

Q1 2020

INTERIM REPORT





28 April 2020 at 8:00 AM

eQ PLC'S INTERIM REPORT Q1 2020 – eQ'S RESULT GREW BY 14%**January to March 2020 in brief**

- During the period under review, the Group's net revenue totalled EUR 12.0 million (EUR 11.6 million from 1 Jan. to 31 March 2019).
 - The Group's net fee and commission income was EUR 11.7 million (EUR 11.3 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.3 million), including the return from private equity fund investments and liquid fixed income funds.
- The Group's operating profit grew by 13% to EUR 6.0 million (EUR 5.3 million).
- The Group's profit was EUR 4.8 million (EUR 4.2 million).
- The consolidated earnings per share were EUR 0.13 (EUR 0.11).
- The net cash flow from the Group's own private equity fund investment operations was EUR 0.5 million (EUR -0.3 million).
- The net revenue of the Asset Management segment increased by 10% to EUR 11.3 million (EUR 10.3 million) and the operating profit by 21% to EUR 6.4 million (EUR 5.3 million).
- The net revenue of the Corporate Finance segment was EUR 0.4 million (EUR 1.1 million) and the operating profit was EUR -0.1 million (EUR 0.3 million). It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result of the segment may vary considerably.

Key ratios	1-3/20	1-3/19	Change	1-12/19
Net revenue, Group, M€	12.0	11.6	4%	50.6
Net revenue, Asset Management, M€	11.3	10.3	10%	44.3
Net revenue, Corporate Finance, M€	0.4	1.1	-57%	5.4
Net revenue, Investments, M€	0.6	0.2	277%	0.8
Net revenue, Group administration and eliminations, M€	-0.3	0.1		0.1
Operating profit, Group, M€	6.0	5.3	13%	26.3
Operating profit, Asset Management, M€	6.4	5.3	21%	25.4
Operating profit, Corporate Finance, M€	-0.1	0.3	-146%	1.9
Operating profit, Investments, M€	0.6	0.2	277%	0.8
Operating profit, Group administration, M€	-0.9	-0.4		-1.8
Profit for the period, M€	4.8	4.2	14%	21.0



Key ratios	1-3/20	1-3/19	Change	1-12/19
Earnings per share, €	0.13	0.11	13%	0.55
Equity per share, €	1.21	1.25	-3%	1.70
Cost/income ratio, Group, %	49.9	54.3	-8%	48.1
Liquid assets, M€	35.0	32.1	9%	32.3
Private equity fund investments, M€	16.4	17.4	-6%	16.2
Interest-bearing loans, M€	0.0	0.0	0%	0.0
Assets under management excluding reporting services, € billion	6.6	5.9	11%	6.8
Assets under management total, € billion	8.0	10.5	-23%	11.7

Janne Larma, CEO

The COVID-19 pandemic took the whole world, including the investment market, by surprise with its huge effect. The impacts of the pandemic on the capital market were exceptionally rapid and large. In February, the daily fluctuations in the capital market were historically large, both upwards and downwards. It is clear that GNPs will experience a major fall this year. At the moment, it is estimated that the GNP will fall globally by 3%, which is considerably more than during the financial crisis 2008 to 2009. In addition, we are now in a situation where nobody knows how the virus will behave and when the economy will begin to normalise. With regard to the economy, it would be of utmost importance that we could gradually begin re-opening economies in order to prevent mass unemployment and a wave of bankruptcies. Fortunately there is already trust in this, which can also be seen in the rather steep rise in share prices from the lowest levels. On 24 April, the world stock exchange index was 12% below the year-end level and the Nasdaq technology index only 4% below the year-end level. The rise of the world stock exchange index from the lowest figures in March is 24%.

eQ's result was very good

eQ's first quarter was very good. The Group's net revenue in the first quarter was EUR 12.0 million and the operating profit was EUR 6.0 million. The Group's operating profit grew by 13%, and we have managed to increase our operating profit already for 6 years, i.e. during 24 consecutive quarters.

eQ Asset Management's strong growth continued

The result of eQ Asset Management was once more excellent. The net revenue of eQ Asset Management increased by 10% on the previous year to EUR 11.3 million. Operating profit grew by 21% to EUR 6.4 million. The management fees of real estate and private equity asset management grew by EUR 1.7 million on the previous year, i.e. by 24%. The management fees from traditional asset management rose by 2%, even though the assets under management fell considerably in March. Performance fees fell considerably from the year before.

The excellent development of eQ Asset Management is due to the large share of alternative investment products. The fee and commission income of the real estate and private equity operations stood for 80% per cent of the fee and commission income in the first quarter. Especially the products of private equity asset management saw a very strong demand. In April, we held the second closings of the eQ PE XII North and eQ PE SF III private equity funds at a total of EUR 272 million. Besides, we obtained four new mandate clients to private equity asset management. Private equity investments increase the diversification and stability of investment portfolios, and this is even more important when the volatility of the equity and bond markets is high. Within real estate asset management, we took new subscriptions from clients only to the eQ Finnish Real Estate Fund in the first quarter, and due to the COVID-19 outbreak, the number of subscriptions was lower than in previous quarters. The returns of the real estate funds were good, especially in relation to the rest of the investment market. The return of the eQ Care Fund was 1.4% and that of the eQ Finnish Real Estate Fund 0.7%.



In traditional asset management, the fee and commission income grew on the previous year. Due to the extremely challenging market situation, more than half of the funds managed by eQ gave a lower return than the benchmark index in the 12-month period. Despite this, 67% of the funds managed by eQ have surpassed their benchmark indices during an investment period of five years.

Advium's fee and commission income fell

The COVID-19 crisis influenced Advium's operations negatively rather quickly. During the period under review, Advium acted as advisor in two transactions, which were finalised during the period. Advium acted as advisor to pension insurance company Elo, as it sold a storage, business and office property in Jätkäsaari, Helsinki to a fund managed by Corum AM. In addition, Advium acted as advisor in an arrangement signed in the summer of 2019, where the Swedish company Peab acquired YIT's paving and mineral aggregates business. The transaction was finalised at the turn of March and April.

The transaction market for both mergers and acquisitions and real estate transactions is in a stand-by situation. Both buyers and seller wait for better visibility into the economic outlook. A large part of the existing projects at Advium have either been interrupted for the time being or postponed, but there are ongoing projects as well. If the operating environment will become more normal during the summer, we believe that the transaction volume will begin to rise towards the end of the year. In the first quarter, Advium's net revenue was EUR 0.4 million (EUR 1.1 million from 1 Jan. to 31 March 2019) and operating profit EUR -0.1 million (EUR 0.3 million).

The operating profit of the Investments segment was positive

The operating profit of the Investments segment was EUR 0.6 million. The net cash flow was EUR 0.5 million. At the end of March, the balance sheet value of the private equity fund investments was EUR 16.4 million. eQ Plc made an investment commitment of EUR 1 million to the eQ PE XII North private equity fund in January. The impact of the COVID-19 crisis on funds of funds and the Investments segment will be seen with a lag.

Outlook

At the moment, it is still extremely unclear when the COVID-19 outbreak will begin to ease off and economies start to return to more normal circumstances. This naturally influences national economies and the development of the capital market during the remaining part of the year.

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 uncertainty regarding the Asset Management segment is related to performance fees. It is difficult to assess how real estate returns will develop during the remaining part of the year, and it is also possible that the performance fee from the Amanda IV fund will be postponed to 2021.

We do not issue profit guidance for the Corporate Finance and Investment segments. The results of these segments are highly dependent on when the activity in the transaction market will begin to pick up.

eQ's interim report 1 January to 31 March 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 8.0 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 INTERIM REPORT 1 JAN. TO 31 MARCH 2020

Result of operations and financial position 1 Jan. to 31 March 2020

- During the period under review, the Group's net revenue totalled EUR 12.0 million (EUR 11.6 million from 1 Jan. to 31 March 2019).
 - The Group's net fee and commission income was EUR 11.7 million (EUR 11.3 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.3 million), including the return from private equity fund investments and liquid fixed income funds.
- The Group's operating profit grew by 13% to EUR 6.0 million (EUR 5.3 million).
- The Group's profit was EUR 4.8 million (EUR 4.2 million).
- The consolidated earnings per share were EUR 0.13 (EUR 0.11).
- The net cash flow from the Group's own private equity fund investment operations was EUR 0.5 million (EUR -0.3 million).
- The net revenue of the Asset Management segment increased by 10% to EUR 11.3 million (EUR 10.3 million) and the operating profit by 21% to EUR 6.4 million (EUR 5.3 million).
- The net revenue of the Corporate Finance segment was EUR 0.4 million (EUR 1.1 million) and the operating profit was EUR -0.1 million (EUR 0.3 million). It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result of the segment may vary considerably.

Operating environment

The worst trade policy disputes seemed to be over by the early months of 2020, and the sentiment in both economies and the market was prudently positive after the strong stock exchange year 2019. Towards the end of January, we started hearing news about the spreading of a strange virus in China, and the country initiated extensive measures in order to close its economy and prevent the virus from spreading. As late as in mid-February many western listed companies, for instance, commented that the impacts of the virus would be limited and mainly related to operations in China. At the same time, companies started to consider the risks of the virus spreading more extensively outside China, and soon there were also indications of this. Before the end of February, the epidemic – which was soon called a pandemic – started spreading, first to Korea and Italy, for instance. At this stage, we also started receiving the first news about the serious impacts on growth that the measures taken by China had had.

In March, the COVID-19 virus had spread globally, and almost all countries had introduced extensive isolation measures, which in practice put a stop to large parts of economies. The Fed, ECB and other central banks launched huge securities purchase programmes, eased the capital adequacy requirements of banks, and the majority of governments announced massive support packages to the economy. China, where the epidemic started, was able to re-open its economy and restore activity for large parts towards the end of March.

The impacts of the COVID-19 pandemic on the bond and equity market were dramatic beginning from mid-February. Share prices fell by 30% at their most, and for example in the US, stock exchanges could fluctuate by more than 10% per day. Market volatility rose to the same level as during the financial crisis, partly even higher. Movements were drastic in the bond market as well, and the liquidity of the market deteriorated considerably. Towards the end of March, the worst panic seemed to recede owing to the massive support operations by central banks and governments. The clear improvement of bond market liquidity also contributed to this development.

In the whole quarter, the greatest fall in share prices took place in Europe, where the MSCI Europe index gave a -22.6% return. The return of the emerging markets index was -21.8%, that of Finland -19.1% and the US -17.9%, calculated in euros (in dollars by -19.7%). As for bond indices, high yield loans gave a -14.4%



return, emerging market loans -8.6% and investment grade bonds a -6.1% return in the whole quarter. The euro government bond index rose by 0.20%, but variations by country were large.

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 12.0 million (EUR 11.6 million from 1 Jan. to 31 March 2019). The Group's net fee and commission income was EUR 11.7 million (EUR 11.3 million). The Group's net investment income from own investment operations was EUR 0.3 million, including the return from private equity fund investments and liquid fixed income funds (EUR 0.3 million).

The Group's expenses and depreciation totalled EUR 6.0 million (EUR 6.3 million). Personnel expenses were EUR 4.9 million (EUR 5.1 million), other administrative expenses totalled EUR 0.5 million (EUR 0.6 million), and the other operating expenses were EUR 0.3 million (EUR 0.4 million). Depreciation was EUR 0.3 million (EUR 0.2 million).

The Group's operating profit was EUR 6.0 million (EUR 5.3 million), and the profit for the period was EUR 4.8 million (EUR 4.2 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 quarter 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 and the increase in the interest rate level, the returns of eQ's fixed income funds were negative during the period. Above in in March, the returns were negative and the liquidity of the market was also partly poor towards the end of the month. The smallest value decreases were seen in the eQ Euro Short Term and eQ Government Bond funds. The best return as compared with benchmark indices came from the eQ Government Bond fund. Of eQ's five Morningstar rated fixed income funds three have the best rating, e.g. five stars, and one has four stars. In addition, the 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 negative as a result of the crash experienced in March. The eQ Blue Planet showed the smallest negative value change. The eQ Blue Planet, eQ Emerging Markets Small Cap and eQ Europe Property funds gave excellent returns compared with their benchmark indices. 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, 23 per cent surpassed their benchmark indices in the three-month period, and in the past three years, 42 per cent of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 4.1 stars at the end of the period. The returns of the discretionary asset management portfolios that eQ manages varied between -7.9 and -21.0% during the three-month period, based on the allocation of the investment portfolio. The return of the portfolios that are only invest in Finnish shares exceeded -20%, which was 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 was held in April at EUR 157 million, and the aim is to hold the final close in June. 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 was held in April at EUR 115 million, and the aim is to hold the final close in June.

At the end of the period under review, the assets in private equity funds managed by eQ totalled EUR 1 760 million (EUR 1 609 million) and the assets managed under private equity mandates were EUR 777 million (EUR 677 million).

Real estate investments

At the end of the third quarter, new subscriptions for EUR 27 million were made in the eQ Finnish Real Estate Fund. At the end of the quarter, the size of the fund was EUR 701 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 8.9% p.a. The fund already has almost 2 700 unit holders.

The eQ Care Fund was closed for new subscriptions in the first quarter, but net subscriptions worth EUR 32 million were made in the fund with paid profit distribution shares. At the end of the period under review, the size of the fund was EUR 996 million and its real estate property amounted to almost EUR 1.3 billion. The return of the fund since establishment is 8.9% p.a., and the fund has more than 4 000 unit holders.

Overall, eQ's real estate funds had real estate property worth more than 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 6 581 million and altogether EUR 8 016 million. The assets fell by EUR 186 million from the beginning of the year excluding private equity reporting services, and altogether by EUR 3 670 million (EUR 8 016 / 11 686 million on 31 Dec. 2019). 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 2 991 million (EUR 3 276 million), and the assets decrease by EUR 286 million as a result of the market movement. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 1 053 million (EUR 1 206 million). The assets managed under private equity funds and asset management totalled EUR 3 972 million (EUR 7 204 million), the share of eQ funds being EUR 1 760 million (EUR 1 609 million) and that of mandates EUR 777 million (EUR 677 million). The assets covered by the reporting service totalled EUR 1 435 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 10% and the operating profit by 21% to EUR 6.4 million (EUR 5.3 million from 1 Jan. to 31 March 2019). The management fees of the real estate and private equity operations increased by 24% during the period.



Performance fees fell by 80% as a result of their typical strong fluctuation per quarter and financial period. The cost/income ratio was 43.1% (48.3%). Calculated as full-time resources, the Asset Management segment had 72 employees at the end of the period under review.

Asset Management	1-3/20	1-3/19	Change	1-12/19
Net revenue, M€	11.3	10.3	10%	44.3
Operating profit, M€	6.4	5.3	21%	25.4
Assets under management excluding reporting services, € billion	6.6	5.9	11%	6.8
Assets under management total, € billion	8.0	10.5	-23%	11.7
Cost/income ratio, %	43.1	48.3	-11%	42.7
Personnel as full-time resources	72	69	4%	69

Fee and commission income, Asset Management, M€	1-3/20	1-3/19	Change	1-12/19
Management fees from traditional asset management	2.0	2.0	2%	8.0
Real estate and private equity management fees	9.1	7.4	24%	32.1
Other fee and commission income	0.1	0.1	-24%	0.3
Performance fees	0.2	0.9	-80%	4.4
Total	11.4	10.4	10%	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 also had a clear impact on Advium's business. 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 been postponed and partly interrupted. If the COVID-19 outbreak will calm down, the stalled economy begins to function and the operating environment becomes more normal towards the end of the first half of the year, Advium believes that the transaction volumes will also begin to revive during the second half.

During the first quarter, Advium acted as advisor in one finalised transaction, where Advium acted as

- advisor to the seller, when pension insurance company Elo sold a storage, business and office property in Jätkäsaari, Helsinki to a fund managed by Corum AM.

In addition, an arrangement signed in the summer of 2019, where the Swedish company Peab acquired YIT's paving and mineral aggregates business, was finalised at the turn of March and April.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 0.4 million (EUR 1.1 million from 1 Jan. to 31 March 2019). The operating profit was EUR -0.1 million (EUR 0.3 million). The segment had 14 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	1-3/20	1-3/19	Change	1-12/19
Net revenue, M€	0.4	1.1	-57%	5.4
Operating profit, M€	-0.1	0.3	-146%	1.9
Cost/income ratio, %	125.9	75.9	66%	64.1
Personnel as full-time resources	14	15	-7%	15



Investments

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

During the period under review, the net revenue of the Investments segment was EUR 0.6 million (EUR 0.2 million from 1 Jan. to 31 March 2019). At the end of the period, the fair value of the private equity fund investments was EUR 16.4 million (EUR 16.2 million on 31 Dec. 2019) and the amount of the remaining investment commitments was EUR 7.7 million (EUR 6.7 million). Of the market value, 87% 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.

During the period, the investment objects returned capital for EUR 0.5 million (EUR 0.2 million from 1 Jan. to 31 March 2019) and distributed a profit of EUR 0.0 million (EUR 0.1 million). Capital calls totalled EUR 0.1 million (EUR 0.6 million). The net cash flow from investments during the period was EUR 0.5 million (EUR - 0.3 million). The value changes of the private equity fund investments recognised through profit or loss were EUR 0.6 million during the period (EUR 0.1 million). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.04 million (EUR 0.05 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.

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	1-3/20	1-3/19	Change	1-12/19
Operating profit, M€	0.6	0.2	277%	0.8
Fair value of investments, M€	16.4	17.4	-6%	16.2
Investment commitments, M€	7.7	8.2	-6%	6.7
Net cash flow of investments, M€	0.5	-0.3	252%	1.7

Balance sheet and capital adequacy

At the end of the period under review, the consolidated balance sheet total was EUR 88.4 million (EUR 85.4 million on 31 Dec. 2019) and the shareholders' equity was EUR 46.2 million (EUR 65.1 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 4.8 million, the decided dividend distribution of EUR -21.1 million, the decided repayment of equity of EUR -2.7 million from the reserve for invested unrestricted equity, and the accrued expense of EUR 0.04 million related to an option scheme and entered in the shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 25.4 million (EUR 22.4 million) and liquid investments in mutual funds EUR 9.6 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 4.4 million (EUR 4.7 million).

The lease liability entered in the balance sheet was EUR 2.6 million (EUR 2.6 million) at the end of the period, the share of short-term liabilities being EUR 0.8 million (EUR 0.6 million). Interest-free short-term debt was EUR 39.5 million (EUR 17.7 million), including a liability of EUR 23.8 million (EUR 0.0 million) related to the dividend distribution and return of equity. The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 52.3% (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 20.5% (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 11.4 million (EUR 11.9 million on 31 Dec. 2019), and the total risk exposure was EUR 55.9 million (EUR 53.5 million). In capital adequacy calculations, the amount of the total risk exposure is based on credit and market risks, as the total risk exposure based on fixed overheads was lower at the end of the period. The total risk exposure based on fixed overheads was EUR 51.9 million 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 31 March 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 31 March 2020 was EUR 11.55 (EUR 12.45 on 31 Dec. 2019). The market capitalisation of the company was thus EUR 442.4 million (EUR 476.9 million) at the end of the period. During the period, 1 165 103 shares were traded on Nasdaq Helsinki (604 231 shares from 1 Jan. to 31 March 2019). In euros, the turnover was EUR 14.6 million (EUR 5.4 million).

Own shares

On 31 March 2020, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 31 March 2020

	Shares	Share, %
1 Fennogens Investements SA	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	453 787	1.18
Other shares	8 908 428	23.26
Total	38 307 198	100.00

On 31 March 2020, eQ Plc had 6 365 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 the granted 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 2018 option scheme with a purchase price. 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 a 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, 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 91 (89 persons on 31 December 2019). Calculated as full-time resources, the Asset Management segment had 72 (69) employees and the Corporate Finance segment 14 (15) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 4.9 million (EUR 5.1 million from 1 Jan. to 31 March 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 associated with eQ Group's own private equity investment operations 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 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 on 24 April 2020, the eQ PE XII North private equity fund held its second close at EUR 157 million. The second close of the eQ PE SF III fund was also held at EUR 115 million.

Outlook

At the moment, it is still extremely unclear when the COVID-19 outbreak will begin to ease off and economies start to return to more normal circumstances. This naturally influences national economies and the development of the capital market during the remaining part of the year.

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 uncertainty regarding the Asset Management segment is related to performance fees. It is difficult to assess how real estate returns will develop during the remaining part of the year, and it is also possible that the performance fee from the Amanda IV fund will be postponed to 2021.

We do not issue profit guidance for the Corporate Finance and Investment segments. The results of these segments are highly dependent on when the activity in the transaction market will begin to pick up.

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.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-3/20	1-3/19	1-12/19
Fee and commission income	11 802	11 366	49 933
Interest income	-	3	4
Net income from financial assets	344	329	1 132
Operating income, total	12 146	11 699	51 069
Fee and commission expenses	-116	-106	-428
Interest expenses	-6	-7	-26
NET REVENUE	12 024	11 586	50 614
Administrative expenses			
Personnel expenses	-4 911	-5 108	-19 758
Other administrative expenses	-535	-581	-2 185
Depreciation on tangible and intangible assets	-74	-49	-219
Depreciation on leases	-184	-187	-749
Other operating expenses	-311	-366	-1 411
OPERATING PROFIT (LOSS)	6 009	5 296	26 292
Income tax	-1 217	-1 098	-5 257
PROFIT (LOSS) FOR THE PERIOD	4 791	4 197	21 035

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/20	1-3/19	1-12/19
Other comprehensive income:	-	-	-
Other comprehensive income after taxes	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4 791	4 197	21 035
Profit for the period attributable to:			
Equity holders of the parent company	4 791	4 197	21 035
Non-controlling interests	-	-	-
Comprehensive income for the period attributable to:			
Equity holders of the parent company	4 791	4 197	21 035
Non-controlling interests	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:			
Earnings per average share, EUR	0.13	0.11	0.55
Diluted earnings per average share, EUR	0.12	0.10	0.51



CONSOLIDATED BALANCE SHEET, EUR 1 000

	31 March 2020	31 March 2019	31 Dec. 2019
ASSETS			
Liquid assets	65	54	72
Claims on credit institutions	25 307	21 875	22 303
Financial assets			
Financial securities	9 632	10 233	9 956
Private equity fund investments	16 368	17 435	16 156
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	479	-	-
Other intangible assets	253	204	253
Tangible assets	311	295	261
Leases	2 274	2 995	2 433
Other assets	3 711	3 190	4 151
Accruals and prepaid expenditure	608	657	528
Income tax receivables	62	149	58
Deferred tax assets	86	6	34
TOTAL ASSETS	88 369	86 306	85 418
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	31 542	27 715	4 780
Accruals and deferred income	7 866	8 006	12 057
Lease liabilities	2 627	3 025	2 604
Income tax liabilities	121	110	831
Deferred tax liabilities	29	37	29
TOTAL LIABILITIES	42 186	38 894	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	6 225	6 073	6 215
Profit (loss) for the period	4 791	4 197	21 035
TOTAL EQUITY	46 183	47 413	65 117
TOTAL LIABILITIES AND EQUITY	88 369	86 306	85 418



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-3/2020	1-3/2019	1-12/2019
CASH FLOW FROM OPERATIONS			
Operating profit	6 009	5 296	26 292
Depreciation and write-downs	259	237	968
Interest income and expenses	6	3	22
Transactions with no related payment transactions	-281	-81	904
Financial assets' cash flow – private equity fund investments	437	-429	-61
Change in working capital			
Business receivables, increase (-) / decrease (+)	361	1 841	1 157
Interest-free debt, increase (+) / decrease (-)	-2 211	-748	919
Total change in working capital	-1 850	1 093	2 076
Cash flow from operations before financial items and taxes	4 579	6 119	30 202
Interests received	-	3	4
Interests paid	-6	-7	-26
Taxes	-1 152	-1 001	-4 532
CASH FLOW FROM OPERATIONS	3 421	5 115	25 648
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-404	-13	-197
Investments/redemptions in other investments – liquid mutual funds	-	-252	93
CASH FLOW FROM INVESTMENTS	-404	-265	-103
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-	-	-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	-2	-157	-578
CASH FLOW FROM FINANCING	-20	1 232	-19 017
INCREASE/DECREASE IN LIQUID ASSETS	2 997	6 081	6 527
Liquid assets on 1 Jan.	22 375	15 848	15 848
Liquid assets on 31 March/31 Dec.	25 372	21 929	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			4 197	4 197	4 197
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			4 197	4 197	4 197
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			129	129	129
Shareholders' equity on 31 March 2019	11 384	25 759	10 270	47 413	47 413

Shareholders' equity on 1 Jan. 2020					
	11 384	26 482	27 251	65 117	65 117
Profit (loss) for the period			4 791	4 791	4 791
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			4 791	4 791	4 791
Dividend/equity repayment		-2 682	-21 069	-23 750	-23 750
Option issue with a subscription price		-18		-18	-18
Options granted, cost accrual			44	44	44
Shareholders' equity on 31 March 2020	11 384	23 783	11 016	46 183	46 183



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-3/20	1-3/19	1-12/19
Asset management fees			
Management fees from traditional asset management	2 030	1 985	8 003
Real estate and private equity management fees	9 080	7 327	31 852
Other fee and commission income	53	69	281
Performance fees	190	931	4 379
Total	11 352	10 311	44 514
Corporate finance fees	450	1 055	5 419
Fee and commission income, total	11 802	11 366	49 933

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-3/20	1-3/19	1-12/19
Private equity fund investment operations			
Profit distribution of funds	19	119	1 810
Changes in fair value and losses	648	98	-813
Total	668	217	996
Other investment operations – liquid mutual funds			
Changes in fair value	-324	112	181
Sales profit/loss	-	-	-45
Total	-324	112	135
Net income from financial assets, total	344	329	1 132

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	31 March 2020		31 March 2019		31 Dec. 2019	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity fund investments	16 368	16 368	17 435	17 435	16 156	16 156
Financial securities	9 632	9 632	10 233	10 233	9 956	9 956
Accounts receivable and other receivables	1 499	1 499	100	100	1 655	1 655
Liquid assets	25 372	25 372	21 929	21 929	22 375	22 375
Total	52 871	52 871	49 697	49 697	50 142	50 142
Financial liabilities						
Accounts payable and other liabilities	219	219	426	426	166	166
Lease liabilities	2 627	2 627	3 025	3 025	2 604	2 604
Total	2 847	2 847	3 451	3 451	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

	31 March 2020		31 March 2019		31 Dec. 2019	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity fund investments	-	16 368	-	17 435	-	16 156
Financial securities	9 632	-	10 233	-	9 956	-
Total	9 632	16 368	10 233	17 435	9 956	16 156

Level 3 reconciliation: Private equity fund investments

1-3/2020	
Opening balance on 1 Jan. 2020	16 156
Calls	65
Returns	-502
Value change and loss through profit or loss	648
Closing balance on 31 March 2020	16 368

1-3/2019	
Opening balance on 1 Jan. 2019	16 909
Calls	612
Returns	-183
Value change charged to profit or loss	98
Closing balance on 31 March 2019	17 435



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 FUND INVESTMENTS, EUR 1 000

Market value	31 March 2020	31 Dec. 2019
Funds managed by eQ:		
Funds of funds:		
eQ PE XI US LP	30	32
eQ PE X North LP	202	199
eQ PE IX US LP	304	266
eQ PE VIII North LP	1 661	1 586
eQ PE VII US LP	1 760	1 786
eQ PE VI North LP	1 914	1 935
Amanda V East LP	4 627	4 387
Amanda IV West LP	904	982
Amanda III Eastern PE LP	2 782	2 743
Total	14 182	13 917
Funds managed by others:		
Large buyout funds	995	994
Midmarket funds	477	531
Venture funds	714	715
Total	16 368	16 156



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

Investment commitment	31 March 2020	31 Dec. 2019
Funds managed by eQ:		
Funds of funds:		
eQ PE XII North LP	1 000	0
eQ PE XI US LP	866	846
eQ PE X North LP	761	761
eQ PE IX US LP	652	686
eQ PE VIII North LP	1 183	1 183
eQ PE VII US LP	744	727
eQ PE VI North LP	602	602
Amanda V East LP	595	595
Amanda IV West LP	427	427
Amanda III Eastern PE LP	348	348
Total	7 178	6 175
Funds managed by others:		
Large buyout funds	132	132
Midmarket funds	423	433
Venture funds	0	0
Total	7 734	6 740



SEGMENT INFORMATION, EUR 1 000

1-3/20	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	11 352	450	-	-		11 802
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	668	-324		344
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	11 389	450	668	-304	-57	12 146
Fee and commission expenses	-114	-	-	-2		-116
To other segments	-	-	-38	-	38	-
Interest expenses	-4	-1	-	-1		-6
NET REVENUE	11 271	449	630	-307	-19	12 024
Administrative expenses						
Personnel expenses	-4 077	-392	-	-442		-4 911
Other administrative expenses	-382	-102	-	-70	19	-535
Depreciation on tangible and intangible assets	-66	-3	-	-6		-74
Depreciation on leases	-125	-39		-20		-184
Other operating expenses	-226	-29	-	-56		-311
OPERATING PROFIT (LOSS)	6 396	-116	630	-901	0	6 009
Income tax				-1 217		-1 217
PROFIT (LOSS) FOR THE PERIOD				-2 119		4 791

1-3/19	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	10 311	1 055	-	-		11 366
From other segments	50	-	-	-	-50	-
Interest income	-	-	-	3		3
Net income from financial assets	-	-	217	112		329
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	10 361	1 055	217	135	-69	11 699
Fee and commission expenses	-104	-	-	-2		-106
To other segments	-	-	-50	-	50	-
Interest expenses	-4	-1	-	-1		-7
NET REVENUE	10 253	1 054	167	132	-19	11 586



1-3/19	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-4 091	-618	-	-399		-5 108
Other administrative expenses	-440	-107	-	-54	19	-581
Depreciation on tangible and intangible assets	-38	-3	-	-8		-49
Depreciation on leases	-127	-39	-	-21		-187
Other operating expenses	-261	-33	-	-71		-366
OPERATING PROFIT (LOSS)	5 296	255	167	-422	0	5 296
Income tax				-1 098		-1 098
PROFIT (LOSS) FOR THE PERIOD				-1 520		4 197

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	-
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

	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Asset Management					
Net revenue	11 271	12 511	10 947	10 566	10 253
Operating profit	6 396	7 200	6 818	6 049	5 296
Corporate Finance					
Net revenue	449	2 529	1 090	741	1 054
Operating profit	-116	1 180	407	100	255
Investments					
Net revenue	630	579	74	-24	167
Operating profit	630	579	74	-24	167
Other segments and eliminations					
Net revenue	-327	0	2	14	113
Operating profit	-901	-533	-384	-471	-422
Group total					
Net revenue	12 024	15 618	12 112	11 297	11 586
Operating profit	6 009	8 426	6 916	5 655	5 296
Profit for the period	4 791	6 730	5 521	4 587	4 197



CAPITAL ADEQUACY, EUR 1 000

	CRR 31 March 2020 eQ Group	CRR 31 March Dec. eQ Group
Equity	46 183	65 117
Common equity tier 1 (CET 1) before deductions	46 183	65 117
Deductions from CET 1		
Intangible assets	-29 944	-29 465
Unconfirmed profit for the period	-4 791	-21 035
Dividend proposal by the Board*	-	-2 715
Common equity tier 1 (CET1)	11 447	11 901
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	11 447	11 901
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	11 447	11 901
Risk-weighted items total – Total risk exposure	55 944	53 499
of which credit risk	50 628	48 183
of which market risk - currency risk	5 316	5 316
Common equity tier 1 (CET1) / risk weights, %	20.5%	22.2%
Tier 1 (T1) / risk weights, %	20.5%	22.2%
Total capital (TC) / risk weights, %	20.5%	22.2%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	6 972	7 621
Excess of total capital compared with the target level (10% capital adequacy ratio)	5 853	6 551

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



GROUP KEY RATIOS

	31 March 2020	31 March 2019	31 Dec. 2019
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	4 791	4 197	21 035
Earnings per average share, EUR	0.13	0.11	0.55
Diluted earnings per average share, EUR	0.12	0.10	0.51
Equity per share, EUR	1.21	1.25	1.70
Equity per average share, EUR *)	1.21	1.25	1.71
Return on investment, ROI % p.a.	32.9	29.8	32.4
Return on equity, ROE % p.a.	34.4	30.6	33.0
Equity to assets ratio, %	52.3	54.9	76.2
Cost/income ratio, Group, %	49.9	54.3	48.1
Share price at the end of the period, EUR	11.55	8.56	12.45
Market value, EUR million	442.4	325.8	476.9
Personnel calculated as full-time resources at the end of the period	91	89	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. 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 31 March 2019, eQ's remaining investment commitments in private equity funds totalled EUR 7.7 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).