



UNITED BANKERS PLC

Financial Statement Release 2021

United Bankers Plc publishes its official stock exchange releases and press releases in Finnish. This is an unofficially translated and abridged version of the official stock exchange release published on 18 February 2022 in Finnish. In the case of any discrepancies between the language versions, the official Finnish text shall prevail. The official stock exchange release in Finnish is available on United Bankers Plc's website www.unitedbankers.fi.



UNITED BANKERS PLC'S FINANCIAL STATEMENT RELEASE 2021:

Record profit due to excellent success in asset management and funds

The figures in this release are unaudited.

JANUARY-DECEMBER 2021 IN BRIEF

- The Group's revenue (income from operations) in the financial period amounted to EUR 43.8 million (EUR 34.4 million in 1–12/2020), an increase of 27.6 %.
- The Group's adjusted EBITDA amounted to EUR 16.3 million (EUR 10.3 million in 1–12/2020), an increase of 57.5 % and adjusted operating profit amounted to EUR 14.4 million (EUR 8.6 million in 1–12/2020), an increase of 67.1 %.
- The Group's operating profit amounted to EUR 14.3 million (EUR 8.4 million in 1–12/2020), an increase of 71.5 %.
- The profit for the financial period amounted to EUR 11.2 million (EUR 6.5 million in 1–12/2020), an increase of 71.9 %.
- Earnings per share were EUR 1.00 (EUR 0.60 in 1–12/2020), an increase of 66.4 %.
- Assets under management at the end of the financial period amounted to EUR 4.8 billion (EUR 3.8 billion as at 31 December 2020), an increase of 27.2 %. The favourable market development and strong net subscriptions for funds contributed to the increase in the assets under management.
- Net fee income from wealth management in the financial period amounted to EUR 35.3 million (EUR 26.7 million in 1–12/2020), a growth of 32.3 % compared to the preceding year. Net fee income from capital markets services amounted to EUR 2.7 million (EUR 2.7 million in 1–12/2020), a growth of 1.3 % compared to the preceding year.
- The cost-to-income ratio at the end of the financial period improved to 0.66 (0.74).
- The Board of Directors proposes that a dividend in the total amount of EUR 0.80 per share be payable for the financial period. The Board of Directors proposes for the ordinary dividend to amount to EUR 0.70 (EUR 0.51) per share. In addition, it proposes the payment of an extra dividend in the amount of EUR 0.10 to celebrate United Bankers' 35th anniversary.
- Guidance for 2022: United Bankers estimates that its adjusted operating profit will remain close to the level of 2021, unless market conditions take a material turn for the worse.

JULY-DECEMBER 2021 IN BRIEF

- The Group's revenue (income from operations) in the latter half of the year amounted to EUR 22.8 million (EUR 16.5 million in 7–12/2020), an increase of 38.2 %.
- The Group's adjusted EBITDA in the latter half of the year amounted to EUR 9.0 million (EUR 4.0 million in 7–12/2020), an increase of 127.7 % and adjusted operating profit amounted to EUR 8.0 million (EUR 3.1 million in 7–12/2020), an increase of 157.2 %.
- The Group's operating profit amounted to EUR 8.0 million (EUR 3.1 million in 7–12/2020), an increase of 159.9 %.
- Earnings per share were EUR 0.56 (EUR 0.21 in 7–12/2020), an increase of 162.9 %.

CONSOLIDATED KEY FIGURES

	7-12/2021	7-12/2020	change %*	1-12/2021	1-12/2020	change %*
Key Income Statement Figures						
Revenue, MEUR	22.8	16.5	38.2	43.8	34.4	27.6
Adjusted EBITDA, MEUR	9.0	4.0	129.6	16.3	10.3	57.5
Adjusted operating profit, MEUR	8.0	3.1	157.2	14.4	8.6	67.1
Adjusted operating profit, % of revenue	35.3	18.9		32.9	25.1	
Operating profit, MEUR	8.0	3.1	159.9	14.3	8.4	71.5
Profit for the financial period, MEUR	6.3	2.4	159.0	11.2	6.5	71.9
Profitability						
Return on Equity (ROE), %	27.2	17.2		26.9	17.1	
Return on Assets (ROA), %	15.8	11.5		16.4	10.8	
Key Balance Sheet Figures						
Equity ratio, %				56.7	66.9	
Capital adequacy ratio, %				24.9	17.8**	
Key Figures Per Share						
Earnings per share, EUR	0.56	0.21	162.9	1.00	0.60	66.4
Earnings per share, EUR (diluted)	0.56	0.21	160.5	0.98	0.59	65.8
Equity per share, EUR				4.19	3.73	
Dividend per share				0.80****	0.51***	
Other Key Figures						
Cost-to-income ratio	0.65	0.80		0.66	0.74	
Assets under management at the end of the period, MEUR				4 800	3 772	27.2
Number of clients at the end of the period				14 100	15 700	
Personnel at the end of the period (FTE)				137	129	

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

** Comparison year 2020 figure is calculated in accordance with previous regulation (CRR)

*** Dividend for the 2020 financial period confirmed by the Annual General Meeting on 19 March 2021.

**** The Board of Directors' proposal concerning the dividend payable for the 2021 financial period: ordinary dividend to EUR 0.70 per share and an extra dividend of EUR 0.10

GROUP REVENUE AND EARNINGS DEVELOPMENT IN 2021

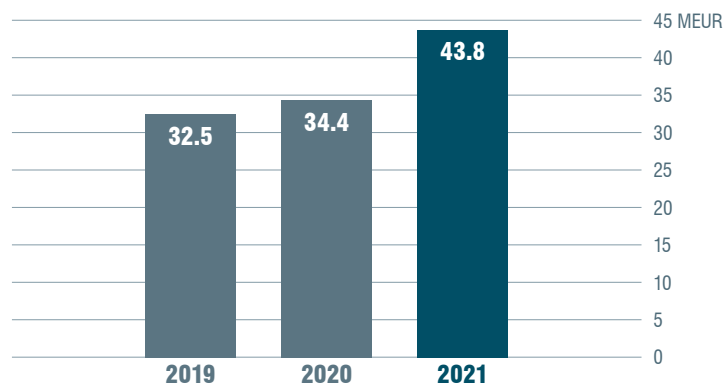
The revenue of the United Bankers Group (operating income) increased during the financial period to EUR 43.8 million (EUR 34.4 million), increasing by 27.6 per cent from the preceding year.

The Group's adjusted EBITDA for the financial period soared by 57.5 per cent, to EUR 16.3 million (EUR 10.3 million). Also the operating profit increased substantially, amounting to EUR 14.4 million (EUR 8.6 million), a growth of 67.1 per cent compared to the preceding year. The improvement in the earnings is extensively demonstrated by the figures of the company's wealth management

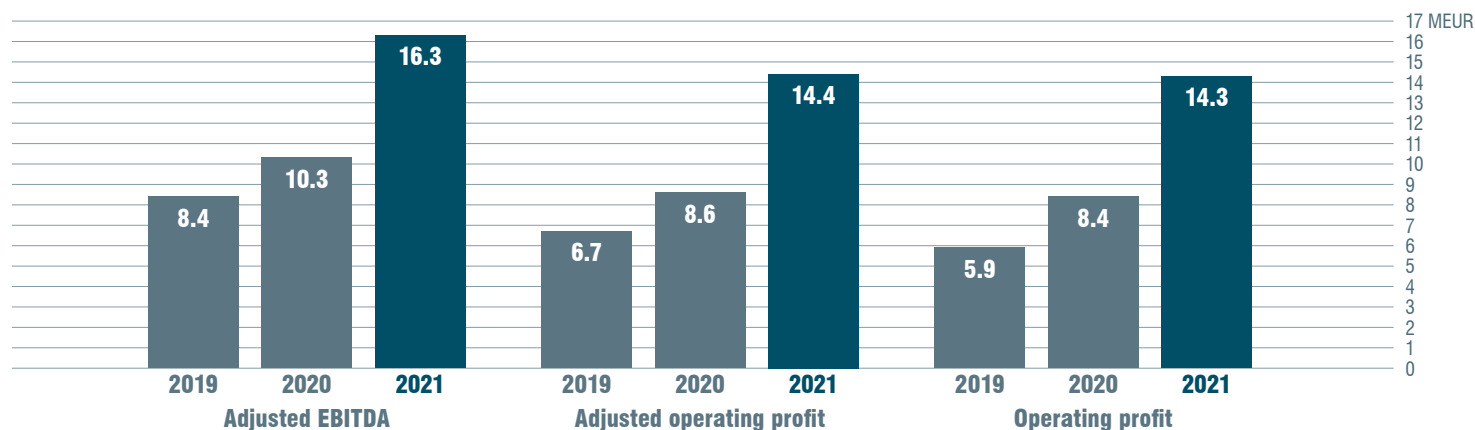
segment. The growth was particularly accelerated by fee income from funds. Also the active year within the capital markets services segment supported the Group's earnings performance. Alongside the growth in fee income, also the profitability of the Group improved. The proportion of operating profit increased during the financial period to 32.9 per cent (25.1 per cent), which illustrates the scalability of the business. The Group's operating profit rocketed by 71.5 per cent to EUR 14.3 million (EUR 8.4 million). Earnings per share were EUR 1.00 (EUR 0.60).

The values of nearly all asset categories continued to increase after the drop experienced in the year of the pandemic in 2020. Particularly the equity market exhibited strong growth during the year, propelled by the good earnings performance of companies. The favourable share price development in the stock exchanges and the degree of liquidity in the market also manifested themselves through capital markets transactions. As concerns new listings, for instance, the Helsinki stock exchange witnessed a record-breaking year. All and all, the demand for the Group's wealth management and capital markets services was at a high level during the financial period.

TURNOVER DEVELOPMENT



KEY FIGURES



The most substantial portion of the fees from the wealth management segment consisted of the fee income from funds. Both management and performance fees grew considerably compared to the preceding financial period. Ensuing from the positive market development, performance fees were achieved extensively, across a number of funds. The majority of the performance fees, however, were generated by real estate funds. These were, in turn, impacted by the sale of the body of real estate worth close to EUR 100 million carried out by the UB Nordic Property Fund (AIF) in September, which resulted in the recording of performance fees worth approximately EUR 1 million in United Bankers' profit for the financial period. Similarly, performance fees from timberland funds also remained solid during the financial period. Alongside funds, also fees from asset management, encompassing discretionary asset management, increased discernibly. Earnings from structured investment loans, on the other hand, declined substantially from the preceding year.

In line with its strategy, the United Bankers Group succeeded in increasing the proportion of recurring revenue in its business. Indeed, earnings from funds and asset management reached their all-time high. Their proportion of all of the company's net fee income amounted to approximately 90 per cent. The company's business focusing on alternative funds has in the past years been developed with determination, and the company is known as the leading wealth manager specialised in real assets in the Nordics. Timberland and real estate funds, as well as funds investing in the shares of real estate and infrastructure companies, indeed, play a pivotal role in the business of the company. The proportion of these funds of all fee income continued on its evident growth curve during the financial period. As concerns fund management fees, funds investing in real assets accounted for an 82-per cent portion during the financial period.

In capital markets services, the year was active, and the team focusing on corporate advisory and financing services was reinforced. The profit of the segment increased somewhat from the preceding year and its profitability improved.

During the first half of the financial period, the company completed the final measures related to the integration of UB Brokerage Com-

pany Ltd by deploying joint operative information systems. The use of joint information systems has allowed for the harmonisation of the operating models of the different units in accordance with the best practices, while simultaneously digitalising the daily work processes. The company estimates that going forward, processes and system development will become further optimised, as the company is able to focus on actions facilitating the enhancement of the customer experience and process optimisation through the development efforts of the joint system platform. Considerable efforts will be exerted towards reforming systems and digital services also in the future.

As a whole, the company's expenses increased somewhat from the preceding financial period. The administrative expenses, including personnel and other administrative expenses totalled EUR 21.7 million (EUR 18.6 million). The number of personnel, converted into full-time employees, increased from the preceding year and at the end of the year, the company employed 137 persons (129 persons as at 31 December 2020). Of this number, a total of 8 persons comprised fixed-term personnel (10 persons as at 31 December 2020).

The increase in personnel expenses is partially explained by new recruitments, effected particularly in an effort to support the forthcoming growth prerequisites of the organisation. These related, inter alia, to reinforcing portfolio management, sales and capital markets services. In addition to the growth in the number of personnel, the increase in personnel expenses is also explained by the increase in variable salaries compared to the reference period. Variable remuneration correlates with the success of the business operations. In addition to the earnings development, the management's equity-based incentive system is also impacted by the development of United Bankers' share price. The year 2021 exceeded the targets set for the equity-based incentive scheme for the performance period.

The company managed to proceed with the execution of its growth strategy in a controlled manner as far the related expenses are concerned. The cost-to-income ratio improved as compared to the year 2020 and amounted to 0.66 (0.74).

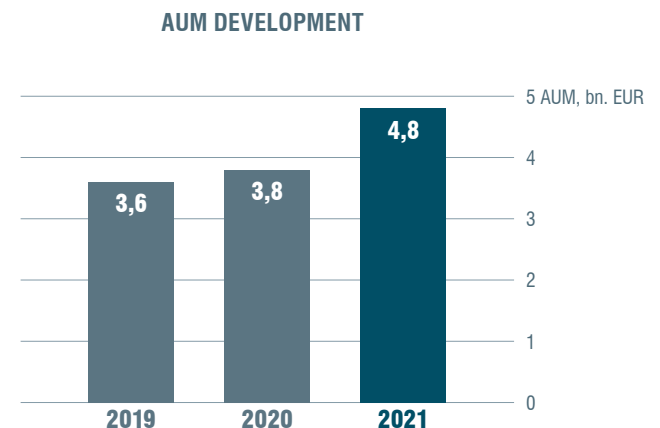
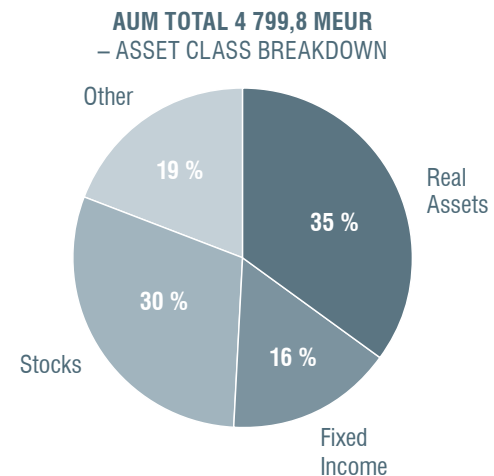
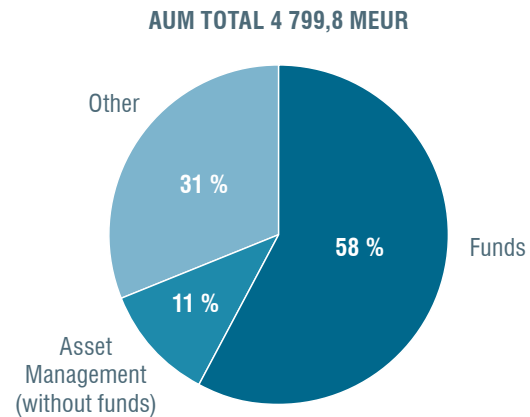
PERFORMANCE OF ASSETS UNDER MANAGEMENT

(reference figures as per 31 December 2020)

During the financial period, United Bankers' managed assets grew considerably and reached a new record at the end of the year at EUR 4 800 million (EUR 3 772 million). This represents a growth of over 27 per cent from the level at the end of the preceding year. Actions by states and central banks in support of economic growth, along with the gradual abatement of the COVID-19 restrictions restored investors' trust in the market in 2021. Indeed, the demand for wealth management products and services remained solid throughout the year. The favourable market development, in turn, supported the growth in assets under management through elevating the values of funds and wealth management portfolios. While the performance was particularly strong in the equity market, the timberland and real estate funds, offering a steadier return potential, continued to attract the highest number of new capital inputs.

A total of EUR 2 773 million of the assets under United Bankers' management were invested in funds (EUR 2 217 million), corresponding to 58 per cent of the Group's assets under management. Of the aforementioned capitals, a total of EUR 1 673 million were invested in real asset investments (EUR 1 361 million), corresponding to just over one third of the Group's assets under management.

The number of United Bankers' clients decreased to approximately 14 100 (15 700) from the end of the preceding financial period. At the same time, however, the amount of assets under management per client increased substantially. The decline in the number of clients is partially explained by the transfer of UB Brokerage Company Ltd's clients under the United Bankers systems as part of the finalisation of the system integration effected in the spring. In this connection, also certain overlapping data and client accounts with no existing holdings were removed from the calculation of the number of clients. During the year, the company also endeavoured to deactivate passive client accounts, since their management causes the company to incur costs and entails regulatory obligations. Going forward, the company aims to pay even closer attention to client-specific profitability. The objective is for the company to provide genuine added value to its clients through its expertise and services.



CEO'S REVIEW

PATRICK ANDERSON



As a result of the prolonged COVID-19 pandemic, the year 2021 was largely a continuum for the development that had commenced in 2020. The central bank-driven recovery measures continued to support the positive development of the investment markets, which also manifested itself in the growth and profitability of companies within our segment. For United Bankers, this entailed a growth of over 27 per cent in assets under management and topping the record-breaking year of 2020 with a sizeable margin – measured with all indicators. 2021 marked the third consecutive year when our revenue, profitability and assets under management smashed all previous records, and the return on all our 22 funds as well as our wealth management strategy were positive. Furthermore, the second half of 2021 also became the single strongest half-year period in the entire history of the company.

The revenue of the United Bankers Group increased in 2021 by 27.6 per cent, to EUR 43.8 million. Our adjusted EBITDA improved by 57.5 per cent, to EUR 16.3 million. Our operating profit in turn, increased by 67.1 per cent, to EUR 14.4 million, and the profit for the financial period increased by 71.9 per cent, to EUR 11.2 million. In the wealth management segment, the net fee income increased by 32.3 per cent, to EUR 35.3 million, while the net fee income from the capital markets services segment remained close to the level

of the preceding year, at EUR 2.7 million, representing a growth of 1.3 per cent. Our assets under management increased to EUR 4.8 billion. Net subscriptions for our funds, in turn, were EUR 316 million positive, a growth of 64.5 per cent compared to 2020. For the third year running, we were one of the most rapidly growing fund management companies in Finland, when net subscriptions are proportioned to fund assets.

The past year was an excellent testament to our ability to grow our fund and wealth management business, particularly the three fund segments most significant for our overall success: real estate, timberland, as well as listed real estate and infrastructure. In 2021, these three fund families, being at the very core of our strategy, already comprised 82 per cent of all of our fund management fee income, and represented over one half of capitals invested in funds. Of these three, real estate exhibited the most rapid growth, and, thanks to excellent success in terms of portfolio management, also generated the highest amount of performance fees. Our increasing focus on becoming an alternative wealth manager was also demonstrated by the fact that funds and asset management together comprised already over 90 per cent of all the net fee income within the Group. The company's focus is even clearer than before, and the 25-per cent growth in assets invested in funds

attained in 2021 entails for the commenced year more predictable cash flow than previously, based on fixed management fees, while simultaneously increasing the potential for performance fees in the coming years.

We continued to optimise our internal processes and our general cost-efficiency, for instance, through completing the integration of UB Brokerage Company Ltd and through merging UB Asset Management Tampere with UB Asset Management Ltd. Furthermore, we kept the focus of the organisation tightly on our core business. The results of such actions will in the future be discernible in the form of more rapid internal system development and simplified processes, which enhances not only the customer experience, but also our cost-efficiency. Indeed, the company is again slightly more streamlined than it was in the preceding year. This is also illustrated by our cost-income ratio, which improved to 0.66 (0.74).

We invested in our future growth by reinforcing portfolio management, sales and capital markets services. During the latter part of the year, we also exerted efforts towards supporting international sales and sustainability through key recruitments. The most significant initiative of 2021 was the launch of our private equity fund based on the forest industry transformation that we spent the entire year 2021 preparing. The new UB Forest Industry Green Growth Fund I Ky, investing its assets in the shares of unlisted forest industry companies, was granted marketing authorisation in December and began raising its assets just before the turn of the year. Through providing opportunities for investing in forestry and its carbon sequestration or plastic-replacing value chains and processes, United Bankers wants for its part to contribute towards mitigating climate change.

In 2021, we continued our work to advance both the company's sustainability aspects and our responsible investment activities. United Bankers' responsible operating methods are steered by the values that hold special significance for the company: customer-centricity, agility and team spirit, all of which are reflected both in our daily work and in the outcome of our work. The objective of our investment activities is to mitigate the adverse climate effects of our investments, as well as to increase their positive sustainability effects in the long term. In the spring of 2021, we adopted

the Proxy voting impacting service provided by the research and consultancy company ISS ESG, offering investors information in support of their decision-making in general meetings. In the spring of 2021, we also committed to reporting on the climate risks of our investment activities in accordance with TCFD's (Task Force for Climate Related Financial Disclosures) climate reporting recommendations. During 2021, our timberland funds established new permanent conservation zones under the voluntary METSO conservation programme, totalling approximately 252 hectares. Furthermore, a private conservation zone of 320 hectares was established under the framework of the HELMI action programme and the Natura 2000 project. United Bankers' updated Principles of Responsible Investment were published in December 2021 and our Annual Report on Responsible Investment 2021 will be published in March 2022. Additionally, we regularly report on the sustainability actions of our funds in the funds' actual regular reviews.

I would like to, once more, thank United Bankers' clients for their solid trust in the past year. In our most recent customer satisfaction survey, our customers highlighted as our primary strengths the high level of our expertise, as well as the personalised nature and flexibility of our services. These factors lay down the groundwork for forging long-standing and confidential customer relationships. Strong net subscriptions year after year demonstrate that we have been worthy of your trust and are headed in the right direction. This would not have been possible without the dedicated and professional UB team that is now in its second year of truly giving it all for the benefit of our clients, in an environment of exceptional arrangements and dispersed operations. Without this team by my side, the success of this year would not have been possible. I am especially proud of my team.

The efforts we have exerted in 2021 have laid down an excellent foundation for us to continue creating value for our clients and our other stakeholders, albeit as I am writing this, the air is thick with inflation fears and the threat of war. It is probable that in the commenced year, fluctuation levels will be higher than we are accustomed to. Indeed, the 35th anniversary year of our company is getting off to a thrilling start, but uncertainty is not always synonymous with a negative business environment – particularly when it comes to real assets.

WEALTH MANAGEMENT BUSINESS

The revenue of Group's wealth management business increased to a total of EUR 40.4 million (EUR 31.1 million). Indeed, the revenue increase from the preceding financial period was discernible, a total of 29.8 per cent. The majority of the fees from the wealth management business consisted of income received from funds, amounting to EUR 32.7 million (EUR 24.3 million), an increase of 34.6 per cent compared to the preceding year. Fees from asset management, in turn, grew by 40.4 per cent, to EUR 6.5 million (EUR 4.6 million). Fee income from structured products fell short of the preceding year, ultimately amounting to EUR 1.2 million (EUR 2.0 million), a decline of 42.2 per cent. Overall, net fee income from wealth management increased by 32.3 per cent, to EUR 35.3 million (EUR 26.7 million). The operating margin for the wealth management business soared during the financial period to EUR 16.2 million (EUR 10.6 million), increasing by a massive 52.8 per cent.

The favourable market environment supported the performance of United Bankers' funds in 2021. The return on all of the company's 22 funds was positive. The most successful funds during the year included the UB North America REIT fund, investing in listed real estate, with a return of 44.7 per cent, and UB Global REIT, with a return of 31.7 per cent, as well as equity funds UB American Equity, with a return of 38.1 per cent, and the UB PF Finland fund, with a return of 32.2 per cent. Also for real estate funds, the year was outstanding. Albeit the development within the Nordic real estate market was positive also generally speaking, the strong return performance of the funds is largely also explained by our excellent success in portfolio management work. Interest towards United Bankers' real estate funds continued to increase. Accordingly, during the year, UB Finnish Properties (AIF) and UB Nordic Property Fund (AIF) raised net subscriptions totalling over EUR 105 million.

In 2021, United Bankers introduced two new funds. At the end of March, the forest sector fund offering was supplemented with the new UB Timberland Global Fund (AIF). The fund invests globally in timberland, forest industry and the further processing of forest industry end-products. Assets are invested both in timberland funds and in listed timberland shares. In September, in turn, the UB Europe AI fund, investing its assets in the European equity market,

commenced its investment activities. The specialty of the fund is a portfolio management process leveraging modern methods based on artificial intelligence.

The positive market sentiment was reflected in the demand for investment services in 2021, but for United Bankers, the development was also clearly impacted by the company's ability to provide investors with a product and service offering that stands out from the mainstream. This manifested itself, for instance, in net fund subscriptions as a growth that outpaces the average growth in the market. The strong performance in the sale of products and services also reflected the successes in client work. In the customer satisfaction survey conducted in the summer of 2021, our customers highlighted as United Bankers' primary strengths the high level of our expertise, as well as the personalised nature and flexibility of our services. These factors lay the groundwork for forging long-standing and confidential customer relationships.

In the financial period, the total sales of the Group's wealth management products and services increased by 15.3 per cent from the preceding year, attaining the level of EUR 607.7 million (EUR 527.0 million). The proportion of funds and asset management from the total sales surged to as high as 90.4 per cent (82.9 per cent). Net subscriptions for United Bankers' funds during the year were extremely strong, totalling EUR 315.5 million (EUR 191.8 million). The figure includes the called-in capitals of funds in the legal form of a limited partnership. According to the statistics in Investment Research Finland's Fund Report, United Bankers was yet again in the top three among 23 fund management companies, when net fund subscriptions are proportioned to the fund capital under management.

At the end of the year, a total of EUR 3 288 million of United Bankers' assets under management were invested in funds or in discretionary asset management. Over 60 per cent of fund capitals, EUR 1 673 million in total, was invested in real asset investments.

Also the sales of discretionary asset management and our Private Investment Office wealth management geared towards very

wealthy private clients developed positively during the year. The response in the first year to our renewed wealth management service, UB 360, was very positive. The model provides our clients access to the competence of the entire company and its extensive product selection at once, simultaneously reconciling the best aspects of active investment and index investment. The UB 360 wealth management will be gradually replacing our old wealth management models.

The sale of structured investment loans declined compared to the preceding year. During the financial period, United Bankers introduced 23 new structured investment loans into the market and their sales amounted to EUR 27.3 million (EUR 51.4 million). Products relating to sustainability and environmental themes continued to increase their popularity and their relevance as a key component of our offering of structured products was solidified.

CAPITAL MARKETS SERVICES

The revenue of capital markets services decreased during the financial period to EUR 3.1 million (EUR 3.4 million). Instead, net fee income from capital markets services amounted to EUR 2.7 million (EUR 2.7 million), a growth of 1.3 per cent compared to the preceding year. The adjusted EBITDA of capital markets services improved by 10.2 per cent during the financial period, to EUR 1.2 million (EUR 1.1 million).

The year 2021 was active in terms of capital market transactions, and the Helsinki Stock Exchange experienced a record year in terms of new listings. The year was also active for UB Securities, when executing several capital market transactions. In February, UB Securities advised Enedo Oyj in a rights issue and in a directed share issue, in which Swedish listed Inission AB acquired 49 per cent of Enedo Oyj's share capital. In the transactions, Enedo raised gross proceeds of approximately EUR 12 million. During the spring, Brady Corporation, which is listed in the United States, made a public tender offer for the entire share capital of Finnish listed Nordic ID Plc, worth approximately EUR 8.1 million. UB Securities acted as exclusive financial advisor to Brady Corporation in the tender offer, which was the first public tender offer of a company listed on the Nasdaq First North Growth Market Finland. During the autumn, UB Securities advised Atoy Automotive Sweden AB, when it sold a majority stake in Latvia based APE Motors Ltd.

Moreover, UB Securities acted as lead manager in two IPOs. In June, Solwers raised a total of approximately EUR 9 million in gross proceeds in its IPO on the Nasdaq First North Growth Market. In addition to Solwers IPO, UB Securities acted as its financial advisor in the pre-IPO directed share issue, in which the company raised EUR 3 million in gross proceeds. Towards the end of the year, UB Securities acted as Joint Global Coordinator in Aiforia Technologies Plc's IPO. Aiforia Technologies raised gross proceeds of EUR 30 million when the company was listed on the Nasdaq First North Growth Market Finland in December.

UB Securities acts as a certified advisor to Arctic Minerals AB (publ) on the First North Growth Market in Sweden, as a certified advisor to Herantis Pharma Corporation on the First North Growth Market in Finland and Sweden, as well as the certified advisor to Solwers Plc and Aiforia Technologies Plc on the First North Growth Market in Finland.



OUTLOOK

Albeit the prolonged COVID-19 pandemic, along with the associated implications, is still overshadowing the outlook, it is, nevertheless, anticipated that the global economy will continue to grow also in 2022. The growth pace, however, is estimated to decelerate after the strong recovery experienced in 2021. In 2022, the global GDP growth is estimated to reach 4.3 per cent (5.9 per cent in 2021). The most notable downturn is expected to occur within the Chinese economy, while in Europe, the growth outlook is estimated to remain relatively positive.

The persistence of inflationary pressures is currently posing the most tangible risk for the economic growth of the current year. The escalation of costs, particularly of the price of energy, and the component shortage are still crippling numerous industries. This may entail profitability challenges for companies that are unable to shift the increased costs into the prices of their own products. Albeit some of the surge in inflation is estimated to be attributable to the COVID-19 pandemic and, therefore, to be of a temporary nature, it is uncertain how quickly and to what extent the inflationary pressures will subside.

The persistently high inflation figures have caused a resurgence of concerns that, especially in the United States, the central bank Fed would be compelled to tighten its monetary policy sooner than previously anticipated. Fed has already announced its plans for raising its reference rate of interest no less than five times during the current year. If monetary policy is tightened at a faster pace than anticipated, this could impair the economic outlook. In Europe, tensions in international politics and the price of energy are posing a risk of the deceleration of economic growth, and also the European Central Bank deems that the inflationary pressures will persist for longer than previously anticipated. Indeed, central banks will continue to occupy centre stage, much like in the previous years, and the implications of their actions are currently being carefully assessed from the perspective of future economic growth and of the investment markets. The increased stock exchange volatility experienced early this year is expected to continue, and the return outlook for the equity market for the year 2022 is normalising.

Despite the imminent interest rate increases, real interest rates are still expected to remain negative for several years to come. This

factor will continue to steer investments away from the fixed-income market, towards riskier investment objects. In the prevailing conditions, investors' interest towards real asset investments is expected to remain at a solid level, because these typically offer steadier return expectations than equity investments, an opportunity for cash flow income and inflation protection.

STRATEGY EXECUTION

United Bankers' financial performance and achievements in 2021 demonstrate its excellent success in executing its strategy. The predictability of business operations has increased as a result of the evident growth in the proportion of business functions generating a continuous cash flow. Also going forward, in growing our revenue, we will be focusing on the most profitable products and services. In selecting focus points and developing solutions, also long-term phenomena impacting the markets and demand are taken into consideration. One of the primary global megatrends is sustainability, which is also seen as an integral part of United Bankers' strategy and the Group's wealth management investment activities. The leveraging of technology is, similarly, an essential component in supporting future growth, both from the perspective of business scalability and the creation of the best customer experience possible.

The outlook for the execution of United Bankers' growth strategy appears positive also going forward. The company is embarking upon the year 2022 in circumstances, where its assets under management have rocketed to their all-time record. An increasing volume of assets under management is being invested in funds and in other services generating fixed management fees. Furthermore, investment objects intended to be of a long-term nature, such as funds investing in timberland and real estate, contain growing amounts of capital.

The future growth outlook has also been reinforced through focusing efforts towards developing those current and new business functions that entail the greatest potential for supporting future success. In this, United Bankers is relying on its strongest competence areas and expertise. Hence, real asset investment solutions will be at the core of business growth also from here on end. Interest in timberland and real estate funds is expected to remain high in the prevailing market environment. As concerns real estate funds, the general market activity supports the growth prerequisites of funds. The growth of timberland funds in Finland and in the surrounding areas is, instead, restricted by the scarcity in the supply of forest properties, as the popularity of forest investments appears to remain strong both among domestic and international investors.

In addition to its current selection of real asset funds, United Bankers is also developing alternative investment products in, inter alia, the forestry sector. Versatile real asset investment solutions will be spearheading, as the company expands its operations into high-potential international markets. An excellent example of this is the UB Forest Industry Green Growth Fund I Ky equity fund managed by UB Fund Management Company, relying on the reform and innovations of the forest industry that was granted marketing authorisation in December and whose operations will to the extent possible be launched during spring 2022. The fund's investment objects highlight the forest industry's endeavour to move towards increasingly sustainable operations. Timber will in the future be utilised in a way that allows for an increasingly larger portion of the carbon sequestered by trees to be stored. Timber raw material will also to an increasing extent be replacing products based on fossil raw materials. It is presumable that a substantial portion of the fund's capitals will be raised from international investors versed in the forest industry.

Financial guidance for 2022

While inflation remains high, central banks may be compelled to tighten their monetary policy at a faster pace than previously anticipated. Also geopolitical risks are on the rise as a result of the threatened conflict between Russia and Ukraine. These factors may impair the economic growth outlook and elicit increased uncertainty among investors. Market fluctuations are, indeed, expected to increase compared to 2021. Albeit the company believes its fixed management fees will continue to grow, the increased uncertainty in the market renders the prediction of the development of performance fees in particular, more difficult.

United Bankers estimates its adjusted operating profit to remain close to the level of 2021, provided the market conditions do not take a radical turn for the worse.

Board of Directors' proposal concerning profit distribution

The Board of Directors proposes to the Annual General Meeting of Shareholders that based on the balance sheet adopted for the financial period ended on 31 December 2021, a total dividend of EUR 0.80 per share be distributed. The Board of Directors proposes for the ordinary dividend to amount to EUR 0.70 per share. In addition, it proposes the payment of an extra dividend in the amount of EUR 0.10 to celebrate United Bankers' 35th anniversary. The total dividend distribution in accordance with the proposal, calculated at the number of shares outstanding at the date of the financial statements, amounts to EUR 8 307 542,40. No dividend shall be payable on treasury shares in the possession of the company. The record date of the dividend distribution will be 25 March 2022 and the dividend is proposed to be paid out on 1 April 2022.

United Bankers Plc's half-year report for the period of 1 January through 30 June 2022 will be published on or about 26 August 2022.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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United Bankers in brief: United Bankers Plc is a Finnish expert on asset management and investment markets, established in 1986. United Bankers Group's business segments include asset management and capital markets services. In asset management, the Group specializes in real asset investments. United Bankers Plc is majority-owned by its key personnel and the Group employs 137 employees (FTE) and 31 agents (31 December 2021). In 2021, the United Bankers Group's revenue totalled EUR 43.8 million and its adjusted operating profit amounted to EUR 14.4 million (IFRS). The Group's managed assets amount to approximately EUR 4.8 billion (31 December 2021). United Bankers Plc's shares are listed on the Nasdaq Helsinki Stock Exchange List. The Group companies are subject to oversight by the Finnish Financial Supervisory Authority. For further information on United Bankers Group, please visit www.unitedbankers.fi.

CONSOLIDATED KEY FIGURES

Income Statement and Profitability Figures	7-12/2021	7-12/2020	1-12/2021	1-12/2020
Revenue, 1000 EUR	22 783	16 489	43 828	34 358
EBITDA, 1000 EUR	9 002	3 921	16 257	10 043
EBITDA, % of revenue	39,5 %	23,8 %	37,1 %	29,2 %
Adjusted EBITDA, 1000 EUR	9 002	3 953	16 257	10 321
Adjusted EBITDA, % of revenue	39,5 %	24,0 %	37,1 %	30,0 %
Operating profit, 1000 EUR	8 032	3 090	14 319	8 350
Operating profit, % of revenue	35,3 %	18,7 %	32,7 %	24,3 %
Adjusted operating profit, 1000 EUR	8 032	3 123	14 419	8 627
Adjusted operating profit, % of revenue	35,3 %	18,9 %	32,9 %	25,1 %
Profit for the period, 1000 EUR	6 330	2 444	11 210	6 523
Profit for the period, % of revenue	27,8 %	14,8 %	25,6 %	19,0 %
Earnings per share, EUR	0,56	0,21	1,00	0,60
Earnings per share, EUR (diluted)	0,56	0,21	0,98	0,59
Cost-to-income ratio	0,65	0,80	0,66	0,74
Return on equity (ROE), %	27,2 %	17,2 %	26,9 %	17,1 %
Return on assets (ROA), %	15,8 %	11,5 %	16,4 %	10,8 %
Average number of shares	10 392 429	10 424 295	10 396 110	10 423 731
Average number of shares (diluted)	10 518 950	10 454 881	10 513 493	10 501 133

Other key figures	31.12.2021	31.12.2020
Dividend per share, EUR	0,80*	0,51
Equity per share, EUR	4,19	3,73
Share price at the end of the period, EUR	14,20	10,70
Market capitalisation, 1000 EUR	148 275	111 728
Equity ratio, %	56,7 %	66,9 %
Capital adequacy ratio, %	24,9 %	17,8 %
Personnel at the end of the period (FTE)*	137	129
Number of clients at the end of the period	14 100	15 700
Assets under management at the end of the period, MEUR	4 800	3 772
Number of share at the end of the period (outstanding shares)	10 384 428	10 402 198

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

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

	7-12/2021	7-12/2020	1-12/2021	1-12/2020
Items affecting comparability				
Additional purchase price paid for acquisitions	0	12	0	39
Expenses for Helsinki Stock Exchange listing	0	20	0	239
Write-down of goodwill	0		100	
Items affecting comparability total	0	32	100	278
EBITDA	9 002	3 921	16 257	10 043
Adjusted EBITDA	9 002	3 953	16 257	10 321
Operating profit	8 032	3 090	14 319	8 350
Adjusted operating profit	8 032	3 123	14 419	8 627

*The Board of Directors' proposal concerning the dividend payable for the 2021 financial period: ordinary dividend to EUR 0.70 per share and an extra dividend of EUR 0.10

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

1 000 EUR	7-12/2021	7-12/2020	1-12/2021	1-12/2020
Fee and commission income	22 722	15 860	43 306	33 969
Net gains or net losses on trading in securities and foreign currencies	26	647	400	138
Income from equity investments	2	1	20	17
Interest income	28	-21	91	68
Other operating income	6	2	10	166
Total revenue	22 783	16 489	43 828	34 358
Fee and commission expense	-2 510	-2 325	-5 289	-4 614
Interest expense	-41	-74	-136	-137
Administrative expenses				0
Personnel costs	-8 070	-7 621	-16 254	-13 966
Other administrative expenses	-2 953	-2 217	-5 402	-4 630
Depreciation, amortisation and impairment of tangible and intangible assets	-969	-831	-1 938	-1 694
Other operating expenses	-264	-347	-519	-963
Expected credit losses on loans and other receivables	57	15	28	-5
Operating profit	8 032	3 090	14 319	8 350
Income taxes	-1 702	-646	-3 109	-1 826
Profit for the period	6 330	2 444	11 210	6 523
Profit for the period attributable to	6 330	2 444	11 210	6 523
Equity holders of parent company	5 851	2 232	10 347	6 234
Non-controlling interest	479	212	864	289

SEGMENT INFORMATION

1.1.-31.12.2021

1 000 EUR

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

1.1.-31.12.2020

1 000 EUR

	Wealth management	Capital Markets services	Other	Group Total
INCOME				
Fee income	30 937	3 032	-	33 969
Interest income	33	9	26	68
Net gains/losses on trading in securities and foreign currencies	-1	355	-215	138
Income from equity investments	3	0	14	17
Other operating income	165	2	-	166
TOTAL REVENUE	31 135	3 398	-175	34 358
Fee and commission expenses	-4 258	-355	-	-4 614
Interest expenses	-46	-9	-81	-137
Total fee and interest expenses	-4 305	-365	-81	-4 751
NET REVENUE	26 831	3 033	-257	29 607
Administrative expenses				
Personnel expenses	-11 947	-1 252	-767	-13 966
Other administrative expenses	-3 769	-564	-296	-4 630
Expected credit losses on loans and other receivables	-	-	-5	-5
Other operating expenses	-535	-111	-316	-963
Total expenses	-16 251	-1 928	-1 384	-19 564
EBITDA	10 579	1 105	-1 641	10 043

H2/2021 1.7.-31.12.2021

1 000 EUR

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

H2/2020 1.7.-31.12.2020

1 000 EUR

	Wealth management	Capital Markets services	Other	Group Total
INCOME				
Fee income	13 624	2 236	-	15 860
Interest income	28	-49	-	-21
Net gains/losses on trading in securities and foreign currencies	33	396	218	647
Income from equity investments	-	-	1	1
Other operating income	1	-	-0	2
TOTAL REVENUE	13 687	2 583	219	16 489
Fee and commission expenses	-2 277	-48	-	-2 325
Interest expenses	-39	12	-46	-74
Total fee and interest expenses	-2 316	-37	-46	-2 399
NET REVENUE	11 370	2 546	173	14 090
Administrative expenses				
Personnel expenses	-6 477	-714	-430	-7 621
Other administrative expenses	-1 906	-193	-118	-2 217
Expected credit losses on loans and other receivables	-	-	15	15
Other operating expenses	-253	-40	-55	-347
Total expenses	-8 636	-946	-587	-10 169
EBITDA	2 735	1 600	-414	3 921

CONSOLIDATED BALANCE SHEET

1 000 EUR	31.12.2021	31.12.2020
ASSETS		
Liquid assets	0	0
Claims on credit institutions	14 324	10 124
Claims on the public and public-sector entities	25	99
Debt securities	752	1 465
Shares and units	8 704	7 171
Goodwill	15 593	15 693
Other intangible assets	4 279	3 976
Tangible assets	3 096	1 483
Other assets	30 632	17 778
Accrued income and prepayments	754	612
Deferred tax assets	3	15
Total assets	78 163	58 417
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities to credit institutions	2 000	2 000
Other liabilities	22 204	9 972
Accrued expenses and deferred income	8 272	6 036
Deferred tax liabilities	1 350	1 322
Total liabilities	33 826	19 330
EQUITY		
Share capital	5 464	5 438
Reserve for invested non-restricted equity	21 372	21 372
Retained earnings	16 670	11 987
Non-controlling interest in capital	830	291
Total equity	44 337	39 087
Total liabilities and equity	78 163	58 417

CONSOLIDATED CASH FLOW STATEMENT

1 000 EUR	1.7.-31.12.2021	1.7.-31.12.2020	1.1.-31.12.2021	1.1.-31.12.2020
Cash flow from operating activities				
Income received from sales	21 427	12 195	40 472	32 217
Other operating income received	6	2	10	166
Operating costs paid	-12 521	-10 477	-24 858	-22 967
Cash flow from operating activities before finance costs and taxes	8 912	1 720	15 625	9 416
Paid interest expenses and other finance cost from operating activities	-31	-59	-116	-108
Interest received	39	-1	102	88
Income taxes paid	-1 666	-373	-2 525	-544
Cash flow from operating activities (A)	7 254	1 287	13 086	8 852
Cash flow from investing activities				
Acquisition of tangible and intangible assets	-703	-704	-1 494	-1 127
Changes in receivables from the public	52	-46	73	-
Investments in subsidiaries	-117	-17	-117	-326
Dividends received from investments	2	1	20	17
Investments in financial assets	-1 482	-4 307	-745	-3 122
Cash flow from investing activities (B)	-2 248	-5 072	-2 263	-4 558
Cash flow from financing activities				
Acquisition of own shares	-151	-327	-495	-434
Increase in non-current liabilities	-	-	1 140	60
Decrease in non-current liabilities	-1 140	-868	-1 140	-868
Repayment of lease liabilities	-255	-253	-511	-506
Dividends paid to non-controlling interest	-21	-	-324	-50
Dividends paid to equity holders of parent company	-	-	-5 309	-4 488
Cash flow from financing activities (C)	-1 566	-1 448	-6 639	-6 286
Net cash flows from operating, investing and financing activities (A+B+C)	3 440	-5 232	4 184	-1 992
Change in cash and cash equivalents	3 440	-5 232	4 184	-1 992
Cash and cash equivalents at the beginning of the year	10 860	15 337	10 124	12 109
Effect of expected credit losses on claims on credit institutions	24	20	16	7
Cash and cash equivalents at the end of period	14 324	10 124	14 324	10 124

