

2020

HALF YEAR REPORT





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eQ PLC'S HALF YEAR REPORT 2020 – eQ IMPROVED ITS RESULT DESPITE THE CHALLENGING MARKET SITUATION – OPERATING PROFIT GREW BY 7%

January to June 2020 in brief

- During the period under review, the Group's net revenue totalled EUR 23.9 million (EUR 22.9 million from 1 Jan. to 30 June 2019).
 - The Group's net fee and commission income was EUR 24.3 million (EUR 22.5 million).
 - The Group's net investment income from own investment operations was EUR -0.4 million (EUR 0.4 million), including the return from private equity funds and liquid fixed income funds.
- The Group's operating profit grew by 7% to EUR 11.7 million (EUR 11.0 million).
- The Group's profit was EUR 9.4 million (EUR 8.8 million).
- The consolidated earnings per share were EUR 0.24 (EUR 0.23).
- The net cash flow from the Group's own private equity fund investment operations was EUR -0.2 million (EUR 0.3 million).
- The net revenue of the Asset Management segment increased by 9% to EUR 22.7 million (EUR 20.8 million) and the operating profit by 15% to EUR 13.0 million (EUR 11.3 million).
- The net revenue of the Corporate Finance segment was EUR 1.7 million (EUR 1.8 million) and the operating profit was EUR 0.3 million (EUR 0.4 million).

April to June 2020 in brief

- In the second quarter, the Group's net revenue totalled EUR 11.9 million (EUR 11.3 million from 1 April to 30 June 2019).
 - The Group's net fee and commission income was EUR 12.7 million (EUR 11.3 million).
 - The Group's net investment income from own investment operations was EUR -0.8 million (EUR 0.0 million), including the return from private equity funds and liquid fixed income funds.
- The Group's operating profit was EUR 5.7 million (EUR 5.7 million).
- The Group's profit was EUR 4.6 million (EUR 4.6 million).
- The consolidated earnings per share were EUR 0.12 (EUR 0.12).

Key ratios	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Net revenue, Group, M€	23.9	22.9	4%	11.9	11.3	5%	50.6
Net revenue, Asset Management, M€	22.7	20.8	9%	11.4	10.6	8%	44.3
Net revenue, Corporate Finance, M€	1.7	1.8	-4%	1.3	0.7	72%	5.4
Net revenue, Investments, M€	-0.4	0.1	-345%	-1.0	0.0	-4063%	0.8
Net revenue, Group administration and eliminations, M€	-0.2	0,1		0.2	0.0		0.1
Operating profit, Group, M€	11.7	11.0	7%	5.7	5.7	0%	26.3
Operating profit, Asset Management, M€	13.0	11.3	15%	6.6	6.0	9%	25.4
Operating profit, Corporate Finance, M€	0.3	0.4	-6%	0.4	0.1	351%	1.9
Operating profit, Investments, M€	-0.4	0.1	-345%	-1.0	0.0	-4063%	0.8
Operating profit, Group administration, M€	-1.3	-0.9		-0.4	-0.5		-1.8
Profit for the period, M€	9.4	8.8	7%	4.6	4.6	0%	21.0



Key ratios	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Earnings per share, €	0.24	0.23	6%	0.12	0.12	0%	0.55
Equity per share, €	1.33	1.37	-3%	1.33	1.37	-3%	1.70
Cost/income ratio, Group, %	51.0	52.1	-2%	52.3	49.9	5%	48.1
Liquid assets, M€	13.8	12.2	13%	13.8	12.2	13%	32.3
Private equity fund investments, M€	16.1	16.8	-4%	16.1	16.8	-4%	16.2
Interest-bearing loans, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, € billion	7.0	6.2	13%	7.0	6.2	13%	6.8
Assets under management total, € billion	8.5	10.9	-22%	8.5	10.9	-22%	11.7

Janne Larma, CEO

The second quarter was very strong in the capital market. Share prices rose by about 15 to 20% depending on the market, and the interest rates of above all corporate loans fell strongly. By the beginning of August, the global stock exchange index was only about 6% below the level at the beginning of the year. In the second quarter, the development of economies was strongly negative, however, and uncertainty still prevails. The capital market believes that the COVID-19 pandemic can be kept under control in autumn and the vaccine will be here during the first months of 2021.

eQ has succeeded excellently in its business operations, even though the pandemic has slowed down our growth. All our funds have been open in a normal manner, neither have there been any interruptions in our functions. Our personnel have worked in an excellent manner in these challenging circumstances.

In the first half of the year, the net revenue of the Group grew by 4% to EUR 23.9 million and the operating profit by 7% to EUR 11.7 million. eQ Group's operating profit has grown for 25 consecutive quarters. The profit of the Group increased to EUR 9.4 million.

eQ Asset Management improved its operating profit by 15%

eQ Asset Management succeeded excellently in these difficult circumstances. The net revenue of eQ Asset Management increased by 9% on the previous year to EUR 22.7 million. The operating profit grew by 15% to EUR 13.0 million. The result of the Asset Management segment was supported by the 23% growth of real estate and private equity management fees. Traditional asset management also made an excellent result in relative terms, as the management fee income only fell by 2% from the year before. Performance fees fell by almost 90%, on the other hand.

We managed to raise a record amount of capital to our private equity asset management. We raised altogether EUR 345 million to our two private equity funds during the six-month period. The eQ PE XII North private equity fund, which makes investments in private equity investment funds that invest in unlisted, small and mid-sized companies in Northern Europe, raised EUR 190 million. Our third secondary market fund eQ PE SF III private equity fund raised EUR 155 million. Both new funds are clearly larger than their predecessors, and they are still expected to grow during the remaining part of the year. In addition, we have launched four new private equity mandates during the first half of the year.

Within real estate asset management, we established a new real estate fund eQ Residential. The fund has raised EUR 33 million of subscription commitments and its target size is EUR 100 million. The eQ Residential Fund is intended for professional investor and it is a closed-end fund. In our open-end real estate funds, i.e. eQ Care and eQ Finnish Real Estate, net subscriptions were slightly positive during the first half of the year. As a result of the worst COVID-19 crisis, redemptions were made in March, in the midst of the worst crisis, at the value of the end of June. By the end of June, the situation had returned to normal, and we received new subscriptions for EUR 49 million.



Advium's fee and commission income at last year's level

In the Corporate Finance segment, Advium has acted as advisor in three transactions during the first six months. In the second quarter, Advium acted, for instance, as advisor to Solidium Oy, as it sold its entire holding of about 14.9% in Neles Corporation to Valmet Corporation for EUR 179 million. In addition, Advium acted as financial advisor to Tamturbo, as Sulzer AG, one of the major experts in fluid technology in the world, made a strategic investment in Tamturbo Plc, which is a Finnish industrial cleantech start-up. After the period under review, Advium has acted as advisor in two transactions, which have already been finalised.

Advium's order base remains good, but due to the challenging operating environment several projects within both traditional M&As and real estate transactions have still been postponed and partly interrupted. Advium's net revenue was EUR 1.7 million (EUR 1.8 million) and operating profit EUR 0.3 million (EUR 0.4 million).

The operating profit of Investments was negative

The operating profit of the Investments segment was EUR 0.4 million negative. The net cash flow was EUR 0.2 million negative. At the end of June, the balance sheet value of the private equity fund investments was EUR 16.1 million.

Outlook

The outlook of national economies for the remaining part of the year is still rather uncertain. In addition, it is difficult to foresee how the COVID-19 pandemic will develop during the autumn.

The outlook for the financial year is still unaltered, however, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. The greatest uncertainties regarding the Asset Management segment are related to performance fees. At the moment, it is difficult to assess whether we will get any performance fees from our open-end real estate funds. As for the performance fee from the Amanda IV Fund, it is likely that it will be postponed to 2021.

eQ's half year financial report 1 January to 30 June 2020 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 8.5 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 2020

Result of operations and financial position 1 Jan. to 30 June 2020

- During the period under review, the Group's net revenue totalled EUR 23.9 million (EUR 22.9 million from 1 Jan. to 30 June 2019).
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 - The Group's net investment income from own investment operations was EUR -0.4 million (EUR 0.4 million), including the return from private equity funds and liquid fixed income funds.
- The Group's operating profit grew by 7% to EUR 11.7 million (EUR 11.0 million).
- The Group's profit was EUR 9.4 million (EUR 8.8 million).
- The consolidated earnings per share were EUR 0.24 (EUR 0.23).
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- The net revenue of the Asset Management segment increased by 9% to EUR 22.7 million (EUR 20.8 million) and the operating profit by 15% to EUR 13.0 million (EUR 11.3 million).
- The net revenue of the Corporate Finance segment was EUR 1.7 million (EUR 1.8 million) and the operating profit was EUR 0.3 million (EUR 0.4 million).

Result of operations and financial position 1 April to 30 June 2020

- In the second quarter, the Group's net revenue totalled EUR 11.9 million (EUR 11.3 million from 1 April to 30 June 2019).
 - The Group's net fee and commission income was EUR 12.7 million (EUR 11.3 million).
 - The Group's net investment income from own investment operations was EUR -0.8 million (EUR 0.0 million), including the return from private equity funds and liquid fixed income funds.
- The Group's operating profit was EUR 5.7 million (EUR 5.7 million).
- The Group's profit was EUR 4.6 million (EUR 4.6 million).
- The consolidated earnings per share were EUR 0.12 (EUR 0.12).

Operating environment

The nearly complete closing of the economy, which began in China already in the first months of 2020 due to the COVID-19 virus, spread to the entire Western world in March and April. This caused an almost total halt in several industries globally and led to a substantial reduction of the BNP, lay-offs, and redundancies. China, which had timewise stood in the frontline of the virus, could, on the other hand, stop the virus and restore a considerable share of its economic activity so that production had already almost returned to the level preceding the crisis by the end of the second quarter.

In the middle of the deep crisis, both central banks and states continued to pump huge sums to the market in order to support economies. Towards the end of the quarter, the debate on EU's common recovery fund intensified but met political opposition in most member states.

Discussions on the gradual opening of economies began at the end of April in Europe and the US as well, as infection rates started to fall in different countries. In May and June, the confidence of industry and consumers began to recover from the COVID-19 shock in western countries as well. The situation in Brazil and Russia, for instance, remained difficult, on the other hand, and the debate in Western countries and China as well about new possible waves of the virus caused concern.

The recovery of equity and bond markets from the steep fall, which began already at the end of March, continued during the second quarter, and the returns of the second quarter were very strong across the board. As a whole, the returns of the first six months remained negative, however. As for shares, the greatest falls were seen in Europe, where the MSCI Europe Index gave a -12.8% return. In the second



quarter, the return was +12.6%, however, which shows that the sentiment was changing rapidly. The corresponding figures on the Finnish stock exchange were -3.7% and +19.1%. In the US, the S&P 500 Index gave a -3.4% return in the first quarter, both in dollars and euros, but in the second quarter, the return in dollars was no less than +20.4% and in euros +17.6%. In emerging equity markets, the return of the first half was -9.8%, even though the return of the second quarter was +15.4%.

Among bond indices, high yield loans gave the poorest returns, -5.0% in the six-month period and +11.1% in the second quarter. The corresponding figures for investment grade loans were -1.3% and +5.1% and those of emerging market euro-hedged loans -0.5% and +8.8%. Only euro denominated government bonds gave a positive return of 1.9% in the six-month period, the return of the second quarter being +1.7%.

Major events during the period under review

eQ Plc's Annual General Meeting was held on 25 March 2020. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig 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.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 23.9 million (EUR 22.9 million from 1 Jan. to 30 June 2019). The Group's net fee and commission income was EUR 24.3 million (EUR 22.5 million). The Group's net investment income from own investment operations was EUR -0.4 million, including the return from private equity fund investments and liquid fixed income funds (EUR 0.4 million).

The Group's expenses and depreciation totalled EUR 12.2 million (EUR 11.9 million). Personnel expenses were EUR 10.1 million (EUR 9.7 million), other administrative expenses totalled EUR 0.9 million (EUR 1.1 million), and the other operating expenses were EUR 0.6 million (EUR 0.7 million). Depreciation was EUR 0.5 million (EUR 0.5 million).

The Group's operating profit was EUR 11.7 million (EUR 11.0 million) and the profit for the period was EUR 9.4 million (EUR 8.8 million).

Business areas

Asset Management

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

Mutual funds and asset management

At the end of the period, eQ had 26 mutual funds registered in Finland. The number of funds increased during the period with two funds that were transferred from Aurejärvi Asset Management. The new funds are eQ Global and eQ Europe Small Cap.

As a result of the widening of credit risk margins, the returns of eQ's fixed income funds were mostly negative during the six-month period. The positive return of government bonds was an exception. After the crash in March, the returns were positive in the second quarter for all parts, however. The best six-month returns came from the eQ Government Bond and eQ Euro Short Term funds. The best returns as compared with benchmark indices came from the eQ Government Bond and eQ Floating Rate funds. eQ Euro Investment Grade fund was awarded as the best fund measured with a five-year return in this year's Lipper Scandinavian "Bond EUR Corporates" series.



The returns of equity funds were also mostly negative during the six-month period due to the crash in March, despite the strong recovery in the second quarter. The eQ Blue Planet fund is an exception, as its value increased strongly during the second quarter and already exceeded the year-end level at the end of the period under review. As compared with their benchmark indices, the eQ Blue Planet, eQ Nordic Small Cap, and eQ Emerging Market Small Cap funds gave excellent returns. On 11 March 2020, eQ Asset Management won one of the major prizes awarded by Morningstar. Morningstar recognised the entire equity fund range of eQ with its "Best Equity Fund House" award. This extremely highly esteemed award is based on the five-year risk-adjusted returns of eQ's equity funds.

Of the funds managed by eQ, 31% surpassed their benchmark indices in the six-month period, and in the past three years, 62% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.3 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between -3.2 and -7.2% during the six-month period, based on the allocation of the investment portfolio. The return of portfolios that are only invest in Finnish shares was -6.6%, which was slightly below the return of the benchmark index.

Private Equity

The first close of the new eQ PE XII North private equity fund was held at the end of January 2020 at EUR 126 million. The second close of the fund took place in April at EUR 157 million, and in the close in June the size of the fund grew to EUR 190 million. The eQ PE XII North fund makes investments in private equity funds that invest in unlisted, small and mid-sized companies in Northern Europe. In January, eQ also established its third secondary market fund eQ PE SF III. The first close of the fund was held at EUR 75 million. The second close of the fund took place in April at EUR 115 million, and in the close in June the size of the fund grew to EUR 155 million. Both new funds are clearly larger than their predecessors, and they are still expected to grow during the remaining part of the year. In addition, eQ has launched four new private equity mandates during the first half of the year.

At the end of the period under review, the assets in private equity funds managed by eQ totalled EUR 1 901 million (EUR 1 609 million) and the assets managed under private equity mandates were EUR 868 million (EUR 677 million).

Real estate investments

At the end of the period under review, new net subscriptions worth EUR -49 million were made in the eQ Finnish Real Estate fund. During the six-month period, the subscriptions totalled EUR -22 million. At the end of the quarter, the size of the fund was EUR 656 million, and its real estate property amounted to almost EUR 1.1 billion. The investment operations of the fund have been extremely successful, and the return since establishment is 8.6% p.a. The fund has almost 2 400 unit holders.

At the end of the period under review, new net subscriptions worth EUR -7 million were made in the eQ Care fund. During the six-month period, the subscriptions totalled EUR 25 million. At the end of the period under review, the size of the fund was EUR 1 008 million and its real estate property exceeded EUR 1.3 billion. The return of the fund since establishment is 8.9% p.a., and the fund has almost 4 000 unit holders.

In May, eQ established a new real estate fund eQ Residential. Subscription commitments for EUR 33 million have been raised to the fund, which means an investment capacity exceeding EUR 100 million. The investment operations have begun, and the raising of means will continue in autumn. The target size of the fund is EUR 100 million, which will enable investments exceeding EUR 300 million in residential real estate. eQ Residential will make investments in the Helsinki metropolitan area, Tampere, and Turku. The fund targets complete residential buildings and aims to manage approximately 1,500 rental units in total. Unlike eQ Care and eQ Finnish Real Estate funds, eQ Residential is restricted to professional investors only in a closed-end fund structure.

Overall, eQ's real estate funds had real estate property worth almost EUR 2.4 billion 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 13 persons.



Assets under management and clients

At the end of the period, the assets managed by eQ Asset Management, excluding assets covered by private equity reporting services, were EUR 7 017 million and altogether EUR 8 461 million. The assets increased by EUR 251 million from the beginning of the year, excluding the private equity reporting services, and fell in total by EUR 3 225 million (EUR 6 767 / 11 686 million on 31 Dec. 20109). The considerable fall in the private equity reporting services was in practice due to one large institutional investor, who went over to an international service provider. The transfer has no impact on the result in practice.

At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 3 108 million (EUR 3 276 million), and the assets decrease by EUR 168 million mainly as a result of the market movement. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 1 140 million (EUR 1 206 million). The assets managed under private equity funds and asset management totalled EUR 4 212 million (EUR 7 204 million), the share of eQ funds being EUR 1 901 million (EUR 1 609 million) and that of mandates EUR 868 million (EUR 677 million). The assets covered by the reporting service totalled EUR 1 443 million (EUR 4 919 million).

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 9% and the operating profit by 15% to EUR 13.0 million (EUR 11.3 million from 1 Jan. to 30 June 2019). The management fees of the real estate and private equity operations increased by 23% during the period. Performance fees fell by 88% as a result of their typical strong fluctuation per quarter and financial period. The cost/income ratio was 42.5% (45.5%). Calculated as full-time resources, the Asset Management segment had 72 employees at the end of the period under review.

Asset Management	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Net revenue, M€	22.7	20.8	9%	11.4	10.6	8%	44.3
Operating profit, M€	13.0	11.3	15%	6.6	6.0	9%	25.4
Assets under management excluding reporting services, € billion	7.0	6.2	13%	7.0	6.2	13%	6.8
Assets under management total, € billion	8.5	10.9	-23%	8.5	10.9	-23%	11.7
Cost/income ratio, %	42.5	45.5	-7%	41.9	42.7	-2%	42.7
Personnel as full-time resources	72	70	3%	72	70	3%	69

Fee and commission income, Asset Management, M€	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Management fees from traditional asset management	3.9	3.9	-2%	1.8	2.0	-6%	8.0
Real estate and private equity management fees	18.7	15.3	23%	9.6	7.9	22%	32.1
Other fee and commission income	0.1	0.1	-18%	0.0	0.0	-7%	0.3
Performance fees	0.2	1.7	-88%	0.0	0.8	-98%	4.4
Total	22.9	21.0	9%	11.5	10.7	8%	44.7

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 global COVID-19 outbreak has had a negative impact on Advium's business operations, but the rise of share prices and recovery of the economic outlook in the second quarter give us confidence that transaction volumes will begin to rise in the second half of the year. Before the transaction volumes can return to former levels, the COVID-19 epidemic must calm down and for instance travel restrictions must be abolished, however. Advium's order base remains good, but due to the challenging operating environment several

projects within both traditional M&As and real estate arrangements have still been postponed and partly interrupted.

During the six-month period, Advium acted as advisor in three finalised transactions. Advium acted, for instance, as advisor to Solidium Oy as it sold its entire holding of about 14.9% in Neles Corporation to Valmet Corporation for about EUR 179 million. In addition, Advium acted as financial advisor to Tamturbo, as Sulzer AG, one of the major experts in fluid technology in the world, made a strategic investment in Tamturbo Plc, which is a Finnish industrial cleantech start-up. After the period under review, Advium has acted as advisor in two transactions, which have already been finalised.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 1.7 million (EUR 1.8 million from 1 Jan. to 30 June 2019). The operating profit was EUR 0.3 million (EUR 0.4 million). The segment had 16 employees at the end of the period.

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

Corporate Finance	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Net revenue, M€	1.7	1.8	-4%	1.3	0.7	72%	5.4
Operating profit, M€	0.3	0.4	-6%	0.4	0.1	351%	1.9
Cost/income ratio, %	80.7	80.3	0%	64.8	86.6	-25%	64.1
Personnel as full-time resources	16	15	7%	16	15	7%	15

Investments

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

During the period under review, the net revenue of the Investments segment totalled EUR -0.4 million (EUR 0.1 million from 1 Jan. to 30 June 2019). At the end of the period, the fair value of the investments was EUR 16.1 million (EUR 16.2 million on 31 Dec. 2019) and the amount of the remaining investment commitments was EUR 7.9 million (EUR 6.7 million). Of the market value, 86% has been invested in funds managed by eQ. The breakdown of the market value and investment commitments of the investments per fund are presented in the tables section.

During the period, the investment objects returned capital for EUR 0.6 million (EUR 1.3 million from 1 Jan. to 30 June 2019) and distributed a profit of EUR 0.0 million (EUR 0.7 million). Capital calls totalled EUR 0.8 million (EUR 1.6 million). The net cash flow from investments during the period was EUR -0.2 million (EUR 0.3 million). The value changes recognised through profit or loss and final losses of the investments were EUR -0,3 million during the period (EUR -0,4 million). During the period under review, the COVID-19 crisis influenced the profit distribution and value changes of investments. 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 XII North private equity fund. The eQ PE XII North fund makes investments in private equity funds that invest in unlisted, small and mid-sized companies in Northern Europe. eQ Plc also made an investment commitment of EUR 1.0 million in the eQ Residential real estate fund. eQ Residential is a closed-end fund that makes investments in residential property in the Helsinki metropolitan area, Tampere, and Turku.

The income of eQ's Investments segment 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	1-6/20	1-6/19	Change	4-6/20	4-6/19	Change	1-12/19
Operating profit, M€	-0.4	0.1	-345%	-1.0	0.0	-4063%	0.8
Fair value of investments, M€	16.1	16.8	-4%	16.1	16.8	-4%	16.2
Investment commitments, M€	7.9	7.4	7%	7.9	7.4	7%	6.7
Net cash flow of investments, M€	-0.2	0.3	-152%	-0.6	0.6	-198%	1.7

Balance sheet and capital adequacy

At the end of the financial period, the consolidated balance sheet total was EUR 67.2 million (EUR 85.4 million on 31 Dec. 2019) and the shareholders' equity was EUR 50.8 million (EUR 65.1 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 9.4 million, the dividend distribution of EUR -21.1 million, the repayment of equity of EUR -2.7 million from the reserve for invested unrestricted equity, and the accrued expense of EUR 0.1 million related to an 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 22.4 million) and liquid investments in mutual funds EUR 5.8 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 4.9 million (EUR 4.7 million).

The lease liability entered in the balance sheet was EUR 2.5 million (EUR 2.6 million) at the end of the period, the share of short-term liabilities being EUR 0.9 million (EUR 0.6 million). Interest-free short-term debt was EUR 13.8 million (EUR 17.7 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 75.7% (76.2%).

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 CRR/CRD regulations. The requirement for eQ Group's and eQ Asset Management Ltd's own funds is calculated according to article 95 of EU's Capital Requirements Regulation. The amount of the total risk exposure is calculated as the larger of the following: a) total amount of credit and market risks or b) the total risk based on fixed overheads.

The Group's CET1 (Common Equity Tier 1) and capital adequacy ratio of the own funds was 22.3% (22.2% on 31 Dec. 2019) at the end of the period. 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 11.6 million (EUR 11.9 million on 31 Dec. 2019), and the total risk exposure was EUR 51.9 million (EUR 53.5 million). In capital adequacy calculations, the amount of the total risk exposure is based on the total risk exposure based on fixed overheads, as the total credit and market risks was lower at the end of the period. 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 2020, the number of eQ Plc's shares was 38 307 198 and the share capital was EUR 11 383 873. There were no changes in the number or shares or share capital during the period.

The closing price of eQ Plc's share on 30 June 2020 was EUR 13.20 (EUR 12.45 on 31 Dec. 2019). The market capitalisation of the company was thus EUR 505.7 million (EUR 476.9 million) at the end of the period. During the period, 1 734 664 shares were traded on Nasdaq Helsinki (858 179 shares from 1 Jan. to 30 June 2019). In euros, the turnover was EUR 21.9 million (EUR 7.6 million).

Own shares

On 30 June 2020, eQ Plc held no own shares.



Shareholders

Ten major shareholders on 30 June 2020

	Shares	Share, %
1 Fennogens Investments S.A.	7 943 137	20.74
2 Chilla Capital S.A.	5 945 275	15.52
3 Anchor Oy Ab	5 803 677	15.15
4 Teamet Oy	4 100 000	10.70
5 Oy Cevante Ab	1 419 063	3.70
6 Fazer Jan Peter	1 298 306	3.39
7 Lavventura Oy	650 000	1.70
8 Linnalex Ab	631 652	1.65
9 Procurator-Holding Oy	623 892	1.63
10 Pinomonte Ab	529 981	1.38
10 major shareholders, total	28 944 983	75.56
Nominee registered	414 495	1.08
Other shares	8 947 720	23.36
Total	38 307 198	100.00

On 30 June 2020, eQ Plc had 6 774 shareholders (5 945 shareholders on 31 Dec. 2019).

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 will end on 1 April 2021. The options have been listed on Nasdaq Helsinki.

Of these options, altogether 250 000 had been exercised by the end of the period. The number of outstanding options was 1 325 000 at the end of the period. No options of the option scheme 2015 can any longer be allocated.

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

At the end of the period, altogether 1 775 000 options had been allocated from option scheme with a purchase price 2018. The subscription period of shares with option rights 2018 will begin on 1 April 2022 and end on 1 April 2024.

In the first quarter of 2020, 25 000 options with a purchase price of EUR 18 000.00 were returned to eQ Plc due to the termination of employment. The purchase price of the returned options was entered in its entirety at the original subscription price in the reserve for invested unrestricted equity. The number of outstanding options was 1 775 000 at the end of the period. No options of the option scheme 2018 can any longer be allocated.

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

eQ Plc's Annual General Meeting (AGM), held on Monday 25 March 2020 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 2019.

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 0.55 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 2020, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. Payment date of the dividend and equity repayment was 3 April 2020.

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.

Remuneration Policy for governing bodies

The Annual General Meeting adopted the Remuneration Policy for the governing bodies.

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

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig 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 4 000 and the other directors EUR 2 500 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 3 500 000 new shares. The amount of the authorisation corresponded to approximately 9,14% 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 93 (89 persons on 31 December 2019). Calculated as full-time resources, the Asset Management segment had 72 (69) employees and the Corporate Finance segment 16 (15) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 10.1 million (EUR 9.7 million from 1 Jan. to 30 June 2019).

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, for instance. 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 the management company, 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 related to the operations of eQ Group's Investments segment are the market risk and currency risk, for instance. Of said risks, the market risk has the greater impact on investments. The company's own investments are well diversified, which means that the impact of one investment made by one individual fund in one single investment object on the return is often small. The income from eQ Group's Investments segment is recognised in different quarters due to factors independent of the company, depending on the exits from 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 has acted as advisor in two transactions, which have already been finalised.

Outlook

The outlook of national economies for the remaining part of the year is still rather uncertain. In addition, it is difficult to foresee how the COVID-19 pandemic will develop during the autumn.

The outlook for the financial year is still unaltered, however, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. The greatest uncertainties regarding the Asset Management segment are related to performance fees. At the moment, it is difficult to



assess whether we will get any performance fees from our open-end real estate funds. As for the performance fee from the Amanda IV Fund, it is likely that it will be postponed to 2021.

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 Group's Investments segment 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.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-6/20	1-6/19	4-6/20	4-6/19	1-12/19
Fee and commission income	24 569	22 733	12 767	11 366	49 933
Interest income	0	3	0	-	4
Net income from financial assets	-425	373	-769	44	1 132
Operating income, total	24 144	23 109	11 997	11 410	51 069
Fee and commission expenses	-222	-212	-106	-106	-428
Interest expenses	-12	-13	-6	-7	-26
NET REVENUE	23 910	22 884	11 886	11 297	50 614
Administrative expenses					
Personnel expenses	-10 126	-9 661	-5 215	-4 553	-19 758
Other administrative expenses	-940	-1 096	-405	-515	-2 185
Depreciation on tangible and intangible assets	-154	-111	-80	-62	-219
Depreciation on leases	-369	-374	-184	-187	-749
Other operating expenses	-641	-691	-330	-326	-1 411
OPERATING PROFIT (LOSS)	11 680	10 950	5 672	5 655	26 292
Income tax	-2 297	-2 166	-1 080	-1 068	-5 257
PROFIT (LOSS) FOR THE PERIOD	9 383	8 784	4 592	4 587	21 035

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/20	1-6/19	4-6/20	4-6/19	1-12/19
Other comprehensive income:	-	-	-	-	-
Other comprehensive income after taxes	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9 383	8 784	4 592	4 587	21 035
Profit for the period attributable to:					
Equity holders of the parent company	9 383	8 784	4 592	4 587	21 035
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	9 383	8 784	4 592	4 587	21 035
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.24	0.23	0.12	0.12	0.55
Diluted earnings per average share, EUR	0.23	0.21	0.11	0.11	0.51



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2020	30 June 2019	31 Dec. 2019
ASSETS			
Liquid assets	69	9	72
Claims on credit institutions	7 935	7 984	22 303
Financial assets			
Financial securities	5 807	4 250	9 956
Private equity and real estate fund investments	16 053	16 817	16 156
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	358	-	-
Other intangible assets	300	210	253
Tangible assets			
Leases	310	268	261
Other assets			
Accruals and prepaid expenditure	2 090	2 808	2 433
Income tax receivables	4 318	4 941	4 151
Deferred tax assets	443	494	528
	185	256	58
	79	12	34
TOTAL ASSETS	67 160	67 262	85 418
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	5 068	4 183	4 780
Accruals and deferred income	8 592	7 914	12 057
Lease liabilities	2 485	2 868	2 604
Income tax liabilities	165	217	831
Deferred tax liabilities	29	31	29
TOTAL LIABILITIES	16 339	15 212	20 301
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	23 783	25 759	26 482
Retained earnings	6 271	6 122	6 215
Profit (loss) for the period	9 383	8 784	21 035
TOTAL EQUITY	50 821	52 049	65 117
TOTAL LIABILITIES AND EQUITY	67 160	67 262	85 418



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2020	1-6/2019	1-12/2019
CASH FLOW FROM OPERATIONS			
Operating profit	11 680	10 950	26 292
Depreciation and write-downs	522	486	968
Interest income and expenses	12	10	22
Transactions with no related payment transactions	449	430	904
Financial assets' cash flow – private equity and real estate fund investments	-193	-336	-61
Change in working capital			
Business receivables, increase (-) / decrease (+)	-81	254	1 157
Interest-free debt, increase (+) / decrease (-)	-4 008	-3 821	919
Total change in working capital	-4 089	-3 568	2 076
Cash flow from operations before financial items and taxes	8 383	7 973	30 202
Interests received	0	3	4
Interests paid	-12	-13	-26
Taxes	-2 304	-2 081	-4 532
CASH FLOW FROM OPERATIONS	6 067	5 882	25 648
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-609	-53	-197
Investments/redemptions in other investments – liquid mutual funds	4 084	5 793	93
CASH FLOW FROM INVESTMENTS	3 475	5 740	-103
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-23 750	-20 551	-20 551
Option issue with a subscription price	-18	1 350	816
Subscription of new shares	-	39	1 296
Decrease in the lease liability capital	-144	-314	-578
CASH FLOW FROM FINANCING	-23 913	-19 477	-19 017
INCREASE/DECREASE IN LIQUID ASSETS	-14 371	-7 855	6 527
Liquid assets on 1 Jan.	22 375	15 848	15 848
Liquid assets on 31 June/31 Dec.	8 004	7 993	22 375

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company					
	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan. 2019	11 384	27 034	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			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	14 907	52 049	52 049

Shareholders' equity on 1 Jan. 2020	11 384	26 482	27 251	65 117	65 117
Profit (loss) for the period			9 383	9 383	9 383
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			9 383	9 383	9 383
Dividend/equity repayment		-2 682	-21 069	-23 750	-23 750
Option issue with a subscription price		-18		-18	-18
Options granted, cost accrual			89	89	89
Shareholders' equity on 30 June 2020	11 384	23 783	15 654	50 821	50 821



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-6/20	1-6/19	4-6/20	4-6/19	1-12/19
Asset management fees					
Management fees from traditional asset management	3 877	3 942	1 848	1 957	8 003
Real estate and private equity management fees	18 666	15 181	9 586	7 854	31 852
Other fee and commission income	89	109	37	40	281
Performance fees	208	1 704	18	773	4 379
Total	22 840	20 935	11 489	10 624	44 514
Corporate finance fees	1 728	1 798	1 278	742	5 419
Fee and commission income, total	24 569	22 733	12 767	11 366	49 933

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-6/20	1-6/19	4-6/20	4-6/19	1-12/19
Private equity and real estate fund investment operations					
Profit distribution of funds	19	671	-	551	1 810
Changes in fair value and losses	-295	-427	-944	-525	-813
Total	-276	243	-944	26	996
Other investment operations – liquid mutual funds					
Changes in fair value	-65	175	259	63	181
Sales profit/loss	-84	-45	-84	-45	-45
Total	-149	130	175	17	135
Net income from financial assets, total	-425	373	-769	44	1 132

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2020		30 June 2019		31 Dec. 2019	
	Fair valu	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	16 053	16 053	16 817	16 817	16 156	16 156
Financial securities	5 807	5 807	4 250	4 250	9 956	9 956
Accounts receivable and other receivables	1 100	1 100	585	585	1 655	1 655
Liquid assets	8 004	8 004	7 993	7 993	22 375	22 375
Total	30 964	30 964	29 645	29 645	50 142	50 142
Financial liabilities						
Accounts payable and other liabilities	245	245	379	379	166	166
Lease liabilities	2 485	2 485	2 868	2 868	2 604	2 604
Total	2 729	2 729	3 247	3 247	2 769	2 769

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 2020		30 June 2019		31 Dec. 2019	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	16 053	-	16 817	-	16 156
Financial securities	5 807	-	4 250	-	9 956	-
Total	5 807	16 053	4 250	16 817	9 956	16 156

Level 3 reconciliation: Private equity and real estate fund investments

1-6/2020	
Opening balance on 1 Jan. 2020	16 156
Calls	825
Returns	-632
Value change and loss through profit or loss	-295
Closing balance on 30 June 2020	16 053

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



1-12/2019	
Opening balance on 1 Jan. 2019	16 909
Calls	2 407
Returns	-2 346
Value change and loss through profit or loss	-813
Closing balance on 31 Dec. 2019	16 156

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 AND REAL ESTATE FUND INVESTMENTS, EUR 1 000

Market value	30 June 2020	31 Dec. 2019
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XII North LP	0	-
eQ PE XI US LP	51	32
eQ PE XII North LP	5	-
eQ PE X North LP	256	199
eQ PE IX US LP	367	266
eQ PE VIII North LP	1 802	1 586
eQ PE VII US LP	1 720	1 786
eQ PE VI North LP	1 930	1 935
Amanda V East LP	4 303	4 387
Amanda IV West LP	788	982
Amanda III Eastern PE LP	2 527	2 743
Total	13 750	13 917
Real estate funds:		
eQ Residential	-	-
Private equity funds managed by others:		
Large buyout funds	1 067	994
Midmarket funds	475	531
Venture funds	762	715
Total	16 053	16 156



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

Investment commitment	30 June 2020	31 Dec. 2019
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XII North LP	1 000	0
eQ PE XI US LP	819	846
eQ PE X North LP	661	761
eQ PE IX US LP	588	686
eQ PE VIII North LP	859	1 183
eQ PE VII US LP	596	727
eQ PE VI North LP	477	602
Amanda V East LP	595	595
Amanda IV West LP	427	427
Amanda III Eastern PE LP	348	348
Total	6 369	6 175
Real estate funds:		
eQ Residential	1 000	-
Real estate funds managed by others:		
Large buyout funds	132	132
Midmarket funds	418	433
Venture funds	0	0
Total	7 919	6 740



SEGMENT INFORMATION, EUR 1 000

1-6/20	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	22 840	1 728	-	-		24 569
From other segments	75	-	-	-	-75	-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	-276	-149		-425
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	22 915	1 728	-276	-111	-113	24 144
Fee and commission expenses	-218	-	-	-4		-222
To other segments	-	-	-75	-	75	-
Interest expenses	-7	-2	-	-2		-12
NET REVENUE	22 690	1 726	-351	-117	-38	23 910
Administrative expenses						
Personnel expenses	-8 171	-1 109	-	-846		-10 126
Other administrative expenses	-678	-142	-	-159	38	-940
Depreciation on tangible and intangible assets	-136	-6	-	-11		-154
Depreciation on leases	-251	-77	-	-41		-369
Other operating expenses	-446	-59	-	-136		-641
OPERATING PROFIT (LOSS)	13 008	333	-351	-1 309	0	11 680
Income tax				-2 297		-2 297
PROFIT (LOSS) FOR THE PERIOD				-3 606		9 383

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



1-6/19	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
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

4-6/20	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Fee and commission income	11 489	1 278	-	-		12 767
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	-944	175		-769
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	11 526	1 278	-944	194	-57	11 997
Fee and commission expenses	-104	-	-	-2		-105
To other segments	-	-	-38	-	38	-
Interest expenses	-4	-1	-	-1		-6
NET REVENUE	11 419	1 277	-981	191	-19	11 886
Administrative expenses						
Personnel expenses	-4 095	-716	-	-404		-5 215
Other administrative expenses	-296	-40	-	-89	19	-405
Depreciation on tangible and intangible assets	-70	-3	-	-6		-80
Depreciation on leases	-125	-39	-	-20		-184
Other operating expenses	-221	-30	-	-80		-330
OPERATING PROFIT (LOSS)	6 612	449	-981	-408	0	5 672
Income tax				-1 080		-1 080
PROFIT (LOSS) FOR THE PERIOD				-1 488		4 592



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

1-12/19	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Fee and commission income	44 514	5 419	-	-		49 933
From other segments	200	-	-	-	-200	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	4		4
Net income from financial assets	-	-	996	135		1 132
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	44 714	5 419	996	217	-277	51 069
Fee and commission expenses	-420	-	-	-8		-428
To other segments	-	-	-200	-	200	-
Interest expenses	-17	-5	-	-4		-26
NET REVENUE	44 276	5 413	796	205	-77	50 614
Administrative expenses						
Personnel expenses	-15 620	-2 770	-	-1 368		-19 758
Other administrative expenses	-1 646	-367	-	-248	77	-2 185
Depreciation on tangible and intangible assets	-167	-18	-	-34		-219
Depreciation on leases	-509	-157	-	-82		-749
Other operating expenses	-971	-159	-	-281		-1 411
OPERATING PROFIT (LOSS)	25 363	1 941	796	-1 809	0	26 292
Income tax				-5 257		-5 257
PROFIT (LOSS) FOR THE PERIOD				-7 065		21 035



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

	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Asset Management					
Net revenue	11 419	11 271	12 511	10 947	10 566
Operating profit	6 612	6 396	7 200	6 818	6 049
Corporate Finance					
Net revenue	1 277	449	2 529	1 090	741
Operating profit	449	-116	1 180	407	100
Investments					
Net revenue	-981	630	579	74	-24
Operating profit	-981	630	579	74	-24
Other segments and eliminations					
Net revenue	171	-327	0	2	14
Operating profit	-408	-901	-533	-384	-471
Group total					
Net revenue	11 886	12 024	15 618	12 112	11 297
Operating profit	5 672	6 009	8 426	6 916	5 655
Profit for the period	4 592	4 791	6 730	5 521	4 587



CAPITAL ADEQUACY, EUR 1 000

	CRR 30 June 2020 eQ Group	CRR 31 Dec. 2019 eQ Group
Equity	50 821	65 117
Common equity tier 1 (CET 1) before deductions	50 821	65 117
Deductions from CET 1		
Intangible assets	-29 871	-29 465
Unconfirmed profit for the period	-9 383	-21 035
Dividend proposal by the Board*	0	-2 715
Common equity tier 1 (CET1)	11 566	11 901
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	11 566	11 901
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	11 566	11 901
Risk-weighted items total – Total risk exposure	51 890	53 499
of which credit risk	44 356	48 183
of which market risk - currency risk	5 144	5 316
of which extra risk due to fixed expenses	2 390	-
Common equity tier 1 (CET1) / risk weights, %	22.3%	22.2%
Tier 1 (T1) / risk weights, %	22.3%	22.2%
Total capital (TC) / risk weights, %	22.3%	22.2%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	7 415	7 621
Excess of total capital compared with the target level (10% capital adequacy ratio)	6 377	6 551

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



GROUP KEY RATIOS

	30 June 2020	30 June 2019	31 Dec. 2019
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	9 383	8 784	21 035
Earnings per average share, EUR	0.24	0.23	0.55
Diluted earnings per average share, EUR	0.23	0.21	0.51
Equity per share, EUR	1.33	1.37	1.70
Equity per average share, EUR *)	1.33	1.37	1.71
Return on investment, ROI % p.a.	31.1	30.0	32.4
Return on equity, ROE % p.a.	32.4	30.7	33.0
Equity to assets ratio, %	75.7	77.4	76.2
Cost/income ratio, Group, %	51.0	52.1	48.1
Share price at the end of the period, EUR	13.20	9.14	12.45
Market value, EUR million	505.7	347.8	476.9
Personnel calculated as full-time resources at the end of the period	93	90	89

*) 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. Capital adequacy performance measures are presented based on European legislation concerning companies in the finance sector. The calculation principles and formulae of the key ratios are presented in the company's 2019 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 2020, eQ's remaining investment commitments in private equity funds totalled EUR 7.9 million (EUR 6.7 million on 31 Dec. 2019). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2019).