

Q3 2021

INTERIM REPORT





26 October 2021 at 8:00 AM

eQ Plc's interim report Q3 2021 – record quarter

January to September 2021 in brief

- The Group's net revenue during the period was EUR 57.8 million (EUR 36.6 million from 1 Jan. to 30 Sept. 2020).
 - The Group's net fee and commission income was EUR 52.1 million (EUR 37.3 million).
 - The Group's net investment income from own investment operations was EUR 5.7 million (EUR -0.6 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 82% to EUR 35.0 million (EUR 19.2 million).
- The Group's profit was EUR 28.0 million (EUR 15.4 million).
- The consolidated earnings per share were EUR 0.71 (EUR 0.40).
- The net revenue of the Asset Management segment increased by 40% to EUR 48.5 million (EUR 34.6 million) and the operating profit by 45% to EUR 30.2 million (EUR 20.8 million).
- The net revenue of the Corporate Finance segment was EUR 3.7 million (EUR 2.7 million) and the operating profit was EUR 1.1 million (EUR 0.7 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 3.7 million (EUR -0.2 million).

July to September 2021 in brief

- In the third quarter, the Group's net revenue totalled EUR 20.9 million (EUR 12.7 million from 1 July to 30 Sept. 2020).
 - The Group's net fee and commission income was EUR 18.9 million (EUR 12.9 million).
 - The Group's net investment income from own investment operations was EUR 2.1 million (EUR -0.2 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 84% to EUR 13.8 million (EUR 7.5 million).
- The Group's profit was EUR 11.1 million (EUR 6.0 million).
- The consolidated earnings per share were EUR 0.28 (EUR 0.16).

Key ratios	1–9/21	1–9/20	Change	7–9/21	7–9/20	Change	1–2/20
Net revenue, Group, M€	57.8	36.6	58%	20.9	12.7	65%	56.7
Net revenue, Asset Management, M€	48.5	34.6	40%	17.6	11.9	48%	52.8
Net revenue, Corporate Finance, M€	3.7	2.7	34%	1.3	1.0	27%	4.1
Net revenue, Investments, M€	5.5	-0.7	928%	2.0	-0.3	748%	-0.1
Net revenue, Group administration and eliminations, M€	0.0	-0.1		0.0	0.1		0.0
Operating profit, Group, M€	35.0	19.2	82%	13.8	7.5	84%	30.8
Operating profit, Asset Management, M€	30.2	20.8	45%	11.8	7.8	51%	32.1
Operating profit, Corporate Finance, M€	1.1	0.7	60%	0.5	0.4	32%	1.1
Operating profit, Investments, M€	5.5	-0.7	928%	2.0	-0.3	748%	-0.1
Operating profit, Group administration, M€	-1.9	-1.6		-0.4	-0.3		-2.4
Profit for the period, M€	28.0	15.4	82%	11.1	6.0	84%	24.6



Key ratios	1–9/21	1–9/20	Change	7–9/21	7–9/20	Change	1–2/20
Earnings per share, €	0.71	0.40	78%	0.28	0.16	75%	0.64
Equity per share, €	1.76	1.50	17%	1.76	1.50	17%	1.74
Cost/income ratio, Group, %	39.3	47.3	-17%	33.8	40.9	-17%	45.6
Liquid assets, M€	40.7	23.0	77%	40.7	23.0	77%	36.3
Private equity and real estate fund investments, M€	17.6	15.8	11%	17.6	15.8	11%	15.7
Interest-bearing liabilities, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, € billion	8.8	7.2	21%	8.8	7.2	21%	7.5
Assets under management, € billion	11.0	8.7	27%	11.0	8.7	27%	9.0

Mikko Koskimies, CEO

In the third quarter of 2021, the strong recovery of economies continued above all in the US but in Europe as well, as COVID-19 restrictions were being removed. At the same time, inflation has speeded up. In China, the central government intervened strongly in the manner in which large Chinese companies operate in different industries, and new restrictions were introduced for risk-taking in the real estate sector, for instance. This drove the country's second largest property developer Evergrande to an acute debt crisis.

The increasing inflation and improving employment situation alerted central banks. The Fed stated that it had reached its goal regarding inflation and that the labour market was going to the right direction. Trimming the purchase programme has been discussed for several months now, but at the end of September the Fed confirmed that it would shortly start cutting the purchase programme. The ECB also confirmed that it would begin reducing the support purchases, but ECB's message remained more careful than the Fed's and there were still no indications of interest rate raises.

In the equity market, the third quarter began in a positive tone, but towards the end of the quarter, the statements of central banks led to a small pressure on interest rate, which, together with the problems in the Chinese real estate sector, led to a fall of share prices. This was not long-lived, however. In the first three quarters, equity market returns were very good, and the return of the global index exceeded 19%. Small-caps have given even clearly better returns than this. The fear for inflation raised interest rates, and the interest returns in the first part of the year were negative as for euro government bonds and investment grade loans. High yield loans, on the other hand, benefited from the narrowing of the interest rate spread and gave a return of almost 4% since the beginning of the year.

eQ's growth very strong

eQ's growth was very strong in the first nine months. The net revenue of the Group during the period under review was EUR 57.8 million and the operating profit EUR 35.0 million. Net revenue grew by 58% and operating profit by more than EUR 15 million, which is an increase of 82% on the previous year.

eQ Asset Management's growth accelerated

The result of eQ Asset Management was once more excellent. The net revenue of eQ Asset Management increased by 40% on the corresponding period last year to EUR 48.5 million. Operating profit grew by 45%, almost EUR 10 million, and was EUR 30.2 million during the period under review. The management fees of traditional asset management as well as performance fees experienced the strongest growth. Part of the performance fees (EUR 2.9 million) accrued from the Amanda IV private equity fund.

The returns of client portfolios were excellent during the first nine months. As much as 85% of the funds that eQ manages itself exceeded their benchmark indices, and during a three-year period the corresponding figure was 67%. Within the 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 first nine months period was also very good with regard to sales, above all for real estate and private equity asset management. Net subscriptions in the eQ Community Properties and eQ Commercial Properties funds were almost EUR 240 million, and the size of the eQ Residential Fund grew to its target of EUR 100 million. The investment operations of the fund advanced well. In 2021, private equity assets are raised to the eQ PE XIII US Fund, which already reached a record size of USD 315 million in its October closing. The assets raised to the US PE funds since 2015 exceed USD 700 million. In addition, we have launched three new private equity asset management programmes at the beginning of the year, and the size of three old, renewed programmes has grown markedly. During the third quarter, we decided to establish a new Venture Capital fund, which will invest in the best Venture Capital funds in the US.

Advium's fee income and profit grew

Advium's net revenue was EUR 3.7 million (EUR 2.7 million) and operating profit EUR 1.1 million (EUR 0.7 million) during the period under review.

The high activity in M&As, both in Finland and globally, continued in the third quarter. The volumes of real estate transactions also began to rise in the third quarter from a low level. The growing activity of the transaction market can also be seen at Advium as growth of executed transactions and received assignments.

During the nine-month period, Advium acted as advisor in eight transactions. Among these eight transactions, two were real estate transactions and six M&As. In the major transactions, Advium acted as financial advisor to Alma Media, Berner and Rettig. In September, we acted as advisor when Virala Acquisition Company ("VAC") and Purmo Group announced their merger. As a result of the merger, VAC became the first SPAC company in the Nordic countries that executed a merger with another company.

The operating profit of the Investments segment excellent

The operating profit of the Investments segment was EUR 5.5 million (EUR -0,7 million) and the net cash flow was EUR 3.7 million. The balance sheet value of the private equity and real estate fund investments was EUR 17.6 million at the end of September. eQ Plc made an investment commitment of USD 1 million to the eQ PE XIII US private equity fund in January. The considerable increase in the M&A activity of unlisted companies had a positive impact on the portfolio's cash flow, value changes and realised profits.

Outlook

The strong market development during the first nine months supports eQ's business operations.

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 30 September 2021 is enclosed to this release and it is also available on the company website at www.eQ.fi.

eQ Plc

Additional information:

Mikko Koskimies, CEO, tel. +358 9 6817 8799

Antti Lyytikäinen, CFO, tel. +358 9 6817 8741

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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 11.0 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 30 SEPT. 2021

Result of operations and financial position 1 January to 30 September 2021

- The Group's net revenue during the period was EUR 57.8 million (EUR 36.6 million from 1 Jan. to 30 Sept. 2020).
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- The consolidated earnings per share were EUR 0.71 (EUR 0.40).
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- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 3.7 million (EUR -0.2 million).

Result of operations and financial position 1 July to 30 September 2021

- In the third quarter, the Group's net revenue totalled EUR 20.9 million (EUR 12.7 million from 1 July to 30 Sept. 2020).
 - The Group's net fee and commission income was EUR 18.9 million (EUR 12.9 million).
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Operating environment

In the third quarter of 2021, the strong recovery of economies continued above all in the US but in Europe as well, as COVID-19 restrictions were being removed. At the same time, inflation in the US has increased to over 4% and in the Euro zone to over 3%. In several sectors, there has been a shortage of both materials and labour. In China, the central government intervened strongly in the manner in which large Chinese companies operate in different industries, and new restrictions were introduced for risk-taking in the real estate sector, for instance. This drove the country's second largest property developer Evergrande to an acute debt crisis.

The increasing inflation and improving employment situation alerted central banks. The Fed stated that it had reached its goal regarding inflation and that the labour market was going to the right direction. Trimming the purchase programme has been discussed for several months now, but at the end of September the Fed confirmed that it would shortly start cutting the purchase programme. The ECB also confirmed that it would begin reducing the support purchases, but ECB's message remained more careful than the Fed's and there were still no indications of interest rate raises.

The equity market welcomed the good financial news, and share prices continued to rise in the western equity market. Towards the end of the third quarter, the statements of central banks led to a small pressure on interest rate, which, together with the problems on the Chinese real estate sector, led to a fall of share prices. This was not long-lived, however. The Chinese equity market was very weak during the entire third quarter. Measured since the beginning of 2021, the return of the US equity market was 22.0% (Q3 2.8%) in euros and 15.6% (0.5%) in dollars. The Finnish stock exchange has given a better return than Europe since



the beginning of the year, 19.0%, but Q3 was negative (-0.5%). The return of the MSCI Europe equity index was 16.2% (Q3 0.7%) since the beginning of the year. The return of the emerging equity market has been two-fold. The emerging market MSCI index gave a return of 4.3% since the beginning of the year, but the Q3 return was -6.0%.

In the bond market, Q3 was rather calm except for the end of September, when there was a small increase in interest rates as a reaction to statements by central banks. Since the beginning of the year, the returns have mainly been negative. The return of euro government bonds since the beginning of the year was -3.0% (Q3 0.0%), the return of euro-hedged corporate loans in emerging markets -0.8 (Q3 -0.7%) and that of investment grade corporate loans -0.4% (Q3 0.1%). Only high yield loans have given a positive return at index level: the return of European loans since the beginning of the year was 3.6% (Q3 0.7%).

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 is a full-time Chair of the Board. Previously he has 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 and by 715 000 shares on 17 May 2021.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 57.8 million (EUR 36.6 million from 1 Jan. to 30 Sept. 2020). The Group's net fee and commission income was EUR 52.1 million (EUR 37.3 million). The Group's net investment income from own investment operations was EUR 5.7 million (EUR -0.6 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 22.8 million (EUR 17.4 million). Personnel expenses were EUR 19.5 million (EUR 14.3 million), other administrative expenses EUR 1.4 million (EUR 1.3 million) and the other operating expenses were EUR 1.0 million (EUR 1.0 million). Depreciation was EUR 0.8 million (EUR 0.8 million). The salary expenses increased from the year before above all due to result-related remuneration. The increase was also influenced by the change in postponed share-based bonuses due to the strong increase in the share price (EUR 1.2 million from 1 Jan to 30 Sept. 2021). Based on regulations in the finance sector, part of the decided bonuses is postponed and bound to eQ's share price.

The Group's operating profit was EUR 35.0 million (EUR 19.2 million) and the profit for the period was EUR 28.0 million (EUR 15.4 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 23 traditional mutual funds registered in Finland.

The returns of eQ's fixed income funds varied during the first nine months as a result of the rise in long interest rates and narrowing of credit risk margins. During the first nine months, the best returns came from the eQ Emerging Market Corporate Bond LC and eQ High Yield funds, while the return of the eQ Government Bond fund was 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 Bonds Funds gave the best returns.

The returns of all our equity funds were positive during the period, the best return being almost 30%. The best returns came from the eQ Nordic Small Cap, eQ Europe Small Cap and eQ Frontier Markets funds. The eQ Nordic Small Cap and eQ Europe Small Cap funds also gave excellent returns compared with their benchmark indices. The eQ Europe Dividend Fund won the Lipper "Best Equity Europe Income Fund" award measured by the three and five year return.

Of the funds managed by eQ, no less than 85% surpassed their benchmark indices in the nine-month period, and in the past three years, 67% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.5 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between +0.7 and +19.4% based on the allocation of the investment portfolio. The return of portfolios that are only invest in Finnish shares was +19.0%. 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 October close, the size of the fund grew to USD 315 million. The assets raised to the US PE funds since 2015 exceed USD 700 million. 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 nine months of 2021, eQ also launched three new private equity asset management programmes and the agreements of three old programmes were extended and the investment amounts were expanded. During the third quarter, we also decided to establish a new Venture Capital fund, which will invest in the best Venture Capital funds in the US. 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. During the period under review, the size of the eQ Private Credit III fund grew to EUR 54 million.

During the period, eQ's private equity team won the "Best LP, Regional Strategy" award at the 11th Private Equity Exchange 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 2 138 million (EUR 1 814 million) and the assets managed under private equity asset management programmes were EUR 1 001 million (EUR 856 million).

Real estate investments

The net subscriptions of the eQ Finnish Real Estate Fund were EUR 38 million during the period under review. At the end of the quarter, the size of the fund was EUR 707 million, and its real estate property amounted to almost EUR 1.1 billion. The return of the fund during the first nine months was 6.4% and since establishment 8.4% p.a. The fund has almost 2 200 unit holders.

During the period under review, new net subscriptions for EUR 199 million were made in the eQ Community Properties Fund. At the end of the period under review, the size of the fund was EUR 1 340 million and its real estate property was almost EUR 1.5 billion. The return of the fund during the first nine months was 6.1% and since establishment 9.0% p.a. The fund has more than 4 500 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 its final closing was held in May 2021 at EUR 100 million. The investment



operations have advanced well, and the fund will invest more than 300 million in residential properties. 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 Community Properties and eQ Commercial Properties funds, eQ Residential is restricted to professional investors only in a closed-end fund structure.

During the period under review, 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. Overall, eQ's real estate funds had real estate property worth more than EUR 2.6 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. This year, eQ's real estate funds also participated in the GRESB sustainability assessment for the third time. The results improved further and clearly exceed both the average results of companies participating in the GRESB assessment and the results of the funds' peers.

Assets under management and clients

The assets managed by eQ Asset Management totalled EUR 11 040 million at the end of the period. Growth during the period was EUR 2 067 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 4 045 million (EUR 3 439 million), and the assets increased by EUR 607 million during the period under review. The assets managed by the real estate funds totalled EUR 2 147 million (EUR 1 862 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3 139 million (EUR 2 670 million).

Assets under management, € billion	9/21	9/20	Change	12/20	Change
eQ mutual funds	4 045	3 221	26%	3 439	18%
of which eQ equity, fixed income and balanced funds	1 998	1 495	34%	1 651	21%
of which eQ real estate funds	2 047	1 726	19%	1 787	15%
Closed-end real estate funds	100	33	202%	75	34%
Funds of partners and other asset management	1 484	1 216	22%	1 252	18%
eQ private equity funds	2 138	1 886	13%	1 814	18%
Private equity asset management programmes	1 001	879	14%	856	17%
Total excl. reporting services	8 768	7 235	21%	7 435	18%
Private equity reporting services	2 272	1 472	54%	1 538	48%
Total	11 040	8 707	27%	8 973	23%

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 40% and the operating profit by 45% to EUR 30.2 million (EUR 20.8 million from 1 Jan. to 30 Sept. 2020). Performance fees increased markedly to EUR 9.1 million. Part of the performance fees accrued from the Amanda IV private equity fund. Performance fees typically fluctuate strongly per quarter and financial period. The cost/income ratio was 37.6% (39.8%). Calculated as full-time resources, the Asset Management segment had 75 employees at the end of the period under review.

Asset Management	1-9/21	1-9/20	Change	7-9/21	7-9/20	Change	1-12/20
Net revenue, M€	48.5	34.6	40%	17.6	11.9	48%	52.8
Operating profit, M€	30.2	20.8	45%	11.8	7.8	51%	32.1
Cost/income ratio, %	37.6	39.8	-6%	33.1	34.7	-5%	39.0
Personnel as full-time resources	75	73	3%	75	73	3%	75



Fee and commission income, Asset Management, M€	1–9/21	1–9/20	Change	7–9/21	7–9/20	Change	1–12/20
Management fees							
Traditional asset management	7.9	5.9	33%	2.8	2.1	34%	8.1
Real estate asset management	21.3	18.9	12%	7.4	6.3	18%	25.6
Private equity asset management	10.3	9.2	12%	3.4	3.1	9%	12.5
Management fees, total	39.4	34.1	16%	13.5	11.4	18%	46.3
Performance fees							
Traditional asset management	2.9	0.8	266%	0.4	0.6	-24%	2.7
Real estate asset management	3.3	-	n/a	1.4	-	n/a	4.0
Private equity asset management	2.9	-	n/a	2.3	-	n/a	-
Performance fees, total	9.1	0.8	1048%	4.2	0.6	611%	6.7
Other fee and commission income	0.4	0.1	202%	0.1	0.0	30%	0.2
Fee and commission income, total	49.0	35.0	40%	17.8	12.1	47%	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.

The high activity in M&As, both in Finland and globally, continued in the third quarter. The volumes of real estate transactions also began to rise in the third quarter from a low level. The growing activity of the transaction market can also be seen at Advium as the growth of executed transactions and received assignments.

During the nine-month period, Advium acted as advisor in eight transactions. Among these eight transactions, two were real estate transactions and six M&As. Advium acted as financial advisor to Alma Media, for instance, as it acquired Nettix Oy, the leading marketplace for motor vehicles, from Otava Group, and when Rettig Group divested Nordkalk Corporation to SigmaRoc PLC for EUR 500 million. In September, we acted as advisor as Virala Acquisition Company (“VAC”) and Purmo Group announced a merger to form a publicly listed company aiming for global leadership in sustainable indoor climate comfort solutions. As a result of the merger, VAC became the first SPAC company in the Nordic countries that executed a merger with another company. The transaction is expected to be completed by the end of 2021.

Result of the Corporate Finance segment

Advium’s net revenue during the period under review was EUR 3.7 million (EUR 2.7 million from 1 Jan. to 30 Sept. 2020). The operating profit was EUR 1.1 million (EUR 0.7 million). The segment had 16 employees at the end of the period.

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

Corporate finance	1–9/21	1–9/20	Change	7–9/21	7–9/20	Change	1–12/20
Net revenue, M€	3.7	2.7	34%	1.3	1.0	27%	4.1
Operating profit, M€	1.1	0.7	60%	0.5	0.4	32%	1.1
Cost/income ratio, %	69.7	74.5	-6%	62.6	64.0	-2%	72.3
Personnel as full-time resources	16	14	14%	16	14	14%	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 5.5 million (EUR -0.7 million from 1 Jan. to 30 Sept. 2020). The recovery from the COVID-19 crisis had a positive impact on the result of the segment. At the end of the period, the fair value of the investments was EUR 17.6 million (EUR 15.7 million on 31 Dec. 2020) and the amount of the remaining investment commitments was EUR 7.1 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 3.3 million (EUR 0.7 million from 1 Jan. to 30 Sept. 2020) and distributed a profit of EUR 2.2 million (EUR 0.1 million). Capital calls totalled EUR 1.8 million (EUR 1.0 million). The net cash flow from investments during the period was EUR 3.7 million (EUR -0.2 million). The value changes of investments recognised through profit or loss were EUR 3.4 million during the period (EUR -0.7 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	1–9/21	1–9/20	Change	7–9/21	7–9/20	Change	1–12/20
Operating profit, M€	5.5	-0.7	928%	2.0	-0.3	748%	-0.1
Fair value of investments, M€	17.6	15.8	11%	17.6	15.8	11%	15.7
Investment commitments, M€	7.1	7.7	-8%	7.1	7.7	-8%	7.1
Net cash flow of investments, M€	3.7	-0.2	2074%	1.2	0.0	7735%	0.6

Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 96.6 million (EUR 91.5 million on 31 Dec. 2020) and the shareholders' equity was EUR 69.8 million (EUR 67.5 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 28.0 million, the dividend distribution of EUR -24.9 million, the 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 1.4 million and the accrued expense of EUR 0.1 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 19.8 million (EUR 21.5 million) and liquid investments in mutual funds EUR 20.9 million (EUR 14.9 million). At the end of the period, the Group's short-term receivables amounted to EUR 7.2 million (EUR 7.6 million).

The lease liability entered in the balance sheet was EUR 1.4 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). Short-term interest-free debt was EUR 25.4 million (EUR 21.9 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 72.2% (73.8%).

A new IFD/IFR regime for investments firms entered into force on 26 June 2021. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the regulations. According to the new regulations, the most restrictive capital requirement at the end of the reporting period for eQ is defined on the basis of fixed overheads. The Group's CET1 (Common Equity Tier 1) and capital adequacy ratio of the own funds was 23.3% 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 12.2 million. The minimum capital requirement based on fixed overheads was EUR 4.2 million. Detailed information on the Group's capital adequacy can be found in the tables section.

Shares and share capital

At the end of the period on 30 September 2021, the number of eQ Plc's shares was 39 632 198 and the share capital was EUR 11 383 873.

During the period under review, the number of eQ Plc's shares increased by 45 000 on 18 March 2021 due to new shares subscribed for with option rights 2015. The subscription price of the new shares totalled EUR 112 050.00. During the period under review, the number of eQ Plc's shares also increased by 715 000 shares subscribed for with option rights 2015. The subscription price of the new shares totalled EUR 1 279 850.00. The entire subscriptions were entered in the reserve for invested unrestricted equity.



The closing price of eQ Plc's share on 30 September 2021 was EUR 25.75 (EUR 16.75 on 31 Dec. 2020). The market capitalisation of the company was thus EUR 1 020.5 million (EUR 651.1 million) at the end of the period. During the period, 1 617 094 shares were traded on Nasdaq Helsinki (2 189 395 shares from 1 Jan. to 30 Sept. 2020). In euros, the turnover was EUR 36.5 million (EUR 20.8 million).

Own shares

On 30 September 2021, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 30 September 2021

	Shares	Share, %
1 Fennogens Investements SA	7 947 757	20.05
2 Anchor Oy Ab	6 058 963	15.29
3 Chilla Capital S.A.	6 049 894	15.27
4 Teamet Oy	4 200 000	10.60
5 Oy Cevante Ab	1 419 063	3.58
6 Fazer Jan Peter	1 298 306	3.28
7 Procurator-Holding Oy	793 892	2.00
8 Lavventura Oy	700 000	1.77
9 Linnalex Ab	631 652	1.59
10 Pinomonte Ab	529 981	1.34
10 major shareholders, total	29 629 508	74.76
Nominee registered	500 543	1.26
Other shares	9 502 147	23.98
Total	39 632 198	100.00

On 30 September 2021, eQ Plc had 7 941 shareholders (7 261 shareholders on 31 Dec. 2020).

Option schemes

At the end of the financial period, eQ Plc had one option scheme, the Option Scheme 2018. The option scheme is intended as part of the commitment system of the Group's key personnel. The 2015 Option Scheme, which was in force at the beginning of the period, has ended during the period, and all outstanding options related to the 2015 Option Scheme were exercised as a result of the share subscriptions made.

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, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig and Janne Larma as new member 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: 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 AGM that, if elected, they would elect Janne Larma Chair of the Board and Georg Ehrnrooth 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 96 (94 persons on 31 December 2020). Calculated as full-time resources, the Asset Management segment had 75 (75) employees and the Corporate Finance segment 16 (14) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 19.5 million (EUR 14.3 million from 1 Jan. to 30 Sept. 2020). The salary expenses increased from the year before above all due to result-related remuneration. The increase was also influenced by the change in postponed share-based bonuses due to the strong increase in the share price (EUR 1.2 million from 1 Jan to 30 Sept. 2021). Based on regulations in the finance sector, part of the decided bonuses is postponed and bound to eQ's share price.

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 and financial period.

Events after the period under review

After the period under review, the size of the eQ PE XIII US private equity grew in the October closing to USD 315 million.



Outlook

The strong market development during the first nine months supports eQ's business operations.

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

	1-9/21	1-9/20	7-9/21	7-9/20	1-12/20
Fee and commission income	52 517	37 609	19 009	13 041	57 193
Interest income	7	0	2	0	1
Net income from financial assets	5 679	-640	2 084	-215	32
Operating income, total	58 203	36 969	21 095	12 825	57 226
Fee and commission expenses	-424	-343	-145	-121	-459
Interest expenses	-14	-18	-4	-6	-23
NET REVENUE	57 764	36 609	20 946	12 699	56 744
Administrative expenses					
Personnel expenses	-19 535	-14 263	-6 041	-4 137	-21 523
Other administrative expenses	-1 448	-1 323	-454	-383	-1 979
Depreciation on tangible and intangible assets	-797	-802	-265	-279	-1 086
Other operating expenses	-985	-1 012	-335	-371	-1 399
OPERATING PROFIT (LOSS)	34 999	19 209	13 850	7 528	30 757
PROFIT BEFORE TAXES	34 999	19 209	13 850	7 528	30 757
Income tax	-7 042	-3 813	-2 785	-1 516	-6 148
PROFIT (LOSS) FOR THE PERIOD	27 957	15 396	11 065	6 012	24 610

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-9/21	1-9/20	7-9/21	7-9/20	1-12/20
Other comprehensive income:	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27 957	15 396	11 065	6 012	24 610
Profit for the period attributable to:					
Equity holders of the parent company	27 957	15 396	11 065	6 012	24 610
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	27 957	15 396	11 065	6 012	24 610
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.71	0.40	0.28	0.16	0.64
Diluted earnings per average share, EUR	0.68	0.38	0.27	0.15	0.60



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 Sept. 2021	30 Sept. 2020	31 Dec. 2020
ASSETS			
Liquid assets	37	35	80
Claims on credit institutions	19 724	13 145	21 372
Financial assets			
Financial securities	20 962	9 870	14 920
Private equity and real estate fund investments	17 553	15 791	15 656
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	233	333	308
Other intangible assets	157	346	240
Tangible assets			
Right-of-use assets	1 160	1 886	1 703
Tangible assets	311	314	349
Other assets	6 942	4 059	6 969
Accruals and prepaid expenditure	211	233	544
Income tax receivables	45	124	55
Deferred tax assets	47	72	66
TOTAL ASSETS	96 596	75 420	91 476
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	6 115	4 809	5 218
Accruals and deferred income	16 268	9 962	14 956
Lease liabilities	1 397	2 247	2 035
Income tax liabilities	3 028	461	1 722
Deferred tax liabilities	-	29	-
TOTAL LIABILITIES	26 808	17 508	23 931
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	24 247	24 816	25 190
Retained earnings	6 201	6 316	6 362
Profit (loss) for the period	27 957	15 396	24 610
TOTAL EQUITY	69 788	57 912	67 545
TOTAL LIABILITIES AND EQUITY	96 596	75 420	91 476



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1–9/2021	1–9/2020	1–12/2020
CASH FLOW FROM OPERATIONS			
Operating profit	34 999	19 209	30 757
Depreciation and write-downs	797	802	1 086
Interest income and expenses	8	18	22
Transactions with no related payment transactions	-3 333	836	389
Financial assets' cash flow – private equity and real estate fund investments	1 549	-334	243
Change in working capital			
Business receivables, increase (-) / decrease (+)	372	388	-2 776
Interest-free debt, increase (+) / decrease (-)	487	-2 897	2 506
Total change in working capital	859	-2 509	-270
Cash flow from operations before financial items and taxes	34 877	18 021	32 227
Interests received	7	0	1
Interests paid	-14	-18	-23
Taxes	-3 997	-3 456	-4 542
CASH FLOW FROM OPERATIONS	30 872	14 547	27 663
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-51	-735	-739
Investments/redemptions in other investments – liquid mutual funds	-6 018	84	-4 916
CASH FLOW FROM INVESTMENTS	-6 069	-650	-5 655
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-27 242	-23 750	-23 750
Option issue with a subscription price	-	-18	-18
Subscription of new shares	1 392	1 033	1 407
Decrease in the lease liability capital	-644	-357	-568
CASH FLOW FROM FINANCING	-26 494	-23 092	-22 930
INCREASE/DECREASE IN LIQUID ASSETS	-1 691	-9 195	-922
Liquid assets on 1 Jan.	21 453	22 375	22 375
Liquid assets on 30 Sept./31 Dec.	19 761	13 180	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			15 396	15 396	15 396
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			15 396	15 396	15 396
Dividend/equity repayment		-2 682	-21 069	-23 750	-23 750
Option issue with a subscription price		-18		-18	-18
Subscription of shares		1 033		1 033	1 033
Options granted, cost accrual			135	135	135
Shareholders' equity on 30 Sept. 2020	11 384	24 816	21 712	57 912	57 912
Shareholders' equity on 1 Jan. 2021	11 384	25 190	30 972	67 545	67 545
Profit (loss) for the period			27 957	27 957	27 957
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			27 957	27 957	27 957
Dividend/equity repayment		-2 335	-24 907	-27 242	-27 242
Subscription of shares		1 392		1 392	1 392
Options granted, cost accrual			137	137	137
Shareholders' equity on 30 Sept. 2021	11 384	24 247	34 158	69 788	69 788



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-9/21	1-9/20	7-9/21	7-9/20	1-12/20
Asset management fees					
Management fees					
Traditional asset management	7 885	5 944	2 766	2 067	8 118
Real estate asset management	21 263	18 915	7 385	6 260	25 615
Private equity asset management	10 169	9 081	3 342	3 070	12 375
Management fees, total	39 317	33 940	13 493	11 397	46 108
Performance fees					
Traditional asset management	2 914	795	449	588	2 717
Real estate asset management	3 319	-	1 436	-	4 014
Private equity asset management	2 896	-	2 293	-	-
Performance fees, total	9 129	795	4 177	588	6 731
Other fee and commission income	394	130	54	41	238
Asset management fees, total	48 840	34 866	17 724	12 026	53 076
Corporate finance fees	3 677	2 743	1 285	1 015	4 117
Fee and commission income, total	52 517	37 609	19 009	13 041	57 193

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-9/21	1-9/20	7-9/21	7-9/20	1-12/20
Private equity and real estate fund investment operations					
Profit distribution of funds	2 191	145	500	125	326
Changes in fair value and losses	3 443	-699	1 586	-404	-257
Total	5 634	-554	2 085	-278	69
Other investment operations					
Changes in fair value	27	-2	-2	63	48
Sales profit/loss	18	-84	-	-	-84
Total	45	-86	-2	63	-36
Net income from financial assets, total	5 679	-640	2 084	-215	32

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 Sept. 2021		30 Sept. 2020		31 Dec. 2020	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	17 553	17 553	15 791	15 791	15 656	15 656
Financial securities	20 962	20 962	9 870	9 870	14 920	14 920
Accounts receivable and other receivables	409	409	947	947	1 378	1 378
Liquid assets	19 761	19 761	13 180	13 180	21 453	21 453
Total	58 686	58 686	39 788	39 788	53 406	53 406
Financial liabilities						
Accounts payable and other liabilities	253	253	188	188	139	139
Lease liabilities	1 397	1 397	2 247	2 247	2 035	2 035
Total	1 650	1 650	2 435	2 435	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

	30 Sept. 2021		30 Sept. 2020		31 Sept. 2020	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	17 553	-	15 791	-	15 656
Financial securities	20 962	-	9 870	-	14 920	-
Total	20 962	17 553	9 870	15 791	14 920	15 656

Level 3 reconciliation: Private equity and real estate fund investments

1-9/2021	
Opening balance on 1 Jan. 2021	15 656
Calls	1 761
Returns	-3 307
Value change and loss through profit or loss	3 443
Closing balance on 30 Sept. 2021	17 553

1-9/2020	
Opening balance on 1 Jan. 2020	16 156
Calls	1 000
Returns	-666
Value change and loss through profit or loss	-699
Closing balance on 30 Sept. 2020	15 791



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	30 Sept. 2021	31 Dec. 2020
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIII US LP	0	0
eQ PE XII North LP	189	22
eQ PE XI US LP	242	87
eQ PE X North LP	449	282
eQ PE IX US LP	921	565
eQ PE VIII North LP	2 305	1 980
eQ PE VII US LP	2 439	1 903
eQ PE VI North LP	1 891	2 161
Amanda V East LP	3 834	4 296
Amanda IV West LP	766	697
Amanda III Eastern PE LP	1 296	1 830
Total	14 332	13 823
Real estate funds:		
eQ Residential	169	43
Funds managed by others:		
Large buyout funds	1 248	754
Midmarket funds	700	378
Venture funds	1 103	658
Total	17 553	15 656



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

Investment commitment	30 Sept. 2021	31 Dec. 2020
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIII US LP	863	0
eQ PE XII North LP	805	980
eQ PE XI US LP	621	711
eQ PE X North LP	513	638
eQ PE IX US LP	224	400
eQ PE VIII North LP	552	736
eQ PE VII US LP	258	424
eQ PE VI North LP	612	477
Amanda V East LP	763	645
Amanda IV West LP	427	427
Amanda III Eastern PE LP	273	348
Total	5 911	5 786
Real estate funds:		
eQ Residential	800	950
Funds managed by others:		
Large buyout funds	132	132
Midmarket funds	211	211
Venture funds	0	0
Total	7 054	7 079



SEGMENT INFORMATION, EUR 1 000

1–9/2021	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	48 840	3 677	-	-		52 517
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	7		7
Net income from financial assets	-	-	5 634	45		5 679
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	48 952	3 677	5 634	109	-170	58 203
Fee and commission expenses	-420	-	-	-4		-424
To other segments	-	-	-113	-	113	-
Interest expenses	-8	-3	-	-4		-14
NET REVENUE	48 524	3 675	5 522	101	-58	57 764
Administrative expenses						
Personnel expenses	-15 909	-2 173	-	-1 453		-19 535
Other administrative expenses	-1 125	-164	-	-217	58	-1 448
Depreciation on tangible and intangible assets	-590	-130	-	-76		-797
Other operating expenses	-685	-92	-	-208		-985
OPERATING PROFIT (LOSS)	30 215	1 115	5 522	-1 853	0	34 999
Income tax				-7 042		-7 042
PROFIT (LOSS) FOR THE PERIOD				-8 895		27 957

1–9/2020	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	34 866	2 743	-	-		37 609
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	-554	-86		-641
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	34 979	2 743	-554	-29	-170	36 968
Fee and commission expenses	-337	-	-	-6		-343
To other segments	-	-	-113	-	113	-
Interest expenses	-11	-3	-	-4		-18
NET REVENUE	34 631	2 740	-667	-39	-58	36 608



1-9/2020	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-11 576	-1 604	-	-1 082		-14 263
Other administrative expenses	-970	-208	-	-202	58	-1 323
Depreciation on tangible and intangible assets	-586	-138	-	-78		-802
Other operating expenses	-718	-92	-	-203		-1 012
OPERATING PROFIT (LOSS)	20 781	697	-667	-1 603	0	19 208
Income tax				-3 813		-3 813
PROFIT (LOSS) FOR THE PERIOD				-5 416		15 395

7-9/21	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	17 724	1 285	-	-		19 009
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	2		2
Net income from financial assets	-	-	2 085	-2		2 084
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	17 762	1 285	2 085	19	-57	21 095
Fee and commission expenses	-145	-	-	-		-145
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-1		-5
NET REVENUE	17 614	1 284	2 048	19	-19	20 946
Administrative expenses						
Personnel expenses	-5 045	-670	-	-326		-6 041
Other administrative expenses	-381	-59	-	-34	19	-455
Depreciation on tangible and intangible assets	-196	-43	-	-25		-265
Other operating expenses	-231	-32	-	-73		-335
OPERATING PROFIT (LOSS)	11 761	480	2 048	-440	0	13 850
Income tax				-2 785		-2 785
PROFIT (LOSS) FOR THE PERIOD				-3 225		11 065



7-9/20	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	12 026	1 015	-	-		13 041
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	-278	63		-215
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	12 063	1 015	-278	82	-57	12 825
Fee and commission expenses	-119	-	-	-2		-120
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-2		-6
NET REVENUE	11 941	1 014	-316	79	-19	12 699
Administrative expenses						
Personnel expenses	-3 405	-496	-	-236		-4 137
Other administrative expenses	-292	-67	-	-44	19	-383
Depreciation on tangible and intangible assets	-200	-54	-	-26		-279
Other operating expenses	-271	-33	-	-67		-371
OPERATING PROFIT (LOSS)	7 773	365	-316	-293	0	7 528
Income tax				-1 516		-1 516
PROFIT (LOSS) FOR THE PERIOD				-1 809		6 012

1-12/2020	Asset Man.	Corporate Finance	Invest- 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

	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
Asset Management					
Net revenue	17 614	16 100	14 809	18 130	11 941
Operating profit	11 761	9 604	8 850	11 290	7 773
Corporate Finance					
Net revenue	1 284	1 327	1 063	1 372	1 014
Operating profit	480	362	273	440	365
Investments					
Net revenue	2 048	1 353	2 121	585	-316
Operating profit	2 048	1 353	2 121	585	-316
Other segments and eliminations					
Net revenue	0	1	44	48	59
Operating profit	-440	-738	-676	-767	-294
Group total					
Net revenue	20 946	18 781	18 037	20 136	12 698
Operating profit	13 850	10 581	10 568	11 549	7 528
Profit for the period	11 065	8 452	8 439	9 214	6 012



CAPITAL ADEQUACY, EUR 1 000

	IFR 30 Sept. 2021 eQ Group	CRR 31 Dec. 2020 eQ Group
Equity	69 788	67 545
Common equity tier 1 (CET 1) before deductions	69 788	67 545
Deductions from CET 1		
Intangible assets	-29 603	-29 761
Unconfirmed profit for the period	-27 957	-24 610
Dividend proposal by the Board*	0	-2 601
Common equity tier 1 (CET1)	12 229	10 574
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	12 229	10 574
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	12 229	10 574
Own funds requirement according to the most restrictive requirement (IFR)	4 190	-
Fixed overhead requirement	4 190	-
K-factor requirement	321	-
Absolute minimum requirement	150	-
Risk-weighted items total – Total risk exposure	52 376	58 830
Risk-weights, total (CRR)	-	58 830
of which credit risk	-	54 064
of which market risk - currency risk	-	4 766
of which fixed overhead risk	-	-
Common equity tier 1 (CET1) / risk weights, %	23.3%	18.0%
Tier 1 (T1) / risk weights, %	23.3%	18.0%
Total capital (TC) / risk weights, %	23.3%	18.0%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	8 038	5 867
Excess of total capital compared with the target level (10% capital adequacy ratio)	6 991	4 691

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

A new IFD/IFR regime for investment firms entered into force on 26 June 2021. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the regulations. The comparison information on capital adequacy has been presented according to the previous regulations (CRD/CRR).



GROUP KEY RATIOS

	30 Sept. 2021	30 Sept. 2020	31 Dec. 2020
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	27 957	15 396	24 610
Earnings per average share, EUR	0.71	0.40	0.64
Diluted earnings per average share, EUR	0.68	0.38	0.60
Equity per share, EUR	1.76	1.50	1.74
Equity per average share, EUR *)	1.78	1.51	1.76
Return on investment, ROI % p.a.	53.0	32.1	35.9
Return on equity, ROE % p.a.	54.3	33.4	37.1
Equity to assets ratio, %	72.2	76.8	73.8
Cost/income ratio, Group, %	39.3	47.3	45.6
Share price at the end of the period, EUR	25.75	12.85	16.75
Market value, EUR million	1 020.5	497.6	651.1
Personnel calculated as full-time resources at the end of the period	96	92	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 30 September 2021, eQ's remaining investment commitments in private equity funds totalled EUR 7.1 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).