



UNITED BANKERS PLC

Financial Statements Bulletin 2022



UNITED BANKERS PLC'S FINANCIAL STATEMENTS BULLETIN 2022:

Record profit supported by real asset funds

The figures in this release are unaudited.

JANUARY-DECEMBER 2022 IN BRIEF

- The Group's revenue (income from operations) in the financial period amounted to EUR 48.6 million (EUR 43.8 million in 1–12/2021), an increase of 10.8 %.
- The Group's adjusted EBITDA amounted to EUR 18.5 million (EUR 16.3 million in 1–12/2021), an increase of 13.7 % and adjusted operating profit amounted to EUR 16.6 million (EUR 14.4 million in 1–12/2021), an increase of 14.9 %.
- The Group's operating profit amounted to EUR 16.5 million (EUR 14.3 million in 1–12/2021), an increase of 15.3 %.
- The profit for the financial period amounted to EUR 12.9 million (EUR 11.2 million in 1–12/2021), an increase of 14.8 %.
- Earnings per share were EUR 1.19 (EUR 1.00 in 1–12/2021), an increase of 19.3 %.
- Assets under management at the end of the financial period amounted to EUR 4.4 billion (EUR 4.8 billion as at 31 December 2021), a decrease of 8.1 %. The weak market development had a negative impact on the development of the assets under management.
- Net fee income from wealth management in the financial period amounted to EUR 41.4 million (EUR 35.3 million in 1–12/2021), an increase of 17.4 % compared to the preceding year. Despite the challenging market environment, the management and performance fees received from the funds continued to grow.
- Net fee income from capital markets services amounted to EUR 1.7 million (EUR 2.7 million in 1–12/2021), a decrease of 35.6 % compared to the preceding year.
- The cost-to-income ratio at the end of the financial period improved to 0.65 (0.66).
- The Board of Directors proposes a distribution of funds of EUR 0.90 per share (a dividend of EUR 0.75 and an equity repayment of EUR 0.15) be payable for the financial period. It is proposed to distribute the funds in two instalments.
- Guidance for 2023: The company estimates its adjusted operating profit to remain close to the level of 2022. The estimate is conditional upon market conditions not significantly weakening.

JULY-DECEMBER 2022 IN BRIEF

- The Group's revenue (income from operations) in the latter half of the year amounted to EUR 25.2 million (EUR 22.8 million in 7–12/2021), an increase of 10.6 %.
- The Group's adjusted EBITDA in the latter half of the year amounted to EUR 10.1 million (EUR 9.0 million in 7–12/2021), an increase of 12.1 % and adjusted operating profit amounted to EUR 9.1 million (EUR 8.0 million in 7–12/2021), an increase of 13.7 %.
- The Group's operating profit amounted to EUR 9.1 million (EUR 8.0 million in 7–12/2021), an increase of 12.9 %.
- Earnings per share were EUR 0.65 (EUR 0.56 in 7–12/2021), an increase of 16.3 %.

BUSINESS DEVELOPMENT JULY-DECEMBER 2022

Following the weak market development in the early part of the year, uncertainty in the investment market continued also during the remainder of the year. The persistently high inflation figures and the ensuing sharp tightening of the monetary policy caused growing concerns of the economy being plunged into a recession.

Uncertainty among investors increased significantly towards the end of the year, and the sales of United Bankers' wealth management products and services that in the early part of the year were in line with targets, slowed down markedly. The deteriorating economic outlook and the continued turmoil in the investment markets led to an increase in redemptions from funds. The company's REIT funds also lost capital owing to the redemption of one institutional client that pertained to a strategic alteration in allocation. The UB Timberland Fund (AIF), one of United Bankers' most popular funds, was reopened for subscriptions at the beginning of December, which caused its sales period to only last for a couple of weeks. The start of the new private equity fund UB Forest Industry Green Growth Fund I LP was also postponed until January, and thus these funds did not make it on time to support the subscription statistics for the latter part of the year. Indeed, net fund subscriptions as a whole remained slightly negative in the latter part of the year.

In a challenging operating environment, United Bankers' strategy that is focused on real asset investment solutions proved its effectiveness, and the Group's wealth management business continued to generate steadily growing earnings. The distribution of assets

under management continued to shift towards the most profitable products and services generating recurring revenue. At the beginning of the second half of the year the capital of the company's real asset funds had risen to an all-time-high. In an environment of high inflation, forest and real estate funds offered investors significant diversification benefits as well as more stable returns than the equity and fixed income markets. At the same time, fees received from the funds increased, and the Group managed to enhance its results both compared to the early part of the year and to the very strong comparison period. In particular, the performance fees received from forest funds had a significant impact on the profit development in the second half of the year.

The activity level within capital markets services remained low for the remainder of the year as the operating environment continued to be challenging. Demand for advisory services was subdued and the volume of capital market transactions in the market remained generally very low. The result of the segment deteriorated compared to both the first half of the year and the comparison period of 2021.

The Group's result for the second half of the year was very strong considering the market conditions, and it was, yet again, the Group's best-ever half-year result. The growth was achieved profitably, and the company's adjusted operating profit margin increased to 36.2 per cent (35.3 per cent). The cost-to-income ratio also improved and amounted to 0.63 for the latter part of the year.

CONSOLIDATED KEY FIGURES

(The figures are presented in more detail in the appendix of the financial statements bulletin)

	7-12/2022	7-12/2021	change %*	1-12/2022	1-12/2021	change %*
Key Income Statement Figures						
Revenue, MEUR	25.2	22.8	10.6	48.6	43.8	10.8
Adjusted EBITDA, MEUR	10.1	9.0	12.1	18.5	16.3	13.7
Adjusted operating profit, MEUR	9.1	8.0	12.9	16.6	14.4	14.9
Adjusted operating profit, % of revenue	36.2	35.3		34.1	32.9	
Operating profit, MEUR	9.1	8.0	13.7	16.5	14.3	15.3
Profit for the period, MEUR	7.1	6.3	12.3	12.9	11.2	14.8
Profitability						
Return on Equity (ROE), %	28.9	27.2		27.9	26.9	
Return on Assets (ROA), %	18.9	15.8		17.2	16.4	
Key Balance Sheet Figures						
Equity ratio, %				67.1	56.7	
Capital adequacy ratio, %				24.0	24.9	
Key Figures Per Share						
Earnings per share, EUR	0.65	0.56	16.3	1.19	1.00	19.3
Earnings per share, EUR (diluted)	0.65	0.56	16.0	1.16	0.98	18.1
Equity per share, EUR				4.49	4.19	
Distribution of funds per share				0.90**	0.80***	
Other key figures						
Cost-to-income ratio	0.63	0.64		0.65	0.66	
Assets under management at the end of the period, MEUR				4,411	4,800	-8.1
Number of clients at the end of the period				14,400	14,100	
Personnel at the end of the period (FTE)				148****	137	

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded

** The Board of Directors' proposal concerning distribution of funds for the 2022 financial period: a dividend of EUR 0.75 and an equity repayment of EUR 0.15.

*** Dividend for the 2021 financial period confirmed by the Annual General Meeting of Shareholders on 23 March 2022. Ordinary dividend of EUR 0.70 per share and an extra dividend of EUR 0.10.

****The number of personnel stated has been converted to full-time equivalent

As its key financial figures, United Bankers presents adjusted EBITDA and adjusted operating profit, which the company uses to illustrate the profitability and result of the Group's business operations as a going concern. Adjusted key figures are used to improve comparability between reporting periods. The adjusted key figures

are adjusted for the impacts of corporate transactions influencing comparability, as well as certain material non-operating items. More information on the calculation of the key figures is available in the tables section of the release.

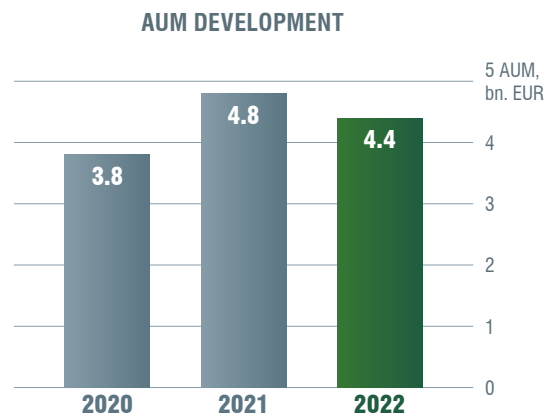
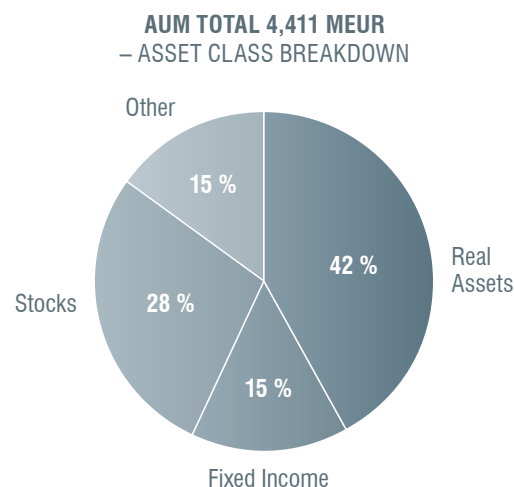
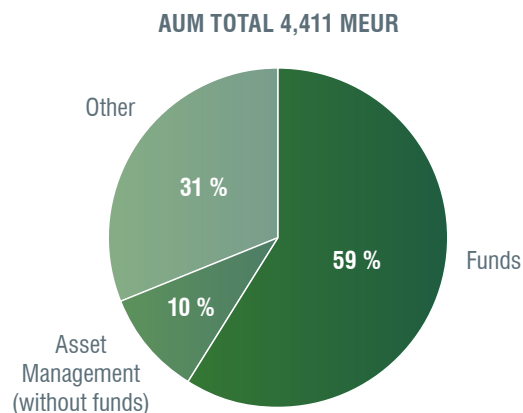
PERFORMANCE OF ASSETS UNDER MANAGEMENT

The amount of the company's assets under management decreased to EUR 4,411 million (EUR 4,800 million) during the financial period. This represents a decrease of 8.1 per cent from the level at the end of 2021.

The overall weak market situation had an adverse impact on the development of assets under management. Stock market returns remained notably negative in 2022, and the development of fixed income investments was also exceptionally poor. During the latter part of the year, the rapidly rising interest rates were also widely causing pressure for the valuations of a variety of real estates. The negative returns of United Bankers' equity and fixed income funds decreased the funds' capital from the year before. The Group's forest and real estate funds, on the other hand, attained positive returns despite the difficult environment. A significant portion of United Bankers' assets under management are invested specifically in real estate and forest funds, which contributed to the fact that the impact of the poor development of the investment market on capital was less than the general market development.

Concerns about the weakening outlook for the economy and uncertainty in the investment markets caused redemptions to soar, especially from equity and fixed income funds. Net subscriptions for United Bankers' equity and fixed income funds indeed remained notably negative during 2022. On the other hand, forest and real estate funds offering more stable return potential continued to attract new capital, and they raised net subscriptions of almost EUR 160 million during the year (including the called-in capital of funds in the form of limited partnerships). All in all, United Bankers managed to accumulate positive net subscriptions for its funds during the year, while at the same time the net subscriptions collected by domestic fund management companies generally remained on the negative side.

The Group's assets under management also decreased due to the transfer of the administration of Visio Allocator and Visio Compounder funds away from UB Fund Management Company Ltd. The transfer of the administration became effective on 1 October 2022. The impact on the amount of assets under management

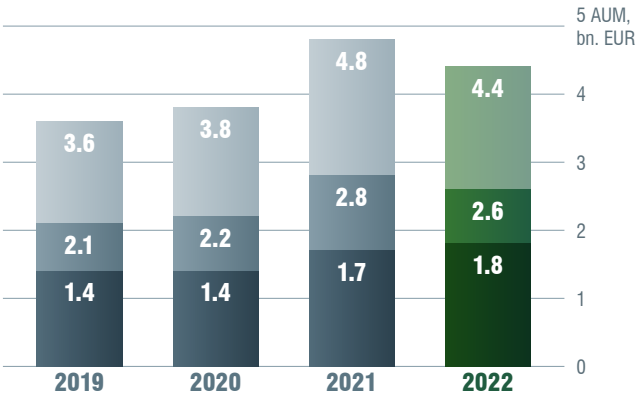


relative to the situation at the end of 2021 was approximately EUR 194 million.

A total of EUR 3,060 million worth of United Bankers' assets under management were invested in wealth management services and funds generating recurring fees. This corresponds to 69 per cent of the assets under management. A total of EUR 2,618 million (EUR 2,773 million) was invested in funds, i.e., 59 per cent of the Group's assets under management. Of the aforementioned fund capital, a total of EUR 1,842 million was invested in real assets investments (EUR 1,673 million). Indeed, the proportion of same increased to already 42 per cent of the Group's assets under management and to as much as 70 per cent of the fund assets.

The number of United Bankers' clients increased slightly from the end of the previous financial period to 14,400 (14,100 clients). Increasing the number of clients is not the company's primary objective, but, rather, the aim is to increase the amount of assets under management per client. Furthermore, the company pays more attention to client-specific profitability and the development of client relationship management models.

THE SHARE OF FUNDS FROM AUM



CEO'S REVIEW

PATRICK ANDERSON

Annus horribilis 2022 followed the two consecutive coronavirus years, transforming the geopolitical situation in Europe as well as our interest rate and inflation environment. It was a difficult year for the stock market and a particularly difficult year for the fixed income market. Over EUR 25 billion worth of capital evaporated from the Finnish fund market in the form of redemptions and impairments, rendering it the weakest year ever in the history of the Finnish fund market. For these reasons, the past year was indeed more challenging for asset managers than previous years. Considering the circumstances, United Bankers had a very strong year. Measured by revenue and operating profit, the year was the best in the company's 36-year history and the end of 2022 was the single best half-year period. The year also marked the fourth consecutive year in which our company smashed the previous record result.

Coping with the challenges of annus horribilis was yet again an excellent indication of the company's resilience in exceptional circumstances. The company's business is diversified and inflation is not only a negative phenomenon for the company, thanks to a strong portfolio of real asset investments. Diversification will improve further in the future, as a fourth pillar, private equity, will gradually emerge alongside real estate, forest and listed real estate and infrastructure, on the construction of which considerable time and resources were expended in 2022. The effects on revenue and earnings will begin to be apparent from the financial period 2023 onwards.

The revenue of the United Bankers Group in 2022 increased by 10.8 per cent, amounting to EUR 48.6 million. Our adjusted EBITDA improved by 13.7 per cent, to EUR 18.5 million. In turn, our adjusted operating profit increased by 14.9 per cent to EUR 16.6 million and the profit for the financial year increased by 14.8 per cent to EUR 12.9 million. In the wealth management segment, net fee income increased by 17.4 per cent to EUR 41.4 million, while in capital markets services, net fee income decreased by 35.6 per cent to EUR 1.7 million. Due to the challenging market, our assets under



management decreased by 8.1 per cent to EUR 4.4 billion. Net subscriptions for our funds were EUR 48.1 million on the positive side. Our cost-to-income ratio continued to improve to 0.65 (0.66 in 2021).

Although it was an outstanding year in light of the figures, it was also twofold from a business perspective. The returns from our forest funds were excellent and those of our real estate funds were good. The returns of our asset management models were at the absolute top of the Finnish wealth management market, thanks to the positive returns on real assets and successful allocation choices. During the year, real estate and forest funds raised approximately EUR 160 million in net subscriptions and the capital thereof grew by over 26 per cent. Our considerable investments in sustainability began to bear fruit. Following a prolonged quieter period, activity around structured products was also picking up thanks to increased volatility and rising interest rates.

On the other hand, the difficult year significantly slowed down our new sales, and our net subscriptions were exceptionally low, albeit positive. As capital continued to flow into funds investing in real property, nearly the same amount of capital was redeemed

from funds investing in equity, fixed income and listed real estate. The year was also more challenging than usual for capital markets services. The company was also not able to escape the effects of inflation, as costs soared due to both external price pressures and our own strategic choices. Had it not been for the strong headwinds in the environment, the year could have become significantly stronger than it did.

In total, net income from funds increased by over 20 per cent compared to the previous year. Their proportion of the Group's total fee income also continued to climb. Net income from funds accounted for 86 per cent of the net fee income of the wealth management segment and 83 per cent of the net fee income of the Group. The growth of over 26 per cent in real estate and forest funds attained in 2022 will further enhance the predictability of fixed fees in the current year. At the same time, it will also serve to increase the potential for performance-linked fees.

In 2022, we focused on launching the operations of and fundraising for UB Forest Industry Green Growth I (UB FIGG), a private equity fund focused on the transformation of the forest industry. UB FIGG was able to commence its investment activities in January 2023 having raised in excess of EUR 100 million in capital. The fund's overall target size is EUR 300 million. Indeed, UB FIGG is a strategically significant opening for United Bankers and at the same time, an example of the company's new direction in the alternative investment fund market – a direction that will be continued during 2023. We want to be increasingly involved in solving the challenges of the world while simultaneously delivering excellent risk-adjusted returns for our clients.

In 2022, we accelerated our work to develop both the company's sustainability and sustainability reporting, and reporting and development of our responsible investment activities. The focus areas of the company's responsibility are a) sustainable products and good stakeholder and client relations, b) meaningful and inspiring work, and c) reliable and transparent governance. The day-to-day activities of United Bankers are guided by our values: client orientation, agility and team spirit. In 2022, we further reinforced our ESG organisation, updated our principles for responsible investment, published the sustainability ratings (SFDR) of our funds,

implemented the sustainability preferences of our clients as part of our investment advice and committed to the UN's human rights principles (UNGP). We also continued to develop the sustainability risk assessment and commenced work on defining our strategic climate targets.

United Bankers will be publishing an even more comprehensive sustainability report for 2022 as part of its annual report. The applied reporting framework consists of the sustainability reporting standards defined by the Global Reporting Initiative (GRI). As part of this report, the company will also for the first time be reporting on the climate risks of its operations in accordance with the recommendations of the TCFD. The above-mentioned measures create a solid foundation for the preparation of the company's climate roadmap and the attainment of future carbon neutrality targets.

Enthusiastic and professional employees are at the heart of United Bankers' sustainability. Based on the results of the 2022 employee survey, United Bankers was for the first time awarded the Most Inspiring Workplaces in Finland 2022 award. The company's Board of Directors also approved the diversity targets set for the Group.

I would like to take this opportunity to thank the stellar UB team for once again managing our clients and our clients' assets commendably, operating in exceptional circumstances for the third consecutive year. I would like to extend my gratitude to all our clients, both institutional and private, both Finnish and international, for their unwavering trust in us during this difficult year. I would also like to thank our partners for all your assistance, support and solid expertise, all of which are essential ingredients in providing excellent services and creating first-class customer experiences. The work carried out in 2022 creates a strong foundation for us to continue creating value for our clients and other stakeholders, albeit there is no absolute certainty of the difficult times being behind us just yet. However, the resilience of the real economy in 2022 and the strong recovery in capital markets in recent months are giving rise to hopes that this crisis, too, shall pass as every previous crisis has. Also going forward, uncertainty within the operating environment will not necessarily be synonymous with an adverse business environment, especially when it comes to a wealth manager specialising in real assets.

OPERATING ENVIRONMENT



The operating environment of 2022 presented challenges on an exceptionally broad front. The strong economic recovery measures undertaken during the COVID-19 pandemic came to an end, zero interest rates became a thing of the past, and the returns of the equity and fixed income markets plummeted to sub-zero levels. The war of aggression instigated by Russia on Ukraine shocked the world and rendered the economic outlook bleaker not only in Europe, but also in the rest of the world.

Alongside the war, the severe acceleration of inflation became a central theme for 2022. As recently as in 2021, inflation was considered in the comments of central banks a mere transient phenomenon, which would begin to subside as economic activity normalised following the COVID-19 pandemic. However, the war in Ukraine and the strict restrictive measures upheld by China to contain the pandemic resulted in inflation continuing to rise during the year. Indeed, in 2022 inflation peaked at its highest level in forty years. In the United States, prices increased by 6.4 per cent on the annual level and in the eurozone by as much as 9.2 per cent. Inflation reached its highest level in the eurozone in October, amounting to a staggering 10.6 per cent.

As a result of the war of aggression instigated by Russia, the EU and also numerous other Western countries imposed extensive economic sanctions on Russia. This caused great pressure on commodity and energy prices to increase, accelerating inflation even further. The rise in the prices of natural gas and electricity caused an energy crisis in Europe, which in turn contributed to hampering the prerequisites for economic growth. The eurozone economy withstood the difficulties surprisingly well, with GDP growing by 3.3 per cent in 2022. In the United States, on the other

hand, GDP growth remained at 2.1 per cent and in China at 3 per cent, with coronavirus restrictions stalling the country's economic growth.

As a result of the bleak economic outlook and the rapidly tightening monetary policy, stock market returns ended up markedly below zero in 2022. In the United States, the stock market plummeted by 14.4 per cent (S&P 500 price index), in Europe by 12.9 per cent (STOXX Europe 600 price index) and in Finland by 16.4 per cent (OMX Helsinki Cap price index). Also the performance of the fixed income market was exceptionally weak during the year. For instance, the output of US government bonds (in euro) declined down to minus 12.3 per cent while the yield on corporate bonds with a higher credit rating in the eurozone was minus 16.9 per cent.

The uncertainty in the economy was also reflected in the Nordic real estate market, where the transaction volumes declined by 33 per cent from the previous year, to EUR 49 billion. The performance of the real estate market decelerated, particularly towards the end of the year, but thanks to the strong start to the year, the transaction volumes in the Nordic countries were still the second highest ever. According to the statistics, the volume of real estate transactions in Finland increased to EUR 7.8 billion. As a whole, the annual volume was approximately one per cent higher than in the previous year and the fourth highest figure ever. The proportion of international investors in Finland's transaction volume remained fairly high, at approximately 50 per cent.

Although real estate traditionally offers inflation protection, the rapid rise in interest rates also had an adverse effect on the real estate market. Indeed, as return requirements rose, property values gen-

erally declined. Especially in Sweden, but also in Finland and Denmark, property values fell, while in Norway, property values were actually increasing somewhat. The rapid increase in interest rates had a significant impact on the value of apartments in particular, and trading in the housing market decelerated markedly during the remainder of 2022.

The operating environment of the forest sector remained favorable for the forest property investor, albeit the war in Ukraine and the impaired economic outlook added to the uncertainty in the market. In 2022, the volume of timber trade in Finland fell slightly short of the level of the previous year, which is partially explained by the labor market disputes between the forest company UPM-Kymmene and the Finnish Paperworkers' Union during the first half of the year. However, trading picked up discernibly towards the summer, and the fall season was already a very active time in the timber market.

In terms of timber prices, the year also progressed on an upward curve. In the summer, the real average prices of log wood to a large extent exceeded the reference prices of the previous year, but in the fall, the price development levelled off due not only to the seasonality of the market but also to the effects of the impaired economic outlook in the timber products industry. The positive momentum of the chemical forest industry, in turn, raised the average prices of pulpwood throughout the year. This development was also supported by the strong rise in the demand for and price of energy wood. In the prevailing market situation, the prices of forest properties also continued on an uptrend in both Finland and the Baltics.

In the forest sector, the effects of the war-of-aggression instigated by Russia were particularly demonstrated in the scarcity of timber raw materials and timber products, as exports from Russia, Belarus and Ukraine ebbed. As a result, substitute demand for end products was directed, for instance, to Finland and the Baltics, thereby increasing the demand for timber in these countries.

The impairment of the economic outlook and the uncertainty that was symptomatic of the investment market throughout the year were reflected in the overall demand for wealth management services and funds in 2022. According to the December Fund Report of Investment Research Finland, large amounts of capital were redeemed from Finnish investment funds during the year. The cap-

ital of funds managed by fund management companies registered in Finland also declined as a result of poor market development. At the end of the year, the combined fund capital had declined by as much as 16 per cent to EUR 133.6 billion, while at the end of 2021 the figure was still EUR 158.9 billion. The net subscriptions for funds registered in Finland fell in total EUR 4.4 billion on the negative side for the entire year. Capital was redeemed from both equity and fixed income funds. By contrast, the net subscriptions of mixed funds and alternative investment funds, including also real estate and forest funds, were positive in 2022.

The impairment of the market environment was also widely reflected in capital markets and corporate arrangements. Especially in Finland, numerous listings or corporate acquisitions were cancelled or postponed in anticipation of a more favorable environment. As a result, the overall demand for advisory services indeed declined notably from the level of the record-breaking 2021.

Alongside the impact of the economic and political environment, the modern world recognises that climate change and biodiversity loss can also pose risks to financial stability. Mapping and measuring climate risks already constitutes part of the everyday life of many companies, but also the threat posed by the loss of biodiversity to economic activity is beginning to set in. The investment and financial sector play a crucial role in channeling financing to environmentally and socially sustainable companies and businesses.

The possibilities of investors to be informed about the sustainability of their investments and to influence through their choices have also played a role in the background of the EU's Sustainable Finance Regulation, which entered into force in 2022. The Disclosure Regulation (SFDR) requires investors to be informed about sustainability factors and for financial products to be categorised into different categories according to their level of sustainability. In August 2022, a new regulation entered into force, obligating an investment services provider to identify a client's sustainability preferences in a suitability assessment and to adjust the range of financial products recommended to the client in line with such preferences. The EU-level disclosure and reporting obligation for investors on sustainability issues related to the regulation of sustainable finance will continue to expand further in the coming years.

GROUP REVENUE AND PROFIT PERFORMANCE FOR 2022

(comparison figures as at 31 December 2021)

Despite the headwind in the markets, United Bankers managed yet again to increase its revenue and its profit to a record-breaking level. The revenue of the Group (income from operations) increased during the financial period to EUR 48.6 million (EUR 43.8 million), increasing by 10.8 per cent from the previous year. The Group's adjusted EBITDA for the financial period increased by 13.7 per cent to EUR 18.5 million (EUR 16.3 million). Return on equity improved to 27.9 per cent (26.9 per cent).

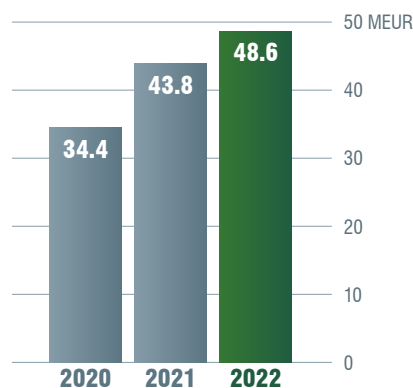
The growth in profits was propelled particularly by the fund performance fees, but also the fund management fees exhibited positive development. The profitability of the Group improved slightly during the financial period, albeit the inflationary environment, the new financial industry regulation and growth investments caused pressure for also United Bankers' costs to increase. The adjusted operating profit percentage increased during the financial period to 34.1 per cent (32.9 per cent). The Group's adjusted operating profit amounted to EUR 16.6 million (EUR 14.4 million), a growth of 14.9 per cent compared to the previous year. The operating profit increased by 15.3 per cent to EUR 16.5 million (EUR 14.3 million). Earnings per share were EUR 1.19 (EUR 1.00).

The year 2022 entailed a myriad of challenges for the operating environment. The economic growth outlook became gloomier and

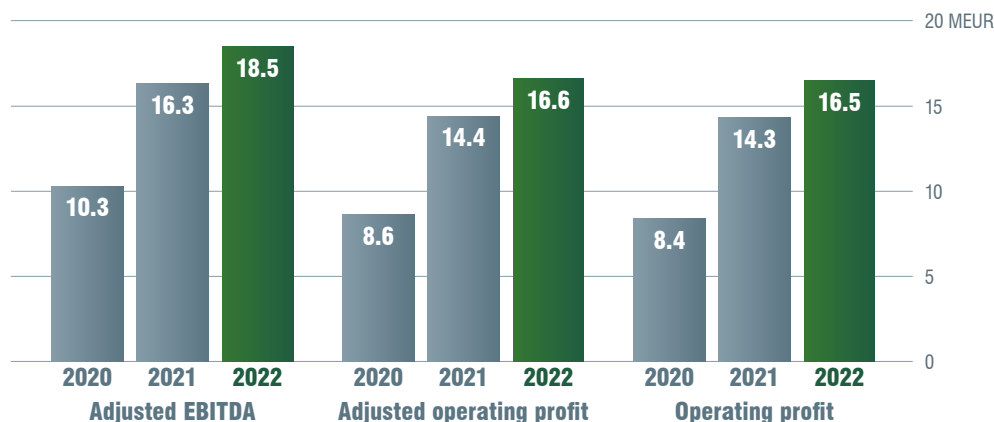
the investment market performance was poor both in the equity and in the fixed income markets. The uncertain economic environment was reflected in the demand for the products and services provided by both of the business segments of the Group, wealth management and capital markets services. The prolongation of the war in Ukraine and the rapid rise in interest rates caused growing concerns, especially towards the end of the year, of the economy being plunged into a recession. In the second half of 2022, the growth rate of United Bankers' revenue and earnings, indeed, decelerated somewhat relative to the first half of the year and the very strong comparison period.

United Bankers' fund selection, with its emphasis on real assets, played a key role in the continuation of the favourable earnings development in 2022. Specialisation in real asset investment solutions in wealth management has now proven its effectiveness in many different market conditions. In 2022, investors generally redeemed capital from Finnish funds. In this environment, United Bankers managed to achieve positive net subscriptions. Capital grew particularly in forest and real estate funds, compensating for redemptions from equity and fixed income funds. Indeed, the capital of same increased by more than a quarter from the previous year, which can be considered a very good achievement in the prevailing market conditions. Real estate and forest funds also

REVENUE DEVELOPMENT



KEY FIGURES



offered positive returns while the returns of the equity and fixed income markets remained markedly negative throughout the year.

In total, net income from funds grew by over 20 per cent compared to the previous year. Their proportion of the Group's total fee income also continued to increase. The net income from funds accounted for 86 per cent of the net fee income of the wealth management business and 83 per cent of the Group's net fee income. Net income from asset management, including discretionary asset management, declined, on the other hand, to a level slightly lower than in the previous year.

The growth in performance fees received from funds is explained in particular by the strong performance fees of forest funds. The amount of management fees also increased, even though fund capital as a whole, decreased from the comparison period. This was due to the previously mentioned shifting of capital to the funds most profitable for the company.

For structured investment products, the operating environment has been rather difficult in recent years. However, in 2022, the market situation improved markedly due to rising interest rates, which supported the issuance of new products. Indeed, fee income from structured products increased notably during the financial period.

The revenue and profit of the capital markets services business declined considerably from the previous year as the uncertain market conditions were reflected in the demand for services. Furthermore, the shrinking operations of UB Finance Ltd, the provider of an online corporate lending platform, continued to burden the profitability of the segment. New loans are no longer being provided through the online corporate lending platform of UB Finance, and it is the objective of United Bankers to wind down the business operations of UB Finance once the last outstanding loans and the interest on same have been paid to the investors or the loan pool has been sold.

The segment-specific figures are presented in more detail in the following sections describing the development of the business segments.

The Group's total expenses increased from the previous financial period. Administrative expenses including personnel and other administrative expenses rose by 11.5 per cent to EUR 24.2 million (EUR 21.7 million). Total personnel expenses increased by 7.8 per cent to EUR 17.5 million. Depreciation, amortisation and impairment remained at the level of the previous year and amounted to EUR 1.9 million. In relation to personnel expenses, variable salaries decreased from the previous year, mitigating the impact of the increase in fixed salaries. The number of personnel converted into full-time employees grew by 8 per cent from the previous year and stood at 148 persons (137 persons) at the end of the year. Of this, a total of 6 persons (8 persons) were fixed-term employees.

Also other administrative expenses increased during the financial period relative to the previous year. They were driven not only by the general increase in the level of costs, but also by United Bankers' investments in building an international sales network, as well as in developing new funds and launching their operations. In addition to developing new products, external consulting services were retained more than usual, for instance, in the business implementation of the EU's Sustainable Finance Regulation that entered into force and in promoting the sustainability of funds. Some of the legal and information security-related consulting expenses were of a non-recurring nature.

In 2022, United Bankers celebrated the 35th anniversary of its operations and organised related events for its clients and personnel. After the long period of remote work during the coronavirus years, the company felt it was important to bring the personnel to joint encounters. The efforts exerted towards promoting the team spirit were also reflected in the good results of the personnel survey.

In the spring, United Bankers renewed its online service where clients can follow the performance of their investment portfolios and do electronic transactions. An extensive technical reform was carried out in the service, enabling the increasingly efficient and flexible further development of the service. United Bankers will continue to develop its IT systems and digital services further with the aim of more efficient business operations and creating first-class customer experiences. The cost-to-income ratio improved from the previous year to 0.65 (0.66).

BUSINESS SEGMENTS

WEALTH MANAGEMENT SEGMENT

The United Bankers' wealth management business segment encompasses funds, asset management and structured investment products. United Bankers is a forerunner in real asset investments in the Nordic market. The United Bankers fund selection includes versatile real asset funds, including funds investing in

direct real estate, funds investing in listed real estate and infrastructure companies, as well as forest funds. Additionally, United Bankers' fund assortment includes equity, fixed income and multi-strategy funds.

FEE INCOME FROM THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	7-12/2022	7-12/2021	change %*	1-12/2022	1-12/2021	change %*
FUNDS						
Management fees	11,881	10,124	17.4	23,100	19,273	19.9
Performance fees	7,514	6,751	11.3	14,438	11,504	25.5
Subscription and redemption fees	713	860	-17.1	1,504	1,883	-20.1
Income from funds	20,108	17,735	13.4	39,041	32,659	19.5
Fee and commission expenses	-1,700	-1,523	6.9	-3,328	-2,994	11.2
Net income from funds	18,408	16,212	13.5	35,712	29,665	20.4
ASSET MANAGEMENT						
Income from asset management	2,627	3,418	-23.1	5,365	6,506	-17.5
Fee and commission expenses	-798	-818	-2.4	-1,490	-1,793	-16.9
Net income from asset management	1,829	2,600	-29.7	3,875	4,713	-17.8
STRUCTURED PRODUCTS						
Income from structured products	1,325	396	234.9	2,157	1,177	83.2
Fee and commission expenses	-163	-42	291.6	-295	-249	18.2
Net income from structured products	1,163	354	228.2	1,862	928	100.6
TOTAL FEE INCOME FROM WEALTH MANAGEMENT	24,060	21,549	11.7	46,562	40,342	15.4
NET FEE INCOME FROM WEALTH MANAGEMENT	21,399	19,167	11.6	41,449	35,307	17.4

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded.

Despite the challenging market environment, the development of fee income in the Group's wealth management business continued strong during the financial period. Fee income increased by 15.4 per cent year-on-year and totalled EUR 46.6 million (EUR 40.3 million). United Bankers' strategic objective has been to increase the proportion of funds in its wealth management business and thus improve the predictability of the business. Indeed, the net income from funds accounted for 86 per cent of the net fee income within the wealth management segment during the financial period.

Income from funds increased to EUR 39.0 million (EUR 32.7 million), an increase of 19.5 per cent from the previous year. In particular, the positive development of forest and real estate funds was reflected in the performance fees of funds, which increased by 25.5 per cent from the previous year. The development of management fees was also positive and these grew by 19.9 per cent, albeit the fund capital diminished from the previous year. Income from asset management, on the other hand, remained 17.5 per cent lower than in the comparison period, at EUR 5.4 million (EUR 6.5

million) due in particular to the decrease in transaction fees. The management fees for discretionary asset management remained nearly at the level of the comparison period. The development of fee income from structured products was strong and it increased by 83.2 per cent to EUR 2.2 million (EUR 1.2 million). In total, net fee

income from the wealth management business increased by 17.4 per cent to EUR 41.4 million (EUR 35.3 million). The EBITDA for the wealth management business increased to EUR 19.5 million (EUR 16.2 million) during the financial period, a growth of 20.9 per cent.

PROFITABILITY OF THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	7-12/2022	7-12/2021	change %*	1-12/2022	1-12/2021	change %*
REVENUE	24,302	21,582	12.6	46,831	40,401	15.9
Fee and commission expenses	-2,661	-2,382	11.7	-5,113	-5,036	1.5
Administrative and other operating expenses	-11,747	-9,905	15.8	-22,177	-19,199	15.5
EBITDA	10,166	9,295	9.4	19,540	16,167	20.9

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded.

The expenses of the wealth management business increased during the financial period compared to the comparison period. Some of the underlying causes for the increase in costs included the previously mentioned investments in promoting international sales and building a network, as well as in the development of new funds. The multiple challenges in the operating environment slowed down both the promotion of international distribution and the fundraising of United Bankers' first real private equity fund, UB Forest Industry Green Growth Fund I LP. However, during the fall, United Bankers entered into distribution agreements in Germany and Switzerland. With these agreements, the potential for international sales is expected to materialise from 2023 onwards.

In the challenging market environment, the total sales of the Group's wealth management products and services remained at EUR 514.2 million (EUR 607.7 million), thus declining by 29.6 per cent compared to the previous financial period. The proportion of funds and wealth management of the total sales remained high at 85.5 per cent (90.4 per cent).

The Mutual Fund Report of Investment Research Finland, for its part, illustrates the challenging demand environment in 2022. According to the statistics, EUR 4.4 billion was redeemed from funds registered in Finland during the year. The net subscriptions for United Bankers' funds remained at EUR 48.1 million for the full year, thus clearly decreasing from the very strong comparison

year (EUR 315.5 million). The net subscription amount includes the called-in capital of funds in the form of limited partnerships. However, in the second half of the year, redemptions from funds increased discernibly. Most capital was redeemed from equity and fixed income funds, while net subscriptions for forest and real estate funds remained markedly positive for the entire year. Viewed as a whole, capital indeed continued to flow from funds with a lower margin towards funds that are more profitable from the company's perspective.

The sharp decline in both the equity and fixed income markets was also widely reflected in the performance of United Bankers' funds, pushing the returns of almost all equity and fixed income funds into the red. By contrast, forest and real estate funds offered positive returns also in 2022. Indeed, the selection of funds focused on real assets and the fees generated by same served to balance out the company's profit development in a rather challenging operating environment.

Considering the circumstances, the sales of discretionary asset management and of the Private Investment Office asset management service geared towards the wealthiest retail clients developed positively during the year. In particular, sales of the UB 360 asset management model increased markedly from the previous year. Also the portfolio management results were excellent in the competitor comparison. Both the UB 360 and the PIO asset manage-

ment strategies performed well above competitors' asset management funds or strategies with similar risk levels. As concerns UB 360 asset management, the most significant factor underlying the success was the significant cut in interest rate and corporate risk already at the end of 2021, as well as the significant underweight in the stock market at the beginning of the year. The non-benchmark strategy employed by the PIO asset management, and broad asset class diversification, allowed the execution of a strong vision in portfolios, the underweighting of fixed income investments and the partial replacement of equity risk with alternative investments.

The sales of structured investment products increased considerably compared to the previous year. During the financial period, the number of structured investment products launched by United Bankers remained at the level of the previous year at 22 investment

products (23 in 2021), but the combined sales volume increased substantially to EUR 44.8 million (EUR 27.3 million). The market situation for structured investment products altered significantly during the financial period. With the sharp surge in inflation, central banks began to raise key interest rates, which in turn was reflected in the severe rise in market interest rates from the very low levels that had prevailed for quite some time. This, paired with the increased volatility, facilitated the development of investment products on more attractive terms. In particular, the return levels of credit-linked products improved significantly as a result of the increase in the general interest rate level and risk premiums, entailing a strong increase in the sales of these products from the previous year. The sales of equity-linked products continued stable during the financial period, but the focus of investment loan sales was clearly on credit-linked products.



REAL ESTATE FUNDS

Accompanied by the changed economic environment, the Nordic real estate market, measured by transaction volume, remained about a third of the record level of 2021, with the number of deals being 16 per cent lower than the previous year. However, the transaction volume of the Nordic real estate market still exceeded the levels of, for example, 2019 and 2020. The challenging market environment demonstrated that a well-diversified real estate port-

folio has its place in a balanced investment allocation. The broadly diversified real estate funds of United Bankers attained positive returns for the year and were still amongst United Bankers' most popular funds. Alternative Investment Funds UB Nordic Property and UB Finnish Properties collected a total of approximately EUR 71 million in net subscriptions during the year, even though growth slowed down in the second half of the year. At the end of the year

the fund capital of the funds had risen to more than EUR 718 million.

The strategy of the UB Nordic Property Fund is to invest in real estate assets offering stable returns within the Nordics. In addition to geographical diversification, the fund offers broad diversification into different real estate segments. Target investments include logistics and production properties, offices, commercial properties, and plots of land. During 2022, the fund acquired five new real estate assets. Three of the properties are located in Norway, two in Denmark, and one in Sweden. In addition, the fund sold its minority stake from a small logistics portfolio in Sweden that did not meet the fund's target returns anymore.

UB Nordic Property Fund is the largest fund in terms of capital that United Bankers has. By the end of the year the fund had grown to more than EUR 484 million (GAV) and to a total of EUR 528 million in real estate assets. UB Nordic Property Fund returned 7.69 per cent (Series I) in 2022.

UB Nordic Property Fund is classified as a so-called light green investment product according to the SFDR Article 8¹ of the EU regulation. During 2022, the fund's environmental goals were updated to include the goal of carbon neutrality by the year 2035 regarding energy consumption during operation.

UB Finnish Properties invests into real estate assets offering stable return potential in Finland. Target investment include plots of land, apartments, societal real estate, offices, logistics and storage properties, and other suitable real estate properties. Location wise, the emphasis is on the capital region and growth centers in Finland. During 2022, the fund acquired 11 new real estate assets. Acquisitions included societal real estate, retail assets, industrial and warehouse assets, and an undeveloped plot of land. In addition to the new acquisitions, two new care property developments were completed during the first half of the year. The fund also completed two new residential developments located in Tampere, Finland in December 2022. The project included two apartment buildings with a total of 149 residential units and two retail units and a parking garage.

By the end of the year the fund had grown to more than EUR 234 million (GAV) and to a total of EUR 211 million in real estate assets. UB Finnish Property returned 2.25 per cent (Series I) in 2022.

UB Finnish Property is classified as a so-called light green investment product according to the SFDR Article 8¹ of the EU regulation.



¹ According to the EU Sustainable Finance Disclosure Regulation (SFDR), an Article 8 fund is defined as a fund that contributes to environmental or social objectives or a combination thereof, in addition to other objectives, provided that the companies invested in comply with good governance practices.



LISTED REAL ESTATE AND INFRASTRUCTURE FUNDS

United Bankers has four regional funds investing in the shares of listed real estate, or REITs for short: UB Asia REIT Plus, UB European REIT, UB Global REIT, and UB North America REIT.

Following the general development of the stock market, the prices of listed real estate companies fell noticeably in 2022. In particular, rising interest rates as a result of rapidly tightening monetary policy posed a challenge for listed real estate companies. Increasing financing costs put upward pressure on the yield requirements from real estate investments, which was anticipated to lead to a decrease in real estate values.

The stock prices of listed real estate companies typically predict the expected changes in the values of the properties they own. This also happened in 2022, when real estate values themselves were still relatively stable, but the prices of listed real estate companies fell sharply, reflecting the downward pressure on real estate values. As a result, the valuation difference of listed real estate companies in relation to the balance sheet values and the values of the properties they own was exceptionally large at the end of 2022. The challenging market environment was also reflected in the returns of

United Bankers' REIT funds, which remained negative for all funds in 2022: UB European REIT -29.6 per cent, UB Global REIT -23.1 per cent, UB Asia REIT Plus -6.3 per cent and UB North America REIT -17.9 per cent. However, in Morningstar's comparison, the funds performed excellently in their respective comparison groups: UB North America REIT and UB Asia REIT Plus were the best-performing funds in their comparison group, and UB European REIT ranked fourth (among 12 funds).

United Bankers has two funds investing in the shares of infrastructure companies: UB Infra, which invests globally in OECD countries, and UB EM Infra, investing in the emerging markets.

Infrastructure stocks in developed countries fell slightly during 2022, but clearly less than the stock market on average. The companies' results generally developed favorably, but the rapid rise in interest rates weakened the attractiveness of infrastructure companies with typically higher dividend yield.

The recovery of infrastructure stocks in emerging markets continued in 2022, regardless of the pandemic that still plagued China in

particular until the very end of the year. The historically low valuation levels of emerging markets created a good basis for the market to continue to strengthen despite rising interest rates.

The development of infrastructure stocks' return, which was stronger than the general market return, and especially the relative strength of emerging markets, was also reflected in the development of the UB EM Infra fund. It was one of the few funds investing in the stock market, whose return reached a positive 0.5 per cent. The return for the UB Infra fund remained slightly negative at 4.9 per cent. Thanks to the more stable of infrastructure companies

compared to the stock market in general, funds investing in listed infrastructure companies offered investors an excellent diversification benefit.

Investors generally redeemed capital from equity funds due to the prevailing uncertain market. This phenomenon was also reflected in United Bankers' REIT and Infra funds. Their net subscriptions were clearly in the red for the entire year also as a result of redemptions related to the strategic allocation change of one large institutional investor.



FOREST FUNDS

Forest assets are a great fit for the world of responsible investment – a well-managed forest is a substantial carbon storage and sink. Additionally, forest as an investment object offers protection against inflation and has a low correlation with the performance of the equity market. Indeed, the popularity of timberland investing has continued to mount in the past few years, and today timberland is viewed as an essential asset class among others.

United Bankers' forest funds offer investors a diversified and professionally managed timberland portfolio that enables an effortless method of investing in an interesting real asset class. The United

Bankers' forest fund selection features three funds investing directly in forest properties: UB Timberland Fund (AIF) and UB Nordic Forest Fund II LP invest in forest properties in Finland; UB Nordic Forest Fund III LP, in turn, invests in forest properties within the Baltic Sea region. UB Timberland Global Fund (AIF) invests globally in forests, forest industry and the further processing of forest industry end-products.

The interest exhibited by investors towards United Bankers' timberland investment solutions continued strong. The UB Timberland Fund (AIF) investing in Finnish forest properties welcomed during

the year net subscriptions totalling nearly EUR 64 million. In June, the fund collected record net subscriptions of EUR 61 million. Fund's September subscription window was closed.

From forest funds, also UB Nordic Forest Fund III called in EUR 17.8 million worth of capital in March. This represented the last instalment of the fund's investment commitments totalling EUR 111.45 million. The UB Nordic Forest Fund II fund has been closed to new investments.

At the close of the review period, the capitals of the four United Bankers' funds investing in the forestry sector: UB Timberland Fund (AIF), UB Timberland Global Fund (AIF) as well as UB Nordic Forest Fund II and III LP private equity fund amounted in total to EUR 648.9 million (EUR 499.5 million on 31 December 2021).

The low correlation of forest investments to the stock market brought investors an excellent diversification benefit in 2022. When the return on equity and fixed income markets remained clearly negative, United Bankers' funds investing directly in forest estates, continued to offer stable positive returns. The annual return generated by UB Timberland Fund (AIF) amounted to 8.5 per cent, UB Nordic Forest Fund II to 14.9 per cent (IRR) and UB Nordic Forest Fund III even to 24.7 per cent (IRR). The strong returns of the forest funds can be explained, among other things, by the strongly increased inflation during the year, high investment rate of the funds and strong increase in forest land and timber prices, especially in the Baltics.

During the year, both UB Timberland Fund (AIF) and UB Nordic Forest Fund III continued to acquire forest properties aligned with their investment policy. The investment activities were facilitated by the active forest estate market. Owing to a severe price increase in the Estonian forest estates, UB Nordic Forest Fund III focused its acquisitions to objects meeting the investment criteria in other target markets. At the end of the year, the aggregate surface area of the properties owned by United Bankers' forest funds amounted

to over 150,000 hectares, of which approximately 131,100 hectares in Finland, approximately 6,500 hectares in Estonia, approximately 10,600 hectares in Latvia and approximately 1,800 hectares in Lithuania. United Bankers is the leading Nordic forest fund house and the fourth largest private forest owner in Finland.

In 2022, 100 per cent of the forest properties in Finland owned by United Bankers' funds were certified under the PEFC™ and 76 per cent with the FSC® (FSC C109750) certificate². Outside Finland, 44 per cent of the forest properties were certified with the FSC and 90 per cent with the PEFC certificate. Forests' level of certification is relatively high in United Bankers' funds, as of all forests in Finland, a total of approximately 85 per cent are certified with the PEFC and only 10 per cent with the FSC certificate. Certification serves to demonstrate that the forest management is economically, socially and ecologically sustainable.

Fundraising and the launch of investment activities of United Bankers' private equity fund, UB Forest Industry Green Growth Fund I LP, investing in sustainable and resource efficient forest and bio-based industries, were delayed until January 2023 due to difficult operating environment and due diligence processes of a few key institutional investors. The costs of starting the fund's operations already burdened the result of the 2022 financial year, while income is expected to accumulate only when the fund starts its operations.

UB Forest Industry Green Growth Fund has high expectations. The fund complements United Bankers' strong competence in forestry investing, and aims to extend the product and service offerings in alternative investments. The fund is United Bankers' first spearhead product in private equity, and it has achieved a great deal of interest among international investors.

During the financial period, United Bankers also started preparations for a new forest fund investing extensively in the Baltic Sea region. The fund, aimed for professional investors, is expected to start its operations during the first half of 2023.

² There are two large certification systems in use internationally: FSC and PEFC. FSC is a system used by environmental and nature organisations. PEFC, in turn, is a system endorsed by forest owners' organisations and the forest industry. There are no significant differences between the criteria employed by the systems, albeit FSC places a slightly higher emphasis on factors related to the environment and the protection of same.

CAPITAL MARKETS SERVICES BUSINESS SEGMENT

United Bankers' capital markets services encompass the services of its subsidiaries UB Securities Ltd and UB Finance Ltd.

FEE INCOME FROM THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	7-12/2022	7-12/2021	change %*	1-12/2022	1-12/2021	change %*
Income from capital markets services	712	1,174	-39.3	1,772	2,963	-40.2
Fee and commission expenses	-7	-128	-94.5	-27	-253	-89.4
NET FEE INCOME FROM CAPITAL MARKETS SERVICES	705	1,046	-32.6	1,745	2,710	-35.6

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded.

Variations between different financial periods are typical for the development of United Bankers' capital markets services business, as segment revenues are dependent on the success fees typically associated with assignments and their timing. For the year 2022, the activity of the capital markets services remained low corresponding to the general development of the business segment. In 2022, the revenue of the capital markets services was

clearly below the preceding year, and amounted to EUR 1.7 million (EUR 3.1 million). Net fee income from capital markets services business totalled to EUR 1.7 million (EUR 2.7 million), decreasing by 35.6 per cent compared to the preceding year. The EBITDA of the business segment declined during the review period to EUR 0.2 million (EUR 1.2 million), decreasing by 86.1 per cent from the comparison period.

PROFITABILITY OF THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	7-12/2022	7-12/2021	change %*	1-12/2022	1-12/2021	change %*
REVENUE	740	1,079	-31.4	1,745	3,072	-43.2
Fee and commission expenses	-7	-128	-94.5	-27	-253	-89.4
Administrative and other operating expenses	-697	-702	-0.7	-1,548	-1,602	-3.4
EBITDA	35	248	-85.7	170	1,218	-86.1

* The percentage change has been calculated using the actual figures, the figures shown in the table have been rounded.

In 2022, the operating environment in the capital markets shifted, becoming considerably more uncertain compared to 2021, when capital markets transactions along with mergers and acquisitions were carried out at a record-breaking pace. Although individual transactions continued to take place on the capital markets, a significant number of projects were moved to await a more favorable market situation. The challenges of the prevailing environment were also reflected to the operation of United Bankers' capital markets services segment. In particular, demand for advisory services declined as a result of the uncertain market situation, and delays were also experienced in the UB Securities' projects. However, it is likely, as the market recovers, that many previously initiated capital

market transactions and financing arrangements will be completed as companies' financing and growth needs have not disappeared.

UB Securities, providing capital markets services, however participated in and carried out numerous capital markets transactions during the year. In March, UB Securities acted as the advisor for Herantis Pharma Plc in a directed share issue implemented as a private placement arrangement. Later in the spring, also a rights issue was carried out for Herantis Pharma. The rights issue was organised both in Finland and Sweden, due to Herantis being listed on Nasdaq First North Growth Market in both countries. During the fiscal year, two separate directed share issues were carried out

for Optomed Plc, listed on Nasdaq Helsinki Stock Exchange Ltd, with UB Securities acting as the arranger and bookrunner. In addition, UB Securities acted as lead manager in Solwers Plc's, listed on the Nasdaq First North Growth Market, directed share issue. The issues for both Optomed and Solwers were implemented as a private placement arrangement. Furthermore, the company acted as an exclusive financial advisor in a directed share issue of Ruokaboksi Finland Ltd.

UB Securities is acting as the Certified Advisor for Arctic Minerals AB (publ) in the Nasdaq First North Growth Market in Sweden, as Herantis Pharma Plc's Certified Advisor in the Nasdaq First North

Growth Market in Finland and Sweden, as well as the Certified Advisor for Solwers Plc and Aiforia Technologies Plc in the Nasdaq First North Growth Market in Finland.

As concerns the online corporate lending platform offered by UB Finance Ltd, reportable under the capital markets services segment, the Board of Directors of UB Finance decided in April to no longer provide new loans via the service. United Bankers aims to wind down the business operations of UB Finance once the existing loans and interest accrued have been paid out to the investors. The closure of the service will not have any material impact on the business of the Group or on its financial outlook.



BALANCE SHEET AND CAPITAL ADEQUACY

(comparison figures as at 31 December 2021)

The balance sheet total of the United Bankers Group as at 31 December 2022 amounted to EUR 71.6 million (EUR 78.2 million). The consolidated shareholders' equity amounted to EUR 48.1 million at the end of the review period (EUR 44.3 million). The cash assets of the Group as at 31 December 2022 amounted to EUR 9.5 million (EUR 14.3 million). The Group has at its disposal a credit line of EUR 3 million, which at the end of the review period remained undrawn. The Group has paid off a previously drawn down loan of EUR 2.0 million on 13 July 2022.

Own funds requirement (IFR) of the United Bankers Group as at 31 December 2022 was determined based on fixed overhead costs.

At the end of the review period, the capital adequacy of the Group was at a very good level.

The Group's common Equity Tier 1 capital (CET 1) as at 31 December 2022 amounted to EUR 13.0 million (EUR 12.7 million) and the Group's own funds relative to the required minimum capital requirement amounted to 299.5 per cent (311.4 per cent). The Group's capital adequacy ratio as at 31 December 2022 was 24.0 per cent (24.9 per cent). The Group management has set a minimum capital adequacy target level of 13 per cent. The Group's equity ratio as at 31 December 2022 amounted to 67.1 per cent (56.7 per cent).

Further information on the Group's balance sheet and capital adequacy has been set forth in the tables section.

SUSTAINABILITY

Sustainability is an essential part of the United Bankers Group's activities. United Bankers wants to take responsibility for the society and the environment and contribute to the achievement of the Sustainable Development Goals. In practice, sustainability is reflected in client and stakeholder relations, responsible investment and product range, employee well-being, and proper corporate governance. In addition, climate change, human rights, and biodiversity are relevant cross-cutting sustainability themes.

Based on the materiality analysis conducted in 2022, United Bankers' sustainability priorities are grouped as follows:

- Sustainable products and good stakeholder and client relations
- Meaningful and inspiring work
- Reliable and transparent governance



United Bankers will publish a separate sustainability report for 2022 that covers all United Bankers Group companies. The sustainability report is published in connection with the annual report. The report has been prepared in reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

KEY SUSTAINABILITY TOPICS IN 2022

United Bankers' overall sustainability organisation and ESG team were reinforced in 2022. A new Head of ESG started working for the Group in February and an ESG Analyst joined the Group in August. The composition of the Responsible Investment Steering

Group was expanded and its role clarified to ensure that the steering group would better cater to the development needs of United Bankers in the future.

In May 2022, United Bankers' Principles for Responsible Investment were updated to better reflect the ever-evolving sustainability expectations and industry regulations. The updated principles contain the fundamental principles relating to the environmental, societal and governance factors that steer the company's operations. Furthermore, United Bankers published a public version of the company's Code of Conduct, which were previously published for internal use.

In June 2022, United Bankers published information regarding the sustainability classifications of its funds in accordance with the EU's Sustainable Finance Disclosure Regulation (SFDR). 95 per cent of United Bankers' funds have been classified as green investment products under the SFDR (dark green in accordance with Article 9 of the SFDR or light green in accordance with Article 8 of the SFDR). Furthermore, 21 per cent of United Bankers' funds are committed to making investments that qualify as fully or partially sustainable under the EU taxonomy. All products (excl. bonds) within the UB 360 model, a part of United Bankers' wealth management solutions, were classified as light green investment products in accordance with Article 8 of the SFDR.

As of the beginning of August 2022, EU regulation requires that client sustainability preferences are considered as part of offering investment advice. In the spring, United Bankers conducted a comprehensive examination both of its own products and of its brokers' portfolio products, from the perspective of clients' sustainability preferences. Going forward, the company will assess in more detail the extent to which each client wishes to emphasise sustainability factors when choosing investment products.

Human rights and their materialisation form an integral part of social responsibility. In 2022, United Bankers committed to respecting human rights in its operations in line with the United Nations Guiding Principles on Business and Human Rights (UNGP). In the first half of 2022, United Bankers commenced its active human rights development work and renewed its operating processes so that in addition to the investment portfolio, human rights aspects are also more systematically considered in business relations and other activities of the company in the future.

In 2022, United Bankers also continued its work to develop the assessment of the climate risks of its operations and investment products and commenced the definition of the organisation's strategic climate targets. United Bankers started to define its climate goals by calculating the company's and its investments' carbon footprint according to the GHG Protocol and the PCAF standard for the financial sector. In 2022, United Bankers also reported for the first time on the climate risks of its operations in accordance

with the recommendations of the TCFD as part of the company's annual report. These measures provide a solid foundation for the preparation of the climate roadmap of the company and the achievement of future carbon neutrality goals.

United Bankers actively seeks to promote the transparency of its operations. The reform of the sustainability reporting of United Bankers' funds and UB 360 products was implemented in 2022. Going forward, the company publishes quarterly ESG reports covering its daily valued fixed income and equity funds. Sustainability reporting of real asset funds continues on an annual basis with more comprehensive information. Periodic reviews compliant with EU regulations are also published of the company's products.

United Bankers takes part in promoting responsible investment in Finland and internationally. In 2022, United Bankers expanded its sustainability network. United Bankers' licensed subsidiaries UB Asset Management Ltd, UB Fund Management Company Ltd, UB Securities Ltd, and UB Brokerage Ltd became members of Finance Finland in March 2022. The company is a member of Finance Finland's Sustainability Committee, which, among other things, comments on national and international EU regulation in the preparatory phase and promotes key sustainability issues in the financial sector. In April 2022, United Bankers became a member of the Finnish Venture Capital Association and participates in the association's activities as a deputy member of its Sustainability Committee.

United Bankers actively promotes the sustainability development of its funds' investments. In 2022, United Bankers participated in 313 general meetings of the companies owned by its funds via the ISS Proxy Voting Service. The majority of the votes focused on the North American and European markets.

Enthusiastic and professional employees are at the heart of United Bankers' responsibility. In 2022, United Bankers received Finland's Most Inspiring Workplaces 2022 Award for the first time. In addition, the Board of Directors of the company approved the diversity targets set for the Group.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of United Bankers Plc held on 23 March 2022 under exceptional arrangements, resolved upon the following matters:

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

The Annual General Meeting of United Bankers Plc adopted the financial statements and resolved in accordance with the proposal of the Board of Directors that based on the balance sheet adopted for the financial period ended on 31 December 2021, a total dividend of EUR 0.80 per share be paid. The Annual General Meeting of Shareholders resolved the ordinary dividend to be EUR 0.70 per share and an anniversary dividend of EUR 0.10 per share to be paid in honour of United Bankers' 35th anniversary. The dividend was paid out on 1 April 2022 to shareholders who on the dividend record date 25 March 2022 were registered in the company's shareholders' register maintained by Euroclear Finland Ltd.

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

The members of the Board of Directors and the CEO were discharged from liability for the financial period of 1 January – 31 December 2021.

Adoption of the Remuneration Report

The Annual General Meeting of Shareholders adopted the Remuneration Report for the Governing Bodies for the year 2021.

Number, election and remuneration of the members of the Board of Directors

The number of the members of the Board of Directors was confirmed to be seven (7). The following members were re-elected:

Johan Linder, Antti Asunmaa, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela. Rasmus Finnilä was elected as a new member of the Board of Directors. The term of office of the Board of Directors shall expire upon the adjournment of the next Annual General Meeting of Shareholders³.

It was resolved to increase the remuneration of the members of the Board of Directors, so that the remuneration of the Chairman of the Board shall be EUR 35,000 (2017–2021: EUR 30,000) and of members of the Board of Directors not employed by the United Bankers Group shall be EUR 25,000 (2017–2021: EUR 20,000). The remuneration encompasses the entire term of office and committee work. Travel expenses shall be reimbursed in accordance with the company's travel policy. Remuneration shall not be paid to members of the Board of Directors employed by the United Bankers Group.

Election and remuneration of the auditor

Oy Tuokko Ltd, a firm of authorised public accountants, was re-elected as the auditor of the company for a period of office expiring at the adjournment of the next Annual General Meeting of Shareholders. Oy Tuokko Ltd has designated APA Janne Elo to act as the auditor with principal responsibility. It was resolved to pay the auditor a fee in accordance with an invoice approved by the company.

Authorisations of the Board of Directors to resolve on the repurchase and/or acceptance as pledge of the company's own shares, and on the issuance of shares

The Annual General Meeting of Shareholders authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares. The number of own shares to be repurchased and/or accepted as pledge shall not exceed 150,000 shares, which on the day of the Annual General Meeting of Shareholders corresponded to approximately 1.44 per

³Antti Asunmaa, member of the Board of Directors of United Bankers Plc, announced his resignation from the Board of Directors of the company as of 4 November 2022 for personal reasons. Regardless of Asunmaa's resignation, the composition of the Board of Directors of United Bankers continues to fulfil the requirements of applicable regulation and the company's Articles of Association. The Board of Directors consists of six members until the next Annual General Meeting of Shareholders.

cent of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation. The authorisation shall remain in force until the adjournment of the next Annual General Meeting of Shareholders, however, latest until 30 June 2023. The authorisation revoked the authorisation granted by the Annual General Meeting of Shareholders on 19 March 2021 concerning the acquisition of treasury shares, to the extent it had not been acted upon.

The Annual General Meeting of Shareholders authorised the Board of Directors to decide on the issuance of shares and special rights entitling to shares pursuant to Chapter 10, Section 1 of the Companies Act in one or more lots. The number of shares to be issued based on the authorisation shall not exceed 700,000 shares, which on the day of the Annual General Meeting of Shareholders corresponded to approximately 6.70 per cent of all the shares in the company. The authorisation shall remain in force until the adjournment of the next Annual General Meeting of Shareholders, however latest until 30 June 2023. The authorisation revoked the authorisation granted by the Annual General Meeting of Shareholders on 31 March 2020 to resolve upon a share issue and the granting of special rights entitling to shares, to the extent it had not been acted upon.

The resolutions of the Annual General Meeting of Shareholders in their entirety are available for reading on the company's website at: <https://www.unitedbankers.fi/en/ojy/sijoittajat/hallinnointi/yhtiokokous>.

Changes in Group structure

On 16 March 2022 and 22 April 2022, United Bankers Plc's subsidiary providing asset management services, UB Asset Management Ltd, acquired an additional holding of a total of 28.1 per cent of its subsidiary UB Finnish Property Ltd. As a result of the arrangement, UB Asset Management's holding in UB Finnish Property increased to 79.1 per cent. The underlying reason for the arrangement is United Bankers' objective of simplifying its organisational structure.

As part of the arrangement, the Board of Directors of United Bankers Plc resolved to carry out a directed share issue to the vendors. In the directed share issue, the vendors subscribed for new shares in United Bankers Plc in the total amount of 252,046 shares. The subscription price of the shares was EUR 12.83. The acquisition of additional holdings in UB Finnish Property and the directed share issue to the vendors was announced separately on 16 March 2022 and 22 April 2022.

Furthermore, on 1 April 2022, United Bankers Plc's subsidiary UB Brokerage Company Ltd acquired an additional holding of approximately 16.7 per cent in its subsidiary UB Finance Ltd. As a result of the arrangement, UB Brokerage's holding in UB Finance increased to 100 per cent.

United Bankers' shares and share capital

United Bankers' share capital amounts to EUR 5,464,225.47. As at 31 December 2022, the total number of shares in the company amounted to 10,693,955. The number of shares increased during the review period by 252,046 shares as a result of a share issue directed to the sellers of UB Finnish Property. Based on the authorisation granted by the Annual General Meeting 2020, United Bankers issued a total of 16,385 shares without consideration on 17 March 2022 to the company's management members belonging to the share-based incentive plan. During the year 2022 United Bankers repurchased a total of 24,547 own shares based on the authorisations granted by Annual General Meetings of 2021 and 2022. As at 31 December 2022, the company held a total of 65,643 own shares, corresponding to 0.61 per cent of all the shares and votes in the company.

The closing price of the share of United Bankers Plc on 31 December 2022 was EUR 13.60 (EUR 14.20 as at 31 December 2021). The total number of United Bankers' shares traded between the time period of 1 January – 31 December 2022 amounted to 364,025 shares (546,269 shares 1–12/2021). The aggregate market capitalization of the shares as at 31 December 2022 amounted to EUR 145.4 million (EUR 148.3 million as at 31 December 2021).

UNITED BANKERS PLC'S SHARE PRICE DEVELOPMENT 2022



Shareholders

As at 31 December 2022, the company had a total of 1,361 shareholders (1,278 shareholders as at 31 December 2021). At the end of December 2022, 58.9 per cent of the shares were held by private companies (58.9 per cent as at 31 December 2021) and 29.2 per cent by households (29.4 per cent as at 31 December 2021). The remaining 11.9 per cent of the shares were held by foreigners, financial and insurance institutions, nominee-registered, public-sector organisations, as well as non-profit organizations. At the end of the review period, United Bankers' personnel, members of the Board of Directors and tied agents owned a total of approximately 57 per cent of the company's shares.

TEN LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2022

	Shareholders	Shares	% of shares
1	Oy Castor-Invest Ab	1,200,000	11.22
2	Amos Partners Oy	1,089,144	10.18
3	Jarafi Oy (Finnilä Rasmus)	1,078,541	10.09
4	Bockholmen Invest Ab (Anderson Patrick)	598,000	5.59
5	J. Lehti & Co Oy (Lehti Jani)	490,500	4.59
6	Olsio Tom Henrik Wilhelm	469,572	4.39
7	Biomerit Oy	403,269	3.77
8	Jouhki Marina Sophia Helena	379,695	3.55
9	Linder Cassandra Marie	280,750	2.63
10	Linder Christoffer Magnus	280,750	2.63
	Largest shareholders total	6,270,221	58.63

Share-based incentive plans

United Bankers Plc has adopted a share-based incentive plan for key persons on 24 June 2015. The purpose of the share-based incentive plan is to promote the Group's business strategy and commit key persons to the company. Share ownership creates a long-term interest for management in increasing the company's value, and provides competitive compensation. The program will enable the company meet regulatory requirements for management remuneration. At the same time, the program binds the long-term goals of the management and the company's other shareholders together.

On the financial period 2022, the share-based incentive plan consisted of three three-year earning periods, calendar years 2020–2022, 2021–2023 and 2022–2024, and one one-year earning period, calendar year 2022. A potential reward for each earning period shall be paid out after the end of the relevant earning period, in one or at the most four separate installments during approximately three years.

The share-based incentive plan applied to eight key persons for the financial period 2022.

Based on the authorisation granted by the Annual General Meeting, United Bankers issued a total of 16,385 shares without consideration on 17 March 2022 to the company's management members belonging to the share-based incentive plan. 12,492 shares were issued to the persons belonging to the share-based incentive plan based on the earning periods 2021 and 2019–2021. 2 171 shares were issued as deferred remuneration based on the earning period 2018–2020 and 1,722 shares based on the earning period 2017–2019. Shares issued in the directed share issue without consideration was based on the authorisation granted by the Annual General Meeting on 31 March 2020.

More information on the Group's share-based incentive plans is available in the notes of this release and in the company's Annual Report 2022 to be published on week 8.

Events after the review period

Additional share issues related to 2019 employee and tied agent issues carried out in January

In January, United Bankers Plc issued, by virtue of the authorisation granted by the Annual General Meeting of Shareholders, a total of 124,286 shares, of which 79,088 were new shares and 45,198 were treasury shares held by the company. The issue was connected to United Bankers Plc's share issues in 2019 to the company's and its subsidiaries' employees, management and the Board members of the company and to the company's subsidiaries' tied agents. Shares in the company were issued in January in the additional share issues to the participants meeting the conditions of the matching share plans in directed share issues without consideration in deviation from the shareholders' pre-emptive subscription right.

From the shares issued in the additional shares issues, 58,803 shares were issued to participants meeting the conditions of the employee matching share plan and 65,483 shares to participants meeting the conditions of the tied agent matching share plan. The shares were issued without consideration, and therefore, the additional share issues had no effect on the company's share capital. New shares of the company issued in the additional share issues represented approximately 0.7 per cent of the shares and voting rights of United Bankers Plc after the additional share issues. As a result of the additional share issues, the number of the shares in the company increased by 79,088 shares to a total of 10,773,043 shares.

UB Forest Industry Green Growth Fund I LP private equity fund raised EUR 100 million in investment commitments

United Bankers announced 31 January 2023 the launch of UB Forest Industry Green Growth Fund I LP, investing in sustainable and resource efficient forest and bio-based industries. The fund commenced its operations having secured commitments of EUR

100 million. The fund has already developed a solid pipeline of potential initial investments, with the first investments expected to be made in early 2023.

UB Forest Industry Green Growth Fund I UB FIGG is a private equity fund investing in companies focused on plastic and other fossil fuel based material replacements, higher value and more efficient use of wood and agricultural raw material side streams and greater use of these raw materials across a wide range of intermediate and end uses. Through its investments, the fund will help the forest and bio-based industries to create solutions to mitigate climate change. UB Forest Industry Green Growth Fund I is a signatory of Operating Principles for Impact Management and reports on the environmental and climate impact of its investments.

United Bankers Plc's shareholders' proposals to the Annual General Meeting

United Bankers Plc's shareholders who represent approximately 40 per cent of all shares and votes in the Company (31 December 2022) have submitted a proposal to the Annual General Meeting to be held on 22 March 2023 concerning the composition of the Board of Directors and the remuneration of the members of the Board of Directors. The shareholders propose that the number of the Board members be confirmed six (6) and that the composition of the Board of Directors would remain unchanged, so that all current Board members Johan Linder, Rasmus Finnilä, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela be re-elected for the term expiring at the end of the following Annual General Meeting. All nominees have given their consent to the election.

In addition, the shareholders propose that the remuneration of the Board members remain unchanged, so that the annual remuneration of the Chair of the Board of Directors be EUR 35,000 and that the annual remuneration of a Board member who is not employed by the United Bankers Group of companies be EUR 25,000.

RISK MANAGEMENT AND BUSINESS RISKS

The fundamental risks of the United Bankers Group comprise: strategic risks pertaining to strategic choices, commissioning of new products and services and changes in the operating environment; operative risks, including procedural, process, systemic and information security risks, as well as financial risks, the most fundamental of which include market, liquidity, credit and foreign exchange risks.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS FOR THE NEAR FUTURE

The most important of the Group's risks relate to market development as well as the impacts of the external operating environment and the evolving regulation on the company's business. The development of assets under management, having a focal effect on the results of the wealth management business segment, is contingent, inter alia, on the performance of the capital markets as well as of the real estate and forest estate market and the demand for investment services in general. The results performance is also impacted by the materialisation of the performance-linked fee income pegged to the success of the investment activities. Performance fees may vary considerably per financial and review period. Also the results of United Bankers' capital markets services are dependent on the success fees typically associated with assignments that may vary considerably over review periods, depending not only on the demand for services, but also on the timing of the transactions. The income from the Group's own investments consists of the change in value, as well as the capital gains or losses.

The aforementioned profits are associated with fluctuations that may, in turn, impact the result.

The performance of the financial market, as well as of the real estate and forest estate market has the largest impact on the company's business. Although the biggest inflationary pressures have eased somewhat recently, inflation and further tightening of the monetary policy remain key factors for future economic and financial market developments. Raising interest rates are slowing down the conditions for economic growth, but the continued strong employment situation has so far supported economic development. At the moment, the gloomiest fears of recession have somewhat subsided. However, the war in Ukraine and the sanctions imposed by the West on Russia still cause uncertainty, especially for the economic outlook in Europe.

United Bankers has no direct investments in Russia, Belarus or Ukraine, nor does it have any funds investing in these countries. The Group has not marketed its products or services in those markets, and it is not dependent on any partners operating in above-mentioned countries. Consequently, the impacts of the prolongation of the war in Ukraine as well as of the sanctions imposed on Russia and Belarus on the operations of the company and the company's results arise indirectly, primarily via the general market development and the uncertainty caused by geopolitical tensions.

More information on the Group's business risks and their control is available in the notes of the Financial Statements 2022 to be published as part of the company's Annual Report 2022 on week 8.





OUTLOOK

MARKET ENVIRONMENT

The uncertainty related to the economy and investment markets is expected to continue also in 2023. In an effort to contain the persistently high inflation, central banks will continue to tighten monetary policy this year. The rise in interest rates is expected to dampen the prerequisites for economic growth, especially in the current year. The war in Ukraine also continues to pose risks for the economy. At the moment, however, it seems that both Europe and the United States will manage to avoid a deep recession in their economies. In the eurozone, the economy is forecast to grow at zero rate in 2023, and also in the United States, the economy is expected to only grow by 0.5 per cent. The Chinese economy, on the other hand, is expected to recover markedly after the prolonged coronavirus lockdowns, with growth projected to reach 5.1 per cent.

With the projected slowdown in the economy, inflation is expected to subside noticeably this year. This would allow central banks to cease tightening monetary policy. At the moment, the interest rate

curves are indeed anticipating for interest rates to begin to decline already towards the end of 2023. In case inflation is not brought under control as desired, the risk of these expectations proving premature exists.

The energy crisis triggered by the war in Ukraine may pose risks to the European economic growth also going forward. Albeit the energy market has reverted to more or less pre-war levels thanks to, inter alia, the EU's successful liquefied natural gas (LNG) policy, significant energy savings and favourable weather conditions, price balance may still encounter sudden disruptions. In the oil market, for instance, the reserve capacity for production is historically low, and geopolitical risks remain elevated. Furthermore, China's accelerating economic growth may increase the upward pressure on energy and commodity prices. The energy crisis that resulted from the war is expected to accelerate the so-called green transition in Europe. In addition, when the war in Ukraine ultimately

ends, it is anticipated that opportunities for major reconstruction projects, especially in Europe, will arise. These aspects also create opportunities for the economy.

It is typical for stock market prices to anticipate the earnings growth prospects of companies approximately 6–12 months in advance. As a result of the stock market decline experienced in 2022, expectations of weaker growth prospects for 2023 have already been priced into the stock prices. Now that the biggest recession concerns have dissipated, at least temporarily, the stock market has been clearly on the rise in the early part of the year.

STRATEGY EXECUTION

As a result of the general poor market development and the weaker-than-expected new sales, the amount of assets under management decreased slightly during 2022. However, an increasing portion of the fund capital is invested in United Bankers' more profitable funds, i.e., forest and real estate funds, whose capital grew by more than a quarter during the year.

The increase in the capital of United Bankers' alternative investments funds contributes to the expectations regarding the development of management fees received from the funds. More uncertainty is associated with performance fees particularly as concerns real estate funds, but the return outlook for United Bankers' forest funds appears stable, and persistently high inflation continues to have a positive impact on the return potential of forest funds in particular, but also of real estate funds. The notably increased capital of real estate and forest funds supports the potential pertaining to both management and performance fees.

United Bankers' first real private equity fund, UB Forest Industry Green Growth Fund I LP, finally commenced operation in January 2023. The fund raised as much as EUR 100 million in capital, making it one of the biggest openings ever among private equity funds commencing with a completely new strategy in Finland. The target size of the fund is EUR 300 million.

UB Forest Industry Green Growth Fund I is an excellent supplement to United Bankers' strong expertise in forestry investment and will serve as one of the spearhead products as the company seeks growth in the wider European market. The distribution agreements signed by United Bankers with a German and Swiss partner in the fall contribute to strengthening the outlook for international sales.

United Bankers strives to expand its product and service offering in alternative investments also in the future. One of the objectives is to launch a new forest fund investing extensively in the Baltic Sea region. The fund, aimed at professional investors, is expected to commence operation in the first half of the year. In addition, the company is contemplating the launch of a new alternative investment fund that utilises the prevailing megatrends. Solutions that support the existing businesses as well as make use of know-how and expertise will continue to be at the core of the business growth also going forward.

Overall, United Bankers' strong financial performance in the difficult market environment of 2022 is a testament to the persistent and successful implementation of the company's strategy. The Group is well-positioned for building future growth on a solid foundation while utilising the unique expertise of the company.

Financial guidance for 2023

The company estimates its adjusted operating profit to remain close to the level of 2022. The estimate is conditional upon market conditions not significantly weakening.

Board of Directors' proposal concerning distribution of funds

United Bankers Plc's result for the financial period 1 January – 31 December 2022 amounted to EUR 7,520,541.47. The company's distributable assets as at 31 December 2022 were EUR 33.4 million, of which the appropriations of retained earnings are EUR 8.3 million and the distributable funds in the reserve of invested unrestricted equity fund are EUR 25.2 million.

The Board of Directors proposes to the Annual General Meeting of Shareholders that based on the balance sheet adopted for the financial period ended on 31 December 2022, a total dividend of EUR 0.75 per share be paid and an equity repayment of EUR 0.15 per share be paid from the reserve of invested unrestricted equity fund. The total dividend distribution in accordance with the proposal, calculated at the number of shares outstanding at the date of the financial statements, amounts to EUR 7,971,234.00 and the total equity repayment, calculated at the number of shares outstanding at the date of the financial statements, amounts to EUR 1,594,246.80. No dividend or equity repayment shall be payable on treasury shares held by the company.

The Board of Directors proposes that the distribution of funds would be paid in two instalments so that the dividend would be paid in March and the equity repayment in September. The dividend shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend payment, 24 March 2023. The dividend is

proposed to be paid out on 31 March 2023. The equity repayment shall be paid to a shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for equity repayment, 22 September 2023. The equity repayment is proposed to be paid out on 29 September 2023. The Board of Directors proposes it be authorised, if necessary, to decide on a new equity repayment record date and payment date, if the rules of Euroclear Finland Ltd or the regulations concerning the Finnish book-entry system change or otherwise require it.

No material changes have taken place in the company's financial position since the end of the financial year. The proposed dividend distribution and equity repayment do not, according to the Board of Directors, endanger the solvency of the company.

Publication of Financial Statements and the Annual General Meeting 2023

Financial Statements, Operating and Financial Review, Remuneration Report and the Corporate Governance Statement of the United Bankers Group will be published in connection with United Bankers' Annual Report during week 8.

United Bankers Plc's Annual General Meeting will be held on Wednesday 22 March 2023 at 14.00 in Helsinki. The company delivers a notice on the website unitedbankers.fi no later than three weeks prior to the Annual General Meeting. United Bankers Plc's Half-Year Financial Report for the period of 1 January through 30 June 2023 will be published on or about 25 August 2023.

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United Bankers in brief: United Bankers Plc is a Finnish expert on wealth management and investment markets, established in 1986. United Bankers Group's business segments include wealth management and capital markets services. In asset management, the Group specialises in real asset investments. United Bankers Plc is majority-owned by its key personnel and the Group employs 148 employees (FTE) and 32 agents (31 December 2022). In 2022, the United Bankers Group's revenue totalled EUR 48.6 million and its adjusted operating profit amounted to EUR 16.6 million. The Group's assets under management amount to approximately EUR 4.4 billion (31 December 2022). United Bankers Plc's shares are listed on Nasdaq Helsinki Ltd. The Group companies are subject to the Finnish Financial Supervisory Authority's supervision. For further information on United Bankers Group, please visit unitedbankers.fi.

FINANCIAL STATEMENTS BULLETIN: TABLES AND NOTES

The figures in the tables have not been audited.

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CONSOLIDATED KEY FIGURES

Income statement and profitability, EUR 1,000	7-12/2022	7-12/2021	1-12/2022	1-12/2021
Revenue, EUR 1,000	25,205	22,783	48,562	43,828
EBITDA, EUR 1,000	10,035	9,002	18,428	16,257
EBITDA, % of revenue	39.8 %	39.5 %	37.9 %	37.1 %
Adjusted EBITDA	10,094	9,002	18,487	16,257
Adjusted EBITDA, % of revenue	40.0 %	39.5 %	38.1 %	37.1 %
Operating profit, EUR 1,000	9,072	8,032	16,506	14,319
Operating profit, % of revenue	36.0 %	35.3 %	34.0 %	32.7 %
Adjusted operating profit	9,131	8,032	16,565	14,419
Adjusted operating profit, % of revenue	36.2 %	35.3 %	34.1 %	32.9 %
Profit for the period, EUR 1,000	7,108	6,330	12,871	11,210
Profit for the period, % of revenue	28.2 %	27.8 %	26.5 %	25.6 %
Earnings per share, EUR	0.65	0.56	1.19	1.00
Earnings per share, EUR (diluted)	0.65	0.56	1.16	0.98
Cost-to-income ratio	0.63	0.64	0.65	0.66
Return on equity (ROE), %	28.9 %	27.2 %	27.9 %	26.9 %
Return on assets (ROA), %	18.9 %	15.8 %	17.2 %	16.4 %
Average number of shares	10,632,565	10,392,429	10,557,789	10,396,110
Average number of shares (diluted)	10,793,211	10,518,950	10,786,525	10,513,493



Other key figures	31.12.2022	31.12.2021
Distribution of funds per share, EUR	0.90*	0.80**
Equity per share, EUR	4.49	4.19
Share price at the end of the period, EUR	13.60	14.20
Market capitalisation, EUR 1,000	145,438	148,275
Equity ratio, %	67.1 %	56.7 %
Capital adequacy ratio, %	24.0 %	24.9 %
Personnel at the end of the period (FTE)*	148	137
Number of clients at the end of the period	14,400	14,100
Assets under management at the end of the period, MEUR	4,411	4,800
Number of shares at the end of the period (outstanding shares)	10,628,312	10,384,428
*The number of personnel stated has been converted to full-time personnel		

Reconciliation of adjusted key figures and items affecting comparability EUR 1,000

	7-12/2022	7-12/2021	1-12/2022	1-12/2021
Items affecting comparability				
Non-operative costs and earn-out payments on acquisitions	59	-	59	-
Write-down of goodwill (no impact on adjusted EBITDA)	-	-	-	100
Total items affecting comparability	59	-	59	100
EBITDA	10,035	9,002	18,428	16,257
Adjusted EBITDA	10,094	9,002	18,487	16,257
Operating profit	9,072	8,032	16,506	14,319
Adjusted operating profit	9,131	8,032	16,565	14,419

*The Board of Directors' proposal concerning distribution of funds for the 2022 financial period: a dividend of EUR 0.75 and an equity repayment of EUR 0.15.

**Dividend for the 2021 financial period confirmed by the Annual General Meeting of Shareholders on 23 March 2022. Ordinary dividend of EUR 0.70 per share and an extra dividend of EUR 0.10.

FORMULAS FOR CALCULATING KEY FIGURES

IFRS key indicators

Revenue	=	Income arising in the course of entity's ordinary activities
Profit/loss for the period	=	Directly from the income statement
Earnings per share	=	$\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average number of shares outstanding during the period}}$
Tulos per osake (laimennusvaikutuksella oikaistu)	=	$\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average share issue adjusted number of shares outstanding during the period}}$

Alternative key indicators

United Bankers Plc publishes other financial indicators in addition to those required by IFRS to describe the performance and financial position of its business. In addition to the key indicators derived directly from the income statement, United Bankers uses adjusted EBITDA and adjusted operating profit as key indicators in its reporting in order to provide a better picture of the performance of ongoing business and to improve comparability between reporting periods. Adjusted key figures are adjusted for items affecting comparability, such as the impacts of corporate restructuring on operating income and expenses, as well as certain material non-business items. United Bankers presents adjusted indicators as part of the published key indicators.

EBITDA	=	Operating profit/loss + depreciation of tangible assets and amortisation of intangible assets
Operating profit/loss	=	Revenue - fee and commission expenses - interest expenses - administrative expenses - depreciation, amortisation and impairment - other operating expenses
Adjusted EBITDA	=	EBITDA +/- items affecting comparability
Adjusted operating profit/loss	=	Operating profit/loss +/- items affecting comparability
Items affecting comparability		Material items that differ from continuing operations, such as: <ul style="list-style-type: none"> - impacts of corporate restructuring on financial performance - operating income and losses related to corporate restructuring - earn-out payments on acquisitions - other non-operational items affecting comparability
Return on equity (ROE), % (floating 12 months)	=	$\frac{\text{Operating profit/loss - taxes on income (floating 12 months)}}{\text{Equity + non-controlling interest (average of beginning and end of period)}} \times 100$
Return on assets (ROA), % (floating 12 months)	=	$\frac{\text{Operating profit/loss - taxes on income (floating 12 months)}}{\text{Total assets (average of beginning and end of period)}} \times 100$
Cost-to-income ratio	=	$\frac{\text{Fee and commission expenses + interest expenses + administrative expenses + depreciation of tangible assets and amortisation of intangible assets (excl. amortisation of customer relationships + other operating expenses + impairment of other receivables)}}{\text{Operating income}}$
Distribution of funds per share	=	Dividends or equity repayment declared or proposed to be declared for the period
Equity per share	=	$\frac{\text{Equity}}{\text{Undiluted number of outstanding shares at the end of the period}}$
Equity ratio, %	=	$\frac{\text{Equity and non-controlling interest}}{\text{Total assets}} \times 100$
Capital adequacy ratio, %	=	$\frac{\text{Group CET1}}{\text{Total risk-weighted commitments}} \times 100$
Market capitalisation	=	Number of shares at the end of the period x closing price for the period



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	7-12/2022	7-12/2021	1-12/2022	1-12/2021
Fee and commission income	24,772	22,722	48,334	43,306
Net gains or net losses on trading in securities and foreign currencies	121	26	-158	400
Income from equity investments	62	2	77	20
Interest income	236	28	290	91
Other operating income	14	6	20	10
Total revenue	25,205	22,783	48,562	43,828
Fee and commission expenses	-2,668	-2,510	-5,140	-5,289
Interest expenses	-61	-41	-170	-136
Administrative expenses				
Personnel expenses	-8,879	-8,070	-17,514	-16,254
Other administrative expenses	-3,237	-2,953	-6,637	-5,402
Depreciation, amortisation and impairment of tangible and intangible assets	-963	-969	-1,922	-1,938
Other operating expenses	-322	-264	-676	-519
Expected credit losses on loans and other receivables	-2	57	1	28
Operating profit	9,072	8,032	16,506	14,319
Income taxes	-1,965	-1,702	-3,635	-3,109
Profit for the period	7,108	6,330	12,871	11,210
Total comprehensive income attributable to	7,108	6,330	12,871	11,210
Equity holders of parent company	6,963	5,851	12,539	10,347
Non-controlling interest	144	479	332	864



SEGMENT INFORMATION

1.1.-31.12.2022

EUR 1,000	Wealth Management	Capital Markets Services	Other	Group Total
REVENUE				
Fee and commission income	46,562	1,772	-	48,334
Interest income	209	71	10	290
Net profit or net loss on trading in securities and foreign currencies	48	-108	-98	-158
Income from equity investments	2	1	74	77
Other operating income	10	10	-0	20
TOTAL REVENUE	46,831	1,745	-13	48,562
Fee and commission expenses	-5,113	-27	-	-5,140
Interest expenses	-70	-9	-91	-170
Total	-5,183	-36	-91	-5,310
NET REVENUE	41,648	1,708	-104	43,252
Administrative expenses				
Personnel expenses	-15,759	-1,125	-630	-17,514
Other administrative expenses	-5,745	-374	-518	-6,637
Expected losses on other receivables	-	-	1	1
Other operating expenses	-604	-40	-32	-676
Total expenses	-22,107	-1,539	-1,179	-24,825
EBITDA	19,540	170	-1,283	18,428



1.1.-31.12.2021

EUR 1,000	Wealth Management	Capital Markets Services	Other	Group Total
REVENUE				
Fee and commission income	40,342	2,963	-	43,306
Interest income	51	38	2	91
Net profit or net loss on trading in securities and foreign currencies	-1	66	336	400
Income from equity investments	4	0	16	20
Other operating income	5	5	-	10
TOTAL REVENUE	40,401	3,072	354	43,828
Fee and commission expenses	-5,036	-253	-	-5,289
Interest expenses	-61	-0	-75	-136
Total	-5,096	-253	-75	-5,424
NET REVENUE	35,305	2,819	280	38,403
Administrative expenses				
Personnel expenses	-13,947	-1,249	-1,058	-16,254
Other administrative expenses	-4,762	-322	-318	-5,402
Expected losses on other receivables	-	-	28	28
Other operating expenses	-429	-31	-59	-519
Total expenses	-19,138	-1,601	-1,407	-22,147
EBITDA	16,167	1,218	-1,128	16,257

**H2/2022 1.7.-31.12.2022**

EUR 1,000	Wealth Management	Capital Markets Services	Other	Group Total
REVENUE				
Fee and commission income	24,060	712	-	24,772
Interest income	185	50	1	236
Net profit or net loss on trading in securities and foreign currencies	43	-23	101	121
Income from equity investments	-	-	62	62
Other operating income	13	0	-	14
TOTAL REVENUE	24,302	740	163	25,205
Fee and commission expenses	-2,661	-7	-	-2,668
Interest expenses	-24	-0	-36	-61
Total	-2,686	-7	-36	-2,729
NET REVENUE	21,617	733	127	22,476
Administrative expenses				
Personnel expenses	-8,265	-502	-113	-8,879
Other administrative expenses	-2,896	-179	-162	-3,237
Expected losses on other receivables	-	-	-2	-2
Other operating expenses	-290	-17	-16	-322
Total expenses	-11,450	-697	-293	-12,441
EBITDA	10,166	35	-167	10,035

**H2/2021 1.7.-31.12.2021**

EUR 1,000	Wealth Management	Capital Markets Services	Other	Group Total
REVENUE				
Fee and commission income	21,549	1,174	-	22,722
Interest income	23	4	1	28
Net profit or net loss on trading in securities and foreign currencies	8	-102	120	26
Income from equity investments	0	0	1	2
Other operating income	2	3	-	6
TOTAL REVENUE	21,582	1,079	122	22,783
Fee and commission expenses	-2,382	-128	-	-2,510
Interest expenses	-31	35	-44	-41
Total	-2,413	-94	-44	-2,551
NET REVENUE	19,169	985	78	20,232
Administrative expenses				
Personnel expenses	-7,056	-532	-483	-8,070
Other administrative expenses	-2,616	-188	-149	-2,953
Expected losses on other receivables	-	-	57	57
Other operating expenses	-203	-16	-45	-264
Total expenses	-9,875	-737	-620	-11,231
EBITDA	9,295	248	-542	9,002



CONSOLIDATED BALANCE SHEET

EUR 1,000	31.12.2022	31.12.2021
ASSETS		
Cash and equivalents	0	0
Claims on credit institutions	9,500	14,324
Claims on the public and public-sector entities	23	25
Debt securities	1,220	752
Shares and units	8,643	8,704
Goodwill	15,593	15,593
Other intangible assets	5,102	4,279
Tangible assets	2,672	3,096
Other assets	27,726	30,632
Accrued income and prepayments	1,086	754
Deferred tax assets	3	3
Total assets	71,568	78,163
EQUITY AND LIABILITIES		
LIABILITIES		
Liabilities to credit institutions	-	2,000
Other liabilities	13,190	22,204
Accrued expenses and deferred income	7,831	8,272
Deferred tax liabilities	2,491	1,350
Total liabilities	23,512	33,826
EQUITY		
Share capital	5,464	5,464
Reserve for invested non-restricted equity	24,606	21,372
Retained earnings	17,628	16,670
Non-controlling interest in capital	359	830
Total equity	48,056	44,337
Total liabilities and equity	71,568	78,163

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1.7.-31.12.2022	1.7.-31.12.2021	1.1.-31.12.2022	1.1.-31.12.2021
Cash flow from operating activities				
Income received from sales	17,983	21,427	43,755	40,472
Other operating income received	14	6	20	10
Operating costs paid	-13,832	-12,521	-29,310	-24,858
Cash flow from operating activities before finance costs and taxes	4,165	8,912	14,465	15,625
Interest paid from operating activities	-33	-31	-115	-116
Interest received from operating activities	224	39	279	102
Income taxes paid	-1,511	-1,666	-4,432	-2,525
Cash flow from operating activities (A)	2,845	7,254	10,197	13,086
Cash flow from investing activities				
Acquisitions of tangible and intangible assets	-1,290	-703	-2,321	-1,494
Changes in claims on the public and public-sector entities	1	52	2	73
Investments in subsidiaries	-51	-117	-52	-117
Dividends received from investments	62	2	77	20
Investments in financial assets	429	-1,482	-647	-745
Cash flow from investing activities (B)	-850	-2,248	-2,941	-2,263
Cash flow from financing activities				
Acquisition of treasury shares	-99	-151	-337	-495
Proceeds from share issues	9	-	9	-
Drawdown of loans	-	-	-	1,140
Repayment of loans	-2,000	-1,140	-2,000	-1,140
Repayment of lease liabilities	-288	-255	-575	-511
Dividends paid to non-controlling interests	-	-21	-861	-324
Dividends paid to equity holders of parent company	-	-	-8,313	-5,309
Cash flow from financing activities (C)	-2,378	-1,566	-12,077	-6,639
Net cash flows from operating, investing and financing activities (A+B+C)	-383	3,440	-4,821	4,184
Change in cash and cash equivalents	-383	3,440	-4,821	4,184
Cash and cash equivalents at the beginning of the year	9,884	10,860	14,324	10,124
Effect of expected credit losses	-2	24	-4	16
Cash and cash equivalents at the end of the year	9,500	14,324	9,500	14,324

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jan 2022	5,464	21,372	16,670	43,506	830	44,337
Comprehensive income						
Profit for the period	-	-	12,539	12,539	332	12,871
Total comprehensive income for the period	-	-	12,539	12,539	332	12,871
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-8,313	-8,313	-861	-9,174
Acquisition of treasury shares	-	-	-337	-337	-	-337
Share issue, related to corporate restructuring	-	3,234	-	3,234	-	3,234
Share issue, personnel and tied agents	-	-	242	242	-	242
Other changes	-	-	-34	-34	-	-34
Acquisition of non-controlling interests	-	-	-3,283	-3,283	58	-3,225
Management incentive plan	-	-	143	143	-	143
Total transactions with owners of the Group	-	3,234	-11,582	-8,348	-803	-9,151
Equity, 31 Dec 2022	5,464	24,606	17,628	47,697	359	48,056

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jan 2021	5,438	21,372	11,987	38,797	291	39,087
Comprehensive income						
Profit for the period	-	-	10,347	10,347	864	11,210
Total comprehensive income for the period	-	-	10,347	10,347	864	11,210
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-5,309	-5,309	-324	-5,633
Acquisition of treasury shares	-	-	-495	-495	-	-495
Share issue, related to corporate restructuring	26	-	-	26	-	26
Share issue, personnel and tied agents	-	-	260	260	-	260
Other changes	-	-	5	5	-	5
Acquisition of non-controlling interests	-	-	-258	-258	-	-258
Management incentive plan	-	-	134	134	-	134
Total transactions with owners of the Group	26	-	-5,663	-5,637	-324	-5,961
Equity, 31 Dec 2021	5,464	21,372	16,670	43,506	830	44,337



EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jul 2022	5,464	24,606	10,597	40,667	205	40,873
Comprehensive income						
Profit for the period	-	-	6,963	6,963	144	7,108
Total comprehensive income for the period	-	-	6,963	6,963	144	7,108
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-99	-99	-	-99
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	-	115	115	-	115
Other changes	-	-	-21	-21	-	-21
Acquisition of non-controlling interests	-	-	-	-	9	9
Management incentive plan	-	-	72	72	-	72
Total transactions with owners of the Group	-	-	67	67	9	76
Equity, 31 Dec 2022	5,464	24,606	17,628	47,697	359	48,056

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
Equity, 1 Jul 2021	5,464	21,372	11,032	37,868	372	38,240
Comprehensive income						
Profit for the period	-	-	5,851	5,851	479	6,330
Total comprehensive income for the period	-	-	5,851	5,851	479	6,330
Transactions with owners of the Group						
Distribution of dividends and return of capital	-	-	-	-	-21	-21
Acquisition of treasury shares	-	-	-151	-151	-	-151
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	-	128	128	-	128
Other changes	-	-	0	0	-	0
Acquisition of non-controlling interests	-	-	-258	-258	-	-258
Management incentive plan	-	-	68	68	-	68
Total transactions with owners of the Group	-	-	-213	-213	-21	-234
Equity, 31 Dec 2021	5,464	21,372	16,670	43,506	830	44,337



GROUP CAPITAL ADEQUACY

EUR 1,000	IFR 31.12.2022	IFR 31.12.2021
Equity	48,056	44,337
Common Equity Tier 1 (CET 1) before deductions	48,056	44,337
Deductions from CET 1		
Intangible assets	20,696	19,872
Unconfirmed profit for the period	12,539	10,347
Other deductions	1,860	1,433
Total deductions from CET 1	35,095	31,652
Common Equity Tier 1 (CET1)	12,961	12,685
Additional Tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	12,961	12,685
Tier 2 (T2)	0	0
Total Capital (TC = T1 + T2)	12,961	12,685
Own funds requirement (IFR)		
Absolute minimum requirement	1,100	750
Fixed overheads requirement	4,328	4,073
K-factor requirement	1,056	1,010
Applicable requirement (most restrictive)	4,328	4,073
Common equity tier (CET1) / own funds requirement, %	299.5%	311.4 %
Tier 1 (T1) / own funds requirement, %	299.5%	311.4 %
Total capital (TC) / own funds requirement, %	299.5%	311.4 %
Risk-weighted items total - Total risk exposure	54,100	50,917
Common equity tier (CET1) / risk-weights, %	24.0%	24.9%
Tier 1 (T1) / risk-weights, %	24.0%	24.9%
Total capital (TC) / risk-weights, %	24.0%	24.9%



NOTES

1. ACCOUNTING PRINCIPLES

The financial statements release has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union. The financial statements release does not include all the financial tables included in the annual financial statements. Therefore, this financial statements release should be read in conjunction with the company's financial statements for the year ended 31 December 2021. The accounting principles used are consistent with those used for the 2021 financial statements and the comparison period.

New standards, amendments and interpretations effective from future financial periods

No changes in standards are expected to have a material impact on the Group's accounting principles in the coming financial period.

The financial statements release is unaudited.

2. BREAKDOWN OF FEE AND COMMISSION INCOME

Management discretionary items

IFRS 15 contains a restriction on revenue recognition that requires revenue to be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Performance fees from limited partnership private equity funds are only recognised as income when the final amount of fees and bonuses can be reliably estimated and it is highly probable that the conditions for receiving the fees will be met. These funds have generated approximately EUR 6.0 million in performance fees for the financial year 2022 (EUR 0.5 million for the financial year 2021). The

Group's other receivables include approximately EUR 10.4 million of the aforementioned performance fees amortised at 31 Dec 2022 (approximately EUR 4.4 million at 31 December 2021).

The company has a Board-approved method of assessing performance fees and commissions, which includes both quantitative and qualitative criteria. If a calculated performance fee or commission is estimated to be highly probable, it is recognised as income. Revenue recognition takes into account the risk of future reversal of revenue.

BREAKDOWN OF FEE AND COMMISSION INCOME

The table below shows the breakdown of fee and commission income:

EUR 1,000	2022			2021		
	Wealth management	Capital market services	Total	Wealth management	Capital market services	Total
Funds						
Management fees	23,100	-	23,100	19,273	-	19,273
Performance fees	14,438	-	14,438	11,504	-	11,504
Subscription and redemption fees	1,504	-	1,504	1,883	-	1,883
Asset management	5,364	-	5,364	6,506	-	6,506
Structured products	2,157	-	2,157	1,177	-	1,177
Capital market services	-	1,772	1,772	-	2,963	2,963
Total fee and commission income	46,562	1,772	48,334	40,342	2,963	43,306

EUR 1,000	2022	%	2021	%
Recognised at one point in time	7,828	16.2 %	9,464	21.9 %
Recognised over time	40,506	83.8 %	33,842	78.1 %
Total	48,334	100 %	43,306	100 %

FEE AND COMMISSION EXPENSES

The table below shows the breakdown of fee and commission expenses in the Group:

EUR 1,000	2022	2021
Fee and commission expenses		
Fees and commissions to agents	-4,006	-3,900
Fees and commissions to other distributors	-515	-409
Other fee and commission expense	-620	-980
Total	-5,140	-5,289

3. INTANGIBLE ASSETS

	Goodwill		Customer relationships		Other intangible assets		Other intangible assets total	
	2022	2021	2022	2021	2022	2021	2022	2021
Acquisition cost								
Opening balance, 1 Jan	15,593	15,693	4,009	4,009	5,387	3,976	9,395	7,985
Additions	-	-	-	-	2,061	1,412	2,061	1,412
Disposals	-	-100	-	-	-	-2	-	-2
Ending balance, 31 Dec	15,593	15,593	4,009	4,009	7,447	5,387	11,456	9,395
Accumulated depreciation and impairment								
Opening balance, 1 Jan	-	-	-1,794	-1,432	-3,322	-2,576	-5,116	-4,008
Depreciation for the period	-	-	-362	-362	-876	-746	-1,238	-1,108
Ending balance, 31 Dec	-	-	-2,156	-1,794	-4,198	-3,322	-6,354	-5,116
Carrying amount, 1 Jan	15,593	15,693	2,214	2,577	2,065	1,400	4,279	3,977
Carrying amount, 31 Dec	15,593	15,593	1,852	2,214	3,249	2,065	5,102	4,279

Customer relationships have been recognised in connection with the acquisition of the wealth management business of Suomen Pankkiiriliike and KJK Capital. Other intangible assets are largely purchases related to IT systems.

BREAKDOWN OF GOODWILL BY SEGMENT

EUR 1,000	31.12.2022	31.12.2021
Wealth management	15,093	15,093
Capital market services	500	500
Total	15,593	15,593

Impairment testing

In impairment testing, United Bankers has defined the recoverable amount of a cash generating unit based on value in use. The cash generating units are in line with the reported segments. Cash flow projections are based on management-approved forecasts that cover a period of three years. The cashflows after the forecast period are extrapolated by a growth rate of 3 per cent.

Following key variables were used while determining the value in use:

Cashflows have been expected to be allocated linearly during the year in the cash-flow calculation

Investments have been accrued in the calculation by the level of the previous years increased by growth and known future investments. The demand for working capital is not expected to increase significantly.

Discount rate: The discount rate has been determined based on weighted average cost of capital (WACC). The pre-tax discount rate was 12.0% (12.0%) and the discount rate after tax 10.0% (10.0%).

Growth rate of cash flows during the forecast period: During the three-year forecast period, cash flows have been estimated to grow moderately at a rate of less than 5 per cent annually. Cashflows at terminal value after the forecast period have been extrapolated by 3 a per cent growth. The rate can be justified by the short three-year period employed in the calculation.

Impairment testing is carried out annually and the most recent impairment test was carried out of the situation as at 31 December 2022. Based on the impairment testing, the Group considers that no need for impairment of goodwill has been identified.

Conclusion

Executive management of United Bankers has assessed the value in use of wealth management and capital market services and determined that there is no need for impairment.

4. PERSONNEL EXPENSES AND EMPLOYEES

PERSONNEL EXPENSES

EUR 1,000	2022	2021
Salaries and fees	-14,647	-13,780
Social security costs		
Pension expenses (defined contribution plans)	-2,274	-1,988
Other social security costs	-593	-486
Total	-17,514	-16,254

NUMBER OF PERSONNEL

Personnel in full-time equivalents (FTE)

	2022	2021
Average number of personnel during the period (FTE)	148	134
Number of personnel at the end of the period (FTE)	156	137
	2022	2021
Average number of personnel during the period		
Permanent full-time personnel	133	119
Permanent part-time personnel	9	6
Fixed-term personnel	6	9
Total	148	134

SHARE-BASED INCENTIVE PLANS

Share-based payments

Share-based incentive plan for key personnel

On 24 June 2015, United Bankers Plc introduced a share-based incentive plan for key personnel. The purpose of the incentive plan is to support the Group's business strategy, to align the objectives of owners and key employees in an effort to increase the value of the company in the long term, to retain key employees and to provide them with a competitive remuneration system based on the earning of company shares and the development of the value of the company.

During the financial period, the share-based incentive plan comprised three 3-year earning periods, calendar years 2020-2022, 2021-2023 and 2022-2024, and one 1-year earning period, calendar year 2022. The company's Board of Directors decides on the earning criteria and targets of the incentive plan at the beginning of the earning period. The bonuses paid under the plan are based on the achievement of the qualitative and financial targets set by the Board of Directors for the Group and the individual targets set for each key employee. The bonus, if any, for each earning period is paid after the end of the earning period in one to four instalments over a period of approximately three years. The plan encompasses 8-9 key employees in the company. Bonuses under the share-based incentive plan are paid partially in company shares (approximately 25%) and partially in cash (approximately 75%).

Key personnel incentive plan	2022	2022-2024	2021-2023	2020-2022
Maximum share amount (pcs)*	5,070	53,359	63,058	72,128
End of earning period	31.12.2022	31.12.2024	31.12.2023	31.12.2022
Earning targets	Employment and result	Employment and result	Employment and result	Employment and result
Fulfilment of earning targets	75 %	86 %	81 %	88 %
Share value on issue date	14.20 €	14.20 €	10.70 €	8.80 €

*Includes also the part paid in cash

Personnel and tied agent share-based incentive plan

On 3 September 2019, United Bankers' Board of Directors resolved to carry out directed share issue for consideration to the Group's employees, management, and to the members of the company's Board of Directors as well as the Group's tied agents. A total of 400,000 new shares were subscribed for in the Employee Share Issue and in the Tied Agent Share Issue in the fall of 2019. The subscribed shares had no special earnings conditions and the subscribed shares enabled participation in an additional share matching plan. The difference of EUR 364 thousand between subscription price and market price of personnel issue was recognized as an expense in year 2019.

The share-based incentive plan for personnel and tied agents had a vesting period that started on 1 October 2019 and ended 15 December 2022. A prerequisite

for the remuneration was that the participant has subscribed for shares of the Company in the share issue, and owns the shares for the entire duration of the vesting period. Provided the participant's share ownership requirement has been fulfilled, and their employment or service relationship was in force at the end of the vesting period, the participant received shares without consideration from the Company as remuneration. In the personnel share issue, the participant received as gross remuneration one (1) additional share for every two (2) shares subject to the shareholding requirement. In the tied agent share issue, the participant received as a gross remuneration 1.25 shares for each two (2) shares that subject to the shareholding requirement. The remuneration was paid in the form of shares of the Company in additional share issues carried out 24 January 2023 after the end of the vesting period.

Personnel and Tied Agent Matching Share Plan	2022	2021
Maximum share amount (pcs)	213,098	213,098
End of vesting period	15.12.2022	15.12.2022
Vesting period targets	Employment and share ownership	Employment and share ownership
Fulfilment of vesting period targets	86 %	91 %
Share value on issue date	6.75	6.75

Shares to be given based on the additional share matching plan have been valued at fair value on the issue date, with a deduction for an estimated amount of the dividends paid before the end of the vesting period. The valuation of the additional share matching plan carried out 31 December 2022 corresponds to the amount of additional share issues carried out on 24 January 2023. The valuation of the additional share matching plan carried out on previous financial year ending 31 December 2021 takes into account shares that are no longer encompassed by the share matching plan and the valuation has been updated to correspond to the new estimated materialized amount.

For financial year 2022, a total of EUR 1,058 thousand worth of expenses (EUR 1,445 thousand as at 31 December 2021) were recognized as expenses in relation to the key personnel incentive plan and personnel and tied agent share-based matching plans.

A total of EUR 2,420 thousand worth of liabilities has been recognized in relation to the share-based incentive plans as at 31 December 2022 (EUR 2,349 31 December 2021).

5. RELATED PARTY TRANSACTIONS

The information below should be read in conjunction with the more detailed information provided in the 2021 financial statements. There have been no material changes in the remuneration, the incentive plans or the personnel issue affecting the Board of Directors, the CEO or the management during the half-year financial period, and there have been no significant or unusual transactions with related parties. In March 2022, United Bankers Plc granted 16,385 of its own shares as part of the share-based incentive plan for management to the key employees covered by the plan.

United Bankers Plc or companies controlled by persons related to its Group company, i.e. Taito Capital Oy, Konnun Tuulikallio Oy, Suomen Varainhoitopalvelut Oy and Quantum Capital Oy have concluded tied agent agreements and/or insurance agency agreements with Group companies belonging to the Group. The Group companies return commission income to the agents related to the distribution of investment products.

In addition, United Bankers Plc, its Group companies or funds managed by the Group companies procure consulting services from Häggblom & Partners Ltd Oy, a company controlled by a person related to the Company.

In addition to the services mentioned above, persons related to the Group or companies controlled by them have carried out other transactions with United Bankers Plc, its Group companies or funds managed by Group companies. The transactions have included, for example, other services or products sold to the Group and transactions involving the assets of funds managed by Group companies.

All transactions with the Group are on the same terms as transactions with unrelated parties, and the Group has separate internal processes in place for the approval of related party transactions. The table below shows the transactions with related parties during the financial period and the comparative period that are not eliminated in the consolidated financials or that are paid for by funds managed by the Group company.

Transactions with related parties, EUR 1,000	1.1-31.12.2022	1.1-31.12.2021
Tied agent fees	685	708
Consultation fees	110	67
Other transactions	12	51
Loans extended	-	-
Total	807	825
of which with funds managed by the Group	15	69

In the years 2021 and 2022, the Group has acquired additional shares from non-controlling interest holders in the subsidiaries UB Yritysrähoitus Oy, UB Finnish Property Oy and UB Finance Ltd. As the Group has had control of the company already previously, these additional acquisitions have been recognized as internal equity arrangements.

In the year 2021, the Group also paid earnouts related to the acquisition of a non-controlling interest in UB Real Asset Management Ltd. The earnouts related to the transaction carried out in 2017 were paid in cash and through providing treasury shares in the Company's possession.



6. GROUP STRUCTURE

As of 31 December 2022, the United Bankers Group included the following companies:

Parent company	Ownership	Registered office
United Bankers Plc		Helsinki

Subsidiaries (direct and indirect)	Ownership	Registered office	Equity of the company 31.12.2022, EUR 1,000
UB Securities Ltd	100 %	Helsinki	3,411
UB Asset Management Ltd*	100 %	Helsinki	9,053
UB Fund Management Company Ltd	100 %	Helsinki	864
UB Nordic Forest Management Ltd	100 %	Helsinki	680
UB Brokerage Company Ltd	100 %	Helsinki	1,093
UB Yritysrahoitus Oy	90 %	Helsinki	47
UB Life Oy*	100 %	Helsinki	216
UB Finance Ltd	100 %	Helsinki	-486
UB Meklarit Oy	100 %	Helsinki	4
UB Finnish Property Oy	79 %	Helsinki	1,578
UB Nordic Forest Fund I Management Ltd	100 %	Helsinki	5
UB Nordic Forest Fund II Management Ltd	100 %	Helsinki	5
UB Nordic Forest Fund III Management Ltd	100 %	Helsinki	3
UB Forest & Fibre Advisory Ltd	78 %	Helsinki	108
UB Forest & Fibre Management Ltd	78 %	Helsinki	100

* UB Asset Management Ltd has a branch in Sweden, and UB Life Oy has a branch in Luxembourg.

