

2019

HALF YEAR FINANCIAL REPORT





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eQ PLC'S HALF YEAR FINANCIAL REPORT 2019 – eQ'S STRONG GROWTH CONTINUED – PROFIT GREW BY 17%

January to June 2019 in brief

- During the period under review, the Group's net revenue totalled EUR 22.9 million (EUR 20.4 million from 1 Jan. to 30 June 2018).
 - The Group's net fee and commission income was EUR 22.5 million (EUR 19.2 million).
 - The Group's net investment income from own investment operations was EUR 0.4 million (EUR 1.2 million).
- The Group's operating profit grew by 15% to EUR 11.0 million (EUR 9.5 million).
- The Group's profit was EUR 8.8 million (EUR 7.5 million).
- The consolidated earnings per share were EUR 0.23 (EUR 0.20).
- The net cash flow from the Group's own private equity fund investment operations was EUR 0.3 million (EUR 1.7 million).
- The net revenue of the Asset Management segment increased by 19% to EUR 20.8 million (EUR 17.5 million) and the operating profit by 26% to EUR 11.3 million (EUR 9.0 million).
- The net revenue of the Corporate Finance segment was EUR 1.8 million (EUR 1.8 million) and the operating profit was EUR 0.4 million (EUR 0.4 million).

April to June 2019 in brief

- In the second quarter, the Group's net revenue totalled EUR 11.3 million (EUR 10.8 million from 1 April to 30 June 2018).
 - The Group's net fee and commission income was EUR 11.3 million (EUR 10.3 million).
 - The Group's net investment income from own investment operations was EUR 0.0 million (EUR 0.5 million).
- The Group's operating profit grew by 11% to EUR 5.7 million (EUR 5.1 million).
- The Group's profit was EUR 4.6 million (EUR 4.0 million).
- The consolidated earnings per share were EUR 0.12 (EUR 0.11).

Key ratios	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Net revenue, Group, M€	22.9	20.4	12%	11.3	10.8	5%	45.4
Net revenue, Asset Management, M€	20.8	17.5	19%	10.6	9.0	17%	36.7
Net revenue, Corporate Finance, M€	1.8	1.8	2%	0.7	1.3	-43%	7.1
Net revenue, Investments, M€	0.1	1.2	-88%	-0.0	0.5	-105%	1.8
Net revenue, Group administration and eliminations, M€	0.1	-0.0		0.0	-0.0		-0.1
Operating profit, Group, M€	11.0	9.5	15%	5.7	5.1	11%	22.4
Operating profit, Asset Management, M€	11.3	9.0	26%	6.0	4.7	29%	19.5
Operating profit, Corporate Finance, M€	0.4	0.4	-9%	0.1	0.5	-81%	3.2
Operating profit, Investments, M€	0.1	1.2	-88%	-0.0	0.5	-105%	1.8
Operating profit, Group admin., M€	-0.9	-1.1	-16%	-0.5	-0.6	-23%	-2.1
Profit for the period, M€	8.8	7.5	17%	4.6	4.0	13%	17.8



Key ratios	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Earnings per share, €	0.23	0.20	15%	0.12	0.11	11%	0.47
Equity per share, €	1.37	1.37	0%	1.37	1.37	0%	1.65
Cost/income ratio, Group, %	52.1	53.5	-3%	49.9	52.9	-6%	50.5
Liquid assets, M€	12.2	9.2	33%	12.2	9.2	33%	25.7
Private equity fund investments, M€	16.8	18.4	-9%	16.8	18.4	-9%	16.9
Interest-bearing loans, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management, € billion	10.9	8.9	23%	10.9	8.9	23%	9.5

Janne Larma, CEO

The result development of the Group has continued to be excellent. In the first half of 2019, the net revenue of the Group grew by 12% to EUR 22.9 million and the operating profit by 15% to EUR 11.0 million. eQ Group's operating profit has grown for 21 consecutive quarters. The profit of the Group increase by 17% to EUR 8.8 million.

eQ Asset Management made its best quarterly result ever

The sentiment in the equity market was positive in the first half of the year. Stock exchange returns have been very good during the six-month period, and the global index rose by 18.1%. Interest rates have fallen across the board during the first half, and bond investments have also offered good returns.

Within eQ Asset Management, the demand for real estate and private equity asset management products continued to be very strong. We managed to raise USD 214 million to the eQ PE XI US private equity fund investing in the US, which makes it eQ's largest private equity fund. Our previous fund investing in US was less than half the size. The demand for private equity asset management is clearly on the rise. Within real estate asset management, net subscriptions amounted to EUR 174 million in the first six months. In traditional asset management, the returns of the funds managed by eQ continued to be good. During a three-year investment period, 71% of the funds managed by eQ have surpassed their benchmark indices.

The net revenue of eQ Asset Management increased by 19% on the previous year to EUR 20.8 million. Operating profit grew by 26% to EUR 11.3 million. The management fees of real estate and private equity asset management grew by EUR 3.6 million on the previous year, i.e. by 31%.

Advium's fee income at last year's level

In the Corporate Finance segment, Advium has acted as advisor in five transactions during the six-month period. In the second quarter, Advium acted as financial advisor to the owners, as Picnic, Europicnic and La Torrefazione were sold to Sentica Partners. In addition, Advium acted as advisor to Konstsamfundet as it bought the 30.9% share of the Lasipalatsi property in Helsinki that had been held by the city of Helsinki. After the period under review, Advium has acted as advisor in five signed transactions, one of which has been finalised. According to estimates, the remaining four transaction will be finalised by the end of the year.

The market activity in corporate and real estate transactions continues to be good. Advium's net revenue was EUR 1.8 million (EUR 1.8 million) and operating profit EUR 0.4 million (EUR 0.4 million).

The operating profit of the Investments segment slightly positive

The operating profit of the Investments segment was EUR 0.1 million. The net cash flow was EUR 0.3 million. At the end of June, the balance sheet value of the private equity fund investments was EUR 16.8 million.



Outlook

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

In the 2018 Financial Statements, we estimated that one of the private equity funds managed by eQ would reach the hurdle rate during the second half of this year and begin to pay a performance fee this year. We still expect that the private equity fund will reach the hurdle rate and begin to pay performance fee. Exits are dependent among other things on the market development and estimating the timing of them is difficult. Considering this, it is possible that the fund would start paying performance fee next year and not at the end of this year.

eQ's half year financial report 1 January to 30 June 2019 is enclosed to this release and it is also available on the company website at www.eQ.fi.

Additional information: Janne Larma, CEO, tel. +358 9 6817 8920

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eQ Group is a Finnish group of companies that concentrates on responsible 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 10.9 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.

Result of operations and financial position 1 January to 30 June 2019

- During the period under review, the Group's net revenue totalled EUR 22.9 million (EUR 20.4 million from 1 Jan. to 30 June 2018).
 - The Group's net fee and commission income was EUR 22.5 million (EUR 19.2 million).
 - The Group's net investment income from own investment operations was EUR 0.4 million (EUR 1.2 million).
- The Group's operating profit grew by 15% to EUR 11.0 million (EUR 9.5 million).
- The Group's profit was EUR 8.8 million (EUR 7.5 million).
- The consolidated earnings per share were EUR 0.23 (EUR 0.20).
- The net cash flow from the Group's own private equity fund investment operations was EUR 0.3 million (EUR 1.7 million).

- The net revenue of the Asset Management segment increased by 19% to EUR 20.8 million (EUR 17.5 million) and the operating profit by 26% to EUR 11.3 million (EUR 9.0 million).
- The net revenue of the Corporate Finance segment was EUR 1.8 million (EUR 1.8 million) and the operating profit was EUR 0.4 million (EUR 0.4 million).

Result of operations and financial position 1 April to 30 June 2019

- In the second quarter, the Group's net revenue totalled EUR 11.3 million (EUR 10.8 million from 1 April to 30 June 2018).
 - The Group's net fee and commission income was EUR 11.3 million (EUR 10.3 million).
 - The Group's net investment income from own investment operations was EUR 0.0 million (EUR 0.5 million).
- The Group's operating profit grew by 11% to EUR 5.7 million (EUR 5.1 million).
- The Group's profit was EUR 4.6 million (EUR 4.0 million).
- The consolidated earnings per share were EUR 0.12 (EUR 0.11).

Operating environment

In the second quarter of 2019, the market was influenced by the same themes as in the first quarter and already in 2018. The most important of these was the fear for an international trade war. Still at the beginning of the second quarter, above all equity market prices seemed to rely on the possibility of rather quickly reaching a solution that would satisfy all parties. In addition, the market believed that if growth problems occurred, both the ECB and Fed would rapidly initiate fiscal stimulus measures. Economic growth continued above in the US and China even at a surprisingly strong pace, but towards the very end of the quarter we received softer economic data from the US. Europe performed more weakly, as usual. Company results for the first quarter were widely better than expected in Europe as well, however.

The sentiment changed in the first weeks of May, when Mr Trump suddenly announced that he would increase the 10% tariffs placed on Chinese imports to the US to 25%, as the trade negotiations did not advance in the manner he wished. Tariff increases were announced for Europe as well, but at a slower pace. The equity market reacted negatively to these measures. Once more, the central banks came to the rescue. Both the ECB and Fed indicated that they would launch support measures rapidly, if economic growth starts to slow down more markedly.

As a whole, the first half of the year was very positive for the equity market. In the US, the S&P 500 index rose by 18.2% calculated in dollars (18.6% in euros). In the second quarter, the corresponding figures were 4.2 and 2.7%. Calculated with the MSCI Europe index, Europe rose by 16.2% (Q2 3.0%). Despite the weaker result development, the Finnish stock exchange rose by 13.1% during the first half of the year, even



though the Q2 increase had only been 1.1%. In emerging markets, share prices fell by 0.8% in the second quarter as a result of trade war fears. In the first half, the increase was 11.0%.

The first half of the year was also strong for the bond market. The government bond index rose by 6.0% (Q2 3.4%), the Euro Investment Grade index by 5.4% (2.1%), the High Yield index by no less than 7.4% (2.2%) and the emerging market index as euro-hedged by 6.7% (2.3%).

Major events during the period under review

During the period under review, on 28 February 2019, the number of eQ Plc's shares increased by 350 000 with new shares subscribed for with option rights.

On 25 March 2019, the Board of Directors of eQ Plc approved the subscriptions of options made by the option right recipients of the 2018 option scheme with a subscription price. The number of options subscribed for based on the option scheme with a subscription price was 1 875 000, and the payments of the subscription price made to eQ Plc in March 2019 totalled EUR 1 350 000.

eQ Plc's Annual General Meeting was held on 25 March 2019. Nicolas Berner, Georg Ehrnrooth and Timo Kokkila were re-elected to the Board. New members of the Board were Lotta Kopra and Tomas von Rettig. Georg Ehrnrooth will continue as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 22.9 million (EUR 20.4 million from 1 Jan. to 30 June 2018). The Group's net fee and commission income was EUR 22.5 million (EUR 19.2 million). The Group's net investment income from own investment operations was EUR 0.4 million (EUR 1.2 million).

The Group's expenses and depreciation totalled EUR 11.9 million (EUR 10.9 million). Personnel expenses were EUR 9.7 million (EUR 8.7 million), other administrative expenses totalled EUR 1.1 million (EUR 1.1 million), and the other operating expenses were EUR 0.7 million (EUR 1.0 million). Depreciation was EUR 0.5 million (EUR 0.1 million). The depreciation includes the depreciation for leases according to the new IFRS 16 standard from the beginning of 2019.

The Group's operating profit was EUR 11.0 million (EUR 9.5 million) and the profit for the period was EUR 8.8 million (EUR 7.5 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 financial period, eQ had 26 mutual funds registered in Finland.

As a result of the fall in interest rates and the narrowing of credit risk margins, the returns of eQ's fixed-income funds were very good with regard to the interest rate level. The best returns came from the eQ Emerging Markets Corporate Bond LC and eQ High Yield funds. As compared with benchmark indices, the best returns came from the eQ Floating Rate and eQ High Yield funds. Of eQ's five Morningstar rated fixed-income funds one has the best rating, i.e. five stars, and three have four stars.



The returns of equity funds were very good in the first half after the weak last quarter of 2018. The eQ Blue Planet and eQ Russia funds gave the best returns, even about 25%. As compared with benchmark indices, the eQ Emerging Markets Small Cap, eQ Blue Planet, eQ Europe Property, eQ Nordic Small Cap and eQ Finland funds gave excellent returns.

Of the funds managed by eQ, 53% surpassed their benchmark indices in the six-month period, and in the past three years, 71% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.5 stars at the end of the period. The returns of the discretionary asset management portfolios that eQ manages varied between 2.8 and 17.0% during the first half, based on the allocation of the investment portfolio. The return of portfolios that are only invested in Finnish shares exceeded 18%.

On 6 March 2019, eQ Asset Management won one of the major prizes awarded by Morningstar. Morningstar recognised eQ's entire fund range with the "Best Fund House" award. This extremely highly esteemed award is based on the five-year risk-adjusted returns of eQ's equity, fixed-income and balanced funds.

Private Equity

The first close of the new eQ PE XI US private equity fund was held at the end of January 2019 at USD 113 million. The second close of the fund was held in April at USD 172 million, and in the final close held in June the size of the fund grew to USD 214 million. The eQ PE XI US Fund makes investments in private equity funds that invest in unlisted small and mid-sized companies in Northern America. In addition, the final closing of the eQ Private Credit II Fund, the second private credit fund investing in unlisted European corporate loans, was held in April at EUR 73.5 million.

At the end of the period under review, the assets in private equity funds managed by eQ totalled EUR 1 625 million (EUR 1 420 million) and the assets managed under private equity mandates were EUR 678 million (EUR 611 million).

Real estate investments

The growth of the eQ Finnish Real Estate fund continued in the first months of the year. At the end of the second quarter, new net subscriptions for EUR 20 million, and during the first half for EUR 57 million were made in the fund. At the end of the quarter, the size of the fund was EUR 653 million, and its real estate property amounted to approximately EUR 960 million. The investment operations of the fund have been extremely successful, and the return since establishment is 9.1% p.a. The fund already has almost 2 700 unit holders.

The eQ Care Fund also grew strongly. At the end of the second quarter, new net subscriptions for EUR 44 million, and during the first half for EUR 117 million were made in the fund. At the end of the quarter, the size of the fund was EUR 856 million and its real estate property amounted to almost EUR 1.1 billion. The return of the fund since establishment is 9.0% p.a., and the fund has more than 3 700 unit holders.

Overall, eQ's real estate funds had property worth more than two billion euros at the end of the period under review, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded to ten persons.

In the second quarter, the eQ Care Fund sold to Samhällsbyggnadsbolaget i Norden AB (publ) (SBB) 48 properties, mainly day-care centres and intensive sheltered housing units. The transaction price was about EUR 142 million.

Assets under management and clients

At the end of the period, the assets managed by eQ Asset Management totalled EUR 10 918 million. The assets increased by EUR 1 433 million from the beginning of the year (EUR 9 485 million on 31 Dec. 2018). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 2 836 million (EUR 2 484 million), and the assets increased by EUR 352 million. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 1 091 million (EUR 952 million). The assets managed under private equity funds and asset management totalled EUR

6 991 million (EUR 6 049 million), the share of eQ funds being EUR 1 625 million (EUR 1 420 million) and that of mandates EUR 678 million (EUR 611 million). The assets covered by the reporting service totalled EUR 4 689 million (EUR 4 019 million).

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 19% and the operating profit by 26% to EUR 11.3 million (EUR 9.0 million from 1 Jan. to 30 June 2018). The management fees of real estate and private equity operations increased by 31% during the period. Performance fees increased by 32% as a result of their typical strong fluctuation per quarter and financial period. The cost/income ratio was 45.5% (48.6%). Calculated as full-time resources, the Asset Management segment had 70 employees at the end of the period under review.

Asset Management	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Net revenue, M€	20.8	17.5	19%	10.6	9.0	17%	36.7
Operating profit, M€	11.3	9.0	26%	6.0	4.7	29%	19.5
Assets under management, € billion	10.9	8.9	23%	10.9	8.9	23%	9.5
Cost/income ratio, %	45.5	48.6	-6%	42.7	48.0	-11%	46.9
Personnel as full-time resources	70	69	1%	70	69	1%	67

Fee and commission income, Asset Management, M€	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Management fees from traditional asset management	3.9	4.5	-13%	2.0	2.3	-13%	8.6
Real estate and private equity management fees	15.3	11.7	31%	7.9	6.2	28%	25.5
Other fee and commission income	0.1	0.2	-45%	0.0	0.1	-67%	0.3
Performance fees	1.7	1.3	32%	0.8	0.6	29%	2.7
Total	21.0	17.7	19%	10.7	9.1	17%	37.1

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.

As a result of the low interest rate level, rising share prices and the large amount of uninvested money in private equity funds, the activity in corporate and real estate transactions has remained at a high level in 2019.

During the first six months of the year, Advium has acted as advisor in five finalised transactions. After the period under review, we have acted as advisor in one finalised real estate transaction and in four transactions that have been signed but not yet finalised.

During the period under review, Advium acted, for instance, as financial advisor when Picnic, Europicnic and La Torrefazione were sold to a fund managed by Sentica Partners. Picnic and La Torrefazione are leading café operators in Finland, while Europicnic is a wholesale company. We also acted as advisor as Konstsamfundet bought the 30.9% share of the Lasipalatsi property that had been held by the city of Helsinki. According to estimates, the transaction will be finalised during the remaining part of the year. After the period under review, Advium acted as advisor, for instance, as Peab agreed to purchase YIT's Nordic paving and mineral aggregates business. The acquired business has about 1 700 employees, and its 2018 net sales amounted to EUR 572 million. The debt-free sales price is estimated as EUR 282 million. The transaction is expected to be completed on 1 January 2020.

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.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 1.8 million (EUR 1.8 million from 1 Jan. to 30 June 2018). The operating profit was EUR 0.4 million (EUR 0.4 million). The segment had 15 employees at the end of the period.

Corporate Finance	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Net revenue, M€	1.8	1.8	2%	0.7	1.3	-43%	7.1
Operating profit, M€	0.4	0.4	-9%	0.1	0.5	-81%	3.2
Cost/income ratio, %	80.3	78.0	3%	86.6	59.4	46%	54.7
Personnel as full-time resources	15	14	7%	15	14	7%	14

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 0.1 million (EUR 1.2 million from 1 Jan. to 30 June 2018). At the end of the period, the fair value of the private equity fund investments was EUR 16.8 million (EUR 16.9 million on 31 Dec. 2018) and the amount of the remaining investment commitments was EUR 7.4 million (EUR 7.8 million). Of the market value, 86% 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 20. The return of eQ's own private equity fund investment operations since the beginning of operations has been 21% p.a. (IRR).

During the period, the investment objects returned capital for EUR 1.3 million (EUR 1.6 million from 1 Jan. to 30 June 2018) and distributed a profit of EUR 0.7 million (EUR 1.0 million). Capital calls totalled EUR 1.6 million (EUR 0.9 million). The net cash flow from investments during the period was EUR 0.3 million (EUR 1.7 million). The value changes of the private equity fund investments recognised through profit or loss were EUR -0.3 million (EUR 0.3 million) during the period. 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 USD 1.0 million investment commitment in the eQ PE XI US private equity fund. The eQ PE XI US Fund makes investments in private equity funds that make equity capital investments in unlisted small and mid-sized companies located 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 result may vary considerably. eQ only makes new investments in funds managed by eQ.

Investments	1-6/19	1-6/18	Change %	4-6/19	4-6/18	Change %	1-12/18
Net revenue, M€	0.1	1.2	-88%	-0.0	0.5	-105%	1.8
Operating profit, M€	0.1	1.2	-88%	-0.0	0.5	-105%	1.8
Fair value of investments, M€	16.8	18.4	-9%	16.8	18.4	-9%	16.9
Investment commitments, M€	7.4	8.6	-14%	7.4	8.6	-14%	7.8
Net cash flow of investments, M€	0.3	1.7	-80%	0.6	1.0	-36%	3.9

Balance sheet and capital adequacy

At the end of the period under review, the consolidated balance sheet total was EUR 67.3 million (EUR 78.2 million on 31 Dec. 2018) and the shareholders' equity was EUR 52.0 million (EUR 62.2 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 8.8 million, the dividend distribution of EUR -17.9 million, the repayment of equity of EUR -2.7 million from the reserve for invested



unrestricted equity, the subscription for new shares with option rights of EUR 0.04 million, the subscription of options within the 2018 option scheme with a subscription price of EUR 1.4 million and the accrued expense of EUR 0.2 million related to the option scheme and enter 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 8.0 million (EUR 15.8 million) and liquid investments in mutual funds EUR 4.2 million (EUR 9.9 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 5.7 million (EUR 5.8 million).

The lease liability entered in the balance sheet as a result of the new IFRS 16 standard was EUR 2.9 million (EUR - million) at the end of the period, the share of short-term liabilities being EUR 0.4 million (EUR - million). Interest-free short-term debt was EUR 12.3 million (EUR 15.9 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 77.4% (79.6%).

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 capital adequacy ratio of the own funds was 11.0% at the end of the period (9.6% on 31 Dec. 2018). According to regulations, the absolute minimum requirement for own funds is 8%. At the end of the period, the Group's own funds based on capital adequacy calculations totalled EUR 13.8 million (EUR 12.4 million on 31 Dec. 2018), and the risk-weighted items were EUR 126.4 million (EUR 129.0 million). Detailed information on the Group's capital adequacy can be found in the tables section.

Shares and share capital

At the end of the period on 30 June 2019, the number of eQ Plc's shares was 38 057 198 and the share capital was EUR 11 383 873.00.

During the period under review, on 28 February 2019, the number of eQ Plc's shares increased by 350 000 shares subscribed for with option rights 2010. The last option rights 2010 were thereby all exercised as a result of the share subscriptions made. The subscription price of the new shares totalled EUR 38 500. 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 30 June 2019 was EUR 9.14 (EUR 7.60 on 31 Dec. 2018). The market capitalisation of the company was thus EUR 347.8 million (EUR 286.6 million) at the end of the period. During the period, 858 179 shares were traded on Nasdaq Helsinki (4 656 819 shares from 1 Jan. to 30 June 2018). In euros, the turnover was EUR 7.6 million (EUR 38.7 million).

Own shares

On 30 June 2019, eQ Plc held no own shares.



Shareholders

Ten major shareholders on 30 June 2019

	Shares	Share, %
1 Fennogens Investements SA	7 943 137	20.87
2 Chilla Capital S.A.	5 945 275	15.62
3 Anchor Oy Ab	5 803 677	15.25
4 Teamet Oy	4 100 000	10.77
5 Oy Cevante Ab	1 419 063	3.73
6 Fazer Jan Peter	1 298 306	3.41
7 Lavventura Oy	650 000	1.71
8 Linnalex Ab	631 652	1.66
9 Pinomonte Ab	529 981	1.39
10 Procurator-Holding Oy	473 892	1.25
10 major shareholders, total	28 794 983	75.66
Nominee registered	371 254	0.98
Other shares	8 890 961	23.36
Total	38 057 198	100.00

On 30 June 2019, eQ Plc had 5 782 shareholders (5 451 shareholders on 31 Dec. 2018).

Option schemes

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

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. The subscription period of shares with option rights 2015 began on 1 April 2019, and the options have been listed on Nasdaq Helsinki since said date.

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.

Option scheme 2018

On 25 October 2018, the Board of Directors of eQ Plc decide on a new option scheme with a subscription price based on the authorisation by the Annual General Meeting 2018. Altogether 1 875 000 shares were subscribed for in the option scheme with a subscription price, and the payments for the subscription price to eQ Plc in March 2019 totalled EUR 1 350 000. On 25 March 2019, the Board of Directors of eQ Plc approved the option subscriptions made by the option right recipients based on the subscription rights. The entire subscription price of the options was entered in the reserve for invested unrestricted equity.

The terms and conditions of the option scheme have been published in a stock exchange release of 26 October 2018, and they can be found in their entirety on the company website at www.eQ.fi.

Decisions by the Annual General Meeting

9Q Plc's Annual General Meeting (AGM), held on Thursday 25 March 2019 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 2018.

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 0.47 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. 27 March 2019, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 3 April 2019.

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, and Timo Kokkila were re-elected and Lotta Kopra and Tomas von Rettig were elected as new members 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 500 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 Marcus Tötterman, 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 13.26% 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 90 (86 persons on 31 December 2018). Calculated as full-time resources, the Asset Management segment had 70 (67) employees and the Corporate Finance segment 15 (14) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 9.7 million (EUR 8.7 million from 1 Jan. to 30 June 2018).

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. Performance fees may vary considerably by quarter and financial period.

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

After the period under review, Advium acted as advisor, for instance, as Peab agreed to purchase YIT's Nordic paving and mineral aggregates business.

Outlook

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

In the 2018 Financial Statements, we estimated that one of the private equity funds managed by eQ would reach the hurdle rate during the second half of this year and begin to pay a performance fee this year. We still expect that the private equity fund will reach the hurdle rate and begin to pay performance fee. Exits are dependent among other things on the market development and estimating the timing of them is difficult. Considering this, it is possible that the fund would start paying performance fee next year and not at the end of this year.

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 16 Leases:

The new IFRS 16 standard Leases shall be applied from 1 January 2019 or from financial periods beginning after said date. As a result of IFRS 16, almost all leases will be recognised on the balance sheet, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals will be recognised. The only exceptions are short-term and low-value leases. The major leases concluded by eQ Group concern rented premises. eQ Group will apply a simplified method when introducing IFRS 16, which means that the figures of the comparison period will not be adjusted.

The present value of the leases transferred to the balance sheet on 1 January 2019 as a result of IFRS 16 was EUR 3.2 million and the present value of lease liabilities correspondingly EUR 3.2 million. The straight-line depreciation for leases entered to the income statement is about EUR 0.7 million annually and the calculated interest expense for the lease liabilities in 2019 about EUR 0.03 million. The expense impact in the income statement will be front-loaded, compared with the former IFRS treatment. As a result, the costs for premises including depreciation and interests will increase by about EUR 0.1 million in 2019, as compared with the IFRS treatment in 2018.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-6/19	1-6/18	4-6/19	4-6/18	1-12/18
Fee and commission income	22 733	19 395	11 366	10 391	43 971
Interest income	3	0	-	-	3
Net income from financial assets	373	1 219	44	517	1 794
Operating income, total	23 109	20 613	11 410	10 908	45 768
Fee and commission expenses	-212	-207	-106	-102	-400
Interest expenses	-13	-1	-7	-1	-1
NET REVENUE	22 884	20 406	11 297	10 806	45 367
Administrative expenses					
Personnel expenses	-9 661	-8 741	-4 553	-4 598	-18 327
Other administrative expenses	-1 096	-1 089	-515	-561	-2 234
Depreciation on tangible and intangible assets	-111	-93	-62	-50	-216
Depreciation on leases	-374	-	-187	-	-
Other operating expenses	-691	-994	-326	-503	-2 141
OPERATING PROFIT (LOSS)	10 950	9 489	5 655	5 095	22 450
Income tax	-2 166	-1 968	-1 068	-1 051	-4 651
PROFIT (LOSS) FOR THE PERIOD	8 784	7 521	4 587	4 044	17 799

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/19	1-6/18	4-6/19	4-6/18	1-12/18
Other comprehensive income:	-	-	-	-	-
Other comprehensive income after taxes	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8 784	7 521	4 587	4 044	17 799
Profit for the period attributable to:					
Equity holders of the parent company	8 784	7 521	4 587	4 044	17 799
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	8 784	7 521	4 587	4 044	17 799
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.23	0.20	0.12	0.11	0.47
Diluted earnings per average share, EUR	0.21	0.19	0.11	0.10	0.45



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2019	30 June 2018	31 Dec. 2018
ASSETS			
Liquid assets	9	20	48
Claims on credit institutions	7 984	7 672	15 800
Financial assets			
Financial securities	4 250	1 523	9 869
Private equity fund investments	16 817	18 367	16 909
Intangible assets	29 422	29 479	29 446
Tangible assets	268	293	303
Leases	2 808	-	-
Other assets	4 941	4 103	5 087
Accruals and prepaid expenditure	494	613	602
Income tax receivables	256	124	148
Deferred tax assets	12	-	-
TOTAL ASSETS	67 262	62 194	78 211
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	4 183	3 681	4 066
Accruals and deferred income	7 914	6 489	11 106
Lease liabilities	2 868	-	-
Income tax liabilities	217	264	746
Deferred tax liabilities	31	50	44
TOTAL LIABILITIES	15 212	10 484	15 962
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	25 759	27 034	27 034
Retained earnings	6 122	5 771	6 032
Profit (loss) for the period	8 784	7 521	17 799
TOTAL EQUITY	52 049	51 710	62 249
TOTAL LIABILITIES AND EQUITY	67 262	62 194	78 211



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2019	1-6/2018	1-12/2018
CASH FLOW FROM OPERATIONS			
Operating profit	10 950	9 489	22 450
Depreciation and write-downs	486	93	216
Interest income and expenses	10	1	-2
Transactions with no related payment transactions	430	48	564
Financial assets' cash flow – private equity fund investments	-336	681	2 011
Change in working capital			
Business receivables, increase (-) / decrease (+)	254	-1 435	-2 376
Interest-free debt, increase (+) / decrease (-)	-3 821	-3 632	1 370
Total change in working capital	-3 568	-5 067	-1 005
Cash flow from operations before financial items and taxes	7 973	5 244	24 233
Interests received	3	0	3
Interests paid	-13	-1	-1
Taxes	-2 081	-1 824	-4 087
CASH FLOW FROM OPERATIONS	5 882	3 420	20 148
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-53	-126	-224
Investments/redemptions in other investments – liquid mutual funds	5 793	8 500	27
CASH FLOW FROM INVESTMENTS	5 740	8 374	-197
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-20 551	-18 754	-18 754
Option issue with a subscription price	1 350		-
Subscription of new shares	39	22	22
Decrease in the lease liability capital	-314		-
CASH FLOW FROM FINANCING	-19 477	-18 732	-18 732
INCREASE/DECREASE IN LIQUID ASSETS	-7 855	-6 937	1 219
Liquid assets on 31 Jan.	15 848	14 629	14 629
Liquid assets on 30 June/31 Dec.	7 993	7 692	15 848

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. 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						
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, cost accrual				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
Shareholders' equity on 1 Jan. 2019	11 384	27 034	0	23 831	62 249	62 249
Profit (loss) for the period				8 784	8 784	8 784
Other comprehensive income						
Financial assets			-	-	-	-
Total comprehensive income			0	8 784	8 784	8 784
Dividend/equity repayment		-2 664		-17 887	-20 551	-20 551
Option issue with a subscription price		1 350			1 350	1 350
Subscription of shares		39			39	39
Options granted, cost accrual				178	178	178
Shareholders' equity on 30 June 2019	11 384	25 759	0	14 907	52 049	52 049



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-6/19	1-6/18	4-6/19	4-6/18	1-12/18
Asset management fees					
Management fees from traditional asset management	3 942	4 545	1 957	2 250	8 611
Real estate and private equity management fees	15 181	11 602	7 854	6 114	25 266
Other fee and commission income	109	196	40	119	321
Performance fees	1 704	1 293	773	598	2 690
Total	20 935	17 636	10 624	9 081	36 887
Corporate finance fees	1 798	1 759	742	1 311	7 083
Fee and commission income, total	22 733	19 395	11 366	10 392	43 971

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-6/19	1-6/18	4-6/19	4-6/18	1-12/18
Private equity fund investment operations					
Profit distribution of funds	671	1 006	551	487	1 863
Changes in fair value and losses	-427	256	-525	41	128
Total	243	1 261	26	528	1 991
Other investment operations					
Changes in fair value	175	-43	63	-11	-170
Sales profit/loss	-45	-	-45	-	-27
Total	130	-43	17	-11	-197
Net income from financial assets, total	373	1 219	44	517	1 794

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2019		30 June 2018		31 Dec. 2018	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity fund investments	16 817	16 817	18 367	18 367	16 909	16 909
Financial securities	4 250	4 250	1 523	1 523	9 869	9 869
Accounts receivable and other receivables	585	585	689	689	3 439	3 439
Liquid assets	7 993	7 993	7 692	7 692	15 848	15 848
Total	29 645	29 645	28 270	28 270	46 064	46 064
Financial liabilities						
Accounts payable and other liabilities	379	379	311	311	322	322
Lease liabilities	2 868	2 868	-	-	-	-
Total	3 247	3 247	311	311	322	322

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 2019		30 June 2018		31 Dec. 2018	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity fund investments	-	16 817	-	18 367	-	16 909
Financial securities	4 250	-	1 523	-	9 869	-
Total	4 250	16 817	1 523	18 367	9 869	16 909

Level 3 reconciliation: Private equity fund investments

1-6/2019	
Opening balance on 1 Jan. 2019	16 909
Calls	1 619
Returns	-1 283
Value change and loss through profit or loss	-427
Closing balance on 30 June 2019	16 817

1-6/2018	
Opening balance on 1 Jan. 2018	18 792
Calls	901
Returns	-1 581
Value change and loss through profit or loss	256
Closing balance on 30 June 2018	18 367



1-12/2018	
Opening balance on 1 Jan. 2014	18 792
Calls	1 976
Returns	-3 987
Value change and loss through profit or loss	128
Closing balance on 31 Dec. 2018	16 909

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. 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 2019	31 Dec. 2018
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Funds managed by eQ:		
Funds of funds:		
eQ PE XI US LP	0	0
eQ PE X North LP	142	43
eQ PE IX US LP	162	20
eQ PE VIII North LP	1 573	1 232
eQ PE VII US LP	1 829	1 486
eQ PE VI North LP	1 754	1 581
Amanda V East LP	4 233	4 194
Amanda IV West LP	1 520	1 902
Amanda III Eastern PE LP	3 236	3 751
European Fund Investments LP (EFI II)	0	33
Total	14 450	14 242
Funds managed by others:		
Large buyout funds	1 040	1 094
Midmarket funds	602	691
Venture funds	724	881
Total	16 817	16 909



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

Investment commitment	30 June 2019	31 Dec. 2018
Funds managed by eQ:		
Funds of funds:		
eQ PE XI US LP	878	0
eQ PE X North LP	850	950
eQ PE IX US LP	773	914
eQ PE VIII North LP	1 258	1 595
eQ PE VII US LP	856	1 085
eQ PE VI North LP	773	1 002
Amanda V East LP	595	682
Amanda IV West LP	427	472
Amanda III Eastern PE LP	348	448
European Fund Investments LP (EFI II)	35	35
Total	6 793	7 185
Funds managed by others:		
Large buyout funds	155	174
Midmarket funds	421	422
Venture funds	12	12
Total	7 380	7 791



SEGMENT INFORMATION, EUR 1 000

1-6/19	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	20 935	1 798	-	-		22 733
From other segments	100	-	-	-	-100	-
Interest income	-	-	-	3		3
Net income from financial assets	-	-	243	130		373
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	21 035	1 798	243	171	-138	23 109
Fee and commission expenses	-208	-	-	-4		-212
To other segments	-	-	-100	-	100	-
Interest expenses	-9	-3	-	-2		-13
NET REVENUE	20 819	1 795	143	165	-38	22 884
Administrative expenses						
Personnel expenses	-7 824	-1 104	-	-733		-9 661
Other administrative expenses	-836	-170	-	-128	38	-1 096
Depreciation on tangible and intangible assets	-83	-10	-	-18		-111
Depreciation on leases	-255	-79	-	-41		-374
Other operating expenses	-477	-78	-	-137		-691
OPERATING PROFIT (LOSS)	11 345	354	143	-892	0	10 950
Income tax				-2 166		-2 166
PROFIT (LOSS) FOR THE PERIOD				-3 058		8 784

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	-
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



1-6/18	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
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

4-6/19	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	10 624	742	-	-		11 366
From other segments	50	-	-	-	-50	-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	26	17		44
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	10 674	742	26	36	-69	11 410
Fee and commission expenses	-104	-	-	-2		-106
To other segments	-	-	-50	-	50	-
Interest expenses	-4	-1	-	-1		-7
NET REVENUE	10 566	741	-24	33	-19	11 297
Administrative expenses						
Personnel expenses	-3 733	-486	-	-334		-4 553
Other administrative expenses	-396	-64	-	-74	19	-515
Depreciation on tangible and intangible assets	-44	-7	-	-10		-62
Depreciation on leases	-127	-39	-	-21		-187
Other operating expenses	-216	-44	-	-65		-326
OPERATING PROFIT (LOSS)	6 049	100	-24	-471	0	5 655
Income tax				-1 068		-1 068
PROFIT (LOSS) FOR THE PERIOD				-1 538		4 587



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	-
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

1-12/18	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	36 887	7 083	-	-		43 971
From other segments	200	-	-	-	-200	-
Interest income	-	-	-	3		3
Net income from financial assets	-	-	1 991	-197		1 794
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	37 087	7 083	1 991	-117	-277	45 768
Fee and commission expenses	-392	-	-	-8		-400
To other segments	-	-	-200	-	200	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	36 696	7 083	1 791	-126	-77	45 367
Administrative expenses						
Personnel expenses	-13 824	-3 238	-	-1 265		-18 327
Other administrative expenses	-1 730	-326	-	-255	77	-2 234
Depreciation on tangible and intangible assets	-167	-15	-	-34		-216
Other operating expenses	-1 478	-292	-	-371		-2 141
OPERATING PROFIT (LOSS)	19 498	3 211	1 791	-2 051	0	22 450
Income tax				-4 651		-4 651
PROFIT (LOSS) FOR THE PERIOD				-6 701		17 799



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

	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18
Asset Management					
Net revenue	10 566	10 253	9 849	9 313	9 031
Operating profit	6 049	5 296	5 107	5 387	4 692
Corporate Finance					
Net revenue	741	1 054	4 829	496	1 311
Operating profit	100	255	2 765	59	533
Investments					
Net revenue	-24	167	196	434	478
Operating profit	-24	167	196	434	478
Other segments and eliminations					
Net revenue	14	113	-153	-3	-14
Operating profit	-471	-422	-676	-311	-608
Group total					
Net revenue	11 297	11 586	14 721	10 240	10 806
Operating profit	5 655	5 296	7 392	5 569	5 095
Profit for the period	4 587	4 197	5 851	4 427	4 044

CAPITAL ADEQUACY, EUR 1 000

	CRR 30 June 2019 eQ Group	CRR 31 Dec. 2018 eQ Group
Equity	52 049	62 249
Common equity tier 1 (CET 1) before deductions	52 049	62 249
Deductions from CET 1		
Intangible assets	-29 422	-29 446
Unconfirmed profit for the period	-8 784	-17 799
Dividend proposal by the Board*		-2 563
Common equity tier 1 (CET1)	13 843	12 441
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	13 843	12 441
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	13 843	12 441
Risk-weights, total	126 415	128 956
of which credit risk	45 052	48 464
of which market risk - currency risk	5 447	4 576
of which operational risk	75 916	75 916
Common equity tier 1 (CET1) / risk-weights, %	11.0%	9.6%
Tier 1 (T1) / risk-weights, %	11.0%	9.6%
Total capital (TC) / risk-weights, %	11.0%	9.6%
Leverage ratio, %	30.6%	22.0%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	3 729	2 125
Excess of total capital compared with the target level (10% capital adequacy ratio)	1 201	-454

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

GROUP KEY RATIOS

	30 June 2019	30 June 2018	31 Dec. 2018
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	8 784	7 521	17 799
Earnings per average share, EUR	0.23	0.20	0.47
Diluted earnings per average share, EUR	0.21	0.19	0.45
Equity per share, EUR	1.37	1.37	1.65
Equity per average share, EUR *)	1.37	1.39	1.66
Return on investment, ROI % p.a.	30.0	26.3	28.5
Return on equity, ROE % p.a.	30.7	26.3	28.5
Equity to assets ratio, %	77.4	83.1	79.6
Cost/income ratio, Group, %	52.1	53.5	50.5
Share price at the end of the period, EUR	9.14	8.38	7.60
Market value, EUR million	347.8	316.0	286.6
Personnel calculated as full-time resources at the end of the period	90	88	86

*) 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 2018 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 2019, eQ's remaining investment commitments in private equity funds totalled EUR 7.4 million (EUR 7.8 million on 31 Dec. 2018). Other commitments at the end of the period totalled EUR 0.1 million (EUR 3.3 million on 31 Dec. 2018).