08
Share price at the end of the financial period, euros	3.05	3.14
Estimated yield, %	3	3
Fair value in total, thousands of euros	118	118
An estimate of the share-based fees marked as expenses in the financial period, thousands of euros	41	16

Other management salaries and fees are presented in Related party transactions in the same section with Board fees.

purpose is also to bind the key persons to enforcing the company's strategy, the realisation of targets, and the long-term benefit of the company, and to provide them with a competitive remuneration system that is based on earning and accumulating shares.

The share-based incentive system consists of three two-year earnings periods, from 1 August 2020 to 31 July 2022, from 1 August 2021 to 31 July 2023 and from 1 August 2022 to 31 July 2024. The Board determines the system's earnings criteria and the goals for each criterion at the beginning of each earnings period.

In the general remuneration system, a maximum of 5% of the group's net result can be shared with the group's employees as a bonus. Half the total remuneration sum has been distributed to the employees in the whole remuneration system and the other half based on individual results. The bonus is usually paid out as money.

The group has also established an employee fund for all its personnel. Of the employee's remuneration, 25% is paid directly into the employee fund, and the employee can decide whether to place the remaining bonus sum in the fund or withdraw it. The first transactions to the fund were made in 2018 from the remuneration of 2017. The group holds no investment risk for the employee fund's operative result. The investment risk for the fund belongs to the employee.

All pension schemes of the EAB Group are based on payments. The impact on the profit or loss of the transactions in the performance-based pension schemes is marked on the financial period the charge concerns. The company has no benefit-based pension schemes.

The EAB Group follows the agreements on the termination of an employment relationship that are in accordance with current legislation when paying compensation at the end of an employment relationship.

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6. OTHER ADMINISTRATIVE EXPENSES

	2021	2020
Voluntary social security costs	-0.3	-0.2
IT costs	-1.7	-1.5
Travel costs	-0.1	-0.1
Vehicle costs	0.0	0.0
Sales and marketing costs	-0.2	-0.3
Legal and financial services	-0.5	-0.5
Office costs	-0.1	-0.4
Other administrative expenses	-0.2	-0.3
Other administrative expenses, total	**-3.1**	**-3.2**

7. OTHER OPERATING EXPENSES

	2021	2020
Membership fees	0.0	0.0
Rent fees	-0.2	-0.1
Authorities' fees	-0.1	-0.1
Financial audit services	-0.1	-0.3
Insurances	-0.1	-0.1
Other expenses	0.0	0.0
Other operating expenses, total	**-0.6**	**-0.7**

8. EXPECTED CREDIT LOSS OF THE FINANCIAL ASSETS RECORDED IN THE ALLOCATED ACQUISITION COST, NET

	2021	2020
Receivables from the public and public sector entities		
Realised loss	0.0	0.0
Expected credit loss	-0.1	-0.1
Expected credit loss of the financial assets recorded in the allocated acquisition cost, total net	**-0.1**	**-0.1**

Accounting policy

Interest income and expenses are calculated with the effective interest method. When an impairment loss is recorded under an agreement for the financial assets, the interest continues to accumulate for the reduced accounting balance with the original effective interest of the agreement. If payments from the interest are unlikely, it will be marked as an impairment loss. Interest income from the financial assets are recorded under interest income.

Debt liability costs

Debt liability costs are recorded under the periods during which they were arose. Transaction costs caused directly by acquiring debt and that concern a specific debt are included in the original acquisition cost and allocated as interest expenses using the effective interest method.

9. INTEREST INCOME

	2021	2020
Interest income on receivables from the public and community	0.1	0.1
Other interest income	0.0	0.0
Total interest income	**0.1**	**0.1**

10. INTEREST EXPENSES

	2021	2020
Interest expenses from property items with access rights	0.0	0.0
Interest expenses from other debt liability items		
Debt to the public, public communities, and credit institutions	-0.2	-0.3
Other interest expenses	-0.1	-0.1
Total interest expenses	**-0.3**	**-0.4**

11. DEPRECIATION AND IMPAIRMENT

	2021	2020
Depreciation		
Development expenditure	-1.4	-1.4
Other intangible assets	-0.2	-0.3
Licences and software	0.0	0.0
Renovation expenses for leased facilities	-0.1	-0.1
Property items with access rights in relation to leased facilities	-0.8	-0.8
Property items with access rights in relation to machinery and equipment	0.0	-0.1
Machinery and equipment	0.0	-0.1
Impairment		
Impairment of goodwill	0.0	0.0
Depreciation and impairment on tangible and intangible assets in total	**-2.5**	**-2.7**

The depreciation concerning the group's development expenses arose from the investment in the further development of the ERP system.

12. SHARE OF THE ASSOCIATED COMPANY'S EARNINGS

	2021	2020
SAV-Rahoitus Oyj	0.2	0.3

EAB Group Plc is not part of the daily management of the associated company's operation, but instead focuses on the strategic decisions at the Board level. The associated company's financial statements were available when preparing the financial statements.

13. INCOME TAXES

The tax expenses on the income statement consist of the tax based on the period's income subject to taxation and the deferred tax. The tax based on the period's income subject to taxation is calculated with the current tax rate or with the tax rate accepted in practice by the closing date of the financial statements. Taxation is corrected with possible taxes from the previous periods. The group reduces the tax income and liabilities separately based on the period's income subject to taxation only if the group has a legally effective right to set the recorded items apart, and the group wants to perform the transaction in net or liquidate the property item and pay off the debt at the same time.

The deferred income tax liability of each temporary difference between the book value and fiscal value is recorded, unless it is an investment in a subsidiary, and the group can determine the dissolution date, and if the temporary difference is unlikely to be dissolved in the foreseeable future. Nor will the deferred income tax liability be recorded if it is due to the original recording of a property item or debt, and not about merging business activities, and the transaction would not affect the accounted result or the income subject to taxation at the time of its realisation.

Deferred tax assets are recorded for all deductible temporary differences. However, the deferred tax assets are recorded from deductible losses in taxation up to the point where it becomes likely that there will be taxable income in the future against which the temporary difference can be used. The recording prerequisites for deferred tax assets are assessed at the closing date of each reporting period.

	2021	2020
Tax based on the financial period's income subject to taxation	-0.1	0.0
Tax from the previous financial periods	0.0	0.0
Deferred tax	-0.4	0.1
Total income taxes	**-0.5**	**0.0**
Comparing the taxes calculated using the current tax rate with the taxes presented in the income statement		
Result before taxes	**2.6**	**0.2**
Taxes with domestic tax rate	-0.5	0.0
Impact of tax-free income	0.0	0.2
Impact of non-deductible expenses	-0.1	-0.1
Tax from the previous financial periods	0.0	0.0
Other change in deferred tax	0.0	0.0
Unrecorded taxes for losses	0.0	0.0
Tax assets from the losses in previous financial periods	0.0	0.0
Other taxes	0.1	0.0
Taxes in the income statement	**-0.5**	**0.0**

Deferred tax assets and liabilities

Changes in deferred taxes in 2021:

DEFERRED TAX ASSETS	1.1.2021	Recorded with impact on profit or loss	Recorded in equity	31.12.2021
Provisions	0.0			0.0
Confirmed losses	3.5	-0.4		3.1
Employee benefits	0.0	0.0		0.0
Other items	-0.4	-0.1		-0.5
Total	**3.1**	**-0.5**	**0.0**	**2.5**

DEFERRED TAX LIABILITIES	1.1.2021	Recorded with impact on profit or loss	Recorded in equity	31.12.2021
Other items	0.3	-0.1		0.2
Total	**0.3**	**-0.1**	**0.0**	**0.2**

DEFERRED TAX ASSETS	1.1.2020	Recorded with impact on profit or loss	Recorded in equity	31.12.2020
Provisions	0.0			0.0
Confirmed losses	3.2	0.3		3.5
Employee benefits	0.0	0.0		0.0
Other items	-0.3	-0.1		-0.4
Total	**2.9**	**0.1**	**0.0**	**3.1**

DEFERRED TAX LIABILITIES	1.1.2020	Recorded with impact on profit or loss	Recorded in equity	31.12.2020
Other items	0.2	0.1		0.3
Total	**0.2**	**0.1**	**0.0**	**0.3**

The tax assets recorded from confirmed losses are based on tax decisions, and the change in 2021 is based on the assumed loss subject to taxation to be confirmed. The expectation is that it will be possible to use the losses in future results. The losses are due in 2024—2030.

14. EARNINGS PER SHARE (EPS)

The undiluted earnings per share are calculated by dividing the earnings belonging to the company's shareholders with the weighted average of external shares of the financial period without the shares held by the company itself

In 2021 and 2020, no items affected the earnings per share corrected with the dilutive effect, so earnings per share are calculated in the same way as undiluted earnings per share.

	2021	2020
Financial period result belonging to the parent company's shareholders	2.1	0.3
The financial period result to calculate the earnings per share corrected with the dilutive effect	2.1	0.3
Shares, 1,000		
Average weighted number	13 800	13 814
Company shares	38	50
Earnings per share, euros		
Undiluted	0.15	0.02
Diluted	0.15	0.02

Notes to the group balance sheet

Accounting policies

In accordance with the IFRS 9 standard, the group has calculated the amount of the expected credit loss (ECL) of receivables from credit institutions and receivables from the public and public sector entities. Receivables from the public and credit institutions contain receivables from loans and sales.

The expected credit loss (ECL) is calculated with a formula weighted by probabilities. The expected credit losses depict the group's assessment of the amount of cash flows based on the agreement's receivables are not obtained. All the group's financial assets included in the ECL calculation are level 1, meaning that the credit risk has not increased significantly.

The group applies a simplified method to define the expected credit loss for the part of sales receivables recorded under the allocated acquisition costs and property items based on customer agreements compliant with IFRS 15. In the simplified method, the expected credit losses are determined with the provision matrix and marked at an amount corresponding to the expected credit loss for the whole validity period. The expected credit loss is assessed based on historical data of previous realised credit loss, as well as the future prospect at the time of inspection.

15. RECEIVABLES FROM CREDIT INSTITUTIONS

	2021	2020
From Finnish credit institutions	2.4	0.6
Total receivables from credit institutions	**2.4**	**0.6**

16. RECEIVABLES FROM THE PUBLIC AND PUBLIC SECTOR ENTITIES

	2021	2020
Loan receivables	0.7	1.5
Sales receivables	5.8	6.6
Receivables from the public and public sector entities, total	**6.5**	**8.1**

Age distribution of sales receivables

	2021	2020
Undue	5.5	6.3
Overdue		
Less than 30 days	0.1	0.1
30–60 days	0.0	0.0
61–90 days	0.0	0.0
more than 90 days	0.1	0.3
Total	**5.8**	**6.6**

17. EXPECTED CREDIT LOSS

Financial assets and sales receivables valued at the allocated acquisition cost

BALANCE SHEET ITEM	Value 31.12.2021	Expected credit loss 2021	Value 31.12.2020	Expected credit loss 2020
Receivables from credit institutions	2.4	0.0	0.6	0.0
Receivables from the public and public sector entities				
Receivables from the public, companies	1.1	0.1	1.1	0.1
Receivables from the public, private persons	0.1	0.0	0.4	0.1
Sales receivables	5.8	0.1	6.6	0.0
Balance sheet items, total	**9.4**	**0.3**	**8.7**	**0.2**

18. SHARES AND HOLDINGS

SHARES AND HOLDINGS	2021	2020
Measured at fair value through profit or loss		
Others measured at fair value through profit or loss	1.4	1.0
Shares and holdings, total	**1.4**	**1.0**

19. HOLDINGS IN ASSOCIATED COMPANIES

HOLDINGS IN ASSOCIATED COMPANIES	2021	2020
At the beginning of the financial period	1.9	1.6
Share of the period's earnings	0.2	0.3
Additions	0.0	
At the end of the financial period	**2.1**	**1.9**

HOLDINGS IN ASSOCIATED COMPANIES	
Company name	SAV-Rahoitus Oyj
Domicile	Helsinki
Assets	31.3
Liabilities	30.0
Turnover	3.6
Profit/loss	0.4
EAB Group's share of profit/loss	0.2
Shareholding, %	48

20. DERIVATIVE CONTRACTS

Accounting policy

Derivatives are classified as financial assets and liabilities measured at fair value through profit or loss. Derivative contracts are recorded in accounting originally at fair value on the date when the group becomes a contracting partner. After the acquisition, derivative contracts are measured at fair value. Profit and loss resulting from the measurement at fair value are handled in accounting in the manner determined by the derivative contract's purpose

The company does not apply hedge accounting, and the derivatives are classified as held for trading.

Interest derivatives protect the interest risk of the balance sheet

The changes in derivative values during the financial period and the realised profit and losses are presented as interest income and expenses in the income statement.

At the end of the 2021 financial period, the company has no valid interest derivative contracts.

The financial risk associated with interest derivatives is explained in the Risks section.

21. INTANGIBLE ASSETS

Accounting policy

Goodwill

The goodwill arising from combining business activities corresponds to the part of acquisition costs with which the transferred compensation, non-controlling interest, and formerly owned share combined and measured at fair value exceed the group's share of the acquired corporation's net wealth at fair value at the time of acquisition. If the acquisition cost is smaller than the net assets at fair value, the difference is released to income immediately. The goodwill is valued at the original acquisition cost with deductions for impairment. Depreciation is not recorded for goodwill. To test the impairment, goodwill is allocated to the units producing cash flows inside the group. Goodwill is tested for possible impairment annually (31 December), and every time there are signs that the value may have declined.

To test the impairment of goodwill, the accumulated sum of money by the units producing cash flows has been defined by calculating the use value. The use value of units producing cashflows is defined with the current value method. Cash flow predictions are based on three-year cash flows based on strategic plans and accepted by the management. Cash flows extending past the three-year prediction period have been calculated using the final value method. The growth of final value has been determined with 5% annual growth, which corresponds to the estimate of the long-term growth of cash flows.

Key variables used in calculating the use value

The income and expenses of units producing cash flows are assessed based on the management's understanding of future development with attention paid to the general market development. Income is expected to grow by 13.1% annually on average in each review period, and similarly, expenses are expected to grow by 8.0% annually. Cash flows have not acknowledged any future business acquisitions.

The discounting interest is the weighted average cost of capital before taxes (WACC) The WACC consists of risk-free interest, a market risk premium, and the company's size premium. WACC of 8.8% was used in the calculation.

Testing did not reveal any need to record impairment of goodwill during this financial period.

Sensitivity analysis

A sensitivity analysis has been conducted on the units that produce cash flows by changing individual calculation assumptions. Each of the following changes, if other factors remain the same, would lead to the unit's book value being equivalent to the amount of money that can be obtained from it.

	Change
Discounting interest, before taxes	growth 16.40 pp
Final value's growth speed	decrease over 2100 pp
Growth percentage	decrease approximately 49%

Management discretion

The testing of goodwill is based on the future net cash flows accumulated by the units that produce cash flows that contain goodwill, which are compared to the units' book value. The testing requires assumptions that relate to the development of profits and operating expenses, as well as the level of discounting interest. At the closing date, the management team assessed that there are no possible changes, when reasonably estimated with key assumptions, that could cause a situation in which the book value of a unit producing a cash flow would exceed its accumulating amount of money.

GOODWILL	2021	2020
Acquisition cost 1 January	**9.3**	**9.3**
Additions		
Acquisition cost 31 December	9.3	9.3
Accumulated impairments 1 January	**-0.2**	**-0.2**
Impairment recorded on the financial period		
Accumulated impairments 31 December	-0.2	-0.2
Book value 31 December	**9.1**	**9.1**

Intangible assets

An intangible asset is marked on the balance sheet only if the asset's acquisition cost can be determined reliably, and it is likely that the financial benefit expected from the asset will be for the good of the company. An intangible asset that has a limited period of influence will be marked on the balance sheet in its original acquisition cost and recorded as a straight-line depreciation cost in the income statement during its estimated financial impact. Intangible assets include development expenses, software licences, and other intangible rights that have a financial impact of 3–5 years.

Research expenses are recorded as costs that have an impact on profit or loss. Development expenses are marked on the balance sheet as intangible assets starting from when the development stage's expenses can be determined reliably, the product can technically be produced, the group can use or sell the product, the group can indicate how the product can produce a likely financial benefit, and the group has plans and resources to finish the development work and use or sell the product. Development expenses previously marked as costs will not be marked on the balance sheet again later. Depreciation will be marked on an asset once it is ready to be used. An asset that is not ready to be used is tested annually for impairment.

In April 2021, the IFRS Interpretations Committee issued a final decision on accounting for configuration and customization costs of cloud services (IAS 38 Intangible Assets). In the decision, the Interpretation Committee considered whether the customer is applying IAS 38 on accounting ofr configuration and customization of the intangible asset, and if intangible asset is not recorded, how the customer records those configuration and customization costs. Company has taken into account the effects of the decision on the accounting of cloud services during the financial year and stated that the decision had no effect on the EAB Group's financial reporting.

Impairment of tangible and intangible assets

On every closing date of financial statements, the group will assess whether there are indications of impairment of the value of a property item. If there are such indicators, the amount of money obtainable from the property item in question will be assessed. The obtainable amount of money is also assessed annually for the part of goodwill and unfinished intangible assets, regardless of whether there are signs of impairment or not. The need for impairment is inspected on the level of units producing cash flows.

The obtainable amount of money is the fair value of the property item less the expenses from sales or a use value higher than this. The use value refers to the assessed equivalent net cash flow of the property item in question or of the unit producing cash flow that is discounted at its current value. The interest determined before taxes is used as the discounting interest, which depicts the market view on the time value of money and special questions related to the property item.

Impairment loss is recorded when the book value of the property item exceeds the amount of money obtainable from it. Impairment loss is recorded directly with an impact on profit or loss. In connection with recording the impairment loss, the period of financial influence of the property item that is the target of depreciation is reassessed. The impairment loss is revoked if the conditions have changed, and the asset's obtainable amount of money has changed since the impairment loss was recorded. However, an impairment loss will not be revoked any further than the property item's book value would be without recording the impairment loss. Impairment loss recorded on goodwill will not be revoked in any circumstances.

INTANGIBLE RIGHTS	2021	2020
Acquisition cost 1 January	**1.9**	**1.9**
Additions		
Acquisition cost 31 December	1.9	1.9
Accumulated depreciation 1 January	**-1.4**	**-1.1**
Depreciation during the period	-0.2	-0.3
Impairment		
Accumulated depreciation 31 December	-1.6	-1.4
Book value 31 December	**0.3**	**0.5**

DEVELOPMENT EXPENDITURE	2021	2020
CRM development expenditure		
Acquisition cost 1 January	**6.2**	**3.6**
Additions	1.1	0.9
Transfers between items	0.0	1.7
Acquisition cost 31 December	7.4	6.2
Accumulated depreciation 1 January	**-3.7**	**-1.7**
Depreciation during the period	-1.3	-1.2
Transfers between items, accumulated depreciation	0.0	-0.8
Accumulated depreciation 31 December	-5.0	-3.7
Book value 31 December	**2.4**	**2.6**
The group's development expenditure additions consist of the investment in the further development of the ERP system.		
Other development expenditure		
Acquisition cost 1 January	**1.8**	**1.7**
Additions	0.1	0.1
Acquisition cost 31 December	1.9	1.8
Accumulated depreciation 1 January	**-1.2**	**-0.9**
Depreciation during the period	-0.2	-0.2
Accumulated depreciation 31 December	-1.3	-1.2
Book value 31 December	**0.5**	**0.6**
Book value 31 December	**2.9**	**3.2**

COMPUTER SOFTWARE AND LICENCES	2021	2020
Acquisition cost 1 January	**0.0**	**1.8**
Additions		
Transfers between items		-1.7
Acquisition cost 31 December	0.0	0.0
Accumulated depreciation 1 January	**0.0**	**-0.8**
Depreciation during the period	0.0	0.0
Transfers between items, accumulated depreciation	0.0	0.8
Accumulated depreciation 31 December	0.0	0.0
Book value 31 December	**0.0**	**0.0**

OTHER INTANGIBLE ASSETS	2021	2020
Acquisition cost 1 January	**0.1**	**0.1**
Additions	0.0	0.0
Acquisition cost 31 December	0.1	0.1
Accumulated depreciation 1 January	**-0.1**	**0.0**
Depreciation during the period	0.0	0.0
Accumulated depreciation 31 December	-0.1	-0.1
Book value 31 December	**0.1**	**0.1**

22. TANGIBLE ASSETS

Tangible capital goods have been valued at original acquisition cost less accumulated depreciation and impairment. Expenses that are directly caused by acquisitions of tangible capital goods are included in the acquisition cost. Later expenses will be included in the book value of the tangible capital goods only if it is likely that the future financial benefit related to the asset is for the benefit of the group, and the asset's acquisition cost can be determined reliably. Other expenses related to corrections and maintenance are recorded with an impact on profit or loss as soon as they are realised.

Assets are depreciated on a straight-line and declining-balance basis during the estimated period of financial impact. The estimated periods of financial impact are as follows:

Machinery and equipment	declining-balance depreciation 25%
Property items with access rights	lease agreement term
Basic renovations of leased facilities	lease agreement term

The written-down value of assets and period of financial impact are inspected at the end of each financial period and corrected when necessary to reflect the changes in expectations of financial benefit.

The depreciation of tangible capital goods begins when the property item is ready to be used. Depreciation ends only when the tangible capital goods are sold, or when the tangible capital goods are classified as held for sale in accordance with the IFRS 5 Non-current Assets Held for Sale and Discontinued Operations standard.

The profit and loss arising from withdrawing tangible capital goods from use or transferring them are included in the other operating income and expenses.

TANGIBLE CAPITAL GOODS	2021	2020
Machinery and equipment	0.1	0.2
Basic renovation of leased facilities	0.1	0.1
Other tangible assets	0.0	0.0
Property items with access rights, buildings	2.3	2.4
Property items with access rights, machinery and equipment	0.0	0.0
Tangible capital goods, total	**2.5**	**2.7**

MACHINERY AND EQUIPMENT	2021	2020
Acquisition cost 1 January	**0.7**	**0.7**
Additions	0.0	0.0
Acquisition cost 31 December	0.7	0.7
Accumulated depreciation 1 January	**-0.5**	**-0.5**
Depreciation during the period	0.0	-0.1
Accumulated depreciation 31 December	-0.6	-0.5
Book value 31 December	**0.1**	**0.2**

BASIC RENOVATION OF LEASED FACILITIES	2021	2020
Acquisition cost 1 January	**0.4**	**0.4**
Additions	0.0	0.0
Acquisition cost 31 December	0.4	0.4
Accumulated depreciation 1 January	**-0.2**	**-0.2**
Depreciation during the period	-0.1	-0.1
Accumulated depreciation 31 December	-0.3	-0.2
Book value 31 December	**0.1**	**0.1**

OTHER TANGIBLE ASSETS	2021	2020
Acquisition cost 1 January	**0.0**	**0.0**
Acquisition cost 31 December	0.0	0.0
Book value 31 December	**0.0**	**0.0**

Other tangible assets include works of art.

Lease agreements – the group as the lessee

When the agreement is concluded, the group assesses whether the agreement is a lease agreement or includes a lease agreement. The agreement is a lease or contains a lease if the lease agreement gives the control right related to the use of the individualised property item for a fixed term and against compensation.

The group records the property item with access rights, as well as the lease agreement liability, when the agreement enters into force. The property item with access rights is originally valued in the acquisition cost that includes the amount based on the original valuation of the lease agreement liability, rents paid by the time the agreement enters into force less any incentives received in relation to the lease agreement, any direct initial expenses for the group, and an assessment of the expenses related to the return to original state that arise for the group.

The group's property items with access rights consist of the office facilities, storages, vehicles, IT machinery and equipment, and coffee machines. The lease agreements do not contain significant terms on the return and maintenance fees of the target.

After the agreement enters into force, the property items with access rights are valued with the acquisition cost less accumulated depreciation and impairment losses that are corrected with specific items from redefining the lease agreement liability. Depreciation is recorded on a straight-line basis from the property item with access rights from the agreement's entry into force, either for the period of financial impact of the property item with access rights or during the lease term, whichever of these is shorter. The expected period of financial impact applied by the group is five years.

The property item with access rights is tested for impairment when required, and any impairment losses are recorded with an impact on profit or loss.

Lease agreement liability is valued originally as the current value of the lease payments that have not been performed when the agreement enters into force. Lease agreement payments are discounted with the internal interest rate of the lease agreement, or if this interest rate is difficult to determine, the interest for the group's additional credit. The group uses its additional credit interest as the discounting interest rate. When determining the additional credit interest, the interest level of closing the accounts of external lending was acknowledged. The interest used in the calculation was 1.2% + Euribor (12 months).

The fixed payments included in the lease agreement payments and changing rent, which depend on the index or price level, and which are originally determined based on the index or price level at the time when the agreement enters into force. Lease agreement payments also contain the amounts that the group is expected to pay based on the written-down value guarantee and the execution price of the acquisition option if it is reasonably certain that the group will use the option in question, as well as the sanctions caused by the termination of the lease agreement, if the lease term acknowledges that the group will use the option to terminate the lease agreement.

Lease agreements concerning short-term and insubstantial property items

The group has applied an exception regarding recording on both short-term lease agreements (the lease term is no more than 12 months) and lease agreements for a low-value product item.

The group will record the rental expenses related to these lease agreements as other operating expenses in fixed instalments during the lease term.

Property items with access rights

BUILDINGS	2021	2020
Acquisition cost 1 January	**5.5**	**4.9**
Additions	0.6	0.6
Decreases	0.0	-0.1
Acquisition cost 31 December	6.1	5.5
Accumulated depreciation 1 January	**-3.1**	**-2.3**
Depreciation during the period	-0.8	-0.8
Accumulated depreciation 31 December	-3.8	-3.1
Book value 31 December	**2.3**	**2.4**

Machinery and equipment	2021	2020
Acquisition cost 1 January	**0.4**	**0.4**
Additions	0.0	0.0
Decreases	0.0	0.0
Acquisition cost 31 December	0.4	0.4
Accumulated depreciation 1 January	**-0.4**	**-0.3**
Depreciation during the period	0.0	-0.1
Accumulated depreciation 31 December	-0.4	-0.4
Book value 31 December	**0.0**	**0.0**

Lease agreement liability values	2021	2020
Short-term	0.7	0.8
Long-term	1.6	1.7
The value of lease agreement liabilities in the balance sheet on 31 December	**2.3**	**2.4**

The lease agreement items are handled in the income statement	2021	2020
Payments of lease debt	-0.8	-0.9
Interest expenses from lease agreement liabilities	0.0	0.0
Short-term lease agreements	-0.1	-0.1
Total impact on the income statement	**-0.9**	**-1.0**

The maturity distribution of lease agreement liabilities is presented in section 33. The maturity distribution of financial assets and liabilities is on page 73

23. SHARE ISSUE RECEIVABLES

	2021	2020
Personnel	0.1	0.1
Tied agents	0.0	0.0
Share issue receivables, total	**0.1**	**0.1**

24. OTHER ASSETS

	2021	2020
Rental deposit	0.1	0.1
Other receivables	0.0	0.0
Other assets, total	**0.1**	**0.1**

25. ACCRUED INCOME AND PREPAYMENTS

	2021	2020
Tax assets	0.0	0.0
Prepayments	0.0	0.0
Property items based on agreements	1.6	1.3
Other receivables		
Fees charged from funds to be founded	0.5	0.1
Accrued interest	0.2	0.1
Tied agent receivables	0.1	0.4
Other receivables	0.5	0.4
Accrued income and prepayments, total	**2.9**	**2.4**

26. CREDIT INSTITUTION LIABILITIES

	2021	2020
Credit institutions		
Payable on demand	4.6	5.6
Credit institution liabilities, total	**4.6**	**5.6**

27. DERIVATIVES

	2021	2020
Derivative contracts	0.0	0.0
Derivative contracts and other liabilities kept for trading purposes, total	**0.0**	**0.0**

28. OTHER LIABILITIES

	2021	2020
Lease agreement liabilities	2.3	2.4
Trade payables	0.5	0.5
Personnel related liabilities	0.2	0.1
Associated company liabilities	0.5	0.5
Other short-term debt	0.1	0.0
Outstanding VAT	0.1	0.1
Other liabilities, total	**3.7**	**3.7**

29. ACCRUED EXPENSES AND ADVANCES RECEIVED

	2021	2020
Tax liabilities	0.0	0.0
Personnel related liabilities	2.0	1.7
Reward allocation	2.2	1.4
Other liabilities	0.1	1.0
Accrued expenses and advances received, total	**4.3**	**4.1**

Other liabilities contain uninvoiced expenses from the financial period.

30. EQUITY

Accounting policy

The acquisition value of shares acquired by the parent company has been reduced from the equity. When the group's company shares are sold later, all received compensation will be included in equity.

Equity	2021	2020
Share capital	0.7	0.7
Restricted equity	**0.7**	**0.7**
Reserve for invested unrestricted equity 1 January	20.8	20.9
Changes in company shares	0.0	-0.1
Other changes	0.0	0.0
Reserve for invested unrestricted equity 31 December	20.8	20.8
Retained earnings 1 January	-2.5	-2.5
Non-controlling interest acquisition	0.0	-0.3
	-0.7	0.0
Other changes in profit funds	0.0	0.0
Profit (loss) for the financial period	2.1	0.3
Retained earnings 31 December	-1.1	-2.5
Parent company owners' share	**20.5**	**19.1**
Non-controlling interest share	0.1	0.0
Equity	**20.6**	**19.1**

Share capital

The issue price of the shares obtained in connection with share issue is marked in the share capital insofar as the share issue decision has not determined that the issue price is to be recorded in the reserve for invested unrestricted equity. On 31 December 2021, the share capital is 730,000 euros.

After the final date of the reporting period, the Board has suggested that a dividend of eur 0.11 per share to be distributed.

Number of shares

The share capital consists of one share series. All the company's shares have an equal right to dividend and vote.

	2021	2020
Registered A shares, 1,000 shares	13,843	13,843

Reserve for invested unrestricted equity

The issue of shares subject to a fee that were launched in 2015 and the initial public offering were recorded in the reserve for invested unrestricted equity. The reduction of capital performed in 2015 has also been recorded in the reserve for invested unrestricted equity. Assets obtained in incorporation, as well as compensation for the transfer of the group's company shares are recorded in the reserve for invested unrestricted equity. The assets gained from the directed issue during the 2017 Alfred Berg Oy acquisition are also recorded in the reserve for invested unrestricted equity.

In 2018, the company organised a directed issue of 2.8 million euros in total, as well as a 0.6 million euros issue for personnel. Both increased the company's reserve for invested unrestricted equity.

The changes in reserve for invested unrestricted equity from 2021 consist of buying the company's own shares.

Own shares held by the company

Within a year, the company has bought 1,494 of its own shares for 0.0 million euros and transferred 13,532 shares for EUR 0.0 million. The acquisition of the company's own shares has been recorded against unrestricted equity. On 31 December 2021, the company held 37,748 of its own shares.

Obligations outside the balance sheet

31. CONTINGENT LIABILITIES

PLEDGES	2021	2020
Company mortgages	7.5	7.5

The group's company mortgages have been pledged for a loan from Oma Savings Bank Plc.

Other notes

32. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, AS WELL AS FAIR VALUES

Financial assets

Financial assets are classified into the following groups based on the group's business model for managing financial assets and their contract-based cash flow features: valued at the allocated acquisition cost; valued at fair value through other comprehensive profit items; and valued at fair value with an impact on profit or loss. The classification is performed based on the group business model's objective and the cash flow features of the contract-based investment. On the reporting date, the EAB Group had no financial assets to be valued at fair value through other comprehensive profit items.

In connection with the original recording, the group values the item under financial assets at fair value. If it is an item other than one belonging under financial assets recorded at fair value through profit or loss, the item's direct transaction expenses will be added to it. Financial assets valued at fair value with an impact on the profit or loss are recorded in the balance at fair value in connection with the original record, and the transaction expenses will be recorded directly in the income statement. The purchase and sale of financial assets are recorded based on the settlement day.

Financial assets valued at the allocated acquisition cost

The group in question contains financial assets that have a business model with a purpose of keeping possession of the financial assets and gathering the contractual cashflows that solely consist of equity and interest payments. The assets classified in this group are valued in the allocated acquisition cost using the effective interest model. In the EAB Group, financial assets valued in the allocated acquisition cost include loan receivables, sales receivables, and share issue receivables.

Receivables from the public and public sector entities are assets outside the derivative assets. They are fixed or determinable, and they are not quoted on functioning markets. Nor does the company hold them for sale. Receivables from the public and public sector entities are originally recorded at fair value. After the initial recording, the financial items are valued at acquisition cost.

The group will record the expected credit losses for the financial assets valued at the allocated acquisition cost. The expected credit losses are presented in appendices 15 and 16.

Cash flows valued at fair value with an impact on profit or loss

The group in question contains items of cash flow that were acquired for the purpose of holding for trade purposes, or which are classified at fair value with an impact on the profit or loss in connection with the original record. In the EAB Group, the financial assets valued at fair value with an impact on profit or loss include shares, fund units, and derivative contracts.

Financial assets are removed from the balance sheet when the group has lost its agreement-based right to cash flows, or once it has transferred a significant part of the risks and profit outside the group

Financial liabilities

Financial liabilities are classified in the following groups: valued at an allocated acquisition cost and valued at fair value with an impact on profit or loss. In connection with the original recording, the group values the financial liability at fair value. If it is an item other than one belonging under financial liabilities recorded at fair value through profit or loss, the item's direct transaction expenses will be added or removed from it. Financial liabilities valued at fair value with an impact on the profit or loss are recorded in the balance sheet at fair value in connection with the original record, and the transaction expenses will be recorded directly as expenses.

Financial liabilities valued at the allocated acquisition cost

Financial liabilities classified in this group are valued at an allocated acquisition cost using the effective interest method. The difference between the amount received and to be paid back is marked in the income statement during the loan period and using the effective interest method. In the EAB Group, liabilities to credit institutions and lease agreement liabilities included in other debts are financial liabilities valued at an allocated acquisition cost.

Financial liabilities with an impact on the profit or loss when valued at fair value

In the EAB Group, derivatives are under financial liabilities valued at fair value with an impact on profit or loss.

Classification of financial assets and liabilities

Book value 31.12.2021 million euros	Measured at fair value through profit or loss	Financial assets recorded at the allocated acquisition cost	Financial liabilities recorded at the allocated acquisition cost	Total	Level 1	Level 2	Level 3	Total
Assets								
Receivables from credit institutions		2.4		2.4		2.4		2.4
Receivables from the public and public sector entities		7.0		7.0		7.1		7.1
Shares and holdings	1.4			1.4	1.4			1.4
Share issue receivables		0.1		0.1		0.1		0.1
Total assets	**1.4**	**9.5**	**0.0**	**10.9**	**1.4**	**9.7**		**11.1**
Liabilities								
Credit institution liabilities			4.6	4.6		4.7		4.7
Lease agreement liabilities included in other liabilities			2.3	2.3		2.3		2.3
Trade payables			0.5	0.5		0.5		0.5
Total liabilities	**0.0**	**0.0**	**7.4**	**7.4**		**7.5**		**7.5**

Book value is considered the best estimate of fair value from the perspective of receivables and liabilities valued at an allocated acquisition cost.

Book value 31.12.2020 million euros	Measured at fair value through profit or loss	Financial assets recorded at the allocated acquisition cost	Financial liabilities recorded at the allocated acquisition cost	Total	Level 1	Level 2	Level 3	Total
Assets								
Receivables from credit institutions		0.6		0.6		0.6		0.6
Receivables from the public and public sector entities		8.1		8.1		8.3		8.3
Shares and holdings	1.0			1.0	1.0			1.0
Share issue receivables		0.1		0.1		0.1		0.1
Total assets	**1.0**	**8.8**	**0.0**	**9.8**	**1.0**	**9.0**		**9.9**
Liabilities								
Credit institution liabilities			5.5	5.5		5.6		5.6
Lease agreement liabilities included in other liabilities			2.4	2.4		2.4		2.4
Trade payables			0.5	0.5		0.5		0.5
Total liabilities	**0.0**	**0.0**	**8.5**	**8.5**		**8.5**		**8.5**

Hierarchy of fair value

Level 1

The functioning market's available uncorrected quotations for the same property items or liabilities.

Level 2

The fair value of level 2 instruments is based mostly on other input data than the quoted prices included in level 1, but also on information that can be observed of the property item or liability either directly or indirectly.

Level 3

Level 3 includes financial instruments that are measured at fair value based on input data concerning a property item or liability that is not based on observable market data, but mostly on the management's estimates, and the valuation models generally approved for their use.

Level 1 includes financial instruments with a market price that is easily and regularly available from the stock exchange, brokers, market data brokering services, or supervisory authorities. Level 1 financial instruments are capital shares and real estate fund shares.

Level 2 values use market prices as input feeds that are easily and regularly available from the stock exchange, brokers, market data brokering services, service providers of market pricing, or supervisory authorities. Level 2 financial instruments include interest securities and OTC derivatives that are classified as instruments recorded at fair value that have an impact on profit or loss.

Level 3 includes financial instruments whose fair value can be determined with valuation methods based on either entirely or partly undeterminable market prices or rates. The management's discretion has been used in the valuation of receivables in accordance with the accounting policies of the financial statements.

33. MATURITY DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets 31 December 2021	< 3 months	3 - 12 months	1 - 5 years	Total
Receivables from credit institutions	2.4			2.4
Receivables from the public and public sector entities	3.7	0.3	3.2	7.2
Other financial assets	0.0		0.1	0.1
Accrued interest	0.0	0.0	0.1	0.1
Share issue receivables	0.0	0.0	0.1	0.1
Financial assets, total	**6.1**	**0.3**	**3.5**	**9.9**

Financial liabilities 31 December 2021	< 3 months	3 - 12 months	1 - 5 years	Total
Credit institution liabilities		1.9	2.7	4.6
Lease agreement liabilities	0.2	0.6	1.6	2.3
Other financial liabilities	0.9			0.9
Interest liabilities	0.4	1.5	0.4	2.3
Financial assets, total	**1.5**	**3.0**	**5.6**	**10.1**

Financial assets 31 December 2020	< 3 months	3 - 12 months	1 - 5 years	Total
Receivables from credit institutions	0.6			0.6
Receivables from the public and public sector entities	3.2	0.4	4.6	8.3
Other financial assets	0.0		0.1	0.1
Accrued interest	0.0	0.0	0.1	0.1
Share issue receivables	0.0	0.0	0.1	0.1
Financial assets, total	**3.8**	**0.4**	**4.9**	**9.2**

Financial liabilities 31 December 2020	< 3 months	3 - 12 months	1 - 5 years	Total
Credit institution liabilities		1.9	4.6	6.5
Lease agreement liabilities	0.2	0.6	1.5	2.4
Other financial liabilities	0.8			0.8
Interest liabilities	0.1	0.2	0.4	0.6
Financial assets, total	**1.0**	**2.7**	**6.6**	**10.3**

ELITE ALFRED BERG

Parent company's financial statement

Parent company's statement of income

Million euros	Note	1.1. - 31.12.2021	1.1. - 31.12.2020
INCOME FROM INVESTMENT SERVICES			
Operating income	*1*	6.7	5.7
Income from equity investments	*2*	0.0	0.1
Sales proceeds from non-current assets	*3*	0.0	0.9
Other operating income	*3*	0.1	0.1
TOTAL OPERATING INCOME		**6.8**	**6.8**
Administrative expenses	*4*		
Personnel expenses			
Salaries and fees		-1.8	-1.6
Indirect personnel costs			
Pension costs		-0.3	-0.2
Other indirect personnel costs		-0.1	-0.1
Other administrative expenses		-1.9	-1.9
Depreciation and impairment on tangible and intangible assets	*5*	-1.1	-1.0
Other operating expenses	*6*	-1.3	-1.2
OPERATING PROFIT (LOSS)		**0.3**	**0.7**
Interest income	*7*	0.0	0.0
Interest expenses	*8*	-0.2	-0.3
Income taxes	*9*	0.0	0.1
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		**0.1**	**0.5**

Parent company's balance sheet

Million euros	Note	31.12.2021	31.12.2020
ASSETS			
Receivables from credit institutions	10	0.0	0.1
Receivables from the public and public sector entities	11	13.5	13.3
Other participations	12	0.0	0.0
Shares and holdings in Group companies	13	21.8	21.8
Receivables from Group companies – subordinated loans	14	1.8	1.8
Holdings in associated companies		1.5	
Intangible assets	15	2.0	2.4
Tangible assets	16	0.1	0.1
Share issue receivables	17	0.1	0.1
Other assets	18	0.1	0.1
Accrued income and prepayments	19	0.5	0.5
Deferred tax assets	20	0.5	0.5
ASSETS TOTAL		**42.0**	**40.7**
LIABILITIES			
LIABILITIES			
Credit institution liabilities	21	4.7	5.6
Other liabilities	22	13.0	10.3
Accrued expenses and advances received	23	0.6	0.6
EQUITY	24		
Share capital		0.7	0.7
Unrestricted reserves			
Reserve for invested unrestricted equity		21.0	21.0
Retained earnings (loss)		1.9	2.1
Profit (loss) for the financial period		0.1	0.5
LIABILITIES TOTAL		**42.0**	**40.7**

Cash flow statement parent company

Million euros	1.1. - 31.12.2021	1.1. - 31.12.2020
CASH FLOW FROM OPERATIONS		
Financial period result	0.1	0.5
Adjustments to the financial period result		
Depreciation according to plan	1.1	1.0
Other adjustments	0.0	-0.8
Financial income and expenses	0.2	0.3
Taxes	0.0	-0.1
Change in working capital		
Current non-interest-bearing receivables	-6.5	1.7
Non-current non-interest-bearing receivables	0.0	0.0
Non-interest-bearing current liabilities	8.8	-0.3
Change in working capital, total	2.3	1.4
Cash flow from operations before financial items	5.1	2.3
Paid interests and fees	-0.2	-0.3
Interest received	0.0	0.0
CASH FLOW FROM OPERATIONS	**3.5**	**2.0**
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-0.7	-0.6
Investments in subsidiaries and associates	-0.3	-0.1
Repayments of loan receivables	0.0	0.0
Proceeds from the disposal of investments	0.0	0.5
CASH FLOW FROM INVESTMENTS	**-0.9**	**-0.2**

Million euros	1.1. - 31.12.2021	1.1. - 31.12.2020
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of minority interests	0.0	-0.1
Granted loans / Received repayments of loans	6.3	-0.3
Dividends paid	-0.7	0.0
Withdrawals of short-term credit	-7.4	-0.1
Withdrawals of long-term credit	0.0	0.0
Repayments of short-term credit	0.1	0.5
Repayments of long-term credit	-0.9	-1.9
CASH FLOW FROM FINANCING ACTIVITIES	**-2.8**	**-1.8**
Change in cash and cash equivalents	-0.1	0.0
Cash and cash equivalents of merged companies	0.0	0.0
Cash and cash equivalents at the beginning of the period	0.1	0.1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**0.0**	**0.1**

Notes to the parent company's financial statements

Principles of preparing the financial statements

Basic company information

EAB Group Plc is domiciled in Helsinki, and its registered address is Kluuvikatu 3, 00100 Helsinki.

EAB Group Plc's financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

The parent company has operated as the Group's administrative parent company from 2019 onwards without the investment firm lisence.

Income recognition principles

Income is recognised on an accrual basis when the outcome can be estimated reliably. Recognition on an accrual basis is based on estimates of income and expenses. Shares and holdings in companies belonging to the same group are valued at acquisition cost. Interest income and expenses are allocated on an accrual basis.

Deferred tax

Deferred tax assets have been calculated based on the confirmed losses of previous years and the taxable profit for the financial year. Deferred taxes are calculated using the most recent tax rate in force.

Valuation of non-current assets

Tangible and intangible assets are valued at cost less depreciation according to plan and impairment.

Development costs for major system projects which generate income over three or more years are entered in the balance sheet as development costs. Other development costs are recognised as an annual expense in the year in which they are incurred.

Depreciation according to plan by category of asset:

Fixed asset	Service life (years)	
Development expenditure	4 and 5	straight-line depreciation
Licences	3	straight-line depreciation
Computer program	4 and 5	straight-line depreciation
Renovation expenses	5	straight-line depreciation
Machinery and equipment		declining-balance depreciation 25 %

Items denominated in foreign currency

Transactions denominated in foreign currency are marked in the operating currency at the exchange rate of the transaction date. The exchange rate differences of any receivables or liabilities arising on the transaction date have been recognised in the income statement.

Notes to the income statement

Million euros

	2021	2020
1. OPERATING INCOME		
Administrative fee income from Group companies	6.7	5.7
Total operating income from Group companies	**6.7**	**5.7**
2. INCOME FROM EQUITY INVESTMENTS		
Profit participations from funds		0.1
Income from equity investments, total		**0.1**
3. OTHER OPERATING INCOME		
Administrative fee income from Group companies		0.1
Sales proceeds from non-current assets		0.9
Other income		0.0
Operating income, total		**1.0**

Sales proceeds from non-current assets of EUR 0.9 million in 2020 come from sales of shares in the Group's subsidiaries within the Group.

	2021	2020
4. ADMINISTRATIVE EXPENSES		
Personnel costs		
Salaries and fees	-1.8	-1.6
Pension costs	-0.3	-0.2
Other personnel costs	-0.1	-0.1
Personnel costs total	**-2.1**	**-1.9**
Average number of personnel		
During the financial period, the company employed employees	21	24
Other administrative expenses		
IT equipment and software costs	-0.9	-1.2
Administrative services	-0.2	-0.5
Others	-0.8	-0.3
Other administrative expenses, total	**-1.9**	**-1.9**
Total administrative expenses	**-4.1**	**-3.8**

	2021	2020
5. DEPRECIATION AND IMPAIRMENT ON TANGIBLE AND INTANGIBLE ASSETS		
Depreciation of development costs according to plan	-0.9	-0.8
Depreciation of intangible rights according to plan	-0.1	-0.1
Depreciation of IT software according to plan	0.0	0.0
Depreciation of renovations according to plan	-0.1	-0.1
Depreciation of machinery and equipment	0.0	0.0
Depreciation and impairment on tangible and intangible assets, total	**-1.1**	**-1.0**

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Notes to the income statement

Million euros

	2021	2020
6. OTHER OPERATING EXPENSES		
Rent costs	-0.9	-0.9
Supervision fees	0.0	0.0
Other expenses	-0.3	-0.3
Other operating expenses, total	**-1.3**	**-1.2**
7. INTEREST INCOME		
Interest income on receivables from public and public sector entities	0.0	0.0
Other interest income	0.0	0.0
Total interest income	**0.0**	**0.0**
8. INTEREST EXPENSES		
Other interest expenses	-0.2	-0.3
Total interest expenses	**-0.2**	**-0.3**
9. INCOME TAXES		
Change in deferred tax assets	0.0	0.1
Total income taxes	**0.0**	**0.1**
10. RECEIVABLES FROM CREDIT INSTITUTIONS		
From Finnish credit institutions	0.0	0.1
Total receivables from credit institutions	**0.0**	**0.1**

	2021	2020
11. RECEIVABLES FROM THE PUBLIC AND PUBLIC SECTOR ENTITIES		
Loan receivables Group	4.9	11.2
Trade receivables Group	7.8	1.3
Receivables from Group companies, total	**12.7**	**12.5**
Loan receivables	0.7	0.8
Sales receivables	0.0	0.0
Receivables from others, total	**0.7**	**0.8**
Receivables from the public and public sector entities, total	**13.5**	**13.3**
12. OTHER PARTICIPATIONS		
Other participations 1 Jan	0.0	0.0
Book value 31 Dec	**0.0**	**0.0**
13. HOLDINGS IN GROUP COMPANIES		
Shares of Group companies 1 Jan	21.8	21.8
Additions	0.0	0.1
Decreases	0.0	0.0
Book value 31 Dec	**21.8**	**21.8**
14. RECEIVABLES FROM GROUP COMPANIES - SUBORDINATED LOANS		
Subordinated loans	1.8	1.8
Receivables from Group companies – subordinated loans total	**1.8**	**1.8**

Notes to the income statement

Million euros

	2021	2020
15. INTANGIBLE ASSETS		
Development expenditure		
Acquisition cost 1 Jan	4.8	4.2
Additions	0.7	0.6
Acquisition cost 31 Dec	5.5	4.8
Accumulated depreciation 1 Jan	-2.7	-1.9
Depreciation during the period	-0.9	-0.8
Accumulated depreciation 31 Dec	-3.6	-2.7
Book value 31 Dec	**1.8**	**2.0**
Intangible rights		
Acquisition cost 1 Jan	0.4	0.4
Acquisition cost 31 Dec	0.4	0.4
Accumulated depreciation 1 January	-0.3	-0.2
Depreciation during the period	-0.1	-0.1
Accumulated depreciation 31 Dec	-0.3	-0.3
Book value 31 Dec	**0.0**	**0.1**

	2021	2020
Long-term expenditure		
Renovation expenses		
Acquisition cost 1 Jan	0.3	0.3
Additions	0.0	0.0
Acquisition cost 31 Dec	0.3	0.3
Accumulated depreciation 1 Jan	-0.2	-0.1
Depreciation during the period	-0.1	-0.1
Accumulated depreciation 31 Dec	-0.3	-0.2
Book value 31 Dec	**0.1**	**0.1**
Computer software		
Acquisition cost 1 Jan	0.0	0.0
Acquisition cost 31 Dec	0.0	0.0
Accumulated depreciation 1 Jan	0.0	0.0
Depreciation during the period	0.0	0.0
Accumulated depreciation 31 Dec	0.0	0.0
Book value 31 Dec	**0.0**	**0.0**
Other long-term expenditure		
Acquisition cost 1 Jan	0.1	0.1
Additions	0.0	0.0
Acquisition cost 31 Dec	0.1	0.1
Accumulated depreciation 1 Jan	-0.1	0.0
Depreciation during the period	0.0	0.0
Accumulated depreciation 31 Dec	-0.1	-0.1
Book value 31 Dec	**0.1**	**0.1**
Long-term expenditure, total	**0.2**	**0.2**
Intangible assets, total	**2.0**	**2.4**

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	2021	2020
16. TANGIBLE ASSETS		
Machinery and equipment		
Acquisition cost 1 Jan	0.7	0.6
Additions	0.0	0.0
Decreases	0.0	0.0
Acquisition cost 31 Dec	0.7	0.7
Accrued depreciation according to plan 1 Jan	-0.5	-0.5
Depreciation during the period	0.0	0.0
Depreciation of disposals	0.0	0.0
Accrued depreciation according to plan 31 Dec	-0.6	-0.5
Book value 31 Dec	**0.1**	**0.1**
Other tangible assets	0.0	0.0
Tangible assets, total	**0.1**	**0.1**
17. SHARE ISSUE RECEIVABLES		
Personnel	0.1	0.1
Tied agents	0.0	0.0
Share issue receivables, total	**0.1**	**0.1**
18. OTHER ASSETS		
Individual-specific	0.0	0.0
Rental deposit	0.1	0.1
Other receivables	0.0	0.0
Other assets, total	**0.1**	**0.1**

	2021	2020
19. ACCRUED INCOME AND PREPAYMENTS		
Accrued income, Group	0.1	0.1
Accrued income from Group companies, total	**0.1**	**0.1**
Prepayments	0.1	0.2
Other accrued income		
Fees charged from funds to be founded	0.0	0.0
Accrued interest	0.1	0.1
Other receivables	0.1	0.0
Accrued income from others, total	**0.4**	**0.4**
Accrued income, total	**0.5**	**0.5**
20. DEFERRED TAX ASSETS		
Confirmed losses for 2014–2020	-2.6	-2.0
Taxable result for the financial period	0.2	-0.6
Confirmed losses, total	**-2.4**	**-2.6**
Deferred tax assets for losses 20%	**0.5**	**0.5**
21. CREDIT INSTITUTION LIABILITIES		
Liabilities to credit institutions, 1 Jan	5.6	7.5
Additions	0.0	0.0
Decreases	-0.9	-1.9
Credit institution liabilities, total	**4.7**	**5.6**
Proportion of liabilities to credit institutions falling due within the next 12 months	1.9	1.9

	2021	2020
22. OTHER LIABILITIES		
Trade payables Group	10.3	0.2
Other liabilities Group	2.2	9.7
Other liabilities to Group companies, total	**12.5**	**9.8**
Trade payables	0.2	0.3
Personnel-related liabilities	0.1	0.0
Value-added tax liabilities	0.1	0.1
Other liabilities	0.0	0.0
Other liabilities to others, total	**0.4**	**0.4**
Other liabilities, total	**13.0**	**10.3**
23. ACCRUED EXPENSES AND ADVANCES RECEIVED		
Personnel-related liabilities	0.3	0.3
Other liabilities	0.2	0.3
Accrued expenses and advances received, total	**0.6**	**0.6**
TOTAL LIABILITIES	**18.2**	**16.4**

	2021	2020
24. EQUITY		
Balance sheet item-by-item breakdown of increases and decreases in equity items during the financial year		
Share capital		
Share capital 1 Jan	0.7	0.7
Share capital 31 Dec	**0.7**	**0.7**
Reserve for invested unrestricted equity		
Reserve for invested unrestricted equity 1 Jan	21.0	21.1
Paid capital returns	0.0	0.0
Treasury shares acquisitions	0.0	-0.1
Disposal of treasury shares	0.0	0.0
Reserve for invested unrestricted equity 31 Dec	**21.0**	**21.0**
Retained earnings from previous financial years		
Retained earnings	2.6	2.1
Dividends	-0.7	0.0
Retained earnings from previous financial years, total	**1.9**	**2.1**
Profit for the period	**0.1**	**0.5**
TOTAL EQUITY	**23.8**	**24.3**
Distributable unrestricted equity		
Invested unrestricted equity reserve	21.0	21.0
Profit (loss) from previous financial years	2.6	2.1
Profit (loss) for the financial period	0.1	0.5
Development expenditure	-1.8	-2.0
Distributable unrestricted equity	**21.2**	**21.5**

	2021	2020
25. BALANCE SHEET ITEMS DENOMINATED IN DOMESTIC AND FOREIGN CURRENCIES		
Receivables from credit institutions, domestic currency	0.0	0.1
Other assets, domestic currency	28.5	27.4
Total	**28.5**	**27.4**
Liabilities to the public and public sector entities, domestic currency	18.2	16.4
Pension liabilities of the investment firm		
Pension provision for employees is organised through a pension insurance company.		
26. GUARANTEES AND COMMITMENTS		
Leasing liabilities		
Payable in the next financial year	0.0	0.1
Payable in subsequent financial years	0.0	0.1
Total	**0.4**	**0.2**
The agreements are 3-year leases and do not include a redemption clause.		
Rent liabilities	0.6	0.6
The company's rental and leasing liabilities are ordinary office lease liabilities and equipment and car lease liabilities.		
Pledges		
Company mortgages	7.5	7.5
The company mortgages have been pledged for a loan from Oma Savings Bank Plc.		
27. RELATED PARTY TRANSACTIONS		
Related party transactions can be found in the notes to the Group consolidated financial statements.		

List of accounting ledgers and materials

ACCOUNTING LEDGERS

Document type	**Storage method**
Financial statements and balance sheet specifications	Bound
List of accounts	Electronic archive
Journal	Electronic archive
General ledger	Electronic archive
Sales ledger	Electronic archive
Purchases ledger	Electronic archive

Accountor Finago software as a complete solution includes accounting, electronic banking, sending and receiving of purchase and sales invoices, and archiving.

DOCUMENT TYPES AND STORAGE METHOD

Document type	**Storage method**
Purchase invoices	Electronic archive
Sales invoices	Electronic archive
Account statements	Electronic archive
Memos	Electronic archive
Payroll	Electronic archive

Signatures to the report of the board of directors and financial statements

Helsinki, 28.2.2022

Therese Cedercreutz
Chair of the Board of Directors

Helge Arnesen
Board member

Julianna Borsos
Board member

Pasi Kohmo
Board member

Janne Nieminen
Board member

Topi Piela
Board member

Vincent Trouillard-Perrot
Board member

Juha Tynkkynen
Board member

Daniel Pasternack
CEO

Auditor's note

A report on the audit carried out has been issued today.

Helsinki, 3.3.2022

KPMG Oy Ab
Authorised Public Accountants

Tuomas Ilveskoski
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of EAB Group Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EAB Group Plc (business identity code 1918955-2) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, 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 International Financial Reporting Standards (IFRS) 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 on page 49 of the consolidated financial statements.

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

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

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. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

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.

ELITE ALFRED BERG

THE KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Recognition of fee and commission income (Principles for preparing the consolidated financial statements page 44 and Note 1)

- The assets managed by EAB Group entitle to fee and commission income on the grounds of agreements with customers. Fee and commission income make up a significant item in the Group's income statement.
- Performance fees can also make up a substantial part in the formation of the Group's result and may vary considerably from year to year.
- Appropriate timing of the recognition of fee and commission income at correct amount is relevant in respect to the accuracy of the financial statements.

- We evaluated the business processes and IT systems related to fee and commission income and assessed the associated key controls. Our audit procedures also included comparing the accounting data kept in subledgers to that in the general ledger, and substantive procedures performed in respect of fee income. In addition, we have evaluated the accuracy of the timing and the amount of revenue recognition.
- We inspected the calculation principles of performance fees and evaluated the appropriateness of the parameters involving management judgment, used in the calculation.
- We inspected the accounting treatment of fees and commissions and the appropriateness of the notes in relation to the requirements of the IFRS 15 standard.

Impairment of goodwill (Note 21 to the consolidated financial statements)

- EAB Group has expanded its operations through acquisitions, which has resulted in a significant amount of goodwill in the Group's balance sheet. Goodwill is not amortized but it is tested annually for impairment.
- For testing purposes, goodwill is allocated to business segments i.e. cash-generating units. There is a risk that the acquired businesses may not trade in line with initial expectations and forecasts and therefore the carrying amount of a cash-generating unit may exceed its recoverable amount, resulting in an impairment.
- Due to the high level of judgement related to the forecasts used, and the significant carrying amounts involved, impairment of goodwill is considered a key audit matter.

- We assessed key assumptions in the calculations such as revenue growth, profitability level and discount rate, in reference to budgets, external sources and our own views. We assessed changes in the key parameters used in forecasts prepared by management by comparing to forecasts from previous years.
- We involved valuation specialists that assessed the technical accuracy of the calculations and compared the assumptions used to market and industry information. Furthermore, we evaluated the goodwill in accordance with the consolidated balance sheet and considered the appropriateness of the Group's notes in respect of goodwill and impairment testing.

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 International Financial Reporting Standards (IFRS) 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 a 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 about 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 the 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 in 2010, and our appointment represents a total period of uninterrupted engagement of 12 years. EAB Group Plc became a public interest entity on 2 May 2019.

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 the 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, 3 March 2022

KPMG OY AB

Tuomas Ilveskoski
Authorised Public Accountant, KHT

Independent Auditor's Reasonable Assurance Report on EAB Group Plc's ESEF Financial Statements

To the Board of Directors of EAB Group Plc

We have undertaken a reasonable assurance engagement on the iXBRL marking up of the consolidated financial statements for the year ended 31 December, 2021, included in the EAB Group Plc's digital files [743700B4GXTH5JBZ6318-2021-12-31-en.zip] prepared in accordance with the requirements of Article 4 of EU Delegated Regulation 2018/815 (ESEF RTS).

The Responsibility of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for preparing the report of the Board of Directors and financial statements (ESEF financial statements) that comply with the requirements of ESEF RTS. This responsibility includes:

- preparation of ESEF financial statements in XHTML format in accordance with Article 3 of the ESEF RTS
- marking up the consolidated financial statements included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the ESEF RTS; and
- ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they deem necessary to prepare the ESEF financial statements in accordance with the requirements of the ESEF RTS.

Auditor's Independence and Quality Control

We are independent of the company in accordance with the ethical requirements applicable in Finland, which apply to the engagement we have performed, and we have fulfilled our other ethical obligations in accordance with these requirements.

The auditor applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

In accordance with the Engagement Letter our responsibility is to express an opinion on whether the marking up of the consolidated financial statements included in the ESEF financial statements comply in all material respects with the Article 4 of the ESEF RTS. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000.

The engagement involves procedures to obtain evidence whether;

- the consolidated financial statements included in the ESEF financial statements are, in all material respects, marked up with iXBRL tags in accordance with Article 4 of the ESEF RTS, and;
- the ESEF financial statements and the audited financial statements are consistent with each other.

The nature, timing and the extent of procedures selected depend on practitioner's judgement. This includes the assessment of the risks of material departures from the requirements set 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 opinion.

Opinion

In our opinion, the consolidated financial statements included in the ESEF financial statements of EAB Group Plc identified as [743700B4GXTH5JBZ6318-2021-12-31-en.zip] for the year ended 31 December, 2021 are marked up, in all material respects, in compliance with the ESEF Regulatory Technical Standard.

Our audit opinion relating to the consolidated financial statements of EAB Group Plc for the year ended 31 December, 2021 is set out in our Auditor's Report dated 3 March, 2022. In this report, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements.

Helsinki 16 March, 2022

KPMG OY AB

Tuomas Ilveskoski
Authorised Public Accountant, KHT

Governance

Corporate Governance Statement

1. Introduction

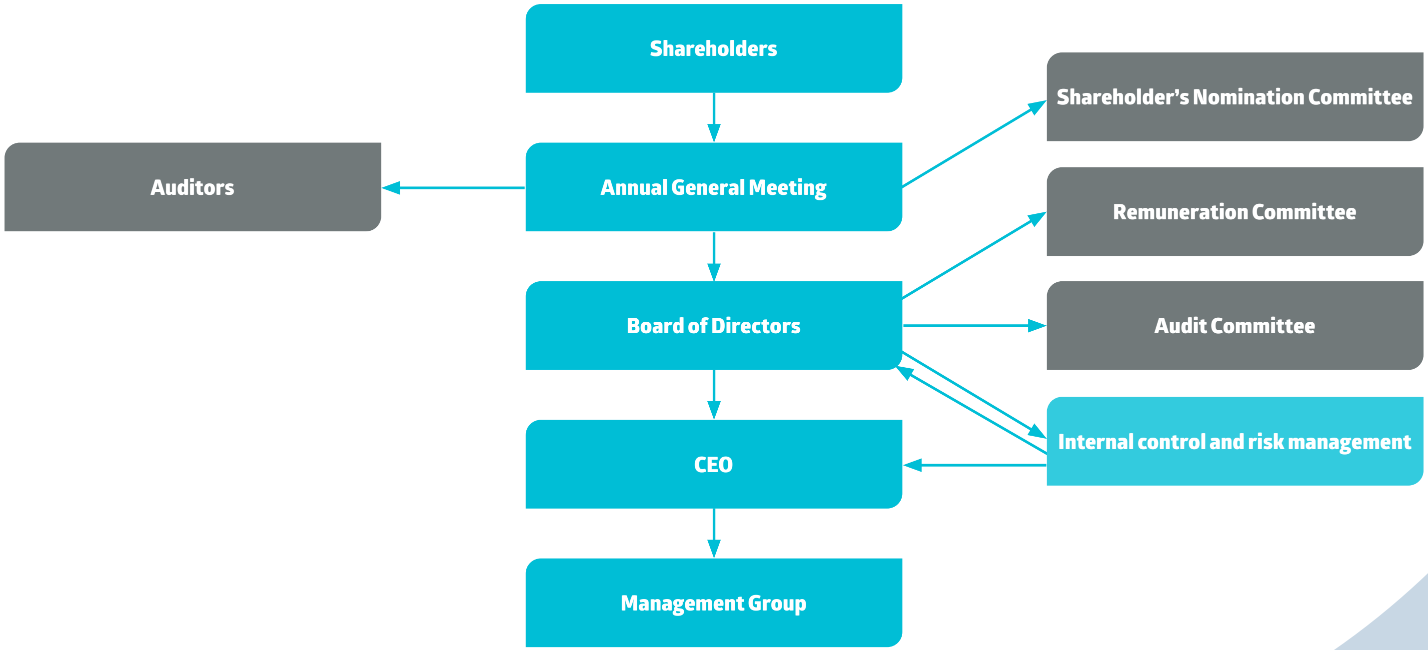
The governance of EAB Group Plc (hereinafter the 'Company' or 'Parent Company') is based on the Articles of Association, the Limited Liability Companies Act, the Securities Markets Act, the Market Abuse Regulation, guidelines issued by the European Banking Authority (EBA), guidelines and orders issued by the Financial Supervisory Authority and the current rules of Nasdaq Helsinki. EAB Group Plc is the parent company of the EAB Group. As a mixed financial holding company and the holding company of an investment service company, the company is obligated to comply with national and European regulations concerning the financial sector.

The company operates in accordance with the Corporate Governance Code of the Securities Market Association (SMA). The Corporate Governance Code is available on the SMA website at www.cgfinland.fi.

2. Descriptions concerning governance

2.1. Governance structure

EAB Group Plc's governance, management and control are divided between the Annual General Meeting (AGM), the Board of Directors and the CEO. The AGM elects the Board of Directors and the auditor. The Board is responsible for the strategic management of the Company, and its work is supported by the committees established by the Board. The Board appoints the CEO, who is responsible for the day-to-day operative management of the Company, with support from the Management Group. EAB Group Plc's Board is responsible for the organisation of internal control and risk management.



2.2. Annual General Meeting

The Annual General Meeting (AGM) is the highest decision-making body of EAB Group Plc, where shareholders exercise their rights to speak and vote. Each share in the Company entitles its holder to one vote at the AGM. The CEO, the Chair of the Board and the members of the Board are present at the AGM to ensure interaction between shareholders and the Company's governing bodies and to implement shareholders' right to request information. A person who has been proposed to be elected as a member of the Board must be present the AGM that will decide on their election.

The AGM convenes at least once a year. The notice of the AGM is published no earlier than three (3) months and no later than three (3) weeks prior to the meeting, however, at least nine (9) days prior to the record date set for the AGM. The notice is published on the Company website and in a stock exchange release. The documents to be presented at the AGM are published on the Company website no later than three weeks prior to the AGM. The minutes of the AGM are available on the Company website no later than two weeks after the meeting.

The AGM decides on the election of Board members and the auditor and on their fees, the adoption of the financial statements and consolidated financial statements, the discharge of the Board members and the CEO from liability, and the distribution of the profits shown on the balance sheet, among other matters.

The agenda may also include other matters to be discussed at the AGM in accordance with the Limited Liability Companies Act, such as increasing or decreasing the share capital, conducting a share issue, acquiring own shares and amending the Articles of Association. In addition, the AGM discusses matters that a shareholder has required to be discussed in accordance with the Limited Liability Companies Act. An extraordinary general meeting will be held when the Board deems it necessary or when an extraordinary general meeting is required by law to be held.

The AGM is usually held after the completion of the financial statements before the end of June. In 2021, EAB Group Plc's AGM was held through exceptional arrangements without the presence of the shareholders at the company's premises at Helsinki on 25 March 2021. No extraordinary general meetings were convened in 2021.

2.3. Shareholders' Nomination Committee

EAB Group Plc's Annual General Meeting (AGM) has decided to establish a permanent Shareholders' Nomination Committee. The Committee's main task is to prepare and present to the AGM – and to an extraordinary general meeting, if necessary – proposals concerning the election and remuneration of the members of the Board, as well as to identify potential successors for the members of the Board.

2.3.1. Election of the Nomination Committee

The Shareholders' Nomination Committee consists of five (5) members, who represent the Company's largest shareholders. The following shareholders have the right to appoint a member to the Nomination Committee: the five (5) shareholders who have the largest number of votes based on their holding in the Company in accordance with its list of shareholders maintained by Euroclear Finland Oy, or based on holding information separately provided by nominee-registered shareholders, on the last business day of August in the year immediately preceding the AGM. If a shareholder chooses not to exercise their right to appoint a member to the Nomination Committee, the right will be transferred to the next largest shareholder who would not otherwise have the right. If two shareholders have the same number of votes but only one of the proposed members can be appointed to the Nomination Committee, the member will be elected by lot.

The Chair of the Board of Directors must ask each of the five (5) largest shareholders to appoint a member to the Nomination Committee. The Chair of the Board convenes the first meeting of the Nomination Committee and serves as the Chair of the Nomination Committee until the committee has selected a Chair from among its members. The new Chair will convene the Nomination Committee after the first meeting. The Chair of the Board serves as an expert on the Nomination Committee, provided that they are not a member of the Nomination Committee.

The Nomination Committee will continue to operate until the AGM decides otherwise. The members of the Nomination Committee are appointed annually, and their term of office ends when new members have been appointed.

2.3.2. Duties of the Nomination Committee

The Shareholders' Nomination Committee has the following duties:

- Preparing and presenting to the AGM a proposal concerning the number of the members of the Board
- Preparing and presenting to the AGM a proposal concerning the selection of the members of the Board
- Preparing and presenting to the AGM a proposal concerning the election of the Chair of the Board
- Preparing and presenting to the AGM a proposal concerning the remuneration of the members of the Board
- Identifying potential successors for the members of the Board

The Nomination Committee's rules of procedure are available in Finnish on the Company's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/yhtiokokous/osakkeenomistajien-nimitystoimikunta.

2.3.3. Composition of the Nomination Committee

On 7 September 2021, EAB Group Plc's five largest shareholders, BNP Paribas Asset Management Holding, Joensuun Kauppa ja Kone Oy, Umo Invest Oy, Janne Nieminen and Jouni Kaaria, appointed the following representatives to the Nomination Committee:

- Vincent Trouillard-Perrot, Vice President, appointed by BNP Paribas Asset Management Holding
- Kyösti Kakkonen, CEO, appointed by Joensuun Kauppa ja Kone Oy
- Joonas Haakana, Portfolio Manager, appointed by Umo Invest Oy
- Janne Nieminen, CEO, appointed by Janne Nieminen
- Jouni Kaaria, General Manager, appointed by Jouni Kaaria

Joonas Haakana serves as the Chair of the Nomination Committee.

2.3.4. Activities of the Nomination Committee in 2021

The Shareholders' Nomination Committee met three times in 2021. Its members were present at the meetings as follows:

Member of the Nomination Committee	Meeting of the Nomination Committee
Joonas Haakana	3/3
Kyösti Kakkonen	1/3
Jouni Kaaria	3/3
Janne Nieminen	3/3
Vincent Trouillard-Perrot	2/3

2.4. Board of Directors

The Board of Directors attends to the governance of the Company and the lawful organisation of its operations. The duty of the Board is to further the interests of the Company and all its shareholders. The Board operates in accordance with EAB Group Plc's Articles of Association, the Finnish Limited Liability Companies Act, other regulations binding on the Company, the rules of the Helsinki Exchange, and the Corporate Governance Code of the Securities Market Association.

2.4.1. Composition and election of the Board

According to its Articles of Association, the Company's Board includes at least three (3) and no more than ten (10) members. A Board member's term of office begins at the AGM during which they are elected and ends at the close of the next AGM.

The proposal for the composition of the Company's Board is prepared by the Shareholders' Nomination Committee. Board members must meet the requirements set for individual suitability, and the Board must also collectively possess sufficient knowledge, skills and experience to understand the business and its key risks. A suitability assessment is always carried out before appointing a person for the position.

In accordance with Recommendation 10 of the Finnish Corporate Governance Code, the majority of the Board members must be independent of the Company, and at least two members representing said majority must also be independent of the Company's significant shareholders. The Board assesses its members' independence annually, and at other times if necessary.

The proposal for the composition of the Board is included in the invitation to the AGM, or is published separately by means of a stock exchange release. The Company publishes basic information about the candidates on its website in connection with the invitation to the AGM. The names of candidates appointed after the invitation to the AGM will be announced separately.

2.4.2. Activities of the Board

According to the Limited Liability Companies Act, the board is responsible for the company's administration and other duties noted in the Limited Liability Companies Act or elsewhere. The duty of the Board is to further the interests of the Company and all shareholders. Board members do not represent the parties that proposed them as members within the Company.

The Board guides and monitors the Company's operations and decides on key operating principles, goals and strategies. The Board approves the Board committees' rules of procedure, which determine the committees' key duties and operating principles. As well as making decisions, the Board is provided with current information about the Group's operations, financial position and risks at its meetings. The principles that the Board follows in its practical work are confirmed in its rules of procedure.

The presence of more than half the members forms a quorum. Decisions are based on a majority vote. In the event of an even vote, the opinion supported by the Chair will prevail. If there is a tie in the election of the Chair of Board, the result will be decided by drawing lots.

The Board convenes according to a previously agreed schedule, usually between 8 and 15 times a year, and if necessary, holds extraordinary meetings, which may be arranged as remote meetings. The Board met 13 times in 2021. Of the Company's active management, the following regularly attend Board meetings: the CEO, the CFO and the Company's legal council, acting as secretary at the meeting, all of whom are not members of the Board. Minutes are taken at all Board meetings. The attendance of individual members at Board meetings is presented in Table 1.

The Board reviews its operations and ways of working annually by means of self-assessment. The purpose of the self-assessment is to evaluate the Board's operations during the year and create favourable conditions for the further development of its work.

The remuneration of Board members is prepared by the Shareholders' Nomination Committee. The fees of the Board members are decided by the AGM. The remuneration of Board members is described in the annually published remuneration report.

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2.4.3. The Board consisted of the following members in 2021

Table 1: Members of the Board of Directors of EAB Group Plc in 2021

Name	Personal details	Ownership on 31 Dec 2020		Attendance at meetings in 2020			Independence	
		Direct	Indirect	Board of Directors	Audit Committee	Remu-neration Committee	Of the Company	Of the Shareholders
Therese Cedercreutz	• Chair of the Board since 2019 • b. 1969 • MSc (Econ)	7,529 (0.05 %)	-	13/13	10/10	7/7	yes	yes
Helge Arnesen	• member of the Board since 2020 • b. 1963 • degree in industrial engineering and management	-	-	12/13	-	-	no	no
Julianna Borsos	• member of the Board since 2020 • b. 1971 • PhD (Econ)	5,647 (0.04 %)	30 000 (0.22 %)	13/13	-	-	yes	no
Pasi Kohmo	• member of the Board since 2018 • b. 1968 • master's degree in agriculture and forestry	17,097 (0.12 %)	-	12/13	10/10	-	yes	yes
Janne Nieminen	• member of the Board since 2012 • b. 1967	1,112,031 (8.03 %)	-	13/13	-	7/7	no	no
Topi Piela	• member of the Board since 2019 • b. 1962 • Msc (Econ), CEFA and YVTS qualifications	5,647 (0.04 %)	6 000 (0.04 %)	13/13	10/10	-	yes	yes
Vincent Trouillard-Perrot	• member of the Board since 2017 • b. 1966 • MBA	-	-	11/13	-	-	no	no
Juha Tynkkynen	• member of the Board since 2014 • b. 1954 • Bachelor of Arts	5,647 (0.04 %)	78 378 (0.56 %)	12/13	-	7/7	yes	yes

2.4.4. Diversity of the Board

EAB Group has principles concerning the diversity of its Board. The purpose of the principles is to ensure that the members of its management constitute as diverse a group as possible. The quality and scope of the Company's business operations (principle of proportionality) have been taken into account when preparing the principles. The Board annually reviews the effectiveness and relevance of the principles and operating methods.

The Board's diversity supports the Company's business operations and their development. The diversity of the Board members' expertise, experience and views promotes the Board's open attitude towards innovative ideas, in addition to supporting and challenging the Company's operative management. Sufficient diversity also supports open discussion and independent decision-making.

In terms of the effectiveness of the Board's work, it is important that the Board has a sufficiently large number of members, as well as members of different ages with broad and varied experience and expertise. Diversity of the Board also includes having both male and female members. The company seeks to take this proactively into account when making changes to the composition of the Board.

The Board members' broad-based expertise and experience support the achievement of the company's strategic goals. In addition to sector-specific expertise, this includes the following:

- Business management
- Development and management of strategies
- Knowledge of the capital markets

At the end of 2021, six Board members held a master's degree, and one member held a bachelor's degree. These members hold degrees in economics and business administration, industrial engineering and management, agriculture and forestry, humanities, and social sciences. The Board members represent extensive expertise in the structures of the capital markets, business and society, and have broad and varied experience in entrepreneurship. Two of the eight Board members are female. The Board members' ages range from 51 to 68. The member with the longest term of office has served as a Board member for 9 years, and the members with the shortest terms of office have served as Board members for 16 months.

The Company seeks to achieve a more balanced gender composition for the Board over time.

2.5. Board committees

At its organisation meeting after the AGM each year, the Board appoints an Audit Committee and a Remuneration Committee. The Board appoints the members and chairpersons of the committees, taking into consideration the required expertise and experience, as well as the requirements for independence set out in the Corporate Governance Code. The Board also has the right to dismiss committee members. The members of the committees are appointed for the duration of the Board's term of office.

In addition to the committee members, the other Board members have the right to attend committee meetings if they so wish. The committees are responsible for preparing matters for the Board decide on at its meetings.

2.5.1. Audit Committee

The Audit Committee assists the Board by preparing matters concerning the Company's financial reporting and monitoring. The Audit Committee has no independent decision-making powers.

The duties of the Audit Committee include the following:

- Monitoring the statutory audit of the financial statements, consolidated financial statements and reporting process, as well as their accuracy
- Monitoring the financial reporting process
- Evaluating the independence and work of the statutory auditor and preparing a proposal concerning the selection of an auditor and their fee
- Monitoring the efficiency of the Compliance function, internal auditing and risk management systems
- Assessing the risk position and the sufficiency and quality of risk management
- Approving guidelines for internal auditing and examining the plans and reports of internal auditing
- Assessing compliance with laws, regulations and company practices
- Processing the Corporate Governance Statement

The members of EAB Group Plc's Audit Committee in 2021 were Therese Cedercreutz (Chair), Pasi Kohmo and Topi Piela. The committee met ten times. The attendance of members at meetings is presented in Table 1 above.

2.5.2. Remuneration Committee

The Remuneration Committee assists the Board by preparing matters concerning the remuneration and appointment of the CEO and the Company's other management, as well as the Company's remuneration principles. The Remuneration Committee has no independent decision-making powers.

The duties of the Remuneration Committee include the following:

- Preparing the remuneration and other financial benefits of the CEO
- Preparing the remuneration and other financial benefits of the Management Group
- Preparing matters concerning the Group's remuneration systems
- Monitoring compliance in remuneration
- Preparing the appointment of the CEO and the Management Group and identifying potential successors
- Processing the remuneration report.

The members of EAB Group Plc's Remuneration Committee in 2021 were Therese Cedercreutz (Chair), Janne Nieminen and Juha Tynkkynen. The committee met seven times. The attendance of members at meetings is presented in Table 1 above.

2.6. CEO

The CEO is responsible for the Group's day-to-day governance in accordance with the Limited Liability Companies Act and the guidelines and orders issued by the Company's Board of Directors. The CEO is responsible for the Group's operative management and the implementation of its strategy. The CEO guides and monitors the activities of the other members of the operative management in particular.

The Board appoints the CEO and determines their remuneration and other terms and conditions of their employment relationship. The CEO is appointed until further notice, and their notice period is six months. The terms and conditions of the CEO's employment relationship are agreed upon in writing in the CEO's agreement.

Daniel Pasternack has served as the Company's CEO since 2012. Pasternack holds a doctoral degree in economics and business administration. In May 2021, the company announced that Pasternack would focus on developing EAB Group's sustainable private capital business line and would resign as CEO, upon the appointment of a successor. The search for new CEO is still in progress.

2.7. Management Group

The Company's Management Group serves as an advisory and preparatory body. The Management Group is responsible for managing and developing the Group's business operations as a whole in accordance with the goals set by the Board and the CEO. The Management Group assists the CEO in the operative management of EAB Group, in addition to participating in strategic planning and the organisation and implementation of risk management. The Company's Board and CEO may also assign other duties to the Management Group.

The duties of the Management Group's members require a full-time commitment.

Name	Personal details	Position	Ownership on 31 Dec 2021	
			Direct	Indirect
Daniel Pasternack	• b. 1973 • PhD (Econ)	CEO since 2012	768 103 (5.55 %)	-
Roman Cherkasov	• b. 1982 • MSc (Econ)	CFO since 2017	10 000 (0.07 %)	-
Raisa Friberg	• b. 1976 • LLB	Deputy CEO since 2014	15 000 (0.11 %)	-
Rami Niemi	• b. 1970 • university-level studies in technology	Business Director, Private Customers, since 2016	487 820 (3.52 %)	-
Mona von Weissenberg	• b. 1979 • MSc (Econ)	Business Director, Institutional Customers, since 2020	-	-

3. Organisation of internal control

3.1. General description of internal control

Risk management and internal control within EAB Group is organised in accordance with the principles of reliable governance. Risk management and internal control are based on the principle of three lines of defence. Operative management represents the first line of defence, support and control functions (Group functions, including the Compliance function and risk management) represent the second line, and the internal auditing represents the third line.

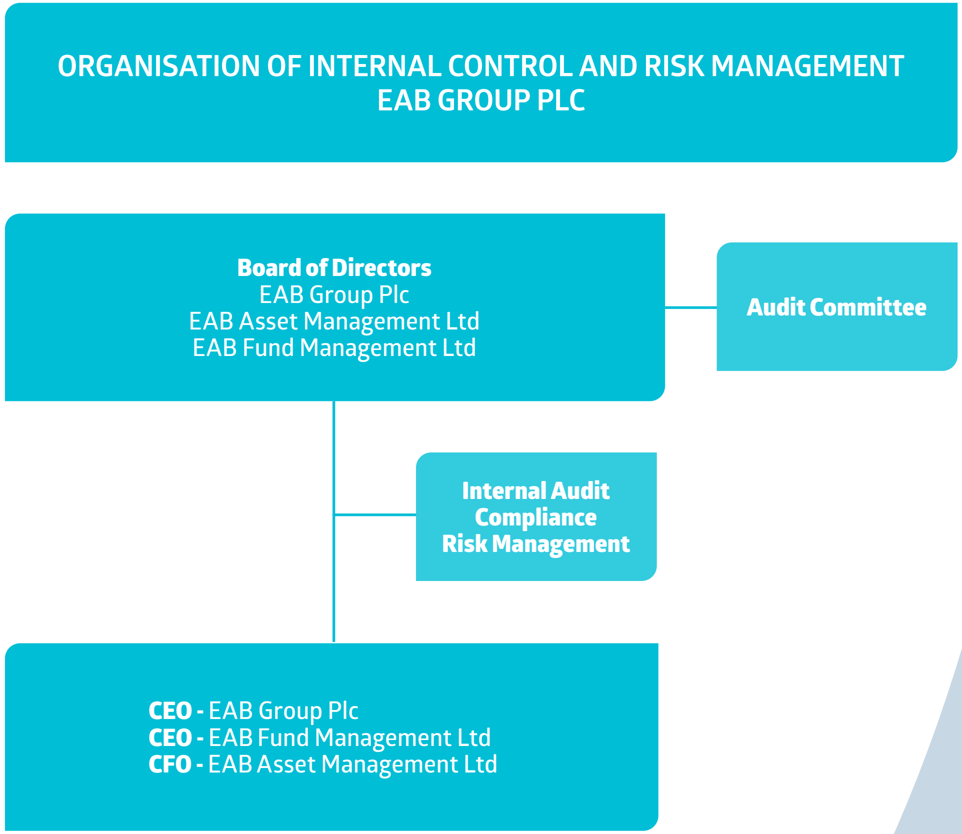
Control measures defined by the Board of the Parent Company have been determined for all levels of business operations, covering all of the Group's functions, and are therefore part of the Group's day-to-day operations. The Board has confirmed the following organisation for the Group's internal and external control and risk management. The organisation also monitors the operations of the Group's licensed subsidiaries.

3.2. Compliance function

The Compliance function assists EAB Group's senior and operative management and other functions in managing the risk related to non-compliance. The Compliance function regularly monitors and assesses the adequacy and effectiveness of the measures and procedures that the Group uses to ensure compliance. The Compliance function also monitors and assesses the adequacy and effectiveness of measures implemented to address shortcomings detected in compliance.

The Boards of Directors of the Parent Company and its licensed subsidiaries have approved the principles of the Compliance function. The purpose of the principles is to ensure that the companies operate in accordance with laws and regulations and the Group's operating principles.

Group-wide Compliance is centralised in the Parent Company. However, this arrangement does not affect the responsibility of subsidiaries' Boards of Directors for the organisation of the Compliance function within the Group's licensed subsidiaries.



3.3. Internal auditing

Internal auditing refers to the independent and objective assessment and verification of operations. The purpose of internal auditing is to assess the relevance, functionality and effectiveness of the Parent Company's and the Group's licensed companies' internal control systems, risk management, and management and governance processes. Internal Audit cooperates closely with other control functions, particularly the Compliance function and Risk Management.

The Company's and the Group's licensed companies' Boards of Directors have determined and approved the principles of internal auditing. The internal auditor has unlimited access to information and the right to audit companies' operations. The Board of each company confirms the internal auditing plan annually.

Based on EAB Group's size, and the scope and quality of its business operations, the Parent Company's Board of Directors has deemed that the Company's internal auditor is also capable of taking care of the duties of the Internal Audit functions of the Group's licensed companies. Internal audit has been outsourced to Lauri Koponen. The internal auditor reports to the Boards and CEOs of the Company and the Group's licensed companies and to EAB Group's Management Group.

3.4. Audit Committee

The Audit Committee of the Board of Directors monitors to ensure that the Company's accounting, financial management, internal auditing, auditing and risk management are organised appropriately.

3.5. Financial reporting process

The purpose of financial reporting is to provide up-to-date financial information and ensure that decision-making is based on reliable information. The goal is to ensure that financial statements and interim reports are prepared in accordance with the applicable laws, generally accepted accounting principles and other requirements concerning listed companies.

With assistance from the Audit Committee, the Board of Directors of the Parent Company monitors to ensure that the financial reporting process produces high-quality financial information. The duties of the Audit Committee include controlling and monitoring financial reporting, monitoring internal control and internal auditing, assessing risk and solvency management on a regular basis, and monitoring the auditing of accounts, for example.

The Group's accounting and the reporting of its results have been centralised under the Group's Financial Management function. Under the supervision of the Group's CFO, Financial Management produces the financial statement information required for external calculation, and analyses and result reports for internal calculation for monitoring the profitability of business operations, special purpose entities and the Group. Performance development is reported on a monthly basis to the Management Group and the Board of Directors by means of various result reports. The goal is to detect and identify success factors and development needs in good time and to respond accordingly.

The Group's subsidiaries report their results to the Parent Company on a monthly basis. For the most part, the subsidiaries' accounting has been centralised under the Group's Financial Management. This makes it possible to ensure at Group level that financial reporting concerning the Group companies is reliable.

EAB Group complies with the International Financial Reporting Standards (IFRS) adopted by the EU. In addition to the IFRS, the Group applies regulations and guidelines concerning investment service companies to the preparation of its financial statements. Half-year reports are published in accordance with the IAS 34 standard. The interpretation and application of financial statement standards have been centralised under Financial Management.

The monitoring of budgeting and reporting processes is based on EAB Group's internal calculation guidelines. The Group's Financial Management is responsible for determining the principles and for their centralised maintenance. The principles are applied consistently across the Group.

The external auditor regularly audits financial reporting and reports directly to the Board of Directors.

3.6. Risk management

Risk management within EAB Group is organised in accordance with the principles of reliable governance. The Group's risk management is based on the principle of three lines of defence. Operative management represents the first line of defence, support and control functions (Group functions, including the Compliance function and risk management) represent the second line, and the internal auditing represents the third line. The Group's Risk Management function continuously cooperates with its other functions across all lines of defence. Risk Management promotes the application of more effective and safer internal processes and procedures within the Group through its operations and its active risk identification and assessment and the analysis of materialised risks.

The purpose of risk management is to ensure that key risks related to the Group's operations are identified, that risks are assessed, measured and monitored, and that measures are implemented to reduce the impacts of assessed risks when necessary. The goal of risk management is to ensure that Group companies do not take risks not covered by the risk appetite and risk level approved by the Group. Risk management actively prevents the occurrence of risks that would jeopardise the Group's solvency, liquidity, or the continuity of the Group's operations in general. The Boards of the Group's Parent Company and licensed companies have approved the principles concerning risk management. The approved risk level, risk appetite and risk-bearing capacity have been taken into account in the principles and practices of risk management.

Risk management ensures the identification, assessment, measurement and monitoring of risks that are significant in terms of the quality and nature of the Group's operations, as well as the limitation of their impacts as part of day-to-day business management. These risks may be internal or external, measurable or non-measurable, or within or beyond the Group's control, meaning that the Group cannot affect the risks directly and can only protect itself from the risks. EAB Group has determined measurement methods for measurable risks, and relevant assessment methods for the management of non-measurable risks.

As part of risk management, operating guidelines have been prepared for the Group's key functions. These guidelines describe the organisation of the function, as well as the related job descriptions, goals, reporting obligations, monitoring methods, and key processes and the related controls.

The Group's risk management is partly centralised and partly outsourced. The outsourcing of risk management does not affect the responsibility of the company's Board of Directors for the organisation of risk management. The manager responsible for risk management is supported by the Risk Management Committee, which serves as a preparatory body in matters related to risk management, and also as a decision-making body in some cases.

The Boards, CEOs and senior management of the Group companies promote the creation of a corporate and risk culture that identifies and approves risk management and internal control as an essential and necessary part of business operations. The Board has approved principles for the applied risk culture. The goal is to continuously increase risk awareness throughout the organisation and to actively manage risks identified in the Group's operations across the organisational structure.

4. Other governance

4.1. Internal auditing

Internal auditing refers to independent and objective assessment, verification and consulting operations that create added value for EAB Group and improve its operations. Internal auditing supports the organisation in achieving its goals by providing a systematic approach to the assessment and development of the organisation's risk management, monitoring and governance processes.

Internal auditing has been outsourced to Lauri Koponen. The Internal Audit function operates under the supervision of the Parent Company's Board of Directors and conducts audits across the Group or in different functions according to the situation. Internal Audit cooperates with the management, the Audit Committee and control functions, and with other functions if necessary. In addition, reports and recommendations issued by auditors and other external reports are used in audits.

Internal Audit has the right to obtain all the necessary information for audits and carry out audits in all EAB Group's companies and operations. In its operations, Internal Audit does not participate in the Group's decision-making or the preparation and execution of decisions, meaning that internal auditing is mainly advisory and supports internal control.

In all its operations, Internal Audit complies with the guidelines provided by the Parent Company's Board of Directors and the Audit Committee. In addition, the ethical principles and rules of the Institute of Internal Auditors, as well as other application guidelines, are always taken into account in audit operations. On a case-by-case basis, EAB Group may also have internal guidelines that define the duties of Internal Audit.

Audits are based on an internal audit plan approved annually by the Board of Directors. Annual objects of auditing are defined at a general level in the plan. More detailed audit-specific plans are prepared based on the annual plan. In the detailed plans, focuses may be chosen based on risks or on other grounds for each audit. Risk management, control processes and compliance with regulations are assessed during audits.

Observations made during audits are reported to the Board of Directors, the Compliance function and the Risk Management function. In reporting the results of audits, concise information is provided about observations related to various aspects, and more detailed information is provided about any suggested measures in particular. In addition to reporting the results of audits, Internal Audit provides company-specific annual reports and half-year monitoring reports on its operations. Internal Audit also reports separately based on sector-specific regulations or any individual assignments.

4.2. Related party transactions

A related party transaction is an agreement or other legal transaction between the Company and one of its related parties. In identifying related party transactions, attention must be paid to the actual content of the transaction and the party and the relationship between them, and not just to the legal form. The transfer of resources, services or obligations between the Company and the related party is essential, regardless of the type of consideration (cash or other consideration).

EAB Group complies with related party regulations based on several sets of norms. These regulations must be taken into account in the Group's business operations, particularly in decision-making concerning related party transactions, and when providing information about such transactions and reporting on such transactions.

Key regulations concerning the Group's business operations in terms of related parties and related party transactions are provided in the Limited Liability Companies Act, the rules of the Nasdaq Helsinki, the Corporate Governance Code of the Securities Market Association, and the orders issued by the Financial Supervisory Authority. In addition, the IFRS standard concerning the disclosure of financial statement information includes regulations pertaining to related parties. The orders issued by the Financial Supervisory Authority concern the Parent Company and the Group's investment service company. Key regulations applicable to the Group mainly arise from the Parent Company being a listed company, and to a lesser extent from the fact that the Group operates in the investment service sector.

The Parent Company's Board of Directors monitors and assesses the Group's related party transactions. The Board decides on related party transactions that are not part of the Company's normal business operations or that are not executed on ordinary commercial terms. However, the Board is not expected to assess all transactions with the Group's related parties. In addition, the Parent Company's Audit Committee monitors the Group's related party transactions, the implementation of principles concerning the Group's related party transactions, and the implementation of principles concerning the management of conflicts of interest.

It is necessary to identify related party transactions, because the Company's Board of Directors decides, in accordance with law, on such agreements or other legal transactions with related parties that are not part of the Company's normal business operations or that are not executed on ordinary commercial terms. According to the Limited Liability Companies Act, ordinary related party transactions or related party transactions executed on ordinary commercial terms do not require the Board's decision.

4.3. Key procedures of insider management

In its insider management, the Company complies with the Market Abuse Regulation (MAR) [Regulation (EU) No 596/2014], the orders issued by the Financial Supervisory Authority and Nasdaq Helsinki Ltd's guidelines for insiders of listed companies. The Company's Board has approved insider guidelines that are based on and supplement the regulations and guidelines mentioned above. The guidelines determine in more detail the organisation and monitoring of matters concerning insiders and the rules concerning insider trading.

The Company has appointed a person in charge of matters related to insiders, as well as their deputy, who are responsible for insider administration and monitor to ensure that insider trading complies with regulations and internal guidelines. The insider guidelines are reviewed annually and confirmed by the Company's Board of Directors.

The Company maintains project-specific insider lists according to need. Project-specific insider lists include everyone in possession of insider information. The people included in insider lists are informed about confidentiality obligations and business transaction restrictions that concern them. The Company's non-public insider lists are maintained in its insider management system. The Company does not have a permanent MAR-compliant insider list that supplements project-specific insider lists.

In its communication, the Company follows a 30-day silent period that ends with the publication of the interim report or financial statements bulletin. The silent period corresponds to the closed period, during which the Company's employees are not allowed to execute business transactions that involve securities or financial instruments related to the Company.

The MAR obligates the Company to maintain a list of its management (managers subject to the notification obligation) and their related parties. The list is not an insider list, nor is it public.

The MAR obligates the Company's management and their related parties to report trading in Company shares, host debt instruments, derivatives or other financial instruments to the Financial Supervisory Authority and the Company.

In accordance with the MAR, the Company provides information about transactions made by the Company's managers who are subject to the notification obligation, and by their related parties, with the financial instruments mentioned above by means of a stock exchange release and on its website at www.eabgroup.fi/meista/uutiset-ja-tiedotteet.

4.4. Auditors

Auditors are responsible for ensuring that financial statements are prepared in accordance with current regulations in such a way that they provide accurate and sufficient information about the Company's and the Group's result and financial position, in addition to other necessary information, to the Group's stakeholders.

According to EAB Group Plc's Articles of Association, the Annual General Meeting elects the auditor. According to its Articles of Association, the Group has one auditor, and its auditor must be an audit firm in accordance with the Accounting Act. The auditor's term of office ends at the close of the Annual General Meeting (AGM) following the AGM during which they were elected.

On 25 March 2021, the AGM elected KPMG Oy Ab, Authorised Public Accountants, as EAB Group Plc's auditor, with APA Tuomas Ilveskoski as the principal auditor.

The auditor issues a statutory auditor's report to the Company's shareholders in connection with the Company's financial statements. The purpose of the auditing of accounts is to ensure that EAB Group's financial statements and Board of Directors' report provide accurate and sufficient information about the Company's result and financial position. In addition, the audit of EAB Group Plc's accounts includes an audit of its accounting and governance. The statutory auditor's report is submitted to the Company's shareholders in connection with the Company's financial statements. The auditor's report their observations to the Audit Committee regularly.

The audit firm's fees totalled EUR 196,847.05 in 2021. Audit-related fees totalled EUR 156,271.15, and advisory fees not related to auditing totalled EUR 40,575.90. The Company occasionally purchases consulting services from the audit firm. The Board assesses this work in terms of its independence from auditing.

Remuneration

EAB Group's parent company EAB Group Plc and the Group companies EAB Fund Management Ltd and EAB Asset Management Ltd follow remuneration principles approved by the Boards of the companies, which guide the remuneration for management and employees. The remuneration principles apply to all EAB Group employees.

EAB Group Plc also has a remuneration policy for governing bodies, approved by the annual general meeting. Fees and other financial benefits paid to the members of the Board of Directors and the CEO of the Group in 2021 are presented in the remuneration report. The remuneration policy, the remuneration report and information on the remuneration of the Management Group are available on the Group's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/palkitseminen.

Where applicable, in their remuneration policies, the companies follow the regulations on remuneration in the Act on Investment Services, the Act on Common Funds, and the Act on Alternative Investment Funds Managers, relevant statutes issued by the Ministry of Finance, the directly binding EU Regulation on remuneration, the European Securities and Markets Authority (ESMA) remuneration guidelines, valid interpretations and regulations on remuneration by the Financial Supervisory Authority, as well as the Securities Market Association Corporate Governance Code.

Employees' remuneration is based on total remuneration, which consists of a fixed element, a variable element and other employee benefits. The goal with remuneration is to support the achievement of the Group's strategic goals, as well as long-term growth and financial success, and to commit the employees to acting in accordance with the Group's goals. The remuneration systems have been created to function side by side with and contribute to effective risk management.

EAB Group uses four remuneration systems. As a rule, all employees are covered by a performance-based remuneration system.

General performance bonus system

Since 1 January 2017, EAB Group has used a general performance bonus system that applies to personnel not included in the scope of the personal performance bonus system. Bonuses are based on an evaluation of the Group's overall performance, and an evaluation of the performance of the employee's profit centre and the employee's personal performance. The maximum performance bonus is 5% of the Group's result before taxes within six months of the end of the company's accounting period.

Personal performance bonus system

Personal arrangements outside the general performance bonus system are applied to a small number of employees. Some of the arrangements are tied to the Group's result, the managed fund's development or the employee's monthly salary. When evaluating performance, individual and team performance are both scored in accordance with an agreed weighting.

Share-based incentive system

In 2020, EAB Group introduced a share-based incentive system for the Group's key employees. The share-based incentive system consists of three two-year earnings periods, from 1 August 2020 to 31 July 2022, from 1 August 2021 to 31 July 2023 and from 1 August 2022 to 31 July 2024. The Board determines the system's earnings criteria and the goals for each criterion at the beginning of each earnings period.

During the 2020–2022 and 2021–2023 earnings periods, the system covers approximately ten key employees, including members of the company's management group.

The potential bonuses from this system during each earnings period are based on the total return on EAB Group Plc's shares. Any bonuses from the 2020–2022 period will be paid after the end of the earnings period over approximately three years in four instalments. Any bonuses from the 2021–2023 period will be paid in one instalment one year after the earnings period ends. The bonuses will be paid partly as shares of the company and partly in cash.

The key employees must retain ownership of the net shares paid to them based on the incentive system until their total shareholding in the company corresponds to their annual gross salary. They must retain this shareholding as long as they are employed by the Group company.

Remuneration based on performance-based fees

Portfolio managers managing EAB Fund Management Ltd's alternative funds can receive performance-based fees either directly or through the team structure. The Board of Directors confirms the proportional share of the performance-based fee to be paid to the portfolio managers.

ELITE ALFRED BERG

Board of Directors

Therese Cedercreutz

Chair of the Board

Helge Arnesen

Member of the Board

Julianna Borsos

Member of the Board

Pasi Kohmo

Member of the Board

Janne Nieminen

Member of the Board

Topi Piela

Member of the Board

Vincent Trouillard-Perrot

Member of the Board

Juha Tynkkynen

Member of the Board

Management Group

Daniel Pasternack

CEO

Roman Cherkasov

CFO

Raisa Friberg

Deputy CEO

Rami Niemi

Business Director, Private Customers

Mona von Weissenberg

Business Director, Institutional Customers

Information for shareholders

1. Company's shares

Shares of EAB Group Plc are listed on the main list of Nasdaq Helsinki with the ISIN code FI4000157441 and ticker symbol EAB. The company has one series of shares. Each share entitles the holder to one (1) vote. The total number of issued shares is 13,843,272.

EAB Group Plc's shares are linked to Euroclear Finland's book-entry register. The company's shareholder register is maintained and on display at Euroclear Finland, Urho Kekkosen katu 5 C, 8th floor, Helsinki, Finland.

2. Guidelines for 2022

Assuming that the market environment remains favourable, we expect the profit margin for the 2022 financial year to be positive. If the market conditions deteriorate significantly, the company will reassess the forecast. This estimate is based on current operations. Acquisitions or other significant changes in operations could influence the company's outlook.

3. Dividend policy

According to its policy, the company typically distributes dividends amounting to half the Group's earnings per share or cash flow per share, taking into consideration the Group's business development needs and the company's solvency. Thus, the company's own assets and liquidity are kept at a proper standard. Another goal is that dividends per share increase annually. If a dividend is distributed, all shares entitle the holder to the same dividend.

4. Annual General Meeting 2022 and registration

EAB Group Plc's shareholders are invited to the Annual General Meeting to be held on Thursday 7 April 2022 at 12.00 EET. The meeting will be held without the presence of shareholders on the company's premises at Kluuvikatu 3, 3rd floor, Helsinki.

To limit the spread of the Covid-19 pandemic, the Annual General Meeting will be held without the physical presence of shareholders at the meeting venue. The company's shareholders may attend the meeting and exercise their rights only by voting in advance through a proxy representative appointed by the company and by submitting counterproposals and questions in advance, subject to the restrictions of a temporary act.

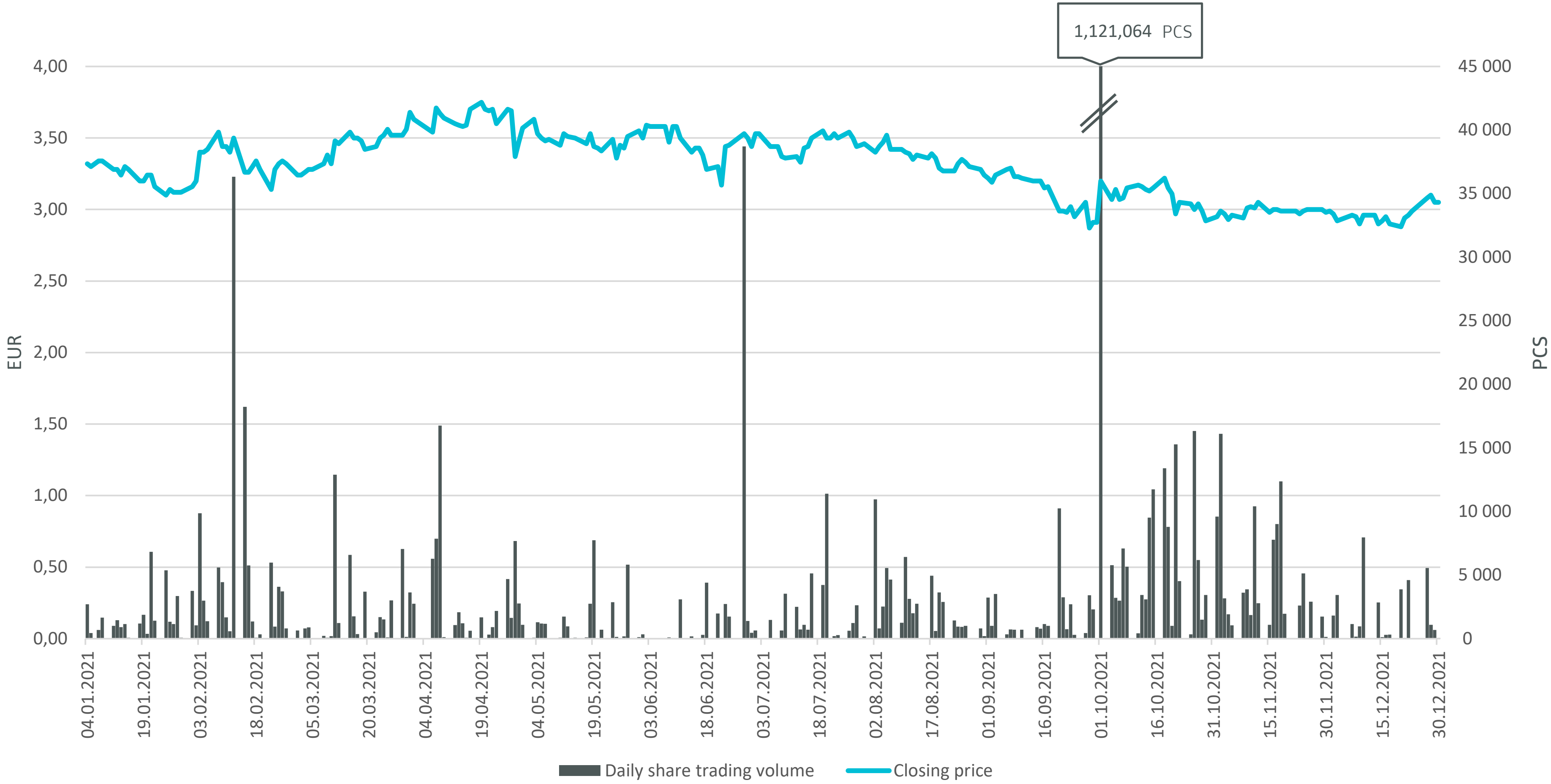
All shareholders who are included in the company's shareholders' register maintained by Euroclear Finland Ltd on 28 March 2022 are entitled to vote at the General Meeting. All shareholders whose shares are included in their personal Finnish securities accounts are included in the company's shareholders' register.

Registration for the Annual General Meeting will begin on 24 March 2022 at 16:00 p.m. A shareholder included in the shareholders' register who wishes to attend the Annual General Meeting must register by 4 April 2022 at 10:00 a.m.

Owners of nominee-registered shares are entitled to attend the Annual General Meeting on the basis of the shares that would entitle them to be included in the shareholders' register maintained by Euroclear Finland Oy on the Annual General Meeting record date, 28 March 2022. Attendance also requires that the shareholder be temporarily included in the shareholders' register maintained by Euroclear Finland Oy based on the said shares by 4 April 2022 at 10:00 a.m. at the latest. In the case of shares included in the nominee register, this is considered as registration for the Annual General Meeting. Any changes in shareholding after the Annual General Meeting record date will not affect the right to attend the Annual General Meeting or the shareholder's votes.

Further instructions on how to register, how to vote in advance, and how to submit counterproposals can be found in the Notice of the Annual General Meeting, which is available on the company's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/yhtiokokous on 17 March 2022.

5. Share performance 2021



Daily share trading volume of October 10, 2021 is shown cut off for presentation reasons.

6. Dividend distribution

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.11 per share be distributed for the financial year ended 31 December 2021 based on the adopted balance sheet. The remaining distributable assets are to be retained in shareholders' equity.

7. Annual General Meeting date and dividend payment date

- The date of entry into the shareholders' register entitling the holder to attend: 28 March 2022
- Closing date for registration for the Annual General Meeting: 4 April 2022 at 10:00 a.m.
- Annual General Meeting: 7 April 2022 at 12:00 a.m.
- Dividend distribution record date: 11 April 2022
- The dividend payment date: 20 April 2022

8. Financial information and publication dates

EAB Group Plc publishes its financial results twice a year according to the rules of Nasdaq Helsinki ("Helsinki Exchange") by publishing a consolidated financial statement and an interim financial report. The company also publishes information about all significant changes and conditions that may affect the company's financial status. The consolidated financial statement is drafted according to the International Financial Reporting Standards (IFRS) and special regulations pertaining to investment service companies.

In 2022, EAB Group Plc will publish the following financial reports:

- A financial statements bulletin for 2021 was published on Friday, 11 February 2022.
- The annual report will be published on Thursday, 17 March 2022.
- An interim report for the period from 1 January to 30 June 2022 will be published on Friday, 5 August 2022.

The financial statements bulletin, annual report and interim report H1 will be published in Finnish and English.

The releases and financial reports are also available on the company website at www.eabgroup.fi/sijoita-meihin/raportit-ja-esitykset.

Sustainability

Responsibility and related reporting in EAB Group

Elite Alfred Berg is an expert in investments that helps private individuals, professional investors and companies in Finland manage their assets comprehensively, systematically, and responsibly. More than 10,000 customers rely on our services to manage assets worth EUR nearly 4 billion. We collaborate in portfolio management with Alfred Berg Norway and Sweden. Our combined customer assets in the Nordic countries amount to more than EUR 15 billion. As the leading provider of personnel funds in Finland, we serve 95,000 personnel fund members. Our customers are served by more than 100 investment professionals in 13 locations around Finland. The Group's parent company, EAB Group Plc, is listed on the Nasdaq Helsinki stock exchange.

Prepared in 2021, this EAB Group Plc ("parent company" or "company") corporate responsibility report describes the role of EAB Group as a responsible actor in relation to its stakeholders and surrounding society. Although the scope of EAB and its operations do not require any corporate responsibility reporting pursuant to the Accounting Act, the parent company's Board of Directors has decided to voluntarily report its responsibility actions to investors and other key stakeholders.

EAB Group Plc's 2021 corporate responsibility report has been approved by the Board, and it is published as part of the 2021 annual report. The report complies with global ESG Reporting Guide 2.0 – A Support Resource for Companies, published by Nasdaq Nordic in 2019, in all aspects that are relevant to the operations of EAB Group.

Responsible business

Elite Alfred Berg's responsibility work is based on the Group's mission and values. Our mission is to invest responsibly for a better future. By investing in companies and initiatives which combine doing good and making profit, we enable a better future for society, businesses, communities, individuals and the environment. Our slogan #balanceofgoodandmoney also combines the concept of doing good while making profit.

The management practices used in Elite Alfred Berg's business cover most of the actions required to manage corporate responsibility. Key management practices are defined in the parent company's administration principles. The investment service and fund company included in the Group has all the required licences granted by the Financial Supervisory Authority, and the Financial Supervisory Authority supervises compliance with the licences. Good securities trading and investment service practices ensure that all operations comply with the regulations, standards and the principles of fair business operations. The actions of all our employees reflect our values: responsible, collaborative, devoted and open-minded.

We act responsibly and openly, create opportunities for the growth of businesses and increase the assets of people in Finland, while considering other stakeholders. We aim to operate on a strong financial basis and manage risks regardless of economic cycles. The resistance to economic cycles is supported by the Group's investments in private capital business, and risk management. Elite Alfred Berg complies with applicable legislation and guidelines, as well as recommendations by the marketplace and securities and markets authorities.

With our operations, we want to provide added value to our investors, our customers, our personnel, the environment and society. Responsible and effective investment operations play a key role here, but we also want to be an exemplary corporate citizen in all our other activities. In many of our responsibility actions, we follow the principle of proportionality: in our small, low hierarchy organisation, a high level of corporate responsibility does not require a commensurate increase in bureaucracy; instead, it requires consistent everyday actions based on the values.

The Sustainability Advisory Board, appointed in December 2020 and consisting of external experts, supports the Group's sustainability efforts. The Advisory Board assists Elite Alfred Berg with its expertise in the further development of responsible investment and responsible business to achieve the Group's vision "By becoming the forerunner in responsible investment, we grow into the most respected Nordic asset management expert". The Sustainability Advisory Board consists of Lisa Beauvilain, Anne Larilahti, Benjamin Maury and Elina Moisio. In addition to the members from outside the Group, Therese Cedercreutz, the chair of Elite Alfred Berg's Board of Directors, Daniel Pasternack, CEO, Toni Iivonen, Chief Investment Officer, and Sini Sittnikow, HR and Sustainability Director, participate in the work of the Sustainability Advisory Board.

Responsible investment operations

As an investor of billions of euros, Elite Alfred Berg recognises its responsibility and opportunity to generate positive externalities. Our customers can rely on us managing their assets responsibly. Responsible investment operations do not refer to reduced profit or making any ethical choices on the customer's behalf. Instead, it means that as an investor, we expect our investments to comply with social norms and good practices. Responsibility can be concretely seen in the fact that we always take into account the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact Principles.

Sustainability is one of our investment criteria, because we believe that companies which act responsibly will succeed in the long term. Furthermore, sustainability is an important part of the long-term management of investment risks. EAB Asset Management Ltd and EAB Fund Management Ltd have their own corporate governance policies (in Finnish), which we follow in our investment operations. As an active owner, we also try to contribute to the achievement of responsibility in our portfolio companies as necessary.

Our first Group company committed itself to the UN Principles for Responsible Investment (PRI) in 2011, and now the PRI are followed in the entire Group where applicable. In its responsible portfolio management, Elite Alfred Berg utilises BNP Paribas's (BNPP) Environmental, Social and Governance (ESG) survey (environmental responsibility, social responsibility and governance), which covers the monitoring of global corporate responsibility norms and the assessment of environmental violations.

We screen our direct equity and interest investments with the help of the blacklists of BNPP and Norges Bank Investment Management. Their criteria include both sector limitations and company-specific norm violations. The blacklists include hundreds of companies based on exclusion criteria such as corruption, human rights violations, severe environmental damage, a focus on coal power, controversial munitions, opencast mining and the manufacture of nuclear weapons. The criteria also include nuclear power in the case of countries that do not comply with international safety standards, as well as non-responsible production of palm oil and manufacture of tobacco products. In addition to these criteria, EAB never invests in the adult entertainment sector.

In the case of indirect investments, we require that the funds we accept in our portfolio comply with the PRI. We also use the ESG rating in the selection of target funds.

In the case of property investments, sustainability covers an ESG evaluation of the properties being acquired in terms of energy consumption, location, soil and building materials, among other aspects. Important issues at the construction or renovation stage include ensuring appropriate working conditions, preventing the underground economy and considering environmental aspects, as well as finding solutions that make sense from the perspective of the property's entire lifecycle. As the lessor at the operational stage of a property, we aim to promote environmentally friendly, energy-efficient, healthy and safe solutions.

EAB Group has a cross-functional committee that coordinates responsible investments in portfolio management and the overall development of the company's responsibility. Responsibility has been integrated with portfolio management by making the portfolio managers responsible for compliance with the responsibility principles in their fund and the portfolios they manage. Risk management monitors compliance with the blacklists, and submits reports to the management on compliance with the guidelines and lists.

We annually submit a public report to the PRI organisation on our responsible investment operations. In 2020, we achieved the second highest grade of A in Strategy and Governance. The PRI did not publish a report in 2021 due to challenges the PRI itself faced in organising the reporting in a new data system and challenges posed by the COVID-19 pandemic.

In 2021, we updated our responsible investment and corporate governance principles and categorised our funds into different sustainability categories in line with the new EU SFDR.

The Sustainability Advisory Board, consisting of external experts, met several times during the year and provided advice, particularly on climate issues from a corporate and investment perspective.
The first comprehensive sustainability

reports for investment funds were published during the second quarter of 2021 and will be published quarterly in the future. The reports include a comparison of sustainability scores against the fund's benchmark index, measured by the overall score and divided into subareas (environmental, social and corporate responsibility). The reports also provide comprehensive information on the carbon risks of the funds.

In April, we launched a new renewable energy infrastructure investment fund (Elite Alfred Berg Renewable Energy Infrastructure Fund II Ky), which focuses on European renewable energy projects, especially solar and wind power. The fund aims to provide investors not only with a return but also the opportunity to have a positive impact on our living environment and mitigate climate change. The fund is EAB's second private equity fund focusing on renewable energy investments. The first one, Elite Intian Aurinko I Ky, is still active in the Indian solar energy market.

EAB also continued its advocacy work as a member of the PRI and the CDP, participating in selected joint advocacy activities through these organisations, such as the CDP Science-Based Targets, for the second year in a row. 2021 marked the tenth anniversary of our first Group company signing the Principles for Responsible Investment (PRI). The PRI is the world's leading organisation in responsible investment, with more than 3,000 signatories covering all investor types from banks and asset managers to pension insurers. As a PRI signatory, we are committed to the six PRI principles and to reporting annually on the responsibility of our investments.

Focusing on customer interests

The principles of responsible investment guide all our investment operations. We believe this is how we can offer our customers better yield and an opportunity to make a positive impact on our shared future. The starting point of our services is always getting to know the customer's goals and needs to ensure that the products we offer them are suited for their risk profile and optimally supplement their assets when taking the big picture into account.

We are a genuinely active asset manager. This means that we manage investments based on our investment strategy instead of benchmark indices. In our investment operations, we utilise our own innovative funds, the funds available from our largest owner BNP Paribas and open architecture investment solutions. This enables our customers to utilise the full spectrum of the finance markets from alternative types of property and direct investments in securities to cost-effective index products.

Our remuneration practices do not encourage unnecessary risk-taking by overemphasising equity investments, for example. The development of our investment products and services is based on our customers' needs and best interests. We continuously monitor the feedback we receive from customers and the success of our investments. We aim to offer our customers the best service experience in the industry.

You can influence through investments

As part of its responsible investment operations and product development, Elite Alfred Berg practises impact investing where positive externalities, such as emission reductions, are an additional target in addition to profit. Environmental aspects are also important from a financial perspective, because energy savings in property investments often translate to direct financial benefits, for example. In addition, demand for impact investment products is growing strongly among both private and institutional investors.

Private equity fund Elite Intian Aurinko is a key part of our impact investing product range. It consists of investments in solar energy production in India. The fund's total value is some EUR 17 million, and the production plants that own it annually produce zero emission energy equivalent to the average carbon footprint of some 5,000 people in Finland.

We have invested half a million euros from our own balance sheet in Elite Intian Aurinko. According to our calculations, this compensates for the annual carbon footprint of all our employees. We have done this to prove that we are as good as our word. For private investors and depositors, we offer the BNP Paribas Climate Impact equity fund, for example. It has a good expected yield and offers an opportunity to actually influence global climate and environmental issues. The fund invests in companies that develop technologies involving renewable energy sources, the processing and recycling of waste, the boosting of agriculture, or the reduction of energy or water consumption.

Impact investing is one of our product development focus areas. In 2021, we expanded our range of green alternative energy funds with a new fund, Elite Alfred Berg Renewable Energy Infrastructure, which invests in sustainable energy production, mainly in Europe. We expect it to become significantly larger than Elite Intian Aurinko, which was established in 2018. In the beginning of February 2022, Elite Alfred Berg Renewable Energy Infrastructure was upgraded to the highest possible classification, meaning that the fund is now a dark green financial product that makes sustainable investments in accordance with EU SFDR regulations (SFDR9 rating).

CASE:
How is sustainability implemented in Elite Alfred Berg's real estate funds?

The real estate sector plays an important role in responsibility and sustainability due to its high social and economic importance, labour demand, emissions and energy consumption. We believe that by investing and acting responsibly, we can improve the return on our properties, reduce the maintenance costs and property-specific risks, improve the occupancy rate and increase the value of our properties.

Before a purchase decision is made or a property is built, Elite Alfred Berg's real estate funds assess the energy consumption of direct real estate investments as well as the potential to reduce energy consumption and thus reduce the environmental impact of the property. External experts are used to assist in the evaluation where necessary.

We critically and systematically assess the content and implementation of our sustainability measures. We are already doing well in many respects, but we have also found areas where we can still improve. At the beginning of 2021, we conducted the first tenant satisfaction survey for our funds, which allowed us to identify several tangible measures to further increase tenant satisfaction.

We are currently working on a major renovation project of an office building built in the 1980s in Espoo. Energy efficiency has been considered from the very beginning of the project, and we are working towards BREEAM Very Good certification for the property. We also had another interesting project in Espoo, where the ventilation, automation and lighting systems of our electrically heated office building, built in the 1990s, were upgraded to modern and energy-efficient standards. As a result, the property's electricity bill will be reduced by about 25% per year, and we will reduce our consumption by 264 MWh per year.

In Turku, we completed a project in which an air source heat pump system was installed in a commercial building connected to the local district heating system. The heat pump system can also be used to cool the premises. The payback period of the project is estimated to be around 8 years. The fact that tenant satisfaction increased significantly as a result of the project is also important.

In the coming years, we will implement several energy efficiency projects and certify our buildings. We are also proud that one of our properties in Kuopio Portti received a LEED Gold certificate in 2021. The property is heated by geothermal heat, and much of the electricity for the air source heat pumps is generated with solar power.

Materiality assessment and report limitations

Financial, social and environmental responsibility aspects that are relevant to Elite Alfred Berg have been determined by assessing their impact on the Group's business and the Group's opportunity to influence its stakeholders and the environment through them. For the materiality assessment, EAB's senior management outlined – partly based on the Nasdaq ESG reporting framework – responsibility aspects that were prioritised with a stakeholder survey in the autumn of 2020. 166 replies in total were received, most of them from private customers. Employees provided the second largest number of replies.

Stakeholders' assessment of the importance of responsibility aspects is shown on the next page in the vertical axis of the materiality matrix (Figure 1). The horizontal axis of the graph indicates the impact on stakeholders and the environment through these aspects of the Group's activities, as assessed by EAB's executive management. The results of the materiality assessment will be used to determine the aspects to be reported in the responsibility report and in the development of the Group's corporate responsibility strategy.

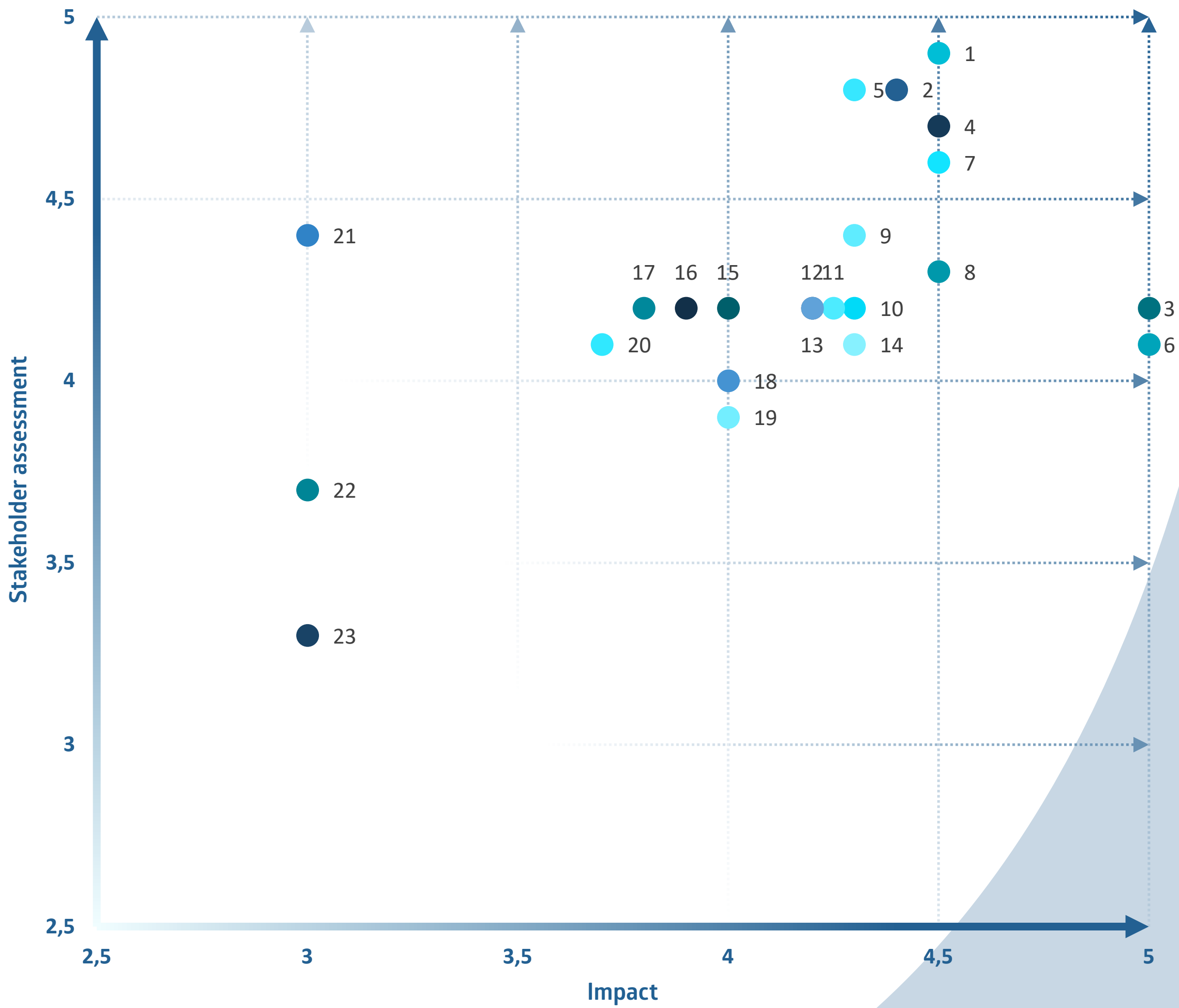
According to the materiality assessment, the most important aspects of EAB's own operations in terms of responsibility are the prevention of corruption in business, the customers' information security and privacy protection, fair and successful recruitment, as well as open and transparent reporting, which were considered very important aspects by almost all respondents. The Group's management also believes that it can make a positive contribution to society through these aspects. Most respondents also considered all responsibility aspects related to HR management important or very important.

Meanwhile, most respondents considered environmental effects from Elite Alfred Berg's own operations, formal guidelines, policies and resolutions on responsibility, and the company's charity less important. In addition, the potential for the Group to make an impact through these aspects was perceived to be less than through the other aspects. This report therefore does not cover the Nasdaq ESG indicator E6 (water usage), and for the time being, the company has not identified any need to prepare the environmental administration policies laid down in indicator E7. The report covers all the other indicators laid down in the Nasdaq Nordic ESG reporting guide at least at the key point level.

The materiality assessment highlighted the indirect responsibility of Elite Alfred Berg, especially for the responsibility of the investment target companies and only secondarily for the responsibility of its partners and service providers. No material differences between the ESG aspects (environmental responsibility, social responsibility and governance) were identified in terms of indirect responsibility; instead, all the aspects were considered important or very important. The results suggest that not only the environmental impact, but also the other aspects of responsibility should be considered in product development and investment decisions. The materiality assessment also argues for the importance of comprehensively responsible procurement.

Materiality matrix

No.	Legend
1	Preventing corruption in business operations
2	Customers' information security and privacy protection
3	Fair and successful recruitment
4	Open and transparent reporting
5	Compliance with financial services regulations and other regulations
6	Investment target companies' environmental effects
7	Good governance
8	Fair rewards for employees
9	Open internal communication
10	Equality and diversity of employees
11	Diversity and objectivity of the Board of Directors
12	Opportunity to learn and develop at the workplace
13	Governance of investment target companies
14	Social responsibility of investment target companies
15	Rights of partners' employees
16	Rights of the employees of investment target companies
17	Partners' good governance
18	EAB's own responsibility guidelines, policies and resolutions
19	Partners' environmental effects
20	Partners' social responsibility
21	Occupational health and safety
22	Environmental effects of EAB's own operations
23	Charity, sponsorships and supporting local communities



Environmental responsibility

Elite Alfred Berg's own operations do not cause any significant direct environmental effects, and the company mainly uses energy at its offices. The Group's key environmental effects are generated indirectly through its investment operations. However, EAB is aware that it can promote positive environmental effects by measures such as reducing the amount of paper it uses, developing digital services, reducing air travel and energy consumption, and procuring low emission electricity. Tavoittelemme hiilineutraaliutta vuoteen 2024 mennessä pienentämällä tai tarvittaessa kompensoimalla omasta toiminnastamme aiheutuvia päästöjä.

Other actions important for Elite Alfred Berg include increasing the environmental awareness of its customers and employees and offering products and services that can reduce harmful environmental effects. By constantly developing its electronic service channels and making good use of the opportunities provided by technology, the Group can offer new services that cause smaller environmental loads.

Environmental responsibility indicators

	2021	2020	2019
Carbon dioxide emissions from electricity consumption, CO_2, metric tons	10.12	11.20	15.02
Carbon dioxide emissions from electricity consumption per person	0.11	0.13	0.15
Carbon dioxide emissions from electricity consumption per net turnover, g/EUR	0.46	0.66	0.83
Electricity consumption per person, kWh	810.99	902.46	1,086.90
Electricity consumption, kWh	71,773.02	79,416.73	106,516.20
Share of renewable energy, %	38	35	35
Share of nuclear power, %	32	33	33
Share of fossil fuels, %	30	32	32
Carbon dioxide emissions from air travel, kg (estimate)	13,235.90	10,762.60	37,201.50
Total paper consumption, kg	607	676	878
Paper consumption per person, kg	6.86	7.68	8.95

Our goals are to ensure that our offices support the wellbeing of our employees and to keep the utilisation rate of the offices as high as possible. We aim to place our offices at central locations to ensure that they are easy to reach by customers and employees by public transport. In larger units, we have shower rooms for employees who come to work on foot or bicycle, and we also offer healthy snacks and beverages. We also reduce our carbon footprint by increasing the use of digital conferencing to minimise travel and by using digital solutions to reduce the amount of paper used.

EAB has modern offices with technological solutions to promote energy efficiency. Heat, water and air conditioning (district cooling) are included in the rent of the offices, and some of the consumption data is not available from the lessor. As of November 2021, the head office building at Kluuvikatu 3 has purchased not only zero emission electricity, but also zero emission thermal energy. The emission-free district heat is Kiertolämpö produced by Helen Oy, which is 100% recycled, emission-free and CO2-neutral waste heat.

EAB sorts and recycles the office waste generated by its offices. Special attention is paid to reducing the volume of waste and proper sorting of waste.

Supplier responsibility, including environmental responsibility, is taken into account in procurement whenever possible. EAB Group does not have a separate environment or climate change policy, but the theme is strongly present in the investment decision processes pertaining to all our asset classes, and particularly in the product development of our clean energy fund portfolio. In this connection, the Board and senior management assess climate change risks and opportunities based on expert information.

CASE:
Elite Alfred Berg supports companies in the setting of science-based climate targets

Elite Alfred Berg is part of the CDP's Climate Change campaign, in which financial companies are calling on the world's most powerful corporations to set their emissions reduction targets in line with the 1.5°C target of the Paris Agreement. The request has been signed by 220 companies in the financial sector with assets under management in excess of the gross domestic product of the US, China or the EU as a whole.

The campaign aims to influence 1,600 companies to set their emission reduction targets in line with the Science Based Targets initiative (SBTi), which would make them compliant with industry standards and independently verifiable. To be accepted, the companies' targets must be in line with the 1.5°C target from July 2022.

"Elite Alfred Berg advocates greater transparency and openness of climate targets. By signing the Science Based Targets initiative, we support the setting of science-based climate targets. Although we also engage in direct dialogue on climate issues with our main target companies, our ability to influence the climate alone is limited. We therefore believe that joint investor initiatives such as the SBTi will better encourage companies to refine their emissions targets and act in the best interest of the environment," says **Toni Iivonen**, Chief Investment Officer at Elite Alfred Berg.

The Science Based Targets are coordinated by the CDP, a non-profit organisation that maintains an environmental reporting system. The CDP sent a letter on behalf of Elite Alfred Berg and the other participants to more than 1,600 companies around the world, including the largest cement producer in China, Anhui Conch Cement Co., Ltd., Hyundai Motor Company, Duke Energy, Associated British Foods, Nippon Steel Corporation, Tata Steel Ltd, Lufthansa and Samsung, as well as Metso and Valmet from Finland.

The market value of the companies targeted by the campaign is more than USD 41,000 billion, and they account for 36% of the MSCI World Index, which describes the global equity markets. The Tier 1 and Tier 2 total emissions of these companies are 11.9 gigatons.

More than 1,775 companies worldwide have already joined the Science Based Targets initiative, of which more than 550 have adopted the approved 1.5°C target. A typical member company has reduced its emissions by 6.4% per year, well above the 4.2% linear reduction rate required to meet the Paris Agreement target. The Science Based Targets have had a major impact: over the last year, 154 companies have already joined the initiative, with emissions equivalent to Germany's total annual emissions.

Social responsibility

Elite Alfred Berg as an employer

Elite Alfred Berg's vision is to become the forerunner in responsible investment and the most respected Nordic asset management expert. To achieve this goal, we need successful strategic decisions and excellent products and services, as well as dedicated employees who are proud of their work, cherish the company values and corporate culture, and respect the shared operating methods. We monitor the opinions of our employees and constantly strive to improve our results. During the spring, the results of an employee survey realised in November 2020 and related development areas were worked on team by team. The opportunity to influence the development of one's own work and communication between teams still need to be improved, and measures to improve these areas have already been taken. As a follow-up, we realised with experts from Elite Palkitsemispalvelut Oy a reward survey for all the employees in the spring of 2021. The plan is to carry out the next more comprehensive personnel survey to monitor the development of devotion in the autumn of 2022. We monitor the development of employee satisfaction through quarterly pulse surveys. The plan is to continue the team-level value discussions that were started at the end of 2021 in 2022: the objective is to identify, through a facilitated discussion, which factors contribute to and which hinder the realisation of the EAB values in everyday situations. The measures identified based on the discussions will be taken forward by the responsible persons.

Elite Alfred Berg's values - how we act

Responsible

We are always honest in our actions and take into account the impact of our actions on society, businesses, communities, individuals and the environment. We show by deeds that we care.

Devoted

We are proud of what we are doing and what our actions are doing. This is reflected in a constant desire to develop, which improves the chances of our customers to succeed.

Collaborative

We promote a culture of working together with customers, colleagues and other stakeholders. By being close and listening to our stakeholders, we are able to create unique added value for them.

Open-minded

Development requires transparency. The world is changing rapidly, and we need to be able to react to new circumstances. By communicating openly and acting open-mindedly, we can build a better future.

We support the wellbeing of our employees by offering them healthcare services exceeding the mandatory level and a variety of sports benefits. Our employees have the right to use one paid working hour per week to exercise with a colleague. We also arrange daily office exercise, weekly fitness groups, body care and jogging together. During the COVID-19 pandemic, we have realised all of these on Teams. The Group has a wellbeing at work team established in 2019 and a wellbeing coach who prepares individual programmes for our employees to support their wellbeing according to their wishes. Support is available for proper ergonomics, diet, physical exercise and mental wellbeing, for example. Good management is the best way to improve wellbeing at work, which is why Elite Alfred Berg finds it important to increase the level of leadership. The employees have extensively utilised the variety of support measures, especially in 2021 when they were working from home due to the pandemic.

We encourage all our employees to participate in the development of the company and its operating methods through teamwork, by providing feedback on the intranet and by replying to surveys, among other methods. We offer our employees competitive rewards and benefits to ensure that their motivation and commitment, as well as EAB's employer image, remain at a level that promotes the company's business. It is important to prepare for increased competition for competent personnel by maintaining a positive employer image. Satisfied and committed employees are a prerequisite for good results – and the best PR a company can get. The first partly anonymous recruitment was carried out with a partner in the summer of 2021, and the goal for 2022 is to extend anonymous recruitment to all open positions. We want to focus on professional skills and experience, and to promote diversity in recruitment. Attention has also been paid to the onboarding process for new employees to ensure that our new colleagues get a good start to their new careers.

Since 2017, the Group has had a personnel fund in which the employees' performance bonuses go in full or in part, and through which the employees can benefit from the company's success. The personnel fund allows the employees to save in the long term through professional investments. The personnel fund is an open, transparent and fair solution that aims to deliver long-term benefits. In 2018, EAB Group Plc arranged a private share issue to the employees. Through the issue, a significant number of the employees are also shareholders in the parent company. All employees – especially experts working closely with customers – regularly participate in internal training. Continuous learning is supported by weekly information sessions, which have had a very high attendance rate throughout the year. Through continuous training, we aim to promote communication between the teams, increase general know-how regarding investment services and related regulation, among other themes, as well as ensure the continuity of competence and an increasing level of expertise within the organisation. As an employer, Elite Alfred Berg invests in ensuring that the employees have good opportunities to increase their own level of competence to become experts in their field and grow as persons and leaders based on their individual resources and motivation.

CEO's salary and equal salary level of genders (S1, S2)

Social responsibility indicators (S1, S2, S3, S4, S5, S7)

	2021	2020	2019
Ratio of CEO's salary to median earnings during the year, % (S1)	3.6	4.6	4.1
Ratio of the salary of female and male employees during the year, % (S2)	supervisors 1.0 other/supporting employees and experts 1.0	supervisors 1.4 other/supporting employees and experts 1.0	supervisors 2.0 other/supporting employees and experts 1.2
Employee turnover during the year, % (S3)	16.0	14.0	26.0
Total employed at the end of the year, persons	89	88	87
Employment by gender at the end of the year (S4)			
Female	35	33	35
Male	54	55	52
Number of employees as full-time resources at the end of the year, persons (S5)	92	91	90
Employment contracts valid until further notice at the end of the year, persons	81	79	79
Fixed-term employment contracts at the end of the year, persons	8	9	8
Share of fixed-term employees at the end of the year, %	8.99	10.23	9.20
Full-time total at the end of the year, persons	82	83	81
Part-time total at the end of the year, persons	7	5	6
Registered accidents at work during the year, quantity (S7)	3	2	0
Sick leave during the year, days/person	0.8	5.3	2.6

Equality (S6)

TEquality, fairness, non-discrimination and equitable treatment are important principles for Elite Alfred Berg. EAB has prepared an equality plan, including actions to promote equality and equitable treatment, as well as agreements on how to monitor these actions. The plan is regularly reviewed and updated, and it covers all the Group companies.

Occupational health and safety action plan (S8)

To promote occupational health and safety and maintain the employees' working capacity, EAB has prepared an action plan that covers working condition development needs and the impact of factors influencing the working environment and related development needs. The plan is available to the employees of EAB on the intranet. Furthermore, a healthcare professional specialising in employee wellbeing works at EAB to support the employees in the maintenance and development of their mental and physical wellbeing.

Operating principles on human rights violations and child labour (S9 and S10)

In addition to the principles of responsible investment, EAB is committed to the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, which also cover human rights and the prevention of child labour. These guidelines are especially relevant for EAB when selecting investment targets and influencing the operations of the investment target companies. However, EAB has not prepared any separate operating principles on human rights violations and child labour. All jobs at EAB are expert positions, in which the risk of human rights violations has been deemed low. Risks of human rights violations in the supply chain are assessed on a case-by-case basis if necessary.

Good governance

The governance of EAB Group Plc is based on the company's articles of association, the Limited Liability Companies Act, the Securities Markets Act, the market abuse regulation, guidelines issued by the European Banking Authority (EBA), guidelines and orders issued by the Financial Supervisory Authority and the currently valid rules of Nasdaq Helsinki. EAB Group Plc is the EAB Group parent company. As a mixed financial holding company and the holding company of an investment service company, the company is obligated to comply with national and European regulations concerning the financial sector.

The company operates in accordance with the Corporate Governance Code of the Securities Market Association (SMA). The Corporate Governance Code is available on the SMA website at www.cgfinland.fi.

EAB Group Plc separately prepares the annual corporate governance statement required by the Corporate Governance Code, but it is also included in the company's annual report. The corporate governance statement and other information required by the Corporate Governance Code are available in Finnish on the Group's website at www.eabgroup.fi/sijoita-meihin/hallinnointi. The company's annual report, including the financial statements, the Board of Directors' report and the auditor's report, is available at www.eabgroup.fi/sijoita-meihin/raportit-ja-esitykset.

	2021 (after the annual general meeting)	2020	2019
Board members total	8 (100 %)	8 (100 %)	7
Female (G1)	2 (25 %)	2 (25 %)	1
Male	6 (75 %)	6 (75 %)	6/7
Number of Board committees and share of female chairpersons	2/2 (100 %)	2/2 (100 %)	2/2
Board members independent of the company (G2)	5/8	5/8	5/7
Board members independent of major shareholders	4/8	4/8	5/7
Independent members	4/8	4/8	4/7

Diversity of the Board (G1)

The company has established principles concerning the diversity of its Board of Directors, published in Finnish at www.eabgroup.fi/sijoita-meihin/hallinnointi/hallitus/hallituksen-monimuotoisuus. The purpose of the principles is to ensure that the members of its management constitute as diverse a group as possible. The quality and scope of the company's business operations (principle of proportionality) have been taken into account when preparing the principles. The Board annually reviews the effectiveness and relevance of the principles and operating methods.

In terms of the effectiveness of the Board's work, it is important that the Board has a sufficiently large number of members, as well as members of different ages with broad and varied experience and expertise. Diversity of the Board also includes having both male and female members. The company seeks to take this proactively into account when making changes to the composition of the Board.

The Board members' broad-based expertise and experience support the achievement of the company's strategic goals. In addition to sector-specific expertise, this includes the following:

- Business management
- Development and management of strategies
- Knowledge of the capital markets

During the 2021 accounting period, the Board of EAB Group Plc complied with the company's diversity requirements, including the target of having representatives of both genders on the Board. During the 2021 accounting period, as of the annual general meeting on 25 March 2021, the composition of EAB Group Plc's Board was as follows: Therese Cedercreutz (chair), Helge Arnesen, Julianna Borsos, Pasi Kohmo, Janne Nieminen, Topi Piela, Vincent Trouillard-Perrot and Juha Tynkkynen. The Board has two committees: an audit committee and a remuneration committee. Therese Cedercreutz, the chairperson of the Board, also chaired both committees.

Objectivity of the Board (G2)

According to principles of the Group's governance, the CEO cannot be the chairperson of the company's Board. The Board's rules of procedure, minutes and other documents pertaining to the Board's operations are not made publicly available. Reports on the Board's operations are given in the annual governance report where applicable.

Remuneration (G3)

EAB Group's parent company EAB Group Plc and the Group companies EAB Fund Management Ltd and EAB Asset Management Ltd follow remuneration principles approved by the Boards of the companies, which guide the remuneration for management and employees. The remuneration principles apply to all EAB Group employees.

EAB Group Plc also has a remuneration policy for governing bodies, approved by the annual general meeting. Fees and other financial benefits paid to the members of the Board of Directors and the CEO of the Group in 2021 are presented in the remuneration report. The remuneration policy, the remuneration report and information on the remuneration of the Management Group are available in Finnish on the Group's website at www.eabgroup.fi/sijoita-meihin/hallinnointi/palkitseminen.

Where applicable, in their remuneration policies, the companies follow the regulations on remuneration in the Act on Investment Services, the Act on Common Funds, and the Act on Alternative Investment Funds Managers, relevant statutes issued by the Ministry of Finance, the directly binding EU Regulation on remuneration, the European Securities and Markets Authority (ESMA) remuneration guidelines, valid interpretations and regulations on remuneration by the Financial Supervisory Authority, as well as the Securities Market Association Corporate Governance Code.

Employees' remuneration is based on total remuneration, which consists of a fixed element, a variable element and other employee benefits. The goal with remuneration is to support the achievement of the Group's strategic goals, as well as long-term growth and financial success, and to commit the employees to acting in accordance with the Group's goals. The remuneration systems have been created to function side by side with and contribute to effective risk management.

EAB Group uses four remuneration systems. As a rule, all employees are covered by a performance-based remuneration system.

General performance bonus system

Since 1 January 2017, EAB Group has used a general performance bonus system that applies to personnel not included in the scope of the personal performance bonus system. Bonuses are based on an evaluation of the Group's overall performance, and an evaluation of the performance of the employee's profit centre and the employee's personal performance. The maximum performance bonus is 5% of the Group's result before taxes within six months of the end of the company's accounting period.

Personal performance bonus system

Personal arrangements outside the general performance bonus system are applied to a small number of employees. Some of the arrangements are tied to the Group's result, the managed fund's development or the employee's monthly salary. When evaluating performance, individual and team performance are both scored in accordance with an agreed weighting.

Share-based incentive system

In 2020, EAB Group introduced a share-based incentive system for the Group's key employees. During the earnings period 2020–2022, the system covers approximately ten key employees, including members of the company's management group. The share-based incentive system consists of three two-year earnings periods, from 1 August 2020 to 31 July 2022, from 1 August 2021 to 31 July 2023 and from 1 August 2022 to 31 July 2024. The Board determines the system's earnings criteria and the goals for each criterion at the beginning of each earnings period.

The potential bonuses from this system during the 2020–2022 earnings period are based on the total return on EAB Group Plc's shares. Any bonuses from the 2020–2022 period will be paid after the end of the earnings period over approximately three years in four instalments. The bonuses will be paid partly as shares of the company and partly in cash.

The key employees must retain ownership of the net shares paid to them based on the incentive system until their total shareholding in the company corresponds to their annual gross salary. They must retain this shareholding as long as they are employed by the Group company.

Remuneration based on performance-based fees

Portfolio managers managing EAB Fund Management Ltd's private equity funds can receive performance-based fees either directly or through the team structure. The Board of Directors confirms the proportional share of the performance-based fee to be paid to the portfolio managers.

Applied collective agreements (G4)

EAB uses the collective agreement for salaried employees by Service Sector Employers Palta. The collective agreement is applied to 43% of the employees.

Ethical guidelines and anti-corruption (G5 ja G6)

EAB does not condone corruption or any other illegal activity. The company's employees are committed to following principles approved by the Board which aim to guarantee ethical and lawful operations.

The company has policies on the giving and receiving of gifts and representation. An employee of the company or member of the company's management must not accept or give any gifts or benefits that are or could be inconsistent with the best interests of the company or its customers, or otherwise provide any undue advantage to the person receiving or giving the gift, or to any third party. The operating principles are based on the Group's commitment to honest, responsible and transparent operations in all aspects of its business. The Group aims to create and maintain a corporate culture in which bribery is not allowed in any form.

EAB's employees are obligated to comply with the trading guidelines when trading with financial instruments. The guidelines aim to ensure sufficient actions to prevent and manage conflicts of interest, as well as to prevent misuse of inside information or confidential information pertaining to customers and their business. The guidelines are based on legislation on the securities market, investment funds and investment services, regulations by the authorities, the insider guidelines of Nasdaq Helsinki Ltd and the guidelines of Finance Finland.

EAB has comprehensive internal guidelines and operating methods to prevent money laundering and terrorist financing, as well as to ensure that its customers are known. The principles describe how the operations must be organised, specify responsibility areas and offer detailed instructions on how employees must identify customers, familiarise themselves with the customers and implement continuous monitoring. A money laundering expert regularly provides training on the prevention of money laundering and terrorist financing. Attendance is mandatory.

The company's compliance function regularly arranges mandatory training on the company's internal guidelines and monitors compliance with the instructions. The company uses a whistleblowing channel for reporting internal malpractice.

The company assesses the ethics of its subcontractors as part of the vendor management process. A Supplier Code of Conduct was introduced in 2021. Signing the UN Principles of Responsible Investment is a requirement for all funds mediated through the investment operations.

Data protection practices (G7)

In its operations and when processing personal data, Elite Alfred Berg pays special attention to data protection and the privacy protection of its customers. EAB processes the personal data of customers in compliance with the General Data Protection Regulation, legislation on investment services, auxiliary services and insurance mediation as well as special legislation, and ensures that privacy protection and confidentiality obligations are followed when processing personal data. Customers' personal data is used to manage customer relations, to realise the assignments given by the customers, to offer and market products and services, in risk management and to develop business operations, for example. For more information on how the personal data of customers and other stakeholders is processed by EAB, please see the Group's website at www.eabgroup.fi/henkilotietojen-kaytto-elite-alfred-bergilla (in Finnish).

EAB has an internal information security and data protection policy that all Group employees, tied agents and data system users are obligated to follow. EAB's data protection practices are described in Finnish on the Group's website at www.eabgroup.fi/henkilotietojen-kaytto-elite-alfred-bergilla.

Responsibility reporting and ESG reporting practices (G8 and G9)

Where applicable, EAB's corporate responsibility data is presented in this report in compliance with the Nasdaq Nordic ESG 2.0 Reporting Guide. EAB also submits an annual investment operations compliance report to the PRI, the body responsible for the UN Principles for Responsible Investment. EAB did not include any special responsibility data in its financial reports for the 2021 accounting period or report responsibility data in compliance with any frameworks not mentioned here.

Third party verification of the report (G10)

This report has not been verified by a third party. The audit firm KPMG Oy Ab has audited EAB Group Plc's financial statements for the 1 January to 31 December 2021 accounting period. EAB Group Plc's Board of Directors and CEO bear the responsibility for the other information in the annual report. This report is part of the company's annual report, and it is considered other information in the auditor's report. Although the auditors do not audit other information, they have assessed in their report whether the other information is materially inconsistent with the financial statements or the knowledge obtained by the auditors, or whether it seems erroneous in any other material respect.

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