

Q3 2022

INTERIM REPORT





25 October 2022 at 8:00 AM

eQ Plc's interim report Q3 2022 – Group's result was excellent, Asset Management's operating profit continued to grow

January to September 2022 in brief

- The Group's net revenue during the period was EUR 64.2 million (EUR 57.8 million from 1 Jan. to 30 September 2021).
 - The Group's net fee and commission income was EUR 62.8 million (EUR 52.1 million).
 - The Group's net investment income from own investment operations was EUR 1.4 million (EUR 5.7 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 13% to EUR 39.5 million (EUR 35.0 million).
- The Group's profit was EUR 31.4 million (EUR 28.0 million).
- The consolidated earnings per share were EUR 0.79 (EUR 0.71).
- The net revenue of the Asset Management segment increased by 21% to EUR 58.6 million (EUR 48.5 million) and the operating profit by 27% to EUR 38.4 million (EUR 30.2 million).
- The net revenue of the Corporate Finance segment was EUR 4.3 million (EUR 3.7 million) and the operating profit was EUR 1.5 million (EUR 1.1 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 2.3 million (EUR 3.7 million).

July to September 2022 in brief

- In the third quarter, the Group's net revenue totalled EUR 20.1 million (EUR 20.9 million from 1 July to 30 September 2021).
 - The Group's net fee and commission income was EUR 19.9 million (EUR 18.9 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 2.1 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit decreased by 11% to EUR 12.4 million (EUR 13.8 million).
- The Group's profit was EUR 9.8 million (EUR 11.1 million).
- The consolidated earnings per share were EUR 0.24 (EUR 0.28).

Key ratios	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Net revenue, Group, MEUR	64.2	57.8	11%	20.1	20.9	-4%	78.9
Net revenue, Asset Management, MEUR	58.6	48.5	21%	18.5	17.6	5%	64.9
Net revenue, Corporate Finance, MEUR	4.3	3.7	18%	1.4	1.3	12%	6.9
Net revenue, Investments, MEUR	1.4	5.5	-75%	0.2	2.0	-88%	7.1
Net revenue, Group administration and eliminations, MEUR	-0.1	0.0		0.0	0.0		0.0
Operating profit, Group, MEUR	39.5	35.0	13%	12.4	13.8	-11%	47.7
Operating profit, Asset Management, MEUR	38.4	30.2	27%	12.1	11.8	3%	40.3
Operating profit, Corporate Finance, MEUR	1.5	1.1	36%	0.5	0.5	11%	2.7
Operating profit, Investments, MEUR	1.4	5.5	-75%	0.2	2.0	-88%	7.1
Operating profit, Group administration, MEUR	-1.9	-1.9		-0.5	-0.4		-2.5
Profit for the period, MEUR	31.4	28.0	12%	9.8	11.1	-11%	38.1



Key ratios	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Earnings per share, EUR	0.79	0.71	10%	0.24	0.28	-13%	0.97
Equity per share, EUR	1.89	1.76	7%	1.89	1.76	7%	2.02
Cost/income ratio, Group, %	38.4	39.3	-2%	38.3	33.8	13%	39.5
Liquid assets, MEUR	31.6	40.7	-22%	31.6	40.7	-22%	56.0
Private equity and real estate fund investments, MEUR	18.0	17.6	2%	18.0	17.6	2%	18.8
Interest-bearing loans, MEUR	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, EUR billion	9.4	8.8	7%	9.4	8.8	7%	9.2
Assets under management, EUR billion	12.3	11.0	11%	12.3	11.0	11%	11.6

Mikko Koskimies, CEO

The war in Ukraine caused the second supply shock after COVID-19 and strongly raised the price of energy in particular. This resulted in a significant acceleration of inflation in countries in the West. The Federal Reserve, the central bank in the US, initiated rate increases back in early 2022 and made two increases of 0.75 percentage points in the third quarter of 2022. The European Central Bank (ECB) started rate increases in the third quarter. The goal of the increase in rates is to slow down demand and thereby inflation.

The US economy has tolerated a tightening of the monetary policy well, and especially the country's labour market has remained extremely strong. In Europe the strong acceleration of inflation and particularly the savage rise in energy prices undermine consumers' purchasing power and cut into private consumption. In China inflation has not been a problem in the same way as in Western countries, but the country's tight pandemic policy and restrictions have slowed down growth there. China stimulates the economy by making investments in infrastructure, and the country's central bank also slightly lowered its key rate in the third quarter.

In the stock markets the third quarter of 2022 began in a positive atmosphere, as economic data suggested that economic growth in the US would react to rate hikes and slow down. The atmosphere changed in August, however, with the publication of extremely strong employment figures in the US and the continued fierce rise of energy prices in Europe. This caused the stock market to fall into a decline again. From the start of 2022, US stock exchanges have been the best Western market for euro investors and only 11.9% in the negative, due to the strengthening of the dollar. Stock market returns from the beginning of the year were -17.4% in Europe and -21.0% in Finland. Emerging stock markets saw large differences in returns between different countries. The return measured by the emerging markets index from 1 January was -15.4%.

Fixed income markets have experienced a similar rollercoaster as equities both from the start of 2022 and during Q3, as expectations of rate increases by central banks have been priced in. Returns were exceptionally negative down the line from the beginning of the year, between -15% and -20%.

eQ's result was excellent during the period

eQ's result during the period under review was excellent despite the state of the operating environment. The net revenue of the Group during the period was EUR 64.2 million and the operating profit was EUR 39.5 million. Operating profit grew by 13% compared with the previous year. eQ Asset Management in particular grew strongly. The result of the Investments segment fell considerably from the exceptionally strong result last year.

eQ Asset Management's growth continued

eQ Asset Management's result was once more excellent. During the period under review, the net revenue of the Asset Management segment increased by 21% to EUR 58.6 million. Operating profit grew by 27% per cent to EUR 38.4 million. The strongest growth was experienced in performance fees and the management



fees of both real estate asset management and private equity asset management. The assets managed by eQ Asset Management increased by 6% during the period under review and totalled EUR 12.3 billion.

As for traditional investments, the returns of client portfolios were negative in the nine-month period in line with the market. Of the funds that eQ manages itself, 15% gave a better return than its benchmark index, and during a three-year period the corresponding figure was 77%. In discretionary asset management portfolios also, the nine-month returns were negative along with the market. The returns of real estate and private equity operations were, on the other hand, excellent in the first nine months of the year, supporting very well the overall returns of most of our clients during the period.

As for sales, the first nine months of the year was excellent, above all for real estate and private equity asset management. Net subscriptions in the eQ Community Properties and Commercial Properties funds totalled EUR 182 million, and the size of the eQ Residential II Fund grew to EUR 46 million. In 2022, funds are raised to the eQ PE XIV North and eQ PE SF IV funds, which make investments in Northern Europe. Their total size already reached EUR 410 million in the closings made in September. In addition, the size of the eQ VC Fund, established at the end of October 2021, grew to EUR 74 million during the period under review. The eQ VC Fund invests in the best venture capital funds in the US.

Advium's fee income and profit grew slightly

Advium's net revenue during the period under review was EUR 4.3 million (EUR 3.7 million). The operating profit was EUR 1.5 million (EUR 1.1 million).

During the period under review, the value of M&As fell globally clearly from the record year 2021 but remained at a relatively high level in long-term comparison. In Finland, the number of M&As remained at a good level, but the number of large transactions was lower than previously. The volume of real estate transactions remained good despite a slowdown after an extremely strong first half of the year.

During the first nine months of the year, Advium acted as advisor in four corporate transactions: the sale of Bluebird to North Alliance, the acquisition of Raksystems by Trillimpact, the sale of Akkurate to Sandvik and the acquisition of Finnmyl by Chemigate (Bernier). In real estate transactions, Advium acted as advisor when Ilmarinen, YIT and HGR Property Partners established a joint venture for the development of significant real estate portfolio and in the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Suomi Ky. In July, Advium acted as advisor to Cromwell European REIT in the sale of office property in Helsinki.

Profit of the Investments segment fell considerably

The operating profit of the Investments segment was EUR 1.4 million (EUR 5.5 million) and the net cash flow was EUR 2.3 million (EUR 3.7 million). Operating profit fell by 75% from the exceptionally strong comparison period. The balance sheet value of the private equity and real estate fund investments was EUR 18.0 million at the end of the period. eQ Plc made an investment commitment of EUR 1 million to both eQ PE XIV North and eQ Residential II funds. The value changes in the Amanda III and Amanda V private equity funds, which invest in Eastern Europe, due to the war in Ukraine had a negative impact on the value changes of investments during the period under review.

Outlook

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. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments.

eQ's interim report 1 January to 30 September 2022 is enclosed to this release and it is also available on the company website at www.eQ.fi.

eQ Plc



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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 12.3 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 SEPTEMBER 2022

Result of operations and financial position 1 Jan to 30 September 2022

- The Group's net revenue during the period was EUR 64.2 million (EUR 57.8 million from 1 Jan. to 30 September 2021).
 - The Group's net fee and commission income was EUR 62.8 million (EUR 52.1 million).
 - The Group's net investment income from own investment operations was EUR 1.4 million (EUR 5.7 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 13% to EUR 39.5 million (EUR 35.0 million).
- The Group's profit was EUR 31.4 million (EUR 28.0 million).
- The consolidated earnings per share were EUR 0.79 (EUR 0.71).
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- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 2.3 million (EUR 3.7 million).

Result of operations and financial position 1 July to 30 September 2022

- In the third quarter, the Group's net revenue totalled EUR 20.1 million (EUR 20.9 million from 1 July to 30 September 2021).
 - The Group's net fee and commission income was EUR 19.9 million (EUR 18.9 million).
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- The consolidated earnings per share were EUR 0.24 (EUR 0.28).

Operating environment

The war in Ukraine caused the second supply shock after COVID-19 and strongly raised the price of energy in particular. This resulted in a significant acceleration of inflation in countries in the West. The Federal Reserve, the central bank in the US, initiated rate increases back in early 2022 and made two increases of 0.75 percentage points in the third quarter of 2022. The European Central Bank (ECB) started rate increases in the third quarter and raised its key interest rates by a total of 1.25 percentage points in three months. At the end of the quarter, the federal funds rate was 3% and the key ECB interest rate was 1.25%. The goal of the increase in rates is to slow down demand and thereby inflation. The ECB is also worried about the intense weakening of the euro against the dollar.

The US economy has tolerated a tightening of the monetary policy well, and especially the country's labour market has remained extremely strong. In Europe the strong acceleration of inflation and particularly the savage rise in energy prices undermine consumers' purchasing power and cut into private consumption. In China inflation has not been a problem in the same way as in Western countries, but the country's tight pandemic policy and restrictions have slowed down growth there. China stimulates the economy by making investments in infrastructure, and the country's central bank also slightly lowered its key rate in the third quarter.

In the stock markets the third quarter of 2022 began in a positive atmosphere, as economic data suggested that economic growth in the US would react to rate hikes and slow down. The atmosphere changed in August, however, with the publication of extremely strong employment figures in the US and the continued



fierce rise of energy prices in Europe. This caused the stock market to fall into a decline again. From the start of 2022, US stock exchanges have been the best Western market for euro investors and only 11.9% in the negative, due to the strengthening of the dollar (Q3 +1.4%). Measured in dollars, the return of US stock exchanges was -24.1% (Q3 -5.0%). Stock market returns from the beginning of the year were -17.4% (Q3 -4.1%) in Europe and -21.0% (Q3 -4.0%) in Finland. Emerging stock markets saw large differences in returns between different countries. The return measured by the emerging markets index from 1 January was -15.4% (Q3 -5.6%). China was clearly in the red both from the start of the year and in Q3 but Brazil and India, for example, had positive returns from the beginning of the year.

Fixed income markets have experienced a similar rollercoaster as equities both from the start of 2022 and during Q3, as expectations of rate increases by central banks have been priced in. Returns were exceptionally negative down the line from the beginning of the year. The index returns of euro zone government bonds from 1 January stood at -16.8% (Q3 -5.2%), euro IG corporate loans at -15.1% (Q3 -3.3%), Euro High Yield loans at -15.8% (Q3 -0.6%), and euro-denominated corporate loans in emerging countries at -19.3% (Q3 -4.1%).

Major events during the period under review

On 3 February 2022, eQ Plc's Board decided on a new option scheme to key persons of eQ Group. The number of option rights in the 2022 option scheme is 990,000. The Board of Directors of eQ Plc decided to issue 880,000 option rights, based on the option scheme 2022, to key persons employed by eQ Group nominated by the Board during the period under review, and 60,000 option rights after the end of the period. The option scheme 2022 covers more than one fourth of eQ Group's personnel.

eQ Plc's Annual General Meeting was held on 23 March 2022. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra, Janne Larma and Tomas von Rettig were re-elected to the Board. The Chair of the Board is Janne Larma and Deputy Chair Georg Ehrnrooth. The decisions by the Annual General Meeting have been presented in a separate chapter below.

During the period under review, the number of eQ Plc's shares increased with new shares subscribed for with option rights. The number of shares increased by 180,000 shares on 17 May 2022 and by 617,500 shares on 16 June 2022. The total number of shares after the increase is 40,429,698.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 64.2 million (EUR 57.8 million from 1 Jan. to 30 September 2021). The Group's net fee and commission income was EUR 62.8 million (EUR 52.1 million). The Group's net investment income from own investment operations was EUR 1.4 million (EUR 5.7 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 24.7 million (EUR 22.8 million). Personnel expenses were EUR 20.9 million (EUR 19.5 million), other administrative expenses EUR 1.8 million (EUR 1.4 million) and the other operating expenses were EUR 1.2 million (EUR 1.0 million). Depreciation was EUR 0.8 million (EUR 0.8 million). The salary expenses increased from the year before due to result-related remuneration. As compared with the comparison period, the salary expenses went down as a result of the change in deferred bonuses that are bound to the share price. During the reporting period the change in the deferred bonuses bound to the share price was EUR +0.1 million. The salary expenses of the comparison period comprise EUR 1.2 million cost resulting from the change in deferred bonuses bound to the share price.

The Group's operating profit was EUR 39.5 million (EUR 35.0 million) and the profit for the period was EUR 31.4 million (EUR 28.0 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.

As a result of the increase in interest rates and widening of credit risk margins, the returns of eQ's fixed income funds were negative during the nine-month period. The best returns came from the eQ Short-Term Euro and eQ Floating Rate funds. The best returns as compared with benchmark indices came from the eQ Emerging Markets Corporate Bond and eQ Government Bond funds. The returns of our equity funds were also negative during the first nine months. The best returns were from the eQ Emerging Markets Small Cap, eQ Frontier Markets and eQ Blue Planet funds. The best return as compared with the benchmark index came from the eQ Frontier Markets fund.

Of the funds managed by eQ, 15 per cent surpassed their benchmark indices in the nine-month period, and in the past three years, 77 per cent of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.1 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between approximately -10.9 and -20.0 during the period, based on the allocation of the investment portfolio. The return of portfolios that only invest in Finnish shares was -22.0% eQ Europe Dividend Fund was awarded as the Best Nordic European Dividend Fund by Lipper Fund Awards for the second time in a row. The award is based on the fund's 3 and 5-year risk-adjusted return. In addition, eQ Asset Management was ranked by the customers to be the best asset manager in Finland in overall quality assessment in the Kantar Prospera 2022 "External Asset Management Finland" -survey. The ESG ratings of the eQ funds are better than the average, and eQ obtained excellent ESG ratings in the latest PRI assessment.

Private equity

The first closing of the new eQ PE XIV North private equity fund was held at the end of January 2022 at EUR 196 million. In the September closing, the size of the fund grew to EUR 277 million. The eQ PE XIV North Fund makes investments in private equity funds that invest in unlisted, small and mid-sized growth companies in Northern Europe. eQ also established its fourth secondary market fund eQ PE SF IV, and its first closing was held at EUR 85 million. In the September closing of the fund, its size grew to EUR 133 million. The secondary market investments of the eQ PE XIV North Fund are carried out through the eQ PE SF IV Fund. The investment focus of the eQ PE SF IV Fund is, both geographically and as for the size of companies, the same as that of the eQ PE XIV North Fund. In September, we also carried out the next closing of the eQ VC Fund, the size of which grew to USD 74 million. The eQ VC Fund invests in the best venture capital funds in the US.

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 2,760 million (EUR 2,203 million) and the assets managed under private equity asset management programmes were EUR 1,009 million (EUR 1,001 million).

At the beginning of 2022, eQ began to accrue the catch up share of private equity funds' performance fee in the income statement.

Real estate investments

The net subscriptions in the eQ Commercial Properties Fund were EUR 50 million during the period under review. At the end of the period, the size of the fund was EUR 812 million, and its real estate property amounted to more than EUR 1.3 billion. The return of the fund during the first nine months was 7.2% and since establishment 8.6% p.a. The fund has approximately 2,200 unit holders.

During the period under review, new net subscriptions for EUR 131 million were made in the eQ Community Properties Fund. At the end of the period under review, the size of the fund was EUR 1,595 million and its real estate property totalled almost EUR 2.2 billion. The return of the fund during the first nine months was 6.8% and since establishment 9.0% p.a. The fund has approximately 4,800 unit holders.



In May 2020, eQ established a new real estate fund eQ Residential. The fund was finally closed in May 2021 at EUR 100 million. The investment operations have proceeded excellently, and the fund invests more than EUR 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. In practice, the entire investment capacity of the fund was used by the end of 2021, and therefore we decided to establish a new eQ Residential II Fund. The first closing of the new fund was held at EUR 27 million in January, and during the period under review, that size of the fund has grown to EUR 46 million. Unlike eQ Community Property and eQ Commercial Properties funds, the eQ Residential funds are intended for professional investors only, and they have a closed-end fund structure.

Overall, eQ's real estate funds had real estate property worth approximately EUR 3.6 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. In 2022, eQ's real estate funds also participated in the GRESB sustainability assessment already for the fourth time. The results remained good 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 12,300 million at the end of the period. Growth during the period was EUR 717 million (EUR 11,584 million on 31 Dec. 2021). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 4,025 million (EUR 4,264 million), and the assets decreased by EUR 239 million during the period under review. The assets managed by the real estate funds totalled EUR 2,553 million (EUR 2,283 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3,769 million (EUR 3,203 million).

Assets under management, MEUR	9/22	9/21	Change	12/21	Change
eQ mutual funds	4,025	4,045	-1%	4,264	-6%
of which eQ equity, fixed income and balanced funds	1,618	1,998	-19%	2,082	-22%
of which eQ real estate funds	2,407	2,047	18%	2,182	10%
Closed-end real estate funds	146	100	46%	100	46%
Funds of partners and other asset management	1,461	1,484	-2%	1,619	-10%
eQ private equity funds	2,760	2,138	29%	2,203	25%
Private equity asset management programmes	1,009	1,001	1%	1,001	1%
Total excl. reporting services	9,401	8,768	7%	9,187	2%
Private equity reporting services	2,899	2,272	28%	2,397	21%
Total	12,300	11,040	11%	11,584	6%

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 21% and the operating profit by 27% to EUR 38.4 million (EUR 30.2 million from 1 Jan. to 30 Sep. 2021). Performance fees increased to EUR 13.3 million. Performance fees typically fluctuate strongly per quarter and financial period. Performance fees include EUR 4.4 million of the accrued catch up share of private equity funds' performance fee, and the updated estimate of the accrual for the entire year 2022 is EUR 5.8 million instead of EUR 7.2 million, announced earlier in connection with the publication of the financial statements. The Amanda V Fund is no longer expected to accrue a performance fee.

The cost/income ratio was 34.3% (39.4 %). Calculated as full-time resources, the Asset Management segment had 76 employees at the end of the period under review.

Asset Management	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Net revenue, MEUR	58.6	48.5	21%	18.5	17.6	5%	64.9
Operating profit, MEUR	38.4	30.2	27%	12.1	11.8	3%	40.3
Cost/income ratio, %	34.3	37.6	-9%	34.2	33.1	3%	37.7
Personnel as full-time resources	76	75	1%	76	75	1%	76



Fee and commission income, Asset Management, MEUR	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Management fees							
Traditional asset management	7.3	7.9	-8%	2.3	2.8	-16%	10.6
Real estate asset management	25.8	21.3	21%	9.0	7.4	22%	29.1
Private equity asset management	12.6	10.3	22%	4.4	3.4	31%	13.9
Management fees, total	45.6	39.4	16%	15.7	13.5	16%	53.6
Performance fees							
Traditional asset management	-	2.9	-100%	-	0.4	-100%	2.9
Real estate asset management	8.3	3.3	149%	1.0	1.4	-33%	5.4
Private equity asset management	5.0	2.9	73%	1.9	2.3	-19%	3.1
Performance fees, total	13.3	9.1	45%	2.8	4.2	-32%	11.4
Other fee and commission income	0.1	0.4	-72%	0.0	0.1	-44%	0.5
Fee and commission income, total	59.0	49.0	21%	18.6	17.8	5%	65.4

Corporate Finance

In the Corporate Finance segment, Advium Corporate Finance acts as advisor in mergers and acquisitions, larger real estate transactions and equity capital markets.

During the period under review, the value of M&As fell globally clearly from the record year 2021 but still remained at a relatively high level in long-term comparison. The ongoing rise in interests rates, structural and high inflation, strong moves by central banks, the continued correction of the stock market and geopolitical uncertainties all contributed to the fall in the total value. In Finland, the number of M&As remained at a good level, but the number of large transactions was lower than previously. The volume of real estate transactions has remained at a good level, although rising interest rates have affected the activity of the real estate transaction market after the record-setting first half of the year.

During the first nine months of the year, Advium acted as advisor in four corporate transactions: the sale of Bluebird to North Alliance, the acquisition of Raksystems by Trillimpact, the sale of Akkurat to Sandvik and the acquisition of Finnmyl by Chemigate (Bernier).

In real estate transactions, Advium acted as advisor in the first nine months when Ilmarinen, YIT and HGR Property Partners established a joint venture for the development of significant real estate portfolio and in the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Suomi Ky. The value of the Espoo Hospital transaction was about EUR 295 million. In July, Advium acted as advisor to Cromwell European REIT in the sale of office property in Helsinki.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 4.3 million (EUR 3.7 million from 1 Jan. to 30 September 2021). The operating profit was EUR 1.5 million (EUR 1.1 million). The segment had 17 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 of the segment varies considerably from quarter to quarter.

Corporate Finance	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Net revenue, MEUR	4.3	3.7	18%	1.4	1.3	12%	6.9
Operating profit, MEUR	1.5	1.1	36%	0.5	0.5	11%	2.7
Cost/income ratio, %	64.9	69.7	-7%	62.8	62.6	0%	60.0
Personnel as full-time resources	17	16	6%	17	16	6%	15



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 1.4 million (EUR 5.5 million from 1 Jan. to 30 September 2021). At the end of the period, the fair value of the investments was EUR 18.0 million (EUR 18.8 million on 31 Dec. 2021) and the amount of the remaining investment commitments was EUR 8.1 million (EUR 7.2 million). During the period under review, eQ Plc made a EUR 1.0 million investment commitment in the eQ PE XIV North private equity fund and a EUR 1.0 million commitment in the eQ Residential II Fund.

During the period, the investment objects returned capital for EUR 2.7 million (EUR 3.3 million from 1 Jan. to 30 September 2021) and distributed a profit of EUR 1.3 million (EUR 2.2 million). Capital calls totalled EUR 1.7 million (EUR 1.8 million). The net cash flow from investments during the period was EUR 2.3 million (EUR 3.7 million). The value changes of investments recognised through profit or loss were EUR 0.2 million during the period (EUR 3.4 million). The value changes in the Amanda III and Amanda V private equity funds, which invest in Eastern Europe, due to the war in Ukraine had a negative impact on the value changes of investments during the period under review.

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	1-9/22	1-9/21	Change	7-9/22	7-9/21	Change	1-12/21
Operating profit, MEUR	1.4	5.5	-75%	0.2	2.0	-88%	7.1
Fair value of investments, MEUR	18.0	17.6	2%	18.0	17.6	2%	18.8
Investment commitments, MEUR	8.1	7.1	14%	8.1	7.1	14%	7.2
Net cash flow of investments, MEUR	2.3	3.7	-39%	1.3	1.2	1%	4.1

Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 104.9 million (EUR 110.8 million on 31 Dec. 2021) and the shareholders' equity was EUR 76.5 million (EUR 80.0 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 31.4 million, the dividend distribution of EUR -38.4 million, the repayment of equity of EUR -1.2 million from the reserve for invested unrestricted equity, the subscription for new shares with option rights of EUR 4.0 million and the accrued expense of EUR 0.8 million related to an option scheme and entered 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 20.1 (EUR 35.1 million) and liquid investments in mutual funds EUR 11.6 million (EUR 20.9 million).

The lease liability related to premises and entered in the balance sheet was EUR 6.0 million (EUR 1.2 million) at the end of the period, the share of short-term liabilities being EUR 0.7 million (EUR 0.9 million). The amount of lease liabilities increased resulting from a follow-up and expansion agreement on the leased premises.

Short-term interest-free debt was EUR 22.3 million (EUR 29.7 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 73.0% (72.1%).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 334.9 % (229.4% on 31 Dec. 2021). eQ Asset Management Ltd as investment firm and eQ Plc as the holding company apply the IFD/IFR regime. The most restrictive capital requirement for eQ is defined on the basis of fixed overheads at the end of the period. The minimum capital requirement based on fixed overheads was EUR 4.7 million. At the end of the period, the Group's total capital based on capital adequacy calculations totalled EUR 15.7 million (EUR 10.8 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 2022, the number of eQ Plc's shares was 40,429,698 and the share capital was EUR 11,383,873.00.

During the period under review, the number of eQ Plc's shares increased by 180,000 on 17 May 2022 due to new shares subscribed for with option rights 2018. The subscription price of the new shares totalled EUR 903,600.00. During the period under review on 16 June 2022, the number of eQ Plc's shares increased by 617,500 new shares subscribed for with option rights 2018. The subscription price of the new shares totalled EUR 3,099,850.00. The entire subscriptions were entered in the reserve for invested unrestricted equity.

The closing price of eQ Plc's share on 30 September 2022 was EUR 23.00 (EUR 25.75 on 31 Dec. 2021). The market capitalisation of the company was thus EUR 929.9 million (EUR 1,020.5 million) at the end of the period. During the period, 1,638,918 shares were traded on Nasdaq Helsinki (1,617,094 shares from 1 Jan. to 30 September 2021). In euros, the turnover was EUR 38.9 million (EUR 36.5 million).

Own shares

On 30 September 2022, eQ Plc held no own shares.

Shareholders

On 16 June 2022, eQ Plc published a flagging announcement in which Fennogens Investments S.A. announced that its holding in the company had fallen below the 20% flagging threshold. The change in holding was due to the increase in the number of eQ Plc's shares.

Ten major shareholders on 30 September 2022

	Shares	Share, %
1 Fennogens Investments S.A.	7,962,605	19.69
2 Anchor Oy Ab	6,206,706	15.35
3 Chilla Capital S.A.	6,165,904	15.25
4 Teamet Oy	4,200,000	10.39
5 Oy Cevante Ab	1,419,063	3.51
6 Fazer Jan Peter	1,314,185	3.25
7 Procurator-Holding Oy	793,892	1.96
8 Lavventura Oy	700,000	1.73
9 Ilmarinen Mutual Pension Insurance Company	697,500	1.73
10 Linnalex Ab	631,652	1.56
10 major shareholders, total	30,091,507	74.43
Nominee registered	478,673	1.18
Other shares	9,859,518	24.39
Total	40,429,698	100.00

On 30 September 2022, eQ Plc had 8,172 shareholders (7,883 shareholders on 31 Dec. 2021).

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 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 began on 1 April 2022 and will end on 1 April 2024.

Of these options, altogether 797,500 had been exercised by the end of the period. The number of outstanding options was 977,500 at the end of the period. No options of the option scheme 2018 can any longer be allocated.

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

Option scheme 2022

On 3 February 2022, the Board of Directors of eQ Plc decide on a new option scheme to the key personnel of eQ Group based on the authorisation by the Annual General Meeting on 24 March 2021. The option scheme 2022 consists of 990,000 option rights and each option right entitles to the subscription of one new share in eQ Plc.

Based on the option scheme 2022, on 3 February 2022 the Board of Directors of eQ Plc decided to issue 880,000 option rights to key persons employed by the eQ Group nominated by the Board. After the end of the period under review, on 24 October 2022, the Board also decided to issue 60,000 option rights on the basis of the option scheme 2022. The option scheme 2022 covers more than one fourth of eQ Group's personnel.

The subscription period of shares with option rights 2022 will begin on 1 April 2025 April and end on 30 April 2027. The terms and conditions of the option scheme have been published in a stock exchange release of 4 February 2022, 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 23 March 2022 in Helsinki, decided upon the following: In order to prevent the spread of the COVID-19 pandemic, the Annual General Meeting was held without shareholders' and their proxy representatives' presence at the venue of the meeting. Shareholders of the company and their proxy representatives were able to participate in the meeting and exercise shareholder rights through voting in advance as well as by making counterproposals and presenting questions in advance.

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 2021.

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 0.97 per share and a repayment of equity of EUR 0.03 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. 25 March 2022, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 1 April 2022.

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.

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. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra, Janne Larma and Tomas von Rettig were re-elected for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: 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. At its constituent meeting immediately after the Annual General Meeting, the Board elected Janne Larma Chair of the Board and George 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 8.83% 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

The Group had 98 employees at the end of the period (96 employees on 31 Dec. 2021), calculated as full-time resources. Calculated as full-time resources, the Asset Management segment had 76 (76) employees and the Corporate Finance segment 17 (15) employees. Group administration had 5 (5) employees.

The overall salaries to the employees of eQ Group during the period totalled EUR 20.9 million (EUR 19.5 million from 1 Jan. to 30 September 2021). The salary expenses increased from the year before due to result-related remuneration. As compared with the comparison period, the salary expenses went down as a result of the change in deferred bonuses that are bound to the share price. During the reporting period the change in the deferred bonuses bound to the share price was EUR +0.1 million. The salary expenses of the comparison period comprise EUR 1.2 million cost resulting from the change in deferred bonuses bound to the share price.



Major risks and short-term uncertainties

The Group's major single risk is the dependence of the result 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 and value changes of the 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

There have not been any significant events after the period under review.

Outlook

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. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments.

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

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Fee and commission income	63 246	52 517	20 000	19 009	72 152
Interest income	0	7	0	2	7
Net income from financial assets	1 377	5 679	276	2 084	7 314
Operating income, total	64 624	58 203	20 276	21 095	79 473
Fee and commission expenses	-413	-424	-132	-145	-574
Interest expenses	-39	-14	-13	-4	-19
NET REVENUE	64 171	57 764	20 131	20 946	78 880
Administrative expenses					
Personnel expenses	-20 893	-19 535	-6 409	-6 041	-26 683
Other administrative expenses	-1 768	-1 448	-637	-454	-2 141
Depreciation on tangible and intangible assets	-830	-797	-310	-265	-1 050
Other operating expenses	-1 223	-985	-387	-335	-1 346
OPERATING PROFIT (LOSS)	39 457	34 999	12 389	13 850	47 660
PROFIT BEFORE TAXES	39 457	34 999	12 389	13 850	47 660
Income tax	-8 082	-7 042	-2 547	-2 785	-9 582
PROFIT (LOSS) FOR THE PERIOD	31 375	27 957	9 842	11 065	38 078

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Other comprehensive income:	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	31 375	27 957	9 842	11 065	38 078
Profit for the period attributable to:					
Equity holders of the parent company	31 375	27 957	9 842	11 065	38 078
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	31 375	27 957	9 842	11 065	38 078
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.79	0.71	0.24	0.28	0.97
Diluted earnings per average share, EUR	0.75	0.68	0.23	0.27	0.93



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 Sep. 2022	30 Sep. 2021	31 Dec. 2021
ASSETS			
Liquid assets	28	37	71
Claims on credit institutions	20 023	19 724	35 069
Financial assets			
Financial securities	11 598	20 962	20 943
Private equity and real estate fund investments	18 046	17 553	18 817
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	133	233	208
Other intangible assets	98	157	131
Tangible assets			
Right-of-use assets	5 705	1 160	965
Tangible assets	456	311	301
Other assets	19 034	6 942	4 525
Accruals and prepaid expenditure	481	211	502
Income tax receivables	1	45	52
Deferred tax assets	56	47	44
TOTAL ASSETS	104 872	96 596	110 842
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	6 531	6 115	6 348
Accruals and deferred income	14 292	16 268	19 103
Lease liabilities	5 987	1 397	1 187
Income tax liabilities	1 519	3 028	4 249
TOTAL LIABILITIES	28 329	26 808	30 887
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	27 061	24 247	24 247
Retained earnings	6 723	6 201	6 247
Profit (loss) for the period	31 375	27 957	38 078
TOTAL EQUITY	76 543	69 788	79 955
TOTAL LIABILITIES AND EQUITY	104 872	96 596	110 842



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-9/2022	1-9/2021	1-12/2021
CASH FLOW FROM OPERATIONS			
Operating profit	39 457	34 999	47 660
Depreciation and write-downs	830	797	1 050
Interest income and expenses	39	8	13
Transactions with no related payment transactions	737	-3 333	-3 894
Financial assets' cash flow – private equity and real estate fund investments	992	1 549	910
Change in working capital			
Business receivables, increase (-) / decrease (+)	-14 437	372	2 500
Interest-free debt, increase (+) / decrease (-)	-8 877	487	3 555
Total change in working capital	-23 314	859	6 055
Cash flow from operations before financial items and taxes	18 742	34 877	51 794
Interests received	0	7	7
Interests paid	-39	-14	-19
Taxes	-6 575	-3 997	-5 321
CASH FLOW FROM OPERATIONS	12 128	30 872	46 460
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets	-256	-51	-70
Investments/redemptions in other investments – liquid mutual funds	9 227	-6 018	-6 018
CASH FLOW FROM INVESTMENTS	8 971	-6 069	-6 088
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-39 632	-27 242	-27 242
Subscription of new shares	4 003	1 392	1 392
Decrease in the lease liability capital	-560	-644	-834
CASH FLOW FROM FINANCING	-36 189	-26 494	-26 685
INCREASE/DECREASE IN LIQUID ASSETS	-15 090	-1 691	13 688
Liquid assets on 1 Jan.	35 141	21 453	21 453
Liquid assets on 30 Sep./31 Dec.	20 051	19 761	35 141



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. 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 Sep. 2021	11 384	24 247	34 158	69 788	69 788
Shareholders' equity on 1 Jan. 2022	11 384	24 247	44 325	79 955	79 955
Profit (loss) for the period			31 375	31 375	31 375
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			31 375	31 375	31 375
Dividend/equity repayment		-1 189	-38 443	-39 632	-39 632
Subscription of shares		4 003		4 003	4 003
Options granted, cost accrual			842	842	842
Shareholders' equity on 30 Sep. 2022	11 384	27 061	38 098	76 543	76 543



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Asset management fees					
Management fees					
Traditional asset management	7 275	7 885	2 317	2 766	10 591
Real estate asset management	25 781	21 263	9 023	7 385	29 112
Private equity asset management	12 472	10 169	4 376	3 342	13 722
Management fees, total	45 529	39 317	15 717	13 493	53 425
Performance fees					
Traditional asset management	0	2 914	0	449	2 922
Real estate asset management	8 260	3 319	959	1 436	5 385
Private equity asset management	5 000	2 896	1 863	2 293	3 104
Performance fees, total	13 260	9 129	2 822	4 177	11 410
Other fee and commission income	110	394	26	54	458
Asset management fees, total	58 899	48 840	18 565	17 724	65 293
Corporate finance fees	4 347	3 677	1 435	1 285	6 859
Fee and commission income, total	63 246	52 517	20 000	19 009	72 152

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Private equity asset management performance fees - specification					
Paid non-accrued fees	618	2 896	402	2 293	3 104
Catch up share accrual	4 382	-	1 461	-	-
Total	5 000	2 896	1 863	2 293	3 104

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Private equity and real estate fund investment operations					
Profit distribution of funds	1 282	2 191	797	500	3 220
Changes in fair value and losses	222	3 443	-520	1 586	4 068
Total	1 504	5 634	277	2 085	7 288
Other investment operations					
Changes in fair value	-118	27	-2	-2	8
Sales profit/loss	-9	18	-	-	18
Total	-127	45	-2	-2	26
Net income from financial assets, total	1 377	5 679	276	2 084	7 314



FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 Sep. 2022		30 Sep. 2021		31 Dec. 2021	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	18 046	18 046	17 553	17 553	18 817	18 817
Financial securities	11 598	11 598	20 962	20 962	20 943	20 943
Accounts receivable and other receivables	1 059	1 059	409	409	1 023	1 023
Liquid assets	20 051	20 051	19 761	19 761	35 141	35 141
Total	50 754	50 754	58 686	58 686	75 923	75 923
Financial liabilities						
Accounts payable and other liabilities	495	495	253	253	214	214
Lease liabilities	5 987	5 987	1 397	1 397	1 187	1 187
Total	6 482	6 482	1 650	1 650	1 401	1 401

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 Sep. 2022		30 Sep. 2021		31 Dec. 2021	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	18 046	-	17 553	-	18 817
Financial securities	11 598	-	20 962	-	20 943	-
Total	11 598	18 046	20 962	17 553	20 943	18 817

Level 3 reconciliation: Private equity and real estate fund investments

1-9/2022	
Opening balance on 1 Jan. 2022	18 817
Calls	1 680
Returns	-2 673
Value change and loss through profit or loss	222
Closing balance on 30 Sep. 2022	18 046

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 Sep. 2021	17 553

1-12/2021	
Opening balance on 1 Jan. 2021	15 656
Calls	2 622
Returns	-3 530
Value change and loss through profit or loss	4 068
Closing balance on 31 Dec. 2021	18 817



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 Sep. 2022	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	99	0
eQ VC	43	0
eQ PE XIII US	132	38
eQ PE XII North	480	336
eQ PE XI US	616	349
eQ PE X North	589	521
eQ PE IX US	1 129	986
eQ PE VIII North	1 979	2 430
eQ PE VII US	3 376	2 517
eQ PE VI North	1 867	1 946
Amanda V East	2 697	3 639
Amanda IV West	161	599
Amanda III Eastern PE	387	1 321
Total	13 554	14 683
Real estate funds:		
eQ Residential II	187	0
eQ Residential	542	383
Funds managed by others:		
Large buyout funds	1 455	1 848
Midmarket funds	260	808
Venture funds	2 048	1 094
Total	18 046	18 817



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

Investment commitment	30 Sep. 2022	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ XIV North	900	0
eQ VC	970	883
eQ PE XIII US	868	835
eQ PE XII North	535	635
eQ PE XI US	414	573
eQ PE X North	309	427
eQ PE IX US	154	228
eQ PE VIII North	301	501
eQ PE VII US	119	263
eQ PE VI North	369	534
Amanda V East	663	663
Amanda IV West	427	427
Amanda III Eastern PE	273	273
Total	6 300	6 243
Real estate funds:		
eQ Residential II	800	0
eQ Residential	550	650
Funds managed by others:		
Large buyout funds	133	132
Midmarket funds	313	211
Venture funds	0	0
Total	8 096	7 235



SEGMENT INFORMATION, EUR 1 000

1-9/2022	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	58 899	4 347	-	-	-	63 246
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	0	-	0
Net income from financial assets	-	-	1 504	-127	-	1 377
Other operating income	-	-	-	-	-	-
From other segments	-	-	-	58	-58	-
Operating income, total	59 011	4 347	1 504	-69	-170	64 624
Fee and commission expenses	-413	-	-	-	-	-413
To other segments	-	-	-113	-	113	-
Interest expenses	-23	-6	-	-10	-	-39
NET REVENUE	58 575	4 341	1 391	-79	-58	64 171
Administrative expenses						
Personnel expenses	-17 354	-2 282	-	-1 257	-	-20 893
Other administrative expenses	-1 282	-299	-	-245	58	-1 768
Depreciation on tangible and intangible assets	-633	-132	-	-65	-	-830
Other operating expenses	-881	-106	-	-236	-	-1 223
OPERATING PROFIT (LOSS)	38 425	1 522	1 391	-1 882	0	39 457
Tuloverot				-8 082		-8 082
PROFIT (LOSS) FOR THE PERIOD				-9 964		31 375

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



7-9/22	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	18 565	1 435	-	-		20 000
From other segments	38	-	-	-	-38	-
Interest income	-	-	-			0
Net income from financial assets	-	-	277	-2		276
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	18 603	1 435	277	18	-57	20 276
Fee and commission expenses	-132	-	-	-		-132
To other segments	-	-	-38	-	38	-
Interest expenses	-9	-2		-2		-13
NET REVENUE	18 462	1 433	240	16	-19	20 131
Administrative expenses						
Personnel expenses	-5 364	-683	-	-362		-6 409
Other administrative expenses	-442	-138	-	-76	19	-637
Depreciation on tangible and intangible assets	-247	-43	-	-19		-309
Other operating expenses	-277	-36	-	-74		-387
OPERATING PROFIT (LOSS)	12 132	533	240	-515	0	12 389
Income tax				-2 547		-2 547
PROFIT (LOSS) FOR THE PERIOD				-3 062		9 842

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	-
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



1-12/2021	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	65 293	6 859	-	-		72 152
From other segments	150	-	-	-	-150	-
Interest income	-	-	-	7		7
Net income from financial assets	-	-	7 288	26		7 314
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	65 443	6 859	7 288	109	-227	79 473
Fee and commission expenses	-570	-	-	-4		-574
To other segments	-	-	-150	-	150	-
Interest expenses	-11	-3	-	-5		-19
NET REVENUE	64 862	6 856	7 138	100	-77	78 880
Administrative expenses						
Personnel expenses	-21 201	-3 572	-	-1 910		-26 683
Other administrative expenses	-1 649	-250	-	-319	77	-2 141
Depreciation on tangible and intangible assets	-777	-172	-	-101		-1 050
Other operating expenses	-942	-122	-	-281		-1 345
OPERATING PROFIT (LOSS)	40 293	2 740	7 138	-2 511	0	47 660
Income tax				-9 582		-9 582
PROFIT (LOSS) FOR THE PERIOD				-12 093		38 078

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

	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21
Asset Management					
Net revenue	18 462	20 518	19 596	16 338	17 614
Operating profit	12 132	13 661	12 634	10 078	11 761
Corporate Finance					
Net revenue	1 433	1 121	1 787	3 181	1 284
Operating profit	533	282	706	1 624	480
Investments					
Net revenue	240	778	374	1 616	2 048
Operating profit	240	778	374	1 616	2 048
Other segments and eliminations					
Net revenue	-3	-28	-105	-20	0
Operating profit	-515	-628	-739	-657	-440
Group total					
Net revenue	20 131	22 389	21 651	21 115	20 946
Operating profit	12 389	14 093	12 975	12 661	13 850
Profit for the period	9 842	11 206	10 327	10 121	11 065



CAPITAL ADEQUACY, EUR 1 000

	IFR 30 Sep. 2022 eQ Group	IFR 31 Dec. 2021 eQ Group
Equity	76 543	79 955
Common equity tier 1 (CET 1) before deductions	76 543	79 955
Deductions from CET 1		
Intangible assets	-29 443	-29 552
Unconfirmed profit for the period	-31 375	-38 078
Dividend proposal by the Board*	0	-1 554
Common equity tier 1 (CET 1)	15 725	10 771
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	15 725	10 771
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	15 725	10 771
Own funds requirement according to the most restrictive requirement (IFR)	4 696	4 696
Fixed overhead requirement	4 696	4 696
K-factor requirement	382	331
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	58 697	58 697
Common equity tier (CET1) / own funds requirement, %	334.9%	229.4%
Tier 1 (T1) / own funds requirement, %	334.9%	229.4%
Total capital (TC) / own funds requirement, %	334.9%	229.4%
Common equity tier 1 (CET1) / risk weights, %	26.8%	18.3%
Tier 1 (T1) / risk weights, %	26.8%	18.3%
Total capital (TC) / risk weights, %	26.8%	18.3%
Excess of total capital compared with the minimum level	11 029	6 075
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	9 855	4 901

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



GROUP KEY RATIOS

	30 Sep. 2022	30 Sep. 2021	31 Dec. 2021
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	31 375	27 957	38 078
Earnings per average share, EUR	0.79	0.71	0.97
Diluted earnings per average share, EUR	0.75	0.68	0.93
Equity per share, EUR	1.89	1.76	2.02
Equity per average share, EUR *)	1.91	1.78	2.03
Return on investment, ROI % p.a.	51.2	53.0	50.6
Return on equity, ROE % p.a.	53.5	54.3	51.6
Equity to assets ratio, %	73.0	72.2	72.1
Cost/income ratio, Group, %	38.4	39.3	39.5
Share price at the end of the period, EUR	23.00	25.75	25.75
Market value, EUR million	929.9	1 020.5	1 020.5
Personnel calculated as full-time resources at the end of the period	98	96	96

*) Using the weighted average 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 2021 financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 30 September 2022, eQ's remaining investment commitments in private equity funds totalled EUR 8.1 million (EUR 7.2 million 31 Dec. 2021). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2021).