ELITE
ALFRED BERG

Half-Year Report 2019

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Elite Alfred Berg in brief

Elite Alfred Berg offers diverse and quality saving, investment and asset management service for private customers, businesses and professional investors. Over 10,000 customers rely on our services to manage over three billion euros of assets.

128 investment professionals serve our customers in 13 locations in Finland. The Group's parent company EAB Group Plc's share is listed on the Nasdaq Helsinki stock exchange.

130 Investment professionals	10,000 Clients	3.2 bn. Managed Assets	19.6 mil. Turnover
13 Locations	90,000 Personnel fund members	21 x In seven years	17 % Growth 2015-2018*

* The growth of comparable turnover 17% CAGR 2015–2018

Our experts offer comprehensive asset management services for our private customers, evaluating the effects of operations on investment and other assets, without neglecting family matters. We offer diverse consultation and legal services to businesses and entrepreneurs that improve the operating conditions for business, create cost savings and help businesses through changes. Discerning professional investors and institutions can rely on our quality asset management and expert services.

We are also Finland's leading provider of personnel funds used for compensation and employee engagement. In addition, we offer several other investment and funds consultation and back office services such as value calculation.

Our operations revolve around an excellent service experience that is based on knowledgeable and personalised services through our own innovative funds, those of the BNP Paribas Group and open architecture investment solutions. The open architecture 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. The foundation of our services is getting to know the customers aims and needs and finding a suitable solution to all investing needs.

In addition to customer-driven service, corporate responsibility belongs to the core of our business. We want to create added value to our owners, customers and employees as well as to the environment and society. Responsible and impact investments play a key role in this object, but we want to act exemplarily in all our other activities as well.

Our customers can trust that their wealth is managed in a responsible manner. Responsible investment does not mean compromising on return or making ethical choices on behalf of the customer. Rather, it means that, as an investor, we require our investees to comply with the rules of society and good practices. This is also an important part of investment risk management in the long term.

EAB Group Plc's half-year report for January–June 2019

Group's IFRS turnover and comparable net turnover decreased by 4% and the loss for the period amounted to EUR 0.8 million

EAB Group's (hereinafter EAB or Group) IFRS net turnover during the period 1 January–30 June 2019 amounted to EUR 9.3 million (EUR 9.8 million in H1/2018) and profit for the period to -EUR 0.8 million (EUR 1.2 million in H1/2018). The Group's operating profit was -EUR 0.8 million (EUR 1.4 million in H1/2018). Turnover comprised fee income from fund management amounting to EUR 5.2 million (EUR 5.7 million) and including EUR 0.9 million of performance-based fees (EUR 0.8 million). Income from asset management and other investment services amounted to EUR 3.7 million (EUR 3.5 million). Income from the service business and other income amounted to EUR 0.5 million (EUR 0.7 million).

The figures presented in the stock exchange release are unaudited.

Group's financial performance in the review period

- IFRS turnover decreased 4% to about EUR 9.3 million (EUR 9.8 million).
- Comparable net turnover** decreased 4% to about EUR 9.2 million (EUR 9.6 million).
- Operating profit decreased to about EUR -0.8 million (EUR 1.4 million).
- Profit for the period decreased to about -EUR 0.8 million (EUR 1.2 million).
- Solvency of Consolidated Group*** decreased by 1.2 ppt to 12.6% (13.8%).

Key financial performance indicators

Group key figures	H1 2019	H1 2018	1-12/2018
Turnover. EUR million	9.3	9.8	19.6
Operating profit*. EUR million	-0.8	1.4	1.8
Operating profit. % of turnover	-8.5	14.5	8.9
Profit for the period. EUR million	-0.8	1.2	1.4
Profit for the period. % of turnover	-9.0	12.4	7.3
Earnings per share. diluted. EUR	-0.05	0.09	0.09
Comprehensive earnings per share. diluted. EUR	-0.05	0.09	0.09

Alternative performance measures	H1 2019	H1 2018	1-12/2018
Comparable turnover**. EUR million	9.2	9.6	19.4
Adjusted earnings per share****. diluted EUR	-0.06	0.09	0.11
Adjusted comprehensive earnings per share****. diluted EUR	-0.06	0.09	0.11
Profitability key figures			
Return on equity (ROE). %	-4.0	6.6	7.2
Return on assets (ROA). %	-2.4	3.6	4.3

*) IAS 1 — Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: Operating profit is the net sum formed after employee benefits expense, other administrative expenses, depreciations and amortizations, other operating expenses and impairment losses on financial assets. Operating profit also includes a share of the profit or loss of associates.

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

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

****) Adjusted earnings per share are based on the outstanding number of shares. The Group's parent company EAB Group Plc (hereinafter the Parent Company or the Company) received 6,423,630 own shares in a transaction executed on 24 October 2018 where the shareholding of the two largest shareholders was changed into direct personal shareholding. The arrangement was of a temporary nature, and the shares were cancelled on 12 February 2019 in the merger of the two companies into the parent company. The adjusted earnings per share accounts for these excess shares and present a true and fair view on the Group's earnings per share.

Daniel Pasternack, CEO

TThe most significant and noteworthy step of progress for the company in the first half-year was the transition to the main list of the stock exchange at the beginning of May. The listing process was completed smoothly. Transition to the main list increases the company's recognition and reliability from the perspective of investors and other stakeholders. Thereby it also promotes the company's business. So far, we have already seen benefits for example in recruitment as well as financing and other negotiations.

The one-off expenses related to the listing came in slightly below our expectations, amounting to a few hundred thousand euros. Furthermore, being listed on the main list does not involve significant extra ongoing costs, since the company has already operated in a closely regulated environment and complied with requirements that were largely similar to those applying to the main list.

The market conditions in the first half-year were challenging for the whole sector. Investors' risk appetite was weak at the beginning of the year but increased towards the summer. The market situation remained still somewhat more uncertain than in previous years. The strong decline in the markets towards the end of 2018 and rotation of wealth into private equity funds and assets with lower risk and return decreased the company's ongoing fee accumulation. The accumulation of fees from private equity funds will increase significantly as client assets are called in for investment for example in real estate funds. Due to the revenue disappointment caused by market developments and investment rotation, and the one-time additional expenses caused by the stock exchange listing, personnel-related restructuring and write-off of an individual receivable (totalling some EUR 0.9 million), the result for the first half-year was a loss. Excluding the extraordinary items, it would have been slightly positive.

We made significant development efforts in the first half-year building up to the anticipated launch of several private equity funds in the near term. Combined with the savings measures taken, the new funds will enable the company to pick up its earnings performance towards the end of the year. Profitability will also be boosted in the second half-year and subsequent years by the fact that investment commitments of some EUR 90 million already given by clients will be called in for investment in a real estate development fund. Our next private equity fund projects will focus on the non-listed fixed-income market, international real estate and renewable energy infrastructure. There is solid demand for these asset classes among both professional and private investors, and we expect it to remain strong at least over the medium term, as expansionary central bank policy keeps the interest rates at a low level.

During the last 12 months, we have made significant efforts in cost-containment and improvement of operational efficiency. On the cost side, we have achieved significant savings among other things by increasing the use of digital marketing in customer acquisition. As a result, we streamlined our appointment booking operations around the turn of the year and reduced related personnel. We have also taken restructuring and streamlining actions in other functions. The personnel expenses in the first half-year amounted to EUR 4.2 million, including

EUR 0.2 million of extraordinary restructuring expenses. We expect our personnel expenses to stabilise in the range of EUR 3.5–3.7 million in the second half-year.

Towards the end of last year, we carried out a major customer intelligence project, as a result of which we are now clarifying our marketing and communications and will convey our value proposition more clearly. This will be demonstrated towards the end of the year, for example, as new impact and responsible investment products and services. At the same time, we will communicate more clearly how you can encourage companies to pursue responsible business and prevent climate change by investing, while also earning a good return on the investment. As a company we have also invested in solar power ourselves, which has allowed us to neutralise the carbon footprint of our entire personnel. I dare claim that in this sense we are the first carbon-neutral asset manager in Finland – if not the whole world.

Despite the turbulent market conditions and challenging first half of the year, we look to the future with confidence. On 13 August, we revised our full-year guidance so that we expect the result to be a loss despite the anticipated improvement of profitability towards the end of the year. We also expect the total turnover to decline slightly from the level of 2018 with performance-based fees falling below last year's level. We believe that the measures we have already taken and continue to take, particularly in cost-discipline, efficiency and new private equity fund launches, have improved and will further improve the company's profitability potential in coming years.

Operating environment

The first half of 2019 was rather positive for risky assets both in the equity and fixed income markets. Global equity markets (MSCI World AC) rose ultimately by a total of 16.7% in euro terms, marking the best H1 performance in over 20 years. Investors' risk appetite was also reflected on the fixed income side, where credit risk premia on high- and low-rated corporate bonds decreased, leading to positive returns, particularly for corporate bonds with lower credit ratings. The near-panic market sentiment seen at the end of last year turned instantly in January as the Federal Reserve announced that the normalisation of monetary policy was not carved in stone but would be based on incoming economic data. At the end of last year, markets were afraid the Fed would hike its policy rate too aggressively regardless of the direction of future economic growth. The Fed's communications became considerably more cautious during the first half-year as the inflation view remained stable and released data was primarily more sluggish than expected. Therefore, expectations of a rate hike turned into expectations of rate cuts during the spring and summer. At the end of June, the markets had already priced in at least two interest rate cuts during the rest of the year.

Key market topics included, in addition to actions taken by central banks, various trade disputes involving almost always the United States as the other party. The most attention was naturally attracted by the trade dispute between the United States and China, which evolved into a full-blown trade war due to the various tariffs and counter-tariffs imposed. There were several attempts to reach an agreement, but so far with no avail, since the dispute concerns a relatively large package of different issues ranging from tariffs to the demand by the US to open the Chinese economy and make it more market driven. Although economic topics comprise the most salient issues in the dispute, essentially it concerns the conflicting views of two superpowers on significant aspects of society. The conflict and its resolution are made more complicated by the fact that both countries' economies depend from each other and both take advantage of this dependency to promote their own political and economic interests.

The risks posed by the trade war to global economic growth were under close watch by the investment markets also in the first half-year. In our assessment, it is possible that global cyclical indicators will not show a turnaround until the threat of a trade war has subsided. In particular, industrial confidence continues to be at a depressed level. This was also reflected in the purchasing managers' confidence indicators for all main market areas, which pressed the global industrial confidence below 50, which is considered a critical threshold. The potential contraction of industrial output during the following months increases the risk of a recession, which is already at an elevated level. Therefore, future economic growth is increasingly dependent, besides consumers, on central banks.

There were no significant changes in other aspects of the company's operating environment during the first half-year. The regulatory environment remained unchanged from the Group's perspective, and regulatory changes taking effect during the period have no significant financial impact on the company. The tax treatment of insurance-linked investments was amended by new legislation in March 2019. The legislation harmonised the tax treatment of insurance-linked investment products for example with the tax treatment of investment funds. The regulations will apply from the beginning of 2020, but the changes may have a negative impact on the sale of insurance-linked investment products already earlier.

Turnover and result performance

EAB Group's comparable turnover decreased in the review period by 4% from the previous year to stand at EUR 9.2 million (EUR 9.6 million). The adverse development was particularly due to the market decline at the end of 2018 and the rotation of wealth into private equity funds and investments with lower risk and return. Fees from private equity funds developed favourably, and the trend is expected to continue as real estate private equity funds call in capital from investors and the sales of private equity funds and launches of new funds continue. The positive private equity fund sales trend was also reflected as a growth in fees from insurance products, which partly replaced the reduction of fees earned by UCITS funds.

Total expenses, including depreciation, during the review period amounted to EUR 10.5 million (EUR 9.1 million). The total included some EUR 0.9 million of extraordinary items related to the stock exchange listing, personnel restructuring and the impairment of a receivable from a client. The Group's personnel expenses totalled EUR 4.2 million (EUR 3.7 million) including the abovementioned expenses due to restructuring. Fee expenses paid to the Group's tied agents totalled EUR 2.0 million (EUR 1.8 million). The Group's administrative expenses totalled EUR 1.9 million (EUR 1.7 million). Other operating expenses totalled EUR 0.4 million (EUR 0.1 million). The administrative and other expenses are not directly comparable due to the unwinding of provisions for expenses allocated to the period. The Group's depreciations and amortizations amounted to EUR 1.3 million (EUR 1.1 million). The growth in depreciations was mostly due to further development of IT projects. EAB's cost/income ratio was 110% (86.4%).

The Group's operating profit for the first half-year was EUR -0.8 million (EUR 1.4 million). The EBIT margin was -8.5% (14.5 %). Profit for the period amounted to EUR -0.8 million (EUR 1.2 million).

Balance sheet and financial position

EAB Group's balance sheet total amounted to EUR 35.2 million (31 December 2018: EUR 36.4 million). The Group's cash and cash equivalents totalled EUR 1.9 million (EUR 1.1 million).

The Group's interest-bearing liabilities amounted to EUR 7.3 million (EUR 7.0 million). The Group signed a new financing agreement at the end of June 2019, EUR 2 million of which remains undrawn. Liabilities amounted to EUR 15.3 million (EUR 14.3 million) and equity to EUR 19.9 million (EUR 22.1 million). In April, the Group's parent company returned EUR 1.4 million of capital to shareholders.

EAB Group's equity ratio remained strong, at 56.4% (60.5%).

Material events during the first half-year

The most significant event in January-June 2019 was the transfer to the main list (main list) of the Helsinki Stock Exchange and arrangements leading up to the transfer.

In January, EAB Group Plc clarified the timeline previously indicated by it, and announced the Company was planning to transfer from the First North Finland list maintained by Nasdaq Helsinki Ltd (Helsinki Stock Exchange) from the main list during the second quarter of 2019.

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

The Company published its financial statements bulletin at the end of February. In 2018, the Group's comparable net turnover grew 23% and assets under management by 8%. The Group's IFRS net turnover in the period 1 January–31 December 2018 amounted to EUR 19.6 million (EUR 17.6 million in 2017) and profit for the financial year to EUR 1.4 million (-EUR 2.3 million in 2017). The Group's EBIT was EUR 1.8 million (-EUR 2.6 million in 2017).

On 5 April 2019, the Annual General Meeting (AGM) of the Company decided to amend the Articles of Association of the Company in accordance with the proposal of the Board of Directors. In connection with the registration of the new Articles of Association, the share series A and B were combined with the ratio 1:1, after which the Company has only one series of shares and all shares produce equal rights. The amendment of the Articles of Association and combination of the share series were contingent on the transfer of the Company to the main list of the Helsinki Stock Exchange.

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

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

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

The new Articles of Association were registered in the Trade Register on 30 April 2019. In connection with the registration, the share series A and B were combined with the ratio 1:1. Thereafter, the Company has only had one series of shares, producing equal rights.

The Company transferred to the main list of the Helsinki Stock Exchange on 2 May 2019.

Group's outlook for rest of 2019

On 13 August, we revised the guidance for 2019 as a whole. The new assessment based on the first half of the year is that the full-year result will remain at a loss despite the expected improvement of profitability towards the end of the year. Total turnover is also expected to decline slightly from the level of 2018 with performance-based fees falling below last year's level.

Before the revision of the guidance, we had estimated full-year 2018 result to be positive and turnover to grow slightly from last year's level.

The first part of the year was characterised by uncertainty in the equity markets, but investors' risk appetite increased significantly into the summer, and as a whole the first half-year was a good one for all risky asset classes. However, uncertainty is currently higher than in previous years, which affects the possibilities to attract new investors to EAB Group's services and receive additional investments from existing clients.

The Group has also developed its business significantly and made cost savings starting from the last quarter of 2018. These measures will continue at least until the end of 2018, and the company's cost-efficiency is expected to improve already in the second half-year but particularly in 2020.

Personnel

The Group's number of personnel at the end of June amounted to 104 (31 December 2018: 108). Of our personnel, 16 were on fixed-term contracts. 43 persons worked in the business lines and asset management. 61 persons worked in group functions (legal, administration, HR, IT, finance, marketing and communications). In addition, our customers were served by 24 tied agents.

Changes in group structure

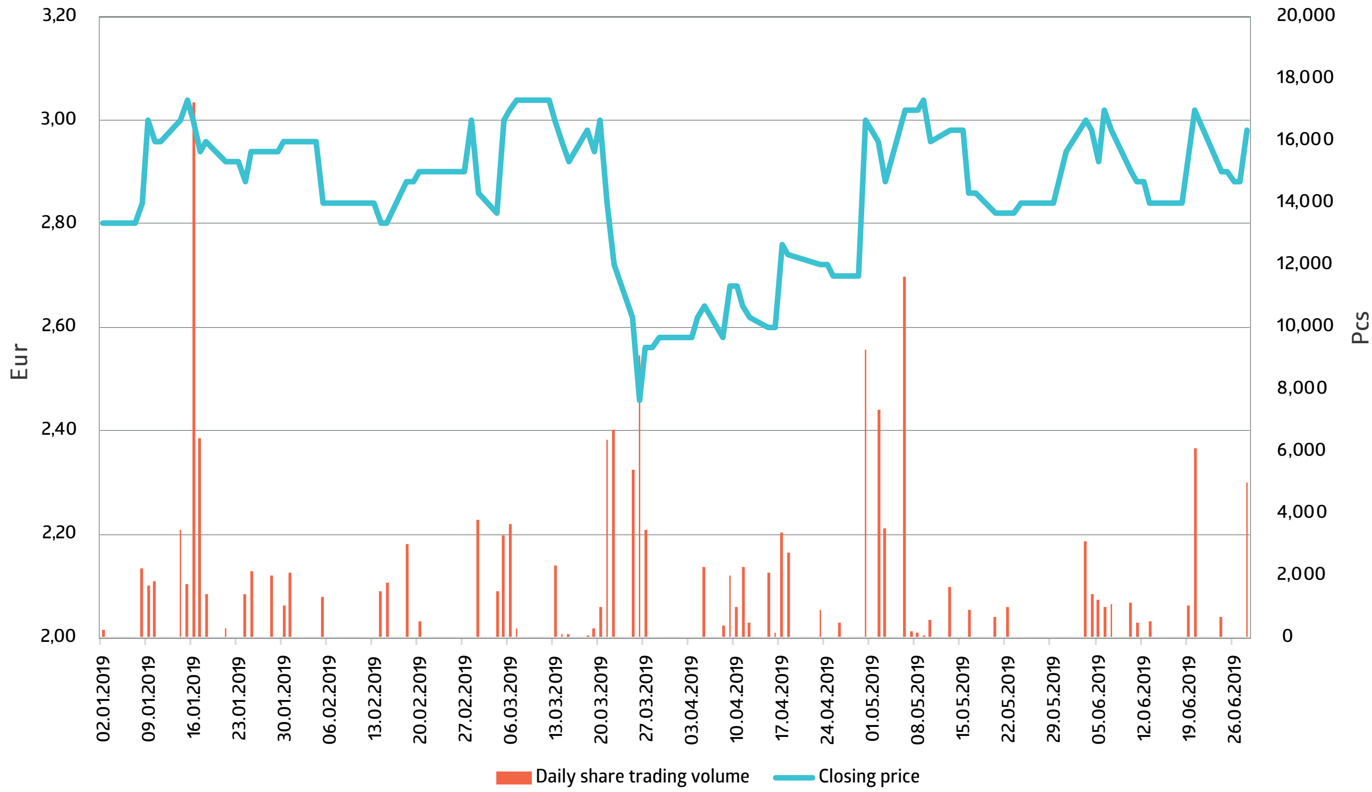
The simplification of group structure, which had been launched previously, continued through the merger of Nousukaari Oy and Elite Partners Oy into EAB Group Plc on 12 February 2019 and by the merger of Ox Finance Oy, Elite PK-yrityslaina Oy and Taurus Properties GP Oy into Elite Sijoitus Oy on 31 May 2019. The mergers were completed as subsidiary mergers.

Shares and share capital

At the end of June, EAB Group Plc's total number of shares amounted 13,843,272. The company did not hold any treasury shares on 30 June 2019. At the end of June, the Company's share capital amounted to EUR 750,000. There were no changes in the share capital during the review period.

At the end of June, there were 13,843,272 EAB Group Plc shares subject to public trading on Nasdaq Helsinki. Share trading volume in January-June amounted to EUR 0.5 million, i.e. 179,328 shares. At the end of June, the closing price of the Company's share was EUR 2.98. The highest share price during the period was EUR 3.04 and the lowest was EUR 2.46. EAB Group Plc's market capitalisation was EUR 41.3 million at the end of June.

Share price development and trading volume 1.1. - 30.6.2019



Shareholders as at 30 june 2019

	Shareholders	Number of shares	% of shares
1	* Nordea Bank Abp	2,440,222	17.63
2	Juurakko Kari Antero	2,190,010	15.82
3	Umo Invest Oy	1,389,921	10.04
4	Nieminen Janne Pentti Antero	1,112,031	8.03
5	Kaaria Jouni Sami Olavi	1,066,030	7.70
6	Pasternack Daniel	991,101	7.16
7	Gösta Serlachiuksen Taidesäätiö	857,200	6.19
8	Niemi Rami Toivo	487,820	3.52
9	Kiikka Hannu Ilmari	484,182	3.50
10	Sijoitusyhtiö Jenna & Juliet Oy	300,000	2.17
11	KW-Invest Oy	261,949	1.89
12	Vakuutusosakeyhtiö Henki-Fennia	257,141	1.86
13	TK Rahoitus Oy	141,643	1.02
14	Eläkevakuutusosakeyhtiö Veritas	140,659	1.02
15	Contango Oy	126,570	0.91
16	Hampulipampuli Oy	120,000	0.87
17	A-A Transport Oy	90,064	0.65
18	Suomalainen Lääkäriseura Duodecim Ry	85,000	0.61
19	Insulaex Oy	73,837	0.53
20	Teräväinen Consulting Oy	72,578	0.52
	20 largest shareholders in total	12,687,958	91.65
	Nominee-registered	2,445,497	17.67
	Others	1,155,314	8.35
	Total	13,843,272	100

* Nominee-registered

The most significant nominee registered shareholder is BNP Paribas Asset Management Holding. which holds 2.440.222 shares in EAB Group Plc.

Resolutions of the annual general meeting

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

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

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

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

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

Number of members of the Board of Directors and their remuneration

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

The AGM resolved that Board members independent of the Company in accordance with the Corporate Governance Code for Listed Companies are paid EUR 22,500 per year for their service on the Board.

Auditors and their fees

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

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

The AGM decided to amend the Articles of Association in accordance with the proposal of the Board of Directors. The AGM approved the proposal of the Board of Directors to combine the share series A and B with the ratio 1:1 in the process of registering the new Articles of Association, after which the company has only one series of shares and all shares have equal rights.

The AGM decided that the amendment of the Articles of Association and the combination of the share series are conditional for the transfer of the company to the Main Market of Nasdaq Helsinki Ltd (Helsinki Stock Exchange) and would take effect and be registered after the company´s application of the transfer to Nasdaq Helsinki Main Market is approved by the Listing Committee of Helsinki Stock Exchange.

Ratio between fixed and variable remuneration

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

Authorisations of the Board of Directors

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

Issue of shares and granting of special rights entitling to shares

The Board of Directors may issue new shares, grant special rights carrying entitlement to shares and give treasury shares held by the Company amounting at the maximum to 10,000,000 shares in total.

The new shares or special rights carrying entitlement to shares may be issued or treasury shares be given to the Company's shareholders in proportion with their current holdings, or in a directed issue deviating from the shareholders' pre-emptive right where there is a weighty economic reason from the Company's perspective, such as the use of shares as consideration in corporate acquisitions or other Company restructuring or to finance investments or as part of the Company's incentive plan.

The Board of Directors may also decide on an unpaid issue of shares to the Company itself.

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

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

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

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

Repurchase of own shares

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

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

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

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

The Board of Directors may decide on other details pertaining to the repurchase of shares.

The authorisation is valid until 5 October 2020.

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

Establishment of a Shareholders´ Nomination Board

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

Risk management and risk position

The most significant near-term risks for EAB Group are market risk and operational risk.

Market risk is demonstrated mainly by variation in the prices of market-based products and services provided by the Group, which has a direct impact on the amount of assets under management and the accrual of fee income. Market risk materialised particularly during the first quarter of the review period due to unfavourable market developments. Market risk affecting the Group's business is assessed to remain elevated particularly due to the current geopolitical situation. The Group's market risk is mitigated by a significant diversification of turnover to non-market-based activities, such as asset management based on alternative investments as well as finance and service business. The market risk related to the Group's business contributes to the probability and effect of realising liquidity risk.

Operational risks occur within the Group mainly in terms of risks related to information systems and security, the sale of products and services as well as processes. The kind of business pursued by the Group typically involves a significant degree of operational risks. The Group acknowledges the significance of operational risks, and it continuously develops methods to identify, assess and monitor operational risks and to mitigate them. No significant operational risk events occurred during the review period.

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

Further information on risks related to the Group's business and related controls are available in the Group's annual report.

Events after the review period

During the period from 1 July to 28 August 2019, there were no events with a material effect on the Company's position.

Publication of financial statements bulletin

EAB Group Plc's financial statements bulletin for 1 January–31 December 2019 will be published on or around 14 February 2020.

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

MEUR	1 - 6 /2019	1 - 6 /2018	1 - 12 /2018
Fee income	9.3	9.7	19.5
Income from equity investments	0.0	0.0	0.1
Other operating income	0.1	0.0	0.1
REVENUE TOTAL	**9.3**	**9.8**	**19.6**
Fee expenses	-2.0	-1.7	-4.1
Adminstrative expenses			
Personnel expenses	-4.2	-3.8	-7.6
Other admistrative expenses	-1.9	-1.7	-3.7
Depreciation and amortization tangible and intangible assets	-1.3	-1.1	-2.3
Other operating expenses	-0.4	-0.1	-0.4
Expected credit loss at amortized cost	-0.3	0.0	0.0
Share of profit/loss of associates	0.0	0.1	0.2
OPERATING PROFIT/LOSS	**-0.8**	**1.4**	**1.8**
Interest income	0.0	0.0	0.1
Interest expenses	-0.2	-0.1	-0.3
Income taxes	0.1	-0.1	-0.1
PROFIT/LOSS FOR THE FINANCIAL PERIOD	**-0.8**	**1.2**	**1.4**
COMPREHENSIVE INCOME /LOSS FOR THE PERIOD	**-0.8**	**1.2**	**1.4**
Attributable to			
Equity holders of parent company	-0.8	1.2	1.4
Non-controlling interest	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME /LOSS FOR THE FINANCIAL PERIOD	**-0.8**	**1.2**	**1.4**
Earning/share (EPS)	-0.05	0.09	0.09
Dilute earning/share (EPS). fully diluted	-0.05	0.09	0.09

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

MEUR	H1 2019	H2 2018	H1 2018
Fee income	9.3	9.8	9.7
Income from equity investments	0.0	0.0	0.0
Other operating income	0.1	0.0	0.0
REVENUE TOTAL	**9.3**	**9.9**	**9.8**
Fee expenses	-2.0	-2.3	-1.7
Adminstrative expenses			
Personnel expenses	-4.2	-3.8	-3.8
Other admistrative expenses	-1.9	-2.1	-1.7
Depreciation and amortizationon tangible and intangible assets	-1.3	-1.2	-1.1
Other operating expenses	-0.4	-0.3	-0.1
Expected credit loss at amortized cost	-0.3	0.0	0.0
Share of profit/loss of associates	0.0	0.1	0.1
OPERATING PROFIT/LOSS	**-0.8**	**0.2**	**1.4**
Interest income	0.0	0.1	0.0
Interest expenses	-0.2	-0.2	-0.1
Income taxes	0.1	0.0	-0.1
PROFIT/LOSS FOR THE FINANCIAL PERIOD	**-0.8**	**0.1**	**1.2**
COMPREHENSIVE INCOME /LOSS FOR THE PERIOD	**-0.8**	**0.1**	**1.2**
Attributable to:			
Equity holders of parent company	-0.8	0.2	1.2
Non-controlling interest	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME /LOSS FOR THE FINANCIAL PERIOD	**-0.8**	**0.2**	**1.2**
Earning/share (EPS)	-0.05 €	0.01 €	0.09 €
Dilute earning/share (EPS). fully diluted	-0.05 €	0.01 €	0.09 €

CONSOLIDATED BALANCE SHEET, IFRS

MEUR	30.6.2019	30.6.2018	31.12.2018
ASSETS			
Receivables from financial institutions	1.9	2.2	1.1
Receivables from public and general goverment	8.6	8.8	11.7
Shares and units	0.5	0.2	0.5
Shares and units of associates	1.7	1.5	1.7
Intagible assets	13.8	13.2	13.4
Tangible assets	2.9	3.7	3.2
Receivables from shares	0.2	0.0	0.2
Other assets	0.4	0.5	0.4
Accured income and prepayments	2.5	1.5	1.3
Deferred tax assets	2.9	3.0	2.8
TOTAL ASSETS	**35.2**	**34.7**	**36.4**
LIABILITIES AND EQUITY CAPITAL			
LIABILITIES			
Liabilities to credit institutions	7.3	7.0	7.0
Derivatives	0.0	0.0	0.0
Other liabilities	4.2	4.6	3.9
Accrued expenses and prepayments	3.5	3.9	3.1
Deferred tax liabilities	0.3	0.3	0.3
LIABILITIES TOTAL	**15.3**	**15.8**	**14.3**
EQUITY			
Share capital	0.7	0.7	0.7
Reserve for unrestricted equity	20.9	19.5	22.3
Retained profit of loss	-0.9	-2.7	-2.4
Profit (loss) for the financial year	-0.8	1.2	1.4
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**19.9**	**18.8**	**22.0**
Non-controlling interest	0.1	0.1	0.1
TOTAL EQUITY	**19.9**	**18.9**	**22.1**
LIABILITIES AND EQUITY	**35.2**	**34.7**	**36.4**

CONSILIDATED STATEMENT OF CASH FLOW, IFRS

MEUR	1 - 6 /2019	1 - 6 /2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/loss for the financial year	-0.8	1.2
Adjustments for:		
Depreciation and amortization	1.3	1.1
Interest income and - expenses	0.1	0.1
Operating activities without payment	0.0	-0.1
Income taxes	-0.1	0.1
Change in net working capital		
Increase(-). decrease(+) of receivables	1.2	-0.5
Increase(+). decrease(-) of non-interest-bearing liabilities	0.9	-0.9
Change of current asset	0.0	0.0
Change in net working capital	2.1	-1.4
Paid interest expenses	-0.2	-0.1
Received interest income	0.0	0.0
Paid/received income taxes	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES	**2.4**	**1.0**
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-1.1	-1.1
Investments in other investments	0.0	-0.1
Increase (-). decrease(+) of loan receivables	0.9	-0.1
Acquired subsidiaries decreased of bank accounts at the time of acquisition	0.0	-1.8
CASH FLOW FROM INVESTING ACTIVITIES	**-0.1**	**-3.0**
FINANCIAL CASH FLOW ACTIVITIES		
Payments of liabilities of leases	-0.5	-0.5
Initial public offering	0.0	0.0
Capital repayments paid	-1.4	0.0
Acquires shares of non-controlling-interest	0.0	0.0
Dividends paid	0.0	0.0
Repayment of loans	-7.0	-5.2
Witdrawals of loans	7.4	8.0
FINANCIAL CASH FLOW ACTIVITIES	**-1.4**	**2.3**
CASH AT THE BEGINNING OF THE PERIOD	1.1	2.0
CHANGE IN CASH	0.8	0.2
CASH AT THE END OF THE PERIOD	1.9	2.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS

MEUR	Total equity attributable to equity holders of the parent company					
	Share capital	Reserve for unrestricted equity	Retained earnings	Total	Non-controlling-interest	Total equity
Equity on 1 January 2019	**0.7**	**22.3**	**-1.0**	**22.0**	**0.1**	**22.1**
Comprehensive profit for the financial period						
Profit (loss) for the financial period			-0.8	-0.8	0.0	-0.8
Transaction with the owner of the company						
Dividends paid/Capital repayments paid		-1.4		-1.4	0.0	-1.4
Sales of own shares		0.1		0.1		0.1
Other changes		0.0	0.0	0.0	0.0	0.0
Equity on 30 June 2019	**0.7**	**20.9**	**-1.8**	**19.9**	**0.1**	**19.9**

MEUR	Total equity attributable to equity holders of the parent company					
	Share capital	Reserve for unrestricted equity	Retained earnings	Total	Non-controlling-interest	Total equity
Equity on 1 January 2018	**0.7**	**19.5**	**-2.6**	**17.6**	**0.1**	**17.7**
Comprehensive profit for the financial period						
Profit (loss) for the financial period			1.2	1.2	0.0	1.2
Transaction with the owner of the company						
Dividends paid/Capital repayments paid				0.0	0.0	0.0
Acquisition of own shares		0.0		0.0		0.0
Sales of own shares				0.0		0.0
Other changes		0.0	0.0	-0.1		-0.1
Equity on 30 June 2018	**0.7**	**19.5**	**-1.5**	**18.8**	**0.1**	**18.9**

Notes

1. Accounting principles

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

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

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

The figures presented in the review period bulletin are unaudited.

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

Discretion used by management

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

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

2. New oncoming standards

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

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

The interpretation is not expected to have material impact on the Group.

3. Key figures and formulas of key figures

Key figures

MEUR	H1 2019	H1 2018	1 - 12 /2018
Turnover	9.3	9.8	19.6
Operating profit*	-0.8	1.4	1.8
Operating profit, % of turnover	-8.5	14.5	8.9
Profit for the period	-0.8	1.2	1.4
Profit for the period, % of turnover	-9.0	12.4	7.3
Earning/share (EPS), diluted EUR	-0.05	0.09	0.09
Comprehensive earning/share (EPS), diluted EUR	-0.05	0.09	0.09
Alternative performance measures			
Comparable turnover**	9.2	9.6	19.4
EBITDA	0.5	2.5	4.1
EBITDA, % of turnover	4.9	26.4	21.0
Earning per share capital, EUR	1.43	1.46	1.09
Return of equity (ROE), %	-4.0	6.6	7.2
Return of assets (ROA), %	-2.4	3.6	4.3
Equity ratio, %	56.4	54.2	60.5
Gearing ratio, %	49.5	42.7	44.2
Expense/income ratio, %	65.0	47.8	54.2
Personnel and share data			
Number of employees. end of period	104	109	108
Number of shares outstanding. end of period (1,000)	13,843	12,843	20,267
Number of shares outstanding. end of period. diluted (1,000)	13,843	12,843	13,843
Average number of shares (1,000)	17,055	13,343	16,555
Average number of shares (1,000), diluted	17,045	12,843	16,537

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

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

FORMULAS FOR KEY FIGURES

Operating profit, % of turnover

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

EBITDA, % of turnover

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

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

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

Equity per share

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

Return of equity (ROE), %

$$\frac{\text{Profit for the financial period}}{\text{Average equity}} \times 100$$

Return of assets (ROA), %

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

Gearing ratio, %

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

Cost/income ratio, %

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

4. Breakdown of revenues

EAB Group's revenues consist of asset management fee income from customers. The Group recognises revenue is recognised when (or as) the company transfers control of goods or services to a customer and the customer thus can control its use and receive benefit from it.

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

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

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

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

Distribution of turnover	H1 2019	H1 2018	1 - 12 /2018
Fees income from UCITS funds	3.0	4.0	8.7
Fees income from AI funds	1.2	0.8	1.8
Fees income from performance-based funds	0.9	0.8	1.9
Asset management of Full power of attorney fees	0.8	0.8	1.8
Fees income from insurance category sales	1.0	0.5	1.5
Other investments service and brokerage incomes	1.9	2.2	1.8
Service incomes	0.5	0.6	1.8
Other incomes	0.0	0.1	0.2
Total	**9.3**	**9.8**	**19.6**

Timing of performance obligations	H1 2019	H1 2018	1 - 12 /2018
A point in time	0.5	0.7	1.9
Over time	8.8	9.1	17.7
Total	**9.3**	**9.8**	**19.6**

5. Changes in group structure

The mergers of the parent company's subsidiaries Elite Partners Ltd and Nousukaari Ltd merged into EAB Group Ltd were carried out on 12 February 2019.

The mergers of OX Finance Ltd, Elite Pk-yrityslaina Ltd and Taurus Properties GB Ltd into Elite Sijoitus Ltd were carried out on 31 May 2019.

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

30.6.2019 MEUR	**At fair value through the statement of income**	**Measured at amortised cost of financial assets**	**Measured at amortised cost of financial liabilities**	**Book values total**
Assets				
Receivables from financial institutions		1.9		**1.9**
Receivables from public and general goverment		8.6		**8.6**
Shares and units	0.5			**0.5**
Receivables from shares		0.2		**0.2**
Total assets	**0.5**	**10.7**	**0.0**	**11.1**
Liabilities				
Liabilities to credit institutions			7.3	**7.3**
Other liabilities incl. Leases liabilities			2.5	**2.5**
Derivatives	0.0			**0.0**
Accounts payable			1.3	**1.3**
Total liabilities	**0.0**	**0.0**	**11.2**	**11.2**

Fair value levels 30.6.2019 MEUR	Level 1	Level 2	Level 3	Fair values total
Assets				
Receivables from financial institutions		1.9		**1.9**
Receivables from public and general goverment		8.8		**8.8**
Shares and units	0.5			**0.5**
Receivables from shares		0.2		**0.2**
Total assets	**0.5**	**10.8**	**0.0**	**11.3**
Liabilities				
Liabilities to credit institutions		7.4		**7.4**
Other liabilities incl. Leases liabilities		2.5		**2.5**
Derivatives		0.0		**0.0**
Accounts payable		1.3		**1.3**
Total liabilities	**0.0**	**11.3**	**0.0**	**11.3**

30.6.2018 MEUR	At fair value through the statement of income	Measured at amortised cost of financial assets	Measured at amortised cost of financial liabilities	Book values total
Assets				
Receivables from financial institutions		2.2		**2.2**
Receivables from public and general goverment		8.8		**8.8**
Shares and units	0.2			**0.2**
Receivables from shares		0.0		**0.0**
Total assets	**0.2**	**11.0**	**0.0**	**11.2**
Liabilities				
Liabilities to credit institutions		7.0		**7.0**
Other liabilities incl. Leases liabilities		3.2		**3.2**
Derivatives	0.0			**0.0**
Accounts payable			0.4	**0.4**
Total liabilities	**0.0**	**10.2**	**0.4**	**10.6**

Fair value levels 30.6.2018 MEUR	**Level 1**	**Level 2**	**Level 3**	**Fair values total**
Assets				
Receivables from financial institutions		2.2		**2.2**
Receivables from public and general goverment		9.0		**9.0**
Shares and units	0.2			**0.2**
Receivables from shares		0.0		**0.0**
Total assets	**0.2**	**11.2**	**0.0**	**11.3**
Liabilities				
Liabilities to credit institutions		7.0		**7.0**
Other liabilities incl. Leases liabilities		3.2		**3.2**
Derivatives		0.0		**0.0**
Subordinated loans		0.4		**0.4**
Total liabilities	**0.0**	**10.7**	**0.0**	**10.7**

Level 1
Unadjusted quoted prices in active markets for identical assets.

Level 2
Level 2 financial instruments are measured at fair value using valuation methodologies.

Level 3
Level 3 comprises financial instruments whose fair value cannot be determined based on observable market data.

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

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

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

7. Off-balance-sheet commitments

	30.6.2019	**30.6.2018**
Unused credit facilities	2.0	0.0

8. Related-party transactions

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

Related-party transactions with the company's related parties

	H1 2019	H1 2018
Sales		
To associates	0.2	
To company's keypersonels	0.0	0.0
Total sales to related parties	**0.2**	**0.0**
Purchases		
From company's keypersonels	0.7	0.2
Total purchases to related parties	**0.7**	**0.2**
Trade receivables		
To associates	0.0	0.0
Total trade receivables	**0.0**	**0.0**
Loans and interest income receivables		
From associates	0.2	0.2
From company's keypersonels	0.3	0.3
Total loans and interest income receivables	**0.5**	**0.5**
Trade payables		
To company's keypersonels	0.2	0.0
Total trade payables	**0.2**	**0.0**
Other liabilities		
To associates		0.2
Total other liabilities	**0.0**	**0.2**

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