

2017

FINANCIAL STATEMENTS RELEASE





5 February 2018 at 8:00 AM

eQ PLC'S FINANCIAL STATEMENTS RELEASE 2017 – eQ'S OPERATING PROFIT INCREASED BY 24% TO EUR 20.1 MILLION**January to December 2017 in brief**

- The Group's net revenue during the financial period was EUR 40.7 million (EUR 35.4 million from 1 Jan. to 31 Dec. 2016).
 - The Group's net fee and commission income was EUR 38.9 million (EUR 33.2 million).
 - The Group's net investment income from own investment operations was EUR 1.7 million (EUR 2.2 million).
- The Group's operating profit grew by 24% to EUR 20.1 million (EUR 16.2 million).
- The Group's profit was EUR 15.9 million (EUR 12.8 million).
- The consolidated earnings per share were EUR 0.43 (EUR 0.35).
- The net cash flow from own investment operations was EUR 1.9 million (EUR 4.4) and the change in fair value was EUR -0.2 million (EUR -1.0 million).
- The net revenue of the Asset Management segment increased by 32% to EUR 33.9 million (EUR 25.6 million) and the operating profit by 50% to EUR 18.0 million (EUR 12.0 million).
- The net revenue of the Corporate Finance segment fell to EUR 5.2 million (EUR 7.9 million). It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.
- Dividend proposal EUR 0.43 (EUR 0.35) and proposal for equity repayment EUR 0.07 (EUR 0.15) per share.

October to December 2017 in brief

- In the last quarter, the Group's net revenue totalled EUR 13.9 million (EUR 9.2 million from 1 Oct. to 31 Dec. 2016).
 - The Group's net fee and commission income was EUR 13.0 million (EUR 8.6 million).
 - The Group's net investment income from own investment operations was EUR 0.9 million (EUR 0.7 million).
- The Group's operating profit grew by 75% to EUR 7.3 million (EUR 4.2 million).
- The Group's profit was EUR 5.8 million (EUR 3.3 million).
- The consolidated earnings per share were EUR 0.16 (EUR 0.09).

Key ratios	1- 12/17	1- 12/16	Change %	10- 12/17	10- 12/16	Change %
Net revenue, Group, M€	40.7	35.4	15%	13.9	9.2	50%
Net revenue, Asset Management, M€	33.9	25.6	32%	10.5	7.0	48%
Net revenue, Corporate Finance, M€	5.2	7.9	-34%	2.6	1.6	60%
Net revenue, Investments, M€	1.4	1.9	-26%	0.8	0.6	37%
Net revenue, Group administration and eliminations, M€	0.1	0.0		0.1	0.0	



Key ratios	1- 12/17	1- 12/16	Change %	10- 12/17	10- 12/16	Change %
Operating profit, Group, M€	20.1	16.2	24%	7.3	4.2	75%
Operating profit, Asset Management, M€	18.0	12.0	50%	5.6	3.3	72%
Operating profit, Corporate Finance, M€	2.0	3.7	-46%	1.3	0.7	93%
Operating profit, Investments, M€	1.4	1.9	-26%	0.8	0.6	37%
Operating profit, Group administration, M€	-1.3	-1.4	-7%	-0.4	-0.4	12%
Profit for the period, M€	15.9	12.8	24%	5.8	3.3	76%
Earnings per share, €	0.43	0.35	22%	0.16	0.09	73%
Proposal for dividend and equity repayment per share, €	0.50	0.50	0%			
Equity per share, €	1.67	1.75	-5%	1.67	1.75	-5%
Cost/income ratio, Group, %	50.5	53.0	-5%	47.5	54.1	-12%
Liquid assets, M€	24.7	16.7	48%	24.7	16.7	48%
Private equity fund investments, M€	18.8	19.2	-2%	18.8	19.2	-2%
Interest-bearing liabilities, M€	0.0	0.0	0%	0.0	0.0	0%
Assets under management, € billion	8.4	8.8	-4%	8.4	8.8	-4%

Janne Larma, CEO

eQ's result was excellent in 2017. We increased our net revenue by 15% to EUR 40.7 million and our operating profit to EUR 20.1 million. The Group's profit for the financial period increased by 24% to EUR 15.9 million, i.e. 43 cents per share.

The Group's balance sheet remains very strong. The market value of eQ's own private equity fund investments totalled EUR 18.8 million and liquid assets amounted to EUR 24.7 million at the close of the year. The Group has no interest-bearing liabilities.

eQ Asset Management continued to grow and the operating profit rose by 50%

eQ Asset Management's net fee and commission income increased by 32% to EUR 33.9 million. The segment's profitability improved markedly, and the operating profit grew by 50% to EUR 18.0 million. Above all real estate and private equity asset management continued to grow strongly. The fund net assets of eQ's real estate funds totalled EUR 968 million at the close of the year, and the funds raised a record amount of net subscriptions at an annual level. The annual returns of both funds were the highest in their history. Private equity asset management also grew and gained plenty of new capital. We established the first eQ Private Credit Fund (EUR 92 million) and our first secondary market fund eQ PE SF (EUR 138 million) and raised USD 105 million to the eQ PE IX US Fund. In addition, we obtained several new asset management clients to private equity asset management. Traditional asset management also posted high growth, and eQ's equity and fixed-income funds as well as asset management portfolios gave excellent returns to our clients. During the past three years, 86% of eQ's mutual funds registered in Finland that it manages itself have surpassed their benchmark indices.

Advium has a good market position as advisor in large real estate transactions

eQ's corporate finance unit Advium had a successful year above all as advisor in major real estate transactions. Advium acted as advisor in twelve finalised transactions, eight of which were real estate transactions. Advium's net revenue fell to EUR 5.2 million and its operating profit was EUR 2.0 million.



Advium maintained its market leading position in large real estate transactions and was chosen the best Finnish investment bank in the real estate sector, already for the eleventh time, in an enquiry by the distinguished Euromoney magazine.

Advium acted as advisor to, e.g. Sanoma, as it agreed on the sale of an office property in the city centre of Helsinki to a fund managed by Aberdeen Standard Investments. Advium acted as advisor to Kesko, the Rakauskas family and Zabolis Partners, as they sold real estate in the Baltic countries to a U.S. fund for EUR 174 million. In addition, Advium issued a fairness opinion to the Board of Ilmarinen on the joining of the two occupational pension insurance companies Ilmarinen and Etera.

Operating profit of the Investments segment EUR 1.4 million

The operating profit of the Investments segment was EUR 1.4 million (EUR 1.9 million in 2016). The net cash flow of investments was lower than the year before, i.e. EUR 1.9 million (EUR 4.4 million). The market value of the private equity fund investments was EUR 18.8 million at the close of the year.

Dividend proposal and outlook

The Board of Directors' dividend proposal for 2017 is 43 cents per share, and in addition, the Board proposes an equity repayment of 7 cents per share.

The success of the asset management business in 2017 offers an excellent starting point for the year 2018. We expect the net revenue and operating profit of the Asset Management segment to grow in 2018. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments. The results of these segments are highly dependent of factors that are not dependent of the company. Consequently, the operating profit of these segments may vary considerably and is difficult to foresee.

eQ's financial statements release 1 January to 31 December 2017 is enclosed to this release and it is also available on the company website at www.eQ.fi.

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eQ Group is a group of companies that concentrates on asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and private individuals. The assets managed by the Group total approximately EUR 8.4 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

More information about the Group is available on our website www.eQ.fi.



eQ PLC'S FINANCIAL STATEMENTS RELEASE 1 JAN. TO 31 DEC. 2017

Result of operations and financial position 1 January to 31 December 2017

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 - The Group's net fee and commission income was EUR 38.9 million (EUR 33.2 million).
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- The net revenue of the Asset Management segment increased by 32% to EUR 33.9 million (EUR 25.6 million) and the operating profit by 50% to EUR 18.0 million (EUR 12.0 million).
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- Dividend proposal EUR 0.43 (EUR 0.35) and proposal for equity repayment EUR 0.07 (EUR 0.15) per share.

Result of operations and financial position 1 October to 31 December 2017

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Operating environment

The year 2017 was a period of increasing economic growth, and the global economy is estimated to have grown by approximately 3.6%. The strongest growth was still seen in China, where the GNP is expected to have grown by no less than 6.8%. The greatest surprise came from Europe, which, despite the stronger euro, reached a growth of about 2.4%, which probably somewhat surpassed the U.S. In Europe, the growth of even the previously weaker regions grew stronger. The estimate for Finland of 2.8% is a good example of this. In the U.S., the GNP is estimated to have grown by 2.3% and in Japan by 1.7%.

The year 2017 was eventful as regards politics and economic policy, above all in Europe and the U.S. After the Brexit decision in 2016, the Conservative Party in the UK suffered a major loss in the spring election, and the elections in the Netherlands, France and Germany consolidated the trust in the stability of the euro zone. In the U.S., president Trump's tax reform advanced, and the Fed raised its policy rates three times during the year. In Europe, it was announced towards the end of the year that the bond purchase programmes would be cut down, but the interest rates were still left unaltered.

Equity investors obtained a good return in 2017, but regional differences were once again large. The best returns came from emerging market equities, which gave a return of 20.6% at index level. The return came mostly from Asia, as the return of the Russian equity index was -7.7%, for instance. The U.S. stock



exchange gave a 21.1% return in dollars measured by the S&P 500 Index, but the euro strengthened markedly during the year, and calculated in euros the return remained at 6.4%. Like the year before, the Finnish stock exchange gave a better return than the extensive European equity market. The return of the Finnish stock exchange was 11.5%, while that of Europe was 10.2%.

The fall of bond returns, which had already been anticipated a few years, started to become visible in 2017. The return of the euro government bond index remained at 0.1%. The return of investment grade loans was 2.4%. Credit risk continued to yield a return – the euro denominated High Yield gave a 6.2% return and the euro-hedged emerging corporate loan index a 5.0% return.

Major events during the financial period

On 2 January 2017, eQ Plc was transferred from Small Cap companies to Mid Cap companies in the annual market capitalisation classification of Nasdaq Helsinki.

The annual general meeting of eQ Plc was held on 29 March 2017. Carl Haglund (M.Sc. (Econ), born 1979) was elected new member of the Board of Directors. Jussi Seppälä, who has been on eQ Plc's Board since 2011, left the Board. Georg Ehrnrooth will continue as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

The number of eQ Plc's shares increased by 530 000 on 31 May 2017 due to new shares subscribed for with option rights.

The number of eQ Plc's shareholders exceeded 5 000 for the first time during the financial period and totalled 5 048 at the end of the period (4 668 shareholders on 31 Dec. 2016).

Group net revenue and result development

During the financial period, the Group's net revenue totalled EUR 40.7 million (EUR 35.4 million from 1 Jan. to 31 Dec. 2016). The Group's net fee and commission income increased to EUR 38.9 million (EUR 33.2 million). The Group's net investment income from own investment operations was EUR 1.7 million (EUR 2.2 million).

The Group's expenses and depreciation totalled EUR 20.6 million (EUR 19.1 million). Personnel expenses were EUR 16.1 million (EUR 14.6 million), other administrative expenses totalled EUR 2.3 million (EUR 2.0 million), and the other operating expenses were EUR 1.9 million (EUR 1.9 million). The personnel expenses grew on the previous year due to result-related remuneration. Depreciation was EUR 0.3 million (EUR 0.6 million).

The Group's operating profit was EUR 20.1 million (EUR 16.2 million) and the profit for the period was EUR 15.9 million (EUR 12.8 million).

Business areas

Asset Management

eQ Asset Management offers versatile and innovative asset management services to both institutions and individuals. The Asset Management segment consists of the investment firm eQ Asset Management Ltd and other Group companies engaged in asset management operations, the most important of which is eQ Fund Management Company Ltd.

Mutual funds and asset management

At the end of May, eQ established a new eQ Emerging Markets Small Cap Fund, which makes investments in smaller emerging market companies. At the close of the year, its size was already EUR 56 million. The eQ LCR Income Fund was wound up during the last quarter. At the end of the financial period, eQ had 26 mutual funds registered in Finland.



During the financial period, eQ's fixed-income funds gave very good returns with the exception of the eQ Euro Government Bond Fund and eQ Money Market Fund. The eQ High Yield, eQ Emerging Markets Corporate Bond and eQ Investment Grade funds were the best fixed-income funds in 2017 with returns of approximately 5%. All of eQ's fixed-income funds except for eQ High Yield exceeded their benchmark indices clearly, and eQ has no less than three fixed-income funds with a five-star Morningstar rating.

The returns of the equity funds were excellent in 2017. The best development was seen in the eQ Emerging Asia, eQ Emerging Dividend and eQ CO2 funds. The returns of the best equity funds exceeded 15% during the year. The best returns as compared with benchmark indices came from the eQ Russia, eQ CO2 and eQ Europe Property funds. Of the funds managed by eQ, 50% surpassed their benchmark indices in 2017, and in the past three years, 86% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was four stars at the end of the financial period. The returns of the discretionary asset management portfolios that eQ manages varied between 3 and 10% in 2017 based on the allocation of the investment portfolio.

Private Equity

The eQ PE IX US private equity fund held its first close at USD 45 million at the end of January. The second close of the fund took place in April at almost USD 82 million, and the final close at more than USD 105 million. At the end of the first quarter, eQ also established a new eQ Private Credit Fund, which gathered more than EUR 90 million in one single closing. eQ Private Credit is a fund that mainly makes investments in European senior loans, and it implemented together with MV Credit, an experienced private credit actor. At the end of the second quarter, eQ established a new eQ PE SF private equity fund for the management of a secondary market transaction of EUR 137.5 million. The assets managed under private equity operations grew and amounted to EUR 5 156 million at the end of the financial period (EUR 4 319 million on 31 Dec. 2016).

Real estate investments

The strong growth of the eQ Finnish Real Estate Fund continued, and at the end of the fourth quarter, new subscriptions for EUR 42 million were made in the fund. At the end of the financial period, the size of the fund was EUR 448 million, and its real estate property was almost EUR 570 million. The investment operations of the fund have been extremely successful, and the return since establishment is 10.4% p.a. The fund already has approximately 2 150 unit holders.

The eQ Care Fund was temporarily closed for new subscriptions during the first quarter in order to safeguard the success of the fund's investment operations. At the end of the fourth quarter, new subscriptions for EUR 38 million were made in the fund. At the end of the quarter, the size of the fund was EUR 520 million and its real estate property was almost EUR 710 million. The return of the fund since establishment is excellent at 9.0% p.a., and the fund already has approximately 2 800 unit holders.

Overall, eQ's real estate funds had real estate assets exceeding EUR 1 270 million at the end of the financial period, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded to eight persons.

Towards the end of 2016, eQ also established a new non-UCITS fund that is especially designed for institutions, eQ Forest. eQ Forest made investments in Finnish forests, and owned forests worth almost EUR 10 million. Due to the strong increase in the prices of good forest property and the thinness of the market, eQ sold the acquired property during the fourth quarter, however, and returned most of the assets to investors. The eQ Forest Fund will be finally wound up during the year 2018.

Assets under management and clients

At the end of the financial period, the assets managed by eQ Asset Management totalled EUR 8 432 million. The assets decreased by EUR 343 million from the close of the previous year (EUR 8 775 million on 31 Dec. 2016). This was mainly due to the fact that one large institutional client went over to a centralised fund service, due to which the assets of the partner funds decreased by EUR 1 446 million at the beginning of the third quarter. The transfer only has a minor impact on the result. At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 2 304 million (EUR 1 936 million), and the



assets increased by EUR 368 million. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 972 million (EUR 2 520 million). The assets managed under private equity funds and asset management totalled EUR 5 156 million (EUR 4 319 million). EUR 3 412 million (EUR 2 890 million) of these assets were covered by the reporting service.

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by 32% and the operating profit by 50% to EUR 18.0 million (EUR 12.0 million from 1 Jan. to 31 Dec. 2016) during the financial period, while the fee and commission income of the segment increased by 33%. The fee and commission income grew strongly in all areas. Expenses increased mainly due to result-based salary items. The cost/income ratio fell below 50% to 46.8% during the financial period. Calculated as full-time resources, the Asset Management segment had 64 employees at the end of the year.

Asset Management	1-12/17	1-12/16	Change %	10-12/17	10-12/16	Change %
Net revenue, M€	33.9	25.6	32%	10.5	7.0	48 %
Operating profit, M€	18.0	12.0	50%	5.6	3.3	72 %
Assets under management, € billion	8.4	8.8	-4%	8.4	8.8	-4 %
Cost/income ratio, %	46.8	51.6	-9%	46.0	52.2	-12 %
Personnel at the end of the period	64	62	3%	64	62	3 %

Fee and commission income, Asset Management, M€	1-12/17	1-12/16	Change %	10-12/17	10-12/16	Change %
Management fees from traditional asset management	8.9	7.7	15%	2.3	2.1	11%
Real estate and private equity management fees	18.4	13.8	33%	5.1	3.8	34%
Other fee and commission income	0.6	0.3	71%	0.1	0.1	-33%
Performance fees	6.4	3.9	64%	3.1	1.2	171%
Total	34.3	25.8	33%	10.6	7.1	49%

Corporate Finance

In the Corporate Finance segment, Advium Corporate Finance acts as advisor in mergers and acquisitions, large real estate transactions and equity capital markets.

The low interest rates and good availability of financing have continued to contribute to a high activity in corporate and real estate transactions.

eQ's corporate finance unit Advium had a successful year above all as advisor in major real estate transactions. Advium acted as advisor in twelve finalised transactions, eight of which were real estate transactions. Advium maintained its market leading position in large real estate transactions and was chosen the best Finnish investment bank in the real estate sector, already for the eleventh time, in an enquiry by the distinguished Euromoney magazine.

Advium acted as advisor to, e.g. Sanoma, as it agreed on the sale of an office property in the city centre of Helsinki to a fund managed by Aberdeen Standard Investments. Advium acted as advisor to Kesko, the Rakauskas family and Zabolis Partners, as they sold real estate in the Baltic countries to a U.S. fund for EUR 174 million. Advium also acted as advisor to the sellers in separate transactions, when a property owned by Fennia in the centre of Helsinki was sold to Varma and properties owned by Otava were sold to YIT. Within mergers and acquisitions, Advium acted as advisor to the seller at the end of the year, as Piinom Oy sold Finnpos Oy, a company specialising in solutions for payment, to the Swedish OS Group AB, which is owned by IK Investment Partners. In addition, Advium issued a fairness opinion to the Board of Ilmarinen on the joining of the two occupational pension insurance companies Ilmarinen and Etera.



Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 5.2 million (EUR 7.9 million from 1 Jan. to 31 Dec. 2016). The operating profit was EUR 2.0 million (EUR 3.7 million). The segment had 15 employees at the end of the period.

It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result of the segment may vary considerably from quarter to quarter.

Corporate Finance	1-12/17	1-12/16	Change %	10-12/17	10-12/16	Change %
Net revenue, M€	5.2	7.9	-34%	2.6	1.6	60%
Operating profit, M€	2.0	3.7	-46%	1.3	0.7	93%
Cost/income ratio, %	61.7	52.7	17%	51.2	59.4	-14%
Personnel at the end of the period	15	13	15%	15	13	15%

Investments

The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

During the financial period, the operating profit of the Investments segment was EUR 1.4 million (EUR 1.9 million from 1 Jan. to 31 Dec. 2016). At the end of the period, the fair value of the private equity fund investments was EUR 18.8 million (EUR 19.2 million on 31 Dec. 2016) and the amount of the remaining investment commitments was EUR 8.9 million (EUR 11.2 million). Of the market value, 76% has been invested in private equity funds managed by eQ. The breakdown of the market value and investment commitments of private equity fund investments per fund are presented in the tables on page 22.

During the period, the investment objects returned capital for EUR 3.3 million (EUR 4.3 million from 1 Jan. to 31 Dec. 2016) and distributed a profit of EUR 1.7 million (EUR 2.5 million). Capital calls totalled EUR 3.2 million (EUR 2.4 million). The net cash flow from investments during the period was EUR 1.9 million (EUR 4.4 million). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.2 million (EUR 0.3 million). The write-downs recognised through profit and loss during the period totalled EUR 0.1 million (EUR 0.3 million from 1 Jan. to 31 Dec. 2016).

The value change of investments in the fair value reserve before taxes was EUR -0.1 million (EUR -1.0 million). The unrealised value changes of investments in the fair value reserve after taxes were EUR -0.2 million (EUR -0.1 million on 31 Dec. 2016) at the end of the period. The return of eQ's own investment operations since the beginning of operations has been 21% p.a. (IRR).

During the financial period, eQ Plc made a USD 1.1 million investment commitment in the eQ PE IX US private equity fund. The eQ PE IX US Fund makes investments in private equity funds that make equity investments in unlisted small and mid-sized companies in the US and Canada.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the segment's net revenue and result may vary considerably. eQ only makes new investments in funds managed by eQ.

Investments	1-12/17	1-12/16	Change %	10-12/17	10-12/16	Change %
Net revenue, M€	1.4	1.9	-26%	0.8	0.6	37%
Operating profit, M€	1.4	1.9	-26%	0.8	0.6	37%
Fair value of investments, M€	18.8	19.2	-2%	18.8	19.2	-2%
Investment commitments, M€	8.9	11.2	-20%	8.9	11.2	-20%



Balance sheet and solvency

At the end of the financial period, the consolidated balance sheet total was EUR 76.8 million (EUR 76.2 million on 31 Dec. 2016) and the shareholders' equity was EUR 62.7 million (EUR 64.5 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 15.9 million, the change in the fair value reserve of EUR -0.1 million, the dividend distribution of EUR -12.9 million, the repayment of equity of EUR -5.5 million from the reserve for invested unrestricted equity, the subscription of new shares with option rights of EUR 0.3 million and the accrued expense of EUR 0.5 million related to an option scheme and entered in the shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 14.6 million (EUR 6.6 million) and liquid investments in mutual funds EUR 10.0 million (EUR 10.0 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group's short-term receivables amounted to EUR 3.3 million (EUR 10.2 million). The Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt, which consists of the deferred tax liability, at the end of the period was EUR 0.3 million (EUR 0.4 million) and interest-free short-term debt EUR 13.8 million (EUR 11.3 million). eQ's equity to assets ratio was 81.6% (84.7%).

A subsidiary called eQ Asset Management Ltd, which is engaged in investment firm operations and fully owned by eQ Plc, is part of the Group. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the Basel III/CRD IV regulations. The Group's CET1 (Common Equity Tier 1) and solvency ratio of the own funds was 11.9% (13.9% on 31 Dec. 2016) at the end of the period. The minimum requirement for own funds is 8%. At the end of the period, the Group's own funds based on solvency calculations totalled EUR 14.5 million (EUR 16.6 million on 31 Dec. 2016), and the risk-weighted items were EUR 121.3 million (EUR 119.3 million). Detailed information on the Group's solvency can be found in the tables section.

Shares and share capital

At the end of the period on 31 December 2017, the number of eQ Plc's shares was 37 507 198 and the share capital was EUR 11 383 873.

The number of eQ Plc's shares increased by 530 000 on 31 May 2017 due to new shares subscribed for with options from the 2010 scheme. The subscription price of the new shares totalled EUR 323 300.00. The entire subscription was entered in the reserve for invested unrestricted equity. There were no changes in the share capital during the period.

The closing price of eQ Plc's share on 31 December 2017 was EUR 8.30 (EUR 8.11 on 31 Dec. 2016). The market capitalisation of the company was thus EUR 311.3 million (EUR 299.9 million) at the end of the financial period. During the financial period, 1 950 715 shares were traded on Nasdaq Helsinki (7 224 258 shares from 1 Jan. to 31 Dec. 2016).

Own shares

At the end of the period, on 31 December 2017, eQ Plc held no own shares.



Shareholders

Ten major shareholders on 31 December 2017

	Shares	Share, %
1 Fennogens Investements SA	6 973 137	18.59
2 Chilla Capital S.A.	5 652 635	15.07
3 Anchor Oy Ab	3 883 677	10.35
4 Teamet Oy	3 850 000	10.26
5 Umo Capital Oy	3 786 620	10.10
6 Oy Cevante Ab	1 419 063	3.78
7 Fazer Jan Peter	1 288 306	3.43
8 Linnalex Ab	681 652	1.82
9 Lavventura Oy	550 000	1.47
10 Pinomonte Ab	529 981	1.41
10 major shareholders, total	28 615 071	76.29
Nominee registered	341 003	0.91
Other shares	8 551 124	22.80
Total	37 507 198	100.00

On 31 December 2017, eQ Plc had 5 048 shareholders (4 668 shareholders on 31 Dec. 2016).

Option schemes

At the end of the period, eQ Plc had two option schemes. The option schemes are intended as part of the commitment system of the Group's key personnel.

Option scheme 2010

At the end of the period, altogether 1 700 000 options had been allocated from option scheme 2010. Of these options, altogether 1 150 000 had been exercised by the end of the period. The number of outstanding options was 550 000 at the end of the period. No options of the option scheme 2010 can any longer be allocated. Options of the option scheme 2010 have been listed on Nasdaq Helsinki. The terms and conditions of the option scheme have been published in a stock exchange release of 18 August 2010, and they can be found in their entirety on the company website at www.eQ.fi.

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. At the end of the period, there were still 425 000 options in option scheme 2015 available for allocation. The terms and conditions of the option scheme have been published in a stock exchange release of 5 November 2015, and they can be found in their entirety on the company website at www.eQ.fi.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Wednesday 29 March 2017 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2016.



Decision in respect of the result shown on the balance sheet and the distribution of assets from the reserve for invested unrestricted equity

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.35 per share and a repayment of equity of EUR 0.15 from the reserve for invested unrestricted equity be paid out. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 31 March 2017, were recorded in the shareholder register held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 7 April 2017.

Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila and Annika Poutiainen were re-elected and Carl Haglund was elected as new member to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 3 500 and the other directors EUR 2 000 per month. The Directors will also be paid EUR 400 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Georg Ehrnrooth Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Raija-Leena Hankonen, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the repurchase of shares

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares in one or several transactions on the following terms: the Board of Directors was authorised to decide on the repurchase of no more than 1 000 000 own shares, which corresponded to approximately 2.70% of all the shares in the company on the date of the notice of the AGM. The shares will be repurchased with assets from the company's unrestricted equity, which means that any repurchases will reduce the distributable assets of the company. Shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders with assets from the company's unrestricted equity at the market price of the shares in public trading on Nasdaq Helsinki Ltd at the time of purchase or at a lower price.

Own shares may be repurchased in order to develop the company's capital structure, to finance corporate acquisitions or other business transactions, to finance or carry out investments or other arrangements pertaining to the company operations, or they may be used as part of the company's incentive schemes. For said purposes, the repurchased shares may be held, transferred further or cancelled. The Board of Directors shall decide on other matters related to the repurchase of own shares. The authorisation cancels all previous authorisations to repurchase the company's own shares and is effective until the next AGM, no longer than 18 months, however.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, in one or several transactions, comprising a maximum total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.52% of all shares in the company on the date of the notice of the AGM.



The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on all matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, including the recipients of the shares or the special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.

Personnel and organisation

At the end of the period, the number of Group personnel calculated as full-time resources was 84 (80 persons on 31 Dec. 2016). Calculated as full-time resources, the Asset Management segment had 64 (62) employees and the Corporate Finance segment 15 (13) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 16.1 million (EUR 14.6 million from 1 Jan. to 31 Dec. 2016). The personnel expenses grew on the previous year due to result-related remuneration.

Major risks and short-term uncertainties

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is dependent of the development of the capital market. The realisation of the performance fee income that is dependent on the success of the investment operations also influences result development. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow.

Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends.

The risks associated with eQ Group's own investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. The company's own investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the return of the investments is often small. The income from eQ Group's own investment operations is recognised for eQ in different quarters due to factors independent of the company, depending on the exits from private equity funds. The income from investment operations may vary considerably from quarter to quarter.

Proposal for the distribution of profit

The distributable means of the parent company on 31 December 2017 totalled EUR 44 548 028.23. The sum consisted of retained earnings of EUR 16 764 526.27 and the means in the reserve of invested unrestricted equity of EUR 27 783 501.96.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.43 per share be paid out. The proposal corresponds to a dividend totalling EUR 16 128 095.14 calculated with the number of shares at the close of the financial year. Additionally, the Board proposes to the AGM that an equity repayment of EUR 0.07 per share be paid out from the reserve of invested unrestricted equity. The proposal corresponds to an equity repayment totalling EUR 2 625 503.86 calculated with the number of shares at the close of the financial year. The dividend and equity repayment shall be paid to those who are registered as shareholders in eQ Plc's shareholder register maintained by Euroclear Finland Ltd on the record date 3 April 2018. The Board proposes 10 April 2018 as the payment date of the dividend and equity repayment.



After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of dividend and equity repayment do not endanger the liquidity of the company.

Events after the period under review

The first close of the eQ PE X North private equity fund was held in January 2018 at EUR 83 million. eQ Plc gave an investment commitment of EUR 1.0 million to the fund.

In addition, eQ established its second secondary market fund eQ PE SF II, the first close was held at EUR 65 million.

eQ Plc's shareholders with more than 60% of the company shares and votes have made a proposal to the Annual General Meeting to be held on 28 March 2018 regarding the number of directors, their remuneration and the principles for compensating expenses as well as the election of the directors. The shareholders propose that Nicholas Berner, Georg Ehrnrooth, Carl Haglund, Timo Kokkila and Annika Poutiainen be re-elected to the Board for a term of office that will end at the close of the next Annual General Meeting.

Outlook

The success of the asset management business in 2017 offers an excellent starting point for the year 2018. We expect the net revenue and operating profit of the Asset Management segment to grow in 2018. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments. The results of these segments are highly dependent of factors that are not dependent of the company. Consequently, the operating profit of these segments may vary considerably and is difficult to foresee.

eQ Plc
Board of Directors

TABLES

Principles for drawing up the report

The financial statements release has been prepared in accordance with IFRS standards and the IAS 34 Interim Reports standard, approved by the EU. At the beginning of the financial period, the company has adopted certain new or amended IFRS standards and IFRIC interpretations. However, the introduction of these new or amended standards has not had any impact on the reported figures. For other parts, the Group has applied the same accounting principles as in the financial statements for the year 2016. The calculation principles and formulas of the key ratios remain unaltered, and they have been presented in the financial statements 2016.

The income of eQ's own investment operations is recognised due to factors independent of the company. As a result, the net income from available-to-sale financial assets may vary considerably.

The financial statements figures presented in this release are based on the company's audited financial statements. The Auditors' Report has been issued on 2 February 2018.

New and amended IFRS standards and interpretations to be applied later

IFRS 9 Financial Instruments:

The new IFRS 9 standard replaces the present IAS 39 Financial Instruments: Recognition and Measurement. The standard will become effective on 1 January 2018. IFRS 9 will change the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment on financial assets. The rules regarding hedge accounting will also change.

IFRS 9 has three classification groups: a) amortised cost, b) fair value through other comprehensive income and c) fair value through profit or loss. The regulations on classification in the IFRS 9 standard also differ from the IAS 39 standard. The classification is based on the business model defined by the company and the contractual cash flows of financial assets.

According to the IAS 39 standard, the private equity and mutual fund investments made from eQ Group's own balance sheet have been classified as available for sale investments. This classification no longer exists in the new standard. When applying the IAS 39 standard, eQ Group has entered the profit distribution from private equity fund investments among the net income from available-for-sale financial assets. The unrealised changes in value arising from valuation at fair value are included in the shareholders' equity under the fair value reserve through other items of comprehensive income. If available-for-sale financial assets are sold or if their value has decreased permanently and significantly, the profit or loss has been entered in the income statement as net income from available-for-sale financial assets.

According to IFRS 9, eQ Group's own private equity fund investments are classified as financial assets at fair value through profit or loss, and their value changes are entered in the income statement. In the same manner, investments of excess liquidity in short-term interest funds (mutual funds) or in other corresponding funds are, according to IFRS 9, recognised at fair value through profit or loss. Entering the value change in the income statement will increase the volatility of the profit. The changes in the consolidated shareholders' equity will have no impact. During the period 1 January to 31 December 2017, the change in value of the private equity fund investments made from eQ Group's own balance sheet was EUR -0.1 million (EUR -1.0 million from 1 Jan. to 31 Dec. 2016). The cumulative value changes related to private equity fund investments in the fair value reserve after taxes were EUR -0.2 million (EUR -0.1 million on 31 Dec. 2016) on 31 December 2017. When the Group begins to apply the IFRS 9 standard, the cumulative changes in value adjusted with tax will be transferred within equity from the fair value reserve to retained earnings.

The new model for assessing the impairment of financial assets based on expected credit losses according to the IFRS 9 standard is not deemed to have any essential impact on eQ Group. eQ Group



does not give credits and it mostly has short-term sales receivables. The Group has no derivative instruments, which means that changes in hedge accounting will have no impact on eQ Group.

eQ Group will apply the IFRS 9 standard from 1 January 2018 and plans to take advantage of the exemption allowing it not to restate comparative information.

IFRS 15 Revenue from Contracts with Customers:

The new IFRS 15 will replace the present IAS 18 and IAS 11 standards and the interpretations related to them. The standard will become effective on 1 January 2018. IFRS 15 provides a five-step model to be applied to revenue based on contracts with customers. Revenue can be recognised over time or at a specific time, with the central criterion being the transfer of control. The standard will also expand the notes presented with financial statements.

The new standard is not expected to change the revenue recognition practice of eQ Group compared with the former practice. The stages of the five-step model included in the IFRS 15 standard regarding the identification of contracts or separate performance obligations will not lead to any significant changes to the former revenue recognition practice. In its present practice, eQ Group already takes into consideration the requirement of limiting the assessment of variable consideration when defining the consideration that it expects to be entitled to. Therefore, no changes are expected in the timing of the revenue recognition of the Asset Management segment's management fees or performance fees, nor in the revenue recognition of the fees of the Corporate Finance segment.

eQ Group will apply the IFRS 15 standard from 1 January 2018 and will apply it retrospectively.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-12/17	1-12/16	10-12/17	10-12/16
Fee and commission income	39 292	33 434	13 087	8 633
Interest income	4	4	3	2
Net income from available-for-sale financial assets	1 738	2 194	918	669
Operating income, total	41 035	35 633	14 008	9 304
Fee and commission expenses	-354	-213	-106	-62
Interest expenses	-1	-1	0	-1
NET REVENUE	40 680	35 418	13 903	9 241
Administrative expenses				
Personnel expenses	-16 075	-14 572	-5 276	-3 902
Other administrative expenses	-2 269	-2 012	-744	-566
Depreciation on tangible and intangible assets	-282	-644	-73	-143
Other operating expenses	-1 928	-1 914	-501	-463
Impairment losses of other financial assets	-5	-50	-5	-
OPERATING PROFIT (LOSS)	20 121	16 227	7 304	4 166
Income tax	-4 198	-3 395	-1 505	-877
PROFIT (LOSS) FOR THE PERIOD	15 922	12 832	5 799	3 289

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-12/17	1-12/16	10-12/17	10-12/16
Other comprehensive income:				
Items that may be reclassified subsequently to the income statement:				
Available-for-sale financial assets, net	-132	-761	-775	-6
Other comprehensive income after taxes	-132	-761	-775	-6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15 790	12 071	5 024	3 283
Profit for the period attributable to:				
Equity holders of the parent company	15 922	12 832	5 799	3 289
Non-controlling interests	-	-	-	-
Comprehensive income for the period attributable to:				
Equity holders of the parent company	15 790	12 071	5 024	3 283
Non-controlling interests	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company				
Earnings per average share, EUR	0.43	0.35	0.15	0.09
Diluted earnings per average share, EUR	0.40	0.33	0.15	0.08



CONSOLIDATED BALANCE SHEET, EUR 1 000

	31 Dec. 2017	31 Dec. 2016
ASSETS		
Liquid assets	30	47
Claims on credit institutions	14 599	6 579
Available-for-sale financial assets		
Financial securities	10 066	10 076
Private equity fund investments	18 792	19 209
Intangible assets	29 431	29 455
Tangible assets	309	368
Other assets	2 673	8 946
Accruals and prepaid expenditure	607	1 006
Income tax receivables	33	254
Deferred tax assets	271	237
TOTAL ASSETS	76 810	76 177
LIABILITIES AND EQUITY		
LIABILITIES		
Other liabilities	3 919	3 369
Accruals and deferred income	9 108	7 607
Income tax liabilities	774	316
Deferred tax liabilities	348	374
TOTAL LIABILITIES	14 149	11 666
EQUITY		
Attributable to equity holders of the parent company:		
Share capital	11 384	11 384
Fair value reserve	-193	-61
Reserve for invested unrestricted equity	29 638	34 861
Retained earnings	5 910	5 495
Profit (loss) for the period	15 922	12 832
TOTAL SHAREHOLDERS' EQUITY	62 661	64 511
TOTAL LIABILITIES AND EQUITY	76 810	76 177



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-12/2017	1-12/2016
CASH FLOW FROM OPERATIONS		
Operating profit	20 121	16 227
Depreciation and write-downs	387	999
Interest income and expenses	-4	-3
Transactions with no related payment transactions	552	525
Available-for-sale investments - private equity fund investments	176	1 914
Change in working capital		
Business receivables, increase (-) / decrease (+)	6 920	-3 752
Interest-free debt, increase (+) / decrease (-)	1 739	738
Total change in working capital	8 659	-3 013
Cash flow from operations before financial items and taxes	29 892	16 648
Interests received	4	4
Interests paid	-1	-1
Taxes	-3 484	-3 422
CASH FLOW FROM OPERATIONS	26 411	13 229
CASH FLOW FROM INVESTMENTS		
Investments in intangible and tangible assets	-199	-113
Investments/redemptions in other investments – liquid mutual funds	-44	-5 027
CASH FLOW FROM INVESTMENTS	-243	-5 140
CASH FLOW FROM FINANCING		
Dividends paid/equity repayments	-18 489	-18 364
Income from share issue	323	278
CASH FLOW FROM FINANCING	-18 165	-18 086
INCREASE/DECREASE IN LIQUID ASSETS	8 003	-9 998
Liquid assets on 1 Jan.	6 626	16 623
Liquid assets on 31 Dec.	14 629	6 626

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company						
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan. 2016	11 384	41 929	700	15 988	70 001	70 001
Profit (loss) for the period				12 832	12 832	12 832
Other comprehensive income						
Available-for-sale financial assets			-761		-761	-761
Total comprehensive income			-761	12 832	12 071	12 071
Dividend/equity repayment		-7 345		-11 018	-18 364	-18 364
Share issue		278			278	278
Options granted				525	525	525
Shareholders' equity on 31 Dec. 2016	11 384	34 861	-61	18 326	64 511	64 511

Shareholders' equity on 1 Jan. 2017	11 384	34 861	-61	18 326	64 511	64 511
Profit (loss) for the period				15 922	15 922	15 922
Other comprehensive income						
Available-for-sale financial assets			-132		-132	-132
Total comprehensive income			-132	15 922	15 790	15 790
Dividend/equity repayment		-5 547		-12 942	-18 489	-18 489
Share issue		323			323	323
Options granted				522	522	522
Other changes				3	3	3
Shareholders' equity on 31 Dec. 2017	11 384	29 638	-193	21 832	62 661	62 661



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-12/17	1-12/16	10-12/17	10-12/16
Asset management fees				
Management fees from traditional asset management	8 860	7 732	2 269	2 051
Real estate and private equity management fees	18 183	13 545	5 051	3 734
Other fee and commission income	587	344	57	85
Performance fees	6 430	3 909	3 130	1 155
Total	34 060	25 530	10 507	7 025
Corporate finance fees	5 232	7 905	2 580	1 608
Fee and commission income, total	39 292	33 434	13 087	8 633

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	31 Dec. 2017		31 Dec. 2016	
	Fair value	Book value	Fair value	Book value
Financial assets				
Available-for-sale financial assets				
Private equity fund investments	18 792	18 792	19 209	19 209
Financial securities	10 066	10 066	10 076	10 076
Accounts receivable and other receivables	852	852	1 517	1 517
Liquid assets	14 629	14 629	6 626	6 626
Total	44 339	44 339	37 429	37 429
Financial liabilities				
Accounts payable and other liabilities	355	355	643	643
Total	355	355	643	643

The table shows the fair values and book values of financial assets and liabilities per balance sheet item. The assessment principles of fair values are presented in the accounting principles. The original book value of accounts receivable and accounts payable corresponds to their fair value, as the impact of discounting is not essential taking into account the maturity of the receivables and liabilities.



Value of financial instruments across the three levels of the fair value hierarchy

	31 Dec. 2017		31 Dec. 2016	
	Level 1	Level 3	Level 1	Level 3
Available-for-sale financial assets				
Private equity fund investments	-	18 792	-	19 209
Financial securities	10 066	-	10 076	-
Total	10 066	18 792	10 076	19 209

Level 3 reconciliation – Available-for-sale financial assets:

1-12/2017	Private equity fund investments
Opening balance on 1 Jan. 2017	19 209
Calls	3 151
Returns	-3 327
Impairment loss	-100
Change in fair value	-141
Closing balance on 31 Dec. 2017	18 792

1-12/2016	Private equity fund investments
Opening balance on 1 Jan. 2016	22 456
Calls	2 414
Returns	-4 328
Impairment loss	-305
Change in fair value	-1 028
Closing balance on 31 Dec. 2016	19 209

Level 1 comprises liquid assets the value of which is based on quotes in the liquid market. A market where the price is easily available on a regular basis is regarded as a liquid market.

The fair values of level 3 instruments are based on the value of the fund according to the management company of the fund and their use in widely used valuation models. Private equity fund investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The impairment losses of private equity fund investments are based on the management's assessment, as described in the principles for preparing the financial statements. During the period under review, no transfers took place between the levels of the fair value hierarchy.



PRIVATE EQUITY FUND INVESTMENTS, EUR 1 000

	Market value		Acquisition cost		Unrealised value change*	
	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17	31.12.16
Funds managed by eQ:						
Funds of funds:						
eQ PE IX US LP	0	-	0	-	0	-
eQ PE VIII North LP	858	182	892	208	-34	-26
eQ PE VII US LP	853	219	968	269	-115	-50
eQ PE VI North LP	1 186	818	1 220	909	-34	-91
Amanda V East LP	3 670	2 730	3 978	3 187	-308	-457
Amanda IV West LP	2 626	3 020	2 098	2 515	528	505
Amanda III Eastern PE LP	5 079	6 115	5 022	5 748	57	368
Eur Fund Inv. LP (EFI II)	74	197	175	337	-101	-140
Total	14 346	13 281	14 353	13 172	-7	110
Funds managed by others:						
Large buyout funds	2 202	2 945	1 947	2 907	255	38
Midmarket funds	1 300	1 879	1 839	2 195	-539	-315
Venture funds	944	1 104	894	1 066	50	37
Total	18 792	19 209	19 033	19 340	-242	-131

*Unrealised value change before taxes

REMAINING INVESTMENT COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS, EUR 1 000

	Investment commitment	
	31.12.17	31.12.16
Funds managed by eQ:		
Funds of funds:		
eQ PE IX US LP	916	-
eQ PE VIII North LP	2 012	2 792
eQ PE VII US LP	1 573	2 558
eQ PE VI North LP	1 407	1 860
Amanda V East LP	669	1 460
Amanda IV West LP	614	603
Amanda III Eastern PE LP	350	316
Eur Fund Inv. LP (EFI II)	35	35
Total	7 576	9 624
Funds managed by others:		
Large buyout funds	234	224
Midmarket funds	1 096	1 217
Venture funds	11	115
Total	8 917	11 180



MARKET VALUE OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	31.12.17	31.12.16
-2000	450	530
2001-2005	1 194	1 527
2006-2010	10 581	15 934
2011-	6 567	1 219
Total	18 792	19 209

REMAINING INVEST COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	31.12.17	31.12.16
-2000	12	115
2001-2005	742	742
2006-2010	1 585	3 113
2011-	6 578	7 210
Total	8 917	11 180



SEGMENT INFORMATION, EUR 1 000

1-12/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	34 060	5 232	-	-		39 292
From other segments	200	-	-	-	-200	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	4		4
Net income from available-for-sale financial assets	-	-	1 594	144		1 738
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	34 260	5 232	1 594	225	-277	41 035
Fee and commission expenses	-346	0	-	-8		-354
To other segments	-	-	-200	-	200	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	33 914	5 232	1 394	217	-77	40 680
Administrative expenses						
Personnel expenses	-12 587	-2 526	-	-962		-16 075
Other administrative expenses	-1 744	-402	-	-200	77	-2 269
Depreciation on tangible and intangible assets	-237	-22	-	-23		-282
Other operating expenses	-1 321	-276	-	-331		-1 928
Impairment losses of other financial assets	-	-5	-	-		-5
OPERATING PROFIT (LOSS)	18 026	2 000	1 394	-1 299	0	20 121
Income tax				-4 198		-4 198
PROFIT (LOSS) FOR THE PERIOD				-5 498		15 922

1-12/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	25 530	7 905	-	-		33 434
From other segments	300	-	-	-	-300	-
Net income from foreign exchange dealing	-	-	-	0		-
Interest income	-	-	-	4		4
Net income from available-for-sale financial assets	-	-	2 194	-		2 194
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	25 830	7 905	2 194	81	-377	35 633
Fee and commission expenses	-203	-	-	-10		-213
To other segments	-	-	-300	-	300	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	25 626	7 905	1 894	70	-77	35 418



1-12/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-10 192	-3 513	-	-868		-14 572
Other administrative expenses	-1 517	-348	-	-223	77	-2 012
Depreciation on tangible and intangible assets	-592	-24	-	-28		-644
Other operating expenses	-1 287	-283	-	-343		-1 914
Impairment losses of other financial assets	-	-50	-	-		-50
OPERATING PROFIT (LOSS)	12 039	3 686	1 894	-1 392	0	16 227
Income tax				-3 395		-3 395
PROFIT (LOSS) FOR THE PERIOD				-4 787		12 832

10-12/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	10 507	2 580	-	0		13 087
From other segments	50	-	-	-	-50	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	3		3
Net income from available-for-sale financial assets	-	-	863	55		918
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	10 557	2 580	863	77	-69	14 008
Fee and commission expenses	-104	-	-	-2		-106
To other segments	-	-	-50	-	50	-
Interest expenses	-	-	-	0		0
NET REVENUE	10 453	2 580	813	75	-19	13 903
Administrative expenses						
Personnel expenses	-3 822	-1 096	-	-359		-5 276
Other administrative expenses	-586	-134	-	-43	19	-744
Depreciation on tangible and intangible assets	-61	-6	-	-6		-73
Other operating expenses	-340	-82	-	-79		-501
Impairment losses of other financial assets	-	-5	-	-		-5
OPERATING PROFIT (LOSS)	5 644	1 258	813	-411	0	7 304
Income tax				-1 505		-1 505
PROFIT (LOSS) FOR THE PERIOD				-1 916		5 799



10-12/16	Asset Man.	Corporate Finance	Investments	Other	Eliminations	Group total
Fee and commission income	7 025	1 608	-	-		8 633
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	669	-		669
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	7 100	1 608	669	21	-94	9 304
Fee and commission expenses	-60	-	-	-2		-62
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	7 040	1 608	594	19	-19	9 241
Administrative expenses						
Personnel expenses	-2 856	-783	-	-263		-3 902
Other administrative expenses	-458	-88	-	-39	19	-566
Depreciation on tangible and intangible assets	-130	-7	-	-6		-143
Other operating expenses	-309	-77	-	-77		-463
Impairment losses of other financial assets	-	0	-	-		0
OPERATING PROFIT (LOSS)	3 287	653	594	-367	0	4 166
Income tax				-877		-877
PROFIT (LOSS) FOR THE PERIOD				-1 244		3 289

The fee and commission income of the Asset Management segment from other segments comprises the management fee income from eQ Group's own investments in private equity funds. The corresponding expenses are allocated to the Investments segment. Under the item Other, income from other segments comprises the administrative services provided by Group administration to other segments and the undivided interest income and expenses. The item Other also includes the undivided personnel, administration and other expenses allocated to Group administration. The taxes not distributed to the segments are also presented under the item Other.

The highest operative decision-making body does not follow assets and liabilities at segment level, due to which the Group's assets and liabilities are not presented as divided between the segments.



PROFIT DEVELOPMENT OF SEGMENTS PER QUARTER, EUR 1 000

	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16
Asset Management					
Net revenue	10 453	7 420	8 045	7 996	7 040
Operating profit	5 644	4 189	4 182	4 010	3 287
Corporate Finance					
Net revenue	2 580	308	1 100	1 244	1 608
Operating profit	1 258	-78	365	456	653
Investments					
Net revenue	813	278	191	112	594
Operating profit	813	278	191	112	594
Other segments and eliminations					
Net revenue	56	-2	87	-2	-1
Operating profit	-411	-263	-291	-335	-367
Group total					
Net revenue	13 903	8 004	9 423	9 350	9 241
Operating profit	7 304	4 127	4 447	4 244	4 166
Profit for the period	5 799	3 265	3 496	3 361	3 289



SOLVENCY, EUR 1 000

	CRR 31 Dec. 2017 eQ Group	CRR 31 Dec. 2016 eQ Group
Own capital	62 661	64 511
Common equity tier 1 (CET 1) before deductions	62 661	64 511
Deductions from CET 1		
Intangible assets	-29 431	-29 451
Unconfirmed profit for the period	-15 922	-12 832
Dividend proposal by the Board*	-2 831	-5 657
Common equity tier 1 (CET1)	14 477	16 571
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	14 477	16 571
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	14 477	16 571
Risk-weights, total	121 253	119 286
of which credit risk	49 147	57 713
of which market risk - currency risk	5 469	5 088
of which operative risk	66 636	56 485
Common equity tier 1 (CET1) / risk-weights, %	11.9%	13.9%
Tier 1 (T1) / risk-weights, %	11.9%	13.9%
Total capital (TC) / risk-weights, %	11.9%	13.9%
Minimum solvency ratio, %	25.7%	28.6%
Excess of total capital compared with the minimum level (8% solvency ratio)	4 777	7 028
Excess of total capital compared with the target level (10% solvency ratio)	2 351	4 642

*The dividend and equity repayment proposed by the Board exceeding the profit for the period.



GROUP KEY RATIOS

	31 Dec. 2017	31 Dec. 2016
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	15 922	12 832
Earnings per average share, EUR	0.43	0.35
Diluted earnings per average share, EUR	0.40	0.33
Equity per share, EUR	1.67	1.75
Equity per average share, EUR *)	1.68	1.75
Return on investment, ROI % p.a.	25.0	19.1
Return on equity, ROE % p.a.	25.0	19.1
Equity to assets ratio, %	81.6	84.7
Cost/income ratio, Group, %	50.5	53.0
Share price at the end of the period, EUR	8.30	8.11
Market value, EUR million	311.3	299.9
Personnel calculated as full-time resources at the end of the period	84	80

*) Weighted average number of shares outstanding.

eQ applies the guidelines of the European Securities and Markets Authority, ESMA, on alternative performance measures. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). eQ presents alternative measures in order to describe the financial development of its operations. The calculation principles and formulae of the key ratios are presented in the company's 2016 financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 31 December 2017, eQ's remaining investment commitments in private equity funds totalled EUR 8.9 million (EUR 11.2 million on 31 Dec. 2016). Other commitments at the end of the period totalled EUR 1.4 million (EUR 2.1 million on 31 Dec. 2016).