



UNITED BANKERS PLC

# Half-Year Financial Report

1 JANUARY – 30 JUNE 2024



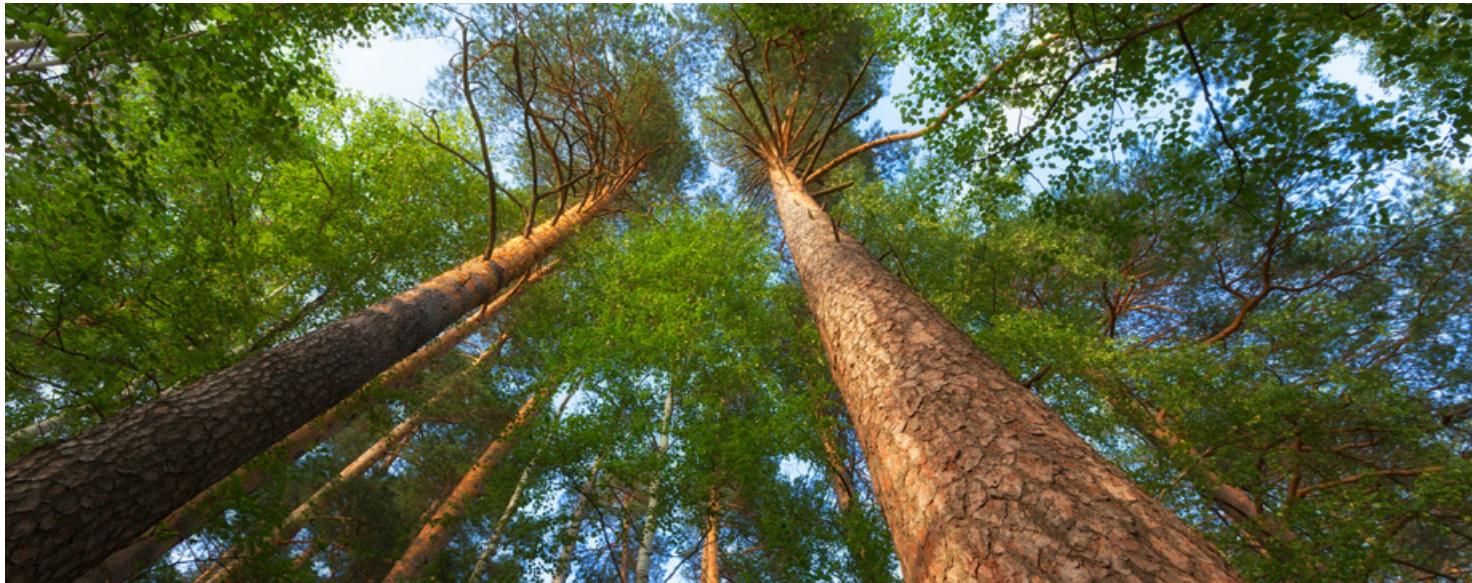
## UNITED BANKERS PLC'S HALF-YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2024:

# Strongest half-year in operating history – successful forestry strategy execution as a key driver

The figures in this release are unaudited.

## JANUARY–JUNE 2024 IN BRIEF

- The Group's revenue (income from operations) in the review period amounted to EUR 33.0 million (EUR 24.7 million in 1–6/2023), an increase of 33.5%.
- The Group's adjusted EBITDA amounted to EUR 15.0 million (EUR 8.0 million in 1–6/2023), an increase of 86.5% and adjusted operating profit amounted to EUR 13.8 million (EUR 7.0 million in 1–6/2023), an increase of 97.6%.
- The Group's operating profit for the review period amounted to EUR 13.5 million (EUR 7.0 million in 1–6/2023), an increase of 93.2% and the profit for the review period amounted to EUR 10.5 million (EUR 5.4 million in 1–6/2023), an increase of 93.5%.
- Earnings per share were EUR 0.96 (EUR 0.50 in 1–6/2023), an increase of 91.2%.
- Gross fee income from wealth management during the review period increased by 31.5% to EUR 30.9 million (EUR 23.5 million in 1–6/2023). Gross fee income from capital markets services amounted to EUR 0.6 million (EUR 0.1 million in 1–6/2023), increasing by 452.7%.
- Assets under management rose to EUR 4.8 billion (EUR 4.6 billion on 31 December 2023), increasing by 4.3% from the year-end level.
- Performance fees from funds increased significantly. This was mainly due to the sale of the partnership interests in and forest properties of UB Nordic Forest Fund II LP to the German company MEAG. United Bankers' subsidiary UB Nordic Forest Management Ltd earned a performance fee from the sale, of which EUR 10.6 million was booked in United Bankers' net income for the review period.
- The EBITDA of the wealth management segment for the review period amounted to EUR 15.3 million (EUR 8.8 million 1–6/2023), an increase of 73.5%. The EBITDA of the Group's capital markets services business amounted to EUR 0.1 million (EUR -0.4 million 1–6/2023).
- The cost-to-income ratio amounted to 0.59 (0.71).
- The company reiterates its guidance for 2024, updated on 4 March 2024: The company estimates its adjusted operating profit to increase significantly from 2023 levels.



## KEY BUSINESS EVENTS IN BRIEF

United Bankers' first-half result reached a record high. The main contributor to the strong performance was the sale of the partnership interests in and forest properties of UB Nordic Forest Fund II LP to MEAG, the asset management company of the German Munich Re Group, in March. United Bankers' subsidiary UB Nordic Forest Management Ltd earned a performance fee of EUR 18.0 million from the sale, of which EUR 10.6 million was booked in United Bankers' net income for the period.

United Bankers' assets under management increased from EUR 4.6 billion to EUR 4.8 billion in the first half of the year. The mainly favourable performance of funds and asset management contributed to the growth in assets under management. Net fund subscriptions remained positive at EUR 93.1 million, but the prevailing market environment slowed down sales of real asset funds, that are particularly important to the company. In contrast, sales of discretionary asset management developed strongly and more than doubled compared to the comparison period. The sale of the partnership interests in UB Nordic Forest Fund II and its forest properties reduced assets under management by EUR 134 million compared to the year-end 2023.

In May, United Bankers arranged directed share issues to the Group's employees and management, as well as to the tied agents of the United Bankers Group, and to certain holding companies of key persons acting as directors of alternative investment funds managed by the Group. The share issues attracted widespread interest and were subscribed 2.2 times in full. Almost 70 per cent of those eligible to subscribe participated in the employee issue and approximately 75 per cent of those eligible to subscribe in the tied agent issue. The participation of a total of 137 UB employees and agents demonstrates a strong commitment to United Bankers' long-term strategy and objectives.

During the spring, United Bankers' major information systems reform moved into the roll-out phase. The reform replaced the previous systems for portfolio management, custody and settlement of securities and reporting, among others, with one new system. The system project was carried out in cooperation with the Finnish software company Digia Plc. The move to a single, modern master system simplifies and streamlines the Group's internal processes and allows for more flexible development of services such as digital services and client reporting.

## CONSOLIDATED KEY FIGURES

(The figures are presented in more detail in the appendix of the Half-Year Financial Report)

	1-6/2024	1-6/2023	change %*	1-12/2023
<b>Key Income Statement Figures</b>				
Revenue, MEUR	33.0	24.7	33.5	52.1
Adjusted EBITDA, MEUR	15.0	8.0	86.5	19.1
Adjusted operating profit, MEUR	13.8	7.0	97.6	16.9
Adjusted operating profit, % of revenue	41.9	28.3		32.5
Operating profit, MEUR	13.5	7.0	93.2	17.0
Profit for the period, MEUR	10.5	5.4	93.5	13.8
<b>Profitability</b>				
Return on Equity (ROE), %	35.9	27.5	30.4	27.8
Return on Assets (ROA), %	23.7	17.9	32.8	18.7
<b>Key Balance Sheet Figures</b>				
Equity ratio, %	64.6	62.5		67.7
Capital adequacy ratio, %	27.6	24.7		24.1
<b>Key Figures Per Share</b>				
Earnings per share, EUR	0.96	0.50	91.2	1.24
Earnings per share, EUR (diluted)	0.94	0.50	88.6	1.23
Equity per share, EUR	4.90	4.01		4.75
Distribution of funds per share**				1.00
<b>Other Key Figures</b>				
Cost-to-income ratio	0.59	0.71		0.67
Assets under management at the end of the period, bn EUR	4.8	4.6		4.6
Number of clients at the end of the period	15,600	14,500		14,600
Personnel at the end of the period (FTE)***	163	163		160

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

\*\* Distribution of funds for the 2023 financial period confirmed by the Annual General Meeting of Shareholders on 22 March 2024: a dividend of EUR 0.50 and an equity repayment of EUR 0.50

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

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 Half-Year Financial Report.

## CEO'S REVIEW

### PATRICK ANDERSON



Our operating environment at the beginning of 2024 was mixed. Stock, fixed income and timberland markets were broadly speaking positive. On the other hand, the downturn in the real estate market, especially in Finland, continued in the first half of the year. With inflation and interest rates continuing to fall rapidly, however, I think it is quite likely that we are now close to reaching the bottom.

In terms of portfolio management, we did well during the period: our discretionary asset management model and the risk-adjusted returns of our fund family were strong on average. In administration, we implemented the biggest IT reform in our history. The new master system, which replaced several legacy systems, and the simplification of our corporate structure at the turn of the year will speed up and improve the efficiency of both our development work and our core business.

In alternative funds, headwinds reduced new sales from our target level especially in real estate funds, and the fall in interest rates did not yet have an impact during the first half of the year. Investor caution was particularly evident in the institutional field in Finland, Sweden and the European markets. Despite the above, net fund subscriptions were clearly positive, with UB 360 and our Private Investment Office asset management model, as well as our energy and forestry funds, in particular, attracting new capital.

For United Bankers, the first half of the year was the strongest in our history in terms of key indicators. Revenue increased by 33.5 per cent to EUR 33.0 million in the first half of the year. Our adjusted operating profit increased by 97.6 per cent to EUR 13.8 million and earnings per share rose by 91.2 per cent to EUR 0.96.

The cost-to-income ratio strengthened to 0.59 (0.71). In the wealth management segment, net fee income increased by 33.8 per cent to EUR 28.3 million, while EBITDA increased by 73.5 per cent to EUR 15.3 million. In the capital markets services segment, net fee income increased by 548.5 per cent to EUR 0.6 million and EBITDA increased to a profit of EUR 0.1 million.

In the first half of the year, our funds had positive net subscriptions of EUR 93.1 million and total sales of wealth management services reached EUR 273 million. Their slower development than in the past was mainly due to the difficult environment in the real estate market. Our assets under management increased by 4.3 per cent to EUR 4.8 billion. Fixed management fees for the funds increased by 3.9 per cent, with net fee income from the funds now representing as much as 87 per cent of the Group's total net fee income.

The company's personnel expenses increased by 9.1 per cent during the first half of the year. A significant part of the increase was due to a notional reduction in the subscription price of the personnel issue. The increase was also driven by the broad but moderate salary increases implemented in the first half of the year and the increase in variable remuneration and bonus provisions as a result of the strong performance in the first half of the year. The 7.5 per cent increase in administrative expenses is explained by the partly one-off costs related to the implementation of the new IT system and investments related in particular to sustainability work, the acceleration of international distribution and investments related to recently launched new funds.

During the spring, our sustainability work focused on the assessment, development and reporting of sustainability. Climate change mitigation remains a key theme in the development of the sustainability of our products and services. One of the main targets is to reduce the investments' greenhouse gas emissions and increase their carbon sequestration.

Among our newest funds, the UB Forest Industry Green Growth Fund and UB Renewable Energy Fund offer the opportunity to invest in products that focus on climate change mitigation and promotion of the green transition. The UB Smart Fund, UB Finland Fund and

UB Europe Real Estate Equity are examples of funds that are among the best in their peer group in terms of sustainability, according to a Morningstar comparison. During spring, UB Infra Fund and UB Short-Term Bond Fund also made it into the Five Globes category.

In early 2024, the company published the results of an assessment carried out by PRI (Principles for Responsible Investment) on the implementation of its Principles for Responsible Investment. We received the best possible 5/5 stars in all asset classes that were rated and the second best 4/5 stars in the sections on principles for responsible investment, corporate governance and strategy, and verification procedures.

Thanks to the positive development of the company's business in the first half of the year and to strategic growth initiatives, the outlook for the near future remains stable, and there will be no change to the full-year guidance on the company's adjusted operating profit level: as in our March guidance update, we continue to expect our adjusted operating profit to be clearly above the record level of 2023.

During the spring, we organised share issues for personnel and tied agents, the results of which demonstrate the strong commitment of our great team to our customers and our company. With the clearly oversubscribed issues, 75 per cent of the UB team are now owners of the company. UB team wants to play a long-term role in building the leading asset management firm in Northern Europe specialising in alternative investments, while being the most trusted partner for its clients. Our unique position at the intersection of responsible asset management and the forest, energy and real estate value chains is an inspiration to all of us at UB. Our team's 54 per cent ownership of the company's entire share capital means both continuity in the implementation of the strategy and a significant incentive to continue doing excellent work for our clients – every day of the year. Thank you to our clients, our team and our other stakeholders. We are well-placed for the future!



## GROUP REVENUE AND PROFIT PERFORMANCE FOR JANUARY-JUNE 2024

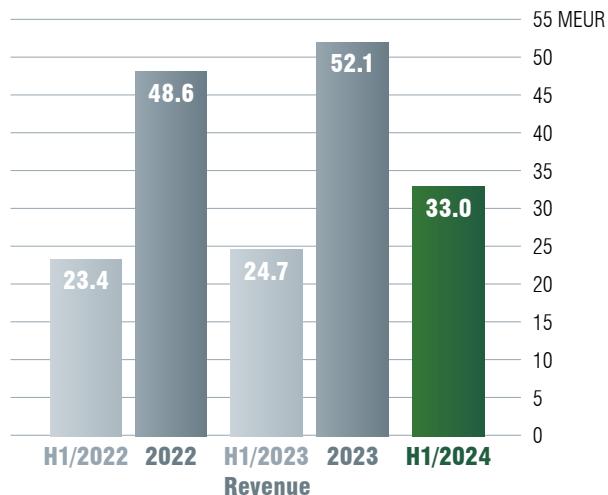
(comparison figures 1-6/2023)

United Bankers' revenue (income from operations) increased during the review period by 33.5 per cent to EUR 33.0 million (EUR 24.7 million). The Group's adjusted operating profit nearly doubled to EUR 13.8 million (EUR 7.0 million) and the adjusted operating profit margin increased to 41.9 per cent (28.3 per cent). Earnings per share increased to EUR 0.96 (EUR 0.50). Return on equity strengthened to 35.9 per cent (27.5 per cent) and the cost-to-income ratio improved to 0.59 (0.71).

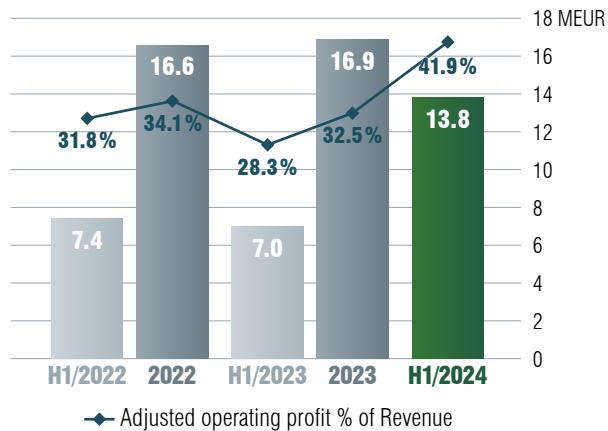
The very strong profit performance and profitability improvement are mainly explained by the sale of UB Nordic Forest Fund II to the German asset management company MEAG of the Munich Re Group in March. United Bankers' subsidiary UB Nordic Forest Management Ltd earned a performance fee of EUR 18.0 million on the sale of the forest fund, of which EUR 10.6 million was booked in the Group's net income for the period. The transaction is described in more detail in the section of the release on the development of the wealth management segment.

Total fee income from the wealth management business increased during the review period. The increase in assets under management supported the positive trend in management fees accrued from the funds. Fees accrued from discretionary asset management also increased on the comparison period. Without the above-mentioned performance fee on the sale of the forest fund, however, the fund's performance fees were clearly below the level of the comparison period. Fee income from structured investment products also fell. The combined net income from funds and asset management accounted for as much as 97 per cent of the net fee income from the wealth management segment in the review period, and for almost 95 per cent of the Group's net fee income. Interest margin on client assets continued to develop positively thanks to the continued high level of interest rates, contributing positively to the performance of the wealth management segment. Overall, the revenue of the Group's largest segment increased to EUR 32.2 million (EUR 24.4 million) and EBITDA to EUR 15.3 million (EUR 8.8 million) during the review period.

### REVENUE DEVELOPMENT



### ADJUSTED OPERATING PROFIT DEVELOPMENT



The level of activity in the capital markets services segment remained low as a result of the quiet M&A and IPO market in the first half of the year. Significant transactions included UB Corporate Finance Ltd acting as sole financial advisor to Optomed Plc in a

directed share issue in June. Revenue in capital markets services increased from the comparison period to EUR 0.6 million (EUR 0.2 million) and EBITDA turned positive and came to EUR 0.1 million (EUR -0.4 million). The income from the Group's own investments reported under the Other segment contributed positively to the result for the period under review.

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

Over the past few years, United Bankers has implemented a number of projects aimed at strengthening future growth opportunities and simplifying and streamlining operations. Projects often involve front-loaded one-off costs that are realised before growth or targeted cost savings are realised.

A new IT system was introduced in the spring following the most extensive IT system upgrade project in the Group's history. Going forward, the focus will shift again to the new system's potential for improving efficiency and customer experience, including through new digital services. Cost savings are also being sought through the restructuring of the Group, which came into effect at the beginning of the year. In connection with this United Bankers closed the Luxembourg branch of UB Life, reduced the number of offices and eliminated duplicate investment services authorisations through the demergers and mergers of the Group's subsidiaries.

As a result of the investments in growth and efficiency and general cost inflation, the Group's costs increased in the first half of the year compared to the comparison period. Administrative costs includ-

ing personnel and other administrative costs were EUR 14.5 million (EUR 13.4 million), an increase of 8.7 per cent. Personnel expenses increased in total by 9.1 per cent on the comparison period to EUR 10.6 million (EUR 9.7 million). One third of the increase relates to the notional subscription price reduction booked for the spring personnel issue. The development of fixed wages reflects the broad, albeit moderate, pay increases that were carried out in the Group in the first half of the year. The increase in variable remuneration is explained by, among other things, the effects of strong profit and share price performance on bonus provisions and the one-off bonuses related to the forest fund transaction.

Other administrative expenses increased by 7.5 per cent on the comparison period to EUR 3.9 million (EUR 3.6 million). The increase was driven by, among other things, one-off costs related to system development. The Group also continued to invest in new products, promoting international sales and developing sustainability and related reporting. Investments in employee wellbeing and job satisfaction were reflected in higher costs for training, common events and occupational health. Depreciation, amortisation and impairment increased to EUR 1.2 million (EUR 1.0 million) as a result of, among other things, the introduction of the new information system and the renovation of the premises of United Bankers' Helsinki headquarters completed last year.

The number of full-time equivalent personnel remained stable compared to the year-end and was 163 at the end of June (160 as at 31 December 2023). Of these, a total of 14 were temporary employees (10 employees). Temporary employees were used to reinforce the resources needed for the upgrade of the IT system, for example.

## PERFORMANCE OF ASSETS UNDER MANAGEMENT

(comparison figures as at 31 December 2023)

In the review period, United Bankers' assets under management grew to EUR 4,782 million (EUR 4,585 million as at 31 December 2023), up 4.3 per cent from the year-end level. This positive development was driven by both favourable market developments and new sales of wealth management products and services. United Bankers' client base grew to approximately 15,600 (14,600) during the first half of the year.

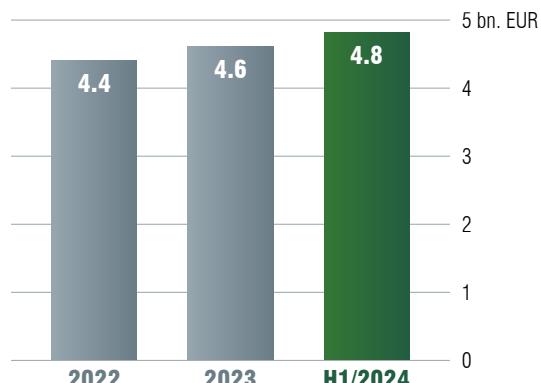
The largely positive performance of stock markets and the stabilisation of the interest rate environment supported the performance of United Bankers' funds and discretionary asset management services. The best performing funds were UB American Equity, returning 15.5 per cent, UB EM Infra at 8.8 per cent and UB Europe AI at 6.0 per cent. Fixed income funds, forest funds and the renewable energy fund also continued to offer good returns. Interest rates remained high and weighed on the performance of real estate equity funds and funds investing directly in real estate, with their returns mostly around zero or slightly negative.

United Bankers's objective is that as much of the Group's assets under management as possible are invested in products and services that generate recurring income. At the end of the period under review, a total of EUR 3,328 million (EUR 3,263 million) of United Bankers' assets under management were invested in funds or discretionary asset management. Of this, the funds accounted for EUR 2,949 million (EUR 2,878 million). Assets generating recurring fees accounted for 70 per cent (71 per cent) of total assets under management. The decrease was due to the impact of the sale of UB Nordic Forest Fund II on the volume of assets under management.

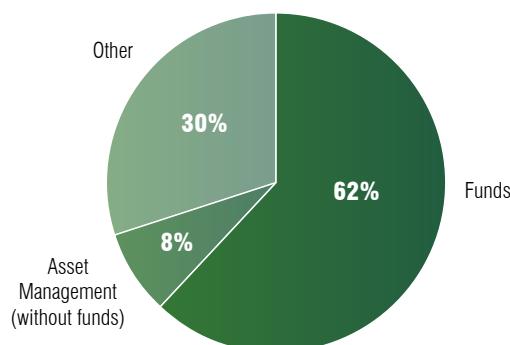
## SALES OF WEALTH MANAGEMENT PRODUCTS AND SERVICES

Sales of United Bankers' wealth management products and services slowed in the first half of the year compared to the corresponding period a year earlier and fell short of the target. While the international stock markets were largely positive, there were also headwinds in the wealth management markets. Concerns

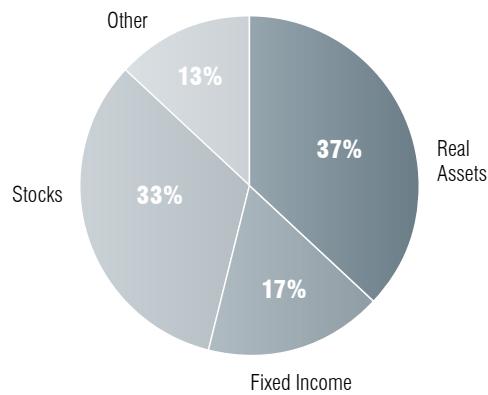
## AUM DEVELOPMENT



## AUM BREAKDOWN



## AUM ASSET CLASS BREAKDOWN



about the impact of high interest rates on economic growth and the underperformance of the Helsinki Stock Exchange dampened sentiment among Finnish investors. International sales were very actively promoted, including a new distribution partnership with KKL Partners B.V. in the Netherlands. However, a significant sales breakthrough in the European market has yet to take place. Despite the positive reception of United Bankers' strong expertise in the forest sector, the decision-making processes of large institutional investors seemed to be moving rather slowly.



New sales successes in the first half of the year included discretionary asset management services, which attracted more than double the amount of new capital than in the comparison period. UB 360

and Private Investment Office (PIO) asset management services raised over EUR 117.7 million in new capital. Demand was also supported by the favourable revenue performance of both service concepts. The investment strategies of the asset management models also performed very well in benchmarking.

Net subscriptions to United Bankers' funds amounted to EUR 93.1 million (EUR 112.5 million). This figure includes the investment commitments in limited partnership (LP) funds. Most capital flowed into fixed income funds during the first half of the year. Funds investing in renewable energy and forests also attracted new capital. For example, UB Renewable Energy Fund (AIF), launched a year ago, raised EUR 17.7 million in net subscriptions in the first half of the year.

The sales volume of structured investment products launched by United Bankers during the review period was EUR 22.8 million (EUR 28.4 million). Overall, United Bankers' sales of wealth management products and services decreased by 6.6 per cent to EUR 273 million (EUR 293 million) from the comparison period.

The change in the interest rate environment has had a significant impact on alternative investments, where demand grew strongly



during the prolonged period of zero interest rates. Interest rates remained high also during the early part of the year, influencing the return outlook and demand for alternative funds. The market environment remained difficult particularly for real estate funds. The recent redemption pressure on real estate funds increased concerns among investors, hampering the new sales of real estate funds. Subscriptions in forest funds also declined, as their high popularity in previous years levelled off in the high interest rate environment. Demand for alternative funds has also been slowed by the situation of many institutional investors as funds are calling in more capital, increasing the proportion of illiquid investments such as private equity funds in their portfolios. At the same time, relatively little capital has been returned from these investments.

#### **THE SALE OF UB NORDIC FOREST FUND II IN THE FIRST HALF OF THE YEAR REDUCED THE SHARE OF REAL ASSET INVESTMENTS**

In its wealth management business, United Bankers specialises in real asset investment solutions. Funds investing in forests, real estate and infrastructure represent a substantial part of the company's assets under management and growth potential.

The sale of the UB Nordic Forest Fund II LP's partnership interests in March reduced the Group's assets under management by EUR 134 million compared to the year-end figure. Following the sale, United Bankers has four forest funds, UB Timberland Fund (AIF),

UB Timberland Global Fund (AIF), UB Nordic Forest Fund III LP and UB Nordic Forest Fund IV LP. At the end of the review period, the combined GAV of these forest funds amounted to EUR 653 million (EUR 773 million as at 31 December 2023, including the capital of UB Nordic Forest Fund II LP).



The difficult environment in the real estate market was reflected in United Bankers' real estate funds and real estate equity funds, and their net subscriptions continued to decline. The gross asset value (GAV) of UB Nordic Property Fund (AIF) and UB Finnish Properties (AIF) decreased slightly and was EUR 663 million (EUR 675 million) at the end of June. The total capital of real estate equity funds (REIT) decreased to EUR 145 million (EUR 160 million). By contrast, the amount of assets in infrastructure funds increased to EUR 167 million (EUR 158 million) as interest in the UB Renewable Energy Fund remained high. In total, the capital of real asset investments was EUR 1,747 million (EUR 1,889 million) at the end of June. This represents 37 per cent (41 per cent) of the Group's total assets under management and 59 per cent (66 per cent) of its total fund capital.



## OPERATING ENVIRONMENT



2024 was expected to bring relief to the economic growth outlook. Concerns about an economic slowdown grew worse in the first half of the year, however, as persistent inflation led central banks to postpone the interest rate cuts that markets had been expecting. Geopolitical risks remained elevated as tensions increased especially in the Middle East, and the war in Ukraine unfortunately showed no signs of ending. Several elections were held around the world and, together with their impact on political power relations, contributed to the uncertainty, especially in Europe.

Despite these uncertainties, stock market momentum remained largely positive during the first half of the year. The average return on international stock markets, as measured by the MSCI ACWI index, was 13.9 per cent at the end of June. The United States was again the strongest performer, with the S&P 500 price index rising by 18.9 per cent. It is noteworthy, however, that the rise was still

concentrated among a small number of large technology companies. Prices were on the rise in Europe, too, with the STOXX Europe 600 price index recording a return of 6.8 per cent. On the other hand, the Helsinki Stock Exchange, which is focused on engineering and export companies, remained under pressure as a result of weak economic growth prospects in the export markets that are important for Finland. Measured with the OMX Helsinki Cap price index, the Finnish stock market remained close to the levels seen at the turn of the year.

Real estate markets continued to perform weakly in the first half of the year, as expected interest rate cuts were postponed. Property values continued to experience downward pressure, although the worst of the weakness seemed to be behind us. At the Nordic level, transaction volumes rose by around 23 per cent compared to the same period the previous year, but compared to the peak years of

the 2020s, real estate transaction volumes remained quite modest. In Finland, real estate transaction volumes in the first half of the year were lower than a year before. A gradual decline in interest rates is expected to boost the real estate market already during the second half of the year, however, and the 0.25 percentage point cut in the European Central Bank's policy rate in June was well received by the market. According to Rakli-KTI's office space barometer, both domestic and foreign investor demand in Finland is expected to grow significantly in the coming 12 months.

Global economic recovery and anticipated interest rate cuts by central banks are expected to gradually increase demand for forest industry products, and there were some signs of the business cycle picking up in the forest industry. Activity in the timber market accelerated towards the summer, and continued fierce competition between timber buyers led to record high prices for many round-wood assortments in Finland. In United Bankers' forest fund target markets in the Baltics timber prices also strengthened after the turn of the year. Following a small correction in the prices of forest properties last autumn, the trend levelled off during the first part of the year, and expected returns continued to rise moderately, especially on the back of positive timber price developments.

The uncertainty surrounding the economic outlook continued to be reflected in the demand for investment services in Finland. Higher

than usual interest rates also dampened enthusiasm for investing. However, supported by the positive performance of international stock markets and stronger return prospects for fixed income investments, investment funds managed to raise new capital during the first half of the year. According to the June Mutual Fund Report of Investment Research Finland, net subscriptions of Finnish mutual funds totalled approximately EUR 4.3 billion in the first half of the year. Equity funds investing in the US and global markets attracted the most capital. Expectations of future interest rate cuts also kept fixed income funds attractive. Net subscriptions of alternative funds turned positive following last year's slump, but the level was still well below the peak years.

In recent years, financial services companies have had to adapt to ever-tightening regulation. In addition, the objectives of combating climate change, promoting green finance and corporate responsibility require the creation of common frameworks and practices. One of the most far-reaching regulatory frameworks is the EU's new Corporate Sustainability Reporting Directive (CSRD), which aims to increase the transparency of corporate responsibility activities and further improve the comparability of reporting. The directive introduces significant new reporting obligations for a large number of companies that will require a lot of time and effort to prepare for. United Bankers will report on its operations in accordance with CSRD requirements for the first time in 2026, based on 2025 data.

## 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 versa-

tile real asset funds, including funds investing in direct real estate and infrastructure, 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	1-6/2024	1-6/2023	change %*	1-12/2023
<b>FUNDS</b>				
Management fees	13,130	12,635	3.9	25,894
Performance fees	13,119	6,257	109.7	13,637
Subscription and redemption fees	522	628	-16.8	1,253
<b>Income from funds</b>	<b>26,771</b>	<b>19,520</b>	<b>37.1</b>	<b>40,784</b>
Fee and commission expenses	-1,599	-1,577	1.4	-3,234
<b>Net income from funds</b>	<b>25,172</b>	<b>17,943</b>	<b>40.3</b>	<b>37,550</b>
<b>ASSET MANAGEMENT</b>				
Income from asset management	3,102	2,619	18.4	5,153
Fee and commission expenses	-913	-645	41.5	-1,262
<b>Net income from asset management</b>	<b>2,189</b>	<b>1,974</b>	<b>10.9</b>	<b>3,892</b>
<b>STRUCTURED PRODUCTS</b>				
Income from structured products	1,007	1,350	-25.5	2,479
Fee and commission expenses	-111	-146	-23.7	-308
<b>Net income from structured products</b>	<b>895</b>	<b>1,204</b>	<b>-25.7</b>	<b>2,171</b>
<b>TOTAL FEE INCOME FROM WEALTH MANAGEMENT</b>	<b>30,879</b>	<b>23,489</b>	<b>31.5</b>	<b>48,416</b>
<b>NET FEE INCOME FROM WEALTH MANAGEMENT</b>	<b>28,256</b>	<b>21,121</b>	<b>33.8</b>	<b>43,612</b>

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

Fee income from the Group's wealth management business segment increased significantly during the period. The increase is mainly explained by the performance fees from funds, which more than doubled compared to the comparison period. Total wealth management fee income increased by 31.5 per cent to EUR 30.9 million (EUR 23.5 million) and net fee income by 33.8 per cent to EUR 28.3 million (EUR 21.1 million).

The development of recurring fee income from funds and discretionary asset management is a key factor in the predictability of the Group's performance. Their development depends not only on the amount of assets under management, but also on the distribution of assets between funds, services and investments. Fund management fees increased by 3.9 per cent to EUR 13.1 million (EUR 12.6 million) and asset management fees, which mainly consist of

discretionary asset management services, increased by 18.4 per cent to EUR 3.1 million (EUR 2.6 million).

The funds' performance fees vary from one financial year to the next and from one reporting period to the next as a result of changes in market conditions, among other things. Most of the performance fees for the period, EUR 10.6 million, came from the sale of UB Nordic Forest Fund II. The fees of other forest funds declined from the reference period as forest fund returns normalised from the very high levels of 2023. Real estate funds, whose performance fees have been a key contributor to fee income in previous years, did not generate any performance fees in the challenging market environment. Fees from structured investment products decreased

by approximately one quarter from the comparison period and amounted to EUR 1.0 million (EUR 1.4 million). Fee income from structured investment products is transaction-based and its relative share has declined in recent years.

A significant increase in income from funds boosted revenue in the wealth management segment to EUR 32.2 million (EUR 24.4 million), an increase of 31.9 per cent. The segment's expenses increased on the comparison period due to, among other things, the previously described efforts to enhance growth and efficiency and the increase in the general cost level. The wealth management business segment's EBITDA increased by 73.5 per cent to EUR 15.3 million (EUR 8.8 million) in the review period.

## PROFITABILITY OF THE WEALTH MANAGEMENT BUSINESS SEGMENT

WEALTH MANAGEMENT EUR 1,000	1-6/2024	1-6/2023	change %*	1-12/2023
<b>REVENUE</b>	<b>32,232</b>	<b>24,437</b>	<b>31.9</b>	<b>50,579</b>
Fee and commission expenses	-2,623	-2,368	10.8	-4,804
Administrative and other operating expenses	14,314	-13,254	8.0	-25,895
<b>EBITDA</b>	<b>15,295</b>	<b>8,815</b>	<b>73.5</b>	<b>19,880</b>

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

## SIGNIFICANT EVENTS IN THE MAIN FUNDS DURING THE REVIEW PERIOD

The most significant event in United Bankers' review period was the sale of the UB Nordic Forest Fund II's partnership interests and forest properties totalling approximately 33,000 hectares to MEAG, the asset management company of the German Munich Re Group. The total purchase price of the fund was approximately EUR 166 million. In the transaction the buyer acquired all the shares of the limited partnership fund.

The forest fund deal clearly demonstrated the effectiveness of the Buy and build strategy. Based on the sum paid for the fund, it is also apparent that the valuation levels of forest funds are moderate in relation to the return requirements major investors place on timberland investment. In addition to the value of the fund's forests, the purchase price was determined on the basis of the wind power

leases and provisional contracts related to the properties owned by the fund. Investors in the UB Nordic Forest Fund II received up to as much as 13.3 percent in annual return on their investments (IRR). For United Bankers' subsidiary UB Nordic Forest Management, the transaction generated a total performance fee of EUR 18.0 million, of which EUR 10.6 million was booked in United Bankers' net income for the period.

Despite the transaction, United Bankers remains the fourth largest private forest owner in Finland through its forest funds. At the end of June, the aggregate surface area of the properties owned by United Bankers' forest funds amounted to more than 134,000 hectares, of which approximately 115,000 hectares are in Finland and approximately 19,000 hectares in the Baltic countries.

In the spring, a decision was made to extend the fund-raising period of the private equity fund UB Forest Industry Green Growth Fund I LP (UB FIGG), which invests in unlisted forest and bio-based industry companies, to the end of January 2025. The fund invests 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. Alongside fund raising, UB FIGG actively promoted its investment activities during the first half of the year. In January, the fund led the second tranche of a EUR 27.5 million financing round for Paptic Ltd, a growing company manufacturing wood fibre-based packaging materials. In June, the fund announced an investment in Nordtreat Ltd, a Finnish technology company specialising in the development and production of innovative, efficient and environmentally friendly fire retardants.

In the summer of 2023, United Bankers launched a fund investing in renewable energy development projects and power plants. There are significant synergies between UB Renewable Energy Fund and United Bankers' other funds, as the fund's own development projects are mainly carried out in areas owned by United Bankers forest funds. This cooperation between funds will help to speed up the

acquisition of land needed for wind and solar farms, for example, which will boost development activities and advance the appreciation of the fund's value and the launch of electricity sales. Forest fund investors also benefit from this, as the land leases related to wind power projects will increase future returns for fund unit holders once construction begins. In the screening phase, UB Renewable Energy Fund has identified 23 potential areas for onshore wind power development on land owned by United Bankers' forest funds in Finland. Work is also underway to map solar power potential. Interest in UB Renewable Energy Fund remained high during the first half of the year and the fund's capital had risen to over EUR 61 million at the end of June.

United Bankers' strategy focusing on real assets and alternative investment also received international recognition earlier this year when the company won the first award in the category "Excellence in Alternative Investment Strategies - Nordics 2024", given out by the UK-based CFI.co - Capital Finance International magazine. The CFI.co jury highlighted United Bankers' reputation across asset classes, its innovative wealth management solutions and expertise in alternative investment strategies, and its commitment to sustainability.



## CAPITAL MARKETS SERVICES BUSINESS SEGMENT

United Bankers' capital markets services encompass the services of its subsidiaries UB Corporate Finance Ltd and UB Finance Ltd. UB Corporate Finance is an expert in investment banking services and the company acts as an advisor in e.g. corporate transactions, initial public offerings, share issues and bond emissions. UB Finance that is in wind-down process offers a web-based corpo-

rate lending platform. The operations of UB Securities, previously reported in capital markets services, ceased as a result of intra-group corporate arrangements in the demerger on 31 December 2023, when corporate finance advisory services were transferred to the above-mentioned new company, UB Corporate Finance.

### FEE INCOME FROM THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-6/2024	1-6/2023	change %*	1-12/2023
Income from capital markets services	588	106	452.7	686
Fee and commission expenses	-14	-18	-20.7	-21
<b>NET FEE INCOME FROM CAPITAL MARKETS SERVICES</b>	<b>574</b>	<b>89</b>	<b>548.5</b>	<b>665</b>

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

In United Bankers' capital markets services business, performance fees related to mandates have a material impact on segment performance, and the level of market activity and the timing of mandates can cause significant fluctuations in performance between financial and review periods. In a quiet market environment early in the year, fees for capital markets services remained modest.

During the period under review, fees amounted to EUR 0.6 million (EUR 0.1 million) and the segment's net fee income totalled EUR 0.6 million (EUR 0.1 million). The EBITDA of the business segment turned slightly positive during the period to EUR 0.1 million (EUR -0.4 million).

### PROFITABILITY OF THE CAPITAL MARKETS SERVICES BUSINESS SEGMENT

CAPITAL MARKETS SERVICES EUR 1,000	1-6/2024	1-6/2023	change %*	1-12/2023
<b>REVENUE</b>	<b>589</b>	<b>178</b>	<b>231.1</b>	<b>1,012</b>
Fee and commission expenses	-14	-18	-20.7	-21
Administrative and other operating expenses	-500	-578	-13.5	-1,302
<b>EBITDA</b>	<b>75</b>	<b>-418</b>	<b>117.9</b>	<b>-310</b>

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

The number of mergers and acquisitions and capital market transactions remained low in the first half of the year. Continued high interest rates contributed to depress overall demand for capital market services. UB Corporate Finance acted as sole financial advisor in Optomed Plc's directed share issue in June.

UB Corporate Finance is acting as the Certified Advisor for Herantis Pharma Plc, Solwers Plc and Aiforia Technologies Plc in the

Nasdaq First North Growth Market in Finland, as well as the Certified Advisor for Arctic Minerals AB (publ) in the Nasdaq First North Growth Market in Sweden.

UB Finance is in the process of winding down its operations and new loans are no longer provided through its online corporate lending platform.



## BALANCE SHEET AND CAPITAL ADEQUACY

(comparison figures as at 31 December 2023)

The balance sheet total of the United Bankers Group as at 30 June 2024 amounted to EUR 83.6 million (EUR 76.1 million). The consolidated shareholders' equity amounted to EUR 54.0 million at the end of the review period (EUR 51.6 million). The cash assets of the Group amounted as at 30 June 2024 to EUR 10.9 million (EUR 9.4 million). The Group has at its disposal a credit line of EUR 7 million, which was undrawn at the end of the review period.

Own funds requirement (IFR) of the United Bankers Group as at 30 June 2024 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 30 June 2024 amounted to EUR 19.9 million (EUR 15.6 million) and the Group's own funds relative to the required minimum own funds requirement amounted to 344.8 per cent (301.6 per cent). The Group's capital adequacy ratio was 27.6 per cent (24.1 per cent), which is clearly above the regulatory minimum requirement of 8 per cent. The Group management has set a minimum capital adequacy target level of 13 per cent. The Group's equity ratio as at 30 June 2024 amounted to 64.6 per cent (67.7 per cent).

Further information on the Group balance sheet and capital adequacy has been set forth in the tables section of the Half-Year Financial Report.



## SUSTAINABILITY

Sustainability has become an even more important theme among financial industry stakeholders. In addition to sustainable operations, investors are increasingly interested in the impact of their investments on the environment and society, for example. The assessment and verification of sustainability and impacts, as well as clear communication, play an important role as expectations towards the financial industry continue to evolve. Increasing regulation is helping to create a framework within which companies will be able to report on the sustainability of their operations.

### SUSTAINABILITY PRIORITIES IN SPRING 2024

During spring 2024, United Bankers' sustainability work focused on the assessment, development and reporting of sustainability. United Bankers reports annually on its sustainability performance in

accordance with the Global Reporting Initiative (GRI) sustainability reporting framework. The Sustainability Report published in spring 2024 that contains information on 2023, described the company's key areas and targets of sustainability and their achievement, as well as the progress of sustainability work during the reporting period. The Sustainability Report also included, for the first time, an assessment of the exposure of United Bankers' daily valued fixed income and equity funds to physical climate risks.

The annual responsible investment reports for United Bankers' forest and real estate funds were published in spring 2024, as in previous years. During spring 2024, a survey was conducted for United Bankers' forest funds which assessed the exposure of the forest properties owned by the funds to physical climate risks. For United Bankers' real estate funds, on the other hand, a survey

was carried out on the ESG (environmental, social and governance) characteristics of the properties owned by the funds. This included a study of the funds' climate risks and an evaluation of the compliance of the properties owned by the funds with the EU taxonomy. The results of the analyses will be used in the portfolio management of the forest and real estate funds and to promote the ESG development of the funds.

Climate change mitigation remains a key theme in the development of the sustainability of United Bankers' products and services. One of the main targets is to reduce the investments' greenhouse gas emissions and increase their carbon sequestration. The company has committed to setting science-based climate targets in line with the Science Based Targets initiative (SBTi) by 2025. In early 2024, the company laid the groundwork for setting its science-based climate targets by examining the impact of the targets in accordance with SBTi on United Bankers' real estate funds and by identifying potential emission reduction measures. The work to set the company's climate targets and identify emission reduction measures will continue for United Bankers' own operations and for different asset classes during 2024.

United Bankers monitors the responsibility and sustainability characteristics of its funds and continuously develops its products. Among the newest funds, the UB Forest Industry Green Growth Fund and UB Renewable Energy Fund offer the opportunity to invest in products that focus on climate change mitigation and promotion of the green transition. The UB Smart Fund, UB Finland Fund and UB Europe Real Estate Equity are examples of funds that are among the best in their peer group in terms of sustainability, according to a Morningstar comparison. During spring 2024, UB Infra Fund and UB Short-Term Bond Fund also made it into the Five Globes category. Funds in the top 10 per cent of their peer group based on Morningstar's methodology are awarded this rating.

In early 2024, United Bankers published the results of the Principles for Responsible Investment (PRI) assessment. United Bankers

received the best possible 5/5 stars in all asset classes that were rated and the second best 4/5 stars in the sections on principles for responsible investment, corporate governance and strategy, and verification procedures. United Bankers aims to further develop its responsible investment practices in line with the sector's best practices. The company also participated in PRI's assessment in spring 2024. The results of the assessment will be ready at the end of the year.

The EU regulation on sustainability reporting will further strengthen the role of sustainability as part of corporate strategy and create the conditions for harmonised reporting. During 2024, United Bankers started to prepare for reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) by conducting a double materiality analysis in line with the regulatory requirements. The material sustainability matters identified in the results of the analysis included climate change, biodiversity and own workforce. The company will continue to prepare for sustainability reporting in accordance with the regulation during 2024. United Bankers will report in accordance with CSRD requirements for the first time in 2026, based on 2025 data.

United Bankers takes an active role in promoting responsible investment in Finland and internationally. In spring 2024, United Bankers joined the PRI Spring investor initiative, which aims to encourage companies to take action to halt biodiversity loss. United Bankers is also involved in the CDP's Non-Disclosure Campaign and the Science-Based Targets Campaign, which encourage companies to set credible science-based climate targets. United Bankers published a report describing the implementation of the Ownership Policy principles for the first time at the beginning of 2024. The report describes the active ownership and engagement activities that the company carried out during 2023. To promote sustainability, United Bankers actively participates in the general meetings of the companies owned by its funds. During spring 2024, United Bankers participated in 303 general meetings via the ISS Proxy Voting Service.

## RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

United Bankers Plc's Annual General Meeting was held in Helsinki on 22 March 2024. The meeting approved the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial period 1 January – 31 December 2023. The Annual General Meeting approved the Remuneration Report and the Remuneration Policy for governing bodies.

### **Distribution of funds**

The Annual General Meeting confirmed in accordance with the Board of Directors' proposal a distribution of funds a total of EUR 1.00 per share, with a dividend of EUR 0.50 per share and an equity repayment of EUR 0.50 per share from the reserve of invested unrestricted equity. The record date for the dividend distribution was 26 March 2024 and the payment date was 4 April 2024. The record date for the equity repayment is 27 September 2024 and the payment date is 4 October 2024.

### **The Board of Directors and the auditor**

The number of members of the Board of Directors was confirmed as seven (7). Johan Linder, Rasmus Finnilä, Rainer Häggblom, Tarja Pääkkönen, Lennart Robertsson and Eero Suomela continue as members of the Board of Directors, and Elisabeth Dreijer von Sydow was elected as new member of the Board.

The remuneration of the members of the Board of Directors remained unchanged. The Annual General Meeting confirmed the annual remuneration of the Chairman of the Board of Directors at EUR 35,000 and for the other members at EUR 25,000. No remuneration shall be paid to a member of the Board of Directors who is employed by a company belonging to the United Bankers Group. The remuneration covers the entire term and committee work. Travel expenses are reimbursed according to the travel policy of the Company.

The auditing firm Oy Tuokko Ltd was re-elected as the auditor, with Janne Elo, APA, as the principal auditor. The auditor's fee will be paid according to the invoice approved by the Company.

### **Authorisation to decide on the repurchase of own shares**

The Annual General Meeting granted the Board of Directors the authority to decide on the repurchase of a maximum of 150,000 own shares of the Company with the Company's unrestricted equity. The authorisation also includes the right to accept the Company's own shares as pledge.

The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2025, and it revokes the authorisation granted by the previous Annual General Meeting to repurchase own shares to the extent it has not been used.

### **Authorisation to decide on the issuance of shares and special rights entitling to shares**

The Annual General Meeting granted the Board of Directors the authority to decide on the issuance of a maximum of 700,000 new shares in the Company, on the transfer of treasury shares held by the Company and on the issue of special rights entitling to shares.

The issuance of shares and the granting of special rights entitling to shares may also take place in derogation of shareholders' pre-emptive subscription rights (directed share issue). The authorisation may be used, for example, to finance or carry out acquisitions or restructurings, to strengthen the Company's balance sheet and financial position, to make investments or implement share-based incentive plans and/or for other purposes decided by the Board of Directors. The authorisation may also be used for a share issue free of charge to the Company itself.

The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2025, and it revokes the authorisation granted by the previous Annual General Meeting to decide on the issuance of shares and special rights entitling to shares to the extent it has not been used.

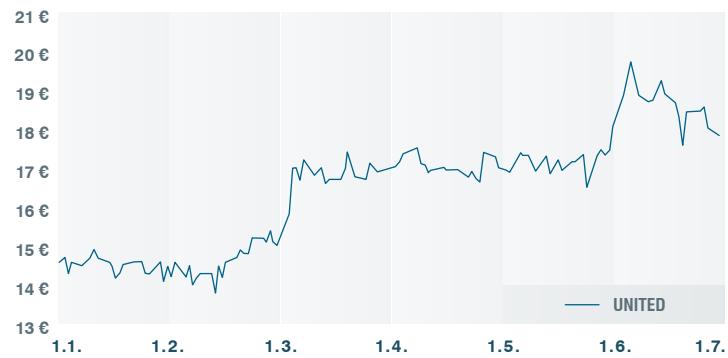
The resolutions of the Annual General Meeting are available in their entirety on the Company's website at: <https://unitedbankers.fi/en/united-bankers-group/corporate-governance/annual-general-meeting/>.

## UNITED BANKERS' SHARES AND SHARE CAPITAL

United Bankers' share capital amounts to EUR 5,464,225.47. As at 30 June 2024, the total number of shares in the company amounted to 10,963,043. The number of shares increased by 190,000 during the period as a result of the directed share issue arranged by the company in May. The issue was directed to the employees and management of United Bankers Group, to the tied agents, and to certain holding companies of key persons acting as directors of alternative investment funds managed by the Group.

On 19 March 2024, United Bankers transferred a total of 20,878 shares without consideration to the persons participating in the equity-based incentive plan for the company's management pursuant to the share issue authorisation granted by the Annual General Meeting 2023. During the first half of 2024, United Bankers acquired a total of 12,076 of its own shares within the confines of the authorisations granted by the Annual General Meetings of 2023 and 2024. As at 30 June 2024, the company was in possession of 9,914 treasury shares, corresponding to approximately 0.1 per cent of all the shares and votes in the company.

The closing price of the share of United Bankers Plc on 30 June 2024 was EUR 17.90 (EUR 14.40 as at 31 December 2023). The total number of United Bankers' shares traded between the time period of 1 January – 30 June 2024 amounted to 228,931 shares (410,092 shares during 1–6/2023). The aggregate market capitalisation of the shares as at 30 June 2024 amounted to EUR 196.2 million (EUR 155.1 million as at 31 December 2023).



## SHAREHOLDERS

As at 30 June 2024, the company had a total of 1,911 shareholders (1,790 shareholders as at 31 December 2023). At the end of June 2024, 56.7 per cent of the shares were held by private companies (57.4 per cent as at 31 December 2023) and 31.1 per cent by households (30.3 per cent as at 31 December 2023). The remaining 12.2 per cent of the shares were held by foreigners, financial and insurance institutions, nominee-registered, public-sector organisations, as well as non-profit organisations. At the end of the review period, United Bankers' personnel, members of the Board of Directors and tied agents owned a total of 54.0 per cent of the company's shares.

### LARGEST SHAREHOLDERS AS AT 30 JUNE 2024

Shareholders	Shares	% of shares
1 Oy Castor-Invest Ab	1,220,000	11.13
2 Amos Partners Oy	1,103,592	10.07
3 Jarafi Oy (Finnilä Rasmus)	1,103,320	10.06
4 Bockholmen Invest Ab (Anderson Patrick)	600,000	5.47
5 J. Lehti & Co Oy (Lehti Jani)	494,850	4.51
6 Olsio Tom	471,051	4.30
7 Jouhki Marina	379,695	3.46
8 Linder Cassandra	280,750	2.56
9 Linder Christoffer	280,750	2.56
10 Linder Corinne	280,750	2.56
<b>Largest shareholders total</b>	<b>6,214,758</b>	<b>56.69</b>

## EVENTS AFTER THE REVIEW PERIOD

After the review period no events with a material effect on the company's position have taken place at United Bankers or in the companies belonging to the Group.

## 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.

Development in the financial markets and also in the real estate and timberland markets have the strongest impact on the company's business. The sharp rise in interest rates in recent years has slowed the sale of United Bankers' core real asset funds and depressed their expected returns. However, as inflation approaches central bank target levels and economic growth expectations weaken, central banks are expected to next lower their interest rates. The European Central Bank already made its first rate cut at its June meeting and the US Federal Reserve is expected to start cutting rates in September.

A turnaround in interest rates is expected to ease the situation, especially in the real estate market. However, investor confidence in real estate funds remains low and there is a risk that the pressure to redeem funds will continue for some time, even if property values are expected to gradually recover.

Geopolitical risks also remain elevated. While the continuation of the war in Ukraine may no longer cause strong market volatility, the potential escalation of the conflict in the Middle East could also increase risks in the economy.



## OUTLOOK

### MARKET ENVIRONMENT

Despite the slowdown in China and the US, markets expect the global economy to grow at 3.2 per cent this year, accelerating slightly to 3.3 per cent in 2025. In the US, GDP growth, supported by consumer demand and a strong labour market, is expected to reach 2.4 per cent this year but to slow to 1.5 per cent in 2025. At the same time, economic growth in Europe is expected to pick up and increase to 1.5 per cent in 2025 from the modest 0.9 per cent this year. A key driver of global growth prospects is China, where economic growth is forecast to slow from 5 per cent this year to 4.5 per cent in 2025. (IMF, 7/2024)

Inflation, which remained stubbornly elevated at the beginning of the year, eased over the summer. The weaker economic outlook has contributed to reduced upward pressure on prices, giving central banks room to stimulate the economy by easing their monetary pol-

icies. The European Central Bank (ECB) initiated interest rate cuts in Europe at its June meeting, and in the US the first cut is expected in September. In the US in particular, the Fed has been criticised for delaying its monetary easing, which is hurting economic development. This has prompted the most optimistic to expect a rate cut of up to 0.5 percentage points in September. Several more rate cuts are expected from the ECB and the Fed over the rest of the year.

Stock markets experienced a correction in late summer, as a fall in the tech giants' share prices, following soaring rise, sent stock markets down in the US. The Bank of Japan's stronger-than-expected monetary tightening also caused jitters and led to a sharp correction in Asian stock markets in early August. In Europe and the United States, however, the decline was much more moderate. Although stock prices in the US are still close to their peaks, investors are

relatively optimistic about the stock market outlook. Market pricing relative to companies' earnings forecasts has remained close to long-term averages. Central bank interest rate cuts are expected to support stock prices. Falling interest rates also strengthen the return outlook for fixed income investments.

The European Central Bank's decision in early June to cut its policy rate by 0.25 percentage points was also a positive signal for the real

estate investment market. As the first interest rate cut since 2019, it offers real estate investors cause for optimism, which is expected to be reflected in a pick-up in the real estate market towards the end of the year. The interest rate cuts will also support property values, which have been declining for more than a year and a half.



## BUSINESS OUTLOOK

United Bankers' climate objectives and the climate roadmap based on them have made the green transition an even more deeply integrated part of United Bankers' business operations and investment solutions. Through its funds, the United Bankers Group aims to

increase opportunities to invest in carbon sequestration and solutions that support the transition to a low-carbon, climate-resilient economy. United Bankers' unique expertise is built around forest investments more than anything else. Even by global standards,

the company has an exceptionally strong grasp of the entire forest sector value chain. United Bankers is making good use of the significant synergies between its funds by conducting most of the renewable energy fund's own development projects in areas owned by United Bankers' forest funds.

The green transition will help guide both future strategic choices of the forest industry and the interest of investors. Few investments meet both economic and environmental objectives in the same way as forests. United Bankers' expertise in forests and the forest sector is expected to play an increasingly important role in the growth of the company's business. The sale of UB Nordic Forest Fund II forest assets to Germany in March contributes to the fact that large forest portfolios are still very attractive to large institutional investors. In the aftermath of the transaction, international investors have become even more interested in United Bankers' forest sector expertise. Of the funds investing directly in forest property, UB Timberland Fund and UB Nordic Forest Fund IV, a fund for professional investors, accept new investments. Demand for the funds is expected to remain positive and property acquisitions are expected to progress as planned during the rest of the year.

Interest in forests as an investment will remain high, not only because of the environmental values of well-managed forests, but also because of the increasing use and diversifying applications of wood. United Bankers' UB FIGG private equity fund, which invests in growth companies in the forest and bio-based industries, contrib-

utes to the growth potential of the wood fibre processing industry. The last closing date for the fund is January 2025. United Bankers' growth potential in the second half of the year relies heavily on the fund's ability to raise capital in the autumn.

The real asset investment solutions that are central to United Bankers' strategy provide protection against inflation. Based on current expectations, a return to zero inflation is not expected, at least not in the coming years. Against this background, it is also good to remember the role of real estate as part of a well-built investment portfolio. Property values have continued to develop negatively for more than 18 months, and the difficult market situation has even led to excesses. United Bankers wants to offer its clients the opportunity to take advantage of the favourable situation for investors in the Finnish housing market. The limited partnership housing fund for professional investors, launched in the summer, will start operating in the autumn, when the housing market is likely to offer good buying opportunities.

The company will continue to focus on its own strategic priorities, which are believed to offer the best growth opportunities also in the long term. In the future, growth will come primarily from the sale of real asset funds on international markets. The company's partnerships and discussions with a number of investors are expected to gradually bear fruit. Success in international sales can significantly increase the capital of the funds at the center of the strategy in the future.

## FINANCIAL GUIDANCE FOR 2024

The company reiterates its guidance for 2024, updated on 4 March 2024, and estimates its adjusted operating profit to increase significantly from 2023 levels.

## SCHEDULE FOR EQUITY REPAYMENT

In accordance with the decision of the Annual General Meeting of United Bankers Plc on 22 March 2024, the company will pay an equity repayment in the autumn as part of the distribution of funds for the financial year 2023. The amount of the equity repayment will be EUR 0.50 per share. The record date for the equity repayment is 27 September 2024 and the payment date is 4 October 2024.

## THE FINANCIAL STATEMENTS BULLETIN 2024

The Financial Statements Bulletin of the United Bankers Group for the financial period 2024 will be published on or about 14 February 2025 and will be available on the company's website under the "Investors" section at [unitedbankers.fi](http://unitedbankers.fi).

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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 163 employees (FTE) and 26 agents (30 June 2024). In 2023, the United Bankers Group's revenue totalled EUR 52.1 million and its adjusted operating profit amounted to EUR 16.9 million. The Group's assets under management amount to approximately EUR 4.8 billion (30 June 2024). 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](http://unitedbankers.fi).

## HALF-YEAR FINANCIAL REPORT: 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	1-6/2024	1-6/2023	1-12/2023
Revenue	33,018	24,733	52,145
EBITDA	14,696	8,045	19,174
EBITDA, % of revenue	44.5 %	32.5 %	36.8%
Adjusted EBITDA	15,015	8,050	19,132
Adjusted EBITDA, % of revenue	45.5 %	32.5 %	36.7%
Operating profit	13,518	6,996	16,966
Operating profit, % of revenue	40.9 %	28.3 %	32.5%
Adjusted operating profit	13,837	7,001	16,923
Adjusted operating profit, % of revenue	41.9 %	28.3 %	32.5%
Profit for the period	10,538	5,446	13,837
Profit for the period, % of revenue	31.9 %	22.0 %	26.5%
Earnings per share, EUR	0.96	0.50	1.24
Earnings per share, EUR (diluted)	0.94	0.50	1.23
Cost-to-income ratio	0.59	0.71	0.67
Return on equity (ROE), %	35.9 %	27.5 %	27.8%
Return on assets (ROA), %	23.7 %	17.9 %	18.7%
 Average number of shares	10,782,393	10,736,074	10,745,276
Average number of shares (diluted)	10,980,840	10,787,902	10,787,002



Other key figures	30.6.2024	30.6.2023	31.12.2023
Distribution of funds per share, EUR			1.00**
Equity per share, EUR	4.90	4.01	4.75
Share price at the end of the period, EUR	17.90	13.90	14.40
Market capitalisation, EUR 1,000	196,238	149,745	155,132
Equity ratio, %	64.6 %	62.5 %	67.7 %
Capital adequacy ratio, %	27.6 %	24.7 %	24.1 %
Personnel at the end of the period (FTE)*	163	163	160
Number of clients at the end of the period	15,600	14,500	14,600
Assets under management at the end of the period, MEUR	4,782	4,629	4,585
Number of shares at the end of the period (outstanding shares)	10,953,129	10,754,327	10,754,327

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

\*\* Distribution of funds for the 2023 financial period confirmed by the Annual General Meeting of Shareholders on 22 March 2024: a dividend of EUR 0.50 and an equity repayment of EUR 0.50

#### Reconciliation of adjusted key figures and items affecting comparability

EUR 1,000	1-6/2024	1-6/2023	1-12/2023
Items affecting comparability			
Non-operative costs and earn-out payments on acquisitions	-5	5	-42
IFRS 2 payments on notional discount of personnel issue	324	-	-
<b>Total items affecting comparability</b>	<b>319</b>	<b>5</b>	<b>-42</b>
EBITDA	14,696	8,045	19,174
Adjusted EBITDA	15,015	8,050	19,132
Operating profit	13,518	6,996	16,966
Adjusted operating profit	13,837	7,001	16,923



## 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	= $\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average number of shares outstanding during the period}}$
Earnings per share (diluted)	= $\frac{\text{Profit or loss for the period attributable to owners of the parent company}}{\text{Weighted average share issue adjusted number of shares outstanding during the period}}$

### Alternative key figures

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	<p>Material items that differ from continuing operations, such as:</p> <ul style="list-style-type: none"> <li>- impacts of corporate restructuring on financial performance</li> <li>- operating income and losses related to corporate restructuring</li> <li>- earn-out payments on acquisitions</li> <li>- other non-operational items affecting comparability</li> </ul>
Return on equity (ROE), % (floating 12 months)	= $\frac{\text{Operating profit/loss} - \text{taxes on income (floating 12 months)}}{\text{Equity} + \text{non-controlling interest (average of beginning and end of period)}} \times 100$
Return on assets (ROA), % (floating 12 months)	= $\frac{\text{Operating profit/loss} - \text{taxes on income (floating 12 months)}}{\text{Total assets (average of beginning and end of period)}} \times 100$
Cost-to-income ratio	= $\frac{\text{Fee and commission expenses} + \text{interest expenses} + \text{administrative expenses} + \text{depreciation of tangible assets and amortisation of intangible assets (excl. amortisation of customer relationships)} + \text{other operating expenses} + \text{impairment of other receivables}}{\text{Operating income}}$
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	1-6/2024	1-6/2023	1-12/2023
Fee and commission income	31,467	23,596	49,102
Net gains or net losses on trading in securities and foreign currencies	313	166	712
Income from equity investments	29	23	74
Interest income	1,203	933	2,230
Other operating income	6	15	28
<b>Total revenue</b>	<b>33,018</b>	<b>24,733</b>	<b>52,145</b>
Fee and commission expenses	-2,637	-2,386	-4,825
Interest expenses	-728	-497	-1,314
Administrative expenses			
Personnel expenses	-10,620	-9,735	-19,007
Other administrative expenses	-3,909	-3,636	-6,988
Depreciation, amortisation and impairment of tangible and intangible assets	-1,178	-1,049	-2,209
Other operating expenses	-431	-440	-842
Expected credit losses on loans and other receivables	2	6	6
<b>Operating profit</b>	<b>13,518</b>	<b>6,996</b>	<b>16,966</b>
Income taxes	-2,979	-1,550	-3,129
<b>Profit for the period</b>	<b>10,538</b>	<b>5,446</b>	<b>13,837</b>
<b>Total comprehensive income attributable to</b>	<b>10,538</b>	<b>5,446</b>	<b>13,837</b>
Equity holders of parent company	10,304	5,367	13,289
Non-controlling interest	234	80	548



## SEGMENT INFORMATION

1.1.-30.6.2024

EUR 1,000	Wealth management	Capital markets services	Other	Group total
<b>REVENUE</b>				
Fee and commission income	30,879	588	0	31,467
Interest income	1,197	1	5	1,203
From other segments	-	-	2	2
Net profit or net loss on trading in securities and foreign currencies	147	-	166	313
Income from equity investments	3	-	26	29
Other operating income	6	-0	0	6
<b>TOTAL REVENUE</b>	<b>32,232</b>	<b>589</b>	<b>199</b>	<b>33,020</b>
Fee and commission expenses	-2,623	-14	0	-2,637
Interest expenses	-688	-0	-40	-728
To other segments	-	-2	-	-2
<b>Total</b>	<b>-3,311</b>	<b>-16</b>	<b>-40</b>	<b>-3,367</b>
<b>NET REVENUE</b>				
	<b>28,921</b>	<b>573</b>	<b>158</b>	<b>29,653</b>
Administrative expenses				
Personnel expenses	-9,574	-364	-682	-10,620
Other administrative expenses	-3,605	-169	-135	-3,909
Expected losses on other receivables	-	-	2	2
Other operating expenses	-448	35	-18	-431
<b>Total expenses</b>	<b>-13,626</b>	<b>-498</b>	<b>-832</b>	<b>-14,957</b>
<b>EBITDA</b>	<b>15,295</b>	<b>75</b>	<b>-674</b>	<b>14,696</b>



**1.1.-30.6.2023**

EUR 1,000	Wealth management	Capital markets services	Other	Group total
<b>REVENUE</b>				
Fee and commission income	23,489	106	-	23,596
Interest income	910	14	8	933
Net profit or net loss on trading in securities and foreign currencies	17	56	92	166
Income from equity investments	5	1	17	23
Other operating income	16	-0	-0	15
<b>TOTAL REVENUE</b>	<b>24,437</b>	<b>178</b>	<b>118</b>	<b>24,733</b>
Fee and commission expenses	-2,368	-18	-	-2,386
Interest expenses	-455	-5	-37	-497
<b>Total</b>	<b>-2,823</b>	<b>-22</b>	<b>-37</b>	<b>-2,882</b>
<b>NET REVENUE</b>	<b>21,614</b>	<b>156</b>	<b>81</b>	<b>21,850</b>
Administrative expenses				
Personnel expenses	-9,034	-404	-296	-9,735
Other administrative expenses	-3,361	-150	-125	-3,636
Expected losses on other receivables	-	-	6	6
Other operating expenses	-403	-20	-17	-440
<b>Total expenses</b>	<b>-12,799</b>	<b>-574</b>	<b>-433</b>	<b>-13,805</b>
<b>EBITDA</b>	<b>8,815</b>	<b>-418</b>	<b>-352</b>	<b>8,045</b>



1.1.-31.12.2023

EUR 1,000	Wealth management	Capital markets services	Other	Group total
<b>REVENUE</b>				
Fee and commission income	48,416	686	-	49,102
Interest income	2,104	116	10	2,230
From other segments	-	-	51	51
Net profit or net loss on trading in securities and foreign currencies	28	208	476	712
Income from equity investments	5	1	68	74
Other operating income	26	1	-0	28
<b>TOTAL REVENUE</b>	<b>50,579</b>	<b>1,012</b>	<b>605</b>	<b>52,196</b>
Fee and commission expenses				
Interest expenses	-4,804	-21	-	-4,825
To other segments	-1,221	-0	-93	-1,314
<b>Total</b>	<b>-6,025</b>	<b>-72</b>	<b>-93</b>	<b>-6,190</b>
<b>NET REVENUE</b>	<b>44,554</b>	<b>941</b>	<b>512</b>	<b>46,006</b>
Administrative expenses				
Personnel expenses	-17,636	-825	-546	-19,007
Other administrative expenses	-6,350	-306	-332	-6,988
Expected losses on other receivables	-	-	6	6
Other operating expenses	-688	-120	-34	-842
<b>Total expenses</b>	<b>-24,674</b>	<b>-1,251</b>	<b>-907</b>	<b>-26,832</b>
<b>EBITDA</b>	<b>19,880</b>	<b>-310</b>	<b>-395</b>	<b>19,174</b>



## CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2024	30.6.2023	31.12.2023
<b>ASSETS</b>			
Cash and equivalents	0	0	0
Claims on credit institutions	10,905	6,645	9,352
Claims on the public and public-sector entities	3	106	4
Debt securities	1,377	1,096	1,239
Shares and units	21,381	6,116	8,220
Goodwill	15,593	15,593	15,593
Other intangible assets	7,021	5,664	6,099
Tangible assets	2,499	2,784	2,898
Other assets	22,295	29,087	30,997
Accrued income and prepayments	2,520	2,010	1,716
Deferred tax assets	1	2	2
<b>TOTAL ASSETS</b>	<b>83,595</b>	<b>69,084</b>	<b>76,121</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Liabilities to credit institutions	-	807	-
Other liabilities	12,088	13,636	13,479
Accrued expenses and deferred income	16,157	8,597	8,055
Deferred tax liabilities	1,368	2,841	3,016
<b>Total liabilities</b>	<b>29,613</b>	<b>25,881</b>	<b>24,549</b>
<b>EQUITY</b>			
Share capital	5,464	5,464	5,464
Reserve for invested non-restricted equity	20,487	22,900	22,901
Retained earnings	27,731	14,730	22,761
Non-controlling interest in capital	300	109	445
<b>Total equity</b>	<b>53,982</b>	<b>43,203</b>	<b>51,572</b>
<b>Total liabilities and equity</b>	<b>83,595</b>	<b>69,084</b>	<b>76,121</b>



## CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-31.12.2023
<b>Cash flow from operating activities</b>			
Income received from sales	39,371	21,555	46,062
Other operating income received	6	15	28
Operating costs paid	-17,438	-17,301	-32,078
<b>Cash flow from operating activities before finance costs and taxes</b>	<b>21,938</b>	<b>4,269</b>	<b>14,012</b>
Interest paid from operating activities	-709	-474	-1,269
Interest received from operating activities	1,203	933	2,212
Income taxes paid	-1,441	-627	-1,984
<b>Cash flow from operating activities (A)</b>	<b>20,992</b>	<b>4,101</b>	<b>12,970</b>
<b>Cash flow from investing activities</b>			
Acquisitions of tangible and intangible assets	-1,701	-1,703	-3,245
Changes in claims on the public and public-sector entities	0	-83	19
Dividends received from investments	29	23	74
Investments in financial assets	-14,430	2,985	1,054
<b>Cash flow from investing activities (B)</b>	<b>-16,101</b>	<b>1,222</b>	<b>-2,098</b>
<b>Cash flow from financing activities</b>			
Acquisition of treasury shares	-210	-295	-295
Proceeds from share issues	2,963	-	-
Drawdown of loans	-	807	807
Repayment of loans	-	-	-807
Repayment of lease liabilities	-325	-290	-581
Dividends paid to non-controlling interests	-379	-329	-461
Dividends and equity repayments paid to equity holders of parent company	-5,386	-8,073	-9,686
<b>Cash flow from financing activities (C)</b>	<b>-3,338</b>	<b>-8,181</b>	<b>-11,024</b>
<b>Net cash flows from operating, investing and financing activities (A+B+C)</b>	<b>1,553</b>	<b>-2,858</b>	<b>-152</b>
<b>Change in cash and cash equivalents</b>	<b>1,553</b>	<b>-2,858</b>	<b>-152</b>
Cash and cash equivalents at the beginning of the year	9,352	9,500	9,500
Effect of expected credit losses	0	3	4
Cash and cash equivalents at the end of the period	10,905	6,645	9,352



## 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
<b>Equity, 1 Jan 2024</b>	<b>5,464</b>	<b>22,901</b>	<b>22,761</b>	<b>51,127</b>	<b>445</b>	<b>51,572</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	10,304	10,304	234	10,538
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>10,304</b>	<b>10,304</b>	<b>234</b>	<b>10,538</b>
<b>Transactions with owners of the Group</b>						
Distribution of dividends and return of capital	-	-5,377	-5,386	-10,763	-379	-11,143
Acquisition of treasury shares	-	-	-210	-210	-	-210
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	2,963	351	3,314	-	3,314
Other changes	-	-	-183	-183	-	-183
Acquisition of non-controlling interests	-	-	-	-	-	-
Management incentive plan	-	-	94	94	-	94
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>-2,414</b>	<b>-5,334</b>	<b>-7,748</b>	<b>-379</b>	<b>-8,128</b>
<b>Equity, 30 June 2024</b>	<b>5,464</b>	<b>20,487</b>	<b>27,731</b>	<b>53,682</b>	<b>300</b>	<b>53,982</b>

EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
<b>Equity, 1 Jan 2023</b>	<b>5,464</b>	<b>24,606</b>	<b>17,628</b>	<b>47,697</b>	<b>359</b>	<b>48,056</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	5,367	5,367	80	5,446
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>5,367</b>	<b>5,367</b>	<b>80</b>	<b>5,446</b>
<b>Transactions with owners of the Group</b>						
Distribution of dividends and return of capital	-	-1,615	-8,073	-9,688	-329	-10,017
Acquisition of treasury shares	-	-91	-204	-295	-	-295
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	-	-	-	-	-
Other changes	-	-	-55	-55	-	-55
Acquisition of non-controlling interests	-	-	-	-	-	-
Management incentive plan	-	-	68	68	-	68
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>-1,706</b>	<b>-8,264</b>	<b>-9,970</b>	<b>-329</b>	<b>-10,299</b>
<b>Equity, 30 June 2023</b>	<b>5,464</b>	<b>22,900</b>	<b>14,730</b>	<b>43,094</b>	<b>109</b>	<b>43,203</b>



EUR 1,000	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest in capital	Total equity
<b>Equity, 1 Jan 2023</b>	<b>5,464</b>	<b>24,606</b>	<b>17,628</b>	<b>47,697</b>	<b>359</b>	<b>48,056</b>
<b>Comprehensive income</b>						
Profit for the period	-	-	13,289	13,289	548	13,837
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>13,289</b>	<b>13,289</b>	<b>548</b>	<b>13,837</b>
<b>Transactions with owners of the Group</b>						
Distribution of dividends and return of capital	-	-1,613	-8,073	-9,686	-461	-10,148
Acquisition of treasury shares	-	-91	-204	-295	-	-295
Share issue, related to corporate restructuring	-	-	-	-	-	-
Share issue, personnel and tied agents	-	-	-	-	-	-
Other changes	-	-	-23	-23	-	-23
Acquisition of non-controlling interests	-	-	-	-	-	-
Management incentive plan	-	-	145	145	-	145
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>-1,704</b>	<b>-8,156</b>	<b>-9,860</b>	<b>-461</b>	<b>-10,322</b>
<b>Equity, 31 Dec 2023</b>	<b>5,464</b>	<b>22,901</b>	<b>22,761</b>	<b>51,127</b>	<b>445</b>	<b>51,572</b>



## GROUP CAPITAL ADEQUACY

The regulatory framework (IFD/IFR) for investment firms is applicable to the licensed investment firms of the group and for parent entity United Bankers Plc acting as the holding company of the group.

Regulation states the minimum requirement for own funds is determined through one of the following: permanent minimum requirement, fixed overheads require-

ment or K- factor requirement. K-factor requirement considers factors such as assets under management, client assets safeguarded and administrated as well as daily trading flow and dealing to own account. The minimum requirement of investment firm for own funds is the most restrictive of the above-mentioned requirements. Own funds requirement of United Bankers group is calculated quarterly and the requirement for 30 June 2024 was determined by fixed overheads.

### GROUP CAPITAL ADEQUACY, EUR 1,000

	IFR 30.6.2024	IFR 30.6.2023	IFR 31.12.2023
<b>Equity</b>	53,982	43,295	51,572
Common Equity Tier 1 (CET 1) before deductions	53,982	43,295	51,572
<b>Deductions from CET 1</b>			
Intangible assets	22,614	21,238	21,692
Unconfirmed profit for the period	10,304	5,459	13,289
Other deductions	1,163	627	963
Total deductions from CET 1	34,081	27,324	35,944
<b>Common Equity Tier 1 (CET1)</b>	<b>19,901</b>	<b>15,972</b>	<b>15,627</b>
<b>Additional Tier 1 (AT1)</b>	-	-	-
<b>Tier 1 (T1 = CET1 + AT1)</b>	<b>19,901</b>	<b>15,972</b>	<b>15,627</b>
<b>Tier 2 (T2)</b>	-	-	-
<b>Total Capital (TC = T1 + T2)</b>	<b>19,901</b>	<b>15,972</b>	<b>15,627</b>
<b>Own funds requirement (IFR)</b>			
Absolute minimum requirement	750	1,100	750
Fixed overheads requirement	5,772	5,181	5,181
K-factor requirement	4,119	1,987	1,931
<b>Applicable requirement (most restrictive)</b>	<b>5,772</b>	<b>5,181</b>	<b>5,181</b>
Common equity tier (CET1) / own funds requirement, %	344.8%	308.3%	301.6 %
Tier 1 (T1) / own funds requirement, %	344.8%	308.3%	301.6 %
Total capital (TC) / own funds requirement, %	344.8%	308.3%	301.6 %
<b>Risk-weighted items total - Total risk exposure</b>	<b>72,152</b>	<b>64,758</b>	<b>64,758</b>
<b>Common equity tier (CET1) / risk-weights, %</b>	<b>27.6%</b>	<b>24.7%</b>	<b>24.1%</b>
Tier 1 (T1) / risk-weights, %	27.6%	24.7%	24.1%
Total capital (TC) / risk-weights, %	27.6%	24.7%	24.1%



## NOTES

### 1. ACCOUNTING PRINCIPLES

The half-year financial report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union. The half-year financial report does not include all the financial tables included in the annual financial statements. Therefore, this half-year financial report should be read in conjunction with the company's financial statements for the year ended 31 December 2023. The accounting principles used are consistent with those used for the 2023 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 half-year financial report 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 only 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 forest funds are only recognised as income when the final amount of fees can be reliably estimated and it is highly probable that the conditions for receiving the fees will be met. The Group completed a transaction on 8 March 2024 where all partnership interests in UB Nordic Forest Fund II LP were sold. The transaction generated a performance fee of approximately EUR 10.6 million and the cashflows of the transaction were approximately EUR 18.0 million.

Overall limited partnership forest funds have generated approximately EUR 10.1 million in performance fees for the financial period 1.1.-30.6.2024 (approximately EUR 1.9 million for financial period 1.1.-30.6.2023). The Group's other receivables include approximately EUR 5.5 million of the aforementioned performance fees amortised at 30 June 2024 (approximately EUR 13.4 million at 31 December 2023).

The company has thorough method of assessing performance fees and commissions. The assessment method takes into account, *inter alia*, an estimate of the future value of the private equity fund at the liquidation, the net value of future cashflows and probability of the liquidation timing. If the calculated performance fee or commission is estimated to be highly probable, it is recognised as income.

### BREAKDOWN OF FEE AND COMMISSION INCOME

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

EUR 1,000	1.1.-30.6.2024			1.1.-30.6.2023		
	Wealth management	Capital markets services	Total	Wealth management	Capital markets services	Total
<b>Funds</b>						
Management fees	13,130	-	13,130	12,635	-	12,635
Performance fees	13,119	-	13,119	6,257	-	6,257
Subscription and redemption fees	522	-	522	628	-	628
Asset management	3,102	-	3,102	2,619	-	2,619
Structured products	1,007	-	1,007	1,350	-	1,350
Capital markets services	-	588	588	-	106	106
<b>Total fee and commission income</b>	<b>30,879</b>	<b>588</b>	<b>31,467</b>	<b>23,489</b>	<b>106</b>	<b>23,596</b>

EUR 1,000	1.1.-31.12.2023		
	Wealth management	Capital markets services	Total
<b>Funds</b>			
Management fees	25,894	-	25,894
Performance fees	13,637	-	13,637
Subscription and redemption fees	1,253	-	1,253
Asset management	5,153	-	5,153
Structured products	2,479	-	2,479
Capital markets services	-	686	686
<b>Total fee and commission income</b>	<b>48,416</b>	<b>686</b>	<b>49,102</b>

EUR 1,000	1.1.-30.6.2024	%	1.1.-30.6.2023	%	1.1.-31.12.2023	%
Recognised at one point in time	3,226	10.3 %	3,055	12.9 %	6,442	13.1 %
Recognised over time	28,240	89.7 %	20,541	87.1 %	42,660	86.9 %
<b>Total</b>	<b>31,467</b>	<b>100.0 %</b>	<b>23,596</b>	<b>100.0 %</b>	<b>49,102</b>	<b>100 %</b>

## FEE AND COMMISSION EXPENSES

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

EUR 1,000	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-31.12.2023
Fee and commission expenses			
Fees and commissions to agents	-2,067	-1,881	-3,799
Fees and commissions to other distributors	-258	-254	-281
Other fee and commission expense	-312	-251	-745
<b>Total</b>	<b>-2,637</b>	<b>-2,386</b>	<b>-4,825</b>

## 3. INTANGIBLE ASSETS

EUR 1,000	CUSTOMER RELATIONSHIPS		
	30.6.2024	30.6.2023	31.12.2023
<b>Acquisition cost</b>			
Opening balance, 1 Jan	4,009	4,009	4,009
Additions	-	-	-
Disposals	-	-	-
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>4,009</b>	<b>4,009</b>	<b>4,009</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance, 1 Jan	-2,518	-2,156	-2,156
Depreciation for the period	-181	-181	-362
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>-2,700</b>	<b>-2,337</b>	<b>-2,518</b>
<b>Carrying amount, 1 Jan</b>	<b>1,490</b>	<b>1,852</b>	<b>1,852</b>
<b>Carrying amount, 30 Jun / 31 Dec</b>	<b>1,309</b>	<b>1,671</b>	<b>1,490</b>

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.

EUR 1,000	OTHER INTANGIBLE ASSETS		
	30.6.2024	30.6.2023	31.12.2023
<b>Acquisition cost</b>			
Opening balance, 1 Jan	9,838	7,447	7,447
Additions	1,665	1,215	2,391
Disposals	-	-	-
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>11,503</b>	<b>8,662</b>	<b>9,838</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance, 1 Jan	-5,228	-4,198	-4,198
Depreciation for the period	-562	-492	-1,031
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>-5,790</b>	<b>-4,690</b>	<b>-5,228</b>
<b>Carrying amount, 1 Jan</b>	<b>4,609</b>	<b>3,249</b>	<b>3,249</b>
<b>Carrying amount, 30 Jun / 31 Dec</b>	<b>5,712</b>	<b>3,973</b>	<b>4,609</b>



### INTANGIBLE ASSETS TOTAL

EUR 1,000	30.6.2024	30.6.2023	31.12.2023
<b>Acquisition cost</b>			
Opening balance, 1 Jan	13,846	11,456	11,456
Additions	1,665	1,215	2,391
Disposals	-	-	-
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>15,511</b>	<b>12,671</b>	<b>13,846</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance, 1 Jan	-7,747	-6,354	-6,354
Depreciation for the period	-743	-673	-1,393
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>-8,490</b>	<b>-7,027</b>	<b>-7,747</b>
<b>Carrying amount, 1 Jan</b>	<b>6,099</b>	<b>5,102</b>	<b>5,102</b>
<b>Carrying amount, 30 Jun / 31 Dec</b>	<b>7,021</b>	<b>5,644</b>	<b>6,099</b>

### GOODWILL

EUR 1,000	30.6.2024	30.6.2023	31.12.2023
<b>Acquisition cost</b>			
Opening balance, 1 Jan	15,593	15,593	15,593
Additions	-	-	-
Disposals	-	-	-
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>15,593</b>	<b>15,593</b>	<b>15,593</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance, 1 Jan	-	-	-
Depreciation for the period	-	-	-
<b>Ending balance, 30 Jun / 31 Dec</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount, 1 Jan</b>	<b>15,593</b>	<b>15,593</b>	<b>15,593</b>
<b>Carrying amount, 30 Jun / 31 Dec</b>	<b>15,593</b>	<b>15,593</b>	<b>15,593</b>

Impairment testing is carried out annually in the second half of the year. However, at each reporting date, an assessment is made as to whether there are any indications of impairment. According to the assessment made as at 30 June 2024, there are no indications of impairment for the segments and no separate impairment test has been carried out for the situation as at 30 June 2024. The most recent impairment test was carried out of the situation as at 31 December 2023.

### BREAKDOWN OF GOODWILL BY SEGMENT

EUR 1,000	30.6.2024	30.6.2023	31.12.2023
Wealth management	15,093	15,093	15,093
Capital markets services	500	500	500
<b>Total</b>	<b>15,593</b>	<b>15,593</b>	<b>15,593</b>



## 4. PERSONNEL EXPENSES AND EMPLOYEES

### PERSONNEL EXPENSES

EUR 1,000	30.6.2024	30.6.2023	31.12.2023
Salaries and fees	-8,919	-8,045	-15,771
Social security costs			
Pension expenses (defined contribution plans)	-1,377	-1,319	-2,600
Other social security costs	-324	-370	-637
<b>Total</b>	<b>-10,620</b>	<b>-9,735</b>	<b>-19,007</b>

### NUMBER OF PERSONNEL

Personnel in full-time equivalents (FTE)

	30.6.2024	30.6.2023	31.12.2023
Average number of personnel during the period (FTE)	158	155	158
Number of personnel at the end of the period (FTE)	163	163	160
	30.6.2024	30.6.2023	31.12.2023
Average number of personnel during the period			
Permanent full-time personnel	142	142	143
Permanent part-time personnel	5	6	6
Fixed-term personnel	11	8	9
<b>Total</b>	<b>158</b>	<b>155</b>	<b>158</b>

### SHARE-BASED INCENTIVE PLANS

#### Share-based payments

##### Share-based incentive plan for key personnel

In 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 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 company's value.

During the financial period, the share-based incentive plan comprised three 3-year earning periods, calendar years 2022-2024, 2023-2025 and 2024-2026. 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 plan encompasses seven key employees in the company. The bonus, if any, for each earning period is paid after the end of the earning period.

Bonuses under the share-based incentive plan are paid partly in company shares (approximately 25%) and partly in cash (approximately 75%).

In March 2024 United Bankers Plc granted a total of 20,878 of its own shares to key employees covered by the share-based incentive plan for management. Based on the share-based incentive plan, cash bonuses of EUR 1.0 million were paid to key employees during the reporting period.

##### Share-based incentive plan for personnel and tied agents

On 29 April 2024, United Bankers' Board of Directors resolved to carry out directed share issue for consideration to the Group's employees and management as well as the Group's tied agents and to certain holding companies of key persons acting as directors of alternative investment funds managed by the Company's Group. A total of 190,000 new shares were subscribed for in the Employee Share Issue

and in the Tied Agent Share Issue. The subscribed shares had no special earnings conditions and the subscribed shares enabled participation in additional Share Matching Plans. The difference of EUR 324 thousand between subscription price and market price of directed share issues was recognized as an expense in the period 1.1.-30.6.2024.

The share-based incentive plan for personnel and tied agents have a vesting period, commencing on 27 May 2024 and ending on 30 September 2027. The prerequisite for being entitled to remuneration is for the participant to subscribe for shares in the directed share issues, as well as owning the shares subject to the share ownership requirement for the entire duration of the vesting period. Provided the participant's share ownership requirement is met, and their employment or service relationship or tied agent or co-operation relationship is in force at the end of the vesting period, the participant shall receive shares without consideration from the Company as remuneration. In the personnel share issue, the participant will receive by way of gross remuneration one (1) matching share for every two (2) shares subject to the shareholding requirement. In the tied agent share issue, the participant will receive by way of gross remuneration 1.2 shares for each two (2) shares that subject to the shareholding requirement. The remuneration shall be payable in the form of cash and shares of the Company upon expiry of the vesting period.

Personnel and Tied Agent Matching Share Plan	30/06/2024
Maximum share amount (pcs)	98,535
End of vesting period	30/09/2027
Vesting period targets	Employment and share ownership
Fulfilment of vesting period targets	96 %
Share value on issue date	15.70 €

Shares to be given based on the additional share matching plan have been valued at estimated fair value on the issue date, with a deduction for an estimated amount of the dividends to be paid before the end of the vesting period.

For the half-year financial period, total of EUR 47 thousand (1.1.-30.6.2023 EUR 0 thousand) of expenses were recognized in relation to the personnel and tied agent Share Matching Plans.

## 5. RELATED PARTY TRANSACTIONS

The information below should be read in conjunction with the more detailed information provided in the 2023 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 2024, United Bankers Plc granted 20,878 of its own shares as part of the share-based incentive plan for management to the key employees covered by the plan.

A company controlled by person related to a Group company, i.e. Quantum Capital Oy has concluded tied agent agreement and/or insurance agency agreement 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. In addition, the Group has given secondary bank guarantees to retain key personnel.

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.-30.6.2024	1.1.-30.6.2023	1.1.-31.12.2023
Tied agent fees	85	315	578
Consultation fees	47	49	184
Other transactions	11	13	20
Loans extended	-	-	-
<b>Total</b>	<b>144</b>	<b>377</b>	<b>781</b>
of which with funds managed by the Group	-	-	58



## 6. GROUP STRUCTURE

As at 30 June 2024, the United Bankers Group included the following companies:

Parent company	Ownership	Registered office
United Bankers Plc		Helsinki
Subsidiaries (direct and indirect)	Ownership	Registered office
UB Corporate Finance Ltd	100 %	Helsinki
UB Asset Management Ltd*	100 %	Helsinki
UB Fund Management Company Ltd	100 %	Helsinki
UB Nordic Forest Management Ltd	100 %	Helsinki
UB Yritysrahoitus Oy	90 %	Helsinki
UB Rahoitus Oy	100 %	Helsinki
UB Meklarit Oy	100 %	Helsinki
UB Finnish Property Oy	79 %	Helsinki
UB Nordic Forest Fund II Management Ltd	100 %	Helsinki
UB Nordic Forest Fund III Management Ltd	100 %	Helsinki
UB Nordic Forest Fund IV Management Ltd	100 %	Helsinki
UB Forest & Fibre Advisory Ltd	78 %	Helsinki
UB Forest & Fibre Management Ltd	78 %	Helsinki
UB Clean Energy Ltd	79 %	Helsinki
UB Asuntorahasto Management Ltd	100 %	Helsinki

\* UB Asset Management Ltd has a branch in Sweden.

