

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 overlay.

**eQ Plc – result Q3/2019  
- result presentation 24 October 2019**

# eQ Group – Key figures

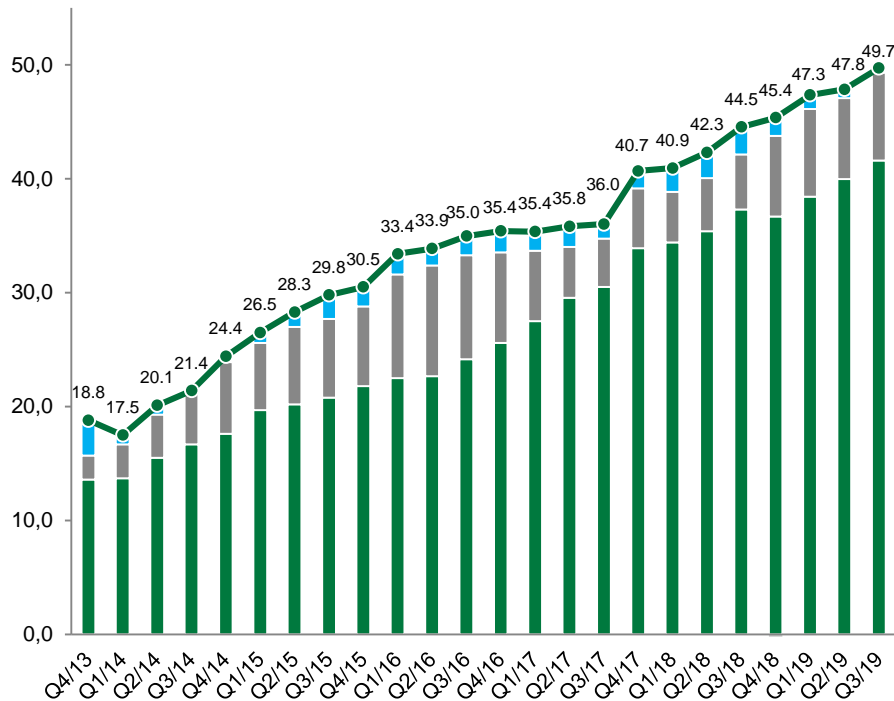


| EUR million                         | 1-9/2019 | 1-9/2018 | Change% | 1-12/2018 |
|-------------------------------------|----------|----------|---------|-----------|
| Net revenue                         | 35.0     | 30.6     | 14%     | 45.4      |
| Operating profit                    | 17.9     | 15.1     | 19%     | 22.4      |
| Profit for the period               | 14.3     | 11.9     | 20%     | 17.8      |
| Earnings per share (EUR)            | 0.38     | 0.32     | 19%     | 0.47      |
| Cost income -ratio, %               | 48.9     | 50.9     | -4%     | 50.5      |
| Liquid assets                       | 18.8     | 15.8     | 19%     | 25.7      |
| Investments in private equity funds | 16.4     | 17.9     | -8%     | 16.9      |

# eQ Group – Rolling 12 months

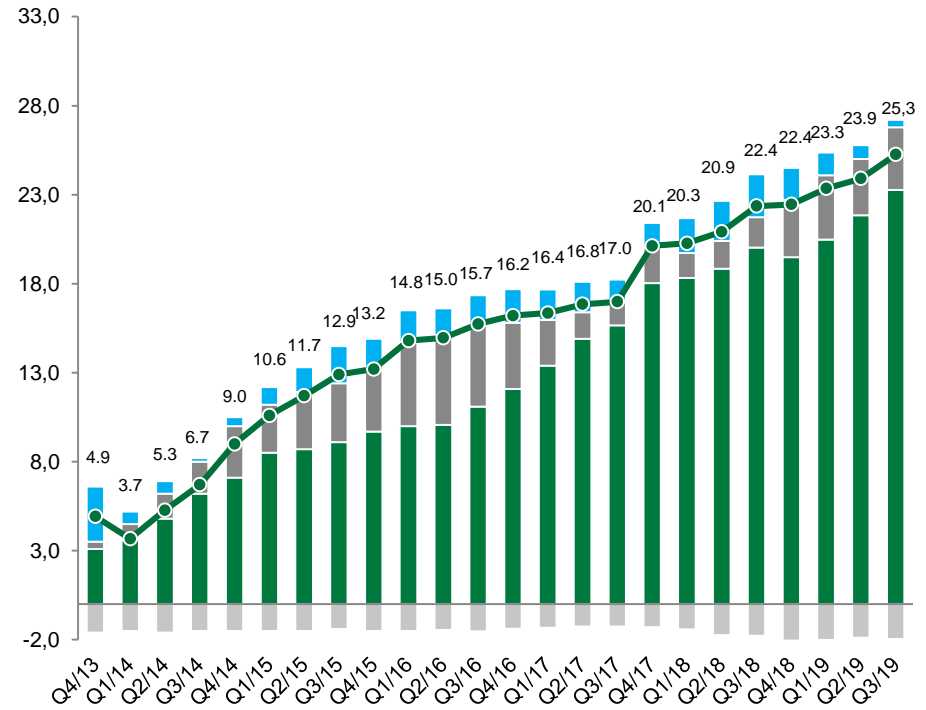


Net revenue development, rolling 12 months (€'m)



■ Asset Management  
■ Investments  
● Consolidated  
■ Corporate Finance  
■ Group Administration

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



■ Asset Management  
■ Investments  
● Consolidated  
■ Corporate Finance  
■ Group Administration

- eQ Group's rolling 12-month operating profit has already grown for 22 consecutive quarters.

# eQ Group – Balance sheet



| <b>ASSETS</b>                    |             |             | <b>LIABILITIES AND EQUITY</b>            |             |             |
|----------------------------------|-------------|-------------|--|-------------|-------------|
| (EUR million)                    | 9/2019      | 12/2018     | (EUR million)                            | 9/2019      | 12/2018     |
| Liquid assets                    | 0.0         | 0.0         | Other liabilities                        | 4.1         | 4.1         |
| Claims on credit institutions    | 8.8         | 15.8        | Accruals and deferred income             | 8.8         | 11.1        |
| Financial assets                 |             |             | Lease liabilities                        | 2.7         | -           |
| Financial securities             | 10.0        | 9.9         | Income tax liabilities                   | 0.3         | 0.7         |
| Private equity fund investments  | 16.4        | 16.9        | Deferred tax liabilities                 | 0.0         | 0.0         |
| Intangible assets                | 29.4        | 29.4        | <b>TOTAL LIABILITIES</b>                 | <b>16.0</b> | <b>16.0</b> |
| Tangible assets                  | 0.3         | 0.3         | Share capital                            | 11.4        | 11.4        |
| Lease agreements                 | 2.6         | -           | Reserve for invested unrestricted equity | 26.0        | 27.0        |
| Other assets                     | 5.9         | 5.1         | Retained earnings                        | 6.2         | 6.0         |
| Accruals and prepaid expenditure | 0.3         | 0.6         | Profit (loss) for the period             | 14.3        | 17.8        |
| Income tax receivables           | 0.1         | 0.1         | <b>TOTAL SHAREHOLDERS' EQUITY</b>        | <b>57.9</b> | <b>62.2</b> |
| Deferred tax assets              | 0.0         | -           |  |             |             |
| <b>TOTAL ASSETS</b>              | <b>73.9</b> | <b>78.2</b> | <b>TOTAL LIABILITIES AND EQUITY</b>      | <b>73.9</b> | <b>78.2</b> |

- **Liquid assets 18.8 M€**
- **Private equity fund investments 16.4 M€**
- **Interest-bearing liabilities 0.0 €**
- **Capital adequacy ratio 26.3%**
- **Lease agreements and lease liabilities included to the balance sheet according to the new IFRS 16 -standard**



# ***Asset Management***



# Asset Management – Income statement



| EUR million                   | 1-9/2019    | 1-9/2018    | Change %   | 1-12/2018   |
|-------------------------------|-------------|-------------|------------|-------------|
| <b>NET REVENUE</b>            | <b>31.8</b> | <b>26.8</b> | <b>18%</b> | <b>36.7</b> |
| Personnel expenses            | -11.2       | -10.1       | 10%        | -13.8       |
| Other administrative expenses | -1.2        | -1.2        | -1%        | -1.7        |
| Depreciation                  | -0.5        | -0.1        | 350%       | -0.2        |
| Other operating expenses      | -0.7        | -1.0        | -29%       | -1.5        |
| <b>OPERATING PROFIT</b>       | <b>18.2</b> | <b>14.4</b> | <b>26%</b> | <b>19.5</b> |
| Cost-income ratio, %          | 42.8        | 46.4        | -8%        | 46.9        |

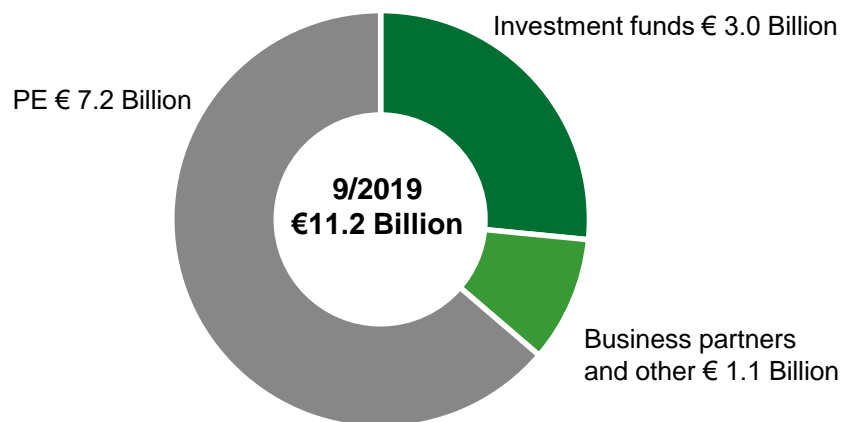
- Since 2019, the depreciations include lease agreements depreciations according to the new IFRS 16 standard.

# Asset Management – Fee income and Aum

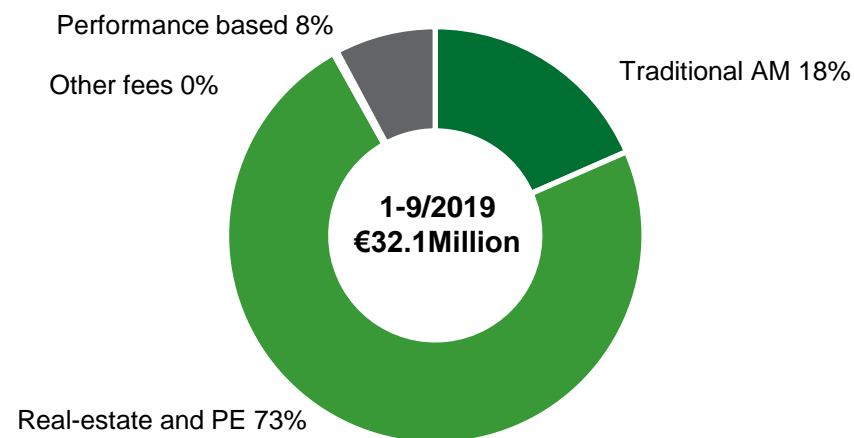


| EUR million                          | 1-9/2019    | 1-9/2018    | Change %   | 1-12/2018   |
|--------------------------------------|-------------|-------------|------------|-------------|
| Management fees – Traditional AM     | 5.9         | 6.6         | -11%       | 8.6         |
| Management fees – Real-estate and PE | 23.5        | 18.5        | 27%        | 25.5        |
| Other fees                           | 0.1         | 0.3         | -45%       | 0.3         |
| Performance based fees               | 2.5         | 1.7         | 47%        | 2.7         |
| <b>TOTAL</b>                         | <b>32.1</b> | <b>27.1</b> | <b>18%</b> | <b>37.1</b> |

## Assets under management 9/2019



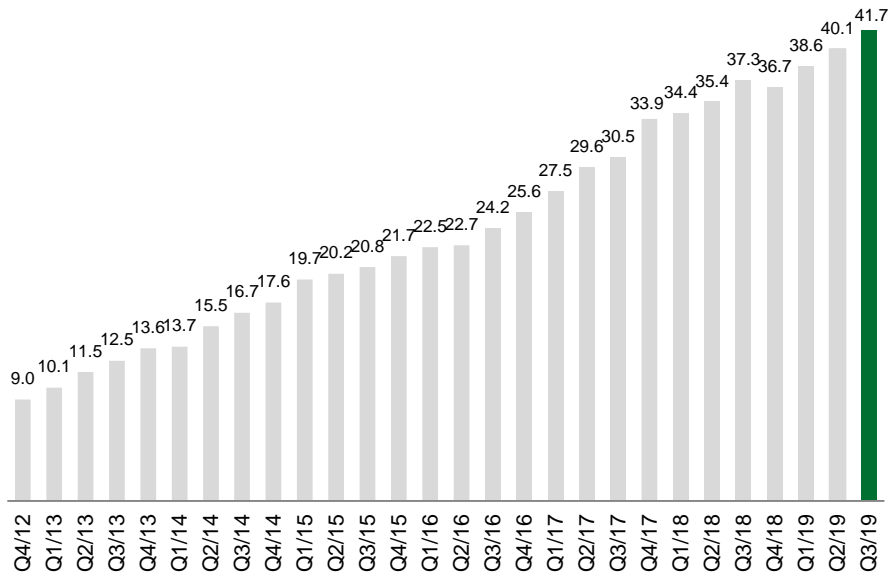
## Fee income 1-9/2019



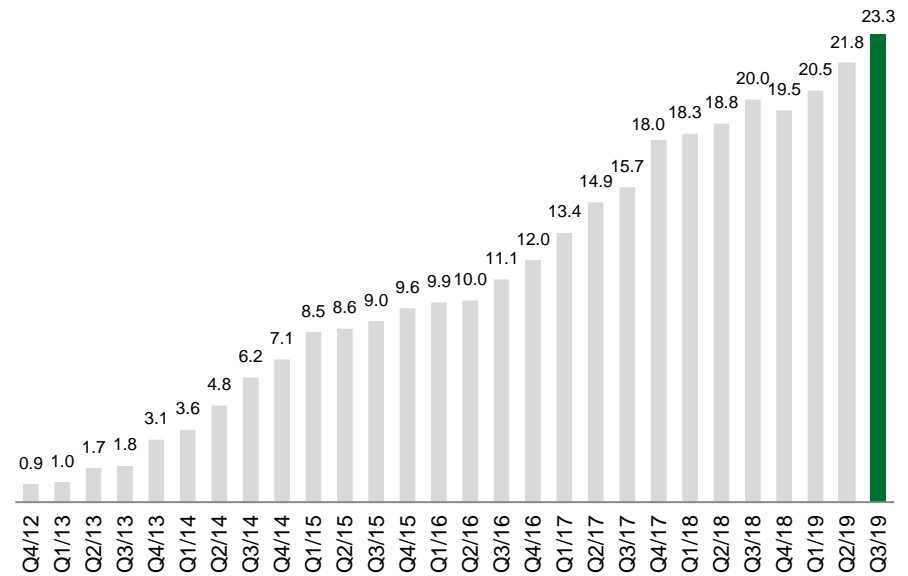
# Asset Management – Rolling 12 months



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



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





# Asset Management – Mutual funds



| Fund   | Since beginning of the year |            |         | 3 years p.a. |            |                  | Morningstar |
|--|-----------------------------|------------|---------|--------------|------------|------------------|-------------|
|  | Return*                     | Comparison | Diff.   | Return*      | Comparison | Diff.            |             |
| <b>Gross returns 30 September 2019</b>                                     |                             |            |         |              |            |                  |             |
| <b>Fixed income funds</b>  |                             |            |         |              |            |                  |             |
| eQ Money Market  | -0,06 %                     |            |         | -0,07 %      |            |                  | no rating   |
| eQ Euro Floating Rate  | 1,62 %                      | -0,23 %    | 1,85 %  | 0,77 %       | -0,32 %    | 1,09 %           | ★★★★☆       |
| eQ Government Bond   | 6,68 %                      | 10,01 %    | -3,33 % | 1,61 %       | 2,58 %     | -0,97 %          | ★★★★☆       |
| eQ Euro Investment Grade   | 7,50 %                      | 6,75 %     | 0,75 %  | 3,29 %       | 2,19 %     | 1,10 %           | ★★★★☆       |
| eQ High Yield  | 10,75 %                     | 8,43 %     | 2,32 %  | 4,86 %       | 4,23 %     | 0,64 %           | ★★★★☆       |
| eQ Emerging Markets Corporate Bond   | 8,13 %                      | 7,95 %     | 0,17 %  | 2,84 %       | 2,21 %     | 0,63 %           | ★★★★☆       |
| eQ Emerging Markets Corporate Bond Local                                   | 14,65 %                     |            |         | 5,81 %       |            |                  | ★★★★☆       |
| <b>Equity funds</b>  |                             |            |         |              |            |                  |             |
| eQ Finland   | 22,44 %                     | 15,21 %    | 7,23 %  | 8,96 %       | 8,76 %     | 0,20 %           | ★★★★☆       |
| eQ Nordic Small Cap  | 16,44 %                     | 12,60 %    | 3,84 %  | 5,07 %       | 4,27 %     | 0,80 %           | ★★★★☆       |
| eQ Europe Property   | 27,88 %                     | 17,99 %    | 9,90 %  | 15,83 %      | 5,57 %     | 10,26 %          | ★★★★☆       |
| eQ Europe Dividend   | 18,56 %                     | 19,24 %    | -0,67 % | 5,26 %       | 6,60 %     | -1,34 %          | ★★★★☆       |
| eQ Frontier Markets  | 10,26 %                     | 16,03 %    | -5,77 % | 4,49 %       | 8,11 %     | -3,61 %          | ★★★★☆       |
| eQ CO2   | 27,45 %                     | 23,32 %    | 4,13 %  | 15,33 %      | 11,33 %    | 4,00 %           | ★★★★☆       |
| eQ Emerging Asia   | 11,33 %                     | 11,28 %    | 0,04 %  | 2,13 %       | 7,40 %     | -5,27 %          | ★★★★☆       |
| eQ Emerging Dividend   | 12,57 %                     | 11,04 %    | 1,53 %  | 11,06 %      | 7,05 %     | 4,00 %           | ★★★★☆       |
| eQ Emerging Markets Small Cap  | 17,33 %                     | 6,76 %     | 10,57 % |              |            |                  | ★★★★☆       |
| eQ Russia  | 25,30 %                     | 29,39 %    | -4,09 % | 12,73 %      | 11,54 %    | 1,19 %           | ★★★★☆       |
| <b>Real estate funds</b>   |                             |            |         |              |            |                  |             |
| eQ Care**  | 8,32 %                      |            |         | 11,59 %      |            |                  | no rating   |
| eQ Finnish Real Estate**   | 6,21 %                      |            |         | 10,68 %      |            |                  | no rating   |
| <b>Balanced Funds</b>  |                             |            |         |              |            |                  |             |
| eQ Mandate   | 11,43 %                     |            |         | 5,21 %       |            |                  | ★★★★☆       |
| <b>Funds managed by business partners</b>                                  |                             |            |         |              |            |                  |             |
| eQ Euro Investment Grade Bond Index  | 6,53 %                      | 6,48 %     | 0,05 %  | 2,00 %       | 1,95 %     | 0,05 %           | ★★★★☆       |
| eQ Europe Active   | 29,59 %                     | 19,24 %    | 10,35 % |              |            |                  | no rating   |
| eQ Europe Stock Index  | 19,91 %                     | 19,24 %    | 0,67 %  | 8,12 %       | 7,65 %     | 0,47 %           | ★★★★☆       |
| eQ Japan Stock Index   | 16,54 %                     | 16,52 %    | 0,02 %  | 7,35 %       | 7,30 %     | 0,05 %           | ★★★★☆       |
| eQ Emerging Markets Stock Index  | 11,09 %                     | 11,04 %    | 0,05 %  | 7,14 %       | 7,05 %     | 0,09 %           | ★★★★☆       |
| eQ US Stock Index  | 25,87 %                     | 25,83 %    | 0,03 %  | 13,87 %      | 13,86 %    | 0,01 %           | ★★★★☆       |
| <b>Average funds (funds managed by eQ)</b>                                 | 13,33 %                     | 10,30 %    | 1,50 %  | 6,43 %       | 4,29 %     | 0,67 %           | ★★★★☆       |
| <b>Funds that have exceeded the comparison index (Funds managed by eQ)</b> |                             |            | 73 %    |              |            | 71 % (3,5 stars) |             |

\* gross return before management fees

Morningstar –  
eQ is the Best Fund House

eQ Asset Management won a major Morningstar award in 2019. The Best Fund House Award, announced March 6th 2019, recognizes eQ's entire fund range based on five-year risk-adjusted returns of fixed income, equity and balanced funds.



# Asset Management – eQ Real Estate funds



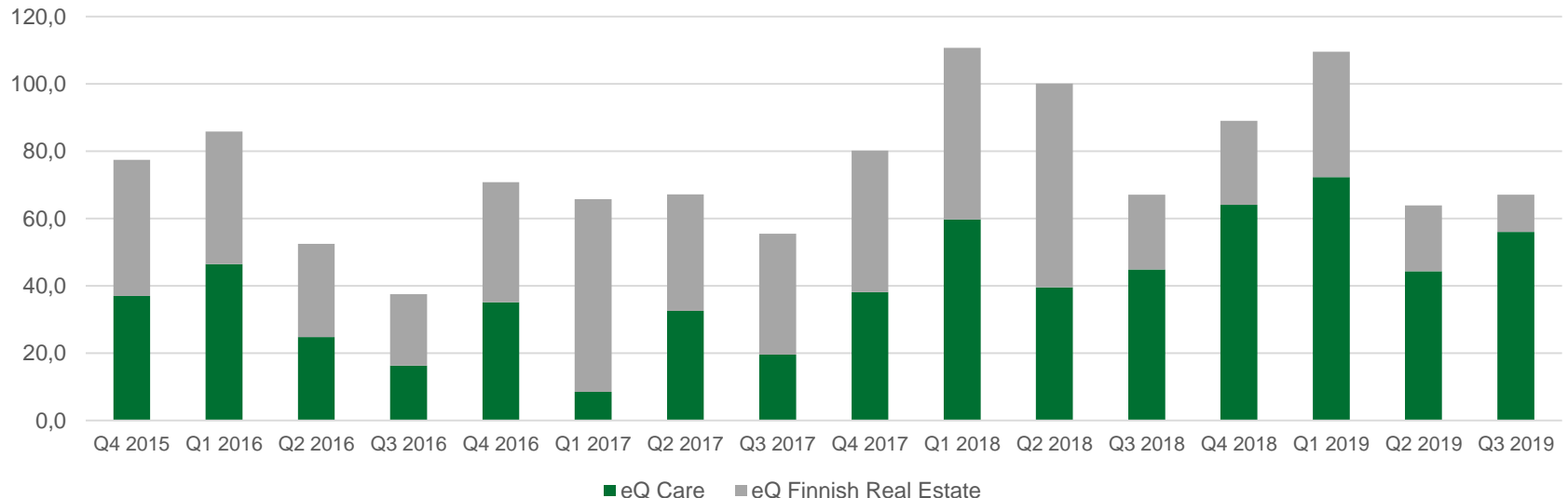
## eQ Care

- Invests in modern care properties
- Avg. lease maturity: 11 years
- Vacancy 1%
  
- Invested capital: €1 142m
- Equity (NAV): €930m
- 1-9/2019 net subscriptions: €173m
  
- Return 1-9/2019: 6.8 %
- Return from start: 9.0 % p.a.

## eQ Finnish Real Estate

- Invests in commercial real estate
- Avg. lease maturity: 6 years
- Vacancy 5%
  
- Invested capital: € 1 019m
- Equity (NAV): €675m
- 1-9/2019 net subscriptions: €68m
  
- Return 1-9/2019: 4.7 %
- Return from start: 9.0 % p.a.

## eQ Real Estate funds - net subscriptions, MEUR



# Asset Management – Private Equity



## Private Equity - Fund of funds

| Founded | Fund                  | Size   | Stage          | Investors |
|---------|-----------------------|--------|----------------|-----------|
| 2019    | eQ PE XI US           | \$214m | Investing      | 90        |
| 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 | Fully invested | 70        |
| 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   | Liquidation    | 2         |
| 2002    | Mandatum PE Fund I    | €50m   | Liquidation    | 7         |
| 2001    | European Fund Inv. UK | €88m   | Liquidation    | 15        |

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

## Private Credit

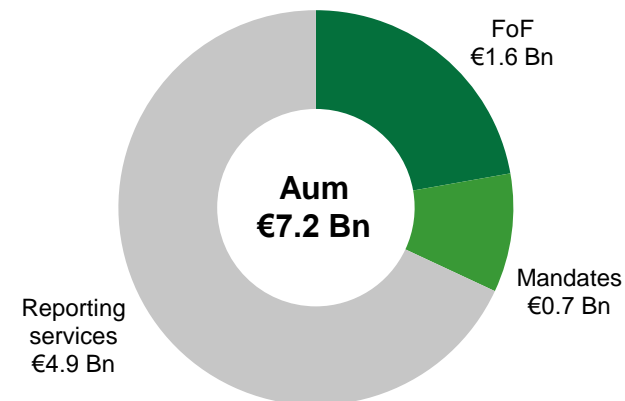
| Founded | Fund                 | Size | Stage          | Investors |
|---------|----------------------|------|----------------|-----------|
| 2019    | eQ Private Credit II | €74m | Investing      | 30        |
| 2017    | eQ Private Credit    | €92m | Fully invested | 38        |

## 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-Q3/2019)*

The background of the slide is a blurred image of a financial document. It features a bar chart with several bars of varying heights. Below 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 image. The text 'Corporate Finance' is centered in a white box over the chart area.

# ***Corporate Finance***

## Advium Corporate Finance

- Leading Finnish Corporate Finance advisor
- Completed some 200 transactions for a value exceeding 15 billion euro
- 15 professionals with experience from Corporate Finance, Private Equity and Real Estate transactions

### Mergers & acquisitions

#### Leading Finnish M&A advisor

- Divestments, acquisitions
- Mergers
- Public tender offers
- Other services

**Over 110 completed transactions since 2000 –  
value of about € 6.0 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 of about € 9.0 billion**

#### **Euromoney:**

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

# Corporate Finance – Latest transactions



## M&A Transactions and Equity capital markets

**YIT**  
sold  
its Nordic paving- and mineral  
aggregates business  
for € 282 million to  
**PEAB**  
Advisor to the Buyer  
*Pending*

**sentica**  
acquired the majority in  
**picnic**  
**EUROPICNIC**  
LA TORREFAZIONE  
Advisor to the Seller  
*July 2019*

made a voluntary public  
cash offer for all shares in  
**PÖYRY**  
EUR 611 million  
Advisor to Pöyry  
*February 2019*

**Orkla**  
made a voluntary public  
cash offer for all shares in  
**KOTIPIZZA**  
**GROUP**  
EUR 146 million  
Advisor to Kotipizza  
*January 2019*

**ALANDIA**  
FÖRSÄKRING  
has agreed to sell  
its personal accident and  
travel insurance business  
to  
**LOKALTAPIOLA**  
Advisor to the Seller  
*January 2019*

The founders  
and other owners  
sold  
**T2H**  
to  
a group of investors  
Advisor to the Sellers  
*November 2018*

**sentica**  
and other owners sold  
**TAMMERMATIC**  
to  
a group of industrial  
investors  
Advisor to Sentica  
*October 2018*

## Real estate transactions

**COBBLEYARD**  
REAL ESTATE  
sold  
a prime CBD property  
in Helsinki  
to  
**Conficap**  
Advisor to the Sellers  
*September 2019*

**el** **OP**  
sold  
a portfolio of  
2,178 apartments  
to  
**STARWOOD**  
CAPITAL GROUP  
Advisor to the Buyer  
*August 2019*

**SPONDA**  
sold  
the Basware HQ property  
in Espoo  
to  
**CapMan**  
Advisor to the Seller  
*July 2019*

**Helsinki**  
sold  
30.9% of Lasipalatsi  
for € 33.5 million to  
**Konstsamfundet**  
Advisor to the Buyer  
*Pending*

**Antilooppi**  
sold  
a 13,000 sqm conversion  
asset in Helsinki  
to  
**M REC** INVESTMENT  
MANAGEMENT  
Advisor to the Seller  
*July 2019*

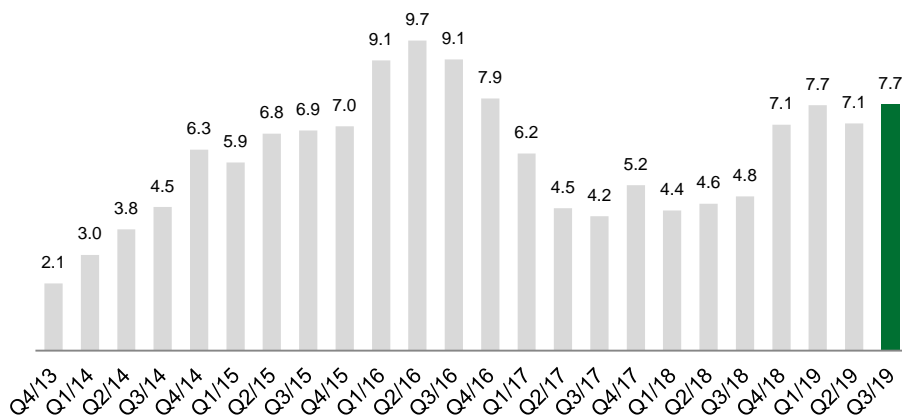
**VR GROUP**  
sold  
its head office property  
for € 55 million to  
**exilion**  
Advisor to the Seller  
*December 2018*

**ILMARINEN**  
sold  
a 62,000 sqm warehouse  
property in Vantaa  
to  
**AB | SAGAX**  
Advisor to the Seller  
*October 2018*

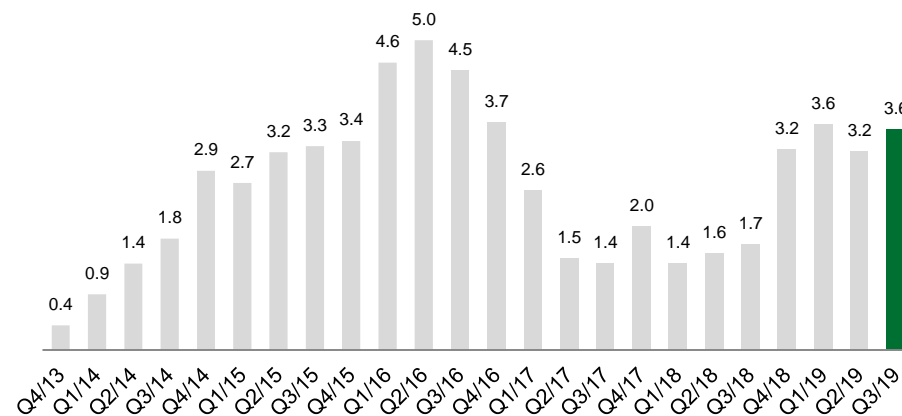
# Corporate Finance – Key figures



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



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



| EUR million                   | 1-9/2019   | 1-9/2018   | Change %   | 1-12/2018  |
|-------------------------------|------------|------------|------------|------------|
| <b>NET REVENUE</b>            | <b>2.9</b> | <b>2.3</b> | <b>28%</b> | <b>7.1</b> |
| Personnel expenses            | -1.6       | -1.4       | 20%        | -3.2       |
| Other administrative expenses | -0.2       | -0.2       | 11%        | -0.3       |
| Depreciation                  | -0.1       | -0.0       | 1090%      | -0.0       |
| Other operating expenses      | -0.1       | -0.2       | -51%       | -0.3       |
| <b>OPERATING PROFIT</b>       | <b>0.8</b> | <b>0.4</b> | <b>71%</b> | <b>3.2</b> |
| Cost-income ratio, %          | 73.6       | 80.2       | -8%        | 54.7       |

- Since 2019, the depreciations include lease agreements depreciations according to the new IFRS 16 standard.

The background is a grayscale photograph of a business document. It features a bar chart with several vertical bars of varying heights. To the left of the bars, there are labels for states: 'North Carolina', 'Georgia', 'Pennsylvania', 'Maryland', and 'Virginia'. A silver ballpoint pen is lying diagonally across the bottom left of the chart. The overall image is slightly blurred, giving it a professional and focused appearance.

# ***Investments***



# Investments – Key figures



| EUR million                               | 1-9/2019   | 1-9/2018   | 1-12/2018  |
|---|------------|------------|------------|
| Returned capital (excl. profit)           | 1.6        | 3.0        | 4.0        |
| Distribution of profits                   | 1.0        | 1.3        | 1.9        |
| Capital calls                             | -1.7       | -1.7       | -2.0       |
| <b>Net cash flow</b>                      | <b>0.8</b> | <b>2.6</b> | <b>3.9</b> |
| Market value                              | 16.4       | 17.9       | 16.9       |
| Investment commitments                    | 7.4        | 8.0        | 7.8        |
| <i>Profit and loss</i>                    |            |            |            |
| Distribution of profits                   | 1.0        | 1.3        | 1.9        |
| Value changes recognized through p&l      | -0.6       | 0.4        | 0.4        |
| Group internal management fee             | -0.2       | -0.2       | -0.2       |
| <b>Profit of the Investments –segment</b> | <b>0.2</b> | <b>1.6</b> | <b>1.8</b> |

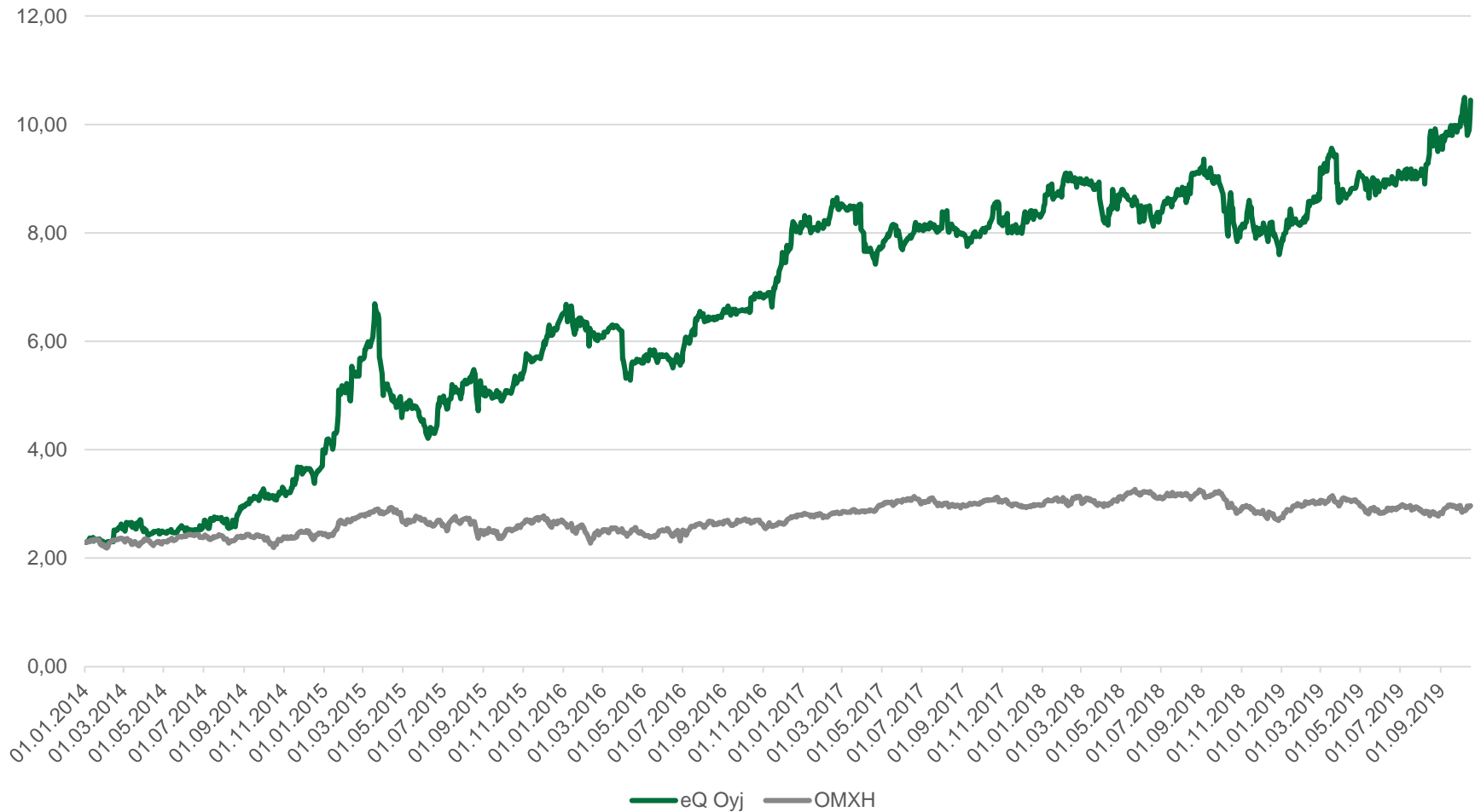
- eQ Plc made during the accounting period an USD 1.0 million investment commitment to the eQ PE XI US Fund.



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



# Share price development and market cap

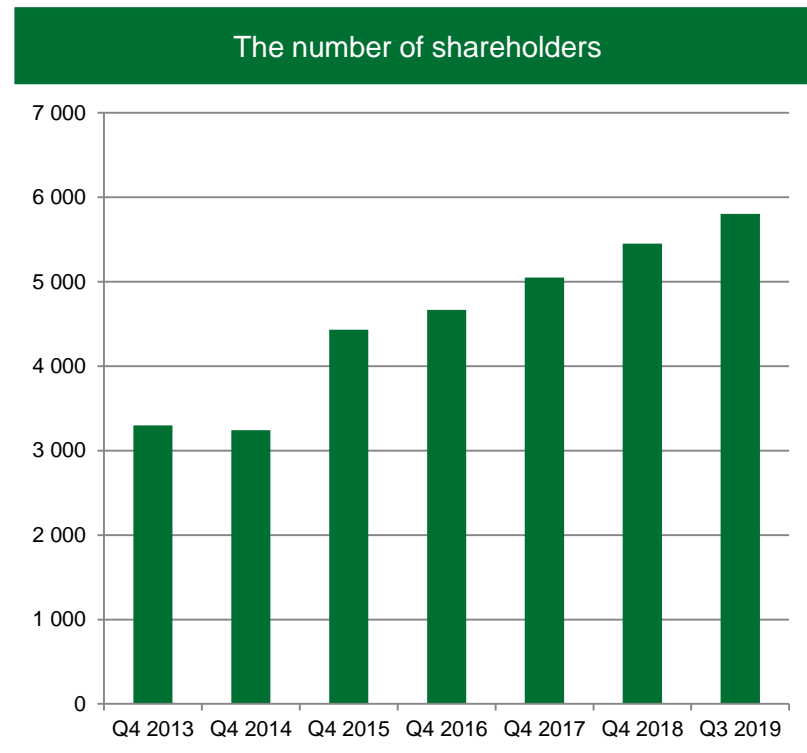


- The Market value of eQ Plc was 380.0 million euro on 30 September 2019

# Shareholders 30 September 2019



| Shareholder                   | Shares     | % of shares |
|-------------------------------|------------|-------------|
| 1 Fennogens Investments S.A.  | 7 943 137  | 20.82       |
| 2 Chilla Capital S.A.         | 5 945 275  | 15.58       |
| 3 Anchor Oy Ab                | 5 803 677  | 15.21       |
| 4 Teamet Oy                   | 4 100 000  | 10.75       |
| 5 Oy Cevante Ab               | 1 419 063  | 3.72        |
| 6 Fazer Jan Peter             | 1 298 306  | 3.40        |
| 7 Lavventura Oy               | 650 000    | 1.70        |
| 8 Linnalex Ab                 | 631 652    | 1.66        |
| 9 Pinomonte Ab                | 529 981    | 1.39        |
| 10 Procurator-Holding Oy      | 473 892    | 1.24        |
| 10 largest shareholders total | 28 794 983 | 75.46       |
| Nominee registered            | 343 180    | 0.90        |
| Other shares                  | 9 019 035  | 23.64       |
| In total                      | 38 157 198 | 100.00      |



- eQ Group's personnel owns about 40% of the shares
- eQ Plc had 5 804 shareholders on 30 September 2019 (5 451 shareholders on 31 December 2018)

# Outlook



The outlook for the financial year is the same as previously, and we expect the profit of the Asset Management segment to grow clearly more than in 2018.

In the half year financial report we stated that it is possible that one of our private equity funds will begin to pay a performance fee next year and not at the end of this year, as we had estimated at the beginning of the year. We estimate that the fund in question will begin to pay a performance fee next year.

# Summary and next financial reporting



| EUR million                         | 1-9/2019 | 1-9/2018 | Change% | 1-12/2018 |
|-------------------------------------|----------|----------|---------|-----------|
| Net revenue                         | 35.0     | 30.6     | 14%     | 45.4      |
| Operating profit                    | 17.9     | 15.1     | 19%     | 22.4      |
| Profit for the period               | 14.3     | 11.9     | 20%     | 17.8      |
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| Liquid assets                       | 18.8     | 15.8     | 19%     | 25.7      |
| Investments in private equity funds | 16.4     | 17.9     | -8%     | 16.9      |

- The 2019 financial statement release of eQ Plc will be published on Thursday February 6th, 2020.