

A black and white photograph of a grand, classical building facade. The building features ornate architectural details, including arched windows, decorative moldings, and a prominent corner structure. The image is used as a background for the text.

**eQ Plc – Q3 result 2018  
- result presentation 29 October 2018**

# eQ Group – Key figures

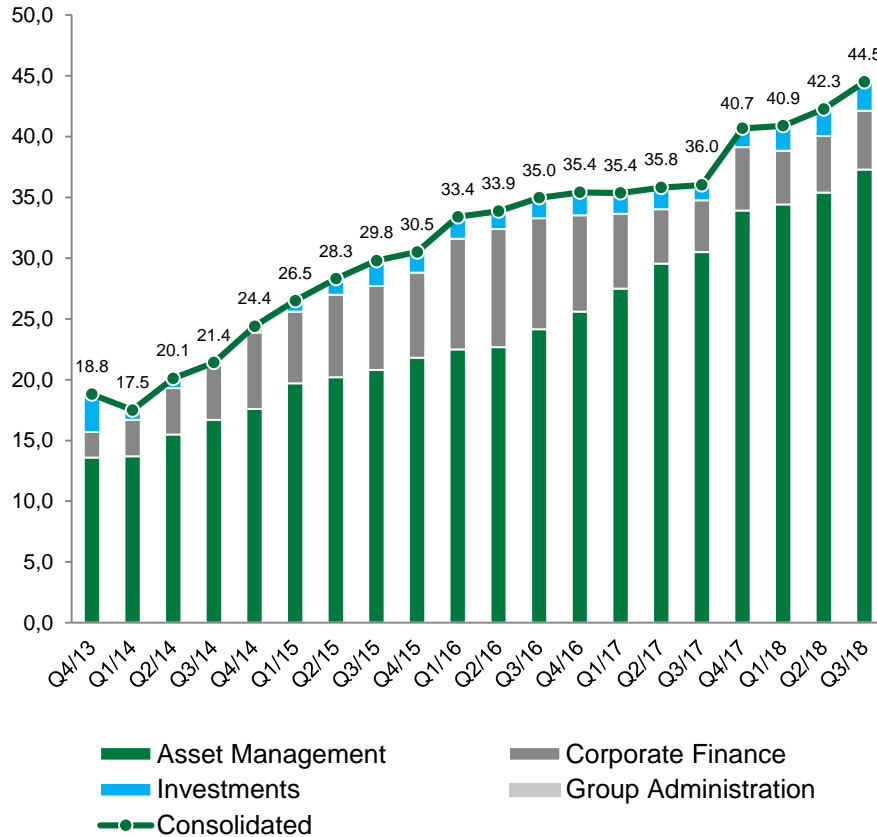


EUR million	1-9/2018	1-9/2017	Change%	1-12/2017
Net revenue	30.6	26.8	14%	40.7
Operating profit	15.1	12.8	17%	20.1
Profit for the period	11.9	10.1	18%	15.9
Earnings per share (EUR)	0.32	0.27	17%	0.43
Cost income -ratio, %	50.9	52.1	-2%	50.5
Liquid assets	15.8	8.4	88%	24.7
Investments in private equity funds	17.9	20.1	-11%	18.8

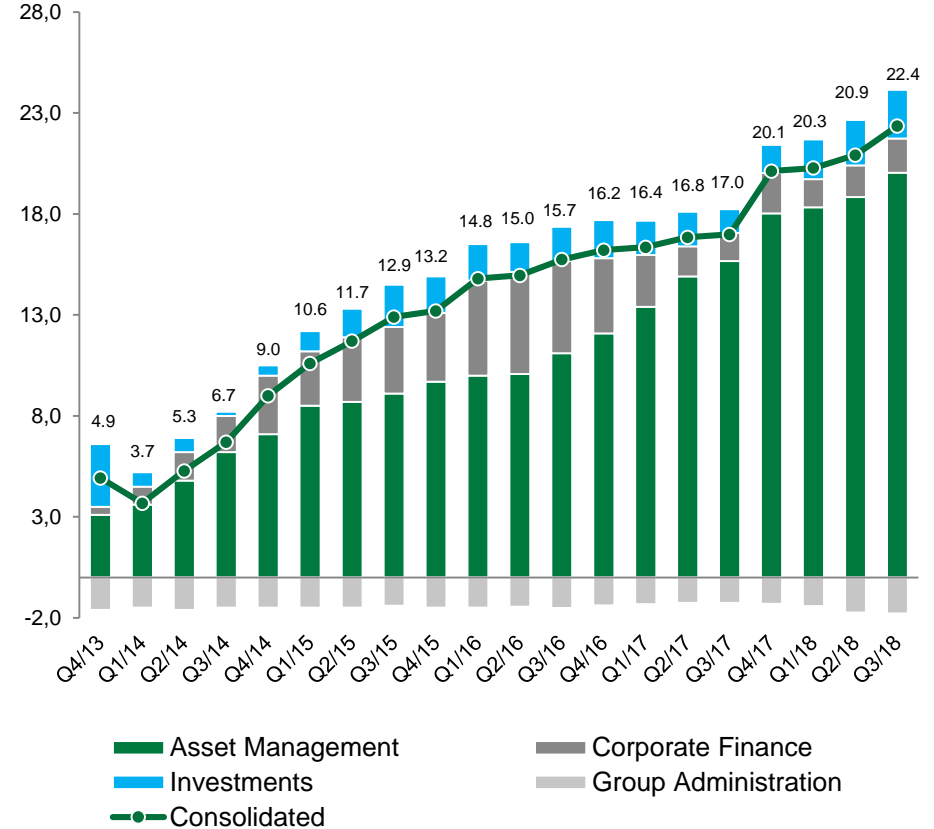
# eQ Group – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



- eQ Group's rolling 12-month operating profit has already grown for 18 consecutive quarters.

# eQ Group – Balance sheet



## ASSETS

(EUR million)

9/2018 12/2017

Liquid assets	0.0	0.0
Claims on credit institutions	9.2	14.6
Financial assets		
Financial securities	6.5	10.1
Private equity fund investments	17.9	18.8
Intangible assets	29.5	29.4
Tangible assets	0.3	0.3
Other assets	3.9	2.7
Accruals and prepaid expenditure	0.5	0.6
Income tax receivables	0.1	0.0
Deferred tax assets	-	0.3

**TOTAL ASSETS**

**67.9 76.8**

## LIABILITIES AND EQUITY

(EUR million)

9/2018 12/2017

Other liabilities	3.6	3.9
Accruals and deferred income	7.8	9.1
Income tax liabilities	0.2	0.8
Deferred tax liabilities	0.1	0.3
<b>TOTAL LIABILITIES</b>	<b>11.6</b>	<b>14.1</b>
Share capital	11.4	11.4
Fair value reserve	-	-0.2
Reserve for invested unrestricted equity	27.0	29.6
Retained earnings	5.9	5.9
Profit (loss) for the period	11.9	15.9
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>56.3</b>	<b>62.7</b>

**TOTAL LIABILITIES AND EQUITY**

**67.9 76.8**

- **Liquid assets 15.8 M€**
- **Private equity fund investments 17.9 M€**
- **Interest-bearing liabilities 0.0 €**
- **Solvency ratio 12.7%**



# ***Asset Management***



# Asset Management – Income statement



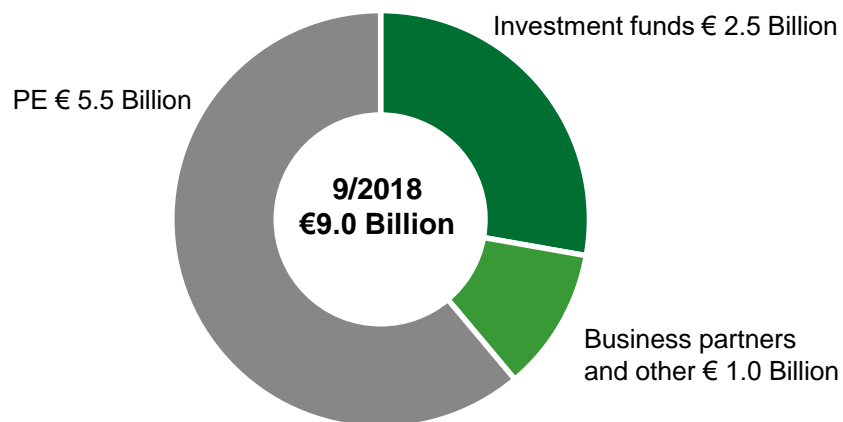
EUR million	1-9/2018	1-9/2017	Change %	1-12/2017
<b>NET REVENUE</b>	<b>26.8</b>	<b>23.5</b>	<b>14%</b>	<b>33.9</b>
Personnel expenses	-10.1	-8.8	16%	-12.6
Other administrative expenses	-1.2	-1.2	3%	-1.7
Depreciation	-0.1	-0.2	-36%	-0.2
Other operating expenses	-1.0	-1.0	4%	-1.3
<b>OPERATING PROFIT</b>	<b>14.4</b>	<b>12.4</b>	<b>16%</b>	<b>18.0</b>
Cost-income ratio, %	46.4	47.2	-2%	46.8

# Asset Management – Fee income and Aum

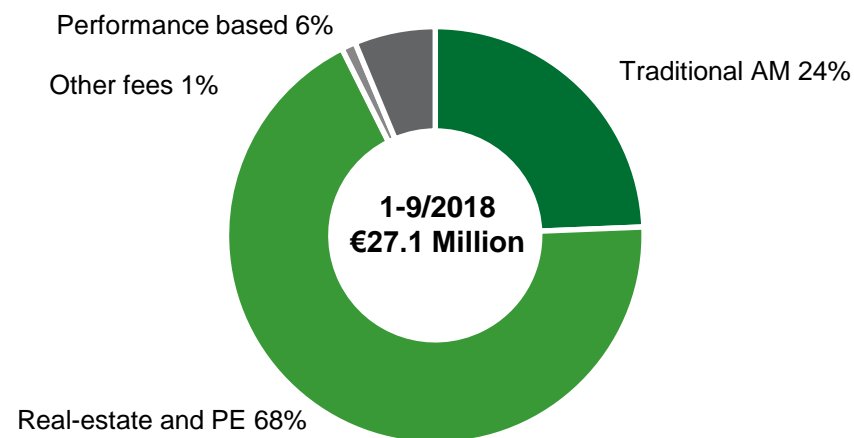


EUR million	1-9/2018	1-9/2017	Change %	1-12/2017
Management fees – Traditional AM	6.6	6.6	1%	8.9
Management fees – Real-estate and PE	18.5	13.3	39%	18.4
Other fees	0.3	0.5	-51%	0.6
Performance based fees	1.7	3.3	-48%	6.4
<b>TOTAL</b>	<b>27.1</b>	<b>23.7</b>	<b>15%</b>	<b>34.3</b>

## Assets under management 9/2018



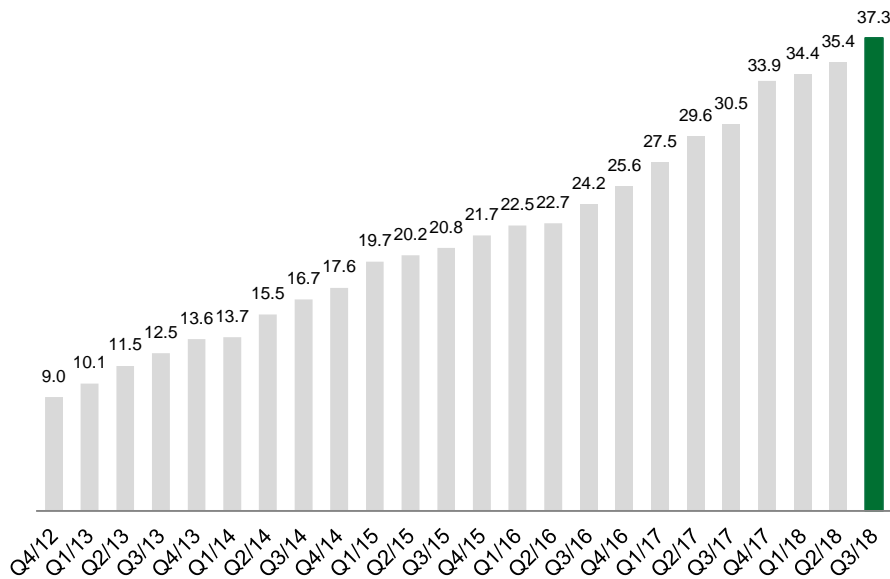
## Fee income 1-9/2018



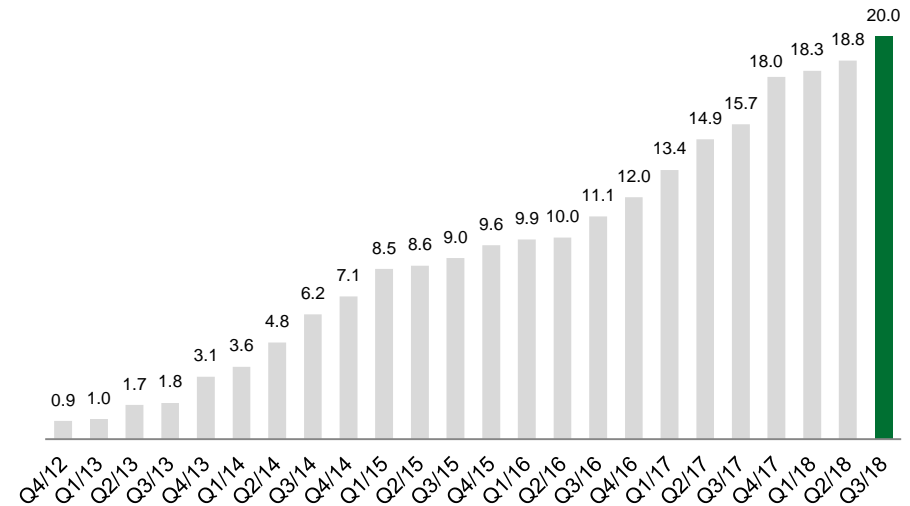
# Asset Management – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



- Asset Management segment's rolling 12-month operating profit has already grown for 23 consecutive quarters.



# Asset Management – Mutual funds



Fund	Since the beginning of the year			3 years p.a.			Morning-star
	Return*	Comparison	Diff.	Return*	Comparison	Diff.	
<b>Gros returns 30 September 2018</b>							
<b>Fixed income funds</b>							
eQ Money Market	-0,14 %			0,04 %			
eQ Euro Floating Rate	-0,72 %	-0,25 %	-0,47 %	1,05 %	-0,27 %	1,31 %	no rating
eQ Government Bond	-1,48 %	-0,48 %	-1,00 %	1,17 %	1,11 %	0,07 %	☆☆☆☆☆
eQ Euro Investment Grade	-0,50 %	-0,55 %	0,05 %	4,27 %	2,59 %	1,68 %	☆☆☆☆☆
eQ High Yield	0,41 %	0,28 %	0,13 %	6,48 %	6,05 %	0,43 %	☆☆☆☆☆
eQ Emerging Markets Corporate Bond	-3,02 %	-3,25 %	0,23 %	3,28 %	3,36 %	-0,08 %	☆☆☆☆☆
eQ Emerging Markets Corporate Bond Local	-4,23 %			5,09 %			☆☆☆☆☆
<b>Equity funds</b>							
eQ Finland	10,99 %	12,31 %	-1,32 %	15,89 %	16,86 %	-0,98 %	☆☆☆☆☆
eQ Nordic Small Cap	5,64 %	9,37 %	-3,74 %	10,37 %	13,34 %	-2,97 %	☆☆☆☆☆
eQ Europe Property	20,22 %	0,25 %	19,97 %	11,19 %	3,15 %	8,04 %	☆☆☆☆☆
eQ Europe Dividend	1,09 %	0,84 %	0,25 %	6,18 %	5,91 %	0,27 %	☆☆☆☆☆
eQ Frontier Markets	-7,28 %	-9,67 %	2,39 %	5,37 %	3,93 %	1,44 %	☆☆☆☆☆
eQ CO2	15,92 %	9,00 %	6,92 %	18,39 %	12,05 %	6,35 %	☆☆☆☆☆
eQ Emerging Asia	-12,63 %	-2,68 %	-9,95 %	8,61 %	12,55 %	-3,94 %	☆☆☆☆☆
eQ Emerging Dividend	-4,26 %	-4,55 %	0,29 %	14,64 %	10,88 %	3,76 %	☆☆☆☆☆
eQ Emerging Markets Small Cap	-1,20 %	-9,33 %	8,13 %				
eQ Russia	-4,00 %	6,75 %	-10,75 %	19,64 %	13,20 %	6,43 %	☆☆☆☆☆
<b>Real Estate Funds</b>							
eQ Care	8,26 %			11,85 %			no rating
eQ Finnish Real Estate	6,91 %			11,73 %			no rating
<b>Balanced Funds</b>							
eQ Mandate	1,95 %						☆
<b>Funds managed by business partners</b>							
eQ Euro Investment Grade Bond Index	-0,20 %	-0,50 %	0,30 %	2,04 %	1,88 %	0,16 %	☆☆☆☆☆
eQ Europe Active	10,99 %	0,84 %	10,14 %				no rating
eQ Europe Stock Index	1,15 %	0,84 %	0,31 %	6,67 %	6,29 %	0,37 %	☆☆☆☆☆
eQ Japan Stock Index	4,98 %	5,02 %	-0,03 %	10,59 %	10,65 %	-0,07 %	☆☆☆☆☆
eQ Emerging Markets Stock Index	-4,95 %	-4,55 %	-0,39 %	10,80 %	10,88 %	-0,08 %	☆☆☆☆☆
eQ US Stock Index	13,78 %	13,81 %	-0,03 %	15,07 %	15,05 %	0,02 %	☆☆☆☆☆
<b>Average (funds managed by eQ)</b>							
	1,58 %	0,42 %	0,59 %	8,17 %	5,51 %	1,15 %	☆☆☆☆☆
<b>Funds that have exceeded the comparison index (Funds managed by eQ)</b>							
			60 %			71 %	

\* gros income before management fees

# Asset Management – eQ Real Estate funds



## eQ Care

- Invests in modern care properties
- Well-diversified portfolio
  - 180 properties
  - Investments in properties catering to different care sectors with a broad geographical spread focusing on Southern Finland
  - Tenants include leading public and private sector care providers
- Avg. lease maturity: 8 years
- Vacancy 0%
  
- Invested capital: €873
- Equity (NAV): €670m
- 2018 YTD net subscriptions: €144m
  
- Return 2018 YTD: 6.7%
- Return from start: 9.0% p.a.

## eQ Finnish Real Estate

- Invests in commercial real estate
- Currently 37 properties in the investment portfolio
  - Focus on mainly office and retail properties
  - Well-diversified tenant base with blue chip tenants such as Alko, HUS, Kesko, Lidl, Nordea, Posti, Power, SATO, S-Ryhmä, Tokmanni, XXL
  - The properties are located in the Helsinki area and other Finnish growth regions
- Avg. lease maturity: 6 years
- Vacancy 5%
  
- Invested capital: €706m
- Equity (NAV): €581m
- 2018 YTD net subscriptions: €134m
  
- Return 2018 YTD: 5.4 %
- Return from start: 9.7 % p.a.

# Asset Management – Private Equity



## Private Equity - Fund of funds

Founded	Fund	Size	Stage	Investors
2018	eQ PE SF II	€135m	Investing	23
2018	eQ PE X North	€175m	Investing	85
2017	eQ PE SF	€124m	Fully invested	10
2017	eQ PE IX US	\$105m	Investing	52
2016	eQ PE VIII North	€160m	Fully invested	78
2015	eQ PE VII US	\$80m	Fully invested	34
2013	eQ PE VI North	€130m	Fully invested	42
2011	Amanda V East	€50m	Fully invested	24
2007	Amanda IV West	€90m	Fully invested	8
2006	Amanda III Eastern PE	€110m	Fully invested	34
2003	Mandatum PE Fund II	€20m	Fully invested	2
2002	Mandatum PE Fund I	€50m	Fully invested	7
2001	European Fund Inv. UK	€88m	Fully invested	15

**The goal is to set up at least one new fund every year**

## Private Credit

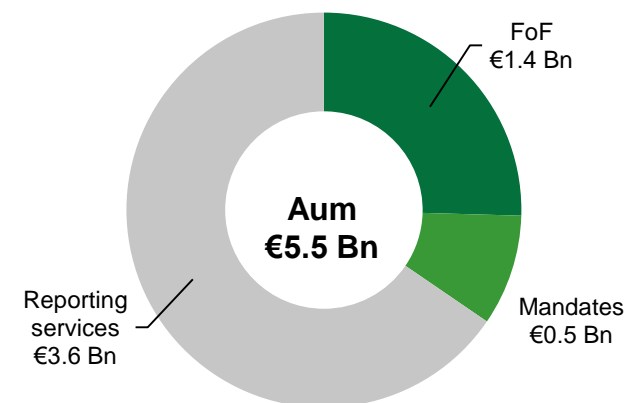
Founded	Fund	Size	Stage	Investors
2017	eQ Private Credit	€92m	Fully invested	38

## Managed accounts

- Manages private equity operations of clients

### Example of clients

- Church of Finland
- Finnish Cultural Foundation
- Technology Industries of Finland and foundations within the field of technology



*Professional team with lot of experience and exceptional investment success, average return of 21% p.a. (1997-Q3 2018)*

The background of the slide is a blurred image of a financial document. It features a bar chart with several bars of varying heights. To the left of the chart, there are labels for states: 'North Carolina', 'Georgia', 'Pennsylvania', 'Maryland', and 'New Jersey'. A silver pen is lying diagonally across the bottom left of the chart. The text 'Corporate Finance' is overlaid on a semi-transparent white rectangular box in the center-right of the image.

# ***Corporate Finance***

## Advium Corporate Finance

- Leading Finnish Corporate Finance advisor
- Completed over 180 transactions for a value of more than 13 billion euro
- 14 professionals with experience from Corporate Finance, Private Equity and Real Estate transactions

### Mergers & acquisitions

#### Leading Finnish M&A advisor

- Divestments
- Acquisitions
- Feasibility studies
- Other services

**100 completed transactions since 2000 –  
value more than € 5.0 billion**

### Real estate transactions

#### # 1 Finnish real estate advisor

- Portfolio and large single-asset transactions
- Sale and leaseback transactions
- Other services

**Over 80 completed transactions since 2000 –  
value more than € 9.0 billion**

#### TNS Prospera:

Advium fourth best M&A advisor in Finland

#### Euromoney:

Adviumin has been awarded as best Finnish real estate advisor eleven times since 2005











# Corporate Finance – Latest transactions



## M&A Transactions and Equity capital markets

 <p>acquired</p>  <p>Advisor to the Sellers July 2018</p>	<p>A group of investors and management owners</p> <p>sold</p>  <p>to</p>  <p>Advisor to the Sellers June 2018</p>	 <p>has agreed to sell</p> <p>its personal accident and travel insurance business</p> <p>to</p>  <p>Advisor to the Seller Pending</p>	<p>Piinom Oy</p> <p>sold</p>  <p>to</p>  <p>Advisor to the Seller December 2017</p>	 <p>sold 10.6 % in</p>  <p>for € 60 million to</p>  <p>Advisor to the Seller October 2017</p>	 <p>merged with</p>  <p>Fairness Opinion to Ilmarinen</p> <p>June 2017</p>	<p>Väistö Group Oy</p> <p>acquired</p>  <p>Advisor to the Sellers March 2017</p>
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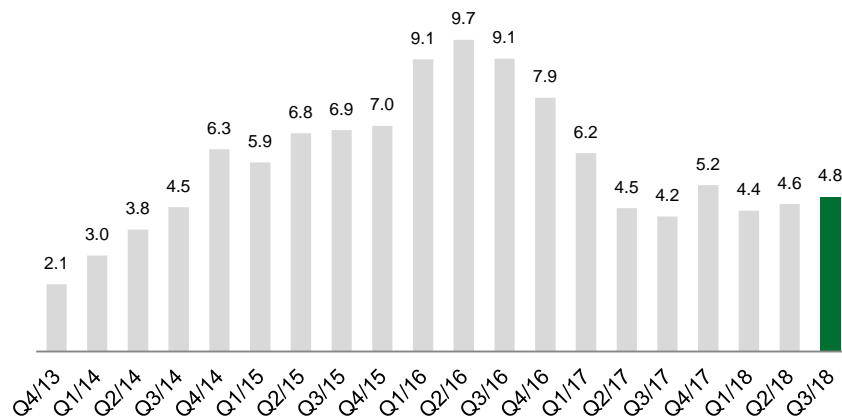
## Real estate transactions

<p>Antero Vartia</p> <p>sold</p> <p>shares in public sauna and restaurant complex</p>  <p>Advisor to the Seller October 2018</p>	 <p>sold</p> <p>its former HQ in the Helsinki CBD</p> <p>Advisor to the Seller October 2018</p>	 <p>sold</p> <p>a portfolio of 1,600 apartments</p> <p>for € 97 million to</p>  <p>Advisor to the Seller April 2018</p>	<p>marimekko</p> <p>sold</p> <p>its HQ and production property in Helsinki</p> <p>to</p>  <p>Advisor to the Seller April 2018</p>	 <p>sold</p> <p>two office properties in Helsinki</p> <p>to</p>  <p>Advisor to the Seller 2018</p>	 <p>sold</p> <p>a retail property portfolio</p> <p>to</p>  <p>Advisor to the Seller December 2017</p>	<p>sanoma</p> <p>sold</p> <p>a prime CBD office in Helsinki</p> <p>to</p>  <p>Advisor to the Seller December 2017</p>
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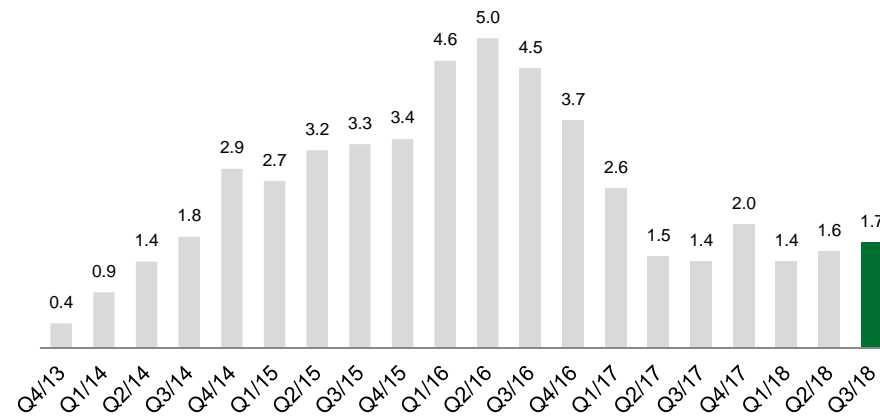
# Corporate Finance – Key figures



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



EUR million	1-9/2018	1-9/2017	Change %	1-12/2017
<b>NET REVENUE</b>	<b>2.3</b>	<b>2.7</b>	<b>-15%</b>	<b>5.2</b>
Personnel expenses	-1.4	-1.4	-5%	-2.5
Other administrative expenses	-0.2	-0.3	-18%	-0.4
Depreciation	-0.0	-0.0	-35%	-0.0
Other operating expenses	-0.1	-0.1	9%	-0.3
Impairment losses of receivables	-	-	-	-0.0
<b>OPERATING PROFIT</b>	<b>0.4</b>	<b>0.7</b>	<b>-40%</b>	<b>2.0</b>
Cost-income ratio, %	80.2	72.0	11%	61.7

A background image showing a blurred bar chart on a document. The chart has several bars of varying heights. In the foreground, a silver pen is lying diagonally across the bottom left. The text 'Investments' is overlaid on a white rectangular box in the upper right quadrant of the image.

# ***Investments***



# Investments – Key figures



EUR million	1-9/2018	1-9/2017	1-12/2017
Returned capital (excl. profit)	3.0	2.1	3.3
Distribution of profits	1.3	0.8	1.7
Capital calls	-1.7	-2.3	-3.2
<b>Net cash flow</b>	<b>2.6</b>	<b>0.7</b>	<b>1.9</b>
Market value	17.9	20.1	18.8
Investment commitments	8.0	9.7	8.9
<i>Profit and loss</i>			
Distribution of profits	1.3	0.8	1.7
Value changes recognized through p&l	0.4	-	-
Write-downs	-	-0.0	-0.1
Group internal management fee	-0.2	-0.2	-0.2
<b>Profit of the Investments –segment</b>	<b>1.6</b>	<b>0.6</b>	<b>1.4</b>

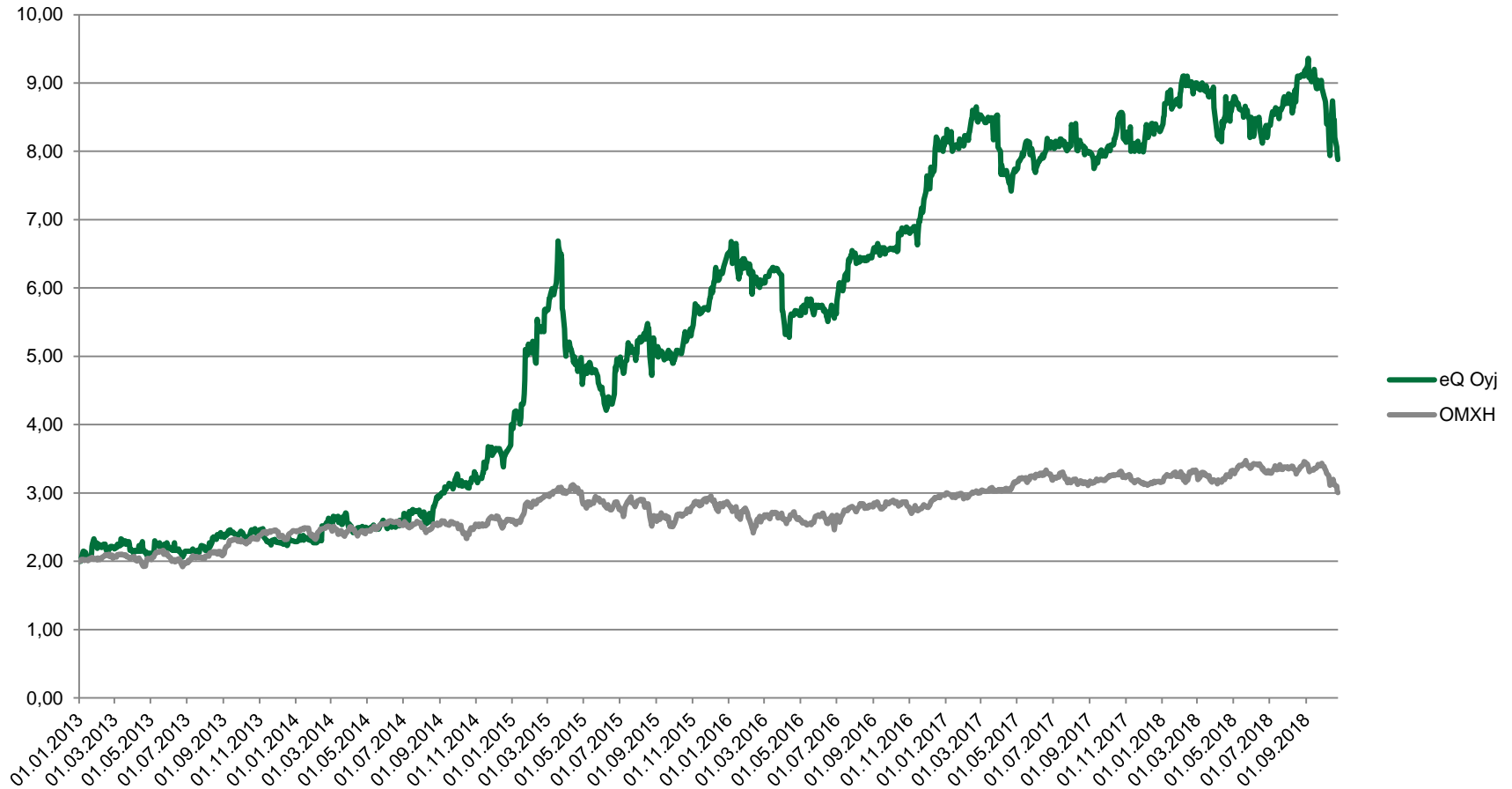
- eQ Plc made during the accounting period an EUR 1.0 million investment commitment to the eQ PE X North Fund.
- The value changes of the investments have been recognised through p&l since the beginning of 2018 as a result of the new IFRS 9 standard.



## ***eQ's share and summary***



# Share price development

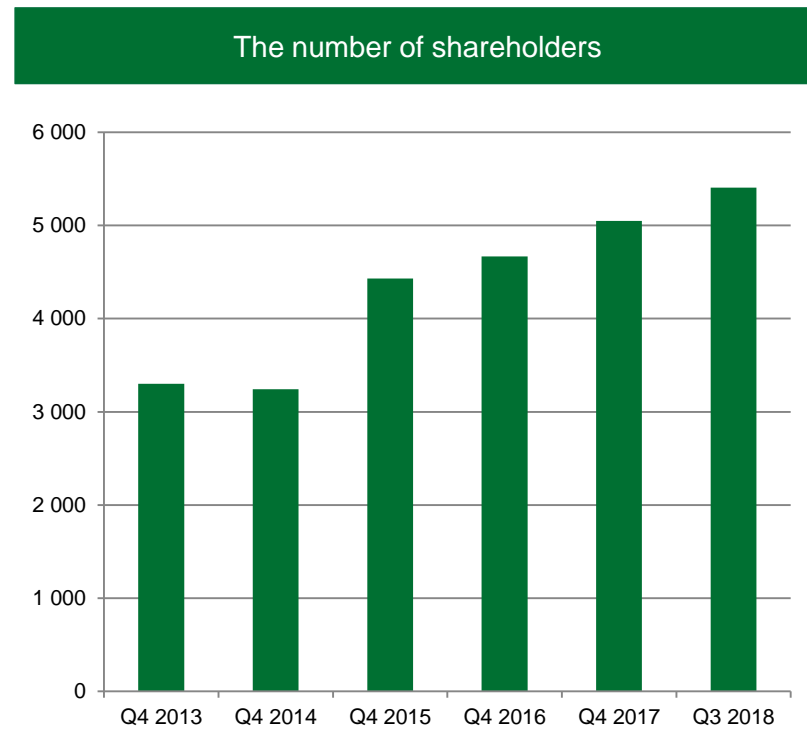


- The Market value of eQ Plc was 335.6 million euro on 30 September 2018

# Shareholders 30 September 2018



Shareholder	Shares	% of shares
1 Fennogens Investments S.A.	7 943 137	21.07
2 Chilla Capital S.A.	5 945 275	15.77
3 Anchor Oy Ab	5 803 677	15.39
4 Teamet Oy	4 100 000	10.87
5 Oy Cevante Ab	1 419 063	3.76
6 Fazer Jan Peter	1 288 306	3.42
7 Lavventura Oy	650 000	1.72
8 Linnalex Ab	631 652	1.68
9 Pinomonte Ab	529 981	1.41
10 Procurator-Holding Oy	458 892	1.22
10 largest shareholders total	28 769 983	76.30
Nominee registered	450 272	1.19
Other shares	8 486 943	22.51
In total	37 707 198	100.00



- Flagging announcements 4 June 2018:
  - Fennogens Investments S.A. announced that it had acquired shares of eQ Plc so that its holding exceeded the 20 per cent flagging threshold.
  - Rettig Capital Oy Ab (subsidiary Anchor Oy Ab) announced that it had acquired shares of eQ Plc so that its exceeded the 15 per cent flagging threshold.
  - Umo Capital Oy announced that it had sold shares of eQ Plc so that its holding fell below the 10 and 5 per cent flagging thresholds.
- eQ Group's personnel owns about 40% of the shares
- eQ Plc had 5 405 shareholders on 30 September 2018 (5 048 shareholders on 31 December 2017)

# Summary and next financial reporting



EUR million	1-9/2018	1-9/2017	Change%	1-12/2017
Net revenue	30.6	26.8	14%	40.7
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- The 2018 financial statements release of eQ Plc will be published on Thursday February 7th, 2019.