

Q1 2021

INTERIM REPORT





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eQ Plc's interim report Q1 2021 – eQ's growth was very strong**January to March 2021 in brief**

- The Group's net revenue during the period was EUR 18.0 million (EUR 12.0 million from 1 Jan. to 31 March 2020).
 - The Group's net fee and commission income was EUR 15.8 million (EUR 11.7 million).
 - The Group's net investment income from own investment operations was EUR 2.2 million (EUR 0.3 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 76% to EUR 10.6 million (EUR 6.0 million).
- The Group's profit was EUR 8.4 million (EUR 4.8 million).
- The consolidated earnings per share were EUR 0.22 (EUR 0.13).
- The net revenue of the Asset Management segment grew by 31% to EUR 14.8 million (EUR 11.3 million) and the operating profit by 38% to EUR 8.8 million (EUR 6.4 million).
- The net revenue of the Corporate Finance segment was EUR 1.1 million (EUR 0.4 million) and the operating profit was EUR 0.3 million (EUR -0.1 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.7 million (EUR 0.5 million).

Key ratios	1–3/21	1–3/20	Change	1–12/20
Net revenue, Group, M€	18.0	12.0	50%	56.7
Net revenue, Asset Management, M€	14.8	11.3	31%	52.8
Net revenue, Corporate Finance, M€	1.1	0.4	137%	4.1
Net revenue, Investments, M€	2.1	0.6	236%	-0.1
Net revenue, Group administration and eliminations, M€	0.0	-0.3		0.0
Operating profit, Group, M€	10.6	6.0	76%	30.8
Operating profit, Asset Management, M€	8.8	6.4	38%	32.1
Operating profit, Corporate Finance, M€	0.3	-0.1	334%	1.1
Operating profit, Investments, M€	2.1	0.6	236%	-0.1
Operating profit, Group administration, M€	-0.7	-0.9		-2.4
Profit for the period, M€	8.4	4.8	76%	24.6

Key ratios	1–3/21	1–3/20	Change	1–12/20
Earnings per share, €	0.22	0.13	74%	0.64
Equity per share, €	1.26	1.21	4%	1.74
Cost/income ratio, Group, %	41.3	49.9	-17%	45.6
Liquid assets, M€	43.6	35.0	25%	36.3
Private equity and real estate fund investments, M€	17.2	16.4	5%	15.7
Interest-bearing loans, M€	0.0	0.0	0%	0.0
Assets under management excluding reporting services, € billion	8.1	6.6	24%	7.5
Assets under management, total, € billion	9.9	8.0	23%	9.0



Mikko Koskimies, CEO

The year 2021 started off with a hopeful, yet uncertain sentiment. Well-functioning COVID-19 vaccines had been developed in record time, but there were problems with the production and distribution of the vaccines. Both central banks and politicians in all central countries concentrated on continued recovery measures and even their expansion. A good example of this is the US, where President Biden drove through a massive USD 1 900 billion additional support package.

During the first quarter of the year, both the impacts of the recovery measures and the speeding up of the vaccination rates began to reflect positively on economic growth, particularly in the US. Economic growth in China also looks strong, while Europe – once more – lags behind. The closing of economies has continued longer in Europe and the vaccination pace has been slower.

Long interest rates rose above all in the US during the quarter, and as a result, the returns of interest investment were mainly negative. The returns of the equity market were, on the other hand, excellent in all parts of the world, the world index return being over 9%. Since the last quarter of 2020, sector rotation in the equity market has been strong from growth shares towards more cyclical industrial shares and the finance sector. In addition, especially small companies have given an excellent return.

eQ's growth very strong

eQ's growth in the first quarter was very strong. The Group's net revenue in the first quarter was EUR 18.0 million and the operating profit was EUR 10.6 million. Net revenue grew by 50% and operating profit by as much as 76% on the previous year.

eQ Asset Management's growth accelerated

The result of eQ Asset Management was once more excellent. eQ Asset Management's net revenue grew by 31% on the first quarter of 2020 to EUR 14.8 million. The operating profit grew by 38% to EUR 8.8 million. The management fees of traditional asset management and private equity asset management as well as performance fees experienced the strongest growth.

The returns of client portfolios were excellent during the first quarter. No less than 93% of the funds that eQ manages itself exceeded their benchmark indices, and during a three-year period the corresponding figure was 77%. Within discretionary asset management portfolios, both absolute and relative returns were also exceptionally good. The excellent returns from traditional asset management were complemented by the good real estate and private equity returns.

The quarter was also very good with regard to sales, above all for real estate and private equity asset management. Net subscriptions in the eQ Care and eQ Finnish Real Estate funds were EUR 130 million, and the size of the eQ Residential Fund grew to EUR 86 million. The investment operations of the fund also advanced well. In 2021, means are raised to the eQ PE XIII US Fund, the size of which already grew to USD 200 million in its second closing on 15 April. In addition, we have launched three new private equity asset management programmes at the beginning of the year, and the size of two old, renewed programmes has grown markedly.

During the quarter, we made some amendments to the rules of the eQ real estate funds, which entered into force on 15 April. At the same time, we changed the name of the popular eQ Care Fund to eQ Community Properties Fund to better correspond to the use of the properties owned by the fund.

Advium's fee income and profit grew

In the first quarter, Advium's net revenue was EUR 1.1 million (EUR 0.4 million) and operating profit EUR 0.3 million (EUR -0.1 million).

Advium acted as advisor in two finalised transactions. We acted as advisor to Avain Yhtiöt, as Ahlström Capital acquired a share of about 25% of Avain Yhtiöt Oy. We also acted as advisor to Alma Media Corporation in a transaction where Alma Media acquired Nettix Oy, the leading marketplace for motor vehicles, from Otava Group for EUR 170 million.



The development of Advium's operating environment was two-fold. In the first quarter, the number of M&As was record high globally, and even in Finland growth was strong. Real estate transactions have, on the other hand, recovered from the COVID-19 crises more slowly, and particularly in comparison with the first quarter of 2020, the value of real estate transactions in Finland fell by about 70%.

Net revenue of Investments increased threefold

The operating profit of the Investments segment was EUR 2.1 million (EUR 0.6 million) and the net cash flow EUR 0.7 million. The balance sheet value of the private equity and real estate fund investments was EUR 17.2 million at the end of March. eQ Plc made an investment commitment of USD 1 million to the eQ PE XIII US private equity fund in January. The considerable increase the M&A activity of unlisted companies had a positive impact on the portfolio's cash flow and realised profits. As there is a lag of about three months in the valuation of funds, the positive value change in the first quarter is in practice a result of the positive development of target fund values during the last quarter of 2020.

Outlook

The strong market development at beginning of the year and the anticipated easing-off of the COVID-19 crisis are positive factors for eQ's operating environment.

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year.

eQ's interim report 1 January to 31 March 2021 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 9.9 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

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



eQ PLC'S INTERIM REPORT 1 JAN. TO 31 MARCH 2021

Result of operations and financial position 1 Jan. to 31 March 2021

- The Group's net revenue during the period was EUR 18.0 million (EUR 12.0 million from 1 Jan. to 31 March 2020).
 - The Group's net fee and commission income was EUR 15.8 million (EUR 11.7 million).
 - The Group's net investment income from own investment operations was EUR 2.2 million (EUR 0.3 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 76% to EUR 10.6 million (EUR 6.0 million).
- The Group's profit was EUR 8.4 million (EUR 4.8 million).
- The consolidated earnings per share were EUR 0.22 (EUR 0.13).
- The net revenue of the Asset Management segment increased by 31% to EUR 14.8 million (EUR 11.3 million) and the operating profit by 38% to EUR 8.8 million (EUR 6.4 million).
- The net revenue of the Corporate Finance segment was EUR 1.1 million (EUR 0.4 million) and the operating profit was EUR 0.3 million (EUR -0.1 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.7 million (EUR 0.5 million).

Operating environment

The year 2021 started off with a hopeful, yet uncertain sentiment. Well-functioning COVID-19 vaccines had been developed in record time, but there were problems with the production and distribution of the vaccines. This increased the uncertainty on how rapidly economies could be opened up and growth achieved. Both central banks and politicians in all central countries concentrated on continued recovery and even its expansion. A good example of this is the US, where President Biden drove through a massive USD 1 900 billion additional support package.

During the first quarter of the year, both the impacts of the recovery measures and the speeding up of the vaccination rates began to reflect positively on economic growth, particularly in the US. At the same time, the concern for increasing inflation grew, and the long interest rates began to rise in the US. During the quarter, equity markets based valuations on the good Q4 results and hopes on the recovery of economies. The fears for increasing interest rates had a negative impact on shares in interest-sensitive and highly priced sectors, and there was a strong sector rotation in the pricing of shares during the quarter. The Fed managed to calm down the interest rate fears by stating that it did not find it likely that inflation would more permanently rise above its target level. This calmed down the market and share prices continued to rise.

In China, economic growth remained positive in 2020, and like in the US, the year 2021 looks strong. Europe, on the other hand, lags once more behind. The closing of economies has continued longer in Europe, and vaccination rates are clearly lower than in both China and the US. There are no signs of inflation in Europe, and the rise of long interest rates was clearly more modest than in the US – partly due to support operations by the ECB.

Equities gave excellent returns in the first quarter. The return of the US Stock Exchange was 10.4% calculated in euros. In dollars, the return is only 6.1%, however, as the dollar grew stronger during the quarter. The return of the Finnish stock exchange was 9.1%, while that of MSCI Europe was 8.4%. The emerging market equity index return was 6.5%, but there are large differences between countries.

Interest rates have been so low that even the slightest attempt for normalisation can be seen in the return: in the first quarter, the return of the euro government index was -2.3%, the return of the emerging market corporate loan index -1.7% and that of the investment grade index -0.7%. Only high yield loans gave a positive return (1.5%) during the first quarter. The negative returns of the US bond market were clearly larger than this.



Major events during the period under review

eQ Plc's Annual General Meeting was held on 24 March 2021. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig were re-elected to the Board. Janne Larma was elected as new member. From 1 April 2021, Janne Larma will be the full-time Chair of the Board. Previously he acted as CEO of eQ Plc since 2011. The Deputy Chair of the Board is Georg Ehrnrooth. The decisions by the Annual General Meeting have been presented in a separate chapter below.

eQ Plc's Board appointed Mikko Koskimies CEO of eQ Plc from 1 April 2021. Mikko Koskimies will also continue as Managing Director of eQ Asset Management Ltd after the appointment.

As a result of the changes in the company management, Janne Larma left the Management Team of eQ Group, and Mikko Koskimies will act as Chair of the Management Team as of 1 April 2021.

During the period, the number of eQ Plc's shares increased with new shares subscribed for with option rights. The number of shares increased by 45 000 shares on 18 March 2021.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 18.0 million (EUR 12.0 million from 1 Jan. to 31 March 2020). The Group's net fee and commission income was EUR 15.8 million (EUR 11.7 million). The Group's net investment income from own investment operations was EUR 2.2 million (EUR 0.3 million), including the return from private equity and real estate fund investments and liquid fixed income funds.

The Group's expenses and depreciation totalled EUR 7.5 million (EUR 6.0 million). Personnel expenses were EUR 6.4 million (EUR 4.9 million), other administrative expenses totalled EUR 0.5 million (EUR 0.5 million), and the other operating expenses were EUR 0.3 million (EUR 0.3 million). Depreciation was EUR 0.3 million (EUR 0.3 million). The salary expenses increased from the year before due to result-related remuneration.

The Group's operating profit was EUR 10.6 million (EUR 6.0 million) and the profit for the period was EUR 8.4 million (EUR 4.8 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 24 traditional mutual funds registered in Finland.

The returns of eQ's fixed income funds varied during the first quarter as a result of the rise in long interest rates and narrowing of credit risk margins. In the first quarter, the best returns came from the eQ High Yield and eQ Emerging Markets Corporate Bond LC funds. The return of the eQ Government Bond Fund was, on the other hand, negative. The returns of all our fixed income funds exceeded the returns of their benchmark indices, and the eQ Euro Investment Grade and eQ Emerging Markets Corporate Bond funds gave the best returns.

The returns of all our equity funds were positive during the period, the best returns being almost 20%. In the first quarter, the eQ Emerging Markets Dividend, eQ Nordic Small Cap and eQ Europe Small Cap funds gave the best returns. These funds also gave excellent returns compared with their benchmark indices. The eQ Europe Dividend Fund won the Lipper "Best Nordic Equity Income Fund" award measured by three and five year returns.



Of the funds managed by eQ, no less than 93% surpassed their benchmark indices in the first quarter, and in the past three years, 77% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.6 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between +0.0 and +12.4% based on the allocation of the investment portfolio. The return of portfolios that are only invest in Finnish shares was +10.2%. The ESG ratings of the eQ funds are better than the average, and eQ obtained excellent ESG ratings in the 2020 PRI assessment.

Private equity

The first close of the new eQ PE XIII US private equity fund was held at the end of January 2021 at EUR 131 million. In the second close on 15 April, the size of the fund grew to USD 200 million. The raising of funds will continue, and the following close will be made in June. The eQ PE XIII US Fund makes investments in private equity funds that invest in unlisted small and mid-sized companies in Northern America. During the first quarter, eQ also launched three new private equity asset management programmes and the agreements of two old programmes were extended and their investment amounts were expanded. Towards the end of 2020, we raised EUR 36 million to our third fund that invests in the European private credit market, eQ Private Credit III. We will continue to raise funds to it during the spring of 2021.

During the period, eQ's private equity team won the "Best LP, Regional Strategy" award at the 11th Private Equity Exchange Award Gala arranged in Paris. eQ was awarded for its Northern European lower midmarket strategy.

eQ's private equity ESG integration and reporting are at an excellent level and the company continues with the development work. At the end of the period, the assets in private equity funds managed by eQ totalled EUR 1 959 million (EUR 1 814 million) and the assets managed under private equity asset management programmes were EUR 1 151 million (EUR 856 million).

Real estate investments

The net subscriptions of the eQ Finnish Real Estate Fund were EUR 28 million during the period under review. At the end of the quarter, the size of the fund was EUR 664 million, and its real estate property amounted to over EUR 1.0 billion. The return of the fund during the first quarter was 1.3% and since establishment 8.3% p.a. The fund has more than 2 200 unit holders.

In the first quarter, new net subscriptions for EUR 102 million were made in the eQ Care Fund. At the end of the period under review, the size of the fund was EUR 1 195 million and its real estate property almost EUR 1.3 billion. The return of the fund during the first quarter was 2.0% and since establishment 9.0% p.a. The fund has more than 4 400 unit holders.

In May 2020, eQ established a new real estate fund eQ Residential. At the end of 2020, the size of the fund was EUR 75 million and it grew to EUR 86 million during the period under review. The investment capacity increased thereby to over EUR 250 million. The investment operations have proceeded well, and the raising of means will continue. The target size of the fund is EUR 100 million, which will enable investments exceeding EUR 300 million in residential real estate. eQ Residential makes 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.

During the quarter, we made some amendments to the rules of eQ real estate funds, which entered into force on 15 April. At the same time, we changed the name of the popular eQ Care Fund to eQ Community Properties Fund to better correspond to the use of the properties owned by the fund.

Overall, eQ's real estate funds had real estate property worth more than EUR 2.3 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. The real estate investment team has consequently been expanded and now consists of 13 persons. Last year, eQ's real estate funds participated in the GRESB sustainability assessment for the second time, and the results improved clearly.



Assets under management and clients

The assets managed by eQ Asset Management totalled EUR 9 882 million at the end of the period. Growth during the period was EUR 909 million (EUR 8 973 million on 31 Dec. 2020). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 3 655 million (EUR 3 439 million), and the assets increased by EUR 216 million during the first quarter. The assets managed by the real estate funds totalled EUR 1 945 million (EUR 1 862 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3 110 million (EUR 2 669 million).

Assets under management, € billion	3/21	3/20	Change	12/20	Change
eQ mutual funds	3 655	2 991	22%	3 439	6%
of which eQ equity, fixed income and balanced funds	1 796	1 294	39%	1 651	9%
of which eQ real estate funds	1 859	1 696	10%	1 787	4%
Closed-end real estate funds	86	-	n/a	75	15%
Funds of partner and other asset management	1 280	1 053	21%	1 252	2%
eQ Private equity funds	1 959	1 760	11%	1 814	8%
Private equity asset management programmes	1 151	777	48%	856	34%
Total excl. reporting services	8 130	6 581	24%	7 435	9%
Private equity reporting services	1 752	1 435	22%	1 538	14%
Total	9 882	8 016	23%	8 973	10%

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 31% and the operating profit by 38% to EUR 8.8 million (EUR 6.4 million from 1 Jan. to 31 March 2020). The performance fees grew to EUR 2.2 million as a result of the strong first quarter above all in the eQ Nordic Small Cap Fund. Performance fees typically fluctuate strongly per quarter and financial period. The cost/income ratio was 40.1% (43.1%). Calculated as full-time resources, the Asset Management segment had 74 employees at the end of the period under review.

Asset Management	1-3/21	1-3/20	Change	1-12/20
Net revenue, M€	14.8	11.3	31%	52.8
Operating profit, M€	8.8	6.4	38%	32.1
Cost/income ratio, %	40.1	43.1	-7%	39.0
Personnel as full-time resources	74	72	3%	75

Fee and commission income of the Asset Management segment, M€	1-3/21	1-3/20	Change	1-12/20
Management fees				
Traditional asset management	2.4	2.0	19%	8.1
Real estate asset management	6.8	6.4	6%	25.6
Private equity asset management	3.3	2.8	19%	12.5
Management fees, total	12.5	11.1	12%	46.3
Performance fees				
Traditional asset management	1.5	0.2	665%	2.7
Real estate asset management	0.8	-	n/a	4.0
Private equity asset management	-	-	n/a	-
Performance fees, total	2.2	0.2	1065%	6.7
Other fee and commission income	0.3	0.1	425%	0.2
Fee and commission income, total	15.0	11.4	31%	53.2

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.

During the first quarter, the value of M&As grew by more than 90% globally from the corresponding period 2020. The volume of the quarter was the second highest in history. Calculated by the number of transactions, growth was considerably smaller. The number of M&As grew in Finland as well. The volumes of real estate transactions have not grown in the same manner at the volumes of M&As. In Finland, the value of real estate transactions fell by about 70% from the previous year.

During the first quarter, Advium acted as advisor in two finalised transactions. Advium acted as financial advisor to Avain Yhtiöt, as Ahlström Capital acquired a share of about 25% of Avain Yhtiöt Oy. Advium also acted as financial advisor to Alma Media Corporation in a transaction where Alma Media acquired Nettix Oy, the leading marketplace for motor vehicles, from Otava Group for EUR 170 million.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 1.1 million (EUR 0.4 million from 1 Jan. to 31 March 2020). The operating profit was EUR 0.3 million (EUR -0.1 million). The segment had 15 employees at the end of the period.

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

Corporate Finance	1-3/21	1-3/20	Change	1-12/20
Net revenue, M€	1.1	0.4	137%	4.1
Operating profit, M€	0.3	-0.1	334%	1.1
Cost/income ratio, %	74.4	125.9	-41%	72.3
Personnel as full-time resources	15	14	7%	14

Investments

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

During the period, the operating profit of the Investments segment was EUR 2.1 million (EUR 0.6 million from 1 Jan. to 31 March 2020). At the end of the period, the fair value of the investments was EUR 17.2 million (EUR 15.7 million on 31 Dec. 2020) and the amount of the remaining investment commitments was EUR 7.5 million (EUR 7.1 million). During the period under review, eQ Plc made a USD 1.0 million investment commitment in the eQ PE XIII US private equity fund.

During the period, the investment objects returned capital for EUR 0.5 million (EUR 0.5 million from 1 Jan. to 30 March 2020) and distributed a profit of EUR 0.7 million (EUR 0.0 million). Capital calls totalled EUR 0.5 million (EUR 0.1 million). The net cash flow from investments during the period was EUR 0.7 million (EUR 0.5 million). The value changes of investments recognised through profit or loss were EUR 1.4 million during the period (EUR 0.6 million).

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.

Investments	1-3/21	1-3/20	Change	1-12/20
Operating profit, M€	2.1	0.6	236%	-0.1
Fair value of investments, M€	17.2	16.4	5%	15.7
Investment commitments, M€	7.5	7.7	-3%	7.1
Net cash flow of investments, M€	0.7	0.5	43%	0.6



Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 98.4 million (EUR 91.5 million on 31 Dec. 2020) and the shareholders' equity was EUR 48.9 million (EUR 67.5 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 8.4 million, the decided dividend distribution of EUR -24.9 million, the decided repayment of equity of EUR -2.3 million from the reserve for invested unrestricted equity, the subscription for new shares with option rights of EUR 0.1 million and the accrued expense of EUR 0.05 million related to the option scheme and enter in shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 32.7 million (EUR 21.5 million) and liquid investments in mutual funds EUR 10.9 million (EUR 14.9 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group's short-term receivables amounted to EUR 5.9 million (EUR 7.6 million).

The lease liability entered in the balance sheet was EUR 1.8 million (EUR 2.0 million) at the end of the period, the share of short-term liabilities being EUR 0.9 million (EUR 0.9 million). Interest-free short-term debt was EUR 47.7 million (EUR 21.9 million), including a liability of EUR 27.2 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 49.7% (73.8%).

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 17.7% at the end of the period (18.0% on 31 Dec. 2020). 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 10.7 million (EUR 10.6 million on 31 Dec. 2020), and the total risk exposure was EUR 60.6 million (EUR 58.8 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 52.4 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 2021, the number of eQ Plc's shares was 38 917 198 and the share capital was EUR 11 383 873.

During the financial period, on 18 March 2021, the number of eQ Plc's shares increased by 45 000 new shares subscribed for with option rights 2015. The subscription price of the new shares totalled EUR 112 050.00. The entire subscription was entered in the reserve for invested unrestricted equity.

The closing price of eQ Plc's share on 31 March 2021 was EUR 18.50 (EUR 16.75 on 31 Dec. 2020). The market capitalisation of the company was thus EUR 720.0 million (EUR 651.1 million) at the end of the period. During the period, 600 029 shares were traded on Nasdaq Helsinki (1 165 103 shares from 1 Jan. to 31 March 2020). In euros, the turnover was EUR 10.8 million (EUR 14.6 million).

Own shares

On 31 March 2021, eQ Plc held no own shares.



Shareholders

Ten major shareholders on 31 March 2021

	Shares	Share, %
1 Fennogens Investments S.A.	7 943 137	20.41
2 Anchor Oy Ab	6 058 963	15.57
3 Chilla Capital S.A.	6 045 275	15.53
4 Teamet Oy	4 100 000	10.54
5 Oy Cevante Ab	1 419 063	3.65
6 Fazer Jan Peter	1 298 306	3.34
7 Procurator-Holding Oy	793 892	2.04
8 Lavventura Oy	650 000	1.67
9 Linnalex Ab	631 652	1.62
10 Pinomonte Ab	529 981	1.36
10 major shareholders, total	29 470 269	75.73
Nominee registered	360 927	0.93
Other shares	9 086 002	23.35
Total	38 917 198	100.00

On 31 March 2021, eQ Plc had 7 700 shareholders (7 261 shareholders on 31 Dec. 2020).

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 ended on 1 April 2021.

Of the options granted, altogether 860 000 had been exercised by the end of the period. The number of outstanding options was 715 000 at the end of the period. Shares have been subscribed for with all options outstanding at the end of the period, and according to estimates, they will be registered on 17 May 2021.

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. 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 24 March 2021 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 2020.

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 0.64 per share and a repayment of equity of EUR 0.06 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. 26 March 2021, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. Payment date of the dividend and equity repayment was 6 April 2021.

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 Report for Governing Bodies

The AGM confirmed the Remuneration Report for Governing Bodies.

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, six members shall be elected to eQ Plc's Board of Directors. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra, and Tomas von Rettig were re-elected and Janne Larma was elected as new member to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: Chair of the Board will receive EUR 5 000, Deputy Chair EUR 4 000 and the other directors EUR 3 000 per month. The directors will also be paid EUR 500 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The persons that were proposed to the Board had announced prior to the ACM that, if elected, they would elect Janne Larma as Chair of the Board and Georg Ehrnrooth as Deputy Chair of the Board.

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 Tuomas Ilveskoski, 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 9.00% 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 94 (94 persons on 31 December 2020). Calculated as full-time resources, the Asset Management segment had 74 (75) employees and the Corporate Finance segment 15 (14) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 6.4 million (EUR 4.9 million from 1 Jan. to 31 March 2020). The salary expenses increased from the year before due to result-related remuneration.

Major risks and short-term uncertainties

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is dependent of the development of the capital market, for instance. On the other hand, the management fees of private equity funds and closed real estate 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 Investment 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

The eQ PE XIII US private equity fund held its second close at USD 200 million in April 2021.

Outlook

The strong market development at beginning of the year and the anticipated easing-off of the COVID-19 crisis are positive factors for eQ's operating environment.

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

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

The income of eQ 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

	1-3/21	1-3/20	1-12/20
Fee and commission income	15 977	11 802	57 193
Interest income	3	-	1
Net income from financial assets	2 202	344	32
Operating income, total	18 182	12 146	57 226
Fee and commission expenses	-140	-116	-459
Interest expenses	-4	-6	-23
NET REVENUE	18 037	12 024	56 744
Administrative expenses			
Personnel expenses	-6 408	-4 911	-21 523
Other administrative expenses	-479	-535	-1 979
Depreciation on tangible and intangible assets	-267	-259	-1 086
Other operating expenses	-315	-311	-1 399
OPERATING PROFIT (LOSS)	10 568	6 009	30 757
PROFIT BEFORE TAXES	10 568	6 009	30 757
Income tax	-2 129	-1 217	-6 148
PROFIT (LOSS) FOR THE PERIOD	8 439	4 791	24 610

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/21	1-3/20	1-12/20
Other comprehensive income:	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8 439	4 791	24 610
Profit for the period attributable to:			
Equity holders of the parent company	8 439	4 791	24 610
Non-controlling interests	-	-	-
Comprehensive income for the period attributable to:			
Equity holders of the parent company	8 439	4 791	24 610
Non-controlling interests	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:			
Earnings per average share, EUR	0.22	0.13	0.64
Diluted earnings per average share, EUR	0.21	0.12	0.60



CONSOLIDATED BALANCE SHEET, EUR 1 000

	31 March 2021	31 March 2020	31 Dec. 2020
ASSETS			
Liquid assets	68	65	80
Claims on credit institutions	32 628	25 307	21 372
Financial assets			
Financial securities	10 963	9 632	14 920
Private equity and real estate fund investments	17 165	16 368	15 656
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	283	479	308
Other intangible assets	222	253	240
Tangible assets			
Right-of-use assets	1 521	2 274	1 703
Tangible assets	336	311	349
Other assets			
Accruals and prepaid expenditure	591	608	544
Income tax receivables	56	62	55
Deferred tax assets	60	86	66
TOTAL ASSETS	98 373	88 369	91 476
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	35 636	31 542	5 218
Accruals and deferred income	11 224	7 866	14 956
Lease liabilities	1 822	2 627	2 035
Income tax liabilities	791	121	1 722
Deferred tax liabilities	-	29	-
TOTAL LIABILITIES	49 473	42 186	23 931
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	22 967	23 783	25 190
Retained earnings	6 110	6 225	6 362
Profit (loss) for the period	8 439	4 791	24 610
TOTAL EQUITY	48 900	46 183	67 545
TOTAL LIABILITIES AND EQUITY	98 373	88 369	91 476



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-3/2021	1-3/2020	1-12/2020
CASH FLOW FROM OPERATIONS			
Operating profit	10 568	6 009	30 757
Depreciation and write-downs	267	259	1 086
Interest income and expenses	1	6	22
Transactions with no related payment transactions	-1 418	-281	389
Financial assets' cash flow – private equity and real estate fund investments	-70	437	243
Change in working capital			
Business receivables, increase (-) / decrease (+)	1 654	361	-2 776
Interest-free debt, increase (+) / decrease (-)	-2 278	-2 211	2 506
Total change in working capital	-623	-1 850	-270
Cash flow from operations before financial items and taxes	8 725	4 579	32 227
Interests received	3	-	1
Interests paid	-4	-6	-23
Taxes	-1 333	-1 152	-4 542
CASH FLOW FROM OPERATIONS	7 391	3 421	27 663
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-28	-404	-739
Investments/redemptions in other investments – liquid mutual funds	3 982	-	-4 916
CASH FLOW FROM INVESTMENTS	3 954	-404	-5 655
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-	-	-23 750
Option issue with a subscription price	-	-18	-18
Subscription of new shares	112	-	1 407
Decrease in the lease liability capital	-213	-2	-568
CASH FLOW FROM FINANCING	-101	-20	-22 930
INCREASE/DECREASE IN LIQUID ASSETS	11 243	2 997	-922
Liquid assets on 31 Jan.	21 453	22 375	22 375
Liquid assets on 31 March/31 Dec.	32 696	25 372	21 453



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. 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
Shareholders' equity on 1 Jan. 2021	11 384	25 190	30 972	67 545	67 545
Profit (loss) for the period			8 439	8 439	8 439
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			8 439	8 439	8 439
Dividend/equity repayment		-2 335	-24 907	-27 242	-27 242
Subscription of shares		112		112	112
Options granted, cost accrual			46	46	46
Shareholders' equity on 31 March 2021	11 384	22 967	14 549	48 900	48 900



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-3/21	1-3/20	1-12/20
Asset management fees			
Management fees			
Traditional asset management	2 422	2 030	8 118
Real estate asset management	6 750	6 357	25 615
Private equity asset management	3 250	2 723	12 375
Management fees, total	12 422	11 109	46 108
Performance fees			
Traditional asset management	1 453	190	2 717
Real estate asset management	761	-	4 014
Private equity asset management	-	-	-
Performance fees, total	2 214	190	6 731
Other fee and commission income	276	53	238
Asset management fees, total	14 913	11 352	53 076
Corporate finance fees	1 064	450	4 117
Fee and commission income, total	15 977	11 802	57 193

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-3/21	1-3/20	1-12/20
Private equity and real estate fund investment operations			
Profit distribution of funds	720	19	326
Changes in fair value and losses	1 439	648	-257
Total	2 159	668	69
Other investment operations			
Changes in fair value	25	-324	48
Sales profit/loss	18	-	-84
Total	43	-324	-36
Net income from financial assets, total	2 202	344	32



FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	31 March 2021		31 March 2020		31 Dec. 2020	
	Fair value	Book value	Fair value	Fair value	Book value	Fair value
Financial assets						
Investments						
Private equity and real estate fund investments	17 165	17 165	16 368	16 368	15 656	15 656
Financial securities	10 963	10 963	9 632	9 632	14 920	14 920
Accounts receivable and other receivables	963	963	1 499	1 499	1 378	1 378
Liquid assets	32 696	32 696	25 372	25 372	21 453	21 453
Total	61 786	61 786	52 871	52 871	53 406	53 406
Financial liabilities						
Accounts payable and other liabilities	163	163	219	219	139	139
Lease liabilities	1 822	1 822	2 627	2 627	2 035	2 035
Total	1 985	1 985	2 847	2 847	2 174	2 174

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 2021		31 March 2020		31 Dec. 2020	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	17 165	-	16 368	-	15 656
Financial securities	10 963	-	9 632	-	14 920	-
Total	10 963	17 165	9 632	16 368	14 920	15 656

Level 3 reconciliation: Private equity and real estate fund investments

1-3/2021	
Opening balance on 1 Jan. 2021	15 656
Calls	524
Returns	-455
Value change and loss through profit or loss	1 439
Closing balance on 31 March 2021	17 165
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
1-12/2020	
Opening balance on 1 Jan. 2020	16 156
Calls	1 567
Returns	-1 809
Value change and loss through profit or loss	-257
Closing balance on 31 Dec. 2020	15 656



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 private equity funds are based on the value of the fund according to the management company of the private equity fund and their use in widely used valuation models. Private equity fund investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The fair values of level 3 real estate fund investments are based on the value of the fund according to the management company. The valuation of real estate owned by a fund is based on a value defined by an external valuer. 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	31 March 2021	31 Dec. 2020
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIII US LP	-	-
eQ PE XII North LP	21	22
eQ PE XI US LP	132	87
eQ PE X North LP	346	282
eQ PE IX US LP	593	565
eQ PE VIII North LP	2 197	1 980
eQ PE VII US LP	2 048	1 903
eQ PE VI North LP	2 047	2 161
Amanda V East LP	4 926	4 296
Amanda IV West LP	782	697
Amanda III Eastern PE LP	1 607	1 830
Total	14 698	13 823
Real estate funds:		
eQ Residential	98	43
Funds managed by others:		
Large buyout funds	857	754
Midmarket funds	423	378
Venture funds	1 089	658
Total	17 165	15 656



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

Investment commitment	31 March 2021	31 Dec. 2020
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIII US LP	851	0
eQ PE XII North LP	980	980
eQ PE XI US LP	698	711
eQ PE X North LP	588	638
eQ PE IX US LP	384	400
eQ PE VIII North LP	657	736
eQ PE VII US LP	355	424
eQ PE VI North LP	387	477
Amanda V East LP	645	645
Amanda IV West LP	427	427
Amanda III Eastern PE LP	273	348
Total	6 244	5 786
Real estate funds:		
eQ Residential	890	950
Funds managed by others:		
Large buyout funds	132	132
Midmarket funds	211	211
Venture funds	0	0
Total	7 477	7 079



SEGMENT INFORMATION, EUR 1 000

1-3/2021	Asset Man.	Corporate Finance	Inves- ments	Other	Elimin- ations	Group total
Fee and commission income	14 913	1 064	-	-		15 977
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	3		3
Net income from financial assets	-	-	2 159	43		2 202
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	14 950	1 064	2 159	66	-57	18 182
Fee and commission expenses	-138	-	-	-2		-140
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-1		-4
NET REVENUE	14 809	1 063	2 121	63	-19	18 037
Administrative expenses						
Personnel expenses	-5 176	-664	-	-569		-6 409
Other administrative expenses	-364	-55	-	-80	19	-479
Depreciation on tangible and intangible assets	-198	-43	-	-25		-267
Other operating expenses	-221	-28	-	-66		-315
OPERATING PROFIT (LOSS)	8 850	273	2 121	-676	0	10 568
Income tax				-2 129		-2 129
PROFIT (LOSS) FOR THE PERIOD				-2 805		8 439

1-3/2020	Asset Man.	Corporate Finance	Inves- 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



1-3/2020	Asset Man.	Corporate Finance	Inves- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-4 077	-392	-	-442		-4 911
Other administrative expenses	-382	-102	-	-70	19	-535
Depreciation on tangible and intangible assets	-191	-42	-	-26		-259
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

1-12/2020	Asset Man.	Corporate Finance	Inves- ments	Other	Elimin- ations	Group total
Fee and commission income	53 077	4 117	-	-		57 193
From other segments	150	-	-	-	-150	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from financial assets	-	-	69	-36		32
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	53 227	4 117	69	41	-227	57 226
Fee and commission expenses	-451	-	-	-8		-459
To other segments	-	-	-150	-	150	-
Interest expenses	-14	-4	-	-5		-23
NET REVENUE	52 761	4 112	-81	29	-77	56 744
Administrative expenses						
Personnel expenses	-17 433	-2 373	-	-1 716		-21 523
Other administrative expenses	-1 475	-288	-	-293	77	-1 979
Depreciation on tangible and intangible assets	-800	-182	-	-104		-1 086
Other operating expenses	-981	-133	-	-285		-1 399
OPERATING PROFIT (LOSS)	32 072	1 137	-81	-2 370	0	30 757
Income tax				-6 148		-6 148
PROFIT (LOSS) FOR THE PERIOD				-8 517		24 610

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

	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Asset Management					
Net revenue	14 809	18 130	11 941	11 419	11 271
Operating profit	8 850	11 290	7 773	6 612	6 396
Corporate Finance					
Net revenue	1 063	1 372	1 014	1 277	449
Operating profit	273	440	365	449	-116
Investments					
Net revenue	2 121	585	-316	-981	630
Operating profit	2 121	585	-316	-981	630
Other segments and eliminations					
Net revenue	44	48	59	171	-327
Operating profit	-676	-767	-294	-408	-901
Group total					
Net revenue	18 037	20 136	12 698	11 886	12 024
Operating profit	10 568	11 549	7 528	5 672	6 009
Profit for the period	8 439	9 214	6 012	4 592	4 791



CAPITAL ADEQUACY, EUR 1 000

	CRR 31 March 2021 eQ Group	CRR 31 Dec. 2020 eQ Group
Equity	48 900	67 545
Common equity tier 1 (CET 1) before deductions	48 900	67 545
Deductions from CET 1		
Intangible assets	-29 718	-29 761
Unconfirmed profit for the period	-8 439	-24 610
Dividend proposal by the Board*	0	-2 601
Common equity tier 1 (CET1)	10 743	10 574
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	10 743	10 574
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	10 743	10 574
Risk-weighted items total – Total risk exposure	60 565	58 830
of which credit risk	54 398	54 064
of which market risk - currency risk	6 167	4 766
of which extra risk due to fixed expenses	-	-
Common equity tier 1 (CET1) / risk weights, %	17.7%	18.0%
Tier 1 (T1) / risk weights, %	17.7%	18.0%
Total capital (TC) / risk weights, %	17.7%	18.0%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	5 897	5 867
Excess of total capital compared with the target level (10% capital adequacy ratio)	4 686	4 691

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



GROUP KEY RATIOS

	31 March 2021	31 March 2020	31 Dec. 2020
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	8 439	4 791	24 610
Earnings per average share, EUR	0.22	0.13	0.64
Diluted earnings per average share, EUR	0.21	0.12	0.60
Equity per share, EUR	1.26	1.21	1.74
Equity per average share, EUR *)	1.27	1.21	1.76
Return on investment, ROI % p.a.	56.2	32.9	35.9
Return on equity, ROE % p.a.	58.0	34.4	37.1
Equity to assets ratio, %	49.7	52.3	73.8
Cost/income ratio, Group, %	41.3	49.9	45.6
Share price at the end of the period, EUR	18.50	11.55	16.75
Market value, EUR million	720.0	442.4	651.1
Personnel calculated as full-time resources at the end of the period	94	91	94

*) 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 2020 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.

COMMITMENTS

On 31 March 2021, eQ's remaining investment commitments in private equity funds totalled EUR 7.5 million (EUR 7.1 million on 31 Dec. 2020). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2020).