ANNUAL REPORT 2023

Contents

eQ in 2023

Key Figures

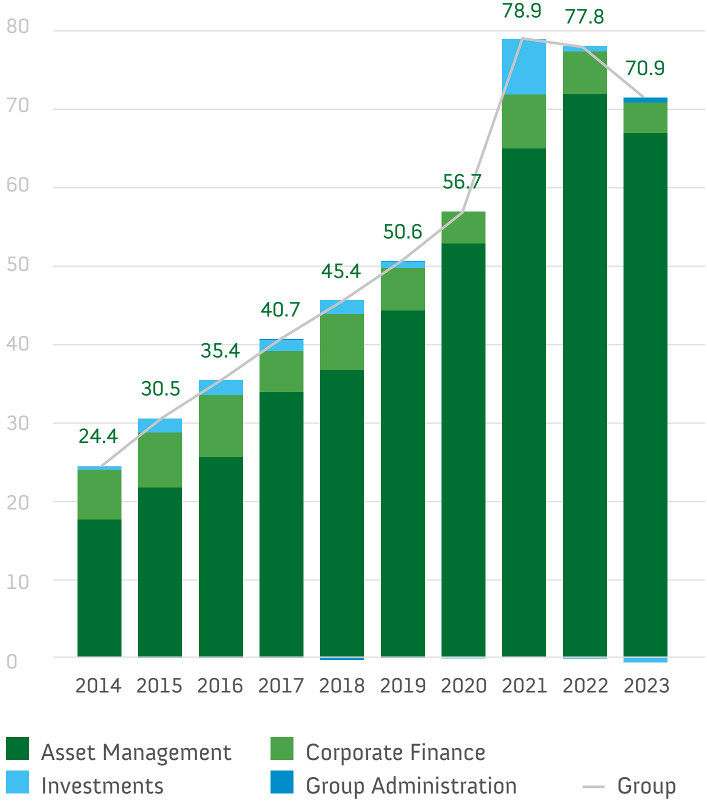
NET REVENUE	OPERATING PROFIT	EARNINGS PER SHARE	COST/INCOME RATIO	ASSETS UNDER MANAGEMENT WITHOUT REPORTING SERVICES
70.9 MEUR (2022: 77.8 MEUR)	39.7 MEUR (45.7 MEUR)	0.78 EUR (0.91 EUR)	43.8% (41.1%)	10.0 EUR BILLION (9.7 EUR BN)

DIVIDEND PER SHARE	MARKET CAP	NUMBER OF SHAREHOLDERS	NUMBER OF PERSONNEL	AND IN TOTAL
0.80 (1.00 EUR)	634.8 MEUR (1,028.9 MEUR)	8,376 (8,277)	101 (94)	12.9 EUR BILLION (12.6 EUR BN)

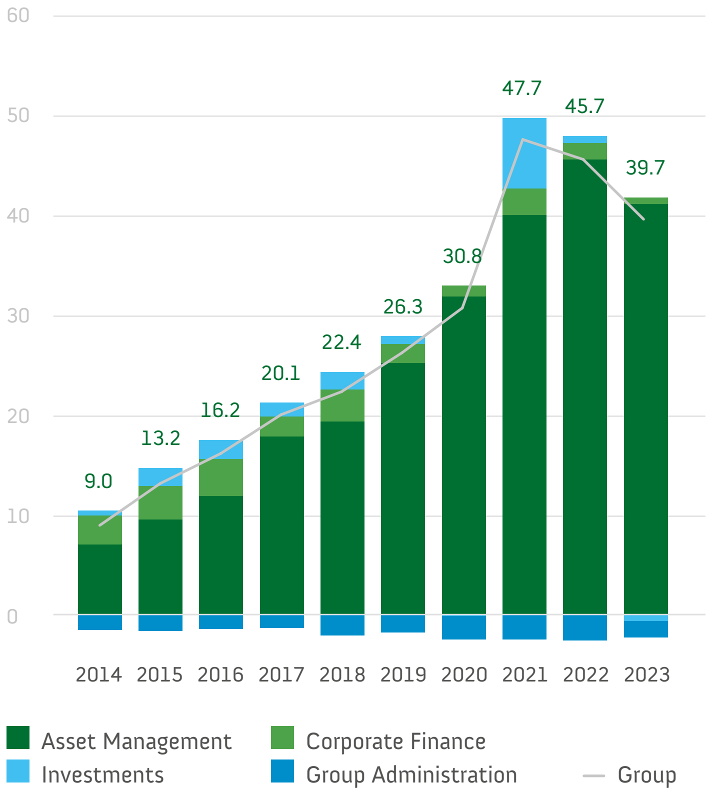
eQ in Brief

eQ is a Finnish group of companies that concentrates on asset management and corporate finance operations. The share of the parent company eQ Plc is listed on Nasdaq Helsinki. The Group offers its clients services related to mutual-, real estate- and private equity funds, discretionary asset management, investment insurance policies, and a large range of mutual funds offered by international partners. The asset management clients are institutional investors and private individuals. In addition, Advium Corporate Finance Ltd, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

NET REVENUE DEVELOPMENT, MEUR



OPERATING PROFIT DEVELOPMENT, MEUR



Investors assessed the quality of eQ Asset Management to be the best in the market for already the fifth time in a row.

CEO'S REVIEW

eQ Group's result fell in the partially challenging operating environment

eQ's result for the financial period fell in the partially challenging operating environment. The net revenue of the Group during the financial period was EUR 70.9 million and the operating profit EUR 39.7 million. Operating profit fell by 13 per cent from the previous year. The profit for the year was EUR 31.5 million and the earnings per share were 78 cents. The Group's cost/income ratio was at an excellent level of 43.8 per cent.

Last year, eQ Asset Management's net revenue decreased by 7 per cent and operating profit by 10 per cent to EUR 41.4 million. eQ Asset Management's management fees grew but performance fees fell by 50 per cent. The cost/income ratio of the Asset Management segment continued stood at 37.9 per cent. The net revenue of Advium fell by 27 per cent from the year before to EUR 3.9 million. Operating profit was EUR 0.7 million, compared with the previous year's EUR 1.7 million. The business operations of the Investments segment consist of private equity and real estate fund investments made from eQ Group's own balance sheet. The result of the Investments segment fell from the year 2021. The operating profit of the segment was EUR -0.6 million, compared with previous year's EUR 0.7 million.

eQ Asset Management is the leading institutional asset manager in Finland

According to a survey conducted by SFR last year, eQ is the second most used institutional asset manager in Finland. 64 per cent of the respondents say they use eQ's services. Best of all, investors assessed the quality of eQ Asset Management to be the best in the market for already the fifth time in a row. The overall assessment of quality consists of several different criteria, and clients interviewed find the return of investments to be the most important among these. In the 2023 study, eQ Asset Management was ranked number one in no fewer than 7 categories of 9. SFR interviews the approximately 100 largest Finnish institutional investors annually.

As for traditional interest and equity investments, the returns of client portfolios in 2023 were excellent. Of the funds that eQ manages itself, 69 per cent gave a better return that its benchmark index, and during a three-year period the corresponding figure was also 69. The returns of Private Equity funds were slightly positive as well. The returns of the real estate funds were negative

Sustainability has for years been one of the cornerstones of our operations and part of all our business operations.

Mikko Koskimies
CEO

for the first time, on the other hand, due to an increase of the yields resulting from the strong rise in interest rates.

Interest in alternative investment products has grown for several years both in Finland and globally. Investors aim to raise anticipated returns and diversify their investment portfolios. eQ Asset Management is a clear market leader as a provider of alternative investment products in Finland.

In eQ's Private Equity asset management, we raised a total of more than 300 million dollars in private equity and VC funds in 2023. We raise assets in funds investing in Europe and the United States in alternating years, and 2023 was a year for the US. The first closing of the new eQ PE XV US private equity fund was held at the end of January 2023 at USD 177 million. The final closing of the fund was made in December at USD 283 million. The eQ PE XV US Fund makes investments in private equity funds that invest in unlisted small and mid-sized companies in Northern America. The eQ PE XV US Fund is already the fifth fund that makes investments in private equity funds in Northern America, and altogether we have raised investment commitments of about one billion dollars to the US funds. In October we also made the first closing in the eQ VC II Fund, which makes Venture Capital investments and is the second fund in size at USD 20 million. At the turn of the year, the assets managed by Private Equity funds and asset management programmes totalled EUR 4.0 billion.

The eQ Care Fund was the first Finnish open real estate fund. It was established in 2012, and in 2021 its name was changed to eQ Community Properties Fund. The eQ Commercial Properties Fund was founded in 2014. In 2020 we expanded real estate investing to housing by establishing the eQ Residential Fund, and in 2022 we founded the second residential fund – eQ Residential II. At the turn of the year, eQ's real estate funds managed EUR 2.3 billion in assets and the combined real estate assets of the funds totalled EUR 3.4 billion.

We invest in sustainability

Sustainability has for years been one of the cornerstones of our operations and part of all our business operations. We act in a responsible and sustainable manner as eQ Group and integrate sustainability systematically and in practice to eQ Asset Management's investment operations and Advium's Corporate Finance operations.

Even though eQ Group, based on its size and operations, is not obliged to draw up a sustainability report required by the Finnish Accounting Act, we have decided to voluntarily report on sustainability to investors and other major stakeholders, now already for the seventh time. The sustainability report is part of our Annual Report.

Responsible investment is not a separate consideration for eQ, as ESG is part of all investment operations. In practice this means that sustainability is continuously and systematically integrated in the selection, monitoring and reporting of investees in all investment areas of eQ. Every portfolio manager and analyst must know how to analyse and take responsibility and sustainability into account in their investment decisions. eQ's Director for Responsible Investment is responsible for the co-ordination and development.

We draw up an ESG report on all equity, fixed-income and real estate investments twice a year and on Private Equity investments once a year.

We regularly report to PRI (UN's Principles for Responsible Investment) on sustainability in our investment processes, our concrete engagement activities in the investees and our development initiatives regarding the responsible investment approach. The ratings we have received are excellent.

We are committed to continuously developing sustainability in co-operation with our clients. We wish to offer our clients concrete solutions that support their needs even with regard to sustainability, now and in future.

Advium's operating environment slowed down

In 2023, the value of corporate acquisitions fell world-wide from the previous year, but a small pickup could be observed at the end of the quarter. This was affected by the rise in share prices late in the year and expectations of a lowering of the interest rate level in 2024. Activity in Finnish real estate transactions slowed down considerably in 2023, leading to a decline of more than 60 per cent in overall transaction volume compared with the previous year. The most significant factor contributing to a slowdown in activity is the rapid rise in interest rate levels and weaker availability of financing.

In 2023, Advium acted as advisor in four M&A acquisitions completed: a Fairness Opinion to Musti Group, advising Aspo Plc regarding a minority investment by OP Suomi Infra, sale of shares in Caverion, and advising Otava on a mandatory public offer. In real estate transactions, Advium also acted as advisor for the global fund manager Schroders which sold an office building in central Turku.

Group balance sheet and dividend proposal

The Group has no interest-bearing loans, and its balance sheet is very strong. The profit of the Group was 78 cents per share in 2023. Due to the strong balance sheet and capital adequacy, the Board of Directors have decided to propose to the Annual General Meeting that EUR 0.80 per share be paid as a dividend. It is proposed that the dividend be paid in two instalments.

Thanks to our clients, personnel and partners

I wish to thank all our clients for excellent co-operation and the trust you have shown in our services.

High-quality customer service requires extremely professional, committed and motivated personnel. The results of the biannual survey on well-being at work were excellent in 2023 as well. The survey deals with employees' commitment, well-being at work, satisfaction with the work community and the work of the supervisor. On a scale from 1 to 5, employees assessed job satisfaction and well-being at work at 4.4, which is an excellent level. According to the survey, employees are happy to recommend eQ Group as an employer. The eNPS value that describes this was very high at 44 (on a scale from -100 to +100, where 0 to +20 is good, over 20 excellent and over 40 a top result). I want to thank the entire personnel for their excellent achievements in 2023.

In addition to the clients and personnel, my warm thanks go to all our partners for good co-operation.

Outlook for 2024

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.

Mikko Koskimies
CEO

Business areas

Asset Management

The Asset Management segment consists of eQ Plc's subsidiary, 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.

The aim of eQ Asset Management is to offer its clients good investment returns, innovative asset management services and excellent customer service. Through its own organisation and international partners, eQ can offer its clients an extensive and international range of investment solutions.

eQ has a wide range of actively managed and successful funds, which offer diversified investment alternatives with different strategies. The investment range covers 23 traditional mutual funds registered in Finland, private equity and real estate funds as well as funds of our international partners, covering all major investment categories and markets. At the end of the financial period 2023, the assets managed by the Group, excluding assets covered by private equity reporting services, were EUR 10,000 million and altogether EUR 12,917 million.

eQ Asset Management is the leading institutional asset manager in Finland. SFR interviews the approximately 100 largest Finnish institutional investors annually. According to the study conducted by SFR in 2023, investors regarded eQ as the best asset manager in the market in their quality assessments already the fifth year in a row. According to the study, eQ is the second most used institutional asset manager in Finland.

The principles of responsible Investments cover all of eQ's investment areas. There is more information on eQ Group's sustainable business and responsible investment operations in a separate section of the Annual Report.

In 2023, eQ Asset Management's net revenue decreased by 7 per cent and operating profit by 10 per cent to EUR 41.4 million. Performance fees fell by 50 per cent to EUR 5.4 million from previous year's EUR 10.8 million. Performance fees typically fluctuate strongly per quarter and financial period. Management fees grew by 1 percent. As for sales, the year 2023 was good especially in private equity asset management. In 2023, private equity assets were raised to the eQ PE XV US Fund, which makes investments in Northern America. Its size in final closing grew to USD 283 million. In October we also made the first closing in the eQ VC II Fund, which makes Venture Capital investments and is the second fund in size at USD 20 million.

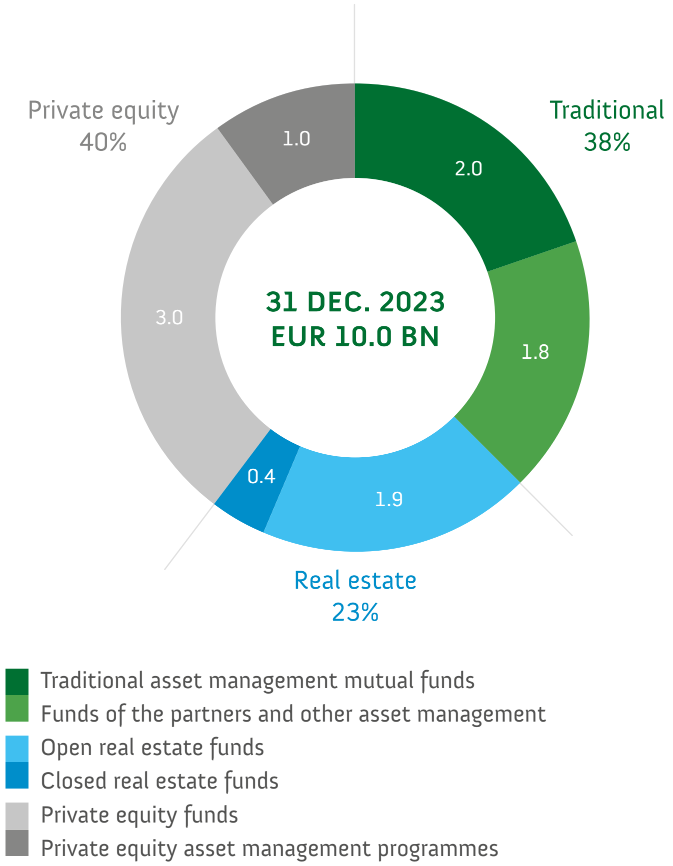
Key figures

Asset Management	1–12/2023	1–12/2022	Change
Net revenue, MEUR	66.9	71.8	-7%
Operating profit, MEUR	41.4	45.9	-10%
Cost/income ratio, %	37.9	36.0	5%
Personnel as full-time resources	80	76	5%

Fee and commission income, Asset Management, MEUR	1–12/2023	1–12/2022	Change
Management fees			
Traditional asset management	8.8	9.4	-6%
Real estate asset management	35.6	35.1	1%
Private equity asset management	17.6	16.9	4%
Management fees, total	62.0	61.5	1%
Performance fees			
Traditional asset management	0.0	0.0	281%
Real estate asset management	-0.7	4.3	-117%
Private equity asset management	6.1	6.5	-5%
Performance fees, total	5.4	10.8	-50%
Other fee and commission income	0.1	0.1	-18%
Fee and commission income, total	67.5	72.4	-7%

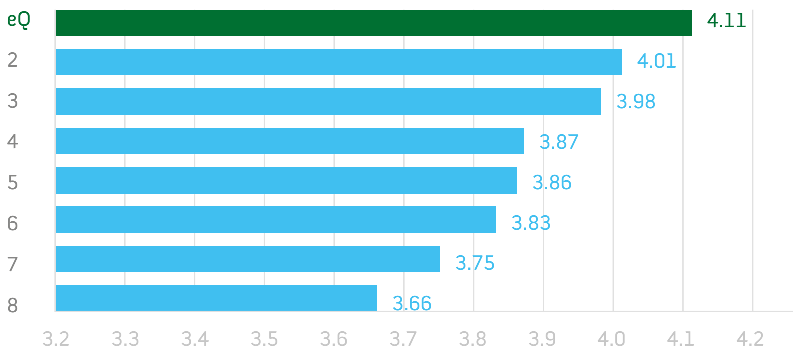
eQ'S ASSETS UNDER MANAGEMENT

Without private equity reporting services EUR 10.0 bn and in total EUR 12.9 bn



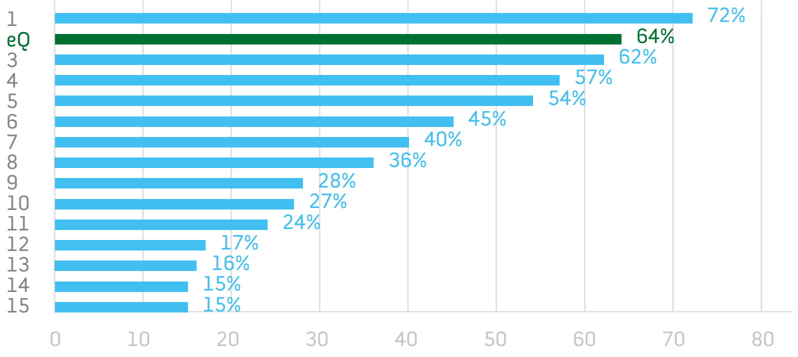
SFR RESEARCH: ASSET MANAGEMENT QUALITY REVIEW (1–5)

Source: SFR research 2023



SFR RESEARCH: MOST USED INSTITUTIONAL ASSET MANAGERS

Source: SFR research 2023



eQ Asset Management again the most high-quality asset manager in Finland

In the annual SFR survey, institutional investors assessed eQ Asset Management to be the most high-quality asset manager in Finland, already the fifth time in a row. The survey covers the approximately 100 largest institutional investors in Finland and was conducted in the autumn of 2023.

eQ Asset Management was ranked number one in no fewer than 7 categories of 9.

1. Investment performance 3 years
2. Customer service
3. Clarity of investment process
4. Resources
5. Ability to take a market view
6. Performance 12 months
7. Reporting services

In the same survey eQ Asset Management was the second most used institutional asset manager in Finland. 64 per cent of the interviewees say they use eQ's services.

eQ has raised more than one billion dollars in the North America PE funds

eQ PE XV US, which is eQ Asset Management's fifth Private Equity fund investing in North America, raised 283 million dollars in 2023. In total, more than one billion dollars have been raised in eQ's US PE funds since 2015.

Special Investment Fund eQ PE XV US makes investments in private equity funds whose strategy is to make equity investments in unlisted, small and medium-sized companies in the United States and Canada. The management company of all five eQ PE US funds is eQ and the advisor is RCP Advisors. The cooperation with our strategic partner RCP has continued for a long time and is working excellent. An experienced local partner is an absolute necessity for finding the most interesting funds and obtain an allocation from them. eQ's previous PE US funds have already made extremely strong value creation for our clients.

eQ establishes Europe and USA Private Equity funds in alternating years. eQ's Private Equity funds are intended for professional investors only.

eQ's real estate funds had a challenging year in 2023

eQ's real estate funds had a difficult year in 2023, and the returns of the real estate funds at an annual level were negative for the first time, due to an increase of the yields resulting from the strong rise in the interest rate level. The value of the eQ Commercial Properties Fund decreased by 12.7% and the value of the eQ Community Properties Fund by 13.8% (with full fees). The funds' returns over the long term remain at a good level. The return of the eQ Commercial Properties Fund since establishment is 5.7 per cent, the corresponding figure for the eQ Community Properties Fund being 6.7 per cent p.a.

Real estate yields increased and as a result values of properties fell. Thus the decline in values is not caused by properties in eQ's real estate funds or leasing nor were there any changes in these. The properties are located in the Helsinki metropolitan region and other growth centres, and their occupancy rates are high. Rents rose by around 5 per cent at almost all of our properties in January 2024. The current initial rental yield level in the eQ Commercial Properties Fund is 6.3 per cent and in the eQ Community Properties Fund 5.9 per cent.

The value of the real estate assets in eQ's real estate funds is EUR 3.4 billion, and the rental area is more than one million square meters.

Corporate Finance

eQ's corporate finance services are offered by eQ Plc's subsidiary Advium Corporate Finance Ltd. The services cover mergers and acquisitions, large real estate transactions, equity capital markets, and advisory services in general. The clients are mainly Finnish companies that make corporate or real estate transactions in Finland and abroad, but also international companies engaged in corporate and real estate transactions in Finland.

Advium is one of the most experienced and highly esteemed advisors in Finland. Since its establishment in 2000, the company has carried out more than 240 corporate and real estate transactions, and in many of them, at least one of the parties has been an international actor. The total value of the transactions has exceeded EUR 20 billion.

In 2023, Advium acted as advisor in four M&A acquisitions completed: a Fairness Opinion to Musti Group relating to a public cash tender offer by a consortium led by Sonae, advising Aspo Plc regarding a minority investment by OP Suomi Infra, sale of shares in Caverion to a subsidiary of the Triton investment firm, and advising Otava on a mandatory public offer concerning shares in Alma Media Corporation. In real estate transactions, Advium acted as advisor in one published transaction in 2023 when a fund managed by Schroders Capital sold an office building in central Turku to Niam.

In 2023, Advium's net revenue was EUR 3.9 million and operating profit EUR 0.7 million. It is typical of the corporate finance business that clients pay a success fee when the transaction has been carried out. Consequently, the transaction dates of the transactions have a major impact on invoicing, and the net revenue may vary considerably.

Key figures

Corporate Finance	1–12/2023	1–12/2022	Change
Net revenue, MEUR	3.9	5.4	-27%
Operating profit, MEUR	0.7	1.7	-62%
Cost/income ratio, %	83.0	67.7	23%
Personnel as full-time resources	16	13	23%

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 financial period 2023, the operating profit of the Investments segment was EUR -0.6 million. At the end of the period, the fair value of the investments was EUR 16.6 million and the amount of the remaining investment commitments was EUR 7.2 million. During the period under review, eQ Plc made a USD 1.0 million investment commitment in the eQ PE XV US private equity fund and a USD 1.0 million commitment in the eQ VC II venture capital fund.

During the period, the investment objects returned capital for EUR 1.4 million and distributed a profit of EUR 0.8 million. Capital calls totalled EUR 2.3 million. The net cash flow from investments during the period was EUR -0.1 million. The value changes of investments recognised through profit or loss were EUR -1.2 million during the period.

As for the income from own investment operations, eQ's net revenue is recognised for eQ due to factors independent of the company. As a result, the segment's result may vary considerably.

Key figures

Investments	1–12/2023	1–12/2022	Change
Operating profit, MEUR	-0.6	0.7	187%
Fair value of investments, MEUR	16.6	16.8	-2%
Investment commitments, MEUR	7.2	7.5	-4%
Net cash flow of investments, MEUR	-0.1	2.8	-105%

THE VALUE OF PRIVATE EQUITY AND REAL ESTATE FUND INVESTMENTS

16.6 MEUR

Sustainability

Sustainability develops in all actions taken by eQ

We now publish the Sustainability Report for the seventh time as part of our Annual Report. For us, it is very important to report on the realisation of sustainability in our business operation transparently. We have actively and for a long time encouraged our investees to report on corporate responsibility and to develop the contents and quality of their reports.

Our values "honest, open, competent and efficient" guide the work of every eQ employee and constitute the foundation for daily co-operation with clients, partners and other key stakeholders. Customer satisfaction at our largest clients (SFR) and satisfaction of personnel (our own biannual survey) remained at excellent levels in 2023 also.

We also find it very important that every eQ employee has good competence in sustainability matters and up-to-date information on them. Subjects on the training agenda in 2023 included an update of the EU Sustainable Finance Disclosure Regulation and the Taxonomy Regulation, the success of eQ's real estate funds in the GRESB assessment, collection of PAI indicator data on eQ's areas of investment and study of data contents, and review of the concept of greenwashing and its manifestation.

Sustainability within eQ Group is at an excellent level. As a result of the successful sustainability performance at Group level, eQ Plc has been awarded the international ISS ESG Prime responsibility rating. eQ Plc is also included in the Nasdaq OMX Sustainability Finland index.

In late 2023 eQ Asset Management once again achieved excellent results in PRI's 2022 assessment. We succeeded much better than the median in all six sections the company reported. The grade of eQ's listed shares and real estate investments has been among the best (five stars) for a long time. Corporate loans climbed to the best category (five stars) for the first time. Private equity investments achieved a grade of four stars. A new area in the assessment was confidential building measures where the results were also good.

In this eQ Group's Sustainability Report, we also briefly present the most important events concerning ESG matters in 2023 in the various asset classes. Detailed ESG information is available in our fund-specific ESG reports, and we provide our portfolio clients with reports on the ESG situation of the entire portfolio as a summary.

Emission reduction targets were the theme of engagement in eQ's fixed income and equity investments in 2023. eQ implemented a climate survey to investments of funds which have not yet used MSCI's data to set an emission reduction target for their own business operations. The answers provided important further information about the companies' situation and future plans regarding emission reduction targets. This survey and discussions with businesses again demonstrated the importance of a portfolio manager's own ESG activity and engagement in investees.

Sustainability reporting of eQ's real estate investments was reformed in 2023. During the reporting reform, we carefully assessed ESG information collected on properties and improved the data collection processes. The new ESG reports of real estate funds are published in early 2024 and ESG reports of residential funds later in the spring. Another important development project was related to the taxonomy compliance assessment of properties, and we describe its results in this report in greater detail.

The year 2023 was also very active from ESG activity in eQ's private equity investments, and a great deal of concrete development work was completed. In spring 2023 eQ collected PAI indicators on eQ's European private equity target funds and reported them to investors for the first time. In November eQ PE won international recognition at the Private Equity Exchange & Awards in Paris.

We are already looking ahead to 2024 with great interest. Our own systematic and concrete work on sustainability will continue in all of our areas of investing. We also closely monitor the launch of the Corporate Sustainability Reporting Directive (CSRD), which takes effect at the beginning of 2024, at large listed corporations. eQ will be covered by sustainability reporting in 2025 and publish its first report in 2026.

Now is the time to thank our clients and partners. You challenge us to ponder topical new themes and trends in responsibility and sustainability, and to develop our approach on this basis. We will be happy to meet this challenge going forward.

We hope that you enjoy reading our 2023 Sustainability Report.

Sanna Pietiläinen
Director, Responsible Investment

Sustainability Report 2023

Sustainability and its reporting in eQ Group

eQ Group is a Finnish group of companies that concentrates on asset management and corporate finance business. The parent company eQ Plc's shares are listed on the main board of Nasdaq Helsinki.

Sustainability reporting describes eQ Group's role as a responsible actor in relation to its stakeholders and society at large. eQ wishes to ensure the transparency and openness of its operations by reporting on its sustainability work and its development regularly and extensively. Even though eQ Group, based on its size and operations, is not obliged to draw up a non-financial report required by the Finnish Accounting Act, since 2017 the Board of Directors of eQ Plc has decided to voluntarily report on its sustainability to shareholders, clients and other major stakeholders. eQ Group's 2023 Sustainability Report has been approved by the eQ Plc's Board of Directors, and it is published as part of the 2023 Annual Report.

eQ Group's responsible operations

Responsible operations are a key part of eQ's entire business. We act in a responsible and sustainable manner as eQ Group and integrate this work systematically and in practice to eQ Asset Management's investment operations and Advium's corporate finance operations. eQ's values (below) are at the core of the Group's work culture. They guide the work of each eQ employee and constitute the foundation for daily co-operation with clients, partners and other key stakeholders.

eQ Group's values

HONEST

We are honest and reliable, true to our word. We act correctly and responsibly. We comply with the regulation of the financial industry and eQ's joint rules.

OPEN

We are easily approachable and discuss all matters openly. We do not cover up mistakes or problems, we learn from them. We rejoice successes together. We also respect dissimilarity.

COMPETENT

We want to understand our clients' needs. We constantly develop our professional skills and procedures. We dare to question matters. We share information, provide assistance and give feedback.

EFFICIENT

We do what we promise briskly and carefully. We do the work, we do not simply talk and plan. We work diligently and with an uncompromising attitude together with our clients, colleagues and partners.

eQ encourages the companies in which it invests to provide transparent stakeholder information and develop their sustainability reporting, regardless of the size of the company or the regulatory requirements. More information about sustainability, the related principles and other relevant documents can be found on eQ's website (*https://www.eq.fi/fi/about-eq-group/sijoittajat/vastuullisuus*).

Sustainability themes

eQ has identified in its own business four essential areas that create the framework for sustainability. The sustainability themes have been approved by eQ Plc's Board of Directors. The section below describes in detail what these four themes mean in practice.

At Group level, the Management Team is responsible for sustainability, and the work is conducted in close co-operation with eQ's Director for Responsible Investment. eQ Plc's Board of Directors receives annual reports on how sustainability has been carried out within the company as well as on future development plans.

GOOD GOVERNANCE

- Adherence to the law, internal instructions, policies (such as the policy on conflicts of interest) and Code of Conduct
- Transparent reporting on costs also
- Proactive activities against corruption, bribery and money laundering, as well as promoting these activities in the entire sector
- eQ Plc publishes a Sustainability Report

CLIENTS

- An honest, open, competent and efficient partner to eQ's clients
- In-depth understanding of customer needs and meeting these needs
- Monitoring customer satisfaction

THE ENVIRONMENT

- Green electricity in our own premises
- Environmentally friendly guidelines for employees
- Location of the premises, travel ticket as employee benefit, and bicycle storage
- Support for the Baltic Sea Action Group (BSAG) since 2019, EUR 120,000 in 2023

PERSONNEL

- Wellbeing at work and monitoring of job satisfaction
- Equality and diversity
- Early support programme, programme on substance abuse and gaming addiction
- Training on sustainability matters for our employees

Training related to sustainability

We provide our employees with continuous training in sustainability matters. Items on the training agenda in 2023 included a review of the EU Sustainable Finance Disclosure Regulation and the Taxonomy Regulation from eQ's perspective, the success of the real estate funds in the GRESB assessment, the concept of greenwashing and its manifestation, and a discussion of the eQ Group's substance abuse programme.

In its induction programme, eQ commits new employees to comply with and implement eQ's principles and procedures on responsible investing. In 2023 the company organised three induction trainings for new employees related to sustainability. New employees complete e-learning on the Code of Conduct as part of their induction.

Sustainability within the Group is at an excellent level

As a result of the successful sustainability performance at Group level, eQ Plc has been given the international ISS ESG Prime responsibility rating. ISS assesses how responsibility matters are carried out by a company with regard to environmental, social and governance aspects. The ISS ESG Prime rating is awarded to companies that reach or exceed the criteria for the best ESG practices defined by ISS ESG. eQ Plc was among the best tenth in its sector regarding responsible operations.

eQ Plc is included in the Nasdaq OMX Sustainability Finland index. The index consists of 40 companies ranked best on Nasdaq Helsinki in terms of sustainability criteria. In order to promote openness and transparency eQ has already for five years reported key ESG ratios describing operations based on sustainability reporting to the ESG database maintained by Nasdaq. In recognition of this, Nasdaq has awarded eQ Plc with the "Nasdaq ESG Transparency Partner" certificate.

Responsible and sustainable investment at eQ Asset Management

eQ Asset Management has for several years acted as an active forerunner for responsible investment. eQ signed the United Nations' Principles for Responsible Investment (PRI) in 2010 and has accordingly undertaken to incorporate ESG factors (the environment, social responsibility and governance) as part of the investment processes, to be an active owner and to promote the development of responsible investing practices in the industry. eQ is also an active member of Finsif (Finland's Sustainable Investment Forum), and Finance Finland.

Furthermore, eQ promotes the implementation of sustainability in private equity funds at the Finnish Venture Capital Association (as the chair of the ESG working group) and Invest Europe and, correspondingly for real estate investments, at Finnish Property Owners Rakli, at Green Building Council Finland (FIGBC), and in the GRESB (Global Real Estate Sustainability Benchmark) assessment. In fixed income and equity investments eQ has signed CDP's Climate Change programme and encourages businesses to specify emission reduction targets for their own operation, based on science, through the Science Based Target Initiative (SBTi) organised by the CDP.

Responsibility and sustainability are a key part of eQ Asset Management's investment activities and processes. eQ Asset Management's principles for responsible investment form a framework for all of eQ's investment operations and their processes. The principles cover all asset classes, and their application depends on the asset class and investment method. These principles have been approved by eQ Asset Management's Board, and they are based on policies on responsible investing specified by the Board. The corporate governance principles of eQ Asset Management Ltd are available on eQ's website.

Sustainability risks and opportunities (ESG, sustainability factors associated with the environment, society and governance) are part of the selection, monitoring and reporting of investments in all of eQ's investment areas. eQ's goal in responsible and sustainable investing is to identify investments that benefit from sustainable operation and their potential for return, and to reduce the risk in investments. For the past three years, the development of the ESG approach has been for its part steered by the EU Sustainable Finance Disclosure Regulation (SFDR) that took effect in March 2021 and its implementation in investment activities.

The Director for Responsible Investment is responsible for coordination of the implementation and development of responsible investing at eQ Asset Management for all of eQ's funds and their investment activities. Supervisors of investment teams (fixed income, equities, real estate investments and private equity investments) are responsible for the implementation and monitoring of ESG in their own investment teams. Every portfolio manager and analyst working on investment decisions at eQ systematically takes into account sustainability factors pertaining to investments in their own work. In addition, risk management & compliance and the CFO of eQ's Group Administration take part in the SFDR and ESG reporting of investment products, monitoring of regulation amendments, and sustainability reporting at Group level.

ESG training of eQ's investment teams in 2023

Implementation of the Sustainable Finance Disclosure Regulation, GRESB results concerning real estate funds, and collection of PAI indicator data and a review of data contents were on the agenda for training of eQ's investment teams in 2023. Also, eQ's fixed income and equity investment team focused on the quality and sources of MSCI's ESG data, and planned and sent an emissions survey to investments of actively managed funds. The private equity investment team reformed the process on ESG DD and monitoring, prepared a methodology for investment processes of Article 8 products, and collected PAI indicators on Northern European target funds for the first time. During the autumn the real estate investment team implemented a taxonomy compliance assessment on properties and started developing a new ESG report. Carbon accounting on properties was also specified during the development of the ESG report.

Clients

Conversations with clients and training them when necessary are a material part of eQ's customer work. We listen to our clients and learn from them. In 2023 ESG was involved in almost all meetings with clients, and meetings exclusively focused on ESG were also held with many clients.

In 2023 eQ organised for its clients an ESG webinar whose key topics were ESG data obtained from eQ's investment areas, changes in the data and concrete measures taken at investments on the basis of the data.

During the past year eQ's ESG experts were also active in several Finnish and international forums and ESG surveys, promoting the distribution of information based on best practices.

Reporting on responsible investing

eQ Plc's Board of Directors is reported once a year on implementation of responsibility and responsible investment and on future development activities in all of eQ's areas of investing. Furthermore, eQ Fund Management Company's Board regularly discusses reports according to the Disclosure Regulation concerning investment areas. eQ also annually reports to PRI on the company's practices in responsible investing and on concrete engagement activities in the investees.

eQ Asset Management once again achieved excellent results in the 2023 PRI (the UN Principles for Responsible Investment) assessment. The information that was evaluated pertains to the year 2022.

eQ succeeded much better than the median in all the six sections the company reported. The highest star classification (five stars) was achieved for real estate investments, listed equities and corporate bonds. A new area in the assessment was discussion of information reported to PRI where the results were also good.

The following chapters briefly present the most important events concerning ESG matters in 2023 in the various asset classes. The ESG reports per asset class contain detailed information about our responsible investment operations and the ESG matters that we monitor in our investees.

Fixed income and equity investments

Emissions and emission reduction targets as themes of engagement in 2023

eQ's portfolio managers monitor target companies for, e.g., the companies' emissions, the scope of emissions (Scope 1, Scope 2 and Scope 3), their trends and reporting, and the companies' commitment to the emission reduction target. The Science Based Target (SBT) or the Net Zero target encourages businesses to take concrete action to reduce emissions.

Active engagement – emissions survey of eQ's actively managed funds

In the spring of 2023 eQ implemented a climate survey to investments of fixed income and equity funds, which have not yet used MSCI's data to set an emission reduction target for their own business operations (the Science Based Target SBT or the Net Zero target). The survey was sent to 215 companies of which 80 submitted a response. The answers provided important further information about the companies' situation and future plans regarding emissions.

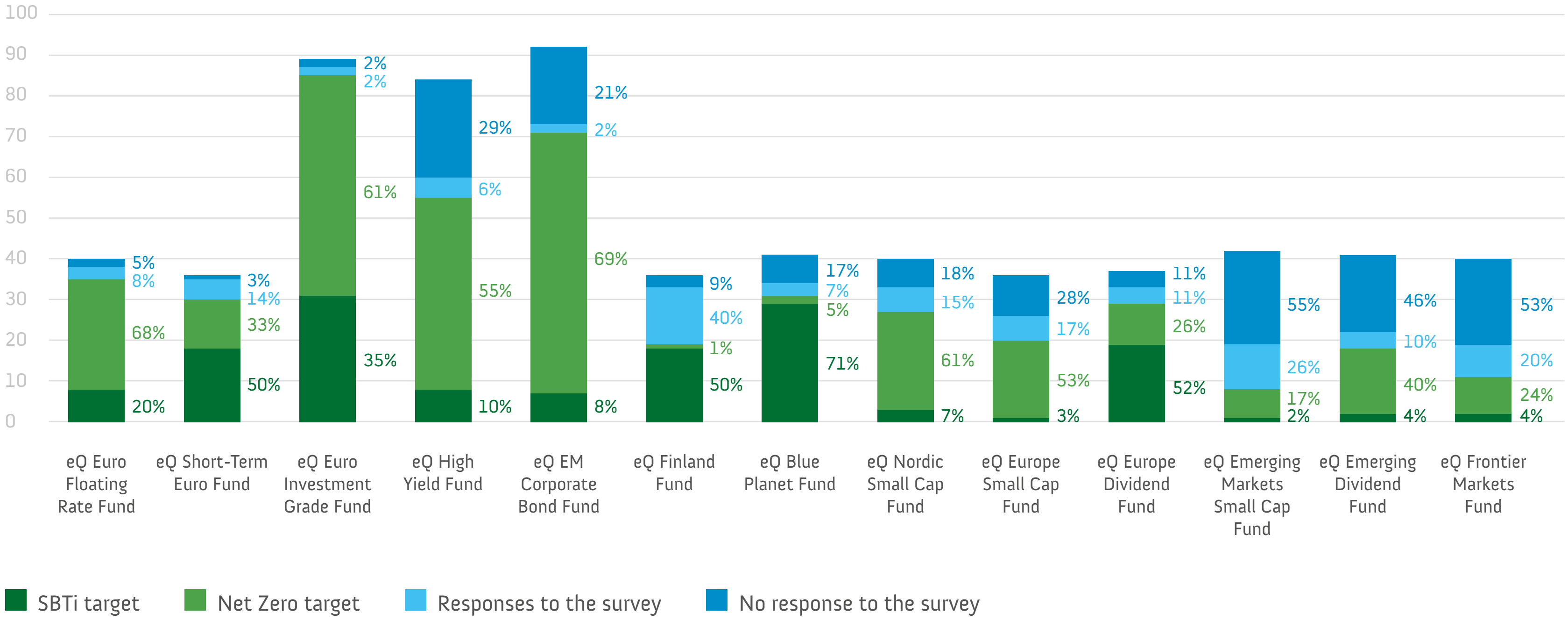
eQ's sustainable investment work can be seen as an excellent result in PRI reporting

Reported areas 2023	Score (max. 100%)	Star grade*	Median score %	Median grade
Policy Governance and Strategy	80%	★★★★☆	59%	★★★☆☆
Direct – Listed equity – Active fundamental	95%	★★★★★	71%	★★★★☆
Direct – Fixed income – Corporate	96%	★★★★★	68%	★★★★☆
Direct – Real estate	94%	★★★★★	62%	★★★☆☆
Indirect – Private equity	88%	★★★★☆	60%	★★★☆☆
Confidential building measures**	100%	★★★★★	80%	★★★★☆

*PRI's grading system is based on a classification of stars (1 star means "poor" -> 5 stars means "best"). The 2023 star classification range: % (1 star), > 25 ≤ 40% (2 stars), > 40 ≤ 65% (3 stars), > 65 ≤ 90% (4 stars) and > 90 ≤ 100% (5 stars).
**A new section ('Confidence building measures'). Includes a discussion of information reported to PRI (such as processes and data) at the company.

Investments in funds with either a SBTi or Net Zero target

Total investments of the fund pcs



Key observations of the emissions survey:

- More than half of the companies in eQ's fixed income and equity funds in emerging markets and in corporate bond funds in emerging markets already have a Science Based Target (SBT) or a Net Zero target.
- Large corporations have an SBT target and smaller enterprises a Net Zero target.
- Some companies stated that they need time to find out the various emission reduction target options. Few companies said that emissions are not an essential part of their business that requires reporting.
- The answers indicate that many companies are gradually expanding emissions reporting to the Scope 3 level, which will clarify the image investors obtain of the total emissions of a company's business operation.
- The survey also provided information about the companies' other emission targets that were not revealed by the SBT and Net Zero screening.
- It was noteworthy that in the eQ Emerging Markets Small Cap Fund, the majority of respondents declared that the company has a specified emission reduction target, and some respondents are even considering an SBT emission reduction target. This suggests that smaller companies are excluded from MSCI's analysis, especially in the emerging markets.

The emissions survey taken in the spring demonstrates the importance of a portfolio manager's own ESC activity and engagement in investees. Besides such engagement, eQ has monitored the trends in setting SBT emission reduction targets for a few years now, and also through the joint engagement initiative organised by the CDP. At the end of 2023, a total of 4 408 enterprises (ca. 4 000 in 2022) had either undertaken to set a target or already had an accepted target. These companies account for more than a third of the value of the global equity markets. The number of accepted targets doubled in 2023 (from 2 709 to 4 204), which is a significant leap in growth. When eQ joined the campaign in 2019, the number of businesses was 495. However, much work remains to be done. Although the majority of targets by companies have been set below the warming limit of 1,5 degrees, CDP's report published in 2022 says that only 24% of the reporting companies (around 5% of total emissions) are about to achieve the target set. Today almost all businesses have also set their target for the Scope 3 emission level. The Scope 3 category also includes emissions generated by end use of products as well as purchased goods and services, i.e., all indirect emissions.

Other ESG activities

eQ started reporting PAI indicators on fixed income and equity investments back in the summer of 2022, as one of the first asset managers. Reported PAI indicators are available in fund-specific ESG reports on eQ's website (*https://www.eq.fi/fi/funds/fund-values*).

The year 2023 was an interesting and educational time to read up on indicators reported on new investments. However, one must point out that the information available and its quality still involve constraints. Details relating to sustainability have not been standardized yet, and target companies do not report on information extensively, so some of the PAI indicator data available for use may be based on estimates. eQ finds that interpretation of a value of an individual PAI indicator is not yet sensible. As the data improves, PAI indicators will deepen the information about corporate sustainability.

The planned theme for new engagement in spring 2024 is eQ's survey designed to determine how many investees have adopted processes to monitor the implementation of human rights. In addition, portfolio managers will monitor the launch of sustainability reporting (CSDR) at larger investees.

Real estate investments

Reformed ESG reports offer more information than before about the sustainability of real estate investments

eQ's real estate and residential funds are sustainable financial products according to Article 9. eQ is a responsible property owner who wants sustainability measures to lead to concrete and positive development in the energy efficiency of the properties owned and in questions of environmental and social responsibility. eQ has set a tough but realistic carbon neutrality target for in-use energy consumption by 2030.

The reform of eQ's sustainability reporting on real estate investments was a key development project in 2023. Property-specific ESG data (energy efficiency MWh, carbon footprint tCO_2, water m^3 and waste t) has been systematically collected since 2018, and the first ESG report on real estate investments was published in 2019. During the recent reporting reform, eQ carefully assessed the ESG data required in analysis and property development, its quality and scope, the data collection process and needs for development in general with regard to data acquisition and reporting. The reporting reform also included a shift to fund-specific ESG reports.

In the future, each fund's ESG report will comprise the fund's basic information as well as ESG ratios and their trends. The report also shows the trend in the fund's ESG scores and carbon footprint, key property development projects and the results of a tenant satisfaction survey. Waste recycling rate was introduced as a new ratio in reporting. Since the summer of 2023, real estate funds have monitored the waste recycling rate and at the same time taken concrete measures (such as facility arrangements to facilitate sorting, site-specific recycling and sorting guides for tenants) to improve the recycling rate. The recycling rates at the end of 2023 were: eQ Commercial Properties 57% and eQ Community Properties 37%. In Finland the recycling rate is approximately 40%.

The significance of ESG data has increased through regulation also. The EU's SFDR regulation and the Energy Efficiency Directive that took effect in October 2023 for their part increase the need for data collection and reporting requirements, and eQ wants to respond to these with the reformed ESG reports. ESG reports of real estate funds are published in early 2024 and ESG reports of residential funds later in the spring.

Another important development project in 2023 was related to the taxonomy compliance assessment of properties. eQ's Article 9 classified real estate and residential funds monitor and report the share of properties meeting the taxonomy compliance criteria in the funds.

The taxonomy compliance assessment first determines whether a property is nationally in the top 15 per cent in energy efficiency (E rating). The assessment specifies for a property an imputed energy efficiency comparison rating (kWh/m²/year), i.e. an E rating. The lower the E rating, the more energy-efficient the building. After this, at least a climate risk review is carried out on properties which takes into account the environmental objective for climate change adaptation specified in the EU's Taxonomy Regulation and its environmental criteria. The climate risk review evaluates which physical environmental risks (chronic and acute ones) can affect properties during their anticipated useful life. These include variation in temperatures, changes in wind and rain conditions, rise of the sea level, and floods. It also assessed adaptation solutions for reducing identified physical climate risks that are materially associated with properties. After the assessment, maintenance-related measures are incorporated into the servicing manual and those of a renovation nature into the long-term maintenance plan. Based on the age of the site, it is also necessary to assess other criteria in accordance with the taxonomy guidelines. In late 2023 the eQ Community Properties Fund included 12 per cent taxonomy-compliant properties and the eQ Commercial Properties Fund 7 per cent taxonomy-compliant properties. Taxonomy compliance assessments will be made on sites in the residential funds also.

One individual new theme worth mentioning is electrical energy storage systems. As renewable energy increases, the need to store energy and balance the electrical network will grow. In recent years Finland has deployed the first electrical energy storage systems (EESS) and building-specific batteries. Energy is stored into a set of batteries when its availability is good. The capacity of an EESS must be at least 1 MW for the investment to be reasonable in an overall economic terms. The best profitability comes from contributing to the balancing of Fingrid's reserve market, or the electrical network. When the frequency of the main grid deteriorates, power is fed to it from the building's EESS. Buildings can also store electricity for their own use. The first project related to an EESS has been started on one site of the eQ Commercial Properties Fund.

Excellent ratings in ESG assessments

For the second time, eQ's real estate investments achieved the highest rating (five stars) in the 2023 PRI assessment (a score of 94% / 100%).

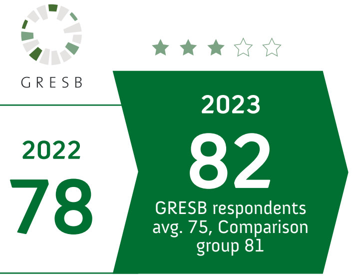
eQ's real estate funds have participated in the Global Real Estate Sustainability Benchmark (GRESB) assessment in the real estate sector for five years in a row. In the 2023 assessment the eQ Commercial Properties Fund gained four stars out of five for the first time. The rating of the eQ Community Properties was slightly below this, at three stars. The results of both funds were better than the group of respondents as a whole and the averages in eQ's comparison group. The score grew the most in risk management, the environmental system, and coverage of data on energy, water and waste. eQ utilizes the results of the assessment in identifying new development measures.

The Building Research Establishment's Environmental Assessment Method (BREEAM) In Use certification is used to assess the operability of an individual property and related maintenance functions, identify any shortcomings and select areas of development. eQ's real estate funds intend to obtain a Breeam In Use certificate for all sites, with the Very Good level as their target.

Responsibility and sustainable energy solutions are systematically implemented in eQ's residential funds as well. All investees are certified with "Very Good" as the targeted level for BREEAM In Use. Certifications are in progress, and two sites have already received a certificate. Two sites that use geothermal energy are finished and two are under construction. One site is also being built with heating that utilises an air/water heat pump. All other sites use green district heating. All sites have solar power plants. The sites use green electricity in addition to solar power. All the buildings are new. Those in the eQ Residential Fund have an energy category A or B, and all sites in the eQ Residential II Fund boast the best energy category A as a rule.

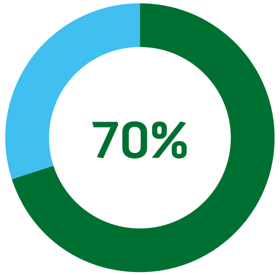
The further improvement of results of sustainability assessments demonstrates that eQ is on the right path in developing sustainability. eQ's constant target is to improve energy efficiency and reduce environmental impacts in properties owned by eQ's funds, naturally in cooperation with the tenants.

eQ Commercial Properties
GRESB -assessment

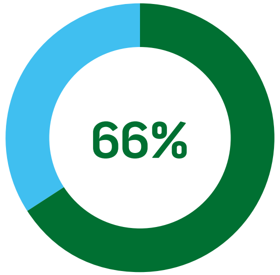


eQ Community Properties
GRESB -assessment

eQ Commercial Properties
BREEAM-certificate status



eQ Community Properties
BREEAM-certificate status



Private equity, private credit and venture capital investments

Recognition for concrete ESG work from both fund managers and the industry

In November 2023 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. Annual competitors include a large number of renowned European actors in the private equity sector, and the winners are selected by a jury consisting of experienced private equity investors.

eQ has done systematic ESG work for a long time, but plenty of active and concrete development work has been carried out in the past few years in particular. eQ has developed its ESG process in-house and cooperates with its fund managers. There are no ready-made databases on unlisted companies. eQ also distributes information to its own field of managers and contributes to the development of ESG in the private equity sector.

eQ has monitored the development of sustainability at private equity funds it invests in since 2017 by means of an annual ESG survey sent to target funds, for instance. Results analysed in spring 2023 indicated that the sustainability ratings of all of eQ's Europe and US funds had improved. SFDR regulation has accelerated the development of ESG practices in Europe, which is shown especially in the results on the year 2022. The results also demonstrate that ESG has changed in a direction that is more measurable than before. In the EU region managers measure sustainability with key ratios and report an increasing amount of PAI indicators. ESG Data Convergence, an alternative set of indicators, has rapidly gained popularity in the private equity sector and has been deployed by managers in North America, as well. Today, half of all managers calculate greenhouse gas emissions on every investment. Emissions measurement has become more prevalent at both management company and portfolio levels in Europe, regardless of the size of the manager. Once the measurement process has been created and the first results have come in, emission reduction targets have become the next goal. Managers in North America continue to focus on the Diversity, Equity and Inclusion (DE&I) approach, but in other respects ESG development there lags behind European peers. At present, the United States has fairly little ESG-related regulation, and the Securities and Exchange Commission (SEC) is working on rules expected to tighten requirements on marketing and disclosure associated with ESG. For now, it is easy for a company to stand out in the United States through excellent development work on ESG because there are still so few standards. In 2021 eQ launched the Special Investment Fund eQ VC and in 2023 the Special Investment Fund eQ VC II. Development of ESG practices has been started at these funds also.

In spring 2023 eQ collected PAI indicators on eQ's European private equity target funds and reported them to investors for the first time. Most of the target funds' managers collected and calculated PAI indicators for the first time. The formulae still manifested different practices and interpretations. Coverage remained low but was still better than anticipated.

In June 2023 eQ organised for the second time the eQ GP event on ESG that was attended by 40 European small and medium-size private equity fund managers. This year's topics included calculating emission and carbon footprints, measuring these at a software company, and integrating sustainable development in the business models of target companies. Training and engagement with our USA PE partner RCP continued in 2023.

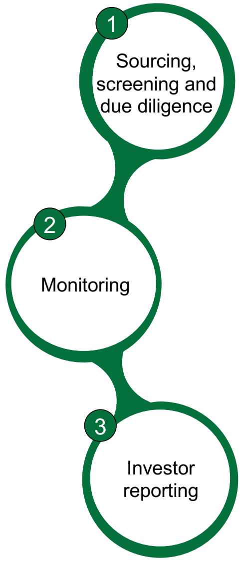
In the latter half of the year we worked on methodology for investment processes at Article 8 funds and trained the private equity investment team on this, and incorporated sustainability perspectives in eQ's PE DDQ document. According to the SFDR classification, the eQ PE XVI North and eQ PE SF V funds of 2024 are classified as Article 8 funds.

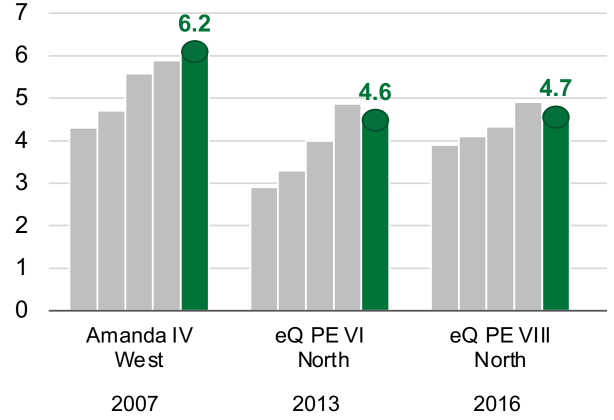
All in all, 2023 was an active year from the perspective of ESG activities and a great deal of concrete development work was completed. The international recognition and positive feedback from fund managers received in November encourages us to continue our active ESG work in the private equity investment field.

eQ won the Silver Award in the 'Best ESG Private Equity Initiative (LP)' category on 9 November 2023

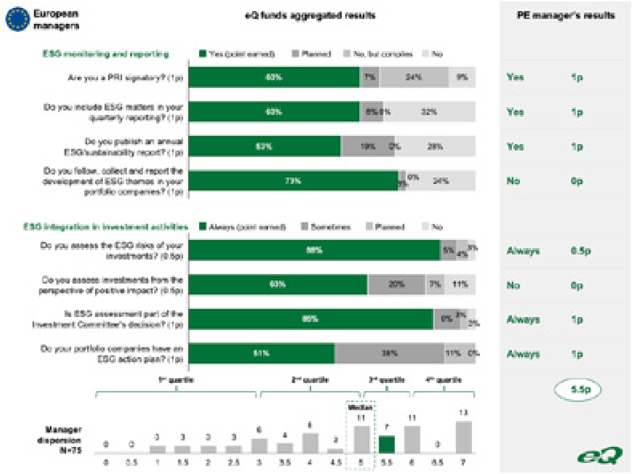
Sustainability in eQ's private equity investment activity

2017–2023 / ESG INTEGRATED INTO INVESTMENT PROCESS AND MONITORING





2023– / TARGETING BROAD APPLICATION OF ART. 8 IN EUROPEAN LOWER MIDDLE AND MIDDLE MARKET



ESG due diligence and manager communication

Annual ESG Survey

- ESG report once a year
- ESG development of tar
- Trends from several years
- Current themes

Enhanced dialogue and cooperation with managers & eQ GP Event

- "...improvement challenge accepted
- " the feedback is encouraging
- ".. refreshing and a helpful guidance
- " we highly appreciate the ESG rating by eQ

Continuous development

- ESG action plan for North American managers with RCP
- ESG coaching with European "support students"
- Coaching and supporting PAI reporting readiness
- Chairman of FVCA's ESG Committee and other networking

SME sector has inherently less resources available, but there is an even greater opportunity to influence and every step counts.

Realisation of environmental responsibility at eQ Group

Mitigation of climate change is an important theme both at eQ Group and in eQ Asset Management's investment operation. eQ Group's own business places a relatively minor direct burden on the environment. Energy use is primarily related to the consumption of energy on the premises. On the other hand, eQ has an opportunity to promote sustainable development through eQ Asset Management's investment activities.

Although eQ does not operate in an "emitting industry", the company pays more and more attention to the environmental impacts of its own operation and develops its procedures in an increasingly sustainable direction. In 2021, on the basis of earlier operating principles, eQ outlined and prepared an environmental policy concerning eQ Group that consists of five themes: 1. recycling, sorting and cleaning, 2. movement, 3. food/refreshments, 4. procurement, and 5. energy and water. In 2022 the company discussed indicators of themes on environmental responsibility and the need to update eQ Group's guidelines for environmentally friendly operation.

Companies in eQ Group have used fully renewable energy in their own electricity consumption since 2018. The premises are leased. Heat and water consumption as well as air conditioning (district cooling) is included in the rent, and consumption data regarding them is not available from the lessor.

eQ encourages its employees to use public transport and other alternative ways of travelling. Employees are offered a travel ticket as employee benefit and part of the overall salary, and they also have access to eQ's joint public transport travel cards when travelling in the near-by area during the working day. The company prefers direct flights, and when possible, negotiations are conducted with remote negotiation technologies. eQ also reports the total CO_2 emissions for work-connected flights of our employees and, as a new key ratio, the amount of emissions per person.

MANAGEMENT
Improving continuously environmental matters. Internal working group

RECYCLING, SORTING AND CLEANING
Improving recycling and guidance as well as using environmentally friendly cleaning products

ENERGY AND WATER
Reducing electricity consumption and using renewable energy sources (hydropower)

MOVEMENT
Location of the premises, employee travel ticket and bicycle storage

PROCUREMENT
Giving up plastic bottled mineral water, favouring environmentally friendly and durable products (including Fair Trade products, bubble water tap) and reducing paper consumption

FOOD/CATERING
Salads, organic packaging as well as favouring other local food products

COMMUNICATION AND ENGAGEMENT
Communicating sustainable practices in the work community and training in key environmental matters as well as monitoring and reporting the development of these themes with the eQ Group's sustainability report

eQ takes care of the sorting and recycling of the office waste produced on its premises. The lessor of the premises used by eQ is responsible for waste management. In 2023 eQ also continued the implementation of measures on the sorting and recycling of office waste introduced in 2019. These measures included:

- training on eQ Group's environmentally friendly operating guidelines,
- employees have no individual waste bins for mixed waste and
- eQ employees do not consume mineral water in plastic bottles.

eQ Group's guidelines for environmentally friendly operation are always presented when new employees are being trained. eQ also reports on the consumption of paper at its premises. The company switched to double-sided printing three years ago. eQ has not been engaged in legal proceedings or claims concerning environmental accidents.

Own energy consumption of the organisation

	2023	2022	2021	2020	2019
Electricity consumption, kWh*	131,630	103,960	106,369	89,893	100,396
Origin of electricity:					
Share of renewable energy, %	100%	100%	100%	100%	100%
Share of nuclear power, %	0%	0%	0%	0%	0%
Share of fossil fuels, %	0%	0%	0%	0%	0%
Specific carbon dioxide emissions of electricity, g/kWh	0	0	0	0	0
Nuclear fuel used in electricity, mg/kWh	0,0	0,0	0,0	0,0	0,0
Carbon dioxide emissions of electricity, total, kg	0	0	0	0	0
Carbon dioxide emissions of electricity per net revenue, g/EUR	0,00	0,00	0,00	0,00	0,00
Electricity consumption per rented office square metre, kWh	61	55	64	54	60
Electricity consumption per person, kWh	1,303	1,106	1,108	956	1,128

Other environmental responsibilities**

	2023	2022	2021	2020	2019
Other indirect greenhouse gas emissions					
Travelling by air, CO_2 emissions, kg	43,235	51,879	4,669	3,961	42,455
Travelling by air, CO_2 emissions, kg per person	428	552	49	42	477
Use of material					
Paper consumption, total, kg	1,124	631	715	1,710	1,985
Paper consumption, kg per person	11	7	7	18	22

*In 2023 electricity consumption increased due to an extension of eQ's premises.

**The table shows an estimate of carbon dioxide emissions of air travel and paper consumption. Paper consumption is reported based on paper purchased.

Realisation of social responsibility at eQ Group

eQ as employer

The aim of eQ Group is to act as a responsible employer. The personnel is eQ's most important resource.

Employees' job satisfaction and commitment and the need to develop the workplace are monitored regularly with a semi-annual survey. The results of the 2023 study on well-being at work were excellent again. The results have been excellent when reviewed by the five-year trend also.

The survey deals with the personnel's commitment, well-being at work, satisfaction with the work community and the work of the superior. On a scale from 1 to 5, job satisfaction and well-being at work received the score 4,4 (2022: 4,3). According to the survey, employees are happy to recommend eQ Group as an employer. The eNPS value that describes this was very high at 41 (on a scale from -100 to +100, where 0 to +20 is good, over 20 excellent and over 40 a top result). The response rate to the 2023 survey of well-being at work was also high, averaging at 95% (2022: 89,3%). The personnel survey is one of eQ's most important tools for developing internal working methods and the quality of managerial work. At team-specific meetings, the results are discussed in detail, and potential development measures and goals are agreed for monitoring them.

eQ invests in the well-being of its personnel by offering extensive occupational health care, exercise benefit vouchers and other welfare services, for instance.

Development discussions are conducted with the entire personnel in all Group companies. The discussions are conducted at least once a year and they assess the performance of the previous period and set targets for the following one as well as assess, e.g. the need to develop the employee, managerial work and the work community. In autumn 2023, consideration of compliance and sustainability matters in employees' job descriptions was incorporated on eQ's development discussion form as new sections. The intention is that employees and their supervisors together evaluate how the employee has succeeded at taking account of compliance and sustainability matters in their work and how they could improve at these.

eQ's employees may participate in training offered by the employer and partners, in other external training, or study independently. The Group is favourably disposed to studies at the employees' own initiative.

Calculated as full-time resources, eQ Group had 101 employees at the end of 2023 (2022: 94). When calculating full-time resources, part-time employees and those on parental and study leave have been included. Altogether 107 persons had an employment relationship with eQ (2022: 98), and 6 of them worked part-time (2022: 4). Part-time employees are used in seasonal tasks or projects.

Personel

	2023	2022	2021	2020	2019
Personnel as full-time resources	101	94	96	94	89
Permanent employment relationship	101	94	91	94	88
Temporary employment relationship	6	4	11	9	4
Employment relationship, total	107	98	102	103	92
Share of temporary employees, %	5,6	4,1	10,8	8,7%	4,3%
Full-time, total	101	94	93	95	89
Part-time, total	6	4	9	8	3
Age and gender distribution, no.					
18–30 years total, (F/M)	23 (6/17)	22 (8/14)	25 (10/15)	23 (9/14)	15 (4/11)
31–40 years total, (F/M)	24 (10/14)	22 (8/14)	28 (13/15)	31 (13/18)	34 (14/20)
41–50 years total, (F/M)	28 (12/16)	26 (10/16)	22 (8/14)	20 (7/13)	17 (7/10)
51–60 years total, (F/M)	30 (12/18)	26 (9/17)	26 (8/18)	27 (11/16)	25 (14/11)
61– years total, (F/M)	2 (2/0)	2 (2/0)	1 (1/0)	2 (1/1)	1 (-/1)
Total	107 (42/65)	98 (37/61)	102 (40/62)	103 (41/62)	92 (39/53)
Average age of employees, years	42,5	42,4	41,2	41,3	41,3
Employment relationships based on gender, no. and %					
Female	42 (39%)	37 (38%)	40 (39%)	41 (40%)	39 (36%)
Male	65 (61%)	61 (62%)	62 (61%)	62 (60%)	53 (64%)
Employee turnover (%)	3,0%	11,7%	8,7%	4,2%	9,3%
Sick leaves during the year, day per person	4,7	4,6	1,7	2,7	2,8
Work accidents*	0	4	0	0	1
Work well-being					
Job satisfaction and well-being at work**	4,4	4,3	4,3	4,3	4,4
eNPS value***	41	48	44	49	59

*A work accident is an accident that occurs at the workplace, on the way from home to work or vice versa, or during a business or other trip ordered by the employer.

**Rating scale: "poor" (1–2.4), "adequate" (2.5–2.9), "satisfactory" (3–3.4), "good" (3.5–3.9) and "excellent" (4–5).

***Scale from -100 to +100: "Good" (0 – +20), "Excellent" (over 20) and "Top score" (over 40). eQ has monitored and reported the eNPS score since 2019.

SATISFACTION AND WELL-BEING AT WORK

4.4

(SCALE 1–5)

NUMBER OF PERSONNEL

101

Of the personnel, 39% were women (2020: 38%) and 61% men (2022: 62%). The average age of the personnel was 42.5 years (2022: 42,4), and the employee turnover in 2023 was 3,0% (2022: 11,7%). In 2023, the average sick leave of the personnel was 4,7 days per person (2022: 4,6) and there were no work accidents in 2023 (2022: 4).

Equal pay between genders

eQ Group pays the same salary to employees for the same or similar work regardless of gender. Similar in this respect means that the central requirements, expertise, responsibility and workload are on the same level. The job title is not decisive.

Equality

Equality, justice, and non-discrimination are important principles for eQ Group. eQ has drawn up an equality plan, which comprises the measures for promoting equality and the agreed follow-up measures. The plan is assessed and updated on a regular basis and covers all Group companies. The plan is available to all employees of eQ Group on the Group's internal website.

Health and Safety Policy

eQ Group has drawn up a policy for promoting health and safety at work and for maintaining the working capacity of the employees. It covers the needs to develop working conditions as well as the impacts and development needs of factors related to the work environment. The policy is available to all employees of eQ Group on the Group's internal website. eQ Group also uses the early support method and eQ Group's substance abuse programme that was prepared in 2023. All eQ employees were provided internal training on the substance abuse programme.

Principles related to human rights violations and child labour

eQ Group has not drawn up separate principles related to human rights violations or child labour. All operations of the Group are located in Finland, at one single office. Therefore the Group can monitor practices related to the employees in a reliable manner.

Board diversity

eQ Plc's Board of Directors aims to promote the diversity of the Board's composition for its part. When assessing diversity, the Board takes into consideration, for instance, the age and gender of the directors, their education and professional experience, individual characteristics and experience that is essential with regard to the task and the company operations. eQ Plc has defined as goal regarding the equal representation of genders on the Board that there should always be representatives of both genders on eQ Plc's Board of Directors.

During the 2023 financial period, eQ Plc's Board met the preconditions set for the company diversity, including the goal of having representatives of both genders on the Board. The following persons were on eQ Plc's Board of Directors during the 2023 financial period from the Annual General Meeting: Janne Larma (Chair) Georg Ehrnrooth (Deputy Chair), Päivi Arminen, Nicolas Berner, Timo Kokkila and Tomas von Rettig. The directors have versatile experience from sectors that are of importance to the company, such as the investment and finance sector and the real estate sector. In addition, the diverse work experience and education of the directors as well as their international experience complement each other. eQ Plc's Annual General Meeting elects the directors.

The company's Board of Directors monitored diversity issues during the 2023 financial period.

Diversity of the Board of Directors on 31 December 2023:

Directors, total	6	100%
Female	1	17%
Male	5	83%
Board members who are independent of the company	4	67%
Board members who are independent of the major shareholders	3	50%

Good governance at eQ Group

Board – separation of powers and transparent practices

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association on 1 January 2020. The entire Code is publicly available on the website of the Securities Market Association at (*www.cgfinland.fi*). eQ Plc draws up annually a Corporate Governance Statement required by the Corporate Governance Code separately from the report by the Board of Directors. The Corporate Governance Statement, the Remuneration Report for Governing Bodies, and other information that shall be disclosed in accordance with the Corporate Governance Code as well as the company's financial statements, report by the Board of Directors and auditors' report are available on eQ Plc's website (*https://www.eq.fi/fi/about-eq-group*).

eQ's largest shareholders, who as a rule represent at least one-half of the number of shares in the company and the votes these represent, submit a proposal to the Annual General Meeting (AGM) on the number of Board members, the members of the Board of Directors and their remuneration. eQ Plc's Annual General Meeting is ultimately responsible for the election of Board members and preparations for the election. The company's Articles of Association do not include a provision on appointment of Board members in any specific order.

Each person elected as a member of the Board must have the competence required by the task and enough time to handle it. The company contributes to the work of the Board by providing Board members with sufficient information about the company's operation. Five to seven members can be elected to eQ Plc's Board of Directors, and the members of the Board select a chair from among their number. Board members are elected for one year at a time. eQ Plc's Board has a full-time Chair whose duties, besides serving as Chair, include developing eQ's strategy together with the CEO. In the Corporate Governance Report, the company states the number of Board meetings held during the financial period and the members' average attendance at Board meetings.

The company discloses the following personal and ownership information on Board members: name, gender, year of birth, education, main occupation, key work experience, international experience, start date of Board membership, key positions of trust, and shareholdings in the company. The statement also includes any dependency of the company or the company's significant shareholders, and any grounds why the Board member is not deemed to be independent. Members of eQ Plc's Board of Directors must provide the Board and the company with adequate information so their competence and independence can be evaluated, and report any changes in this information.

The Board's charter, the minutes of meetings and other documents on Board operations are not publicly available. The main tasks included in the charter are listed in the Corporate Governance Statement. The company discloses information about events that concern the Group in accordance with valid legislation and the company's disclosure policy. The company's disclosure policy is available on eQ's website (*https://www.eq.fi/fi/about-eq-group*).

Remuneration

eQ's remuneration system is based on the strategy and long-term goals defined by the Board, and it is one of the major tools used for reaching the Group's long-term and short-term strategic goals. The remuneration system contributes to good, efficient and comprehensive risk management within eQ Group. The remuneration systems must also take into account sustainability risks related to eQ Group and its business operations. The aim of comprehensive risk management is to take into consideration the goals, values and interests of the Group companies, funds under management and the investors, for instance.

In addition to eQ Group's Remuneration Principles, eQ Plc has a Remuneration Policy for Governing Bodies required by the Corporate Governance Code, which accounts for the remuneration of the Board and the CEO. The Remuneration Policy for Governing Bodies is presented to the Annual General Meeting for consideration at least every four years and always when major changes have been made in it. eQ Group's Remuneration Principles and the Remuneration Policy for Governing Bodies can be found on eQ's website (*https://www.eq.fi/fi/about-eq-group/hallinnointi/palkitseminen*).

eQ Plc publishes an annual Remuneration Report for Governing Bodies at the same time as the Annual Report. The 2023 Remuneration Report for Governing Bodies was drawn up in accordance with the 2020 Corporate Governance Code for listed companies, and eQ Plc's Board of Directors reviewed it on 5 February 2024.

The Remuneration Report for Governing Bodies accounts for the remuneration paid to the Board of Directors and CEO during the previous financial period, how the Remuneration Policy for Governing Bodies has been applied during the previous financial period and how remuneration promotes the company's financial success on a longer term. The Remuneration Report also compares the development of the Board's and CEO's remuneration with the development of the average remuneration of company employees and the company's financial development during the five previous financial periods. eQ Plc's Remuneration Report for Governing Bodies is available on eQ's website (*https://www.eq.fi/fi/about-eq-group/hallinnointi/palkitseminen*).

In addition to the Remuneration Policy and Report for Governing Bodies, eQ presents in the remuneration section of its website information about the remuneration principles for the Board, CEO and the rest of the Management Team. Information about the remuneration of the Board, CEO and the rest of the Management Team is available on eQ's website *(https://www.eq.fi/fi/about-eq-group/hallinnointi/palkitseminen).*

Application of collective labour market agreements

No collective agreements are applicable to eQ Group's employees, nor are they covered by the universally applicable collective agreement in Finland.

Code of Conduct

eQ Group's Code of Conduct describes joint rules based on eQ's values and the general principles guiding behaviour, decision-making and business operation that every eQ employee must follow. The Code of Conduct also serves as a top-level instruction for eQ's other internal guidelines that contain detailed operational instructions from various sectors. Still, the Code of Conduct cannot cover all situations we encounter, so advice must always be asked in new and unclear situations. By honest, open, competent and efficient action, eQ wants to earn the trust and respect of clients, other stakeholders, the surrounding society and the financial markets.

eQ requires its partners to act in a responsible manner. All agreements in real estate investments (such as on building contracts and with service providers) include eQ's Code of Conduct for suppliers as an enclosure. eQ Group has found other, separate Codes of Conduct concerning subcontractors unnecessary due to the small number of direct subcontractors and their minor significance for the business operation.

eQ Group's Code of Conduct was updated in the autumn of 2021. The themes of eQ Group's Code of Conduct are:

- Complying with regulation and acting correctly
- Clients' interests, eQ's interests, and management of conflicts of interest
- Information security and data protection
- Intervention in abuses and problems
- Trust and confidentiality
- Responsibility and responsible investment activities
- Equality, diversity and respect
- Cooperation with stakeholders
- Reputation management
- Cooperation and development of competence
- Occupational safety and wellbeing at work
- Prevention of financial crimes
- Offering and accepting gifts and hospitality
- Sponsorship, donations and partnerships

The Code of Conduct is available on eQ's website (*https://www.eq.fi/fi/about-eq-group/hallinnointi/code-of-conduct*).

Tax transparency

As part of this Sustainability Report, eQ reports its financial impact on society in form of taxes and charges of tax-like nature. Transparent reporting is part of responsible operations and governance. eQ Group does not have a separate tax strategy approved by the Board. The Group pays its taxes to Finland.

eQ Group is a major taxpayer. In 2023, the income tax for eQ's taxable profit paid in Finland totalled EUR 8,3 million (2022: EUR 9,4 million). The Group's effective tax rate was 20,9% (2022: 20,6%).

As employer, eQ pays charges related to pension, unemployment and social security and remits the withholding from the salaries to tax authorities. The charges of tax-like nature related to the personnel that eQ Group paid in 2023 totalled EUR 4,4 million (2022: EUR 4,4 million).The withholdings that eQ made from the salaries amounted to EUR 8,8 million (2022: EUR 9,0 million) and the other tax-like charges totalled EUR 2,0 million (2022: EUR 2,2 million).

The value-added tax remitted by eQ Group in 2023 totalled EUR 0,5 million (2022: EUR 0,5 million). In addition, part of the value-added tax included in purchases is paid by eQ, as the operations are partly exempted from VAT.

The taxes withdrawn from the dividend and equity repayment that eQ Plc paid in 2023 totalled EUR 2,6 million (2022: EUR 1,8 million).

eQ has not received any public subsidies for its operations.

External validation of the report

This report has not been validated by an external party.

The Firm of Authorised Public Accountants KPMG Oy Ab has audited eQ Plc's financial statements for the financial period 1 January to 31 December 2023. eQ Plc's Board and CEO are responsible for the other information in the Annual Report. This report is included in eQ's Annual Report and treated as "other information", as defined in the Auditors' Report. Even though the auditors do not audit other information, they have in their report assessed whether the other information essentially conflicts with the financial statement and information obtained by the auditors or if it otherwise seems to be incorrect for essential parts.

Taxes, 1,000 EUR	2023	2022	2021	2020	2019
Taxes paid					
Income tax, Finland	8,308	9,437	9,560	6,209	5,306
Effective tax rate	20.9%	20.6%	20.1%	20.2%	20.2%
Charges of tax-like nature payable by the employer (employee pension, social security and unemployment charges)	4,435	4,420	3,317	2,978	2,960
Taxes remitted					
Withdrawal from salaries, Finland	8,770	9,018	7,102	6,483	5,901
Charges of tax-like nature payable by the employee (employee pension, unemployment charges)	2,032	2,163	1,529	1,405	1,308
Value-added tax paid, Finland	453	536	658	393	1,503
Tax withdrawn from dividend and equity repayment, Finland	2,588	1,762	1,246	1,217	1,061

Report by the Board of Directors

Report by the Board of Directors 1 January to 31 December 2023

Operating environment

Inflation was the key theme in the investment markets in 2023. At the same time, talk continued on how much central banks should further raise interest rates to curb inflation. Both the Federal Reserve (Fed) in the US and the European Central Bank (ECB) continued to raise their key interest rates during the year. In 2023 the Fed raised its key interest rate from 4.5% to 5.5% and the ECB from 2.5% to 4.0%.

Economic growth in Europe and especially in the US withstood the continued rise in interest rates surprisingly well. In early 2023 we also saw a small-scale banking crisis that started in the US but was resolved quickly. In China inflation has not been a problem but there concerns have mostly involved economic growth, as both private consumption and exports have been weaker than expected.

Towards the end of the year countries in the West began to see a slowdown in both inflation and growth, which gave the markets faith that interest rates would be lowered during 2024. In the final quarter of 2023 market expectations for both the speed and volume of interest rate reductions were intensified, well indicated as positive returns in both the fixed income and equity markets. Still, there were large differences in returns between different countries and sectors.

Throughout 2023, the best equity market was the US where the return of the S&P 500 Index, measured in dollars, was as high as 25.7%. Returns in the US were raised particularly by the seven large technology companies which have been dubbed the Magnificent Seven. The US gave a 21.4% return in euros, due to the weaker dollar. Measured by the MSCI Index, Japanese shares returned 16.2%, European stocks 15.8% and shares in emerging countries 6.1%. Behind all of these came the Finnish equity market where the index return was 0.6% in the negative. After large negative returns in 2022, interest rates provided good returns in 2023. The European High Yield Index returned 12.1%, IG corporate loans 8.0%, euro zone government bonds 6.7%, and euro-denominated corporate loans in emerging countries 5.4%.

Major events during the financial period

eQ Plc's Annual General Meeting was held on 27 March 2023. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Janne Larma and Tomas von Rettig were re-elected to the Board. Päivi Arminen was elected as new member. The Chair of the Board is Janne Larma and Deputy Chair Georg Ehrnrooth.

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 195,000 shares on 16 May 2023, by 111,000 shares on 29 August 2023 and by 10,000 shares on 14 November 2023. After the changes, the number of eQ shares is 40,745,698.

Group net revenue and result development

During the financial period, the Group's net revenue totalled EUR 70.9 million (EUR 77.8 million from 1 Jan. to 31 Dec. 2022). The Group's net fee and commission income was EUR 70.8 million (EUR 77.1 million). The Group's net investment income from own investment operations was EUR -01. million (EUR 0.7 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 31.1 million (EUR 32.0 million). Personnel expenses were EUR 25.4 million (EUR 26.7 million), other administrative expenses EUR 2.5 million (EUR 2.5 million) and the other operating expenses were EUR 1.9 million (EUR 1.7 million). Depreciation was EUR 1.3 million (EUR 1.2 million). The salary expenses fell from the year before due to result-related remuneration.

The Group's operating profit was EUR 39.7 million (EUR 45.7 million) and the profit for the period was EUR 31.5 million (EUR 36.3 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.

Finnish institutional clients stated for the fifth year in a row in the 2023 SFR survey that eQ Asset Management is the most high-quality asset manager in Finland. 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 most-used asset manager in Finland. The survey is conducted every year and its participants are the 100 largest institutional investors.

Mutual funds and 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 in 2023. Credit risk margins contracted and interest rates fell toward the end of the year, especially after the intensive rise in interest rate levels in 2022. The best returns came from the eQ High Yield and eQ Emerging Markets Corporate Bond Local Currency funds. As compared with the benchmark indices, the best returns were yielded by the eQ Floating Rate and eQ Investment Grade funds. The returns of our equity funds in 2023 were also excellent. The best returns came from the eQ Europe Dividend, Emerging Market Small Cap and eQ Europe Small Cap funds. The best returns as compared with benchmark indices came from the eQ Emerging Dividend, eQ Europe Small Cap and eQ Finland funds.

Of the funds that eQ manages itself, 69 per cent gave a better return than its benchmark index, and the figure for the last three years was also 69. The average Morningstar rating of funds managed by eQ was 3.3 stars at the end of 2023. The returns of the discretionary asset management portfolios that eQ manages varied between approximately +8.9 and +16.5 per cent during the period, based on the allocation of the investment portfolio. The return of portfolios that only invest in Finnish shares was +2.5%. 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.

Private equity

The first closing of the new eQ PE XV US private equity fund was held at the end of January 2023 at USD 177 million. The final closing of the fund was made in December at USD 283 million. The eQ PE XV US Fund makes investments in private equity funds that invest in unlisted small and mid-sized companies in Northern America. The eQ PE XV US Fund is already the fifth fund that makes investments in private equity funds in Northern America, and altogether we have raised investment commitments of about one billion dollars to these funds. In October we also made the first closing in the eQ VC II Fund, which makes Venture Capital investments and is the second fund in size at USD 20 million.

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 funds managed by eQ totalled EUR 2,973 million (EUR 2,726 million) and the assets managed under private equity asset management programmes were EUR 1,009 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 catch up share accrued cumulatively by 31 December 2023 was EUR 11.8 million, and the accrual of the 2023 financial period was EUR 6.0 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 is available in the annual report.

Real estate investments

The net subscriptions in the eQ Commercial Properties Fund were EUR -7 million during the period under review. In accordance with the fund rules, the eQ Commercial Properties Fund postponed the payment date of 31 December 2023 redemptions for approximately EUR 50 million. At the end of the period, the size of the fund was EUR 651 million, and its real estate property around EUR 1.2 billion. The return of the fund in 2023 was -12.7 per cent and since establishment 5.7 per cent p.a. The fund has approximately 2,150 unit holders.

The net subscriptions in the eQ Community Properties Fund in 2023 were EUR -119 million. At the end of the period, the size of the fund was EUR 1,198 million and its real estate property was approximately EUR 1.8 billion. The return of the fund in 2023 period was -13.8 per cent and since establishment 6.7 per cent p.a. The fund has approximately 4,500 unit holders.

The returns of the real estate funds were negative for the first time, due to an increase of the yields resulting from the strong rise in the interest rate level.

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 and aims to manage approximately 1,500 rental units in total, which will be completed by the end of 2024. At the beginning of 2022, we established a new similar eQ Residential II Fund. Upon final closing its size was EUR 53 million. Unlike eQ Community Properties and eQ Commercial Properties funds, the eQ Residential funds are intended for professional investors only, and they have a closed-end fund structure.

In 2023, eQ's real estate funds participated in the GRESB sustainability assessment already for the fifth time. The results improved further in 2023 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 3.4 billion at the end of the period under review, and eQ has become a major Finnish real estate investor.

Assets under management and clients

The assets managed by eQ Asset Management totalled EUR 12,917 million at the end of the period. Growth during the period was EUR 353 million (EUR 12,564 million on 31 Dec. 2022). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 3,843 million (EUR 4,101 million), and the assets decreased by EUR 258 million during the period under review. The assets managed by the real estate funds totalled EUR 2,251 million (EUR 2,697 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3,982 million (EUR 3,734 million).

Assets under management, MEUR	12/2023	12/2022	Change
eQ mutual funds	3,843	4,101	-6%
of which eQ equity, fixed income and balanced funds	1,993	1,687	18%
of which eQ real estate funds	1,850	2,415	-23%
Closed-end real estate funds	401	282	42%
Funds of partners and other asset management	1,773	1,561	14%
eQ private equity funds	2,973	2,726	9%
Private equity asset management programmes	1,009	1,009	0%
Total excl. reporting services	10,000	9,678	3%
Private equity reporting services	2,917	2,885	1%
Total	12,917	12,564	3%

As for eQ Residential funds, which are included in closed-end funds, the total amount of uncalled commitments and gross asset value (GAV) is reported as assets under management.

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment decreased by 7% and the operating profit by 10% to EUR 41.4 million (EUR 45.9 million from 1 Jan. to 31 Dec. 2022). Performance fees fell by 50 per cent to EUR 5.4 million from previous year's EUR 10.8 million. Performance fees typically fluctuate strongly per quarter and financial period. Performance fees include EUR 6.0 million of the accrued catch up share of private equity funds' performance fee. For the review period, performance fees in real estate asset management include a EUR -0.7 million adjustment from a value calculation error, relating to the real estate fund's 2022 performance fee.

The cost/income ratio was 37.9% (36.0 %). Calculated as full-time resources, the Asset Management segment had 80 employees at the end of the period under review.

Asset Management	1–12/2023	1–12/2022	Changes
Net revenue, MEUR	66.9	71.8	-7%
Operating profit, MEUR	41.4	45.9	-10%
Cost/income ratio, %	37.9	36.0	5%
Number of personnel as full-time resources, average	80	76	5%

Fee and commission income, Asset Management, MEUR	1–12/2023	1–12/2022	Change
Management fees			
Traditional asset management	8.8	9.4	-6%
Real estate asset management	35.6	35.1	1%
Private equity asset management	17.6	16.9	4%
Management fees, total	62.0	61.5	1%
Performance fees			
Traditional asset management	0.0	0.0	281%
Real estate asset management	-0.7	4.3	-117%
Private equity asset management	6.1	6.5	-5%
Performance fees, total	5.4	10.8	-50%
Other fee and commission income	0.1	0.1	-18%
Fee and commission income, total	67.5	72.4	-7%

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.

In 2023, the value of corporate acquisitions fell world-wide from the previous year, but a small pickup could be observed at the end of the quarter. This was affected by the rise in share prices late in the year and expectations of a lowering of the interest rate level in 2024.

In 2023, Advium acted as advisor in four M&A acquisitions completed: a Fairness Opinion to Musti Group relating to a public cash tender offer by a consortium led by Sonae, advising Aspo Plc regarding a minority investment by OP Suomi Infra, sale of shares in Caverion to a subsidiary of the Triton investment firm, and advising Otava on a mandatory public offer concerning shares in Alma Media Corporation.

Activity in Finnish real estate transactions slowed down considerably in 2023, leading to a decline of more than 60 per cent in overall transaction volume compared with the previous year. The most significant factor contributing to a slowdown in activity is the rapid rise in interest rate levels and weaker availability of financing. Advium acted as advisor in one published transaction when a fund managed by Schroders Capital sold an office building in central Turku to Niam.

Result of the Corporate Finance segment

During the financial period, Advium's net revenue totalled EUR 3.9 million (EUR 5.4 million from 1 Jan. to 31 Dec. 2022). Operating profit was EUR 0.7 million (EUR 1.7 million). The segment had 16 employees at the end of the period.

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

Corporate Finance	1–12/2023	1–12/2022	Change
Net revenue, MEUR	3.9	5.4	-27%
Operating profit, MEUR	0.7	1.7	-62%
Cost/income ratio, %	83.0	67.7	23%
Personnel as full-time resources	16	13	23%

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 -0.6 million (EUR 0.7 million from 1 Jan. to 31 Dec. 2022). At the end of the period, the fair value of the investments was EUR 16.6 million (EUR 16.8 million on 31 Dec. 2022) and the amount of the remaining investment commitments was EUR 7.2 million (EUR 7.5 million). During the period under review, eQ Plc made a USD 1.0 million investment commitment in the eQ PE XV US private equity fund and a USD 1.0 million commitment in the eQ VC II venture capital fund.

During the period, the investment objects returned capital for EUR 1.4 million (EUR 2.9 million from 1 Jan. to 31 Dec. 2022) and distributed a profit of EUR 0.8 million (EUR 2.0 million). Capital calls totalled EUR 2.3 million (EUR 2.1 million). The net cash flow from investments during the period was EUR -0.1 million (EUR 2.8 million). The value changes of investments recognised through profit or loss were EUR -1.2 million during the period (EUR -1.2 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	1–12/2023	1–12/2022	Change
Operating profit, MEUR	-0.6	0.7	187%
Fair value of investments, MEUR	16.6	16.8	-2%
Investment commitments, MEUR	7.2	7.5	-4%
Net cash flow of investments, MEUR	-0.1	2.8	-105%

Balance sheet, financial position and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 100.3 million (EUR 110.9 million on 31 Dec. 2022) and the shareholders' equity was EUR 75.4 million (EUR 81.8 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 31.5 million, the dividend distribution of EUR -36.8 million, the repayment of equity of EUR -3.6 million from the reserve for invested unrestricted equity, the subscription for new shares with option rights of EUR 1.3 million and the accrued expense of EUR 1.3 million related to an option scheme and entered in shareholders' equity.

At the end of the period, liquid assets totalled EUR 22.9 million (EUR 23.7 million) and liquid investments in mutual funds EUR 10.5 million (EUR 20.1 million).

The lease liability related to premises and entered in the balance sheet was EUR 5.0 million (EUR 5.6 million) at the end of the period, the share of short-term liabilities being EUR 1.2 million (EUR 0.8 million).

Short-term interest-free debt was EUR 19.9 million (EUR 23.5 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 75.2 % (73.8 %).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 252.8 per cent (242.3 per cent on 31 Dec. 2022). 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 5.4 million. At the end of the period, the Group's total capital based on capital adequacy calculations totalled EUR 13.6 million (EUR 11.9 million). Detailed information on capital adequacy is available in the annual report.

Capital adequacy

EUR 1,000	IFR 31 Dec. 2023 eQ Group	IFR 31 Dec. 2022 eQ Group
Equity	75,436	81,779
Common equity tier 1 (CET 1) before deductions	75,436	81,779
Deductions from CET 1		
Intangible assets	-29,251	-29,400
Unconfirmed profit for the period	-31,524	-36,322
Dividend proposal by the Board*	-1,073	-4,107
Common equity tier 1 (CET 1)	13,588	11,949
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	13,588	11,949
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	13,588	11,949
Own funds requirement according to the most restrictive requirement (IFR)	5,375	4,932
Fixed overhead requirement	5,375	4,932
K-factor requirement	371	393
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	67,188	61,651
Common equity tier (CET1) / own funds requirement, %	252.8%	242.3%
Tier 1 (T1) / own funds requirement, %	252.8%	242.3%
Total capital (TC) / own funds requirement, %	252.8%	242.3%
Common equity tier 1 (CET1) / risk weights, %	20.2%	19.4%
Tier 1 (T1) / risk weights, %	20.2%	19.4%
Total capital (TC) / risk weights, %	20.2%	19.4%
Excess of total capital compared with the minimum level	8, 213	7,017
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	6,869	5,784

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

Major risks and uncertainties related to the operations

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, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends.

The risks associated with eQ Group' own investment operations are the market risk and currency risk, for instance. Of said risks, the market risk has the greater impact on investments. The company's own investments are well diversified, which means that the impact of one investment made by one individual fund in one single investment object on the return of investments is often small. The income from eQ Group's own investment operations 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 by quarter and financial period.

The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the surplus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The liquidity is influenced by the capital calls and returns of the own private equity and real estate fund investments.

Board of Directors, Management Team, CEO and auditor

eQ Plc's Annual General Meeting was held on 27 March 2023. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Janne Larma and Tomas von Rettig were re-elected to the Board. Päivi Arminen was elected as new member. The Board elected Janne Larma Chair of the Board and George Ehrnrooth Deputy Chair of the Board. eQ Plc's Board had eight meetings during the financial period 2023, average attendance being 98%.

On 31 December 2023, eQ Group's Management Team has consisted of the following persons:

- Mikko Koskimies, eQ Plc and eQ Asset Management Ltd, CEO
- Staffan Jåfs, eQ Asset Management Ltd, Director, Head of Private Equity
- Antti Lyytikäinen, eQ Plc, CFO
- Juha Surve, eQ Asset Management Ltd, Director, Group General Counsel

The CEO of the Group was Mikko Koskimies. The company auditor was KPMG Oy Ab, a firm of authorized public accountants, with Tuomas Ilveskoski, APA, as auditor with main responsibility.

Personnel

The Group had 101 employees at the end of the period (94 employees on 31 Dec. 2022), calculated as full-time resources. Calculated as full-time resources, the Asset Management segment had 80 (76) employees and the Corporate Finance segment 16 (13) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 25.4 million (EUR 26.7 million from 1 Jan. to 31 Dec. 2022). The salary expenses fell from the year before due to result-related remuneration.

During the financial period, Tero Estovirta was appointed deputy managing director of eQ Asset Management Ltd.

Loans to related parties

eQ Plc's receivables from related parties have been described in further detail in Note 32 to the Financial Statements.

eQ Plc's share

Authorisations

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 8.66% 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.

Shares and share capital

At the end of the period on 31 December 2023, the number of eQ Plc's shares was 40,745,698 and the share capital was EUR 11,383,873.00.

During the financial period, the number of eQ Plc's shares increased by new shares subscribed for with option rights 2018. The number of shares increased by 195,000 shares on 16 May 2023, by 111,000 shares on 29 August 2023 and by 10,000 shares on 14 November 2023. The subscription price of the new shares totalled EUR 1,270,320.00. The entire subscription was entered in the reserve for invested unrestricted equity.

The closing price of eQ Plc's share on 31 December 2023 was EUR 15.58 (EUR 25.45 on 31 Dec. 2022). The market capitalisation of the company was thus EUR 634.8 million (EUR 1,028.9 million) at the end of the period. During the period, 1,113,557 shares were traded on Nasdaq Helsinki (1,947,634 shares from 1 Jan. to 31 Dec.2022). In euros, the turnover was EUR 21.2 million (EUR 45.9 million).

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 the options granted, altogether 1,113,500 had been exercised by the end of the period. The number of outstanding options was 661,500 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/en. The options have been listed on Nasdaq Helsinki.

Option scheme 2022:

At the end of the period, altogether 910,000 options had been allocated from option scheme 2022. 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/en.

Own shares

At the end of the financial period, on 31 December 2023, eQ Plc held no own shares.

Shareholders

Major shareholders	Number of shares	% of votes and shares
Fennogens Investments S.A.	7,962,605	19.54%
Rettig Group Oy Ab	6,206,706	15.23%
Chilla Capital S.A.	6,165,904	15.13%
Teamet Oy	4,250,000	10.43%
Oy Cevante Ab	1,419,063	3.48%
Fazer Jan	1,314,185	3.23%
Procurator Oy	793,892	1.95%
Lavventura Oy	700,000	1.72%
Ilmarinen Mutual Pension Insurance Company	697,500	1.71%
Linnalex Ab	631,652	1.55%
Pinomonte Ab	529,981	1.30%
Umo Invest Oy	414,240	1.02%
Pohjolan Kiinteistökehitys Oy	387,000	0.95%
Leppä Jukka-Pekka	325,000	0.80%
Sever Match Oy	290,000	0.71%
Elo Mutual Pension Insurance Company	280,000	0.69%
Danske Invest Finnish Equity Fund	266,149	0.65%
Mononen Matti	180,000	0.44%
Leenos Oy	158,772	0.39%
Nacawi Ab	150,000	0.37%
Others	7,623,049	18.71%
Total	40,745,698	100.00%

The information is based on the situation in the share register maintained by Euroclear Finland Ltd on 31 December 2023.

Ownership structure by sector on 31 December 2023:

	Number of shares	% of votes and shares
Corporations	16,969,026	41.65%
Financial and insurance institutions	923,973	2.27%
Public sector entities	1,041,892	2.56%
Households	7,252,230	17.80%
Foreign	14,226,664	34.92%
Other [1]	331,913	0.81%
Total	40,745,698	100.00%

[1] The item Others comprises non-profit organisations.

Ownership structure according to number of shares held:

Number of shares per shareholder	Number of shareholders	% of shareholders
1–100	4,139	49.41%
101–500	2,626	31.35%
501–1,000	728	8.69%
1,001–5,000	679	8.11%
5,001–10,000	90	1.07%
10,001–50,000	70	0.84%
50,001–100,000	14	0.17%
100,001–500,000	19	0.23%
500,001–	11	0.13%
Total	8,376	100.00%

Number of shares per shareholder	Number of shares	% of shares
1–100	171,395	0.42%
101–500	664,976	1.63%
501–1,000	560,620	1.38%
1,001–5,000	1,473,257	3.62%
5,001–10,000	672,352	1.65%
10,001–50,000	1,605,822	3.94%
50,001–100,000	1,055,080	2.59%
100,001–500,000	3,870,708	9.50%
500,001–	30,671,488	75.28%
Total	40,745,698	100.00%

Nominee registered shares:
Of the company shares, 367,303 were nominee-registered, representing 0.90% of the votes and shares.

Other information on the share

The following information on the company share is found in the Notes to the Financial Statements: holdings of the company management and directors and the number of company shares and share types.

Corporate governance

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association on 1 January 2020. The entire Code is available on the website of the Securities Market Association at *www.cgfinland.fi/en*.

Proposal for the distribution of profit

The distributable means of the parent company on 31 December 2023 totalled EUR 59,732,405.70. The sum consisted of retained earnings of EUR 36,894,065.96 and the means in the reserve of invested unrestricted equity of EUR 22,838,339.74.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share be paid out. The proposal corresponds to a dividend totalling EUR 32,596,558.40 calculated with the number of shares at the close of the financial period. The dividend is paid in two instalments.

The first instalment, EUR 0.40 per share, is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date 25 March 2024. The Board proposes that the first instalment of the dividend be paid out on 3 April 2024.

The second instalment, EUR 0.40 per share, is paid in October 2024. The second instalment is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date. The Board of Directors will decide the record date and payment date of the second instalment of the dividend payment at its meeting in September 2024. The planned record date is 25 September 2024 and the dividend payment date 2 October 2024.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of dividend does not endanger the liquidity of the company.

Events after the end of the financial year

eQ Plc's shareholders with more than 60 per cent of the company shares and votes have made a proposal to the Annual General Meeting to be held on 21 March 2024 regarding the number of directors, their remuneration and the principles for compensation expenses as well as the election of the directors. The shareholders propose that no changes will be made in the Board composition and, consequently, Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Janne Larma and Tomas von Rettig are re-elected to the Board.

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 predicted 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 has updated its disclosure policy and, as a rule, will not issue a result forecast for the Asset Management segment in the future but instead describe its outlook in a general manner. Results in the Corporate Finance and Investments segments are largely dependent on factors beyond the company's control, which is why no result forecast has been issued for these segments before.

Helsinki, 5 February 2024

eQ Plc
Board of Directors

Consolidated key ratios

EUR 1,000	2023	2022	2021	2020	2019
INCOME STATEMENT					
Fee and commission income, net	70,815	77,129	71,578	56,734	49,505
Net income from financial assets	-52	709	7,314	32	1,132
Net revenue	70,853	77,781	78,880	56,744	50,614
Operating profit (loss)	39,749	45,735	47,660	30,757	26,292
% of net revenue	56.1	58.8	60.4	54.2	51.9
Profit (loss) for the period	31,524	36,322	38,078	24,610	21,035
BALANCE SHEET					
Claims on credit institutions and liquid assets	22,911	23,688	35,141	21,453	22,375
Financial assets	27,111	36,956	39,760	30,576	26,112
Intangible and tangible assets	33,891	35,186	30,819	31,812	32,159
Other assets and receivables	16,357	15,027	5,123	7,636	4,772
Total assets	100,270	110,858	110,842	91,476	85,418
Total equity	75,436	81,779	79,955	67,545	65,117
Liabilities	24,834	29,079	30,887	23,931	20,301
Total liabilities and equity	100,270	110,858	110,842	91,476	85,418

EUR 1,000	2023	2022	2021	2020	2019
PROFITABILITY AND OTHER KEY RATIOS					
Return on investment, ROI % p.a.	37.8	43.2	50.6	35.9	32.4
Return on equity, ROE % p.a.	40.1	44.9	51.6	37.1	33.0
Equity to assets ratio, %	75.2	73.8	72.1	73.8	76.2
Gearing, %	-37.8	-46.7	-68.7	-50.8	-45.7
Cost/income ratio, %					
Group	43.8	41.1	39.5	45.6	48.1
Asset Management	37.9	36.0	37.7	39.0	42.7
Corporate Finance	83.0	67.7	60.0	72.3	64.1
Number of personnel as full-time resources at the end of the period	101	94	96	94	89
Number of personnel as full-time resources, average	101	96	95	92	88

EUR 1,000	2023	2022	2021	2020	2019
SHARE-RELATED KEY RATIOS					
Earnings per average share, EUR	0.78	0.91	0.97	0.64	0.55
Diluted earnings per average share, EUR	0.75	0.87	0.93	0.60	0.51
Equity per share, EUR	1.85	2.02	2.02	1.74	1.70
Equity per share, EUR [1]	1.86	2.04	2.03	1.76	1.71
Dividend, EUR 1,000 [2]	32,597	36,791	38,443	24,878	21,069
Dividend per share [2]	0.80	0.91	0.97	0.64	0.55
Dividend per earnings, % [2]	102.6	100.0	100.0	100.0	100.0
Repayment of equity, EUR 1,000 [3]	0	3,639	1,189	2,332	2,682
Repayment of equity per share [3]	0.00	0.09	0.03	0.06	0.07
Dividend and repayment of equity, total, EUR 1,000	32,597	40,430	39,632	27,211	23,750
Dividend and repayment of equity, total per share	0.80	1.00	1.00	0.70	0.62
Effective dividend and equity repayment yield, %	5.1	3.9	3.9	4.2	5.0
Price/earnings ratio, P/E	20.0	28.0	26.5	26.2	22.6
Adjusted share price development, EUR					
Average price	19.02	23.54	23.26	13.43	9.61
Highest price	25.70	27.95	30.65	17.05	13.15
Lowest price	13.90	20.10	16.50	9.54	7.72
Closing price	15.58	25.45	25.75	16.75	12.45
Market capitalisation, EUR 1,000	634,818	1,028,936	1,020,529	651,109	476,925
Share turnover, 1,000 shares	1,114	1,948	2,090	2,722	1,616
% of total number of shares	2.7	4.9	5.3	7.1	4.2
Share turnover, EUR 1,000	21,184	45,853	48,909	35,793	15,926
Adjusted number of shares, 1,000 shares					
Average during the year	40,592	40,082	39,353	38,448	38,044
At the end of the year	40,746	40,430	39,632	38,872	38,307

[1] Weighted average number of shares outstanding during the period

[2] The Board's dividend proposal

[3] The Board's proposal for repayment of equity from the reserve for invested unrestricted equity

Calculation of Key Ratios

RETURN ON INVESTMENT, ROI (%)

$$\frac{\text{profit or loss + interest expenses}}{\text{equity + interest-bearing financial liabilities (average)}} \times 100$$

RETURN ON EQUITY, ROE (%)

$$\frac{\text{profit or loss}}{\text{equity (average)}} \times 100$$

EQUITY TO ASSETS RATIO (%)

$$\frac{\text{equity}}{\text{balance sheet total – advances received}} \times 100$$

GEARING (%)

$$\frac{\text{interest-bearing liabilities – financial assets – cash in hand and at bank}}{\text{equity}} \times 100$$

COST/INCOME RATIO (%)

$$\frac{\text{administrative expenses + other operating expenses + depreciation (excl. agreement depreciation)}}{\text{net revenue}} \times 100$$

EARNINGS PER SHARE, EPS

$$\frac{\text{profit or loss for the period attributable to equity holders of the parent company}}{\text{adjusted average number of shares during the period}}$$

EQUITY PER SHARE

$$\frac{\text{equity}}{\text{adjusted number of shares at the balance sheet date}}$$

DIVIDEND PER SHARE

$$\frac{\text{dividend}}{\text{adjusted number of shares at the balance sheet date}}$$

DIVIDEND PER EARNINGS (%)

$$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100$$

REPAYMENT OF EQUITY PER SHARE

$$\frac{\text{repayment of equity from the reserve for invested unrestricted equity}}{\text{adjusted number of shares at the balance sheet date}}$$

EFFECTIVE DIVIDEND AND EQUITY REPAYMENT YIELD (%)

$$\frac{\text{dividend and equity repayment per share}}{\text{adjusted share price at the balance sheet date}} \times 100$$

PRICE/EARNINGS RATIO, P/E

$$\frac{\text{adjusted share price at the balance sheet date}}{\text{earnings per share}}$$

MARKET CAPITALISATION

number of shares on 31. Dec. x closing price on 31. Dec

SHARE TURNOVER (%)

$$\frac{\text{number of shares traded during the period}}{\text{average number of shares during the period}} \times 100$$

Financial Statements 2023

The published financial statement in pdf-format is a voluntary publication, and it does not meet the ESEF requirements according to Chapter 7, Section 5 of the Securities Market Act. Non-official version, translation.

Consolidated Income Statement

EUR 1,000	Note no.	2023	2022
Fee and commission income	5	71,361	77,665
Interest income	6	275	8
Net income from financial assets	7	-52	709
Operating income, total		71,584	78,383
Fee and commission expenses	8	-546	-536
Interest expenses	9	-185	-65
NET REVENUE		70,853	77,781
Administrative expenses	10		
Personnel expenses		-25,415	-26,724
Other administrative expenses		-2,532	-2,490
Depreciation on tangible and intangible assets	11	-1,272	-1,178
Other operating expenses	12	-1,885	-1,655
OPERATING PROFIT (LOSS)		39,749	45,735
PROFIT (LOSS) BEFORE TAXES		39,749	45,735
Income tax	13	-8,225	-9,412
PROFIT (LOSS) FOR THE PERIOD		31,524	36,322

Consolidated statement of comprehensive income

EUR 1,000	Note no.	2023	2022
Other comprehensive income:		-	-
Other comprehensive income after taxes		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		31,524	36,322
Profit for the period attributable to:			
Equity holders of the parent company		31,524	36,322
Non-controlling interest		-	-
Comprehensive income for the period attributable to:			
Equity holders of the parent company		31,524	36,322
Non-controlling interest		-	-
Earnings per share calculated from the profit of equity holders of the parent company:	14		
Earnings per average share, EUR		0.78	0.91
Diluted earnings per average share, EUR		0.75	0.87

Consolidated Balance Sheet

EUR 1,000	Note no.	31 Dec. 2023	31 Dec. 2022
ASSETS			
Liquid assets		70	21
Claims on credit institutions	15	22,841	23,667
Financial assets	16, 26-29		
Financial securities		10,555	20,119
Private equity and real estate fund investments		16,556	16,837
Intangible assets	17		
Goodwill and brands		29,212	29,212
Client agreements		8	108
Other intangible assets		30	79
Tangible assets	18		
Right-of-use assets		4,215	5,273
Other tangible assets		425	514
Other assets	19	15,657	14,393
Accruals and prepaid expenditure	20	414	426
Income tax receivables		133	138
Deferred tax assets	21	153	70
TOTAL ASSETS		100,270	110,858

EUR 1,000	Note no.	31 Dec. 2023	31 Dec. 2022
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	22	6,933	6,829
Accruals and deferred income	23	12,871	16,607
Lease liabilities	24	4,980	5,621
Income tax liabilities		49	22
TOTAL LIABILITIES		24,834	29,079
EQUITY	30		
Attributable to equity holders of the parent company:			
Share capital		11,384	11,384
Reserve for invested unrestricted equity		24,693	27,061
Retained earnings		7,836	7,011
Profit (loss) for the period		31,524	36,322
TOTAL EQUITY		75,436	81,779
TOTAL LIABILITIES AND EQUITY		100,270	110,858

Consolidated Cash Flow Statement

EUR 1,000	2023	2022
Cash flow from operations		
Operating profit	39,749	45,735
Depreciation and impairment	1,272	1,178
Interest income and expenses	-90	57
Transactions with no related payment transactions	2,312	2,451
Financial assets – private equity funds	-940	755
Change in working capital		
Business receivables, increase (-) / decrease (+)	-1,113	-9,741
Interest-free debt, increase (+) / decrease (-)	-3,654	-6,264
Change in working capital, total	-4,767	-16,005
Cash flow from operations before financial items and taxes	37,536	34,172
Interests received	275	8
Interests paid	-185	-65
Income taxes	-8,392	-9,553
Cash flow from operations	29,234	24,561
Cash flow from investments		
Investments in tangible and intangible assets	-52	-369
Investments in other investments – liquid mutual funds	9,766	727
Cash flow from investments	9,713	359
Cash flow from financing		
Dividends/equity repayments	-40,430	-39,632
Subscription of new shares	1,270	4,003
Deduction of lease liability capital	-565	-744
Cash flow from financing	-39,725	-36,372
Increase/decrease in liquid assets	-777	-11,452
Liquid assets on 1 Jan.	23,688	35,141
Liquid assets on 31 Dec.	22,911	23,688

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
Comprehensive income					
Profit (loss) for the period			31,524	31,524	31,524
Other comprehensive income			-	-	-
Total comprehensive income			31,524	31,524	31,524
Dividend/equity repayments		-3,639	-36,791	-40,430	-40,430
Subscription of new shares		1,270		1,270	1,270
Options granted			1,293	1,293	1,293
Shareholders' equity on 31 Dec. 2023	11,384	24,693	39,359	75,436	75,436
Shareholders' equity on 1 Jan. 2022	11,384	24,247	44,325	79,955	79,955
Comprehensive income					
Profit (loss) for the period			36,322	36,322	36,322
Other comprehensive income			-	-	-
Total comprehensive income			36,322	36,322	36,322
Dividend/equity repayments		-1,189	-38,443	-39,632	-39,632
Subscription of new shares		4,003		4,003	4,003
Options granted			1,130	1,130	1,130
Shareholders' equity on 31 Dec. 2022	11,384	27,061	43,334	81,779	81,779

Notes to the Consolidated Financial Statements

1 Principles for preparing the Consolidated Financial Statements

Basic information

eQ Plc is a Finnish public limited company founded under Finnish law. The domicile of the company is Helsinki, Finland. eQ Plc and its subsidiaries form eQ Group ("eQ" or "the Group"). The parent company eQ Plc's shares are listed on Nasdaq Helsinki. eQ Group is a group of companies that concentrates on asset management and corporate finance operations. eQ Asset Management offers versatile asset management services to institutions and private individuals. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

A copy of the consolidated financial statements is available on the company website at *www.eQ.fi/en* and at the head office of the parent company, address Aleksanterinkatu 19, 00100 Helsinki, Finland.

The consolidated financial statements have been prepared for the 12-month period 1 January to 31 December 2023. The Board of Directors of eQ Plc has approved the consolidated financial statements for publication on 5 February 2024. According to the Finnish Limited Liability Companies Act, the Annual General Meeting shall have the right to adopt, reject or amend the financial statements after their publication.

The consolidated financial statements have been presented in euros, which is the operating and disclosure currency of the parent company. The figures are presented in thousand euros, unless otherwise stated.

Principles for preparing the Financial Statements

eQ Plc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, approved by the EU. The IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2023 have been applied when preparing the statements.

eQ Group will introduce each new IFRS standard and interpretation as of its effective date or, if the effective date is some other date than the first day of a financial period, as of the beginning of the financial period following the effective date. The Group has applied the amended standards and interpretations that entered into force on 1 January 2023. The amendments have not had any essential impact on the Group's financial statements.

Preparation principles requiring management assessment and use of estimates

Preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amount of assets and liabilities on the balance sheet at the time of preparation, the reporting of contingent assets and liabilities, and the amount of profits and costs during the reporting period. The estimates are based on the management's current best view, but it is possible that the outcome differs from the values used in the financial statements.

Major areas where the management has made assessments are related to assessing control in private equity and real estate funds in form of limited partnerships managed by the Group (note 34 Shares in entities not included in the consolidated financial statements).

The future assumptions and uncertainty factors related to the values on the closing date of the reporting period that cause a significant risk of essential changes in the book values of the Group assets and liabilities during the following financial period have been presented below:

Definition of fair value: The fair value of private equity fund investments is defined according to International Private Equity and Venture Capital Guidelines, as no external market price is available for them. The fair value of real estate owned by the real estate funds is based on a fair value defined by an external evaluator (note 28 Value of financial assets across the three levels of the fair value hierarchy). Private equity and real estate fund investments have been classified at level 3 in the fair value hierarchy.

Impairment testing: The Group tests the goodwill and brands with an unlimited useful life for impairment annually. The recoverable amounts of the cash-generating units have been defined based on value in use. The preparation of these calculations requires the use of estimates (note 17 Intangible assets).

Recognising revenue from contracts with customers: Revenue is recognised at an amount that recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which eQ expects to be entitled in exchange for those goods or services. There is more detailed information on estimates regarding recognising revenue requiring management assessment in the revenue recognition section.

Consolidation principles

The consolidated financial statements comprise all Group companies. Subsidiaries are companies over which the Group exercises control. Control arises when a Group by being party to an entity is exposed to the entity's variable income or is entitled to its variable income and it can influence this income by exercising control over the entity.

The Group's internal holding has been eliminated and the subsidiaries have been consolidated by using the acquisition method. Acquired subsidiaries are consolidated from the moment the Group has gained control and transferred subsidiaries until control is terminated. All internal transactions, receivables, debts and the internal distribution of profits have been eliminated in the financial statements.

The consolidated financial statements comprise the parent company eQ Plc and the following subsidiaries:

- eQ Asset Management Ltd
- eQ Fund Management Company Ltd
- eQ Life Ltd
- eQ Private Equity GP Ltd
- eQ Asunnot GP Ltd
- eQ Asunnot II GP Ltd
- Advium Corporate Finance Ltd

Segment reporting

eQ Plc's operating segments are Asset Management, Corporate Finance and Investments. Segment reporting is presented according to the internal reporting provided to the highest operative decision-makers and prepared in accordance with IFRS standards. The highest operative management is responsible for assessing the results of the business segments. In the Group, the CEO is responsible for this function. Within the Group, decisions regarding the assessment of the segments' results are based on the operating profit, i.e. the segments' result before taxes.

The business segments consist of business units with different types of products and services as well as different income logics and profitability. The pricing between the segments is based on fair market value. The income and expenses that directly belong to the business areas or can on sensible grounds be allocated to them are allocated to the business areas. In segment reporting, Group administrative functions are presented under the item Other. The unallocated items presented under the item Other also comprise interest income and expenses and taxes. 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.

The Asset Management segment comprises services related to funds, discretionary asset management, investments insurance policies and a wide range of mutual funds offered by international partners. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity and real estate fund investments made from eQ Group's own balance sheet.

Foreign currency transactions

The consolidated financial statements are presented in euros and foreign currency transactions are converted to euros using the exchange rates valid on the day of the transaction. Foreign currency receivables and liabilities are converted to euros using the exchange rates on the balance sheet date.

The gains and losses arising from foreign currency transactions and the translation of monetary items are presented through profit and loss. The foreign currency differences are included in the net income from foreign exchange dealing.

Revenue recognition principles

eQ Group receives administrative fee income related to the asset management operations from funds and asset management portfolios and pays fee repayments related to these to customers. The management fees and fee repayments of the asset management operations, included in the net income from operations, are recorded per month and mainly invoiced afterwards in periods of one, three, six or twelve months. These fees are typically calculated based on the capital in the fund or client portfolio or the original investment commitment and the agreed commission percentage over time.

The performance fees, which depend on the success of investment operations, are also included in the fee and commission income from asset management. The performance fees from asset management may consist of performance fees paid by mutual funds and non-UCITS funds (including equity and real estate funds), performance fees (profit shares) that private equity funds pay to management companies, and performance fees from asset management portfolios. eQ Group takes into consideration the requirement of limiting the assessment of variable consideration when defining the consideration from fees that it expects to be entitled to.

The performance fees of open-end real estate funds are accrued per quarter based on the return of the fund during each quarter. The ultimate performance fee that eQ receives from an open-end real estate fund is determined on the basis of the fund's annual return, and it may change from the amount recognised during an earlier quarter. eQ recognises the performance fees of real estate funds for each quarter only to a likely amount so that no major annulments will have to be made afterwards in the accumulated recognised returns.

It is possible for eQ Group to obtain a performance fee (carried interest) based on the return of the fund from the private equity funds that it manages. The performance fee, which is based of fund agreements and belongs to the management company, is not obtained until the return rate defined by the hurdle rate (IRR) has been achieved at cash flow level. Typically, the performance fee will become payable first towards the end of a fund's life cycle. If the return from the fund remains below the hurdle rate, the management company receives no performance fee. When the hurdle rate has been reached, the management company will receive the coming cash flow until the entire performance fee accumulated this far has been obtained (catch up stage). After the catch up stage, the cash flows distributed by the fund will be divided between the management company and investors according to the fund agreement (e.g. 7.5% / 92.5%). eQ Group accrues the catch up share of private equity funds' performance fee in the income statement. eQ Group will begin to accrue the catch up share of performance fees when the Group has assessed that it will not be necessary to later make any considerable cancellations in the accrued and recognised income. Accruals will be recognised for the funds that fulfil the requirements and that are assessed, based on cash flows, to pay carried interest in the following five years, the investment period of which has ended, and regarding which eQ has received return assessments of the final returns from the targets funds' management companies. After the catch up stage, the performance fees will be booked in the income statement according to the cash flow distributed by the fund and divided between the management company and investors (e.g. 7.5% / 92.5%). The possible risk of default is also assessed regarding performance fees, and, if necessary, part of the income is left unrecognised.

eQ Group also receives monthly fees and success fees related to corporate finance operations. The monthly fees are recognised over time and the success fees, which are treated as variable consideration, are dependent on the implementation of projects. The success fee income related to corporate finance projects is entered as income for the period during which the payment obligation has been carried out and the outcome of the project can be assessed in a reliable manner. When necessary, eQ Group takes into consideration the requirement of limiting the assessment of variable consideration. The expenses arising from a project are expensed immediately.

The asset items related to contracts with customers consist of management fee receivables, other fee receivables and sales receivables, which are presented separately in the Notes. No asset items from receivables from customer contracts that would fulfil the precondition for entering them on the balance sheet have arisen. The liabilities related to customer contracts mainly consist of fee repayment liabilities. The Group takes advantage of the tools available and does not recognise the amount of transaction prices for unrealised payment obligations in contracts the original expected duration of which is one year at the most, or if the amount of the consideration received of the customer and recognised as income corresponds to the value of the transferred services for the customer.

The net income from financial assets included in the operating income includes the profit distributions from private equity and real estate fund investments made from the Group's own balance sheet, the changes in fair value entered through profit or loss as well as sales profits and losses. Profit distributions are entered in the income statement first when cash flows from funds have been realised. The value changes through profit or loss of other direct investments as well as sales profit and losses are also entered among the net income from financial assets.

Financial assets and liabilities

The Group's financial assets are classified into the following groups in accordance with the IAS 9 standard:
a) valued at amortised acquisition cost,
b) entered at fair value through profit or loss and
c) valued at fair value with other items of comprehensive income.

The classification is based on the business model defined by the Group and the contractual cash flows of financial assets. In connection with the original recognition, the Group values an item belonging to financial assets at fair value, and if the item is some other than an item to be entered among financial assets at fair value through profit or loss, the transaction expenses arising directly from the item are either added or subtracted. In connection with the original recognition, the financial liabilities at fair value though profit or loss are entered on the balance sheet at fair value, and the transaction expenses are recognised through profit or loss.

To the group financial assets valued at amortised acquisition cost are classified financial assets the operating model of which aims at keeping the financial assets and collecting the cash flows based on contract that only consist of the payment of capital and interests. This group comprises sales receivables, loan receivables and other receivables as well as liquid assets. The assets in the group are valued at the periodised acquisition cost using the effective interest method. The book value of short-term sales receivables and other receivables is considered to correspond to their fair value. These items are short-term assets, if it is expected that they are realised within 12 months from the close of the reporting period. The Group's sales receivables are mainly short-term receivables. The Group recognises the deduction regarding expected credit losses from financial assets valued at amortised acquisition cost.

To the group financial assets at fair value though profit or loss are items belonging to financial assets that are classified at fair value through profit or loss in connection with the original disclosure. eQ Plc's private equity and real estate fund investments and investments in mutual funds are classified among financial assets at fair value through profit or loss. Liquid investments in mutual funds are included in financial securities on the balance sheet. The fair value of mutual fund investments is defined by using quoted market prices and rates. 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 value of the private equity and real estate fund investment is the latest fund value reported by management company of the fund, added with the capital investments and less the capital returns that have taken place between the balance sheet date and the report. The fair value of real estate owned by real estate funds is based on a fair value defined by an external evaluator. On the reporting date, the Group had no items valued at fair value through other items of comprehensive income. Financial assets are derecognised when the Group has lost the agreement-based right to the cash flows or when it has to a significant degree transferred the risks and return outside the Group. Liquid assets consist of cash and comparable items. Claims on credit institutions payable on demand are also included in liquid assets in the cash flow statement.

Financial liabilities are classified as follows:
a) valued at amortised acquisition cost,
b) valued at fair value through profit or loss.

In connection with the original recognition, the Group values financial liabilities at fair value, and if the item is some other than a financial liability to be entered at fair value through profit or loss, the transaction expenses arising directly from the item are either added or subtracted. In connection with the original recognition, financial liabilities at fair value though profit or loss are entered on the balance sheet at fair value, and the transaction expenses are recognised through profit or loss.

The financial liabilities entered at amortised acquisition cost consist of interest-bearing loans and interest-free liabilities, and they are valued among amortised acquisition cost using the effective rate method. The difference between the obtained amount and repayable amount is entered in the income statement using the effective rate method during the loan period. Financial liabilities are classified as being short-term, unless that Group has an absolute right to postpone the payment of the liability at least 12 months from the end of the reporting period. Accounts payable are classified as short-term liabilities if they fall due within 12 months. eQ Group did not have any other interest-bearing liabilities than lease liabilities at the reporting moment. eQ Group had no financial liabilities valued at fair value through profit or loss at the reporting moment. Financial liabilities or their part are derecognised first when the debt has ceased to exist, i.e. when the specified obligation has been fulfilled or annulled or its validity has been terminated.

Impairment of financial assets

The Group assesses whether there is reliable proof of the impairment of a single item or a group of items included in financial assets. eQ recognises credit losses from sales receivables at an amount that corresponds to the expected credit losses during the entire life cycle of the receivables, based on the simplified procedure included in IFRS 9. The expected credit losses are assessed based on historical data on previously realised credit losses, and the model also takes into account the information on future economic conditions available at the time of the assessment. eQ Group does not give credits and it mostly has short-term sales receivables. The receivables, including sales receivables, of the asset management operations mainly consist of fee receivables from funds managed by eQ. The credit loss risk of these fee receivable is very low.

Tangible and intangible assets

Tangible assets are entered on the balance sheet at original acquisition cost less depreciation and impairment. Acquisition cost comprises the cost arising directly from the acquisition.

Intangible assets include the goodwill generated from corporate acquisitions. The goodwill arising in the combination of business operations is entered in the amount at which the transferred consideration, the share of non-controlling interests in the object of the acquisition and the previously owned share together exceed the fair value of the acquired net assets.

Goodwill is valued at original acquisition cost minus impairment. No depreciation is booked for goodwill, but it is tested annually for impairment. Goodwill is allocated to cash-generating units.

Other intangible assets are brands, customer agreements, software licenses and other intangible rights. Customer agreements acquired in connection with corporate acquisitions are entered into intangible assets under customer agreements. No depreciation is booked for intangible assets that have an unlimited useful life, but they are tested annually for impairment. Intangible assets with a limited useful life are entered as costs into the income statement as straight-line depreciation according to plan during their useful life. Depreciation has been calculated based on the useful life from the original acquisition costs as straight-line depreciation.

The depreciation periods according to plan by asset type are as follows:

- Machinery and equipment 3 to 10 years
- Customer agreements 4 years
- Software and other intangible rights 3 to 5 years.

Impairment and impairment test

The balance sheet values of other long-term tangible and intangible assets are tested for impairment at each balance sheet date and always when there is indication that the value of an asset may have been impaired. In the impairment test, the recoverable amount of the assets is tested. The recoverable amount is the higher of an asset item's net sales price or its value in use, based on cash flow. An impairment loss is entered in the income statement, if the book value of the asset is higher than the recoverable amount.

The need for impairment is assessed at the level of cash-generating units, i.e. the lowest unit level that is mainly independent of other units and the cash flow of which can be separated from other cash flows. For the testing of impairment, the recoverable amount of the asset item has been defined by calculating the asset items' value in use. The calculations of the value in use are based on five-year cash flow plans approved by the management. The future income cash flows of asset management are based on assets that are managed under asset management agreements. The development of the assets under management and the future income cash flow of asset management operations are influenced by the development of the capital market, for instance. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within one year and are dependent on economic trends. The estimate on the income cash flow of the corporate finance operations is based on the management's view on the number of future transactions. The future cash outflows of the impairment calculations are based on the Group management's cost estimates for the future. In the calculations, the management uses as discount rate before taxes, which reflects the view on the time value of money and the special risks related to the asset item.

Leases

eQ Group enters almost all leases that it concludes on the balance sheet. An asset (the right to use the leased item) and a financial liability to pay rentals are entered on the balance sheet. The only exceptions are leases on short-term and low-value items, on which eQ Group applies the simplifications allowed by the standard. The major leases concluded by eQ Group are related to leased premises and storage facilities in connection with the premises. The leases on premises are fixed-term and they do not include options for continuance or termination, covenants or, for instance, variable leases based on net sales. The minor leases that eQ Group has entered into are related to rented IT equipment. A straight-line depreciation for a right-of-use asset and calculated interest expenses for the lease liability are entered in the income statement.

eQ Group recognises the right-of-use asset and lease liability from the day when the lease agreement enters into force. A right-of-use asset is originally valued at acquisition cost, which includes the lease liability at its original valuation, the leases paid up to the date of commencement of the agreement deducted with any possible incentives related to the lease agreement as well as any direct costs arising for the group during the initial stage. Depreciation on a right-of-use asset is recognised as straight-line depreciation from the commencement of the agreement, according to its useful life or the lease period, depending on which is shorter. A right-of-use asset is tested for impairment, if necessary, and any impairment is recognised through profit or loss. A lease liability is originally valued at the present value of the lease payments that have not been paid when the agreement enters into force. The Group uses as discount rate the Group's incremental borrowing rate. Later on, the lease liability is valued at the periodised acquisition cost using the effective rate method. The lease liability is redefined when a change has occurred in future lease payments resulting from the index or if some other change takes place in the cash flows according to the original terms of the lease. When the lease liability is redefined in such a manner, a corresponding adjustment is made to the book value of the right-of-use asset, or it is recognised through profit or loss, if the book value of the right-of-use asset has been reduced to zero.

Employment pensions

The Group's pension arrangement is a contribution-based arrangement, and the payments are entered in the income statement for the periods to which they apply. The pension coverage of the Group's personnel is arranged with a statutory TyEL insurance policy through an insurance company outside the Group.

Share-related payments

The Group has incitement arrangements where the payments are made as equity instruments. Option rights are valued at fair value on their grant date and expensed in the income statement during the period when the right arises. The expenses are presented among expenses arising from fringe benefits. The fair value of granted options on the grant date has been defined by using the Black-Scholes price-setting model.

Income tax

The taxes based on Group company earnings for the period are entered into the Group's taxes, as are the adjustments of taxes from previous periods and the changes in deferred taxes. The tax based on the period's taxable income is calculated from the taxable income based on the valid tax rate. The tax impact of items entered directly into shareholders' equity is similarly entered directly into the shareholders' equity.

Deferred taxes are calculated based on the debt method from all temporary differences in accounting and taxation in accordance with the valid tax rate legislated before the end of the financial year. The deferred tax receivable is entered to the amount in which taxable income is likely to arise in future, against which the temporary difference can be exploited. The most significant temporary differences are typically generated from valuing the net value of the acquired companies at fair value.

Earnings per share

Earnings per share are calculated by dividing the profit for the period belonging to the parent company's shareholders with the weighted average number of outstanding shares during the financial period. When calculating earnings per share adjusted with dilution, the diluting effect of the conversion into shares of all diluting, potential ordinary shares is taken into consideration in the weighted average number.
The Group's share options are diluting instruments, i.e. instruments that increase the number of ordinary shares.

Dividend distribution

No booking has been made for the dividend proposed by the Board of Directors to the AGM in the financial statements and it has not been taken into account when calculating distributable retained profits. The dividend is only taken into account based on the AGM decision.

2 Risk management

eQ Group defines risk as an unexpected change in future economic outcome. The purpose of risk management is to make sure that the risks associated with the company's operations are identified, assessed and that measures are taken regarding them. Risk management shall see to it that manageable risks do not jeopardise the business strategy, critical success factors or earning power. Risk management comprises all the measures that are needed for the cost-efficient management of risks arising from the Group's operations. Risk management is a continuous process that is assessed at regular intervals. The aim of this is to make sure that risk management is adapted to the changing operating environment.

eQ Plc's Board supervises that the CEO takes care of eQ Plc's day-to-day administration according to the instructions and orders issued by the Board. The Board supervises that risk management and control are organised in a proper manner. eQ Plc's Board approves the principles for risk management and defines the company's organisation structure as well as the authorities, responsibilities and reporting relations. The executive management is responsible for the implementation of the risk management process and control in practice. It is the duty to the executive management to see to it that internal instructions are maintained and make sure that they are sufficient and functional. The management is also responsible for making sure that the organisation structure functions well and is clear and that the internal control and risk management processes function.

eQ Group comprises a fully owned subsidiary of eQ Plc, eQ Asset Management Ltd, which is an investment firm. A permanent risk management function consisting of risk experts, which is independent of the other operations, is led by the Chief Risk Officer and responsible for risk management at eQ Asset Management Ltd. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the IFR regulations on capital adequacy. Below is a presentation of the major risks of eQ Group and the investment firm.

Risks related to operations

Financial risk

Financial risks are divided into market, liquidity and credit risks. The aim of the management of financial risks is to cut down the impacts of fluctuations in interest rates, foreign exchange rates and prices and other uncertainties as well as to guarantee sufficient liquidity.

Market risk

Market risk means the risk that changes in market prices may pose. Interest rate, currency and price risks are regarded as market risks. The business operations of Group companies do not as such comprise taking own positions in the equity or bond market for trading purposes. Therefore, there are no market risks in this respect.

Interest rate risk

Interest rate risk means the uncertainty of the cash flow and result that results from changes in interest rates. The business operations of Group companies do not as such comprise taking own positions in the bond market for trading purposes. Therefore, there are no market risks in this respect.

The interest rate risk is also managed through the planning of the balance sheet structure. The Group did not have any interest-bearing loans at the end of the reporting period.

Currency risk
Currency risk means the uncertainty of the cash flow and result arising from changes in exchanges rates. The Group company operations are mainly denominated in euros, which means that there is no significant currency risk in this respect.

For eQ Plc's private equity and real estate fund investments eQ does not separately monitor changes arising from foreign exchange rates but regards them as part of the change in the investment object's fair value. eQ's private equity and real estate fund investments are divided into different currencies as follows:

Private equity and real estate fund investments in foreign currencies and change in fair value in euros:

31 Dec. 2023				decrease in value against the euro	
	Currency	Euro	%	10%	20%
EUR million	9.7	9.7	58.3%		
USD million	7.6	6.9	41.7%	-0.7	-1.4
		16.6			

31 Dec. 2022				decrease in value against the euro	
	Currency	Euro	%	10%	20%
EUR million	9.9	9.9	59.0%		
USD million	7.4	6.9	41.0%	-0.7	-1.4
		16.8			

Price risk
Price risk means the possibility of loss due to fluctuations in market prices.

The Group's parent company eQ Plc makes investments in private equity and real estate funds from its own balance sheet. eQ Plc's investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the return of the investments is often small.

The major factors influencing the value of eQ's investments in private equity funds are the values of the companies included in the portfolio and factors influencing them, such as the:
- financial success of the underlying company
- growth outlook of the underlying company
- valuation of peers
- valuation method selected by the management company of the fund.

The price risk of eQ's private equity fund portfolio has been diversified by making investments in different sectors and geographic areas. The impact of one individual risk on the value of eQ's private equity fund portfolio is small, owing to efficient diversification. The price development of the real estate in eQ's real estate fund portfolio and the development of the rental market are dependent on, e.g. general economic development. The leases on the properties have an essential impact on the value of the objects in the real estate funds. The price risk of a real estate fund is also influenced by the under-utilisation of the real estate and the required return as well as the operating and financing costs of the real estate, for instance.

The impact of the price risk of the private equity and real estate fund portfolio on shareholders' equity:

At the end of 2023, a 10% change in the market value of the private equity and real estate fund portfolio corresponded to a change of EUR 1.3 million in the shareholders' equity (EUR 1.3 million on 31 Dec. 2022).

Liquidity risk
Liquidity risk means the risk that the company's liquid assets and possibilities of getting additional financing are not sufficient for covering business needs. Liquidity risk arises from the unbalance of cash flows.

The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the sur-plus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The liquidity is also influenced by the capital calls and returns of the own private equity and real estate fund investments. The Group's major source of financing is a positive cash flow. The table below describes the maturity analysis of debts based on agreements.

Maturity distribution of debts, 1,000 EUR

31 Dec. 2023	less than 1 year	1–5 years	over 5 years	total
Loans from financial Institutions	-	-	-	-
Accounts payable and other liabilities	670	-	-	670
Lease liabilities	1,250	4,373	-	5,623
Total	1,920	4,373	-	6,293

31 Dec. 2022	less than 1 year	1–5 years	over 5 years	total
Loans from financial Institutions	-	-	-	-
Accounts payable and other liabilities	287	-	-	287
Lease liabilities	755	4,874	416	6,045
Total	1,042	4,874	416	6,332

Credit risk
Credit risk means that a customer or counterparty does not fulfil its obligations arising from a credit relation and that the security that may have been issued is not sufficient for covering the receivable. The Group's contractual counterparties are clients, who buy the company's services, and partners. The Group does not give any actual credits, which means that the credit risks mainly arise from the own investment portfolio. eQ Plc has tried to manage the credit risk related to private equity and real estate fund operations by diversifying the investments well.

In addition, eQ Group may invest surplus liquidity in accordance with an investment policy that it has approved. Liquid assets are invested in fixed-income funds with short maturity and continuous liquidity, in bank deposits or other corresponding short-term interest rate instruments with a low risk where the counterparties are solid and have a high credit rating. The credit risk of the asset management and corporate finance operations is related to commission receivables from clients, which are monitored daily.

Operational risks

Operational risks may arise from inadequate or failed internal processes, people and systems, or from external events. Operational risks also cover legal and reputation risks, and they are managed by, for instance, developing internal processes and seeing to it that the instructions are good and that the personnel is offered sufficient training.

Legal risks are included in operational risks and can be related to agreements between the Group and different partners. The Group tries to identify these risks by going through any agreements thoroughly and using the help of external experts, when necessary.

The Group carries out a self-assessment of operational risks annually. The aim is to identify operational risks, assess the probability and impacts of each separate risk and try to find out ways of decreasing the risks.

In the self-assessments, the key employees of different functions assess all potential operational risks in their operating environment. The Group tries to define the expected value for risk transactions, i.e. the most likely amount of loss during the year. The expected value is calculated by multiplying the assessed number of risk occurrences and the assessed amount of one single loss in euros. The results of this assessment are used for planning the measures with which operational risks are cut down.

Risks arising from business operations and external operating environment

The sources of income in Group operations have been diversified to different sources of income. Consequently, the Group can prevent excessive dependence on one single source of income.

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the asset management operations depends on the development of the assets under management, which is dependent of the development of the capital market, for instance. The management fees of private equity funds and closed-end real estate funds are based on long-term agreements that produce a stable cash flow, however. The result of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within one year and are dependent on economic trends.

The Group tries to manage the risks associated with its business operations through a flexible, long-term business strategy, which is reviewed at regular intervals and updated when necessary.

The impact of the risks associated with the external operating environment (business, strategic and reputation risks and risks arising from changes in the compliance environment) on the Group's result, balance sheet, capital adequacy and need of capital is assessed continuously as part of the day-to-day operations and at regular intervals in connection with the strategy planning process. The regular planning assesses the impact on the result, balance sheet and capital adequacy. In the assessment, the company's assets must clearly exceed the minimum requirement set by authorities even in the alternative scenario. The Group aims to maintain a sufficient equity buffer with which it can meet any risks posed by the external operating environment.

Other risks

Risks associated with property and indemnity risks

The Group has insurance policies for property, interruption and indemnity risks. The coverage of the insurance policies is assessed annually. The Group also protects its property with security control and passage rights.

Risks associated with the concentration of business

eQ Group offers asset management services and mutual funds to its clients, including individuals, companies and institutional investors. In addition, the Group offers asset management services related to private equity investments as well as corporate finance services. In normal situations, there are no essential concentration risks in the Group's operations that would have an impact on the need of capital, at least not to any significant extent, which means that there is no need to maintain a separate risk-based capital regarding the concentration of operations.

3 Capital management

The aim of the Group's capital management is to create an efficient capital structure that ensures normal operating preconditions and growth opportunities for the Group as well as the sufficiency of capital in relation to the risks associated with the operations. The Group can influence the capital structure through dividend distribution and share issues, for instance. The capital managed is the shareholders' equity shown on the balance sheet. At the end of the accounting period 2023, the shareholders' equity amounted to EUR 75.4 million and the equity to assets ratio was 75.2%. The main source of financing is the positive cash flow of operations. The Group's net gearing has been presented in the table below. The ratio is calculated by dividing net debt with shareholders' equity. The Group management monitors the development of net debt as part of capital management.

Net gearing

EUR 1,000	2023	2022
Interest-bearing financial liabilities (incl. lease liability)	4,980	5,621
Financial securities	10,555	20,119
Liquid assets	22,911	23,688
Net debt	-28,485	-38,186
Total shareholders' equity	75,436	81,779
Net gearing, %	-37.8%	-46.7%

The sufficiency of capital is assessed by comparing the available capital with the capital needed for covering risks. The starting point of capital planning consists of the assessments of the future development of business and the possible impacts of the risks associated with the operations on the operations. The plans take into consideration the viewpoints of different stakeholders, e.g. authorities, creditors and owners.

4 Segment information

The Asset Management segment comprises services related to funds, discretionary asset management, investments insurance policies and a wide range of mutual funds offered by international partners. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity and real estate fund investments made from eQ Group's own balance sheet.

EUR 1,000 1 Jan. to 31 Dec. 2023	Asset Management	Corporate Finance	Investments	Other	Eliminations	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 tax				-8,225		-8,225
PROFIT (LOSS) FOR THE PERIOD				-9,952		31,524

EUR 1,000 1 Jan. to 31 Dec. 2022	Asset Management	Corporate Finance	Investments	Other	Eliminations	Group total
Fee and commission income	72,280	5,385	-	-		77,665
From other segments	150	-	-	-	-150	-
Interest income	-	-	-	8		8
Net income from financial assets	-	-	816	-106		709
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	72,430	5,385	816	-21	-227	78,383
Fee and commission expenses	-536	-	-	-		-536
To other segments	-	-	-150	-	150	-
Interest expenses	-44	-10	-	-12		-65
NET REVENUE	71,850	5,375	666	-33	-77	77,781
Administrative expenses						
Personnel expenses	-22,041	-2,931	-	-1,752		-26,724
Other administrative expenses	-1,819	-387	-	-360	77	-2,490
Depreciation on tangible and intangible assets	-918	-176	-	-84		-1,178
Other operating expenses	-1,181	-146	-	-327		-1,655
OPERATING PROFIT (LOSS)	45,890	1,735	666	-2,556	0	45,735
Income tax				-9,412		-9,412
PROFIT (LOSS) FOR THE PERIOD				-11,969		36,322

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.

eQ Plc does not have any single clients the income from which would exceed 10% of the total income.

Geographic information:

Net revenue per country, EUR 1,000

Domicile	2023	2022
Finland	70,853	77,781
Other countries	-	-
Total	70,853	77,781

External net revenue is presented based on domicile.

Notes to the Income Statement

5 Fee and commission income

EUR 1,000	2023	2022
Asset management fees		
Management fees		
Traditional asset management	8,836	9,401
Real estate asset management	35,583	35,147
Private equity asset management	17,421	16,782
Management fees, total	61,840	61,330
Performance fees		
Traditional asset management	12	3
Real estate asset management	-722	4,344
Private equity asset management	6,148	6,456
Performance fees, total	5,439	10,804
Other fee and commission income	119	146
Asset management fees, total	67,397	72,280
Corporate finance fees	3,963	5,385
Total	71,361	77,665
Private equity performance fees, specification		
Paid non-accrued fees	150	613
Catch up share accrual	5,998	5,843
Total	6,148	6,456

6 Interest income

EUR 1,000	2023	2022
From credit institutions	274	5
Other interest income	1	3
Total	275	8

7 Net income from financial assets

EUR 1,000	2023	2022
Private equity and real estate fund investments		
Profit distribution from funds	790	2,040
Changes in fair value and losses	-1,221	-1,224
Total	-431	816
Other investment operations		
Changes in fair value	202	-97
Sales profits/losses	178	-9
Total	379	-106
Total	-52	709

8 Fee and commission expenses

EUR 1,000	2023	2022
Custody fees	-546	-536
Total	-546	-536

9 Interest expenses

EUR 1,000	2023	2022
Other interest expenses	-4	-7
Interest expenses of lease liabilities	-181	-58
Total	-185	-65

10 Administrative expenses

EUR 1,000	2023	2022
Expenses related to employee benefits		
Short-term employee benefits		
Salaries and remuneration	-20,142	-21,372
Other indirect employee costs	-658	-695
Share-related payments	-1,293	-1,130
Benefits after end of employment		
Pension costs – defined contribution plans	-3,323	-3,526
Total	-25,415	-26,724
Other administrative expenses		
Other personnel expenses	-528	-477
IT and connection expenses	-1,093	-1,096
Other administrative expenses	-911	-916
Total	-2,532	-2,490
Total	-27,947	-29,213

11 Depreciation

EUR 1,000	2023	2022
Depreciation on tangible assets	-142	-125
Depreciation on right-of-use assets – leased premises	-982	-870
Depreciation on intangible assets		
Depreciation on client agreements	-100	-100
Depreciation on other intangible assets	-49	-83
Total	-1,272	-1,178

Leases with a low value have not been entered in the balance sheet and no depreciation is recorded on them. A total of EUR 17 thousand of low-value leases is included in the administrative expenses of the income statement.

12 Other operating expenses

EUR 1,000	2023	2022
Expert fees	-15	-8
Audit fees		
Audit fees	-93	-94
Other services	-14	-11
Total	-108	-105
Other expenses		
Premises	-368	-294
Other expenses	-1,394	-1,248
Total	-1,763	-1,542
Total	-1,885	-1,655

13 Income tax

EUR 1,000	2023	2022
Direct taxes for the financial period	-8,308	-9,437
Changes in deferred taxes	83	25
Total	-8,225	-9,412
Tax reconciliation		
Profit (loss) before taxes	39,749	45,735
Taxes calculated with the parent company's tax rate	-7,950	-9,147
Income not subject to tax	0	0
Non-deductible expenses	-30	-32
Taxes for previous financial periods	18	-5
Consolidations and eliminations	-262	-229
Taxes in income statement	-8,225	-9,412

Deferred taxes have been calculated using tax rates valid up to the balance sheet date.

14 Earnings per share

EUR 1,000	2023	2022
Earnings per share attributable to equity holders of the parent company	31,524	36,322
Shares, 1,000 shares *)	40,746	40,430
Earnings per share calculated from the profit of equity holders of the parent company:		
Earnings per share, EUR	0.78	0.91
Diluted earnings per share, EUR	0.75	0.87

*Calculated using the weighted average number of shares.

Notes to the Consolidated Balance Sheet

15 Claims on credit institutions

EUR 1,000	2023	2022
Repayable on demand		
From domestic credit institutions	22,841	23,667
Total	22,841	23,667

16 Shares and participations

EUR 1,000	2023	2022
Financial assets		
Private equity and real estate fund investments		
Book value on 1 Jan.	16,837	18,817
Increases	2,304	2,113
Decreases	-1,365	-2,868
Value adjustment	-1,221	-1,224
Book value on 31 Dec.	16,556	16,837
Financial securities		
Book value on 1 Jan.	20,119	20,943
Increases	10,000	21,582
Decreases	-19,943	-22,300
Value adjustment	202	-97
Sales profit (loss)	178	-9
Book value on 31 Dec.	10,555	20,119

17 Intangible assets

EUR 1,000	2023	2022
Other intangible assets		
Other intangible assets, acquisition cost on 1 Jan.	2,315	2,285
Increases	-	31
Decreases	-	-
Other intangible assets, acquisition cost on 31 Dec.	2,315	2,315
Accumulated depreciation and impairment on 1 Jan.	-2,236	-2,153
Depreciation for the period	-49	-83
Accumulated depreciation and impairment on 31 Dec.	-2,285	-2,236
Other intangible assets on 31 Dec.	30	79
Client agreements		
Client agreements, acquisition cost on 1 Jan.	400	400
Increases/decreases	-	-
Client agreements, acquisition cost on 31 Dec.	400	400
Accumulated depreciation and impairment on 1 Jan.	-292	-192
Depreciation for the period	-100	-100
Accumulated depreciation and impairment on 31 Dec.	-392	-292
Client agreements on 31 Dec.	8	108
Goodwill		
Goodwill, acquisition cost on 1 Jan.	25,212	25,212
Increases/decreases	-	-
Goodwill, acquisition cost on 31 Dec.	25,212	25,212
Accumulated depreciation and impairment	-	-
Goodwill on 31 Dec.	25,212	25,212
Brands		
Brands, acquisition cost on 1 Jan.	4,000	4,000
Increases/decreases	-	-
Brands, acquisition cost on 31 Dec.	4,000	4,000
Accumulated depreciation and impairment	-	-
Brands on 31 Dec.	4,000	4,000

Goodwill and value of brands

eQ Plc has in its consolidated balance sheet goodwill generated from corporate acquisitions related to the asset management and corporate finance operations. The goodwill associated with the asset management operations is related to the acquisition of Finnreit Fund Management Company Ltd in September 2013, the acquisition of Icecapital Asset Management Ltd in November 2012, the acquisition of eQ Asset Management Group Ltd in March 2011, and the acquisition of Mandatum Private Equity Fund Ltd in December 2005. The goodwill associated with corporate finance operations is related to the acquisition of Advium Corporate Finance Ltd in March 2011.

Allocation of goodwill to cash-generating units, EUR million:

	31 Dec. 2023	31 Dec. 2022
Asset Management	17.9	17.9
Corporate Finance	7.3	7.3

Additionally, a total of EUR 4.0 million concerning asset management and corporate finance operations has been allocated to intangible assets by calculating fair values for the acquired brands. In connection with the acquisition of eQ Asset Management Group Ltd, EUR 2.0 million was allocated to the eQ brand by calculating a fair value for the brand. In connection with the acquisition of Advium Corporate Finance Ltd, EUR 2.0 million was allocated to the Advium brand by calculating a fair value for the brand. The useful lives of the brands have been deemed as unlimited, as their strong recognisability supports the management's view that they will generate cash flows during a period of time that cannot be defined.

Allocation of brands to cash-generating units, EUR million:

	31 Dec. 2023	31 Dec. 2022
Asset Management	2.0	2.0
Corporate Finance	2.0	2.0

Impairment testing

No depreciation is booked for intangible assets that have an unlimited useful life, but they are tested annually for impairment. For the testing of impairment, the recoverable amount of the assets item has been defined by calculating the asset item's value in use. The calculations are based on five-year cash flow plans approved by the management.

The future income cash flows of asset management are based on assets that are managed under asset management agreements. The development of the assets under management and the income cash flow of asset management operations are influenced by the development of the capital market, for instance. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within one year and are dependent on economic trends. The estimate on the income cash flow of the corporate finance operations is based on the management's view on the number of future transactions. The future expense cash flows of the impairment calculations are based on the Group management's cost estimates for the future.

Cash flow that extends beyond the five-year prognosis period has been calculated by using the so-called terminal value method, in which the management's conservative estimate on the long-term growth of the cash flow has been applied when defining growth. An annual growth of 1% has been used as the growth factor of the terminal value.

In the calculations, the management uses as discount rate before taxes, which reflects the view on the time value of money and the special risks related to the asset item. In 2023, the discount rate for asset management was 9.5% (8.3% 2022) and for corporate finance 11.0% (9.8%).

The impairment tests show no need to book impairment for goodwill or brands.

Sensitivity analysis

The impairment test calculations have been subjected to sensitivity analyses by using poorer scenarios than the actual prognoses. With these scenarios, we wanted to study the change of the value in use by changing the basic assumptions of value definition. The future income and expense cash flows, discount rate and growth speed of the terminal value were changed in the sensitivity analyses. The scenarios were formed by changing the assumptions as follows:

- by using annually an income cash flow that is 20% lower than the original prognosis at the most
- by using annually an expense cash flow that is 20% higher than the original prognosis at the most
- by using 0% growth in the terminal value calculations
- by using a 4% higher discount rate at the most

Based on the sensitivity analyses, none of the scenarios alone changes the recoverable amount to such an extent that it would lead to a situation where the book value exceeds the value in use. The management feels that the above-described theoretical changes made in the basic assumptions of the scenarios should not be interpreted as any proof for their likelihood. Sensitivity analyses are hypothetical and must therefore be treated with certain reservation.

As for corporate finance operations, a relatively possible change in the central assumption, based on which the recoverable amount has been defined, can result in a situation where the book value of goodwill and brand value exceeds the recoverable amount. If the operating profit level of the corporate finance operations is not 45% higher than in 2023 in each year during the following five-year period, partial write-down of goodwill is possible. The corporate finance operations' value in use exceeds the book value of the goodwill and brand in the 2023 goodwill test by EUR 11.6 million. The result of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within one year and are dependent on economic trends.

18 Tangible assets

EUR 1,000	2023	2022
Right-of-use assets – leased premises		
Right-of-use assets on 1 Jan.	5,273	965
Increases	-	5,177
Decreases	-75	-
Depreciation for the period	-982	-870
Right-of-use assets on 31 Dec.	4,215	5,273
Other tangible assets		
Machinery and equipment, acquisition cost on 1 Jan.	1,721	1,383
Increases	52	338
Decreases	-	-
Machinery and equipment, acquisition cost on 31 Dec.	1,773	1,721
Accumulated depreciation and impairment on 1 Jan.	-1,215	-1,090
Depreciation for the period	-142	-125
Accumulated depreciation and impairment on 31 Dec.	-1,357	-1,215
Machinery and equipment on 31 Dec.	416	505
Other tangible assets on 1 Jan.	8	8
Other tangible assets on 31 Dec.	8	8
Other tangible assets, book value on 31 Dec.	425	514

19 Other assets

EUR 1,000	2023	2022
Sales receivables	579	1,005
Management fee receivables	3,068	3,101
Private equity performance fees, catch up share receivables	11,841	5,843
Other receivables	169	4,445
Total	15,657	14,393

EUR 1,000	2023	2022
Private equity performance fees, catch up share receivables		
Catch up share receivables on 1 Jan.	5,843	-
Accrual of catch up share receivables during the period	5,998	5,843
Accrued catch up share receivables paid during the period	-	-
Catch up share receivables on 31 Dec.	11,841	5,843

Age distribution of sales receivables:
Sales receivables EUR 579 thousand, age distribution: not due

20 Accruals and prepaid expenditure

EUR 1,000	2023	2022
Other accruals	109	127
Other prepaid expenditure	305	299
Total	414	426

21 Deferred tax assets and liabilities

EUR 1,000	2023	2022
Deferred tax assets		
Temporary differences in leases	153	70
Deferred tax assets	153	70
Deferred tax liabilities	0	0
Deferred tax assets (-) / tax liabilities (+), net	-153	-70

The deferred tax assets are booked up to the amount of the probable future taxable income against which unused tax losses can be utilised.

22 Other liabilities

EUR 1,000	2023	2022
Accounts payable	670	287
Fee repayment liabilities	5,501	6,112
Other liabilities	762	430
Total	6,933	6,829

23 Accruals and deferred income

EUR 1,000	2023	2022
Holiday pay	1,424	1,319
Other accruals	11,447	15,289
Total	12,871	16,607

24 Lease liabilities

EUR 1,000	2023	2022
Lease liabilities – premises	4,980	5,621

The amount of lease liabilities related to low-value leases was EUR 44 thousand at the end of the year. Low-value lease liabilities have not been entered in the balance sheet.

25 Balance sheet items denominated in domestic and foreign currencies

31 Dec. 2023 EUR 1,000	Other than EUR	EUR	Total
Balance sheet items			
Claims on credit institutions	-	22,841	22,841
Other assets	6,904	70,524	77,428
Total	6,904	93,365	100,270
Other liabilities	-	24,834	24,834
Total	-	24,834	24,834

31 Dec. 2022 EUR 1,000	Other than EUR	EUR	Total
Balance sheet items			
Claims on credit institutions	-	23,667	23,667
Other assets	6,900	80,290	87,191
Total	6,900	103,958	110,858
Other liabilities	-	29,079	29,079
Total	-	29,079	29,079

26 Financial assets and liabilities

	2023				
EUR 1,000	Book value	Interest income and expenses	Profits and losses	Impairment loss	Dividend income
Financial assets					
Financial assets at fair value through profit or loss	27,111	0	-52	-	-
Financial assets valued at periodised acquisition cost					
Sales receivables and other receivables	579	-	-	-	-
Liquid assets	22,911	274	-	-	-
Total	50,600	275	-52	-	-
Financial liabilities					
Accounts payable and other liabilities	670	-4	-	-	-
Lease liabilities	4,980	-181	-	-	-
Total	5,650	-185	-	-	-

	2022				
EUR 1,000	Book value	Interest income and expenses	Profits and losses	Impairment loss	Dividend income
Financial assets					
Financial assets at fair value through profit or loss	36,956	3	709	-	-
Financial assets valued at periodised acquisition cost					
Sales receivables and other receivables	1,005	-	-	-	-
Liquid assets	23,688	6	-	-	-
Total	61,650	8	709	-	-
Financial liabilities					
Accounts payable and other liabilities	287	-7	-	-	-
Lease liabilities	5,621	-58	-	-	-
Total	5,908	-65	-	-	-

27 Fair values

	2023		2022	
EUR 1,000	Fair value	Book value	Fair value	Book value
Financial assets				
Financial assets at fair value through profit or loss				
Private equity and real estate fund investments	16,556	16,556	16,837	16,837
Financial securities	10,555	10,555	20,119	20,119
Sales receivables and other receivables	579	579	1,005	1,005
Liquid assets	22,911	22,911	23,688	23,688
Total	50,600	50,600	61,650	61,650
Financial liabilities				
Accounts payable and other liabilities	670	670	287	287
Lease liabilities	4,980	4,980	5,621	5,621
Total	5,650	5,650	5,908	5,908

The table presents the fair values and book values of financial assets and liabilities per balance sheet item. The valuation principles of fair values are presented in the 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.

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

EUR 1,000	31 Dec. 2023 Level 1	Level 3
Financial assets at fair value through profit or loss		
Private equity and real estate fund investments	-	16,556
Financial securities	10,555	-
Total	10,555	16,556

Level 3 reconciliation:

At fair value through profit or loss	Private equity and real estate funds
Opening balance	16,837
Calls	2,304
Returns	-1,365
Changes in fair value	-1,221
Closing balance	16,556

EUR 1,000	31 Dec. 2022 Level 1	Level 3
Financial assets at fair value through profit or loss		
Private equity and real estate fund investments	-	16,837
Financial securities	20,119	-
Total	20,119	16,837

Level 3 reconciliation:

At fair value through profit or loss	Private equity and real estate funds
Opening balance	18,817
Calls	2,113
Returns	-2,868
Changes in fair value	-1,224
Closing balance	16,837

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.

29 Private equity and real estate fund investments

	Market value		Remaining investment commitment	
EUR 1,000	2023	2022	2023	2022
Funds managed by eQ:				
Funds of funds:				
eQ VC II	-	-	905	-
eQ PE XV US	36	0	860	-
eQ PE XIV North	421	145	600	850
eQ VC	226	76	634	844
eQ PE XIII US	455	215	453	703
eQ PE XII North	734	520	285	485
eQ PE XI US	810	638	153	298
eQ PE X North	838	613	159	259
eQ PE IX US	1,168	1,091	126	111
eQ PE VIII North	1,750	1,956	301	301
eQ PE VII US	2,846	3,022	160	109
eQ PE VI North	1,346	1,693	371	369
Amanda V East	1,661	2,209	663	663
Amanda IV West	28	153	427	427
Amanda III Eastern PE	78	378	273	273
Total	12,396	12,710	6,368	5,692
Real estate funds:				
eQ Residential II	668	181	200	800
eQ Residential	843	527	150	550
Funds managed by others:				
Large buyout funds	1,196	1,302	133	133
Midmarket funds	91	261	302	302
Venture funds	1,362	1,857	0	0
Total	16,556	16,837	7,153	7,477

30 Equity

Description of equity funds:

Reserve for invested unrestricted equity:

The reserve for invested unrestricted equity includes other investments of equity nature and the subscription price of shares that is not specifically recognised in share capital.

Shares and share capital

EUR 1,000	Number of shares	Share capital
1 Jan. 2023	40,429,698	11,383,873
Decreases	-	-
Increases	316,000	-
31 Dec. 2023	40,745,698	11,383,873

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 195,000 shares on 16 May 2023, by 111,000 shares on 29 August 2023 and by 10,000 shares on 14 November 2023.

Each share in eQ Plc holds one vote, and all shares have equal rights.
The shares do not have any nominal value. All issued shares have been paid in full.
The major shareholders have been presented in the Report by the Board of Directors.

Own shares

At the end of the period, on 31 December 2023, eQ Plc held no own shares.

Management holdings

The shares held by the management are specified in more detail in the note concerning related parties.

31 Contingent liabilities and securities

EUR 1,000	2023	2022
Remaining investment commitments in private equity and real estate funds	7,153	7,477
Other liabilities – less than one year	0	0
Other liabilities – exceeding one year but less than five years	0	0
Total	7,153	7,477

eQ Group has issued a security for a lease with a balance sheet value of EUR 0.4 million. The security, which has been issued as a mutual fund share, is included in financial securities under financial assets on the balance sheet.

32 Information on related parties

The Group's related parties are the parent company, subsidiaries, associated companies as well as the members of the Board and Management Team, including the CEO. The spouses and other close relatives of the above-mentioned persons are also regarded as related parties as well as entities in which said persons exercise control. The members of the Board, CEO and the Group's Management Team are regarded as key executives.

Salaries and remuneration of executives

EUR 1,000	2023	2022
Salaries and remuneration, Mikko Koskimies, CEO	1,755	1,944
Salaries and remuneration of other members of the Management Team	1,731	1,958

The retirement age and pensions of the CEO and other members of the Management Team are determine in accordance with the Finnish Employees Pensions Act.
The CEO and other members of the Management Team do not have any supplementary pension schemes.

Statutory pensions

EUR 1,000	2023	2022
Statutory pension of Mikko Koskimies, CEO	291	322
Statutory pensions of other members of the Management Team	287	324

The Group executives have originally been granted 350,000 option rights of the 2018 option scheme with a subscription price, of which 100,000 to Mikko Koskimies, CEO. Janne Larma, full-time Chair of the Board, has originally been granted 100,000 rights of the 2018 option scheme with a subscription price. Of the option rights 2018 granted to group management and full-time Chair of the Board altogether 204,000 have not yet been exercised.

Altogether 160,000 options rights of the 2022 option scheme have been granted to the Group executives, 50,000 of which to Mikko Koskimies, CEO. Janne Larma, full-time Chair of the Board, has been granted 50,000 option rights of the 2022 option scheme.

The Board of Directors have no share-related rights or other remuneration schemes.

The AGM held on 27 March 2023 decided that the directors be paid the following remuneration:
Chair of the Board EUR 5,000, Deputy Chair of the Board EUR 4,000 and the other directors EUR 3,000 per month. In addition, the directors are paid of fee of EUR 750 for each Board meeting that they attend.

In addition, Janne Larma, full-time Chair of the Board, is paid a monthly salary of EUR 50,000 based on an agreement on chairing the Board of Directors.

Transactions with related parties and receivables from related parties

Other transactions with related parties*

EUR 1,000	2023	2022
Sales	713	739
Receivables	0	0

*eQ Group has offered persons regarded as related parties and the entities that they control asset management services. Normal market terms are applied to transactions with related parties.

Holdings of the Board and Management Team in eQ Plc on 31 Dec. 2023:

The table below shows the personal holdings of the members of the Board and the Management Team and companies under their control.

	Shares	Share of votes and shares, %
Janne Larma	6,165,904	15.13%
Georg Ehrnrooth	75,000	0.18%
Päivi Arminen	3,550	0.01%
Nicolas Berner	90,000	0.22%
Timo Kokkila	4,142	0.01%
Tomas von Rettig	5,000	0.01%
Mikko Koskimies	4,250,000	10.43%
Staffan Jåfs	66,778	0.16%
Antti Lyytikäinen	41,000	0.10%
Juha Surve	41,500	0.10%

33 Subsidiaries

The following subsidiaries are part of the Group at the end of the financial year:

Company	Domicile	Holding/ share of votes
eQ Asset Management Ltd	Finland	100%
eQ Fund Management Company Ltd	Finland	100%
eQ Life Ltd	Finland	100%
Advium Corporate Finance Ltd	Finland	100%
eQ Private Equity GP Ltd	Finland	100%
eQ Residential GP Ltd	Finland	100%
eQ Residential II GP Ltd	Finland	100%

34 Shares in entities not included in the consolidated financial statements

eQ Group has investment commitments in the following private equity and real estate funds in form of limited partnerships that are under the Group's management and that have not been consolidated in eQ Group as subsidiaries. eQ Group's shares in structured entities that are not consolidated as subsidiaries had a total market value of EUR 13.9 million on 31 December 2023 (EUR 13.4 million on 31 Dec. 2022). In 2023, the Group received from said funds management fees totalling EUR 16.0 million (EUR 16.2 million 1 Jan. to 31 Dec. 2022) and a profit distribution from own investments totalling EUR 0.8 million (EUR 1.8 million).

eQ has assessed that it does not exercise control in said private equity funds based on the size of eQ's own investment commitment compared with the size of the fund, exposure to the fund's variable income and the right to manage significant functions. These private equity fund investments are included in financial assets entered in the balance sheet at fair value through profit or loss.

The presented balance sheet values describe the possible maximum loss to which eQ Group is exposed. eQ Group has not given any other commitments on financial support nor does the Group currently have any intention of giving financial support to the structured entities not included in the consolidated financial statement in the foreseeable future. The private equity funds have been financed with investment commitments by investors. More information about eQ Group's risks related to private equity investments can be found in Note 2.

EUR 1,000 31 Dec. 2023	Size of the fund	eQ's original commitment	Market value of eQ's investment	eQ's remaining commitment
eQ VC II	18,100	905	-	905
eQ PE XV US	255,715	905	36	860
eQ PE XIV North	287,970	1,000	421	600
eQ Asunnot II	52,890	1,000	668	200
eQ VC	69,738	905	226	634
eQ PE XIII US	288,205	905	455	453
eQ Asunnot	100,278	1,000	843	150
eQ PE XII North	205,000	1,000	734	285
eQ PE XI US	196,652	905	810	153
eQ PE X North	175,000	1,000	838	159
eQ PE IX US	95,023	905	1,168	126
eQ PE VIII North	160,000	3,000	1,750	301
eQ PE VII US	72,579	2,715	2,846	160
eQ PE VI North	100,000	3,000	1,346	371
Amanda V East	50,000	5,000	1,661	663
Amanda IV West	90,000	5,000	28	427
Amanda III Eastern PE	110,200	10,000	78	273
Total	2,327,349	39,145	13,907	6,718

EUR 1,000 31 Dec. 2022	Size of the fund	eQ's original commitment	Market value of eQ's investment	eQ's remaining commitment
eQ PE XIV North	287,970	1,000	145	850
eQ Residential II	52,890	1,000	181	800
eQ VC	72,248	938	76	844
eQ PE XIII US	298,581	938	215	703
eQ Residential	100,278	1,000	527	550
eQ PE XII North	205,000	1,000	520	485
eQ PE XI US	203,731	938	638	298
eQ PE X North	175,000	1,000	613	259
eQ PE IX US	98,444	938	1,091	111
eQ PE VIII North	160,000	3,000	1,956	301
eQ PE VII US	75,192	2,813	3,022	109
eQ PE VI North	100,000	3,000	1,693	369
Amanda V East	50,000	5,000	2,209	663
Amanda IV West	90,000	5,000	153	427
Amanda III Eastern PE	110,200	10,000	378	273
Total	2,079,535	37,563	13,418	7,042

35 Option schemes

eQ Plc's Board of Directors has decided to grant option rights to key employees in the eQ Group selected by the Board. Each option right entitles the holder to subscribe for one new share in eQ Plc. The option rights are intended as part of the commitment scheme of key employees.

The option rights are valued at fair value on the date of their issue and entered as expense in the income statement during the period when the right arises. The fair value of the issued options on the day of issue has been defined by using the Black-Scholes option pricing model.

Option scheme 2022:

	2022 options
Number of options	990 000
Share subscription period begins	1 April 2025
Share subscription period ends	30 April 2027

Share subscription price

The original share subscription price with an option right is EUR 24.25. The subscription price of the share subscribed for with the option right will be reduced with the amount of the dividend and equity repayment that have been decided on before the share subscription on the record date of the distribution of divided or equity repayment. The subscription price on 31 December 2023 was EUR 22.25.

	2023	2022
Number of issued options at the beginning of the period	910,000	-
Options granted during the period	-	940,000
Options returned during the period	-	30,000
Number of issued options at the end of the period	910,000	910,000
Exercised options by the end of the period	-	-
Number of outstanding options	910,000	910,000
Exercisable options at the end of the period	-	-

Information used in the Black-Scholes model:

	Distributed 2022
Expected volatility	20%
Interest rate at grant	0% / 2.8%

Option scheme 2018:

	2018 options
Number of options	2,000,000
Share subscription period begins	1 April 2022
Share subscription period ends	1 April 2024

Share subscription price

The original share subscription price with an option right is EUR 7.88. The subscription price of the share subscribed for with the option right will be reduced with the amount of the dividend and equity repayment that have been decided on before the share subscription on the record date of the distribution of divided or equity repayment. The subscription price on 31 December 2023 was EUR 4.02.

	2023	2022
Number of issued options at the beginning of the period	1,775,000	1,775,000
Options granted during the period	-	-
Options returned during the period	-	-
Number of issued options at the end of the period	1,775,000	1,775,000
Exercised options by the end of the period	1,113,500	797,500
Number of outstanding options	661,500	977,500
Exercisable options at the end of the period	661,500	977,500

Parent Company Income Statement (FAS)

EUR	Note no.	2023	2022
Fee and commission income	2	76,800.00	76,800.00
Net gains from financial instruments entered at fair value through profit or loss	3	-841,847.85	-1,330,349.01
Net gains on trading in securities			
Income from equity investments	4		
From other companies		790,155.87	2,039,708.00
Interest income	5	273,876.20	6,115.35
INVESTMENT FIRM INCOME		298,984.22	792,274.34
Fee and commission expenses	6	-150,000.00	-150,000.00
Interest expenses	7	-307,116.42	-24,301.73
Personnel and administrative expenses			
Personnel expenses	8		
Salaries and remuneration		-1,365,900.31	-1,404,637.49
Indirect employee costs			
Pension costs		-204,551.60	-215,473.24
Other indirect employee costs		-30,068.35	-27,891.46
Other administrative expenses	9	-340,231.88	-357,731.42
Depreciation and impairment on tangible and intangible assets as well as shares and participations	10	-4,699.67	-9,166.13
Other operating expenses	11	-376,173.20	-402,473.04
OPERATING PROFIT (LOSS)		-2,479,757.21	-1,799,400.17
Appropriations	12	43,644,829.49	48,669,659.51
Income tax	13	-8,221,174.10	-9,384,586.14
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		32,943,898.18	37,485,673.20

Parent Company Balance Sheet (FAS)

EUR	Note no.	31 Dec. 2023	31 Dec. 2022
ASSETS			
Liquid assets		-	3,810.00
Claims on credit institutions			
Repayable on demand	14	7,884,736.81	2,189,031.13
Shares and participations	15, 23	27,108,424.53	36,943,665.96
Shares and participations in Group undertakings	15	29,154,321.94	29,154,321.94
Intangible assets	16		
Other intangible assets		585.23	1,849.79
Tangible assets	16		
Other tangible assets		18,714.71	17,433.83
Other assets	17	8,665,222.97	10,670,000.00
Accruals and prepaid expenditure	18	191,751.15	194,462.33
TOTAL ASSETS		73,023,757.34	79,174,574.98
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to the public and public sector entities			
Other		1,000,000.00	1,000,000.00
Other liabilities	19		
Other liabilities		419,431.58	157,739.91
Accruals and deferred income	20	488,047.06	685,076.55
TOTAL LIABILITIES		1,907,478.64	1,842,816.46
EQUITY	24		
Share capital		11,383,873.00	11,383,873.00
Unrestricted equity			
Reserve for invested unrestricted equity		22,838,339.74	25,206,692.56
Retained earnings (loss)		3,950,167.78	3,255,519.76
Profit (loss) for the period		32,943,898.18	37,485,673.20
TOTAL EQUITY		71,116,278.70	77,331,758.52
TOTAL LIABILITIES AND EQUITY		73,023,757.34	79,174,574.98

Parent Company Cash Flow Statement (FAS)

EUR 1,000	2023	2022
Cash flow from operations		
Operating profit	41,165	46,870
Adjustments:		
Depreciation and impairment	5	9
Interests received	-274	-6
Interests paid	307	24
Transactions with no related payment transactions	1,019	1,321
Financial assets – private equity and real estate funds	-940	755
Change in working capital		
Business receivables, increase (-) / decrease (+)	2,141	-5,497
Interest-free liabilities, increase (+) / decrease (-)	65	-4,386
Total change in working capital	2,205	-9,883
Cash flow from operations before financial items and taxes	43,488	39,091
Interests received	274	6
Interests paid	-307	-24
Taxes	-8,354	-9,523
Cash flow from operations	35,100	29,550

EUR 1,000	2023	2022
Cash flow from investments		
Investing activities in tangible and intangible assets	-5	-
Investing activities in investments	-10	-5
Investing activities in other investments – liquid mutual funds	9,766	727
Cash flow from investments	9,751	722
Cash flow from financing		
Dividends paid	-40,430	-39,632
Subscription of new shares	1,270	4,003
Cash flow from financing	-39,159	-35,629
Increase/decrease in liquid assets	5,692	-5,356
Liquid assets on 1 Jan.	2,193	7,549
Liquid assets on 31 Dec.	7,885	2,193

Notes to the Parent Company Financial Statements

1 Principles for preparing the Financial Statements

General

When preparing the financial statements, the company has followed the Ministry of Finance Decree on financial statements and consolidated financial statements of credit institutions and investment firms (76/2018) and the Financial Supervision Authority's regulations and guidelines on accounting, financial statements, and report by the Board of Directors for the financial sector (2/2016).

Valuation principles and methods as well as periodization principles and methods

Fee and commission income is recorded when the income can be defined in a reliable manner and it is likely that the company benefits from the financial advantage related to the transaction. Dividend income is recorded when the right to the dividend has arisen.

Interest income and expenses are recorded based on time by using the effective interest method and taking into account all contractual terms of the financial instrument. Interests that have not been received on the closing date are recorded as interest income and receivable and the unpaid interests as interest expenses and liabilities.

The profit shares from the private equity and real estate fund investments made from eQ Plc's own balance sheet are entered as income from equity investments. The value changes of private equity fund and real estate fund investments recorded through profit or loss are entered among the net gains from financial instruments entered at fair value through profit or loss. The value changes through profit or loss as well as sales profits and losses of investments in mutual funds are also entered among the net gains from financial instruments entered at fair value through profit or loss.

Financial assets are classified into the following groups in accordance with the IFRS 9 standard Financial Instruments:
a) valued at amortised acquisition cost,
b) entered at fair value through profit or loss
c) valued at fair value with other items of comprehensive income.

eQ Plc's private equity and real estate fund investments and investments in mutual funds are classified among financial assets at fair value through profit or loss.

Financial liabilities as classified as follows:
a) valued at amortised acquisition cost
b) valued at fair value through profit or loss.

eQ Plc had no financial liabilities valued at fair value through profit or loss at the reporting moment.

Depreciation principles

Tangible and intangible assets are entered in the balance sheet at acquisition cost less depreciation according to plan and impairment. The depreciation according to plan is calculated as straight-line depreciation based on the useful life of tangible and intangible assets. Depreciation has been calculated from the month the assets were taken into use. The depreciation period of intangible assets is 3 to 5 years and that of machinery and equipment 3 to 10 years.

Foreign currency items

The receivables and debts in foreign currencies have been translated to euros according to the rate prevailing on the balance sheet day.

2 Fee and commission income

EUR 1,000	2023	2022
From other operations	77	77

3 Net gains from financial instruments entered at fair value through profit or loss

EUR 1,000	2023	2022
From shares and participations		
Changes in fair value	-1,019	-1,321
Sales profits/losses	178	-9
Total	-842	-1,330

4 Income from equity investments

EUR 1,000	2023	2022
Dividend income from financial assets valued at fair value	790	2,040
Total	790	2,040

5 Interest income

EUR 1,000	2023	2022
From Group companies	8	0
From credit institutions	265	4
Other interest income	1	2
Total	274	6

6 Fee and commission expenses

EUR 1,000	2023	2022
Other fees – management of investments eQ Asset Management	-150	-150
Total	-150	-150

7 Interest expenses

EUR 1,000	2023	2022
To Group undertakings	-307	-19
Other interest expenses	0	-5
Total	-307	-24

8 Personnel expenses

EUR 1,000	2023	2022
Salaries and remuneration	-1,366	-1,405
Pension costs	-205	-215
Other indirect employee costs	-30	-28
Total	-1,601	-1,648
Average number of personnel during the period – permanent	5	5
Change during the financial period	-	-

9 Other administrative expenses

EUR 1,000	2023	2022
Other personnel expenses	-29	-26
IT and connection costs	-99	-115
Other administrative expenses	-212	-216
Total	-340	-358

10 Depreciation and impairment on tangible and intangible assets as well as shares and participations

EUR 1,000	2023	2022
Depreciation on intangible and tangible assets	-5	-9

A depreciation specification per balance sheet item is presented under intangible and tangible assets.

11 Other operating expenses

EUR 1,000	2023	2022
Expert fees	-4	-8
Fees to the auditor		
Audit fees	-22	-26
Other services	-4	-3
Total	-27	-29
Leases on premises and other rental expenses	-74	-97
Other expenses	-272	-269
Total	-376	-402

12 Appropriations

EUR 1,000	2023	2022
Group subsidies received	43,645	48,670
Group subsidies issued	0	0
Total	43,645	48,670

13 Income tax

EUR 1,000	2023	2022
Income tax for the period		
Income taxes for operations	-8,354	-9,523
Deferred taxes	133	138
Total	-8,221	-9,385

14 Claims on credit institutions

EUR 1,000	2023	2022
Repayable on demand		
From domestic credit institutions	7,885	2,189

15 Shares and participations

EUR 1,000	2023	2022
Shares and participations		
Financial assets: Private equity and real estate fund investments	16,556	16,837
Financial assets: Units in investment funds	10,532	20,076
Other participations	20	30
Shares and participations in Group undertakings	29,154	29,154
Total	56,263	66,098
– of which at acquisition cost	29,174	29,184

16 Intangible and tangible assets

EUR 1,000	2023	2022
Other intangible assets		
Acquisition cost on 1 Jan.	237	237
Increases	-	-
Acquisition cost on 31 Dec.	237	237
Accumulated depreciation on 1 Jan.	-235	-232
Depreciation for the period	-1	-3
Accumulated depreciation on 31 Dec.	-236	-235
Book value on 31 Dec.	1	2
Other tangible assets		
Acquisition cost on 1 Jan.	242	242
Increases	5	-
Acquisition cost on 31 Dec.	246	242
Accumulated depreciation on 1 Jan.	-224	-218
Depreciation for the period	-3	-6
Accumulated depreciation on 31 Dec.	-228	-224
Book value on 31 Dec.	19	17

17 Other assets

EUR 1,000	2023	2022
Receivables from Group undertakings	8,645	10,670
Other receivables	20	-
Total	8,665	10,670

18 Accruals and prepaid expenditure

EUR 1,000	2023	2022
Other accruals	192	194
Total	192	194

19 Other liabilities

EUR 1,000	2023	2022
Accounts payable	62	36
Liabilities to Group undertakings	38	47
Other liabilities	319	74
Total	419	158

20 Accruals

EUR 1,000	2023	2022
Other accruals	488	685

21 Items denominated in domestic and foreign currencies and Group items

31 Dec. 2023 EUR 1,000	EUR	Other than EUR	Total	From Group undertakings
Balance sheet items				
Claims on credit institutions	7,885	-	7,885	-
Other assets	58,235	6,904	65,139	8,645
Total	66,120	6,904	73,024	8,645
Liabilities to the public and public sector entities	1,000	-	1,000	1,000
Other liabilities	907	-	907	38
Total	1,907	-	1,907	1,038

31 Dec. 2022 EUR 1,000	EUR	Other than EUR	Total	From Group undertakings
Balance sheet items				
Claims on credit institutions	2,189	-	2,189	-
Other assets	70,085	6,900	76,986	10,670
Total	72,274	6,900	79,175	10,670
Liabilities to the public and public sector entities	1,000	-	1,000	1,000
Other liabilities	843	-	843	47
Total	1,843	-	1,843	1,047

22 Fair values of financial assets and liabilities

EUR 1,000	2023 Fair value	2023 Book value	2022 Fair value	2022 Book value
Financial assets				
Claims on credit institutions	7,885	7,885	2,189	2,189
Shares and participations	27,108	27,108	36,944	36,944
Shares and participations in Group undertakings	29,154	29,154	29,154	29,154
Total	64,147	64,147	68,287	68,287
Financial liabilities				
Liabilities to the public and public sector entities	1,000	1,000	1,000	1,000
Total	1,000	1,000	1,000	1,000

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.

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

EUR 1,000	31 Dec. 2023 Level 1	31 Dec. 2023 Level 3
Financial assets at fair value through profit or loss		
Private equity and real estate fund investments	-	16,556
Financial securities	10,552	-
Total	10,552	16,556

Level 3 reconciliation – Financial assets at fair value through profit or loss

	Private equity and real estate funds
Opening balance	16,837
Calls and returns	940
Impairment loss	-1,221
Closing balance	16,556

EUR 1,000	31 Dec. 2022 Level 1	31 Dec. 2022 Level 3
Financial assets at fair value through profit or loss		
Private equity and real estate fund investments	-	16,837
Financial securities	20,106	-
Total	20,106	16,837

Level 3 reconciliation – Financial assets at fair value through profit or loss

	Private equity and real estate funds
Opening balance	18,817
Calls and returns	-755
Impairment loss	-1,224
Closing balance	16,837

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.

24 Equity

EUR 1,000	2023	2022
Share capital on 1 Jan.	11,384	11,384
Share capital on 31 Dec.	11,384	11,384
Restricted equity, total	11,384	11,384
Reserve for invested unrestricted equity on 1 Jan.	25,207	22,392
Increases/decreases	-2,368	2,814
Reserve for invested unrestricted equity on 31 Dec.	22,838	25,207
Retained earnings		
Retained earnings on 1 Jan.	40,741	41,699
Dividend	-36,791	-38,443
Other changes	-	0
Retained earnings on 31 Dec.	3,950	3,256
Profit (loss) for the period	32,944	37,486
Non-restricted equity, total	59,732	65,948
Equity on 31 Dec.	71,116	77,332
Calculation of distributable assets on 31 Dec.		
Retained earnings	3,950	3,256
Profit for the period	32,944	37,486
Reserve for invested unrestricted equity	22,838	25,207
Distributable assets	59,732	65,948

The share capital of the company consists of 40,745,698 shares.
All shares carry one vote.

Other notes

25 Pledges, mortgages and obligations

EUR 1,000	2023	2022
eQ Plc's investment commitments in private equity funds, remaining commitment	7,153	7,477
Leasing agreements and leases less than one year	1,250	735
Leasing agreements and leases exceeding one year but less than five years	4,373	5,197
Total	12,776	13,409

Proposal for the distribution of profits

The distributable means of the parent company on 31 December 2023 totalled EUR 59,732,405.70. The sum consisted of retained earnings of EUR 36,894,065.96 and the means in the reserve of invested unrestricted equity of EUR 22,838,339.74.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share be paid out. The proposal corresponds to a dividend totalling EUR 32,596,558.40 calculated with the number of shares at the close of the financial period. The dividend is paid in two instalments.

The first instalment, EUR 0.40 per share, is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date 25 March 2024. The Board proposes that the first instalment of the dividend be paid out on 3 April 2024.

The second instalment, EUR 0.40 per share, is paid in October 2024. The second instalment is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date. The Board of Directors will decide the record date and payment date of the second instalment of the dividend payment at its meeting in September 2024. The planned record date is 25 September 2024 and the dividend payment date 2 October 2024.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of dividend does not endanger the liquidity of the company.

Signatures to the Report by the Board of Directors and Financial Statements

Helsinki, 5 February 2024

Janne Larma
Chair of the Board

Georg Ehrnrooth
Deputy Chair of the Board

Päivi Arminen

Nicolas Berner

Timo Kokkila

Tomas von Rettig

Mikko Koskimies
CEO

Auditor’s note

The auditors’ report over the audit has been issued today.

Helsinki, 5 February 2024

KPMG Oy Ab
Firm of Authorised Public Accountants

Tuomas Ilveskoski
APA

Auditor's Report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of eQ Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of eQ Plc (business identity code 1625441-9) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

— the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
— the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 12 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Recognition of fee and commission income (Principles for preparing the consolidated financial statements and *Note 5*)	
— The assets managed by eQ Group entitle to management fees on the grounds of agreements with customers. Management fees make up a significant item in the Group's income statement. — Performance fees and fees from the corporate finance segment also make up a substantial part in the formation of the Group's result and may vary considerably from year to year. — Calculation of fee and commission income is system-based relying on fee agreements and other source data. The functionality of the control environment of IT systems has a substantial importance in respect to the accuracy of the calculations. — Appropriate timing of the recognition of fee and commission income at correct amount is relevant in respect to the accuracy of the financial statements.	— We evaluated the business processes and IT systems related to fee and commission income and assessed the associated key controls. Our audit procedures also included comparing the accounting data kept in subledgers to that in the general ledger, and substantive procedures performed in respect of fee income. In addition, we have evaluated the accuracy of the timing and the amount of revenue recognition. — Regarding corporate finance fees, we assessed the monitoring procedures used as the well as timing and the amount of revenue recognition under projects by reference to the terms of customer contracts. — We inspected the calculation model of performance fees and compared the parameters used to individual fund agreements and the rules of investment funds. — We inspected the accounting treatment of fees and commissions and the appropriateness of the notes in relation to the requirements of the IFRS 15 standard.
Valuation of private equity fund investments (Principles for preparing the consolidated financial statements and *Notes 16, 26–29*)	
— The determination of fair values for investments is based on the valuation principles as described in the principles for preparing the consolidated financial statements of eQ Group. With respect to illiquid assets in eQ's investment portfolio, fair values are provided by fund managers. In accordance with the IFRS 9 standard, changes in the value of equity investments are recognized in profit or loss. — Private equity fund investments is a significant item in eQ Group's financial statements, and therefore the valuation of said assets is considered a key audit matter.	— We assessed eQ Group's valuation process as well as the compliance with the principles for preparing the consolidated financial statements. In addition, we inspected the consistency of the accounting treatment in relation to the requirements of the IFRS 9 standard. — As part of our year-end audit procedures, we compared the fair values used in the financial statements with the valuations provided by fund managers. In addition, we reconciled the balance sheet values of private equity funds with separate monitoring of the funds. — We also assessed the appropriateness of the disclosures made in relation to investment assets.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 1.1.2014, and our appointment represents a total period of uninterrupted engagement of 10 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the result and other free equity shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, 5 February, 2024

KPMG OY AB

Tuomas Ilveskoski
Authorised Public Accountant, KHT

Corporate Governance

Corporate Governance Statement 2023

Introduction

eQ Plc (the company) is a Finnish public limited liability company the shares of which are listed on Nasdaq Helsinki Ltd (Helsinki Stock Exchange).

This Corporate Governance Statement has been drawn up separately from the report by the Board of Directors. eQ Plc's Board of Directors has reviewed this Corporate Governance Statement on 5 February 2024 This statement and other information that shall be provided in accordance with the Corporate Governance Code as well as the company's financial statements, report by the Board of Directors and auditors' report are available on eQ Plc's website (*www.eQ.fi/en*). The statement is not part of the official financial statements.

In addition to acts and regulations applicable to listed companies, eQ Plc has during 2023 complied with the Finnish Corporate Governance Code 2020 published by the Securities Market Association that entered into force on 1 January 2020. The entire Code is available on the website of the Securities Market Association at *www.cgfinland.fi/en*.

In 2023, eQ Plc complied with the Finnish Corporate Governance Code 2020 without any departures.

Descriptions Concerning Corporate Governance

General Meeting of Shareholders

The General Meeting is eQ Plc's highest decision-making body, at which the shareholders participate in the supervision and control of the company. eQ Plc convenes one Annual General Meeting (AGM) during each financial period. Extraordinary General Meetings may be convened when necessary. Shareholders exercise their right to vote and voice their views at the General Meeting.

eQ Plc provides shareholders with sufficient information about the agenda of the General Meeting in advance. The advance information is provided in the notice of the General Meeting, other releases and on the company website. The General Meeting is organised in such a way that shareholders can effectively exercise their ownership rights. The goal is that the CEO, Chair of the Board, and a sufficient number of directors attend the General Meeting. A person proposed as director for the first time shall participate in the General Meeting that decides on his or her election, unless there are well-founded reasons for the absence.

The Annual General Meeting of eQ Plc was held on 27 March 2023.

Board of Directors

Composition of the Board

The General Meeting elects the directors. The director candidates put forward to the Board shall be mentioned in the notice of the General Meeting if the candidate is supported by shareholders holding at least 10 per cent of the total votes carried by all the shares of the company, provided that the candidate has given his or her consent to the election. The candidates proposed after the delivery of the notice of the meeting will be disclosed separately. In its Corporate Governance Statement, the company states the number of Board meetings held during the financial period as well as the average attendance of the directors. The directors are elected for one year at a time.

The company's Articles of Association do not contain any provisions on the manner of proposing prospective directors. eQ Plc's major shareholders, who as a rule represent at least one half of the number of shares and votes in the company, make a proposal on the number of directors, the directors and their remuneration to the AGM.

A person elected director must have the qualifications required by the work of a director and sufficient time for taking care of the duties. The company facilitates the work of the Board by providing the directors with sufficient information on the company's operations. eQ Plc's Board of Directors consists of 5 to 7 members. The Board of Directors elects the Chair from among its members. eQ Plc's Board of Directors has a full-time Chair of the Board. The full-time Chair of the Board's duties include, in addition to being the Chair of the Board, for example, developing eQ's strategy together with the CEO. It is eQ Plc's AGM solely that ultimately elects the directors and makes preparations for their election.

The company reports the following biographical details and holdings of the directors: name, gender, year of birth, education, main occupation, primary work experience, international experience, date of inception of Board membership, key positions of trust, and shareholdings in the company. In addition, eQ reports the directors' independence of the company or its major shareholders together with the reasoning for determining that a board member is not independent.

The Annual General Meeting held on 27 March 2023 elected the following persons to the Board:

Janne Larma, born 1965, male, member of the Board since 2021, Chair of the Board since 24 March 2021, M. Sc. (Econ)
Key positions of trust: Notalar Oy, Chair of the Board of Directors, 1995-; Inkoo Shipping Oy, Member of the Board, 2014-; Rettig Group Oy Ab, member of the Board, 2020–; Svenska handelshögskolan, member of the Board, 2019–; Meripuolustussäätiö SR, Member of the Board, 2017–.
Primary work experience: eQ Plc, CEO, 2011–2021; Advium Corporate Finance Oy, Managing Director, 2000–; eQ Pankki Oy, member of Management Team, 2004–2009; Enskilda Securities, management position in investment banking, 1998–2000; Alfred Berg, investment banking, 1993–1998; Kansallis-Osake-Pankki, investment banking, 1988–1992.

Janne Larma is not independent of the company, as he is the full-time Chair of the Board, has been the company's CEO since 2011 until 2021, and is also involved in the same stock option program as the company's current management. Janne Larma is not independent of the company's major shareholder Chilla Capital S.A., where he is a significant shareholder.

Georg Ehrnrooth, born 1966, male, member of the Board since 2011, Vice Chair of the Board, studies in agriculture and forestry
Key positions of trust: Byggmästare Anders J Ahlström Holding AB (publ), member of the Board, 2023–; Sampo Plc, member of the Board, 2020–; Louise and Göran Ehrnrooth Foundation, Chair of the Board, 2013–; Fennogens Investments S. A, Chair of the Board, 2009–; Anders Wall Foundation, member of the Board, 2008–; Paavo Nurmi Foundation, member of the Board, 2005–; Topsin Investments S.A., Chair of the Board, 1998–.
Primary work experience: Management positions in family owned companies with responsibility for finance and investments, 2008–; eQ Plc and eQ Bank Ltd, CEO, 2005.

Georg Ehrnrooth is not independent of the company on the basis that he has served for more than ten consecutive years on the Board of the company, including six years as Chair and two years as the Vice Chair. In addition, Georg Ehrnrooth is not independent of the company's major shareholder Fennogens Investments S.A, where he is a significant shareholder.

Päivi Arminen, born 1978, female, member of the Board since 2023, M. Sc. (Econ)
Key positions of trust: Interogo Holding AG, Infrastructure investments, Investment Committee Member, 2023–.
Primary work experience: EQT Partners AB, Infrastructure investment, Managing Director, Director, Associate 2008–2021; Danske Bank A/S / Sampo Bank Plc, Debt Capital Markets, Vice President, Assistant Vice President 2005–2008; Evli Plc, Equity Analyst, 2004–2005.

Independent of the company and significant shareholders.

Nicolas Berner, born 1972, male, member of the Board since 2013, Master of Laws
Key positions of trust: Berner Ltd, member of the Board, 2006–.
Primary work experience: Berner Ltd, CFO, 2011–; Hannes Snellman Attorneys Ltd, partner, 1998–2011.

Independent of the company and significant shareholders.

Timo Kokkila, born 1979, male, member of the Board since 2016, M.Sc. (Eng.)
Key positions of trust: Ilmarinen Mutual Pension Insurance Company, member of the Board, 2017–; Valmet Automotive Ltd, member of the Board, 2016–; SRV Group Plc, Vice Chair of the Board, 2021–, and member of the Board, 2010–; Pontos Ltd, member of the Board, 2007–.
Primary work experience: Pontos Group, CEO, 2016–; Pontos Group, Investment Director, 2011–2015; SRV Group Plc, Manager, Project Development, 2008–2011; SRV Group Plc, Project Development Engineer, 2006–2008; Kampin Keskus Oy, Development Engineer, 2004–2006.

Independent of the company and significant shareholders.

Tomas von Rettig, born 1980, male, member of the Board since 2019, BBA, CEFA certificate
Key positions of trust: Purmo Group Plc, Chair of the Board, 2016–; Rettig Capital Oy Ab, member of the Board, 2014–.
Primary work experience: Rettig Group Oy Ab, CEO, 2016–2019; Rettig Group Oy Ab, vice president business development, vice president corporate finance and development, 2011–2015; Rettig Asset Management Oy Ab, portfolio manager, senior portfolio manager, 2008–2011; Skandinaviska Enskilda Banken, Middle Office, 2006–2008.

Independent of the company, but not independent of its significant shareholders. Tomas von Rettig is a shareholder and member of the Board of Rettig Capital Oy Ab, a parent company of Rettig Group Oy Ab, which is a significant shareholder of eQ Plc.

Independence of Board Members

The members of eQ's Board of Directors shall provide the Board and the company with sufficient information for the evaluation of their qualifications and independence and notify of any changes in such information. The majority of the members of the Board must be independent from the company, and at least two Board members who are independent from the company must also be independent from the company's significant shareholders. The Board of Directors assesses the independence of the directors. When evaluating independence, the circumstances of private individuals or legal entities regarded as related parties will be taken into consideration in all situations. Companies belonging to the same group as a company are comparable with that company.

eQ Plc's Board member Nicolas Berner has been a member of the Board continuously for over ten years. Based on the Board's overall assessment, the Board member's independence is not considered to have been compromised due to his long board membership, and no other circumstances have been found that would weaken the Board member's independence.

Of the company's six Board members, four (Päivi Arminen, Nicolas Berner, Timo Kokkila and Tomas von Rettig) are independent from the company and three Board members (Päivi Arminen, Nicolas Berner and Timo Kokkila) who are independent from the company are also independent from the company's significant shareholders. An assessment of the independence of each Board member and the reasons why the Board member is not considered independent can be found in the information on each Board member above and from the company's website.

Board Members' holdings in the company

Shares and share-related rights of the Board members and entities that they control in the company at the end of the financial period on 31 December 2023:

Member of the Board	Security	Holding
Päivi Arminen	Share	3,550
Nicolas Berner	Share	90,000
Georg Ehrnrooth	Share	75,000
Timo Kokkila	Share	4,142
Janne Larma	2022 Option righ	50,000
	Share	6,165,904
Tomas von Rettig	Share	5,000

Operations of the Board of Directors

eQ Plc's Board of Directors has drawn up a written charter covering its operations. Below is a list of the most important principles and duties presented in the charter. In order to carry out its duties, the Board of Directors:

- confirms the company values and manners of operating and monitors their implementation
- confirms the company's basic strategy and continuously monitors that it is up-to-date

- based on the strategy, approves the annual plan of operation and budget and supervises their outcome
- reviews and approves the interim reports, report by the Board of Directors and financial statements
- defines the company's dividend policy and makes a proposal on dividend distribution to the AGM
- convenes General Meetings
- makes proposals to the General Meeting, when necessary
- decides on major investments, corporate acquisitions and divestments and on investments that exceed two million euros
- confirms the organisation structure
- appoints and dismisses the CEO
- sets personal targets for the CEO annually and assesses their outcome
- appoints and dismisses the members of the Management Team, defines their areas of responsibility and decides on the terms of their employment
- decides on so called unconventional related party transactions that are not conducted in the ordinary course of eQ's operation and which are not made on ordinary commercial terms
- monitors and assesses related party transactions at least once a year
- reviews the Remuneration Policy for Governing Bodies of eQ at least once a year and presents the policy to the General Meeting of the company for consideration at least every four years
- reviews eQ Group's remuneration principles at least once a year
- decides on the incentive schemes and annual bonuses of the CEO and the personnel
- goes through the major risks related to the company's operations and their management at least once a year and gives instructions on them to the CEO, when necessary
- meets the auditors at least once a year
- convenes at least once a year without the executive management
- assesses its own operations at least once a year
- assesses the independence of its members
- confirms its own charter, which is reviewed annually
- handles other matters that the Chair of the Board or the CEO has proposed to the agenda of a Board meeting; the directors also have the right to put matters on the Board agenda by informing the Chair of this.

During the financial period 2023, the Board of Directors of eQ Plc convened eight (8) times, average attendance being 98%. Attendance at the Board meetings 2023:

Member of the Board	
Päivi Arminen	6/6
Nicolas Berner	8/8
Georg Ehrnrooth	8/8
Timo Kokkila	7/8
Lotta Kopra	2/2
Janne Larma	8/8
Tomas von Rettig	8/8

Principles on the diversity of the Board of Directors

The Board's aim is to promote, for its part, the diversity of the Board's composition. When assessing diversity, the Board takes into consideration, for instance, the age and gender of the directors, their education and professional experience, personal qualities and experience that is essential with regard to the task and the company operations. Regarding the equal representation of genders on the Board, eQ Plc has defined as its goal that there should always be representatives of both genders on eQ Plc's Board of Directors. The Board aims at reaching this goal and maintaining it primarily by informing eQ Plc's owners actively about it. During the financial period 2023, eQ Plc's Board met the preconditions of diversity set by the company, including the goal of having representatives of both genders on the Board. The directors have versatile experience in sectors that are of importance to the company operations, such as the investment and financial sector and real estate sector. In addition, the work experience and education of the directors as well as their international experience complement each other. The directors are elected by eQ Plc's AGM.

The Board of Directors of the company has monitored the development of the company's diversity during the financial period 2023.

CEO and his duties

The CEO is in charge of the day-to-day administration of the company in accordance with the rules and regulations of the Finnish Limited Liability Companies Act and instructions and orders issued by the Board of Directors. The CEO may take measures that, considering the scope and nature of the operations of the company, are unusual or extensive with the authorisation of the Board. The CEO ensures that the accounting practices of the company comply with the law and that finances are organised in a reliable manner. eQ Plc's Board of Directors appoints the CEO. The company discloses the same biographical details and information on the holdings of the CEO as of the directors. eQ Plc does not have substitute for the CEO.

Mikko Koskimies, M.Sc. (Econ) (born 1967) was appointed the CEO of eQ Plc on 1 April 2021 and he has been the CEO of eQ Asset Management Ltd since 2012.
Key positions of trust: St1 Nordic Corporation, member of the Board, 2007–; Urlus-Säätiö Sr, Chair of the Board, 2012–.
Primary work experience: eQ Asset Management Ltd, CEO, 2012–; Pohjola Bank, member of the Executive Committee and Executive Director responsible for asset management business unit and Pohjola Asset Management Ltd, Managing Director, 2005–2012; Alfred Berg Asset Management Ltd, Managing Director, 1998-2005; Nordea Group, several positions in senior management, 1989–1997, of which Merita Bank Luxembourg S.A., 1993–1997.

Shares and share-related rights of the CEO and entities that he controls in eQ Plc at the end of the financial period on 31 December 2023:

Name	Task in the organisation	Security	Holding
Mikko Koskimies	CEO	2018 Option right	25,000
		2022 Option right	50,000
		Share	4,250 000
		eQ new (Opt 2018)	50,000

Other Management Team members

eQ Group has a Management Team that convenes regularly. The status of the Management Team is not based on company law, but in practice it has a significant role in the organisation of the company management. The Management Team consists of the persons heading the company's operative business, the CFO and Group General Counsel. The main duty of the Management Team is to assist the CEO.

eQ Group's Management Team on 31 December 2023:

Mikko Koskimies, born 1967, M.Sc. (Econ), Chair, eQ Plc, CEO and eQ Asset Management Ltd, CEO
Staffan Jåfs, born 1974, M.Sc. (Econ), eQ Asset Management Ltd, Head of Private Equity

Antti Lyytikäinen, born 1981, (M.Sc. (Econ), eQ Plc, CFO
Juha Surve, born 1980, Master of Laws, M.Sc. (Econ), eQ Asset Management Ltd, Group General Counsel

Shares and share-related rights of the other Management Team members and entities that they control in eQ Plc at the end of the financial period on 31 December 2023:

Name	Task in the organisation	Security	Holding
Staffan Jåfs	Director, Private Equity, eQ Asset Management Ltd	2018 Option right 2022 Option right Share	100,000 50,000 66,778
Antti Lyytikäinen	CFO, eQ Plc	2018 Option right 2022 Option right Share	29,000 30,000 41,000
Juha Surve	Group General Counsel, eQ Asset Management Ltd	2018 Option right 2022 Option right Share	50,000 30,000 41,500

Descriptions of Internal Control Procedures and the Main Features of Risk Management Systems

Control and risk management related to the financial reporting process

The objective of the financial reporting process is to produce timely financial information and to ensure that decision-making is based on reliable information. The aim is to ensure that the financial statements and interim reports are prepared according to applicable laws, generally accepted accounting principles and other requirements on listed companies.

The financial reporting process produces eQ Group's monthly and quarterly reports. The Management Team of the Group reviews eQ Group's result and financial performance monthly. The Group management presents the result and financial position of the Group quarterly to the Board of Directors. The Board of Directors of eQ Plc supervises that the financial reporting process produces high-quality financial information. The CEO is responsible for eQ Group's internal risk management.

The Group's subsidiaries report their results monthly to the parent company. The financial administration of the Group takes care of the bookkeeping of the subsidiaries. At Group level, this will make it easier to ensure that the financial reporting of the subsidiaries is reliable. The Group's interim reports and financial statements are prepared in accordance with the IFRS reporting standards. The financial administration of the Group monitors the changes that take place in IFRS standards.

Based on risk assessments, the company has developed measures for controlling the risks pertaining to financial reporting, which make sure that financial reporting is reliable. The companies use various reconciliations, checks and analytical measures, for instance. The financial administration of the Group prepares monthly analyses of income statement and balance sheet items, both at company and segment level. In addition, tasks related to risk-exposed work combinations are separated, and there are appropriate approval procedures and internal guidelines. The reliability of financial reporting is also supported by various system controls in the reporting systems. Other basic principles of control are a clear division of responsibility and clear roles as well as regular reporting routines.

Risk management overview

The purpose of the Group's risk management is to make sure that the risks associated with the company's operations are identified, assessed and that measures are taken regarding them. eQ Plc's Board supervises that the CEO takes care of eQ Plc's day-to-day administration according to the instructions and orders issued by the Board. The Board also supervises that risk management and control are organised in a proper manner. The executive management is responsible for the practical implementation of the risk management process and control.

eQ Group comprises a fully owned subsidiary of eQ Plc, eQ Asset Management Ltd, which is an investment firm. A permanent risk management function is responsible for risk management at eQ Asset Management Ltd. The risk management function, which is independent of the other operations, consists of risk experts and is led by the Chief Risk Officer. eQ Asset Management has a risk management committee, which the Chief Risk Officer convenes regularly. The risk management committee reviews the follow-up reports of risk management-related operations and decides on corrective measures, for instance. It also approves new products, changes made in products and counterparties.

General description of internal control

eQ Plc's Board of Directors is responsible for arranging sufficient and well-functioning internal control. Internal control covers all functions within eQ Group, which means that eQ Plc steers and controls the operations of the subsidiaries in order to make sure that the result of its operations is reliable. The business operations are steered by the Group's operating principles, decision-making powers and company values that cover the entire Group. eQ Plc takes into account the Group structure and the nature and extent of the operations when arranging internal control.

eQ Group's internal control system covers financial and other control. Internal control is carried out by the Board, CEO and other superior management as well as the entire personnel. The aim of internal control is to make sure that the operations of the entire Group are efficient and contribute to the achievement of the goals and targets, reporting is reliable and that the Group follows laws and other regulations. In addition, the aim of internal control is to ensure that information, eQ Plc's assets and client assets are secured in a sufficient manner and that internal procedures and information systems are arranged properly and in order to support operations.

eQ Group has a notification channel through which an employee, clients and other stakeholders can report misdemeanors or other misconduct within the eQ Group anonymously and confidentially (eQ Whistleblower). Authorized persons process notifications and only they have access to the information in the notifications. The notification channel is entirely on a server outside the company and allows for discussions with an anonymous notifier.

Internal control is above all based on financial reports, management reports, risk reports and reports of internal control. The company's central operations are steered according to internal operating policies and practices.

Other Information to be Provided in the CG Statement

Internal audit

Internal audit is a support function of the Board and management that is independent of eQ Group's business operations. The internal auditor inspects on a risk-based assessment the operations, internal control, risk management and management and administration processes of especially such group companies that hold authorisations by focusing on yearly set targets; in addition, the internal auditor inspects how the companies comply with internal guidelines and the requirements and obligations that arise from regulation concerning the companies. The internal auditor reports to the management and the Board and the audit reports are discussed in the Board, who decide on the corrective measures to be taken based on the audit report's recommendations and monitor their implementation. The internal audit function has been outsourced to an external service provider, Oy Tuokko Ltd.

Principles concerning related party transactions

eQ's Group Administration is responsible for managing related party matters at Group level and for maintaining the related party register, in accordance with principles on the management of related party matters approved by eQ Plc's Board of Directors. The management of each company that is a member of the Group is responsible for ensuring that any related party transactions at the Group are made in accordance with the approved principles. At eQ Group, all business transactions within the Group and related party transactions are always made on arm's-length terms and as part of the company's normal business operations. Group companies can offer their services to related party individuals or organisations under their control or influence on market terms, and ordinary assignments are implemented in the ordinary course of business of the company. Related party transactions are allowed, provided that they promote the purpose and interest of the company and are commercially justified.

The Board of Directors regularly monitors and evaluates transactions between eQ Plc and the company's related parties, and assesses how contracts and other legal transactions made between the company and its related parties meet the requirements on the ordinary course of business and arm's-length terms. Primarily, all related parties are personally responsible for ensuring that eQ is informed of any related party transactions they make. eQ also monitors related party transactions on a business segment basis, and eQ Plc's CFO is responsible for reporting related party transactions to the Board of Directors annually. Related party transactions that are not conducted in the ordinary course of eQ's operation and which are not made on ordinary commercial terms are "unconventional business transactions". Only eQ Plc's Board of Directors can make decisions on implementation of unconventional business transactions. The Board of eQ Group's parent company always decides on all related party loans to related parties or entities outside the eQ Group.

eQ complies with the obligations of the Finnish Corporate Governance Code 2020 for listed companies and the IFRS standards (IAS 24) on related party disclosures. As required by the standard, eQ discloses, in the consolidated financial statements or separate financial statements, the related party relationships and transactions and outstanding balances of the parent company or an investor with joint control or significant control over the investment target with related parties, which are presented in accordance with the IFRS. eQ also discloses in the company's annual report information to be presented on the basis of the Finnish Limited Liability Companies Act, concerning loans, liabilities and commitments to related parties and the main terms thereof, if the business transactions are material and implemented on unconventional terms.

eQ Plc publishes, by a stock release, related party transactions that are significant for the company's shareholders.

Central procedures of insider administration

In its insider administration, eQ Plc complies with the applicable Finnish and EU legislation (including the Market Abuse Regulation 596/2014), rules and regulations issued by the Finnish Financial Supervisory Authority as well as the Guidelines for Insiders issued by the Helsinki Stock Exchange (insider regulations). eQ Plc has drawn up guidelines on insider issues and trading. The company has informed the company management, insiders and persons covered by the trading restriction of the insider guidelines.

Managers and persons closely associated with them are obliged to inform the company and the Financial Supervisory Authority of their trading in company shares or other financial instruments. The company discloses the information that it has received without delay with a stock exchange release. At eQ, such managers (covered by the disclosure obligation) are the CEO and directors as well at the members of the Management Team appointed by the Board. eQ maintains a list of managers and persons closely associated with them. This list is not an insider list.

The company maintains insider lists required by insider regulations of persons who have access to inside information. These lists are not public. The information on eQ Plc's managers required by regulations and the insider lists are maintained by Euroclear Finland Ltd. The information in the insider lists is available to the Financial Supervisory Authority for the supervision of the securities market.

eQ Plc's permanent insiders are only persons who, due to their tasks or position, have permanent access to all inside information in the listed company and who have the right to make decisions on the company's future development and the arrangement of business. eQ's permanent insiders comprise the directors, CEO and the members of the Group's Management Team appointed by the Board of Directors. In addition to insider lists, eQ maintains a list of persons covered by the so-called extended trading restriction.

eQ Plc's closed period commences 30 days prior to the disclosure of an interim report (first and third quarter), half-yearly report or financial statements report and ends at the end of the day of the disclosure.

The company has informed the company management, insiders and persons covered by the extended trading restriction of the insider guidelines. The company has a designated person in charge of insider issues (Compliance Officer), who carries out tasks related to the management of insider issues, training in insider matters, maintenance of the insider lists and the supervision of trading. The knowledge of other employees about insider matters is maintained and their need of training assessed continuously.

Audit

Election of the Auditors

The proposal for the election of an auditor prepared by the Board of Directors of the company is disclosed in the notice of the General Meeting. If the Board has not arrived at a decision on the prospective auditor by the time the notice is sent, the candidacy will be disclosed separately.

In 2023, the company auditor was KPMG Oy Ab, a firm of authorized public accountants, with Tuomas Ilveskoski, APA, as auditor with main responsibility.

KPMG Oy Ab has acted as eQ Plc's auditor since 2014 and Tuomas Ilveskoski, APA, has acted as auditor with main responsibility since the Annual General Meeting 2021. The decision on continuing with the period of the auditor with main responsibility and the auditing firm is made annually at the AGM, and the auditor with main responsibility and the auditing firm are changed at least in accordance with the valid regulations. The Board of eQ Plc organized a statutory audit firm appointment procedure in accordance with the EU Audit Regulation (537/2014) for the audit of the financial year 2021 and the company's Annual General Meeting elected KPMG Oy Ab as auditor in accordance with the Board's recommendation.

Auditors' fees

The independent auditors have been paid the following fees in 2023: for the audit and closely related services a total of EUR 93 258 (2022: EUR 94 400) and for other services than audit a total of EUR 14 348 (2022: 10 800).

Remuneration Report for Governing Bodies 2023

Introduction

This remuneration report for governing bodies has been drafted in accordance with the instructions concerning remuneration in the Finnish Corporate Governance Code 2020 for Finnish listed companies. In 2023, the remuneration for the Board of Directors and the CEO of eQ Plc was in compliance with the company's remuneration policy for governing bodies.

The remuneration systems used in eQ Group are based on the strategy and long-term goals defined by the Board, and they are important tools used for reaching the group's long-term and short-term strategic goals. The remuneration systems contribute to efficient risk management within eQ Group and, above all, preventing detrimental risk-taking. In addition, the remuneration systems take into account the sustainability risks associated with eQ Group and its business. Comprehensive risk management aims at acknowledging i.e. the goals and interests of the group companies, the managed funds and investors.

eQ Group's strong financial performance during the last five years is reflected in the remuneration of the CEO, particularly in the increase of the variable remuneration components. The following table presents the remuneration development for the Board of Directors and CEO in comparison to the average remuneration development for the Group's employees and the Group's economic development for the previous five financial years.

Salary and remuneration – EUR	2023	2022	2021	2020	2019
CEO [1]	1,755,389	1,944,133	1,034,689	851,669	784,613
change, %	-10%	88%	21%	9%	26%
Chair of the Board [2]	679,421	702,106	549,489	51,000	46,200
change, %	-3%	28%	977%	10%	3%
Other Board members [3]	218,750	212,000	199,500	131,500	112,400
change, %	3%	6%	52%	17%	3%
Board, in total	898,171	914,106	748,989	182,500	158,600
change, %	-2%	22%	310%	15%	3%
Employee, in average [4]	185,836	207,953	218,726	185,653	176,637
change, %	-11%	-5%	18%	5%	6%
Operating profit – MEUR	39.7	45.7	47.7	30.8	26.3
change, %	-13%	-4%	55%	17%	17%

[1] Paid salaries and remuneration. Due to changes in the remuneration regulations, the variable remunerations in the 2022 bonus payment will no longer be deferred. All reported figures include paid salary, fringe benefits and annual bonus. The year 2021 includes CEO Janne Larma from 1 January to 31 March 2021 and CEO Mikko Koskimies from 1 April to 31 December 2021.

[2] The remuneration of the Chair of the Board includes the salary and fringe benefits of the full-time Chair of the Board, Janne Larma, based on the service contract, from 1 April 2021.

[3] The number of Board members increased by one in 2021.

[4] The total amount of salaries, other remuneration, fringe benefits and annual bonuses for the financial year (without option costs and side costs and excluding the CEO) divided by the average number of personnel.

Remuneration of the Board of Directors

Compensation and remuneration of the Board

The Annual General Meeting decides upon the remuneration of the Board of Directors. In 2023, the Annual General Meeting decided that the members of the Board of Directors shall receive remuneration according to following: Chair of the Board 5 000 euros per month, Vice Chair of the Board of Directors receives 4 000 euros per month and the directors 3 000 euros per month. The Annual General Meeting also decided that the directors shall be paid EUR 750 for each Board meeting that they attend. The travel and lodging costs of the Board members are compensated in accordance with the company's expense policy. The remuneration is paid in cash.

The full-time Chair of the Board has entered into a service contract with the company and is paid a fixed salary in cash (monthly salary and fringe benefits) in addition to the remuneration paid on the basis of the Board's membership. The full-time Chair of the Board is not covered by the eQ Group's performance-based annual bonus scheme.

In 2023, the members of the Board of Directors have been paid remuneration as follows:

Remuneration – EUR	Annual remuneration	Meeting fees in total	Other compensation	Total
Päivi Arminen	27,000	4,500	-	31,500
Nicolas Berner	36,000	5,500	-	41,500
Georg Ehrnrooth	48,000	5,500	-	53,500
Timo Kokkila	36,000	4,750	-	40,750
Lotta Kopra	9,000	1,000	-	10,000
Janne Larma*	60,000	5,500	613,921	679,421
Tomas von Rettig	36,000	5,500	-	41,500
Total	252,000	32,250	613,921	898,171

*Other compensation contains the salary and fringe benefits paid to the full-time Chair of the Board Janne Larma based on his service contract with the company.

The full-time Chair of the Board's participation in the option programs

Based on the service contract, the full-time Chair of the Board may be granted shares, options or other share-based rights as part of the long-term commitment scheme. The other members of eQ Plc's Board of Directors have no share-related rights, nor are they covered by any other remuneration system.

eQ Group has two different option programs: option program 2018 and option program 2022. Based on these programs, eQ Group has issued option rights and option subscription rights to key persons, which aim for long-term commitment to the company. The Chair of eQ Plc's Board of Directors is covered by both option programs. In accordance with the terms and conditions of the option programs for 2018 and 2022, the options have an approximately three-year retention period after which they are available for subscription. The terms and conditions contain no other special terms related to ownership.

Option program 2018

As part of the engagement system, the Chair of the Board is covered by the option program 2018 and has initially received 100 000 option rights based on option program 2018. Janne Larma has used all of the option rights granted on the basis of the option program 2018 by 31 December 2023.

The share subscription period for the option program 2018 begun on 1 April 2022 and ends on 1 April 2024.

Option program 2022

As part of the engagement system, the Chair of the Board has initially received 50 000 option rights based on option program 2022. The share subscription price with the option rights 2022 was EUR 22.25 per share at 31 December 2023.

The share subscription period for the option program 2022 begins on 1 April 2025 and ends on 30 April 2027.

Remuneration of the CEO

The salary of the CEO and other benefits

The Board of Directors appoints the CEO and decides on the CEO's salary, benefits and other terms related to the CEO's service. It is important for the company that the salary of the CEO is competitive, as the commitment of the CEO and sufficient incentives are vital with regard to the company's success.

In 2023, the CEO was paid the following salary and other remuneration:

Renumeration paid during 2023 – EUR

Fixed remuneration		Variable remuneration		
Annual salary (incl. fringe benefits)	Part of the overall remuneration	Annual bonus*	Part of the overall remuneration	Total
609,400	34.7%	1,145,989	65.3%	1,755,389

*Represents the aggregate amount of annual bonuses paid in 2023. The earnings periods for the bonuses paid in 2023 are defined in the table below. The annual bonus paid to the CEO is always based on the preceding year's performance.

The remuneration of the CEO consists of a fixed salary in cash (monthly salary and fringe benefits) and an annual performance bonus. The amount of the annual bonus is determined based on achievement of personal goals and the result of the Asset Management segment. Remuneration is not based directly on the realisation of certain metrics, but on the Board's overall assessment. eQ Plc's Board decides on the amount and distribution of the annual bonuses taking into consideration, e.g. the above presented main principles of remuneration.

According to the regulations in force at the time of payment of the variable remuneration accrued before 2020 and paid before 2021, if the variable remuneration component of the CEO exceeded EUR 50 000 annually, 50 per cent of the variable remuneration had to be deferred to be paid during the following three years (even payments each year). 50 per cent of the deferred remuneration had to be linked to the development of eQ Plc's share price during the deferral period. eQ Plc's Board decides annually on the interest possibly payable to the remaining part of the deferred remuneration. Due to changes in the remuneration regulations, the part of the variable remuneration in excess of EUR 50 000 for the variable remuneration accrued after 2021 will no longer be deferred to be paid during the following three years.

The table below presents the earnings periods for the variable remuneration paid to the CEO Mikko Koskimies in 2023 (deferred remuneration falling due for the previous years):

Specification of variable remuneration paid during 2023 – EUR

For year 2022*	For year 2021*	For year 2020*	For year 2019*	Total
833,056	153,372	159,561	1,145,989,	833,056

*The annual bonus of the CEO is always based on the preceding year's performance. Some of the reported remuneration was earned before Mikko Koskimies became CEO.

The following table presents the remuneration to the CEO falling due (including deferred variable remuneration), which has not yet been paid on 31 December 2023. The unpaid deferred variable remuneration for each earnings period:

Deferred variable remuneration* – EUR

For year 2020
120,854

*Including changes in stock prices and dividend consideration. Some of the reported remuneration was earned before Mikko Koskimies became CEO.

The variable remuneration of the CEO Mikko Koskimies that has been earned during 2023 and that has not yet been paid out by the date of this report was EUR 631,739 in aggregate.

The terms of the CEO's service are specified in the CEO's service contract. Both parties may give notice on the CEO's service contract with a period of notice of six months. When notice is given by the company for whatever reason or if the contract is terminated through mutual agreement by the company and the CEO, the CEO is entitled to a severance pay corresponding to his or her overall remuneration for six months preceding the termination of the contract, which is paid on the day when the contract is terminated.

The retirement age and pension of the CEO are determined in accordance with the Finnish Employees Pensions Act. The CEO does not have a supplementary pension scheme.

The CEO's participation in the option programs

eQ Group has two different option programs: option program 2018 and option program 2022. Based on these programs, eQ Group has issued option rights and option subscription rights to key persons, which aim for long-term commitment to the company. The CEO of eQ Plc is covered by both option programs. In accordance with the terms and conditions of the option programs for 2018 and 2022, the options have an approximately three-year retention period after which they are available for subscription. The terms and conditions contain no other special terms related to ownership.

Option program 2018

As part of the engagement system, the CEO is covered by the option program 2018 and has initially received 100 000 option rights based on option program 2018. Mikko Koskimies has used 75 000 of the option rights granted on the basis of the option program 2018 by 31 December 2023.

The share subscription period for the option program 2018 begun on 1 April 2022 and ends on 1 April 2024.

Option program 2022

As part of the engagement system, the CEO has initially received 50 000 option rights based on option program 2022. The share subscription price with the option rights was EUR 22.25 per share at 31 December 2022.

The share subscription period for the option program 2022 begins on 1 April 2025 and ends on 30 April 2027.

Board of Directors

eQ Plc Board of Directors 31 December 2023:

Janne Larma
Chair of the Board
Member of the Board since 2021
Born: 1965

Education:
M.Sc. (Econ.), Hanken Svenska handelshögskolan

Primary working experience:
2011–2021 eQ Plc, CEO
2004–2009 eQ Bank, Member of Management Team
2000– Advium Corporate Finance Ltd, Managing Director
1998–2000 Enskilda Securities, management position in investment banking
1993–1998 Alfred Berg, investment banking
1988–1992 Kansallis-Osake-Pankki, investment banking

Primary positions of trust:
Notalar Oy, Chair of the Board; Inkoo Shipping Oy, Member of the Board; Rettig Group Oy Ab, Member of the Board; Svenska handelshögskolan, Member of the Board; Meripuolustussäätiö SR, Member of the Board

Not independent of the company and not independent of its significant shareholders.

Georg Ehrnrooth
Vice Chair of the Board
Member of the Board since 2011
Born: 1966

Education:
Studies in agriculture and forestry, Högre Svenska Läroverket, Åbo

Primary working experience:
2008– Management positions in family-owned companies responsible for finance and investments
2005 eQ Corporation and eQ Bank Ltd, Chief Executive Officer

Primary positions of trust:
Sampo Plc, Member of the Board; Paavo Nurmi Foundation, Member of the Board; Anders Wall Foundation, Member of the Board; Louise and Göran Ehrnrooth Foundation, Chair of the Board; Topsin Investments S.A., Chair of the Board; Fennogens Investments S.A., Chair of the Board; Byggmästare Anders J Ahlström Holding AB, Member of the Board

Not independent of the company and not independent of its significant shareholders.

Päivi Arminen
Member of the Board since 2023
Born: 1978

Education:
M.Sc. (Econ.), HSE

Primary working experience:
2008–2021 EQT Partners AB, Infrastructure investment, Managing Director, Director, Associate
2005–2008 Danske Bank A/S / Sampo Bank Plc, Debt Capital Markets, Vice President, Assistant Vice President
2004–2005 Evli Plc, Equity Analyst

Primary positions of trust:
2023– Interogo Holding AG, Infrastructure investments, Investment Committee Member

Independent of the company and significant shareholders.

Nicolas Berner
Member of the Board since 2013
Born: 1972

Education:
LL.B, University of Helsinki

Primary working experience:
2011– Berner Ltd, Chief Financial Officer,
1998–2011 Hannes Snellman Attorneys Ltd, Partner

Primary positions of trust:
Berner Ltd, Member of the Board

Independent of the company and significant shareholders.

Timo Kokkila
Member of the Board since 2016
Born: 1979

Education:
M.Sc. (Eng.), University of Technology Espoo

Primary working experience:
2016– Pontos Group, CEO
2011–2015 Pontos Group, Investment Director
2008–2011 SRV Group Plc, Manager, Project Development
2006–2008 SRV Group Plc, Project Development Engineer
2004–2006 Kampin Keskus Oy, Development Engineer

Primary positions of trust:
Ilmarinen Mutual Pension Insurance Company, Member of the Board; Valmet Automotive Ltd, Member of the Board; SRV Group Plc, Vice Chair of the Board; Pontos Ltd, Member of the Board

Independent of the company and significant shareholders.

Tomas von Rettig
Member of the Board since 2019
Born: 1980

Education:
BBA (Bachelor of Business Administration), Arcada University of Applied Sciences
CEFA-degree, Hanken Svenska handelshögskolan

Primary working experience:
2016–2019 Rettig Group Oy Ab, CEO
2011–2015 Rettig Group Oy Ab, vice president business development, vice president corporate finance and development
2008–2011 Rettig Asset Management Oy Ab, portfolio manager, senior portfolio manager
2006–2008 Skandinaviska Enskilda Banken, Middle Office function

Primary positions of trust:
Purmo Group Oyj, Chair of the Board; Rettig Capital Oy Ab, Member of the Board

Independent of the company, but not independent of its significant shareholders.

Management Team

eQ Group's Management Team 31 December 2023:

Mikko Koskimies, Chair

Mikko Koskimies, M.Sc. (Econ), (born 1967) is CEO of eQ Plc and eQ Asset Management Ltd and has worked with eQ since 2012. He previously worked as a Managing Director of Pohjola Asset Management Ltd and was a member of the Executive Committee of Pohjola Bank. Mikko Koskimies also worked from 1998 to 2005 as a Managing Director of Alfred Berg Asset Management Ltd. During the years from 1989 to 1997 he worked within the current Nordea Group. From 1993 to 1997 Mikko worked in Private Banking for Merita Bank Luxembourg S.A. in Luxembourg.

Staffan Jåfs

Staffan Jåfs, M.Sc. (Econ), (born 1974) is responsible for the private equity asset management and group's own private equity investment operations. Staffan has worked in the private equity business since 2000 and with eQ since 2007. Previously in 2000–2007 he worked at Proventure Ltd as CFO, responsible for the group's financial administration.

Antti Lyytikäinen

Antti Lyytikäinen, M.Sc. (Econ.), (born 1981) is CFO of eQ Group. Antti has worked among financial sector since 2004 and with eQ since 2011. From 2008 to 2011 he worked at Aberdeen Asset Management and was responsible for the financial management of group's property funds. Prior to that he worked as an Auditor e.g. in the Financial Services -division of KPMG.

Juha Surve

Juha Surve, LL.M and M.Sc. (Econ.), (born 1980) is Group General Counsel of eQ Plc, and he also acts as a secretary of the Board of eQ Plc. Juha has worked among financial sector and capital markets since 2003 and with eQ since the beginning of year 2012. From 2008 to 2012 he worked at Castrén & Snellman Attorneys Ltd expertising in M&A transactions, capital markets and corporate law. Prior to that he gained over five years' experience in various asset management related duties e.g. in OP-Pohjola Group and Nordea Bank.

Performance based fees of private equity funds managed by eQ

It is possible for eQ Group to obtain a performance based fee (carried interest) based on the return of the private equity fund or asset management programme that eQ manages. The performance based fee, which is based of fund agreements and belongs to the management company, is not paid until the return late defined by the hurdle rate (IRR) has been achieved at cash flow level. Typically, the performance fee will become payable first towards the end of a fund's life cycle. If the return from the fund remains below the hurdle rate, the management company receives no performance fee. When the hurdle rate has been reached, the management company will receive the coming cash flow until the entire performance fee accumulated this far has been obtained (catch up stage, catch up share 100%). After the catch up stage, the cash flows distributed by the fund will be divided between the management company and investors according to the fund agreement (e.g. 7.5% / 92.5%).

eQ Group accrues the catch up share of private equity funds' performance fee in the income statement. eQ Group will begin to accrue the catch up share of performance fees when the Group has assessed that it will not be necessary to later make any considerable cancellations in the accrued and recognised income. Accruals will be recognised for the funds that fulfil the requirements and that are assessed, based on cash flows, to pay carried interest in the following five years, the investment period of which has ended, and regarding which eQ has received return assessments of the final returns from the targets funds' management companies. After the catch up stage, the performance fees will be booked in the income statement according to the cash flow distributed by the fund and divided between the management company and investors (e.g. 7.5% / 92.5%).

The estimated returns and performance fees for each separate fund have been presented on the following. The catch up share to be recognised in the 2024 income statement is estimated to be around EUR 5.4 million.

Funds – 31 December 2023

Fund	Fund size	Vintage year	Hurdle rate	Performance fee	eQ's share of the performance fee	Present TVPI	Estimated TVPI	Estimate on reaching the hurdle rate (cash flow)	Estimated catch up share, total MEUR	Estimated future performance fees, total MEUR	Performance fees accrued presently in the fund's value, MEUR [1]
Amanda III	MEUR 110	2006	6.0 %	10.0 %	100 %	1.1x	1.1x	Will not reach	n/a	n/a	n/a
Amanda IV	MEUR 90	2007	8.0 %	7.5 %	100 %	1.5x	1.5x	Has reached	n/a	0.0	0.0
Amanda V	MEUR 50	2011	6.0 %	10.0 %	100 %	1.3x	1.4x	Will not reach	n/a	n/a	n/a
eQ PE VI	MEUR 100	2013	7.0 %	7.5 %	100 %	1.4x	1.7x	2025	2.2	6.4	3.7
eQ PE VII	MUSD 80	2015	7.0 %	7.5 %	45 %	1.7x	2.0x	2025	0.9	3.0	1.9
eQ PE VIII	MEUR 160	2016	7.0 %	7.5 %	100 %	1.6x	1.9x	2025	3.0	12.8	7.1
eQ PE IX	MUSD 105	2017	7.0 %	7.5 %	45 %	1.6x	2.1x	2026	0.9	4.2	2.1
eQ PE X	MEUR 175	2018	7.0 %	7.5 %	100 %	1.3x	1.9x	2027	3.7	13.7	3.3
eQ PE XI	MUSD 217	2019	7.0 %	7.5 %	45 %	1.2x	2.1x	2027	1.7	8.4	1.4
eQ PE XII	MEUR 205	2020	7.0 %	7.5 %	100 %	1.2x	1.8x	After 2028	n/a	14.1	2.0
eQ PE XIII	MUSD 318	2021	7.0 %	7.5 %	45 %	1.0x	1.8x	After 2028	n/a	9.1	n/a
eQ PE XIV	MEUR 288	2022	7.0 %	7.5 %	100 %	n/a	1.8x	After 2028	n/a	18.7	0.1
eQ PE XV	MUSD 283	2023	7.0 %	7.5 %	45 %	n/a	1.8x	After 2028	n/a	7.7	n/a
eQ PE SF II	MEUR 135 2)	2018	10.0 %	10.0 %	100 %	1.3x	1.4x	2026	1.8	1.8	n/a
eQ PE SF III	MEUR 170 3)	2020	10.0 %	10.0 %	100 %	1.4x	1.8x	2026	2.4	9.2	3.6
eQ PE SF IV	MEUR 151 4)	2022	10.0 %	10.0 %	100 %	n/a	1.4x	After 2028	n/a	3.2	0.8
PE programmes	MEUR 198	2013-16	8%/12%	7.5%/12%	100 %	n/a	n/a	2025-2027	9.2	25.7	12.4
eQ VC	MUSD 77	2021	7.0 %	7.5 %	45 %	n/a	2.3x	After 2028	n/a	3.5	n/a
Total									26.0	141.5 (130.1 prev. year)	38.4
of which covered by the catch up accrual									26.0	85.3	35.5
catch up share accrued cumulatively by 31 December 2023									11.8		
estimated accrual for 2024									5.4		

The return estimates that eQ has presented are based on assessments obtained from the target funds' management companies regarding the funds that are fully invested and where the investment periods of the target funds have ended. Otherwise. the estimates are based on eQ's own assessment model.

[1] The amount of the performance fee that eQ would receive. if the investments of the funds were sold at present market value.

[2] Capital covered by the performance fee MEUR 75.

[3] Capital covered by the performance fee MEUR 104.

[4] Capital covered by the performance fee MEUR 71.

Information about capital adequacy

Capital adequacy management

eQ Group comprises a fully owned subsidiary of eQ Plc, eQ Asset Management Ltd, which is an investment firm. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the IFD/IFR regime for investments firms. This section presents information about the capital adequacy management and calculations of eQ Group (Pillar III).

Capital adequacy management is a central part of pillar 2 of the capital adequacy regulations. According to them, investment firms are obliged to consider their capital adequacy in relation to risks in a more extensive manner than just fulfilling the calculated capital adequacy requirements set out in the first pillar. In the capital adequacy management process, the company builds a motivated view of essential risks and the risk-based capital need required by them, which is not the same as the capital adequacy requirement of pillar 1 and may deviate from it. The capital adequacy management process deals with risks that are not taken into consideration in pillar 1 capital adequacy requirements, including qualitative risks. The capital adequacy management process also takes a stand on the sufficient level of risk management and internal control regarding each separate risk. The capital adequacy management process is carried out at least once a year and a capital plan describing the capital need, the sufficiency of capital and capital adequacy is drawn up based on the process.

The goals and practises of risk management at eQ Group have been presented in the Notes to the Financial Statements. Information about the corporate governance and remuneration in eQ Group can be found as part of the Annual Report and on eQ's website.

Capital adequacy

According to the IFR-regulations, the most restrictive capital requirement for eQ at the end of the financial period 2023 is defined on the basis of fixed overheads. The minimum capital requirement based on fixed overheads was EUR 5.4 million. At the end of the period, the Group's own funds based on capital adequacy calculations totalled EUR 13.6 million. Detailed information on the Group's capital adequacy can be found in the following section.

Capital adequacy

EUR 1,000	IFR 31 Dec. 2023 eQ Group	IFR 31 Dec. 2022 eQ Group
Equity	75,436	81,779
Common equity tier 1 (CET 1) before deductions	75,436	81,779
Deductions from CET 1		
Intangible assets	-29,251	-29,400
Unconfirmed profit for the period	-31,524	-36,322
Dividend proposal by the Board*	-1,073	-4,107
Common equity tier 1 (CET1)	13,588	11,949
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	13,588	11,949
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	13,588	11,949
Own funds requirement according to the most restrictive requirement (IFR)	5,375	4,932
Fixed overhead requirement	5,375	4,932
K-factor requirement	371	393
Absolute minimum requirement	150	150

EUR 1,000	IFR 31 Dec. 2023 eQ Group	IFR 31 Dec. 2022 eQ Group
Risk-weighted items total – Total risk exposure	67,188	61,651
Common equity tier (CET1) / own funds requirement, %	252.8%	242.3%
Tier 1 (T1) / own funds requirement, %	252.8%	242.3%
Total capital (TC) / own funds requirement, %	252.8%	242.3%
Common equity tier 1 (CET1) / risk weights, %	20.2%	19.4%
Tier 1 (T1) / risk weights, %	20.2%	19.4%
Total capital (TC) / risk weights, %	20.2%	19.4%
Excess of total capital compared with the minimum level	8,213	7,017
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	6,869	5,784

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

Composition of regulatory own funds (EU IF CC1)

EUR 1,000		(a) Amounts	(b) Source based on reference num-bers/ letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Own funds	13,588	
2	Tier 1 capital	13,588	
3	Common equity tier 1 capital	43,912	
4	Paid up capital instruments	11,384	Row 23, CC2
5	Share premium	24,693	Row 24, CC2
6	Retained earnings	7,836	Row 25, CC2
11	(-) Total deductions from common equity tier 1	-30,324	
17	(-) Goodwill	-25,212	Row 7, CC2
18	(-) Other intangible assets	-4,039	Rows 7, 8 and 9, CC2
25	(-) Other deductions	-1,073	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (EU IF CC2)

		(a) Balance sheet as in audited financial statements	(b) Under regulatory scope of consolidation	(c) Cross refer-ence to EU IFCC 1
		As at period end, EUR 1,000	As at period end, EUR 1,000	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Liquid assets	70		
2	Claims on credit institutions	22,841		
3	Financial assets			
4	Financial securities	10,555		
5	Private equity and real estate fund investments	16,556		
6	Intangible assets			
7	Fair value and brands	29,212		Row 17, CC1
8	Client agreements	8		Row 17 and 18, CC1
9	Other intangible assets	30		Row 17 and 18, CC1
10	Tangible assets			
11	Right-of-use assets	4,215		
12	Tangible assets	425		
13	Other assets	15,657		
14	Accruals and prepaid expenditure	414		
15	Income tax receivables	133		
16	Deferred tax assets	153		
17	Total Assets	100,270		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
18	Other liabilities	6,933		
19	Accruals and deferred income	12,871		
20	Lease liabilities	4,980		
21	Income tax liabilities	49		
22	Total Liabilities	24,834		
Shareholders' Equity				
23	Share capital	11,384		Row 4, CC1
24	Reserve for invested unrestricted equity	24,693		Row 5, CC1
25	Retained earnings	7,836		Row 6, CC1
26	Profit (loss) for the period	31,524		
27	Total Shareholders' equity	75,436		

Audited consolidated balance sheet and regulatory own funds under regulatory scope of consolidation are equal.

Own funds: main features of own instruments (EU IF CCA)

1	Issuer	eQ Plc
2	Unique identifier	ISIN: FI0009009617
3	Public or private placement	Public
4	Governing law(s) of the instrument	Finnish law, EU's IFR regulation 2019/2033, EU's CRR regulation 575/2013
5	Instrument type	CET1
6	Amount recognised in regulatory capital (MEUR)	11.4
7	Nominal amount of instrument	n/a
8	Issue price	n/a
9	Redemption price	n/a
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1 Nov 2000
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	n/a
15	Optional call date, contingent call dates and redemption amount	n/a
16	Subsequent call dates, if applicable	n/a
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	n/a
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	No
23	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	n/a
26	If convertible, fully or partially	n/a
27	If convertible, conversion rate	n/a
28	If convertible, mandatory or optional conversion	n/a
29	If convertible, specify instrument type convertible into	n/a
30	If convertible, specify issuer of instrument it converts into	n/a
31	Write-down features	n/a
32	If write-down, write-down trigger(s)	n/a
33	If write-down, full or partial	n/a
34	If write-down, permanent or temporary	n/a
35	If temporary write-down, description of write-up mechanism	n/a
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	n/a
38	Link to the full term and conditions of the instrument (signposting)	See equity note of the consolidated financial statement

To the Shareholders

Information to the shareholders

eQ Plc's share

eQ Plc's share is traded on Nasdaq Helsinki. At the end of 2023, the company had had 8 376 shareholders (8 277 shareholders on 31 Dec. 2022). The largest shareholders have been presented in the Report by the Board of Directors.

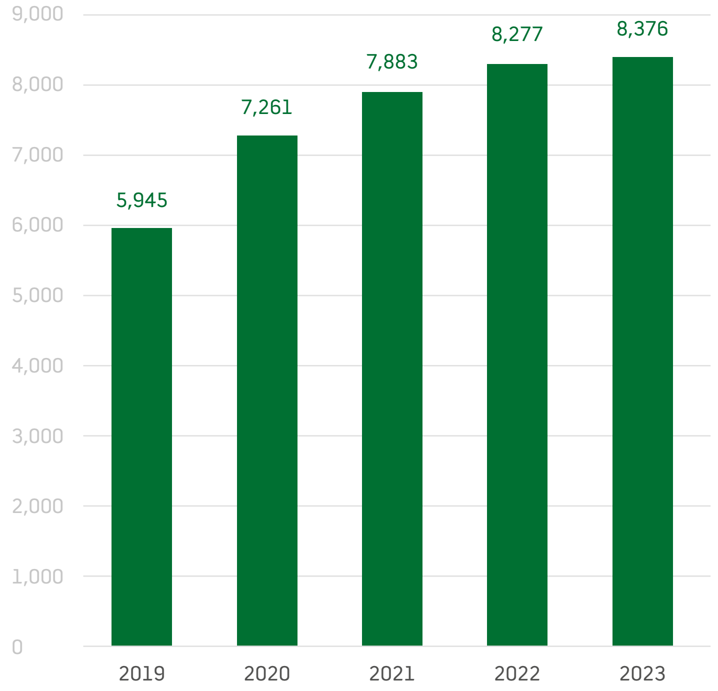
- Symbol: EQV1V
- Sector: Financial Services
- Market capitalisation classification: Mid Cap companies

Why to invest in eQ's share

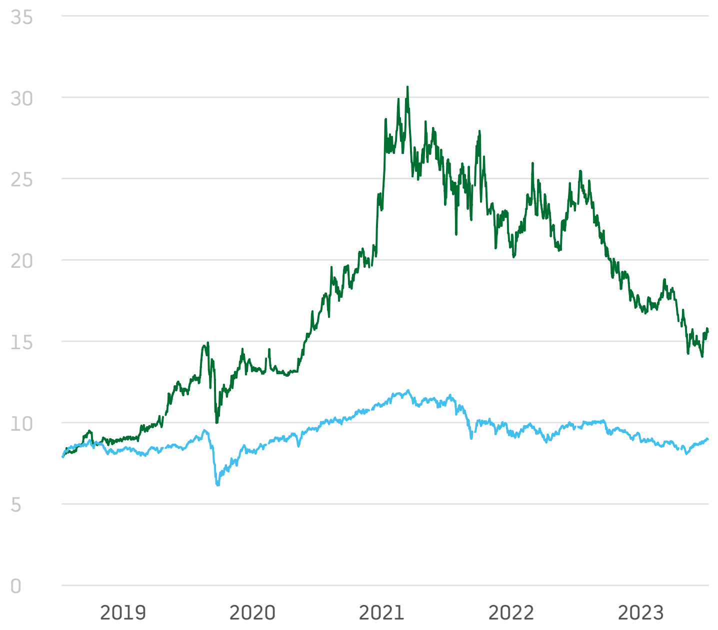
eQ Plc aims in a strong growth, constant cost-efficiency and to pay competitive dividend. eQ Plc aims at creating value for its shareholders through profitable and growing business areas. eQ Asset Management has a strong position as a service provider for the most professional investors in Finland. About 64 per cent of 100 largest institutional investors in Finland use eQ Asset Management's services and eQ has been ranked as No.1 in overall quality, already the fifth time in a row. (SFR-survey 2023). 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.

eQ also has committed personnel. Personnel owns over 30 per cent of eQ Plc and personnel's satisfaction is at an excellent level according to the personnel surveys. Professional and committed employees are the key to good customer services, investment operations and advisory.

NUMBER OF SHAREHOLDERS



SHARE PRICE DEVELOPMENT 2019 TO 2023, EUR



Annual General Meeting

eQ Plc's Annual General Meeting (AGM) will be held on Thursday 21 March 2024. Detailed information and instructions for participation can be found on the company website at www.eQ.fi/en.

Dividend distribution

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.80 per share be paid out. The dividend is paid in two instalments. The first instalment, EUR 0.40 per share, is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date 25 March 2024. The Board proposes that the first instalment of the dividend be paid out on 3 April 2024.

The second instalment, EUR 0.40 per share, is paid in October 2024. The second instalment is paid to those who are registered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd on the record date. The Board of Directors will decide the record date and payment date of the second instalment of the dividend payment at its meeting in September 2024. The planned record date is 25 September 2024 and the dividend payment date 2 October 2024.

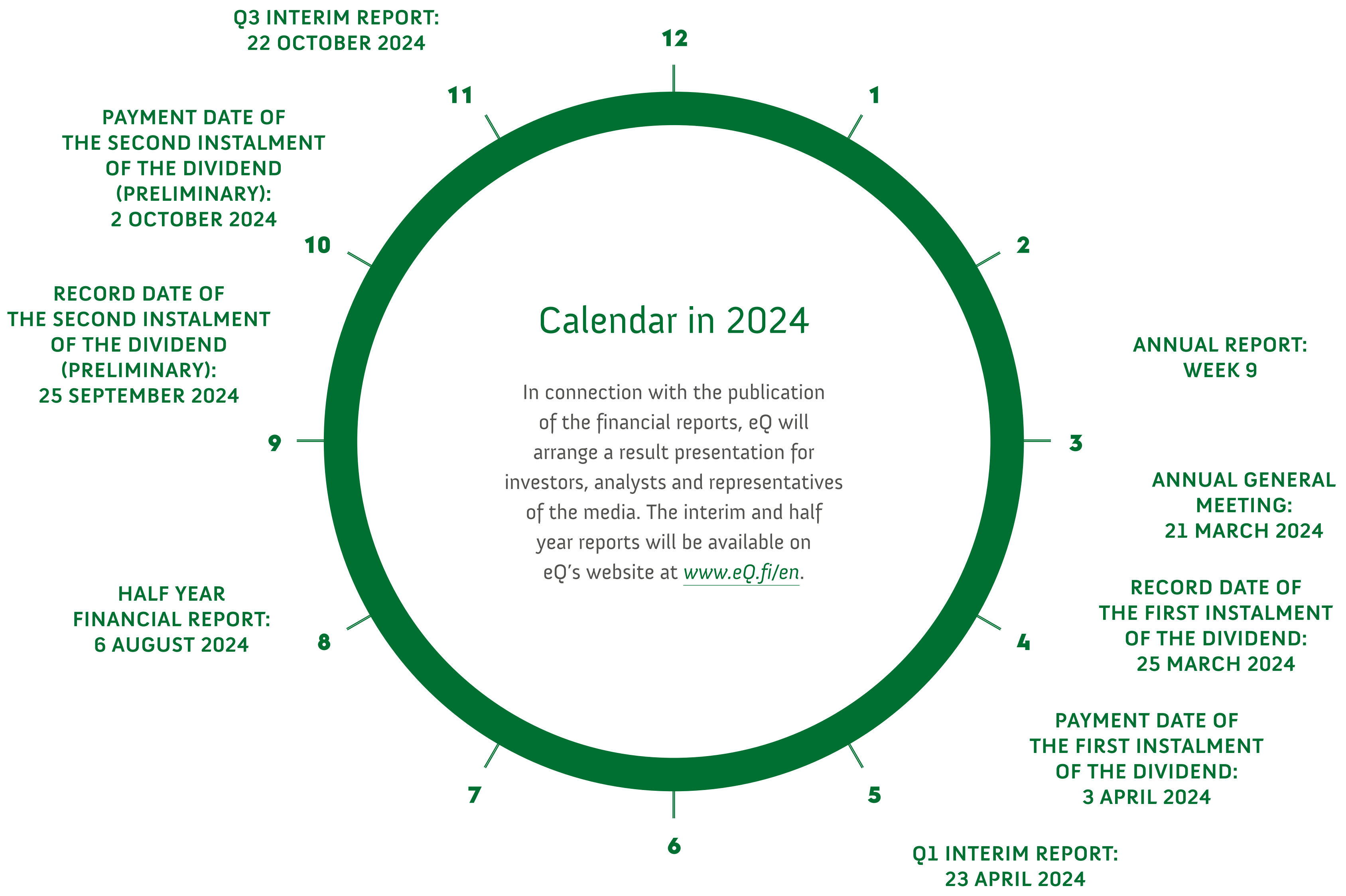
Analysts following eQ Plc

The analysts mentioned below follow eQ Plc. eQ is not responsible for their comments or assessments.

- Inderes Oy, Sauli Vilén, +358 44 025 8908, sauli.vilen@inderes.fi
- Inderes Oy, Kasper Mellas, +358 45 671 7150, kasper.mellas@inderes.fi
- OP Corporate Bank Plc, Antti Saari, +358 10 252 4359, antti.saari@op.fi

Investor relations, contact information

CFO
Antti Lyytikäinen
+358 40 709 2847
antti.lyytikainen@eQ.fi



eQ Plc | Aleksanterinkatu 19, 5th fl | 00100 Helsinki, Finland | Tel. +358 9 6817 8777 | asiakaspalvelu@eQ.fi | www.eQ.fi/en