

2018

HALF YEAR FINANCIAL REPORT





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eQ PLC'S HALF YEAR FINANCIAL REPORT 2018 – eQ GROUP'S PROFIT GREW BY 10%**January to June 2018 in brief**

- During the period under review, the Group's net revenue totalled EUR 20.4 million (EUR 18.8 million from 1 Jan. to 30 June 2017).
 - The Group's net fee and commission income was EUR 19.2 million (EUR 18.3 million).
 - The Group's net investment income from own investment operations was EUR 1.2 million (EUR 0.5 million).
- The Group's operating profit grew by 9% to EUR 9.5 million (EUR 8.7 million).
- The Group's profit was EUR 7.5 million (EUR 6.9 million).
- The consolidated earnings per share were EUR 0.20 (EUR 0.19).
- The net cash flow from the Group's own private equity fund investment operations was EUR 1.7 million (EUR 0.1 million).

- The net revenue of the Asset Management segment increased by 9% to EUR 17.5 million (EUR 16.0 million) and the operating profit by 10% to EUR 9.0 million (EUR 8.2 million).
- The net revenue of the Corporate Finance segment fell to EUR 1.8 million (EUR 2.3 million). 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.

April to June 2018 in brief

- In the second quarter, the Group's net revenue totalled EUR 10.8 million (EUR 9.4 million from 1 April to 30 June 2017).
 - The Group's net fee and commission income was EUR 10.3 million (EUR 9.1 million).
 - The Group's net investment income from own investment operations was EUR 0.5 million (EUR 0.3 million).
- The Group's operating profit grew by 15% to EUR 5.1 million (EUR 4.4 million).
- The Group's profit was EUR 4.0 million (EUR 3.5 million).
- The consolidated earnings per share were EUR 0.11 (EUR 0.09).



Key ratios	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Net revenue, Group, M€	20.4	18.8	9%	10.8	9.4	15%	40.7
Net revenue, Asset Management, M€	17.5	16.0	9%	9.0	8.0	12%	33.9
Net revenue, Corporate Finance, M€	1.8	2.3	-25%	1.3	1.1	19%	5.2
Net revenue, Investments, M€	1.2	0.3	283%	0.5	0.2	150%	1.4
Net revenue, Group administration and eliminations, M€	0.0	0.1		0.0	0.1		0.1
Operating profit, Group, M€	9.5	8.7	9%	5.1	4.4	15%	20.1
Operating profit, Asset Management, M€	9.0	8.2	10%	4.7	4.2	12%	18.0
Operating profit, Corporate Finance, M€	0.4	0.8	-53%	0.5	0.4	46%	2.0
Operating profit, Investments, M€	1.2	0.3	283%	0.5	0.2	150%	1.4
Operating profit, Group administration, M€	-1.1	-0.6	70%	-0.6	-0.3	109%	-1.3
Profit for the period, M€	7.5	6.9	10%	4.0	3.5	16%	15.9

Key ratios	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Earnings per share, €	0.20	0.19	8%	0.11	0.09	14%	0.43
Equity per share, €	1.37	1.45	-6%	1.37	1.45	-6%	1.67
Cost/income ratio, Group, %	53.5	53.6	0%	52.9	52.8	0%	50.5
Liquid assets, M€	9.2	5.3	75%	9.2	5.3	75%	24.7
Private equity fund investments, M€	18.4	20.5	-10%	18.4	20.5	-10%	18.8
Interest-bearing liabilities, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management, € billion	8.9	9.6	-7%	8.9	9.6	-7%	8.4

Janne Larma, CEO

The net revenue of the Group grew by 9% to EUR 20.4 million and the operating profit by 9% to EUR 9.5 million. The Group's profit increased to EUR 7.5 million, i.e. by 10%.

The strong growth of eQ Asset Management's management fees continued

eQ Asset Management continued with its solid growth and improved once more its result. eQ Asset Management's rolling 12-month net revenue and operating profit have already grown for 22 consecutive quarters. The net revenue of the Asset Management segment increased by 9% to EUR 17.5 million and the operating profit grew by 10% to EUR 9.0 million. During the year under review, management fees have grown by more than 25%, and their share of the total fee and commission income exceeded 90%. Growth is still driven by real estate and private equity asset management, the administrative fees of which grew by 37%. Net subscriptions in eQ's real estate funds have been record high this year, i.e. EUR 211 million. Interest in private equity asset management also continued to be good. The third close of the eQ PE X North private equity fund took place in June at EUR 141 million and the third close of the eQ PE SF II private equity fund at EUR 98 million. Within traditional asset management, the returns of the funds managed by eQ have been good. During an investment period of three years, 64% of the funds managed by eQ have surpassed their benchmark indices. We believe that our product portfolio is very well suited to the present market



situation, and this combined with our good past returns will give us good operating preconditions in future as well.

Advium's second quarter at last year's level

During the six-month period, Advium acted as advisor in four executed transactions. Advium acted as advisor as Maksuturva was sold to Svea Ekonomi and as Kalatukku E. Eriksson was sold to Kesko, for instance. Advium's net revenue fell from the year before to EUR 1.8 million (EUR 2.3 million) and its operating profit fell to EUR 0.4 million (EUR 0.8 million). Great variations in fees per quarter are typical of corporate finance operations. In corporate and real estate transactions, the market situation continues to be good, and we believe that it will remain good during the remaining part of the year as well.

The result of the Investments segment improved markedly

The net revenue and operating profit of the Investments segment increased from the year before to EUR 1.2 million (EUR 0.3 million). During the period under review, the net cash flow from investments was EUR 1.7 million (EUR 0.1 million). The fair value of the private equity fund investments was EUR 18.4 million (EUR 18.8 million on 31 December 2017).

eQ's half year financial report 1 January to 30 June 2018 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 8.9 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 HALF YEAR REPORT 1 JAN. TO 30 JUNE 2018

Result of operations and financial position 1 January to 30 June 2018

- During the period under review, the Group's net revenue totalled EUR 20.4 million (EUR 18.8 million from 1 Jan. to 30 June 2017).
 - The Group's net fee and commission income was EUR 19.2 million (EUR 18.3 million).
 - The Group's net investment income from own investment operations was EUR 1.2 million (EUR 0.5 million).
- The Group's operating profit grew by 9% to EUR 9.5 million (EUR 8.7 million).
- The Group's profit was EUR 7.5 million (EUR 6.9 million).
- The consolidated earnings per share were EUR 0.20 (EUR 0.19).
- The net cash flow from the Group's own private equity fund investment operations was EUR 1.7 million (EUR 0.1 million).

- The net revenue of the Asset Management segment increased by 9% to EUR 17.5 million (EUR 16.0 million) and the operating profit by 10% to EUR 9.0 million (EUR 8.2 million).
- The net revenue of the Corporate Finance segment fell to EUR 1.8 million (EUR 2.3 million). 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.

Result of operations and financial position 1 April to 30 June 2018

- In the second quarter, the Group's net revenue totalled EUR 10.8 million (EUR 9.4 million from 1 April to 30 June 2017).
 - The Group's net fee and commission income was EUR 10.3 million (EUR 9.1 million).
 - The Group's net investment income from own investment operations was EUR 0.5 million (EUR 0.3 million).
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- The Group's profit was EUR 4.0 million (EUR 3.5 million).
- The consolidated earnings per share were EUR 0.11 (EUR 0.09).

Operating environment

During the second quarter of 2018, the market was influenced by three major, already previously identified risk factors. The threat of a trade war increased due to US-headed duty increases and continued unpleasant rhetoric. The election and creation of a new government in Italy gave rise to fears about a clearly larger country than Greece potentially leaving the euro. This became visible as the marked increase in long-term interest rates and the weakening of the euro. The new government was able to calm down the market, however. In addition, inflation accelerated in all major economic regions, which is as such a positive thing, but in a situation where political uncertainty prevails, it contributed to concern about interest rate development and currency rates. Towards the end of the quarter, a fourth concern emerged, as internal disputes about the refugee issue increased in Germany and even the position of Angela Merkel was questioned.

The Fed raised its key policy rate by 0.25 percentage points to 2.0% and indicated that raises would continue at a pace that could even be faster than earlier expected. The US ten-year rate already exceeded 3%. On the other hand, the ECB told that it would touch its interest rates in the summer of 2019 at the earliest. The purchase programme will continue at least to the end of 2018, after which it is conditional to the economic outlook. As long as the situation in Italy is unclear and the Brexit negotiations are proving difficult, the ECB will probably not dare to wind up the programme. Such a big difference between the central bank policy and the interest rate level was reflected on currency rates, and the euro became weaker during the quarter.



The equity market endured the political uncertainty from several sources surprisingly well, and no large sales wave was seen. Economic growth remained strong, even though the ECB, for instance, somewhat lowered its forecasts in Europe. Confidence indicators also remained strong. In addition, the Q1 result period was very good – above all in the US. The general sentiment in the market seemed to be that as long as political uncertainty is not reflected on growth and company profits, there is no reason to panic. In emerging markets, share prices fell, however. The impact of western central bank policies, currency fluctuations and the threat of a trade war may be more significant for these countries.

The best equity market return during the first six months has come from the Finnish stock exchange. The rise since the beginning of the year was 9.6%, 6.2% of which in the second quarter. The return of the US stock exchange since the beginning of the year was the second best, i.e. 5.3% measured with the S&P 500 index in euros. In the second quarter, S&P 500 rose by 8.8% calculated in euros. In dollars, the share prices only increased by 3.3%, however. In Europe, the extensive share index has fallen by 0.5% since the beginning of the year, even though share prices rose by 4.0% during the second quarter. In emerging markets, the returns of both the first and second quarters were slightly negative, i.e. -4.0% and -2.9%.

In bond markets, only the return of the euro government bonds has been positive in the first half of the year. The return was 0.6%. The return of investment grade loans was -0.6%, the return of high yield loans -1.3% and that of emerging market euro-hedged loans -3.8%.

Major events during the period under review

eQ Plc's Annual General Meeting was held on 28 March 2018. Nicolas Berner, Georg Ehrnrooth, Carl Haglund, Timo Kokkila and Annika Poutiainen were re-elected to 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 200 000 on 29 June 2018 due to new shares subscribed for with option rights.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 20.4 million (EUR 18.8 million from 1 Jan. to 30 June 2017). The Group's net fee and commission income was EUR 19.2 million (EUR 18.3 million). The Group's net investment income from own investment operations was EUR 1.2 million (EUR 0.5 million).

The Group's expenses and depreciation totalled EUR 10.9 million (EUR 10.1 million). Personnel expenses were EUR 8.7 million (EUR 7.9 million), other administrative expenses totalled EUR 1.1 million (EUR 1.1 million), and the other operating expenses were EUR 1.0 million (EUR 1.0 million). Depreciation was EUR 0.1 million (EUR 0.1 million).

The Group's operating profit was EUR 9.5 million (EUR 8.7 million) and the profit for the period was EUR 7.5 million (EUR 6.9 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 the second quarter, eQ had 26 mutual funds registered in Finland.



As a result of the slight increase in interest rates and the widening of credit risk margins, the returns of eQ's fixed-income funds were negative in the first half. The best returns as compared with benchmark indices came from the eQ High Yield and eQ Emerging Markets Corporate Bond HC funds. Of eQ's five Morningstar rated fixed-income funds three have the best rating, e.g. five stars.

The returns of equity funds were twofold during the first six months. The best returns came from the eQ Europe Property, eQ Blue Planet, eQ Finland and eQ Emerging Markets Small Cap funds. On the other hand, the values of the eQ Emerging Asia, eQ Europe Stock Index and eQ Frontier Markets fell slightly during the six-month period. The best returns as compared with the benchmark indices came from the eQ Emerging Market Small Cap, eQ Blue Planet, eQ Emerging Dividend and eQ Frontier Markets funds.

Of the funds managed by eQ, 47% surpassed their benchmark indices in the six-month period. In the past three years, 64% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 4 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between -2 and +3% during the six-month period, based on the allocation of the investment portfolio. The return of portfolios that are only invested in Finnish shares was almost 10%.

Private Equity

The first close of the new eQ PE X North private equity fund was held at the end of January at EUR 83 million, the second close in March at EUR 97 million and the third close in June at EUR 141 million. The eQ PE X North fund makes investments in private equity funds that invest in unlisted, small and mid-sized growth companies in Northern Europe. eQ also established its second secondary market fund eQ PE SF II. The first close of the fund was held at EUR 65 million. The second close of the fund was held in March at EUR 81 million and the third close in June at EUR 98 million. The eQ PE SF II fund buys previously established private equity funds in Northern Europe from the secondary market. The raising of means to both funds will continue during the summer, and the final close will take place in September. The assets managed under private equity asset management grew and amounted to EUR 5 437 million at the end of the quarter (EUR 5 156 million on 31 Dec. 2017).

Real estate investments

The strong growth of the eQ Finnish Real Estate fund continued, and at the end of the second quarter, new subscriptions for EUR 61 million were made in the fund. At the end of the quarter, the size of the fund was EUR 551 million, and its real estate property exceeded EUR 650 million. The investment operations of the fund have been extremely successful, and the return since establishment is 10.0% p.a. The fund already has more than 2 400 unit holders.

At the end of the second quarter, new subscriptions for EUR 40 million were made in the eQ Care Fund. At the end of the quarter, the size of the fund was EUR 611 million and its real estate property was EUR 790 million. The return of the fund since establishment is excellent at 9.0% p.a., and the fund already has approximately 3 200 unit holders.

Overall, eQ's real estate funds had real estate property of about EUR 1 440 million at the end of the quarter, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded to eight persons.

Assets under management and clients

At the end of the period, the assets managed by eQ Asset Management totalled EUR 8 878 million. The assets increased by EUR 445 million from the close of the year (EUR 8 432 million on 31 Dec. 2017). At the end of the quarter, the assets managed by the mutual funds registered in Finland totalled EUR 2 438 million (EUR 2 304 million), an increase by EUR 134 million. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 1 002 million (EUR 972 million). The assets managed under private equity funds and asset management totalled EUR 5 437 million (EUR 5 156 million), the share of eQ funds being EUR 1 293 million (EUR 1 054 million). The assets covered by the reporting service totalled EUR 3 594 million (EUR 3 412 million).

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by 9% and the operating profit by 10% to EUR 9.0 million (EUR 8.2 million from 1 Jan. to 30 June 2017) during the period under review. The fee and commission income of the real estate and private equity operations increased by 37% in the six-month period. On the other hand, performance fees fell by 54% as a result of their typical strong fluctuation per quarter and the higher level than normally of the comparison period. Expenses increased mainly due to result-based salary items. The cost/income ratio fell to 48.6% from 48.8% in the comparison period. Calculated as full-time resources, the Asset Management segment had 69 employees at the end of the quarter.

Asset Management	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Net revenue, M€	17.5	16.0	9%	9.0	8.0	12%	33.9
Operating profit, M€	9.0	8.2	10%	4.7	4.2	12%	18.0
Assets under management, € billion	8.9	9.6	-7%	8.9	9.6	-7%	8.4
Cost/income ratio, %	48.6	48.8	0%	48.0	48.0	0%	46.8
Personnel as full-time resources	69	60	15%	69	60	15%	64

Fee and commission income, Asset Management, M€	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Management fees from traditional asset management	4.5	4.4	4%	2.3	2.2	1%	8.9
Real estate and private equity management fees	11.7	8.5	37%	6.2	4.4	40%	18.4
Other fee and commission income	0.2	0.5	-58%	0.1	0.4	-70%	0.6
Performance fees	1.3	2.8	-54%	0.6	1.1	-46%	6.4
Total	17.7	16.2	10%	9.1	8.1	12%	34.3

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 uncertainty of world politics has continued and share prices have fluctuated as a result of the threatening trade war, for instance. Despite uncertainty, market activity in corporate and real estate transactions has been good.

In addition to the Kojamo and Marimekko real estate arrangements carried out in April, Advium acted as advisor to the sellers during the period under review, as the owners of Maksuturva sold 90% of Maksuturva Group Ltd and Maksuturva ICT Services Oy to the Swedish company Svea Ekonomi AB. Maksuturva offers intelligent payment solutions to domestic and global web shops. Advium also acted as advisor to the seller as Kalatukku E. Eriksson Oy was sold to Kesko. Kalatukku E. Eriksson is engaged in the wholesale and retail trade as well as processing of fresh and frozen fish, fish products and sea food.

Advium's existing order stock still corresponds to the lively activity in the market. It is typical of corporate finance business, however, that success fees have a considerable impact on invoicing, due to which the result of the segment may vary considerably from quarter to quarter.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 1.8 million (EUR 2.3 million from 1 Jan. to 30 June 2017). The operating profit was EUR 0.4 million (EUR 0.8 million). The segment had 14 employees at the end of the period.



Corporate Finance	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Net revenue, M€	1.8	2.3	-25%	1.3	1.1	19%	5.2
Operating profit, M€	0.4	0.8	-53%	0.5	0.4	46%	2.0
Cost/income ratio, %	78.0	65.0	20%	59.4	66.9	-11%	61.7
Personnel as full-time resources	14	15	-7%	14	15	-7%	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 period under review, the net revenue of the Investments segment totalled EUR 1.2 million (EUR 0.3 million from 1 Jan. to 30 June 2017). At the end of the period, the fair value of the private equity fund investments was EUR 18.4 million (EUR 18.8 million on 31 Dec. 2016) and the amount of the remaining investment commitments was EUR 8.6 million (EUR 8.9 million). Of the market value, 80% 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 section on page 22. The return of eQ's own investment operations since the beginning of operations has been 21% p.a. (IRR).

During the period, the investment objects returned capital of EUR 1.6 million (EUR 1.3 million from 1 Jan. to 30 June 2017) and distributed a profit of EUR 1.0 million (EUR 0.4 million). Capital calls totalled EUR 0.9 million (EUR 1.7 million). The net cash flow from investments during the period was EUR 1.7 million (EUR 0.1 million). The value changes of the private equity fund investments recognised through profit or loss were EUR 0.3 million during the period (- EUR million). The value changes of the investment have been recognised through profit or loss since the beginning of 2018 as a result of the new IFRS 9 standard. The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.1 million (EUR 0.1 million).

During the period under review, eQ Plc made a EUR 1.0 million investment commitment in the eQ PE X North private equity fund. The eQ PE X North fund makes investments in private equity funds that invest in unlisted, small and mid-sized growth companies in Northern Europe.

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

Investments	1-6/18	1-6/17	Change %	4-6/18	4-6/17	Change %	1-12/17
Net revenue, M€	1.2	0.3	283%	0.5	0.2	150%	1.4
Operating profit, M€	1.2	0.3	283%	0.5	0.2	150%	1.4
Fair value of investments, M€	18.4	20.5	-10%	18.4	20.5	-10%	18.8
Investment commitments, M€	8.6	10.2	-16%	8.6	10.2	-16%	8.9

Balance sheet and solvency

At the end of the period under review, the consolidated balance sheet total was EUR 62.2 million (EUR 76.8 million on 31 Dec. 2017) and the shareholders' equity was EUR 51.7 million (EUR 62.7 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 7.5 million, the dividend distribution of EUR -16.1 million, the repayment of equity of EUR -2.6 million from the reserve for invested unrestricted equity, and the accrued expense of EUR 0.3 million related to the option scheme and enter in 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 7.7 million (EUR 14.6 million) and liquid investments in mutual funds EUR 1.5 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 4.8 million (EUR 3.3 million). The Group had no interest-bearing liabilities at the end of the



period (EUR 0.0 million). At the end of June, interest-free long-term debt, which consists of the deferred tax liability was EUR 0.1 million (EUR 0.3 million) and interest-free short-term debt EUR 10.4 million (EUR 13.8 million). eQ's equity to assets ratio was 83.1% (81.6%).

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 12.8% (11.9% on 31 Dec. 2017) 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 14.7 million (EUR 14.5 million on 31 Dec. 2017), and the risk-weighted items were EUR 115.3 million (EUR 121.3 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 30 June 2018, the number of eQ Plc's shares was 37 707 198 and the share capital was EUR 11 383 873.

During the period under review, the number of eQ Plc's shares increased by 200 000 on 29 June 2018 due to new shares subscribed for with option rights. The subscription price of the new shares was EUR 22 000.00. The entire subscription was entered in the reserve for invested unrestricted equity. The new shares were traded on Nasdaq Helsinki Ltd together with eQ Plc's old shares from 2 July 2018. There were no changes in the share capital during the period.

The closing price of eQ Plc's share on 30 June 2018 was EUR 8.38 (EUR 8.30 on 31 Dec. 2017). The market capitalisation of the company was thus EUR 316.0 million (EUR 311.3 million) at the end of the period. During the period, 4 656 819 shares were traded on Nasdaq Helsinki (1 212 680 shares from 1 Jan. to 30 June 2017).

Own shares

On 30 June 2018, eQ Plc held no own shares.

Shareholders

On 4 June 2018 eQ Plc published a flagging announcement where Fennogens Investments S.A. announced that it had purchased shares so that its holding in the company exceeded the 20% flagging threshold.

In addition, eQ Plc published on 4 June 2018 a flagging announcement where Rettig Capital Oy Ab (subsidiary Anchor Oy Ab) announced that it had purchased shares so that its holding in the company exceeded the 15% flagging threshold.

On 4 June 2018 eQ Plc further published a flagging announcement where Umo Capital Oy announced that it had sold shares so that its holding in the company fell below the 10 and 5% flagging thresholds.



Ten major shareholders on 30 June 2018

	Shares	Share, %
1 Fennogens Investements SA	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 Linnalex Ab	631 652	1.68
8 Lavventura Oy	550 000	1.46
9 Pinomonte Ab	529 981	1.41
10 Prius Oy	415 719	1.10
10 major shareholders, total	28 626 810	75.92
Nominee registered	387 740	1.03
Other shares	8 692 648	23.05
Total	37 707 198	100.00

On 30 June 2018, eQ Plc had 5 413 shareholders (5 048 shareholders on 31 Dec. 2017).

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 1 350 000 had been exercised by the end of the period. The number of outstanding options was 350 000 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 28 March 2018 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 2017.



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 0.43 per share and a repayment of equity of EUR 0.07 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. 3 April 2018, were recorded in the shareholder register held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 10 April 2018.

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, Carl Haglund, Timo Kokkila and Annika Poutiainen were re-elected 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 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 13.33% 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 88 (84 persons on 31 Dec. 2017). Calculated as full-time resources, the Asset Management segment had 69 (64) employees and the Corporate Finance segment 14 (15) employees. Group administration had 5 (5) employees.



The overall salaries paid to the employees of eQ Group during the period were EUR 8.7 million (EUR 7.9 million from 1 Jan. to 30 June 2017).

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. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow. The realisation of the performance fee income that is dependent on the success of the investment operations also influences result development. The performance fees of the asset management operations may consist of performance fees paid by mutual funds and real estate funds, profit shares that private equity funds pay to management companies, and performance fees from asset management portfolios.

Success fees, which depend on the number of mergers and acquisitions and real estate transactions and the execution of 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 private equity 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 and changes in value may vary considerably from quarter to quarter.

Events after the period under review

There have not been any significant events after the period under review.

eQ Plc
Board of Directors

TABLES

Principles for drawing up the report

The interim report has been prepared in accordance with IFRS standards and the IAS 34 Interim Reports standard, approved by the EU.

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

The report has not been audited.

New IFRS standards and interpretations

IFRS 9 Financial Instruments:

The new IFRS 9 standard has replaced the IAS 39 standard Financial Instruments. The standard became effective on 1 January 2018. IFRS 9 changed the classification and measurement of financial assets and includes a new expected credit loss model for calculating impairment on financial assets. The classification and measurement of financial liabilities largely correspond to former practice.

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 fixed-income mutual funds or in other corresponding mutual funds are, according to IFRS 9, recognised at fair value through profit or loss. When applying the IAS 39 standard, eQ Group entered the profit distribution from private equity fund investments, permanent impairment as well as sales profits and losses among the net income from available-for-sale financial assets. When applying the IAS 39 standard, the unrealised changes in value arising from valuation at fair value were included in the shareholders' equity under the fair value reserve through other items of comprehensive income. In the same manner, the value changes of short-term fixed-income funds and other corresponding investment have been entered in the fair value reserve, when applying the IAS 39 standard.

eQ recognises credit losses from sales receivables at an amount that corresponds to the expected credit losses during the entire life cycle of the receivables. The change in the valuation method had no significant impact at transition.

eQ Group has applied the IFRS 9 standard for the first time from 1 January 2018 and taken advantage of the exemption allowing it not to restate comparative information. During the period 1 Jan. to 31 Dec. 2017, the change in value of the private equity fund investments made from eQ Group's own balance sheet was EUR -0.1 million and during the period 1 Jan. to 30 June 2017 EUR 1.0 million. The cumulative value changes related to private equity fund investments in the fair value reserve after taxes were EUR -0.2 million on 31 December 2017. During the period 1 Jan. to 31 Dec. 2017, the change in value of the mutual fund investments made from eQ Group's own balance sheet was EUR -0.1 million and during the period 1 Jan. to 30 June 2017 EUR -0.0 million. The cumulative value changes related to mutual fund investments in the fair value reserve after taxes were EUR 0.0 million on 31 December 2017. When the Group began to apply the IFRS 9 standard on 1 January 2018, the cumulative changes in value adjusted with tax were transferred within equity from the fair value reserve to retained earnings.

The introduction of the IFRS 9 standard has not changed the treatment of financial liabilities in eQ Group.



IFRS 15 Revenue from Contracts with Customers:

The new IFRS 15 has replaced the IAS 18 and IAS 11 standards and the interpretations related to them. The standard became 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, the central criterion being the transfer of control.

The new standard has not changed the revenue recognition practice of eQ Group. 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 former practice, eQ Group has already taken 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 made 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 applies the IFRS 15 standard for the first time from 1 January 2018 and will apply it retrospectively.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-6/18	1-6/17	4-6/18	4-6/17	1-12/17
Fee and commission income	19 395	18 430	10 391	9 173	39 292
Interest income	0	1	-	1	4
Net income from financial assets	1 219	492	517	330	1 738
Operating income, total	20 613	18 924	10 908	9 504	41 035
Fee and commission expenses	-207	-150	-102	-80	-354
Interest expenses	-1	0	-1	0	-1
NET REVENUE	20 406	18 774	10 806	9 423	40 680
Administrative expenses					
Personnel expenses	-8 741	-7 911	-4 598	-3 884	-16 075
Other administrative expenses	-1 089	-1 075	-561	-541	-2 269
Depreciation on tangible and intangible assets	-93	-141	-50	-65	-282
Other operating expenses	-994	-957	-503	-487	-1 928
OPERATING PROFIT (LOSS)	9 489	8 690	5 095	4 447	20 121
Income tax	-1 968	-1 832	-1 051	-950	-4 198
PROFIT (LOSS) FOR THE PERIOD	7 521	6 858	4 044	3 496	15 922

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/18	1-6/17	4-6/18	4-6/17	1-12/17
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement:					
Available-for-sale financial assets, net	-	750	-	158	-132
Translation differences	-	-	-	-	-
Other comprehensive income after taxes	0	750	0	158	-132
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7 521	7 608	4 044	3 655	15 790
Profit for the period attributable to:					
Equity holders of the parent company	7 521	6 858	4 044	3 496	15 922
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	7 521	7 608	4 044	3 655	15 790
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company					
Earnings per average share, EUR	0.20	0.19	0.11	0.09	0.43
Diluted earnings per average share, EUR	0.19	0.17	0.10	0.09	0.40



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2018	30 June 2017	31 Dec. 2017
ASSETS			
Liquid assets	20	20	30
Claims on credit institutions	7 672	3 144	14 599
Financial assets			
Financial securities	1 523	2 135	10 066
Private equity fund investments	18 367	20 520	18 792
Intangible assets	29 479	29 447	29 431
Tangible assets	293	336	309
Other assets	4 103	7 906	2 673
Accruals and prepaid expenditure	613	1 349	607
Income tax receivables	124	255	33
Deferred tax assets	-	149	271
TOTAL ASSETS	62 194	65 261	76 810
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	3 681	3 232	3 919
Accruals and deferred income	6 489	7 031	9 108
Income tax liabilities	264	325	774
Deferred tax liabilities	50	455	348
TOTAL LIABILITIES	10 484	11 043	14 149
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Fair value reserve	-	690	-193
Reserve for invested unrestricted equity	27 034	29 638	29 638
Retained earnings	5 771	5 649	5 910
Profit (loss) for the period	7 521	6 858	15 922
TOTAL SHAREHOLDERS' EQUITY	51 710	54 218	62 661
TOTAL LIABILITIES AND EQUITY	62 194	65 261	76 810



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2018	1-6/2017	1-12/2017
CASH FLOW FROM OPERATIONS			
Operating profit	9 489	8 690	20 121
Depreciation and write-downs	93	171	387
Interest income and expenses	1	-1	-4
Transactions with no related payment transactions	48	261	552
Financial assets – private equity fund investments	681	-462	176
Change in working capital			
Business receivables, increase (-) / decrease (+)	-1 435	698	6 920
Interest-free debt, increase (+) / decrease (-)	-3 632	-1 026	1 739
Total change in working capital	-5 067	-328	8 659
Cash flow from operations before financial items and taxes	5 244	8 332	29 892
Interests received	0	1	4
Interests paid	-1	0	-1
Taxes	-1 824	-1 528	-3 484
CASH FLOW FROM OPERATIONS	3 420	6 804	26 411
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-126	-101	-199
Investments/redemptions in other investments – liquid mutual funds	8 500	8 000	-44
CASH FLOW FROM INVESTMENTS	8 374	7 899	-243
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-18 754	-18 489	-18 489
Income from share issue	22	323	323
CASH FLOW FROM FINANCING	-18 732	-18 165	-18 165
INCREASE/DECREASE IN LIQUID ASSETS	-6 937	-3 462	8 003
Liquid assets on 1 Jan.	14 629	6 626	6 626
Liquid assets on 30 June/31 Dec.	7 692	3 164	14 629



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. 2017	11 384	34 861	-61	18 326	64 511	64 511
Profit (loss) for the period				6 858	6 858	6 858
Other comprehensive income						
Available-for-sale financial assets			750		750	750
Total comprehensive income			750	6 858	7 608	7 608
Dividend/equity repayment		-5 547		-12 942	-18 489	-18 489
Share issue		323			323	323
Options granted				261	261	261
Other changes				3	3	3
Shareholders' equity on 30 June 2017	11 384	29 638	690	12 507	54 218	54 218

Shareholders' equity on 1 Jan. 2018	11 384	29 638	-193	21 832	62 661	62 661
Profit (loss) for the period				7 521	7 521	7 521
Other comprehensive income						
Available-for-sale financial assets			-	-	-	-
Total comprehensive income			0	7 521	7 521	7 521
Dividend/equity repayment		-2 626		-16 128	-18 754	-18 754
Share issue		22			22	22
Options granted				261	261	261
IFRS 9 change			193	-193	0	0
Other changes				-1	-1	-1
Shareholders' equity on 30 June 2018	11 384	27 034	0	13 292	51 710	51 710



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-6/18	1-6/17	4-6/18	4-6/17	1-12/17
Asset management fees					
Management fees from traditional asset management	4 545	4 362	2 250	2 219	8 860
Real estate and private equity management fees	11 602	8 425	6 114	4 350	18 183
Other fee and commission income	196	473	119	395	587
Performance fees	1 293	2 827	598	1 108	6 430
Total	17 636	16 086	9 081	8 072	34 060
Corporate finance fees	1 759	2 344	1 311	1 100	5 232
Fee and commission income, total	19 395	18 430	10 392	9 173	39 292

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-6/18	1-6/17	4-6/18	4-6/17	1-12/17
Private equity fund investment operations					
Profit distribution of funds	1 006	434	487	271	1 694
Changes in fair value	256	-	41	-	-
Impairment (IAS 39, available for sale)	-	-30	-	-30	-100
Total	1 261	404	528	241	1 594
Other investment operations					
Changes in fair value	-43	-	-11	-	-
Sales profit/loss (IAS 39, available for sale)	-	89	-	89	144
Total	-43	89	-11	89	144
Net income from financial assets, total	1 219	492	517	330	1 738

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2018		30 June 2017		31 Dec. 2017	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity fund investments	18 367	18 367	20 520	20 520	18 792	18 792
Financial securities	1 523	1 523	2 135	2 135	10 066	10 066
Accounts receivable and other receivables	689	689	1 103	1 103	852	852
Liquid assets	7 692	7 692	3 164	3 164	14 629	14 629
Total	28 270	28 270	26 923	26 923	44 339	44 339
Financial liabilities						
Accounts payable and other liabilities	311	311	188	188	355	355
Total	311	311	188	188	355	355

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

	30 June 2018		30 June 2017		31 Dec. 2016	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity fund investments	-	18 367	-	20 520	-	18 792
Financial securities	1 523	-	2 135	-	10 066	-
Total	1 523	18 367	2 135	20 520	10 066	18 792

Level 3 reconciliation:

1-6/2018	Private equity fund investments
Opening balance on 1 Jan. 2018	18 792
Calls	901
Returns	-1 581
Value change through profit or loss (IFRS 9)	256
Closing balance on 30 June 2018	18 367

1-6/2017	Private equity fund investments
Opening balance on 1 Jan. 2017	19 209
Calls	1 670
Returns	-1 297
Impairment loss	-30
Change in fair value in fair value reserve (IAS 39)	968
Closing balance on 30 June 2017	20 520



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 in fair value reserve (IAS 39)	-141
Closing balance on 31 Dec. 2017	18 792

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	30 June 18	31 Dec. 17
Funds managed by eQ:		
Funds of funds:		
eQ PE X North LP	42	0
eQ PE IX US LP	27	0
eQ PE VIII North LP	1 061	858
eQ PE VII US LP	1 073	853
eQ PE VI North LP	1 483	1 186
Amanda V East LP	3 986	3 670
Amanda IV West LP	2 616	2 626
Amanda III Eastern PE LP	4 331	5 079
European Fund Investments LP (EFI II)	8	74
Total	14 627	14 346
Funds managed by others:		
Large buyout funds	1 695	2 202
Midmarket funds	919	1 300
Venture funds	1 125	944
Total	18 367	18 792

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

Investment commitment	30 June 18	31 Dec. 17
Funds managed by eQ:		
Funds of funds:		
eQ PE X North LP	950	0
eQ PE IX US LP	895	916
eQ PE VIII North LP	1 825	2 012
eQ PE VII US LP	1 426	1 573
eQ PE VI North LP	1 133	1 407
Amanda V East LP	729	669
Amanda IV West LP	460	614
Amanda III Eastern PE LP	453	350
European Fund Investments LP (EFI II)	35	35
Total	7 906	7 576
Funds managed by others:		
Large buyout funds	215	234
Midmarket funds	424	1 096
Venture funds	12	11
Total	8 556	8 917



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

	30 June 18	31 Dec. 17
-2000	432	450
2001-2005	1 320	1 194
2006-2010	8 942	10 581
2011-	7 672	6 567
Total	18 367	18 792

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

	30 June 18	31 Dec. 17
-2000	12	12
2001-2005	36	742
2006-2010	1 551	1 585
2011-	6 958	6 578
Total	8 556	8 917



SEGMENT INFORMATION, EUR 1 000

1-6/18	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	17 636	1 759	-	-		19 395
From other segments	100	-	-	-	-100	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-			0
Net income from financial assets	-	-	1 261	-43		1 219
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	17 736	1 759	1 261	-4	-138	20 613
Fee and commission expenses	-203	-	-	-4		-207
To other segments	-	-	-100	-	100	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	17 533	1 759	1 161	-9	-38	20 406
Administrative expenses						
Personnel expenses	-6 929	-1 067	-	-745		-8 741
Other administrative expenses	-841	-151	-	-135	38	-1 089
Depreciation on tangible and intangible assets	-74	-7	-	-12		-93
Other operating expenses	-685	-146	-	-163		-994
OPERATING PROFIT (LOSS)	9 004	387	1 161	-1 064	0	9 489
Income tax				-1 968		-1 968
PROFIT (LOSS) FOR THE PERIOD				-3 032		7 521

1-6/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	16 086	2 344	-	-		18 430
From other segments	100	-	-	-	-100	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from financial assets	-	-	404	89		492
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	16 186	2 344	404	128	-138	18 924
Fee and commission expenses	-146	-	-	-4		-150
To other segments	-	-	-100	-	100	-
Interest expenses	-	-	-	0		0
NET REVENUE	16 040	2 344	304	124	-38	18 774



1-6/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-6 263	-1 201	-	-447		-7 911
Other administrative expenses	-813	-183	-	-117	38	-1 075
Depreciation on tangible and intangible assets	-118	-11	-	-11		-141
Other operating expenses	-653	-130	-	-174		-957
OPERATING PROFIT (LOSS)	8 192	820	304	-626	0	8 690
Income tax				-1 832		-1 832
PROFIT (LOSS) FOR THE PERIOD				-2 458		6 858

4-6/18	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	9 080	1 311	-	-		10 391
From other segments	50	-	-	-	-50	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	527	-11		516
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	9 130	1 311	527	8	-69	10 908
Fee and commission expenses	-100	-	-	-2		-102
To other segments	-	-	-50	-	50	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	9 031	1 311	477	6	-19	10 806
Administrative expenses						
Personnel expenses	-3 527	-631	-	-439		-4 598
Other administrative expenses	-424	-69	-	-87	19	-561
Depreciation on tangible and intangible assets	-39	-4	-	-7		-50
Other operating expenses	-348	-74	-	-80		-503
OPERATING PROFIT (LOSS)	4 692	533	477	-608	0	5 094
Income tax				-1 051		-1 051
PROFIT (LOSS) FOR THE PERIOD				-1 659		4 043



4-6/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	8 072	1 100	-	-		9 173
From other segments	50	-	-	-	-50	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from financial assets	-	-	241	89		330
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	8 122	1 100	241	109	-69	9 504
Fee and commission expenses	-78	-	-	-2		-80
To other segments	-	-	-50	-	50	-
Interest expenses	-	-	-	0		0
NET REVENUE	8 045	1 100	191	107	-19	9 423
Administrative expenses						
Personnel expenses	-3 085	-578	-	-221		-3 884
Other administrative expenses	-397	-87	-	-76	19	-541
Depreciation on tangible and intangible assets	-54	-6	-	-6		-65
Other operating expenses	-327	-64	-	-96		-487
OPERATING PROFIT (LOSS)	4 182	365	191	-291	0	4 447
Income tax				-950		-950
PROFIT (LOSS) FOR THE PERIOD				-1 241		3 496



1-12/17	Asset Man.	Corporate Finance	Investments	Other	Eliminations	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 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

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

	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
Asset Management					
Net revenue	9 031	8 503	10 453	7 420	8 045
Operating profit	4 692	4 312	5 644	4 189	4 182
Corporate Finance					
Net revenue	1 311	448	2 580	308	1 100
Operating profit	533	-145	1 258	-78	365
Investments					
Net revenue	478	684	813	278	191
Operating profit	478	684	813	278	191
Other segments and eliminations					
Net revenue	-14	-34	56	-2	87
Operating profit	-608	-455	-411	-263	-291
Group total					
Net revenue	10 806	9 600	13 903	8 004	9 423
Operating profit	5 095	4 394	7 304	4 127	4 447
Profit for the period	4 044	3 477	5 799	3 265	3 496



SOLVENCY, EUR 1 000

	CRR 30 June 2018 eQ Group	CRR 31 Dec. 2017 eQ Group
Own capital	51 710	62 661
Common equity tier 1 (CET 1) before deductions	51 710	62 661
Deductions from CET 1		
Intangible assets	-29 479	-29 431
Unconfirmed profit for the period	-7 521	-15 922
Dividend proposal by the Board*	0	-2 831
Common equity tier 1 (CET1)	14 710	14 477
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	14 710	14 477
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	14 710	14 477
Risk-weights, total	115 284	121 253
of which credit risk	43 466	49 147
of which market risk - currency risk	5 182	5 469
of which operative risk	66 636	66 636
Common equity tier 1 (CET1) / risk-weights, %	12.8%	11.9%
Tier 1 (T1) / risk-weights, %	12.8%	11.9%
Total capital (TC) / risk weights, %	12.8%	11.9%
Minimum solvency ratio, %	35.6%	25.7%
Excess of total capital compared with the minimum level (8% solvency ratio)	5 488	4 777
Excess of total capital compared with the target level (10% solvency ratio)	3 182	2 351

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



GROUP KEY RATIOS

	30 June 2018	30 June 2017	31 Dec. 2017
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	7 521	6 858	15 922
Earnings per average share, EUR	0.20	0.19	0.43
Diluted earnings per average share, EUR	0.19	0.17	0.40
Equity per share, EUR	1.37	1.45	1.67
Equity per average share, EUR *)	1.39	1.46	1.68
Return on investment, ROI % p.a.	26.3	23.1	25.0
Return on equity, ROE % p.a.	26.3	23.1	25.0
Equity to assets ratio, %	83.1	83.1	81.6
Cost/income ratio, Group, %	53.5	53.6	50.5
Share price at the end of the period, EUR	8.38	8.10	8.30
Market value, EUR million x	316.0	303.8	311.3
Personnel calculated as full-time resources at the end of the period	88	80	84

*) 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 2017 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 30 June 2018, eQ's remaining investment commitments in private equity funds totalled EUR 8.6 million (EUR 8.9 million on 31 Dec. 2017). Other commitments at the end of the period totalled EUR 1.1 million (EUR 1.4 million on 31 Dec. 2017).