

Q3 2024

INTERIM REPORT





22 October 2024 at 8:00 AM

eQ Plc's interim report Q3 2024 – eQ's operating profit EUR 27.6 million

January to September 2024 in brief

- During the period under review, the Group's net revenue totalled EUR 50.9 million (EUR 52.3 million from 1 Jan. to 30 Sept. 2023). The Group's net fee and commission income was EUR 49.8 million (EUR 51.5 million).
- The Group's operating profit fell by 8% to EUR 27.6 million (EUR 30.0 million).
- The Group's profit was EUR 21.9 million (EUR 23.8 million).
- The consolidated earnings per share were EUR 0.53 (EUR 0.59).
- The net revenue of the Asset Management segment decreased by 10% to EUR 45.5 million (EUR 50.3 million) and the operating profit by 15% to EUR 26.9 million (EUR 31.7 million). The management fees of the Asset Management segment fell by 10% to EUR 42.0 million (EUR 46.8 million) and the performance fees increased by 3% to EUR 4.0 million (EUR 3.9 million). During the review period, the assets managed by eQ Asset Management grew by 3% to EUR 13.3 billion (EUR 12.9 billion on 31 Dec. 2023).
- The net revenue of the Corporate Finance segment was EUR 4.3 million (EUR 1.2 million) and the operating profit was EUR 1.5 million (EUR -0.9 million).
- The operating profit of the Investments segment was EUR 0.5 million (EUR 0.4 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.7 million (EUR 0.2 million).

July to September 2024 in brief

- In the third quarter, the Group's net revenue totalled EUR 16.7 million (EUR 16.6 million from 1 July to 30 Sept. 2023). The Group's net fee and commission income was EUR 16.6 million (EUR 16.2 million).
- The Group's operating profit fell by 6% to EUR 9.6 million (EUR 10.2 million).
- The Group's profit was EUR 7.6 million (EUR 8.1 million).
- The consolidated earnings per share were EUR 0.18 (EUR 0.20).

Key ratios	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Net revenue, Group, MEUR	50.9	52.3	-3%	16.7	16.6	1%	70.9
Net revenue, Asset Management, MEUR	45.5	50.3	-10%	15.2	15.9	-4%	66.9
Net revenue, Corporate Finance, MEUR	4.3	1.2	251%	1.3	0.3	300%	3.9
Net revenue, Investments, MEUR	0.5	0.4	15%	-0.1	0.3	-133%	-0.6
Net revenue, Group administration and eliminations, MEUR	0.7	0.4		0.2	0.1		0.6
Operating profit, Group, MEUR	27.6	30.0	-8%	9.6	10.2	-6%	39.7
Operating profit, Asset Management, MEUR	26.9	31.7	-15%	9.4	10.5	-10%	41.4
Operating profit, Corporate Finance, MEUR	1.5	-0.9	265%	0.5	-0.2	331%	0.7
Operating profit, Investments, MEUR	0.5	0.4	15%	-0.1	0.3	-133%	-0.6
Operating profit, Group administration, MEUR	-1.1	-1.3		-0.3	-0.4		-1.7
Profit for the period, MEUR	21.9	23.8	-8%	7.6	8.1	-6%	31.5



Key ratios	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Earnings per share, EUR	0.53	0.59	-9%	0.18	0.20	-8%	0.78
Equity per share, EUR	1.64	1.65	-1%	1.64	1.65	-1%	1.85
Cost/income ratio, Group, %	45.7	42.6	7%	42.8	38.5	11%	43.8
Liquid assets, MEUR	29.0	22.4	29%	29.0	22.4	29%	33.4
Private equity and real estate fund investments, MEUR	16.5	17.1	-4%	16.5	17.1	-4%	16.6
Interest-bearing loans, MEUR	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, EUR billion	10.4	9.9	4%	10.4	9.9	4%	10.0
Assets under management, EUR billion	13.3	12.8	4%	13.3	12.8	4%	12.9

Mikko Koskimies, CEO

Before the summer, it was expected that the Federal Reserve would not be able to cut its reference rate until late 2024 or in 2025. However, this view changed in early August, when labour market data was clearly weaker than expected. Strong fears emerged in the markets that the central bank acted too late when cutting interest rates and that the economy was at risk of a recession. Interest rate markets immediately anticipated that the Federal Reserve would cut its reference rate exceptionally quickly and sharply. Stock markets fell. Market positions were unwound at a rapid pace, resulting in Japanese yen's sharp value increase and the Japanese stock market's steep decline.

Economic data released in the following weeks showed that market reactions had been disproportionate. However, the increased risk of recession was reflected in the Federal Reserve cutting its reference rate by 0.5 percentage points in September. The European Central Bank had already cut its reference rate in the summer and implemented another 0.25 percentage point cut in September. In Europe, economic growth differentials are exceptionally high, complicating the ECB's monetary policy stance. Towards the end of the third quarter, China announced larger economic policy measures to boost growth. This led to a sharp rise in share prices at the very end of the quarter.

Equity markets fluctuated in line with the recession, but as predictions of the economy's soft landing returned, third-quarter returns turned clearly positive. At the beginning of the year, the US was the frontrunner, with the S&P 500 index returning as much as 21.7% in dollars (20.5% in euros). The rise of US share prices continues to be driven by a few technology companies. MSCI Europe had risen 11.6% since the beginning of the year. The Finnish stock market rose rapidly in the third quarter, up 8.8% from the start of the year. In emerging markets, share prices rose by 15.7% at the start of the year.

eQ's operating profit EUR 27.6 million

The net revenue of the Group during the review period was EUR 50.9 million and the operating profit was EUR 27.6 million. Operating profit fell by 8 per cent from the previous year.

eQ Asset Management's assets under management increased

eQ Asset Management's net revenue in the review period fell by 10 per cent to EUR 45.5 million. The operating profit of the period fell by 15 per cent to EUR 26.9 million. The assets managed by eQ Asset Management grew by 3 per cent to EUR 13.3 billion during the period under review.

As for traditional interest and equity investments, the returns of client portfolios in the first half were very good. Of the funds that eQ manages itself, 38 per cent surpassed their benchmark indices, and during a three-year period the corresponding figure was 62 per cent. During the review period eQ's funds also received awards from both Morningstar and Lipper.



As for sales, the year 2024 has gone well especially in Private Equity asset management. In 2024, Private Equity assets are raised to the eQ PE XVI North and eQ PE SF V funds, which make investments in Northern Europe. Their sizes increased to almost EUR 300 million in total at the end September. At the same time, the size the eQ VC II fund, which makes Venture Capital investments and which was started with the first closing of EUR 20 million last October, grew to 49 million dollars.

Advium's profit grew

During the period under review, Advium's net revenue totalled EUR 4.3 million (EUR 1.2 million). Operating profit was EUR 1.5 million (EUR -0.9 million).

M&A activity in the third quarter of the year has remained at the same level as at the beginning of the year, but at a clearly lower level compared to the longer-term average. Volumes of the real estate transaction market are also still significantly below the long-term average.

During the first nine months of 2024, Advium advised on four M&A transactions and one real estate transaction: Advising Aspo Plc on its minority investment in OP Suomi Infra, advising the eQ Commercial Properties fund on the sale of the Bredis retail park, advising an acquiring consortium on the public offer for Purmo Group, advising Innofactor Board of Directors on public cash offer for the company and advising Forciti on its agreement to acquire part of Orica's Finnish and Swedish businesses.

Jacob af Forselles was appointed as the Managing Director of Advium Corporate Finance Ltd and as a member to eQ Group's Management Team. He started in his position at the beginning of August.

The operating profit of Investments increased slightly

The operating profit of the Investments segment was EUR 0.5 million (EUR 0.4 million), and the net cash flow was EUR 0.7 million (EUR 0.2 million). The balance sheet value of the private equity and real estate fund investments at the end of the period was EUR 16.5 million (EUR 16.6 million on 31 Dec. 2023). During the period, eQ Plc made a EUR 1 million investment commitment in the new eQ PE XVI North fund.

Outlook

The asset management market in Finland has grown strongly, and eQ's growth has outpaced the market. We estimate that the long-term outlook for growth in the asset management market and for eQ in Finland is still good.

For eQ's real estate funds, 2023 was a difficult year due to an increase of the yields resulting from a strong rise in the interest rate level. As yields rose, values of properties clearly declined. Also, net subscriptions in funds were negative. The limited availability of real estate financing also contributed to a significant decrease in real estate transactions. With regard to the real estate funds, we expect 2024 to be a challenging year, although the long-term outlook for growth is good. Sales of eQ's Private Equity products has continued to be strong, and the desire of Finnish asset management clients to increase Private Equity allocations in their portfolios will continue to support the growth of eQ's Private Equity products. We also anticipate a growth in performance fees from 2025 onwards, due to the transfer of several Private Equity products to a performance fee stage. eQ's competitive position in traditional asset management products and discretionary asset management is good thanks to excellent returns on investments. We believe that traditional asset management has great potential for growth in future years, considering however its characteristic short-term variation according to market conditions.



eQ's interim report 1 January to 30 September 2024 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

Distribution: Nasdaq Helsinki, www.eQ.fi, media

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 13.3 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 SEPT. 2024

Result of operations and financial position 1 Jan to 30 Sept 2024

- During the period under review, the Group's net revenue totalled EUR 50.9 million (EUR 52.3 million from 1 Jan. to 30 Sept. 2023). The Group's net fee and commission income was EUR 49.8 million (EUR 51.5 million).
- The Group's operating profit fell by 8% to EUR 27.6 million (EUR 30.0 million).
- The Group's profit was EUR 21.9 million (EUR 23.8 million).
- The consolidated earnings per share were EUR 0.53 (EUR 0.59).
- The net revenue of the Asset Management segment decreased by 10% to EUR 45.5 million (EUR 50.3 million) and the operating profit by 15% to EUR 26.9 million (EUR 31.7 million). The management fees of the Asset Management segment fell by 10% to EUR 42.0 million (EUR 46.8 million) and the performance fees increased by 3% to EUR 4.0 million (EUR 3.9 million). During the review period, the assets managed by eQ Asset Management grew by 3% to EUR 13.3 billion (EUR 12.9 billion on 31 Dec. 2023).
- The net revenue of the Corporate Finance segment was EUR 4.3 million (EUR 1.2 million) and the operating profit was EUR 1.5 million (EUR -0.9 million).
- The operating profit of the Investments segment was EUR 0.5 million (EUR 0.4 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.7 million (EUR 0.2 million).

Result of operations and financial position 1 July to 30 September 2024

- In the third quarter, the Group's net revenue totalled EUR 16.7 million (EUR 16.6 million from 1 July to 30 Sept. 2023). The Group's net fee and commission income was EUR 16.6 million (EUR 16.2 million).
- The Group's operating profit fell by 6% to EUR 9.6 million (EUR 10.2 million).
- The Group's profit was EUR 7.6 million (EUR 8.1 million).
- The consolidated earnings per share were EUR 0.18 (EUR 0.20).

Operating environment

Before the summer, it was expected that the Federal Reserve would not be able to cut its reference rate until late 2024 or in 2025. However, this view changed in early August, when labour market data was clearly weaker than expected. Strong fears emerged in the markets that the central bank acted too late when cutting interest rates and that the economy was at risk of a recession. Interest rate markets immediately anticipated that the Federal Reserve would cut its reference rate exceptionally quickly and sharply. Stock markets fell. Market positions were unwound at a rapid pace, resulting in Japanese yen's sharp value increase and the Japanese stock market's steep decline.

Economic data released in the following weeks showed that market reactions had been disproportionate. However, the increased risk of recession was reflected in the Federal Reserve cutting its reference rate by 0.5 percentage points in September. The European Central Bank had already cut its reference rate in the summer and implemented another 0.25 percentage point cut in September. In Europe, economic growth differentials are exceptionally high, complicating the ECB's monetary policy stance. Towards the end of the third quarter, China announced larger economic policy measures to boost growth. This led to a sharp rise in share prices at the very end of the quarter.

Equity markets fluctuated in line with the recession, but as predictions of the economy's soft landing returned, third-quarter returns turned clearly positive. At the beginning of the year, the US was the frontrunner, with the S&P 500 index returning as much as 21.7% in dollars (20.5% in euros). The rise of US share prices continues to be driven by a few technology companies. MSCI Europe had risen 11.6% since the



beginning of the year. The Finnish stock market rose rapidly in the third quarter, up 8.8% from the start of the year. In emerging markets, share prices rose by 15.7% at the start of the year.

Interest rate markets saw exceptionally large movements in the third quarter and overall returns for the quarter were very strong. At the beginning of the year, high yield loans were the top performers, yielding 6.8%. Euro-denominated corporate bonds from emerging countries returned 6.6%. The return on investment grade loans and euro zone government bonds was 3.8% and 2.0% respectively at the beginning of the year. In government bonds, strong Q3 returns turned the entire early-year return positive.

Major events during the period under review

eQ Plc's Annual General Meeting was held on 21 March 2024. Päivi Arminen, Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, 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 125,000 shares on 27 February 2024, by 354,000 shares on 19 March 2024 and by 182,500 shares on 14 May 2024. After the changes, the number of eQ Plc shares was 41,407,198.

Jacob af Forselles was appointed as the Managing Director of Advium Corporate Finance Ltd and as a member to eQ Group's Management Team on 3 April 2024. He started in his position at the beginning of August.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 50.9 million (EUR 52.3 million from 1 Jan. to 30 Sept. 2023). The Group's net fee and commission income was EUR 49.8 million (EUR 51.5 million). The Group's net investment income from own investment operations was EUR 1.0 million (EUR 0.8 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 23.2 million (EUR 22.3 million). Personnel expenses were EUR 18.7 million (EUR 18.3 million), other administrative expenses EUR 2.0 million (EUR 1.8 million) and the other operating expenses were EUR 1.7 million (EUR 1.3 million). Depreciation was EUR 0.9 million (EUR 1.0 million).

The Group's operating profit was EUR 27.6 million (EUR 30.0 million) and the profit for the period was EUR 21.9 million (EUR 23.8 million).

Business areas

Asset Management

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

Responsibility and sustainability are a key part of eQ Asset Management's investment activities and processes. eQ Asset Management once again achieved excellent results in the 2023 PRI (the UN Principles for Responsible Investment) assessment. eQ succeeded much better than the median in all six sections the company reported and obtained the highest star rating, five stars, for real estate investments, listed shares and corporate loans. eQ provides its clients with comprehensive reports on the implementation of sustainability.



eQ Asset Management was selected as the most high-quality asset manager in Finland for the fifth year in a row in the 2023 SFR survey by Finnish institutional clients. Clients hold eQ in high esteem particularly with regard to investment returns, customer service, resources and reporting. eQ received the best assessment in no fewer than seven of the nine criteria in total. We were the second-largest asset manager in Finland in terms of availability. The survey is conducted every year and its participants are the 100 largest institutional investors.

Traditional asset management

At the end of the period, eQ had 23 traditional mutual funds registered in Finland.

eQ's fixed income funds posted good returns during the first half of the year. The best returns during the period came from the Emerging Markets Corporate Bond and eQ High Yield funds. Apart from eQ Government Bond, the returns of all of our fixed income funds surpassed the return of their comparison index. The best returns in proportion to the comparison index came from the eQ Euro Investment Grade and eQ Emerging Markets Corporate Bond HC funds. Returns of our equity funds were also good in the first nine months. The best returns came from the eQ Frontier Markets, eQ Emerging Dividend and eQ Global funds. The best performing fund relative to its benchmark index during the first nine months of the year was the eQ Frontier fund. Also, the eQ Finland fund received the award for the best fund from Morningstar. The winners were selected on the basis of returns for 1, 3 and 5 years and risks for 3 and 5 years. eQ was also successful at the LSGE Lipper Fund Awards in the Nordic countries. eQ Finland was the best fund over both 5 and 10 years, eQ Europe Dividend over 10 years and eQ Nordic Small Cap over 5 years in their respective categories.

Of the funds that eQ manages itself, 38 per cent gave a better return than its benchmark index during the first half, and the figure for the last three years was also 62 per cent. The average Morningstar rating of funds managed by eQ was 2.9 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between approximately +5.2 and +11.4 during the period, based on the allocation of the investment portfolio. The return of portfolios that only invest in Finnish shares was +8.7 per cent. The ESG ratings of the eQ funds are better than the average, and eQ's listed shares and corporate loans obtained the highest rating in the latest PRI assessment.

Real estate asset management

Net subscriptions in the eQ Commercial Properties fund were EUR -24 million during the period under review. At the end of the period, the size of the fund was EUR 563 million, and its real estate property around EUR 1.0 billion. The return of the fund during the period was -7.9 per cent and since establishment 4.4 per cent p.a. The fund has approximately 2,000 unit holders. On 30 June 2024, eQ Commercial Properties postponed the payment of redemptions in accordance with the Rules.

Net subscriptions in eQ Community Properties in the review period were EUR 31 million. At the end of the period under review, the size of the fund was EUR 1,184 million and its real estate property totalled over EUR 1.7 billion. The return of the fund during the period was 0.5 per cent and since establishment 6.3 per cent p.a. The fund has approximately 4,500 unit holders. On 30 June 2024, eQ Community Properties postponed the payment of redemptions in accordance with the Rules.

Over more than one year, returns of eQ's real estate funds have been impacted negatively by an increase of the yields resulting from the strong rise in the interest rate level, which was significantly calmer in the second quarter.

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 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, the last of which was completed during the third quarter of the year. In the review period, eQ Residential sold approximately 500 finished homes with two transactions to lower the fund's LTV level and to ensure financing. This is why the assets managed by closed real estate funds fell by around EUR 100 million during the period. At the beginning of 2022, we established a new similar fund, eQ Residential II. Upon final closing its size was EUR 53 million. The last property in eQ Residential II was



completed during the third quarter. Unlike eQ Community Properties and eQ Commercial Properties, eQ Residential funds are intended for professional investors only, and they have a closed-end fund structure.

In 2024, eQ's real estate funds participated in the GRESB sustainability assessment already for the sixth time. The results improved further in 2024 and exceed both the average results of companies participating in the GRESB assessment and the results of the funds' peers. The real estate funds also obtained the highest rating in the 2023 PRI assessment.

Overall, eQ's real estate funds had real estate property worth approximately EUR 3.1 billion at the end of the period under review, and eQ has become one of the largest Finnish real estate investors.

Private Equity asset management

The first closing of the new eQ PE XVI North fund was held in early March at EUR 158 million and the fifth closing in September at EUR 221 million. eQ PE XVI North makes investments in private equity funds that invest in unlisted, small and mid-sized growth companies in Northern Europe. Simultaneously we established our fifth private equity secondary fund, eQ PE SF V, and its first closing was at EUR 43 million and sixth closing in September at EUR 78 million. The secondary market investments of eQ PE XVI North are carried out through eQ PE SF V. The investment focus of eQ PE SF V is, both geographically and as for the size of companies, the same as that of eQ PE XVI North. The size the eQ VC II fund, which makes Venture Capital investments and which was started with the first closing of EUR 20 million last October, grew to 49 million dollars at the closing in September.

eQ's scored excellent PRI results for the private equity section. In November eQ was honoured to receive recognition for its ESG work – the Silver Award for 'Best ESG Private Equity Initiative (LP)' at the Private Equity Exchange & Awards in Paris.

At the end of the period, the assets in Private Equity, Venture Capital and Private Credit funds managed by eQ totalled EUR 3,198 million (EUR 2,973 million) and the assets managed under Private Equity asset management programmes were EUR 1,019 million (EUR 1,009 million).

At the beginning of 2022, eQ began to accrue the catch up share of private equity funds' performance fee in the income statement. The total amount of the catch up share accrued by the end of 2023 was EUR 11.8 million. The accrual in the 2024 financial period will be EUR 5.4 million. The estimated total amount of future performance fees grew to EUR 142 million at the end of 2023 (EUR 130 million on 31 Dec. 2022). More information about the estimated returns and performance fees of private equity funds is available in the tables of the financial statements release on page 30.

Assets under management

The assets managed by eQ Asset Management totalled EUR 13,322 million at the end of the period. Growth during the period was EUR 406 million (EUR 12,917 million on 31 Dec. 2023). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 3,906 million (EUR 3,843 million). The assets managed by the real estate funds totalled EUR 2,082 million (EUR 2,251 million). Assets managed by the Private Equity, Venture Capital and Private Credit funds and Private Equity asset management programmes totalled EUR 4,217 million (EUR 3,982 million).

Assets under management, EUR million	9/24	9/23	Change	12/23	Change
eQ mutual funds	3 906	3 924	0%	3 843	2%
of which eQ equity, fixed income and balanced funds	2 160	1 759	23%	1 993	8%
of which eQ real estate funds	1 747	2 165	-19%	1 850	-6%
Closed-end real estate funds	335	373	-10%	401	-16%
Asset management portfolios and funds of partners	1 897	1 617	17%	1 773	7%
Private Equity, Venture Capital and Private Credit funds	3 198	2 992	7%	2 973	8%
Private Equity asset management programmes	1 019	1 009	1%	1 009	1%
Total excl. reporting services	10 358	9 915	4%	10 000	4%
Private Equity reporting services	2 967	2 891	3%	2 917	2%
Total	13 322	12 805	4%	12 917	3%



Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment decreased by 10 per cent and the operating profit by 15 per cent to EUR 26.9 million (EUR 31.7 million from 1 Jan. to 30 Sept. 2023). Performance fees increased by 3 per cent to EUR 4.0 million from the previous year's EUR 3.9 million. Performance fees typically fluctuate strongly per quarter and financial period.

The cost/income ratio was 40.9% (36.8%). Calculated as full-time resources, the Asset Management segment had 82 employees at the end of the period under review.

Asset Management	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Net revenue, MEUR	45.5	50.3	-10%	15.2	15.9	-4%	66.9
Operating profit, MEUR	26.9	31.7	-15%	9.4	10.5	-10%	41.4
Cost/income ratio, %	40.9	36.8	11%	38.1	33.8	13%	37.9
Personnel as full-time resources	82	80	3%	82	80	3%	80

Fee and commission income, Asset Management, MEUR	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Management fees							
Traditional asset management	7.1	6.6	7%	2.4	2.2	5%	8.8
Real estate asset management	20.8	27.0	-23%	6.8	8.7	-22%	35.6
Private Equity asset management	14.1	13.1	7%	4.9	4.4	9%	17.6
Management fees, total	42.0	46.8	-10%	14.1	15.4	-9%	62.0
Performance fees							
Traditional asset management	0.0	0.0	41%	0.0	0.0	n/a	0.0
Real estate asset management	0.0	-0.7	-100%	0.0	-0.9	-100%	-0.7
Private Equity asset management	4.0	4.6	-13%	1.3	1.5	-10%	6.1
Performance fees, total	4.0	3.9	3%	1.3	0.6	120%	5.4
Other fee and commission income	0.1	0.1	-31%	0.0	0.0	-41%	0.1
Fee and commission income, total	46.1	50.8	-9%	15.4	16.1	-4%	67.5

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.

M&A activity in the third quarter of the year has remained at the same level as at the beginning of the year, but at a clearly lower level compared to the longer-term average. Volumes of the real estate transaction market are also still significantly below the long-term average.

During the first nine months of 2024, Advium advised on four M&A transactions and one real estate transaction: Advising Aspo Plc on its minority investment in OP Suomi Infra, advising the eQ Commercial Properties fund on the sale of the Bredis retail park, advising an acquiring consortium on the public offer for Purmo Group, advising Innofactor Board of Directors on public cash offer for the company and advising Forcit on its agreement to acquire part of Orica's Finnish and Swedish businesses.

During the review period, Jacob af Forselles was appointed as the Managing Director of Advium Corporate Finance Ltd and as a member to eQ Group's Management Team. He started in his position at the beginning of August.



Result of the Corporate Finance segment

During the period under review, Advium's net revenue totalled EUR 4.3 million (EUR 1.2 million 1 Jan. to 30 Sept. 2023). Operating profit was EUR 1.5 million (EUR -0.9 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	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Net revenue, MEUR	4.3	1.2	251%	1.3	0.3	300%	3.9
Operating profit, MEUR	1.5	-0.9	265%	0.5	-0.2	331%	0.7
Cost/income ratio, %	65.8	172.9	-62%	63.3	163.4	-61%	83.0
Personnel as full-time resources	17	16	6%	17	16	6%	16

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 0.5 million (EUR 0.4 million from 1 Jan. to 30 Sept. 2023). At the end of the period, the fair value of the investments was EUR 16.5 million (EUR 16.6 million on 31 Dec. 2023) and the amount of the remaining investment commitments was EUR 6.7 million (EUR 7.2 million). During the period under review, eQ Plc made a EUR 1.0 million investment commitment in the eQ PE XVI North fund.

During the period, the investment objects returned capital for EUR 1.0 million (EUR 1.2 million from 1 Jan. to 30 Sept. 2023) and distributed a profit of EUR 0.7 million (EUR 0.6 million). Capital calls totalled EUR 1.0 million (EUR 1.5 million). The net cash flow from investments during the period was EUR 0.7 million (EUR 0.2 million). The value changes of investments recognised through profit or loss were EUR -0.1 million during the period (EUR -0.1 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	1-9/24	1-9/23	Change	7-9/24	7-9/23	Change	1-12/23
Operating profit, MEUR	0.5	0.4	15%	-0.1	0.3	-133%	-0.6
Fair value of investments, MEUR	16.5	17.1	-4%	16.5	17.1	-4%	16.6
Investment commitments, MEUR	6.7	7.1	-6%	6.7	7.1	-6%	7.2
Net cash flow of investments, MEUR	0.7	0.2	177%	0.8	0.5	62%	-0.1

Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 104.6 million (EUR 100.3 million on 31 Dec. 2023). Equity at the end of the period was EUR 67.7 million (EUR 75.4 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 21.9 million, the dividend distribution of EUR -33.1 million, the subscription for new shares with option rights of EUR 2.6 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 million (EUR 22.9 million) and liquid investments in mutual funds EUR 8.9 million (EUR 10.5 million).

The lease liability related to premises and entered in the balance sheet was EUR 4.2 million (EUR 5.0 million) at the end of the period, the share of short-term liabilities being EUR 1.3 million (EUR 1.2 million).



Short-term interest-free debt was EUR 32.6 million (EUR 19.9 million) including a debt of EUR 16.6 million (EUR - million) related to the second instalment of the dividend distribution. The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 64.8 per cent (75.2 per cent).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 308.7 per cent (252.8 per cent on 31 Dec. 2023). eQ Asset Management Ltd as the 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 5.4 million. At the end of the period, the Group's total capital based on capital adequacy calculations totalled EUR 16.6 million (EUR 13.6 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 2024, the number of eQ Plc's shares was 41,407,198 and the share capital was EUR 11,383,873.00.

During the period under review, the number of eQ Plc's shares increased by new shares subscribed for with option rights 2018. The number of shares increased by 125,000 shares on 27 February 2024, by 354,000 shares on 19 March 2024 and by 182,500 shares on 14 May 2024. The subscription price of the new shares totalled EUR 2,586,230.00. The entire subscription was entered in the reserve for invested unrestricted equity.

The closing price of eQ Plc's share on 30 September 2024 was EUR 14.05 (EUR 15.58 on 31 Dec. 2023). The market capitalisation of the company was thus EUR 581.8 million (EUR 634.8 million) at the end of the period. During the period, 630,074 shares were traded on Nasdaq Helsinki (813,761 shares from 1 Jan. to 30 Sept. 2023). In euros, the turnover was EUR 8.9 million (EUR 16.6 million).

Own shares

On 30 September 2024, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 30 September 2024

	Shares	Share, %
1 Fennogens Investments S.A.	8 087 605	19.53
2 Rettig Group Oy Ab	6 331 706	15.29
3 Chilla Capital S.A.	6 215 904	15.01
4 Teamet Oy	4 250 000	10.26
5 Oy Cevante Ab	1 419 063	3.43
6 Fazer Jan	1 314 185	3.17
7 Procurator Oy	793 892	1.92
8 Lavventura Oy	700 000	1.69
9 Ilmarinen Mutual Pension Insurance Company	697 500	1.68
10 Linnalex Ab	631 652	1.53
10 major shareholders, total	30 441 507	73.52
Nominee registered	356 042	0.86
Other shares	10 609 649	25.62
Total	41 407 198	100.00

On 30 September 2024, eQ Plc had 8,253 shareholders (8,376 shareholders on 31 Dec. 2023).



Option schemes

At the end of the period, eQ Plc had one valid option scheme - option scheme 2022. The option scheme is intended as part of the commitment system of the Group's key personnel.

The 2018 option scheme that was valid at the beginning of the year ended during the period, and all outstanding options of the 2018 option scheme were exercised as a result of the share subscriptions made.

Option scheme 2022

At the end of the period, altogether 880,000 options had been allocated from option scheme 2022. During the review period 30,000 options were returned to eQ Plc due to end of employment relationships. The subscription period of shares with option rights 2022 will begin on 1 April 2025 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 21 March 2024 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 2023.

Disposal of the profit shown on the balance sheet and decision on the distribution of dividend

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.80 per share be paid. The dividend is paid to shareholders in two instalments. The first instalment, EUR 0.40 per share, was paid to those who were registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date 25 March 2024. The payment date of the dividend and equity repayment was 3 April 2024. It was decided that the second instalment, EUR 0.40 per share, will be paid in October 2024 to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date. eQ Plc's Board of Directors decided the record date and payment date of the second instalment of the dividend payment at its meeting in September 2024. The record date was 25 September 2024 and the dividend payment date was 2 October 2024.

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

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 750 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy.



According to the decision of the AGM, six members shall be elected to eQ Plc's Board of Directors. Päivi Arminen, Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, 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. 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 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 8.59 per cent 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 104 employees at the end of the period (101 employees on 31 Dec. 2023), calculated as full-time resources. Calculated as full-time resources, the Asset Management segment had 82 (80) employees and the Corporate Finance segment 17 (16) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 18.7 million (EUR 18.3 million from 1 Jan. to 30 Sept. 2023).

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 asset management market in Finland has grown strongly, and eQ's growth has outpaced the market. We estimate that the long-term outlook for growth in the asset management market and for eQ in Finland is still good.

For eQ's real estate funds, 2023 was a difficult year due to an increase of the yields resulting from a strong rise in the interest rate level. As yields rose, values of properties clearly declined. Also, net subscriptions in funds were negative. The limited availability of real estate financing also contributed to a significant decrease in real estate transactions. With regard to the real estate funds, we expect 2024 to be a challenging year, although the long-term outlook for growth is good. Sales of eQ's Private Equity products has continued to be strong, and the desire of Finnish asset management clients to increase Private Equity allocations in their portfolios will continue to support the growth of eQ's Private Equity products. We also anticipate a growth in performance fees from 2025 onwards, due to the transfer of several Private Equity products to a performance fee stage. eQ's competitive position in traditional asset management products and discretionary asset management is good thanks to excellent returns on investments. We believe that traditional asset management has great potential for growth in future years, considering however its characteristic short-term variation according to market conditions.

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 report has not been audited.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-9/24	1-9/23	7-9/24	7-9/23	1-12/23
Fee and commission income	50 248	51 890	16 731	16 374	71 361
Interest income	302	183	91	58	275
Net income from financial assets	958	770	80	334	-52
Operating income, total	51 508	52 844	16 902	16 766	71 584
Fee and commission expenses	-457	-409	-156	-141	-546
Interest expenses	-176	-128	-60	-51	-185
NET REVENUE	50 875	52 307	16 686	16 574	70 853
Administrative expenses					
Personnel expenses	-18 681	-18 281	-5 678	-5 184	-25 415
Other administrative expenses	-1 976	-1 782	-598	-522	-2 532
Depreciation on tangible and intangible assets	-852	-955	-279	-318	-1 272
Other operating expenses	-1 737	-1 327	-580	-389	-1 885
OPERATING PROFIT (LOSS)	27 629	29 961	9 551	10 161	39 749
PROFIT BEFORE TAXES	27 629	29 961	9 551	10 161	39 749
Income taxes	-5 716	-6 206	-1 978	-2 101	-8 225
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	21 913	23 756	7 573	8 060	31 524

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-9/24	1-9/23	7-9/24	7-9/23	1-12/23
Other comprehensive income:	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21 913	23 756	7 573	8 060	31 524
Profit for the period attributable to:					
Equity holders of the parent company	21 913	23 756	7 573	8 060	31 524
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	21 913	23 756	7 573	8 060	31 524
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.53	0.59	0.18	0.20	0.78
Diluted earnings per average share, EUR	0.52	0.56	0.18	0.19	0.75



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 Sept. 2024	30 Sept. 2023	31 Dec. 2023
ASSETS			
Liquid assets	35	28	70
Claims on credit institutions	20 019	17 998	22 841
Financial assets			
Financial securities	8 941	4 433	10 555
Private equity and real estate fund investments	16 452	17 105	16 556
Intangible assets			
Goodwill and brands	29 212	29 212	29 212
Client agreements	-	33	8
Other intangible assets	10	41	30
Tangible assets			
Right-of-use assets	3 486	4 497	4 215
Tangible assets	411	456	425
Other assets			
Accruals and prepaid expenditure	620	559	414
Income tax receivables	679	1 079	133
Deferred tax assets	148	285	153
TOTAL ASSETS	104 557	90 392	100 270
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	23 159	7 801	6 933
Accruals and deferred income	9 129	9 908	12 871
Lease liabilities	4 223	5 183	4 980
Income tax liabilities	317	195	49
TOTAL LIABILITIES	36 827	23 087	24 834
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	27 279	24 653	24 693
Retained earnings	7 154	7 512	7 836
Profit (loss) for the period	21 913	23 756	31 524
TOTAL EQUITY	67 730	67 305	75 436
TOTAL LIABILITIES AND EQUITY	104 557	90 392	100 270



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-9/2024	1-9/2023	1-12/2023
CASH FLOW FROM OPERATIONS			
Operating profit	27 629	29 961	39 749
Depreciation and write-downs	852	955	1 272
Interest income and expenses	-126	-55	-90
Transactions with no related payment transactions	681	954	2 312
Financial assets' cash flow – private equity and real estate fund investments	10	-333	-940
Change in working capital			
Business receivables, increase (-) / decrease (+)	-9 095	-403	-1 113
Interest-free debt, increase (+) / decrease (-)	-4 128	-5 749	-3 654
Total change in working capital	-13 223	-6 152	-4 767
Cash flow from operations before financial items and taxes	15 822	25 330	37 536
Interests received	302	183	275
Interests paid	-176	-128	-185
Taxes	-5 940	-7 167	-8 392
CASH FLOW FROM OPERATIONS	10 008	18 217	29 234
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets	-80	-46	-52
Investments/redemptions in other investments – liquid mutual funds	1 876	15 766	9 766
CASH FLOW FROM INVESTMENTS	1 796	15 720	9 713
CASH FLOW FROM FINANCING			
Dividends/equity repayments paid	-16 490	-40 430	-40 430
Subscription of new shares	2 586	1 230	1 270
Deduction of lease liability capital	-758	-399	-565
CASH FLOW FROM FINANCING	-14 661	-39 599	-39 725
INCREASE/DECREASE IN LIQUID ASSETS	-2 857	-5 662	-777
Liquid assets on 1 Jan.	22 911	23 688	23 688
Liquid assets on 30 Sep. / 31 Dec.	20 054	18 027	22 911



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. 2023	11 384	27 061	43 334	81 779	81 779
Profit (loss) for the period			23 756	23 756	23 756
Other comprehensive income items					
Financial assets			-	-	-
Total comprehensive income			23 756	23 756	23 756
Dividend/equity repayment		-3 639	-36 791	-40 430	-40 430
Subscription of shares		1 230		1 230	1 230
Options granted, cost accrual			970	970	970
Shareholders' equity on 30 Sept. 2023	11 384	24 653	31 268	67 305	67 305
Shareholders' equity on 1 Jan. 2024	11 384	24 693	39 359	75 436	75 436
Profit (loss) for the period			21 913	21 913	21 913
Other comprehensive income items					
Financial assets			-	-	-
Total comprehensive income			21 913	21 913	21 913
Dividend/equity repayment			-33 053	-33 053	-33 053
Subscription of shares		2 586		2 586	2 586
Options granted, cost accrual			848	848	848
Shareholders' equity on 30 Sept. 2024	11 384	27 279	29 067	67 730	67 730



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-9/24	1-9/23	7-9/24	7-9/23	1-12/23
Asset management fees					
Management fees					
Traditional asset management	7 056	6 591	2 357	2 248	8 836
Real estate asset management	20 798	27 041	6 839	8 734	35 583
Private Equity asset management	13 994	13 025	4 822	4 408	17 421
Management fees, total	41 847	46 657	14 018	15 390	61 840
Performance fees					
Traditional asset management	7	5	2	0	12
Real estate asset management	0	-722	0	-887	-722
Private Equity asset management	4 040	4 628	1 347	1 499	6 148
Performance fees, total	4 048	3 912	1 349	613	5 439
Other fee and commission income	59	86	17	29	119
Asset management fees, total	45 954	50 655	15 384	16 031	67 397
Corporate Finance fees	4 294	1 235	1 347	342	3 963
Fee and commission income, total	50 248	51 890	16 731	16 374	71 361

	1-9/24	1-9/23	7-9/24	7-9/23	1-12/23
Private Equity asset management performance fees - specification					
Paid non-accrued fees	1	130	0	0	150
Catch up share accrual	4 040	4 498	1 347	1 499	5 998
Total	4 040	4 628	1 347	1 499	6 148

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-9/24	1-9/23	7-9/24	7-9/23	1-12/23
Private equity and real estate fund investments					
Profit distribution from funds	667	577	368	238	790
Changes in fair value and losses	-94	-65	-415	57	-1 221
Total	572	512	-46	295	-431
Other investment operations					
Changes in fair value	261	80	2	39	202
Sales profits/losses	124	178	124	-	178
Total	386	258	126	39	379
Net income from financial assets, total	958	770	80	334	-52



FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 Sept. 2024		30 Sept. 2023		31 Dec. 2023	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	16 452	16 452	17 105	17 105	16 556	16 556
Financial securities	8 941	8 941	4 433	4 433	10 555	10 555
Accounts receivable and other receivables	1 327	1 327	235	235	579	579
Liquid assets	20 054	20 054	18 027	18 027	22 911	22 911
Total	46 774	46 774	39 801	39 801	50 600	50 600
Financial liabilities						
Accounts payable and other liabilities	548	548	720	720	670	670
Lease liabilities	4 223	4 223	5 183	5 183	4 980	4 980
Total	4 771	4 771	5 903	5 903	5 650	5 650

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 principles for preparing the financial statements. The original book value of sales receivables and accounts payable corresponds to their fair value, as the effect of discounting is not material considering their maturity.

Value of financial assets across the three levels of the fair value hierarchy

	30 Sept. 2024		30 Sept. 2023		31 Dec. 2023	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	16 452	-	17 105	-	16 556
Financial securities	8 941	-	4 433	-	10 555	-
Total	8 941	16 452	4 433	17 105	10 555	16 556

Level 3 reconciliation: Private equity and real estate fund investments

1-9/2024	
Opening balance on 1 Jan. 2024	16 556
Calls	957
Returns	-967
Value change and loss through profit or loss	-94
Closing balance on 31 Sept. 2024	16 452

1-9/2023	
Opening balance on 1 Jan. 2023	16 837
Calls	1 522
Returns	-1 188
Value change and loss through profit or loss	-65
Closing balance on 30 Sept. 2023	17 105

1-12/2023	
Opening balance on 1 Jan. 2023	16 837
Calls	2 304
Returns	-1 365
Value change and loss through profit or loss	-1 221
Closing balance on 31 Dec. 2023	16 556



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. For each property, a price estimate is obtained from an independent and external property 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. 2024	31 Dec. 2023
Funds managed by eQ:		
Private equity funds of funds:		
eQ VC II	42	0
eQ PE XV US	72	36
eQ PE XIV North	543	421
eQ VC	371	226
eQ PE XIII US	620	455
eQ PE XII North	798	734
eQ PE XI US	866	810
eQ PE X North	915	838
eQ PE IX US	1 107	1 168
eQ PE VIII North	1 649	1 750
eQ PE VII US	2 727	2 846
eQ PE VI North	1 306	1 346
Amanda V East	1 319	1 661
Amanda IV West	-	28
Amanda III Eastern PE	5	78
Total	12 340	12 396
Real estate funds:		
eQ Residential II	700	668
eQ Residential	840	843
Funds managed by others:		
Large buyout funds	1 188	1 196
Midmarket funds	36	91
Venture funds	1 349	1 362
Total	16 452	16 556



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

Investment commitment	30 Sept. 2024	31 Dec. 2023
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XVI North	1 000	-
eQ VC II	851	905
eQ PE XV US	807	860
eQ PE XIV North	500	600
eQ VC	493	634
eQ PE XIII US	314	453
eQ PE XII North	285	285
eQ PE XI US	63	153
eQ PE X North	109	159
eQ PE IX US	124	126
eQ PE VIII North	301	301
eQ PE VII US	286	160
eQ PE VI North	371	371
Amanda V East	663	663
Amanda IV West	-	427
Amanda III Eastern PE	273	273
Total	6 439	6 368
Real estate funds:		
eQ Residential II	-	200
eQ Residential	-	150
Funds managed by others:		
Large buyout funds	2	133
Midmarket funds	302	302
Venture funds	-	-
Total	6 743	7 153



SEGMENT INFORMATION, EUR 1 000

1-9/2024	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	45 954	4 294	-	-		50 248
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	302		302
Net income from financial assets	-	-	572	386		958
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	46 066	4 294	572	745	-170	51 508
Fee and commission expenses	-457	-	-			-457
To other segments	-	-	-113	-	113	-
Interest expenses	-136	-26	-	-14		-176
NET REVENUE	45 473	4 268	460	732	-58	50 875
Administrative expenses						
Personnel expenses	-15 057	-2 299	-	-1 325		-18 681
Other administrative expenses	-1 529	-264	-	-241	58	-1 976
Depreciation on tangible and intangible assets	-681	-125	-	-46		-852
Other operating expenses	-1 352	-119	-	-266		-1 737
OPERATING PROFIT (LOSS)	26 854	1 461	460	-1 146	0	27 629
Income taxes				-5 716		-5 716
PROFIT (LOSS) FOR THE PERIOD				-6 862		21 913

1-9/2023	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	50 655	1 236	-	-		51 890
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	183		183
Net income from financial assets	-	-	512	258		770
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	50 767	1 236	512	499	-170	52 844
Fee and commission expenses	-409	-	-			-409
To other segments	-	-	-113	-	113	-
Interest expenses	-99	-19	-	-11		-128
NET REVENUE	50 260	1 217	400	488	-58	52 307
Administrative expenses						
Personnel expenses	-15 429	-1 617	-	-1 235		-18 281
Other administrative expenses	-1 347	-253	-	-240	58	-1 782
Depreciation on tangible and intangible assets	-776	-131	-	-48		-955
Other operating expenses	-996	-102	-	-228		-1 327
OPERATING PROFIT (LOSS)	31 711	-887	400	-1 262	0	29 961
Income taxes				-6 206		-6 206
PROFIT (LOSS) FOR THE PERIOD				-7 468		23 756



7-9/2024	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	15 384	1 347	-	-		16 731
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	91		91
Net income from financial assets	-	-	-46	126		80
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	15 422	1 347	-46	237	-57	16 902
Fee and commission expenses	-156	-	-	-		-156
To other segments	-	-	-38	-	38	-
Interest expenses	-45	-9		-6		-60
NET REVENUE	15 220	1 338	-84	231	-19	16 686
Administrative expenses						
Personnel expenses	-4 628	-703	-	-348		-5 679
Other administrative expenses	-500	-63	-	-55	19	-599
Depreciation on tangible and intangible assets	-222	-42	-	-15		-279
Other operating expenses	-451	-40	-	-87		-579
OPERATING PROFIT (LOSS)	9 418	490	-84	-274	0	9 551
Income taxes				-1 978		-1 978
PROFIT (LOSS) FOR THE PERIOD				-2 251		7 573

7-9/2023	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	16 031	342	-	-		16 374
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	58		58
Net income from financial assets	-	-	295	39		334
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	16 069	342	295	116	-57	16 766
Fee and commission expenses	-141	-	-	-		-141
To other segments	-	-	-38	-	38	-
Interest expenses	-40	-8		-4		-51
NET REVENUE	15 888	335	258	112	-19	16 574
Administrative expenses						
Personnel expenses	-4 423	-413	-	-348		-5 184
Other administrative expenses	-430	-59	-	-53	19	-522
Depreciation on tangible and intangible assets	-258	-44	-	-16		-318
Other operating expenses	-290	-32	-	-66		-389
OPERATING PROFIT (LOSS)	10 487	-212	258	-371	0	10 161
Income taxes				-2 101		-2 101
PROFIT (LOSS) FOR THE PERIOD				-2 472		8 060



1-12/2023	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	67 397	3 963	-	-		71 361
From other segments	150	-	-	-	-150	-
Interest income	-	-	-	275		275
Net income from financial assets	-	-	-431	379		-52
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	67 547	3 963	-431	731	-227	71 584
Fee and commission expenses	-546	-	-			-546
To other segments	-	-	-150	-	150	-
Interest expenses	-143	-27	-	-15		-185
NET REVENUE	66 859	3 936	-581	716	-77	70 853
Administrative expenses						
Personnel expenses	-21 092	-2 614	-	-1 710		-25 415
Other administrative expenses	-1 925	-343	-	-340	77	-2 532
Depreciation on tangible and intangible assets	-1 035	-174	-	-64		-1 273
Other operating expenses	-1 419	-138	-	-329		-1 885
OPERATING PROFIT (LOSS)	41 389	668	-581	-1 727	0	39 749
Income taxes				-8 225		-8 225
PROFIT (LOSS) FOR THE PERIOD				-9 952		31 524

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

	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Asset Management					
Net revenue	15 220	15 110	15 143	16 599	15 888
Operating profit	9 418	8 576	8 860	9 678	10 487
Corporate Finance					
Net revenue	1 338	2 121	808	2 719	335
Operating profit	490	898	72	1 555	-212
Investments					
Net revenue	-84	321	223	-981	258
Operating profit	-84	321	223	-981	258
Other segments and eliminations					
Net revenue	212	159	303	209	93
Operating profit	-274	-510	-363	-464	-371
Group total					
Net revenue	16 686	17 711	16 478	18 547	16 574
Operating profit	9 551	9 286	8 792	9 787	10 161
Profit for the period	7 573	7 357	6 982	7 768	8 060



CAPITAL ADEQUACY, EUR 1 000

	IFR 30 Sept. 2024 eQ Group	IFR 31 Dec. 2023 eQ Group
Equity	67 730	75 436
Common equity tier 1 (CET 1) before deductions	67 730	75 436
Deductions from CET 1		
Intangible assets	-29 222	-29 251
Unconfirmed profit for the period	-21 913	-31 524
Dividend proposal by the Board*	-	-1 073
Common equity tier 1 (CET 1)	16 595	13 588
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	16 595	13 588
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	16 595	13 588
Own funds requirement according to the most restrictive requirement (IFR)	5 375	5 375
Fixed overhead requirement	5 375	5 375
K-factor requirement	388	371
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	67 188	67 188
Common equity tier (CET1) / own funds requirement, %	308.7%	252.8%
Tier 1 (T1) / own funds requirement, %	308.7%	252.8%
Total capital (TC) / own funds requirement, %	308.7%	252.8%
Common equity tier 1 (CET1) / risk weights, %	24.7%	20.2%
Tier 1 (T1) / risk weights, %	24.7%	20.2%
Total capital (TC) / risk weights, %	24.7%	20.2%
Excess of total capital compared with the minimum level	11 220	8 213
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	9 876	6 869

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



GROUP KEY RATIOS

	30 Sept. 2024	30 Sept. 2023	31 Dec. 2023
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	21 913	23 756	31 524
Earnings per average share, EUR	0.53	0.59	0.78
Diluted earnings per average share, EUR	0.52	0.56	0.75
Equity per share, EUR	1.64	1.65	1.85
Equity per average share, EUR *)	1.64	1.66	1.86
Return on investment, ROI % p.a.	38.7	39.8	37.8
Return on equity, ROE % p.a.	40.8	42.5	40.1
Equity to assets ratio, %	64.8	74.5	75.2
Cost/income ratio, Group, %	45.7	42.6	43.8
Share price at the end of the period, EUR	14.05	17.50	15.58
Market value, EUR million	581.8	712.9	634.8
Personnel calculated as full-time resources at the end of the period	104	101	101

*) 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 2023 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 2024, eQ's remaining investment commitments in private equity funds totalled EUR 6.7 million (EUR 7.2 million 31 Dec. 2023). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2023).