

Q3 2020

INTERIM REPORT





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eQ PLC'S INTERIM REPORT Q3 2020 – eQ GROUP'S RESULT DEVELOPMENT CONTINUED TO BE STRONG**January to September 2020 in brief**

- During the period under review, the Group's net revenue totalled EUR 36.6 million (EUR 35.0 million from 1 Jan. to 30 Sept. 2019).
 - The Group's net fee and commission income was EUR 37.3 million (EUR 34.5 million).
 - The Group's net investment income from own investment operations was EUR -0.6 million (EUR 0.5 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 8% to EUR 19.2 million (EUR 17.9 million).
- The Group's profit was EUR 15.4 million (EUR 14.3 million).
- The consolidated earnings per share were EUR 0.40 (EUR 0.38).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR -0.2 million (EUR 0.8 million).
- The net revenue of the Asset Management segment increased by 9% to EUR 34.6 million (EUR 31.8 million) and the operating profit by 14% to EUR 20.8 million (EUR 18.2 million).
- The net revenue of the Corporate Finance segment was EUR 2.7 million (EUR 2.9 million) and the operating profit was EUR 0.7 million (EUR 0.8 million).

July to September 2020 in brief

- In the third quarter, the Group's net revenue totalled EUR 12.7 million (EUR 12.1 million from 1 July to 30 Sept. 2019).
 - The Group's net fee and commission income was EUR 12.9 million (EUR 12.0 million).
 - The Group's net investment income from own investment operations was EUR -0.2 million (EUR 0.1 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit was EUR 7.5 million (EUR 6.9 million).
- The Group's profit was EUR 6.0 million (EUR 5.5 million).
- The consolidated earnings per share were EUR 0.16 (EUR 0.15).

Key ratios	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Net revenue, Group, M€	36.6	35.0	5%	12.7	12.1	5%	50.6
Net revenue, Asset Management, M€	34.6	31.8	9%	11.9	10.9	9%	44.3
Net revenue, Corporate Finance, M€	2.7	2.9	-5%	1.0	1.1	-7%	5.4
Net revenue, Investments, M€	-0.7	0.2	-406%	-0.3	0.1	-527%	0.8
Net revenue, Group administration and eliminations, M€	-0.1	0.1		0.1	0.0		0.1
Operating profit, Group, M€	19.2	17.9	8%	7.5	6.9	9%	26.3
Operating profit, Asset Management, M€	20.8	18.2	14%	7.8	6.8	14%	25.4
Operating profit, Corporate Finance, M€	0.7	0.8	-8%	0.4	0.4	-10%	1.9
Operating profit, Investments, M€	-0.7	0.2	-406%	-0.3	0.1	-527%	0.8
Operating profit, Group administration, M€	-1.6	-1.3		-0.3	-0.4		-1.8
Profit for the period, M€	15.4	14.3	8%	6.0	5.5	9%	21.0



Key ratios	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Earnings per share, €	0.40	0.38	7%	0.16	0.15	8%	0.55
Equity per share, €	1.50	1.52	-1%	1.50	1.52	-1%	1.70
Cost/income ratio, Group, %	47.3	48.9	-3%	40.9	42.9	-5%	48.1
Liquid assets, M€	23.0	18.8	22%	23.0	18.8	22%	32.3
Private equity and real estate fund investments, M€	15.8	16.4	-4%	15.8	16.4	-4%	16.2
Interest-bearing loans, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, € billion	7.2	6.3	14%	7.2	6.3	14%	6.8
Assets under management total, € billion	8.7	11.2	-23%	8.7	11.2	-23%	11.7

Janne Larma, CEO

The Group's result development continued to be strong despite the challenging market environment. eQ Group's operating profit has grown for 26 consecutive quarters. During the first nine months of the year, the net revenue of the Group grew by 5% to EUR 36.6 million and the operating profit by 8% to EUR 19.2 million. The Group's profit increased to EUR 15.4 million (EUR 14.3 million from 1 Jan. to 30 Sept. 2019).

The growth of eQ Asset Management's management fees and operating profit continued

Growth of eQ Asset Management's fee and commission income has still been driven by real estate and private equity asset management, the fee and commission income of which grew by 20% on the previous year. Within eQ's real estate asset management, subscriptions started to grow in the second half. Subscriptions were made for more than EUR 50 million, EUR 33 million of which in open-end real estate funds and EUR 18 million in a residential fund for professional investors. Within private equity asset management, we will continue to raise assets to the eQ PE SF III and eQ PE XII North funds and begin the fund raising to our latest eQ Private Credit III fund during the last months of the year. The present market situation and market outlook continue to favour alternative investments, such as real estate and private equity investments. The management fee income from traditional asset management was at the previous year's level.

eQ Asset Management's excellent profit growth continued. The net revenue of the Asset Management segment increased by 9% to EUR 34.6 million and the operating profit grew by 14% to EUR 20.8 million. The cost/income ratio of the Asset Management segment has continued to fall and was 39.8% during the first nine months.

Advium's result at previous year's level

In the Corporate Finance segment, Advium has acted as advisor in six finalised transactions during the nine-month period. In the third quarter, Advium acted as advisor to Cargotec, for instance, as the Boards of Cargotec and Konecranes will propose to the shareholders a merger that will result in a global leader of sustainable material flows.

During the nine-month period, Advium's income and profit were at the previous year's level. Advium's net revenue during the period under review was EUR 2.7 million (EUR 2.9 million from 1 Jan. to 30 Sept. 2019). The operating profit was EUR 0.7 million (EUR 0.8 million).

Advium's order stock continues to be good, but the challenging operating environment still slows down project completion. The market situation has improved since the second quarter, however, but it has not yet returned to the activity level of 2019. Great variations in fee income per quarter are typical of corporate finance operations.



The result of the Investments segment lower than last year

The operating profit of the Investments segment fell from last year. The operating profit of the segment was EUR 0.7 million negative (EUR 0.2 million). The negative result results from negative value changes and the low profit distributions from funds. During the period under review, the net cash flow from investments was EUR 0.2 million (EUR 0.8 million). The fair value of private equity and real estate fund investment was EUR 15.8 million at the end of September (EUR 16.2 million on 31 Dec. 2019).

Outlook

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. After the period under review, the eQ Care Fund signed an agreement on divesting 55 properties for about EUR 222 million. The deal is expected to materialise this year. As a result of the deal, the Care Fund will accrue a performance fee this year. Therefore, we estimate that the performance fees of the Asset Management segment in 2020 will be at the same level as last year. There are still uncertainties related to this, however. The Amanda IV private equity fund will not accrue a performance fee in 2020.

eQ's interim report 1 January to 30 September 2020 is enclosed to this release and it is also available on the company website at www.eQ.fi.

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eQ Group is a group of companies that concentrates on asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and private individuals. The assets managed by the Group total approximately EUR 8.7 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

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

eQ PLC'S INTERIM REPORT 1 JAN. TO 30 SEPT. 2020

Result of operations and financial position 1 January to 30 September 2020

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Result of operations and financial position 1 July to 30 September 2020

- In the third quarter, the Group's net revenue totalled EUR 12.7 million (EUR 12.1 million from 1 July to 30 Sept. 2019).
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- The consolidated earnings per share were EUR 0.16 (EUR 0.15).

Operating environment

The central theme of the third quarter of 2020 was the recovery of economies from the steep fall in Q2. During the summer, it was possible to open up economies to a large extent, which could be seen in the growth of the GNP and in improved employment figures. In early autumn, the number of infections started to increase once more – in some countries even fiercely, but the number of people needing hospital care or the death tolls did not fortunately grow to the same degree. In addition, Germany and France, for instance, indicated that they were not willing to close down their economies in the same manner as in spring, despite the increase in infection rates. Among the large economies, China continued on its own path: the number of reported cases remained round zero and its economic growth was reportedly gaining momentum.

The strong support of central banks to the market continued. In Europe, the planning of the EU-wide support package worth EUR 750 billion continued. According to the plan, 30% of the package should be allocated to “sustainable recovery” and financed with “green” bonds. A recovery package was also planned in the US, but no concrete results were reached due to the disagreements between the parties on its contents and the upcoming presidential election. The market continues to focus on the upcoming presidential election in the US.

The bond and equity markets concentrated on hopes for recovering markets and the development of a vaccine. Regional differences in equity returns were exceptionally large in both the third quarter and since the beginning of the year. Among the best performers since the beginning of 2020 was the Finnish stock



exchange, which gave a 5.6% return (in Q3 no less than 9.7%). The return of the US S&P 500 Index was 0.6% in euros and 5.1% in dollars since the beginning of the year (in Q3 4.2% in euros and 8.8% in dollars) which means that the currency movements were rather big as well. Calculated with the MSCI Index, the return of emerging equity markets was -5.4% (Q3 4.9%) since the beginning of the year. Europe has clearly been the weakest region. Since the beginning of 2020, the return of MSCI Europe was -12.7%, and in Q3, the increase was only 0.1%.

The third quarter was also a time of strong recovery in the bond market. Since the beginning of 2020, the return of the euro government bond index was 3.7% (Q3 1.70%). The second-best return, i.e. 1.8% (Q3 2.4%) came from emerging market corporate loans. Investment grade corporate loans yielded a 0.7% return since the beginning of the year (Q3 2.0%). The weakest return at index level in the bond market since the beginning of the year came from high yield loans, which gave a -2.6% return (Q3 2.5%).

Major events during the period under review

eQ Plc's Annual General Meeting was held on 25 March 2020. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig were re-elected to the Board. Georg Ehrnrooth will continue as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

During the period under review, the number of eQ Plc's shares increased with new shares subscribed for with option rights. The number of shares increased by 415 000 shares on 10 September 2020.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 36.6 million (EUR 35.0 million from 1 Jan. to 30 Sept. 2019). The Group's net fee and commission income was EUR 37.3 million (EUR 34.5 million). The Group's net investment income from own investment operations was EUR -0.6 million (EUR 0.5 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 17.4 million (EUR 17.1 million). Personnel expenses were EUR 14.3 million (EUR 13.8 million), other administrative expenses totalled EUR 1.3 million (EUR 1.6 million), and the other operating expenses were EUR 1.0 million (EUR 1.0 million). Depreciation was EUR 0.8 million (EUR 0.7 million).

The Group's operating profit was EUR 19.2 million (EUR 17.9 million) and the profit for the period was EUR 15.4 million (EUR 14.3 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.

Mutual funds and asset management

At the end of the period, eQ had 26 mutual funds registered in Finland. The number of funds increased during the period with two funds that were transferred from Aurejärvi Asset Management. The new funds are eQ Global and eQ Europe Small Cap.

As a result of the widening of credit risk margins, the returns of eQ's fixed income funds were mostly negative during the period. The clearly positive return of government bonds was an exception. After the collapse in March, returns have been positive in all areas, however. The best returns came from the eQ



Government Bond and eQ Emerging Markets Corporate Bond funds. The best returns as compared with benchmark indices were provided by the eQ Euro Floating Rate and eQ Emerging Markets Corporate Bond funds. The eQ Euro Investment Grade fund was awarded as the best fund measured with a five-year return in the Lipper Scandinavian "Bond EUR Corporates" award series in 2020.

After the collapse of equity funds in March, share prices continued to rise sharply in the third quarter. The returns of several funds were already clearly positive since the beginning of the year. The best returns came from the eQ Nordic Small Cap, eQ Blue Planet and eQ Finland funds. As compared with the benchmark indices, the eQ Blue Planet and eQ Nordic Small Cap gave excellent returns. On 11 March 2020, eQ Asset Management won one of the major prizes awarded by Morningstar. Morningstar recognised the entire equity fund range of eQ with its "Best Equity Fund House" award. This extremely highly esteemed award is based on the five-year risk-adjusted returns of eQ's equity funds.

Of the funds managed by eQ, 38% surpassed their benchmark indices in the nine-month period, and in the past three years, 62% of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.5 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between -1.2 and -3.2% during the period, based on the allocation of the investment portfolio. The return of portfolios that are only invest in Finnish shares was +2.8%.

Private Equity

The first close of the new eQ PE XII North private equity fund was held at the end of January 2020 at EUR 126 million. The second close of the fund took place in April at EUR 157 million, and in the close in June the size of the fund grew to EUR 190 million. The eQ PE XII North fund makes investments in private equity funds that invest in unlisted, small and mid-sized companies in Northern Europe. In January, eQ also established its third secondary market fund eQ PE SF III. The first close of the fund was held at EUR 75 million. The second close of the fund took place in April at EUR 115 million, and in the close in June the size of the fund grew to EUR 155 million. After the period under review, the size of the fund grew to EUR 162 million. Both new funds are clearly bigger than their predecessors, and they are still expected to grow during the remaining part of the year. In addition, eQ has launched four new private equity mandates during the beginning of the year.

At the end of the period under review, the assets in private equity funds managed by eQ totalled EUR 1 886 million (EUR 1 609 million) and the assets managed under private equity mandates were EUR 879 million (EUR 677 million).

Real estate investments

At the end of the period under review, new net subscriptions worth EUR 4 million were made in the eQ Finnish Real Estate fund. During the period, the subscriptions totalled EUR -18 million. At the end of the quarter, the size of the fund was EUR 671 million, and its real estate property amounted to almost EUR 1.1 billion. The investment operations of the fund have been extremely successful, and the return since establishment is 8.5% p.a. The fund has almost 2 400 unit holders.

At the end of the period under review, new net subscriptions worth EUR 29 million were made in the eQ Care fund. During the period, the subscriptions totalled EUR 54 million. At the end of the period under review, the size of the fund was EUR 1 055 million and its real estate property exceeded EUR 1.3 billion. The return of the fund since establishment is 8.8% p.a., and the fund has almost 4 100 unit holders. A deal where the eQ Care fund divests 55 properties for EUR 222 million was signed after the period under review. The deal is expected to materialise by the end of the year.

In May, eQ established a new real estate fund eQ Residential. In the first close, subscription commitments for EUR 33 million were raised to the fund. The second close of the fund was held after the period under review, at the beginning of October, at EUR 51 million. The investment capacity increased thereby to about EUR 150 million. The investment operations have begun, and the raising of means will continue during the last months of the year. The target size of the fund is EUR 100 million, which will enable investments exceeding EUR 300 million in residential real estate. eQ Residential will make investments in the Helsinki metropolitan area, Tampere, and Turku. The fund targets complete residential buildings and aims to build



approximately 1,500 rental units in total. Unlike eQ Care and eQ Finnish Real Estate funds, eQ Residential is restricted to professional investors only in a closed-end fund structure.

Overall, eQ's real estate funds had real estate property worth almost EUR 2.4 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded to 13 persons.

Assets under management and clients

At the end of the period, the assets managed by eQ Asset Management, excluding assets covered by private equity reporting services, were EUR 7 235 million and altogether EUR 8 707 million. The assets increased by EUR 468 million from the beginning of the year, excluding the private equity reporting services, and fell by EUR 2 979 million (EUR 6 767 / 11 686 million on 31 Dec. 2019). The considerable fall in the private equity reporting services was in practice due to one large institutional investor, who went over to an international service provider. The transfer has no impact on the result. At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 3 254 million (EUR 3 276 million), and the assets decrease by EUR 22 million mainly as a result of the market movement. Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 1 216 million (EUR 1 206 million). The assets managed under private equity funds and asset management totalled EUR 4 236 million (EUR 7 204 million), the share of eQ funds being EUR 1 886 million (EUR 1 609 million) and that of mandates EUR 879 million (EUR 677 million). The assets covered by the reporting service totalled EUR 1 472 million (EUR 4 919 million).

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 9% and the operating profit by 14% to EUR 20.8 million (EUR 18.2 million from 1 Jan. to 30 Sept. 2019). Performance fees fell by 69% as a result of their typical strong fluctuation per quarter and financial period. The cost/income ratio was 39.8% (42.8%). Calculated as full-time resources, the Asset Management segment had 73 employees at the end of the period under review.

Asset Management	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Net revenue, M€	34.6	31.8	9%	11.9	10.9	9%	44.3
Operating profit, M€	20.8	18.2	14%	7.8	6.8	14%	25.4
Assets under management excluding reporting services, € billion	7.2	6.3	15%	7.2	6.3	15%	6.8
Assets under management total, € billion	8.7	11.2	-23%	8.7	11.2	-23%	11.7
Cost/income ratio, %	39.8	42.8	-7%	34.7	37.7	-8%	42.7
Personnel as full-time resources	73	67	9%	73	67	9%	69

Fee and commission income, Asset Management, M€	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Management fees from traditional asset management	5.9	5.9	0%	2.1	2.0	6%	8.0
Real estate and private equity management fees	28.1	23.5	20%	9.4	8.2	14%	32.1
Other fee and commission income	0.1	0.1	-9%	0.0	0.0	3%	0.3
Performance fees	0.8	2.5	-69%	0.6	0.8	-24%	4.4
Total	35.0	32.1	9%	12.1	11.0	10%	44.7

Corporate Finance

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



The global COVID-19 outbreak continues to have an impact on Advium's business. The pandemic seemed to calm down for a moment in summer, and part of the good order stock was activated again.

Advium acted as advisor in three transactions in the third quarter. The most important of these was the transaction where Cargotec and Konecranes signed a merger plan and merger agreement on 1 October 2020. Advium acted as advisor to Cargotec in the transaction. The execution of the proposed merger still requires approval by the general meetings of the companies and competition authorities, for instance. The execution of the deal is expected to take place during the last quarter of 2021.

In addition, Advium acted as advisor to the seller, as Lakan Betoni Oy sold its factory in Forssa to Kiilto Oy, and as the bankrupt's estate of ICON Corporation Oy sold a real estate in Kruununhaka, Helsinki, to Samla Asunnot Ky and Samla Toimitilat II Ky.

Result of the Corporate Finance segment

During the period under review, Advium's net revenue was EUR 2.7 million, compared with EUR 2.9 million the year before. The operating profit was EUR 0.7 million (EUR 0.8 million from 1 Jan. to 31 Sept. 2019). The segment had 14 employees at the end of the period.

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

Corporate Finance	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Net revenue, M€	2.7	2.9	-5%	1.0	1.1	-7%	5.4
Operating profit, M€	0.7	0.8	-8%	0.4	0.4	-10%	1.9
Cost/income ratio, %	74.5	73.6	1%	64.0	62.6	2%	64.1
Personnel as full-time resources	14	15	-7%	14	15	-7%	15

Investments

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

During the period under review, the net revenue of the Investments segment totalled EUR -0.7 million (EUR 0.2 million from 1 Jan. to 30 Sept. 2019). At the end of the period, the fair value of the investments was EUR 15.8 million (EUR 16.2 million on 31 Dec. 2019) and the amount of the remaining investment commitments was EUR 7.7 million (EUR 6.7 million). Of the market value, 87% has been invested in private equity funds managed by eQ. The breakdown of the market value and investment commitments of the investments per fund are presented in the tables section.

During the period, the investment objects returned capital for EUR 0.7 million (EUR 1.6 million from 1 Jan. to 30 Sept. 2019) and distributed a profit of EUR 0.1 million (EUR 1.0 million). Capital calls totalled EUR 1.0 million (EUR 1.7 million). The net cash flow from investments during the period was EUR -0.2 million (EUR 0.8 million). The value changes of the private equity fund investments recognised through profit or loss were EUR -0.7 million during the period (EUR -0.6 million). During the period under review, the COVID-19 crisis influenced the profit distribution and value changes of investments. The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.1 million (EUR 0.2 million).

During the period under review, eQ Plc made a EUR 1.0 million investment commitment in the eQ PE XII North private equity fund. The eQ PE XII North fund makes investments in private equity funds that invest in unlisted, small and mid-sized companies in Northern Europe. eQ Plc also made an investment commitment of EUR 1.0 million in the eQ Residential real estate fund during the period. eQ Residential is a closed-end fund that makes investments in residential property in the Helsinki metropolitan area, Tampere and Turku.

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. eQ only makes new investments in funds managed by eQ.



Investments	1-9/20	1-9/19	Change	7-9/20	7-9/19	Change	1-12/19
Operating profit, M€	-0.7	0.2	-407%	-0.3	0.1	527%	0.8
Fair value of investments, M€	15.8	16.4	-4%	15.8	16.4	-4%	16.2
Investment commitments, M€	7.7	7.4	4%	7.7	7.4	4%	6.7
Net cash flow of investments, M€	-0.2	0.8	-123%	0.0	0.5	-103%	1.7

Balance sheet and capital adequacy

At the end of the financial period, the consolidated balance sheet total was EUR 75.4 million (EUR 85.4 million on 31 Dec. 2019) and the shareholders' equity was EUR 57.9 million (EUR 65.1 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 15.4 million, the dividend distribution of EUR -21.1 million, the repayment of equity of EUR -2.7 million from the reserve for invested unrestricted equity, the subscription for new shares with option rights of EUR 1,0 million and the accrued expense of EUR 0.1 million related to the option scheme and enter in shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 13.2 million (EUR 22.4 million) and liquid investments in mutual funds EUR 9.8 million (EUR 9.9 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group's short-term receivables amounted to EUR 4.4 million (EUR 4.7 million).

The lease liability entered in the balance sheet was EUR 2.2 million (EUR 2.6 million) at the end of the period, the share of short-term liabilities being EUR 0.9 million (EUR 0.6 million). Interest-free short-term debt was EUR 15.3 million (EUR 17.7 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 76.8% (76.2%).

A subsidiary called eQ Asset Management Ltd, which is engaged in investment firm operations and fully owned by eQ Plc, is part of the Group. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the CRR/CRD regulations. The requirement for eQ Group's and eQ Asset Management Ltd's own funds is calculated according to article 95 of EU's Capital Requirements Regulation. The amount of the total risk exposure is calculated as the larger of the following: a) total amount of credit and market risks or b) the total risk based on fixed overheads.

The Group's CET1 (Common Equity Tier 1) and solvency ratio of the own funds was 24.3% at the end of the period (22.2% on 31 Dec. 2019). According to regulations, the absolute minimum requirement for own funds is 8%. At the end of the period, the Group's own funds based on capital adequacy calculations totalled EUR 12.6 million (EUR 11.9 million on 31 Dec. 2019), and the total risk exposure was EUR 51.9 million (EUR 53.5 million). In capital adequacy calculations, the amount of the total risk exposure is based on the total risk exposure based on fixed overheads, as the total credit and market risks was lower at the end of the period. Detailed information on the Group's capital adequacy can be found in the tables section.

Shares and share capital

At the end of the period on 30 September 2020, the number of eQ Plc's shares was 38 722 198 and the share capital was EUR 11 383 873.

During the period under review, on 10 September 2020, the number of eQ Plc's shares increased by 415 000 shares subscribed for with option rights 2015. The subscription price of the new shares totalled EUR 1 033 350.00. The entire subscription was entered in the reserve for invested unrestricted equity. There were no changes in the share capital during the period.

The closing price of eQ Plc's share on 30 September 2020 was EUR 12.85 (EUR 12.45 on 31 Dec. 2019). The market capitalisation of the company was thus EUR 497.6 million (EUR 476.9 million) at the end of the period. During the period, 2 189 395 shares were traded on Nasdaq Helsinki (1 118 058 shares from 1 Jan. to 30 Sept. 2019). In euros, the turnover was EUR 28.0 million (EUR 10.1 million).



Own shares

On 30 September 2020, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 30 September 2020

	Shares	Share, %
1 Fennogens Investments S.A.	7 943 137	20.51
2 Anchor Oy Ab	6 048 677	15.62
3 Chilla Capital S.A.	5 945 275	15.35
4 Teamet Oy	4 100 000	10.59
5 Oy Cevante Ab	1 419 063	3.66
6 Fazer Jan Peter	1 298 306	3.35
7 Procurator-Holding Oy	793 892	2.05
8 Lavventura Oy	650 000	1.68
9 Linnalex Ab	631 652	1.63
10 Pinomonte Ab	529 981	1.37
10 major shareholders, total	29 359 983	75.82
Nominee registered	380 877	0.98
Other shares	8 981 338	23.19
Total	38 722 198	100.00

On 30 September 2020, eQ Plc had 6 946 shareholders (5 945 shareholders on 31 Dec. 2019).

Option schemes

At the end of the period, eQ Plc had two valid option schemes. The option schemes are intended as part of the commitment system of the Group's key personnel.

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. The subscription period of shares with option rights 2015 began on 1 April 2019 and will end on 1 April 2021. The options have been listed on Nasdaq Helsinki.

Of these options, altogether 665 000 had been exercised by the end of the period. The number of outstanding options was 910 000 at the end of the period. No options of the option scheme 2015 can any longer be allocated.

The terms and conditions of the option scheme have been published in a stock exchange release of 5 November 2015, and they can be found in their entirety on the company website at www.eQ.fi.

Option scheme 2018

At the end of the period, altogether 1 775 000 options had been allocated from option scheme with a purchase price 2018. The subscription period of shares with option rights 2018 will begin on 1 April 2022 and end on 1 April 2024.

In the first quarter of 2020, 25 000 options with a purchase price of EUR 18 000.00 were returned to eQ Plc due to the termination of employment. The purchase price of the returned options was entered in its entirety at the original subscription price in the reserve for invested unrestricted equity. The number of outstanding



options was 1 775 000 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.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Monday 25 March 2020 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2019.

Decision in respect of the result shown on the balance sheet and the distribution of assets from the reserve for invested unrestricted equity

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.55 per share and a repayment of equity of EUR 0.07 from the reserve for invested unrestricted equity be paid out. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 27 March 2020, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. Payment date of the dividend and equity repayment 3 April 2020.

Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Remuneration Policy for governing bodies

The Annual General Meeting adopted the Remuneration Policy for the governing bodies.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra and Tomas von Rettig were re-elected for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 4 000 and the other directors EUR 2 500 per month. The Directors will also be paid EUR 500 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Georg Ehrnrooth Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Marcus Tötterman, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act,



in one or several transactions, comprising a maximum total of 3 500 000 new shares. The amount of the authorisation corresponded to approximately 9,14% of all shares in the company on the date of the notice of the AGM.

The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on all matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, including the recipients of the shares or the special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.

Personnel and organisation

At the end of the period, the number of Group personnel calculated as full-time resources was 92 (89 persons on 31 December 2019). Calculated as full-time resources, the Asset Management segment had 73 (69) employees and the Corporate Finance segment 14 (15) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 14.3 million (EUR 13.8 million from 1 Jan. to 30 Sept. 2019).

Major risks and short-term uncertainties

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is dependent of the development of the capital market, for instance. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow. The realisation of the performance fee income that is dependent on the success of the investment operations also influences result development. The performance fees of the asset management operations may consist of performance fees paid by mutual funds and real estate funds, profit shares that private equity funds pay to the management company, and performance fees from asset management portfolios. Performance fees may vary considerably by quarter and financial period.

Success fees, which depend on the number of mergers and acquisitions and real estate transactions and the execution of transactions, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends.

The risks related to the operations of eQ Group's Investments segment are the market risk and currency risk, for instance. Of said risks, the market risk has the greater impact on investments. The company's own investments are well diversified, which means that the impact of one investment made by one individual fund in one single investment object on the return is often small. The income from eQ Group's Investment segment is recognised in different quarters due to factors independent of the company, depending on the exits from funds. The income from investment operations and changes in value may vary considerably from quarter to quarter.

Events after the period under review

After the period under review, the eQ Care Fund signed an agreement on divesting 55 properties for EUR 222 million. The deal is expected to materialise by the end of the year.



Outlook

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. After the period under review, the eQ Care Fund signed an agreement on divesting 55 properties for about EUR 222 million. The deal is expected to materialise this year. As a result of the deal, the Care Fund will accrue a performance fee this year. Therefore, we estimate that the performance fees of the Asset Management segment in 2020 will be at the same level as last year. There are still uncertainties related to this, however. The Amanda IV private equity fund will not accrue a performance fee in 2020.

eQ PCL Board of Directors



TABLES

Principles for drawing up the report

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

The income of eQ Group's Investments segment is recognised due to factors independent of the company. As a result, the net income from financial assets may vary considerably.

The report has not been audited.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-9/20	1-9/19	7-9/20	7-9/19	1-12/19
Fee and commission income	37 609	34 830	13 041	12 098	49 933
Interest income	0	4	0	0	4
Net income from financial assets	-640	502	-215	129	1 132
Operating income, total	36 969	35 335	12 825	12 226	51 069
Fee and commission expenses	-343	-319	-121	-108	-428
Interest expenses	-18	-20	-6	-7	-26
NET REVENUE	36 609	34 996	12 699	12 112	50 614
Administrative expenses					
Personnel expenses	-14 263	-13 816	-4 137	-4 155	-19 758
Other administrative expenses	-1 323	-1 560	-383	-464	-2 185
Depreciation on tangible and intangible assets	-254	-161	-101	-50	-219
Depreciation on leases	-547	-562	-179	-187	-749
Other operating expenses	-1 012	-1 031	-371	-340	-1 411
OPERATING PROFIT (LOSS)	19 209	17 866	7 528	6 916	26 292
Income tax	-3 813	-3 560	-1 516	-1 394	-5 257
PROFIT (LOSS) FOR THE PERIOD	15 396	14 306	6 012	5 521	21 035

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-9/20	1-9/19	7-9/20	7-9/19	1-12/19
Other comprehensive income:	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15 396	14 306	6 012	5 521	21 035
Profit for the period attributable to:					
Equity holders of the parent company	15 396	14 306	6 012	5 521	21 035
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	15 396	14 306	6 012	5 521	21 035
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.40	0.38	0.16	0.15	0.55
Diluted earnings per average share, EUR	0.38	0.35	0.15	0.13	0.51



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 Sept. 2020	30 Sept. 2019	31 Dec. 2019
ASSETS			
Liquid assets	35	28	72
Claims on credit institutions	13 145	8 844	22 303
Financial assets			
Financial securities	9 870	9 955	9 956
Private equity and real estate fund investments	15 791	16 443	16 156
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	333	-	-
Other intangible assets	346	179	253
Tangible assets			
Leases	314	252	261
Leases	1 886	2 621	2 433
Other assets			
Accruals and prepaid expenditure	4 059	5 949	4 151
Income tax receivables	233	291	528
Deferred tax assets	124	107	58
Deferred tax assets	72	18	34
TOTAL ASSETS	75 420	73 900	85 418
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	4 809	4 149	4 780
Accruals and deferred income	9 962	8 789	12 057
Lease liabilities	2 247	2 710	2 604
Income tax liabilities	461	348	831
Deferred tax liabilities	29	30	29
TOTAL LIABILITIES	17 508	16 027	20 301
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	24 816	26 016	26 482
Retained earnings	6 316	6 168	6 215
Profit (loss) for the period	15 396	14 306	21 035
TOTAL EQUITY	57 912	57 873	65 117
TOTAL LIABILITIES AND EQUITY	75 420	73 900	85 418



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-9/2020	1-9/2019	1-12/2019
CASH FLOW FROM OPERATIONS			
Operating profit	19 209	17 866	26 292
Depreciation and write-downs	802	723	968
Interest income and expenses	18	16	22
Transactions with no related payment transactions	836	691	904
Financial assets' cash flow – private equity and real estate fund investments	-334	-181	-61
Change in working capital			
Business receivables, increase (-) / decrease (+)	388	-404	1 157
Interest-free debt, increase (+) / decrease (-)	-2 897	-2 976	919
Total change in working capital	-2 509	-3 380	2 076
Cash flow from operations before financial items and taxes	18 021	15 736	30 202
Interests received	0	4	4
Interests paid	-18	-20	-26
Taxes	-3 456	-3 354	-4 532
CASH FLOW FROM OPERATIONS	14 547	12 366	25 648
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-735	-57	-197
Investments/redemptions in other investments – liquid mutual funds	84	93	93
CASH FLOW FROM INVESTMENTS	-650	36	-103
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-23 750	-20 551	-20 551
Option issue with a subscription price	-18	1 296	816
Subscription of new shares	1 033	350	1 296
Decrease in the lease liability capital	-357	-473	-578
CASH FLOW FROM FINANCING	-23 092	-19 378	-19 017
INCREASE/DECREASE IN LIQUID ASSETS	-9 195	-6 976	6 527
Liquid assets on 1 Jan.	22 375	15 848	15 848
Liquid assets on 31 Sept./31 Dec.	13 180	8 872	22 375

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. 2019	11 384	27 034	23 831	62 249	62 249
Profit (loss) for the period			14 306	14 306	14 306
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			14 306	14 306	14 306
Dividend/equity repayment		-2 664	-17 887	-20 551	-20 551
Option issue with a subscription price		1 296		1 296	1 296
Subscription of shares		350		350	350
Options granted, cost accrual			224	224	224
Shareholders' equity on 30 Sept. 2019	11 384	26 016	20 473	57 873	57 873

Shareholders' equity on 1 Jan. 2020	11 384	26 482	27 251	65 117	65 117
Profit (loss) for the period			15 396	15 396	15 396
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			15 396	15 396	15 396
Dividend/equity repayment		-2 682	-21 069	-23 750	-23 750
Option issue with a subscription price		-18		-18	-18
Subscription of shares		1 033		1 033	1 033
Options granted, cost accrual			135	135	135
Shareholders' equity on 30 Sept. 2020	11 384	24 816	21 712	57 912	57 912



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-9/20	1-9/19	7-9/20	7-9/19	1-12/19
Asset management fees					
Management fees from traditional asset management	5 944	5 920	2 067	1 979	8 003
Real estate and private equity management fees	27 996	23 343	9 330	8 163	31 852
Other fee and commission income	130	144	41	35	281
Performance fees	795	2 534	588	830	4 379
Total	34 866	31 942	12 026	11 007	44 514
Corporate finance fees	2 743	2 889	1 015	1 091	5 419
Fee and commission income, total	37 609	34 830	13 041	12 098	49 933

NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-9/20	1-9/19	7-9/20	7-9/19	1-12/19
Private equity and real estate fund investment operations					
Profit distribution of funds	145	1 014	125	344	1 810
Changes in fair value and losses	-699	-647	-404	-220	-813
Total	-554	368	-278	124	996
Other investment operations – liquid mutual funds					
Changes in fair value	-2	179	63	4	181
Sales profit/loss	-84	-45	-	-	-45
Total	-86	134	63	4	135
Net income from financial assets, total	-640	502	-215	129	1 132

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 Sept. 2020		30 Sept. 2019		31 Dec. 2019	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	15 791	15 791	16 443	16 443	16 156	16 156
Financial securities	9 870	9 870	9 955	9 955	9 956	9 956
Accounts receivable and other receivables	947	947	944	944	1 655	1 655
Liquid assets	13 180	13 180	8 872	8 872	22 375	22 375
Total	39 288	39 288	36 214	36 214	50 142	50 142
Financial liabilities						
Accounts payable and other liabilities	188	188	194	194	166	166
Lease liabilities	2 247	2 247	2 710	2 710	2 604	2 604
Total	2 435	2 435	2 904	2 904	2 769	2 769

The table shows the fair values and book values of financial assets and liabilities per balance sheet item. The assessment principles of fair values are presented in the accounting principles. The original book value of accounts receivable and accounts payable corresponds to their fair value, as the impact of discounting is not essential taking into account the maturity of the receivables and liabilities.

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

	30 Sept. 2020		30 Sept. 2019		31 Dec. 2019	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	15 791	-	16 443	-	16 156
Financial securities	9 870	-	9 955	-	9 956	-
Total	9 870	15 791	9 955	16 443	9 956	16 156

Level 3 reconciliation: Private equity and real estate fund investments

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

1-9/2019	
Opening balance on 1 Jan. 2019	16 909
Calls	1 747
Returns	-1 566
Value change and loss through profit or loss	-647
Closing balance on 30 Sept. 2019	16 443



1-12/2019	
Opening balance on 1 Jan. 2019	16 909
Calls	2 407
Returns	-2 346
Value change and loss through profit or loss	-813
Closing balance on 31 Dec. 2019	16 156

Level 1 comprises liquid assets the value of which is based on quotes in the liquid market. A market where the price is easily available on a regular basis is regarded as a liquid market.

The fair values of level 3 private equity funds are based on the value of the fund according to the management company of the private equity fund and their use in widely used valuation models. Private equity fund investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The fair values of level 3 real estate fund investments are based on the value of the fund according to the management company. The valuation of real estate owned by a fund is based on a value defined by an external valuer. During the period under review, no transfers took place between the levels of the fair value hierarchy.

PRIVATE EQUITY AND REAL ESTATE FUND INVESTMENTS, EUR 1 000

Market value	30 Sept. 2020	31 Dec. 2019
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XII North LP	2	-
eQ PE XI US LP	45	32
eQ PE X North LP	264	199
eQ PE IX US LP	370	266
eQ PE VIII North LP	1 811	1 586
eQ PE VII US LP	1 828	1 786
eQ PE VI North LP	2 012	1 935
Amanda V East LP	4 258	4 387
Amanda IV West LP	688	982
Amanda III Eastern PE LP	2 488	2 743
Total	13 768	13 917
Real estate funds:		
eQ Residential	45	-
Private equity funds managed by others:		
Large buyout funds	967	994
Midmarket funds	347	531
Venture funds	665	715
Total	15 791	16 156



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

Investment commitment	30 Sept. 2020	31 Dec. 2019
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XII North LP	1 000	0
eQ PE XI US LP	784	846
eQ PE X North LP	661	761
eQ PE IX US LP	563	686
eQ PE VIII North LP	859	1 183
eQ PE VII US LP	443	727
eQ PE VI North LP	477	602
Amanda V East LP	595	595
Amanda IV West LP	427	427
Amanda III Eastern PE LP	348	348
Total	6 156	6 175
Real estate funds:		
eQ Residential	950	-
Private equity funds managed by others:		
Large buyout funds	132	132
Midmarket funds	418	433
Venture funds	0	0
Total	7 656	6 740



SEGMENT INFORMATION, EUR 1 000

1-9/20	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	34 866	2 743	-	-		37 609
From other segments	113	-	-	-	-113	-
Interest income	-	-	-	-		-
Net income from financial assets	-	-	-554	-86		-641
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	34 979	2 743	-554	-29	-170	36 968
Fee and commission expenses	-337	-	-	-6		-343
To other segments	-	-	-113	-	113	-
Interest expenses	-11	-3	-	-4		-18
NET REVENUE	34 631	2 740	-667	-39	-58	36 608
Administrative expenses						
Personnel expenses	-11 576	-1 604	-	-1 082		-14 263
Other administrative expenses	-970	-208	-	-202	58	-1 323
Depreciation on tangible and intangible assets	-214	-23	-	-17		-254
Depreciation on leases	-372	-115	-	-60		-547
Other operating expenses	-718	-92	-	-203		-1 012
OPERATING PROFIT (LOSS)	20 781	697	-667	-1 603	0	19 208
Income tax				-3 813		-3 813
PROFIT (LOSS) FOR THE PERIOD				-5 416		15 395

1-9/19	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	31 942	2 889	-	-		34 830
From other segments	150	-	-	-	-150	-
Interest income	-	-	-	4		4
Net income from financial assets	-	-	368	134		502
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	32 092	2 889	368	195	-208	35 335
Fee and commission expenses	-313	-	-	-6		-319
To other segments	-	-	-150	-	150	-
Interest expenses	-13	-4	-	-3		-20
NET REVENUE	31 765	2 885	218	186	-58	34 996



1-9/19	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-11 196	-1 642	-	-979		-13 816
Other administrative expenses	-1 174	-246	-	-197	58	-1 560
Depreciation on tangible and intangible assets	-122	-13	-	-25		-161
Depreciation on leases	-382	-118	-	-62		-562
Other operating expenses	-728	-104	-	-199		-1 031
OPERATING PROFIT (LOSS)	18 163	761	218	-1 276	0	17 866
Income tax				-3 560		-3 560
PROFIT (LOSS) FOR THE PERIOD				-4 836		14 306

7-9/20	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Fee and commission income	12 026	1 015	-	-		13 041
From other segments	38	-	-	-	-38	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	-278	63		-215
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	12 063	1 015	-278	82	-57	12 825
Fee and commission expenses	-119	-	-	-2		-120
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-2		-6
NET REVENUE	11 941	1 014	-316	79	-19	12 699
Administrative expenses						
Personnel expenses	-3 405	-496	-	-236		-4 137
Other administrative expenses	-292	-67	-	-44	19	-383
Depreciation on tangible and intangible assets	-78	-17	-	-6		-101
Depreciation on leases	-121	-38	-	-20		-179
Other operating expenses	-271	-33	-	-67		-371
OPERATING PROFIT (LOSS)	7 773	365	-316	-293	0	7 528
Income tax				-1 516		-1 516
PROFIT (LOSS) FOR THE PERIOD				-1 809		6 012



7-9/19	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Fee and commission income	11 007	1 091	-	-		12 098
From other segments	50	-	-	-	-50	-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	124	4		129
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	11 057	1 091	124	24	-69	12 226
Fee and commission expenses	-106	-	-	-2		-108
To other segments	-	-	-50	-	50	-
Interest expenses	-4	-1	-	-1		-7
NET REVENUE	10 947	1 090	74	21	-19	12 112
Administrative expenses						
Personnel expenses	-3 372	-538	-	-246		-4 155
Other administrative expenses	-338	-76	-	-69	19	-464
Depreciation on tangible and intangible assets	-39	-3	-	-8		-50
Depreciation on leases	-127	-39	-	-21		-187
Other operating expenses	-252	-26	-	-62		-340
OPERATING PROFIT (LOSS)	6 818	407	74	-384	0	6 915
Income tax				-1 394		-1 394
PROFIT (LOSS) FOR THE PERIOD				-1 779		5 521

1-12/19	Asset Man.	Corporate Finance	Invest ments	Other	Elimin- ations	Group total
Fee and commission income	44 514	5 419	-	-		49 933
From other segments	200	-	-	-	-200	-
Net income from currency operations	-	-	-	-		-
Interest income	-	-	-	4		4
Net income from financial assets	-	-	996	135		1 132
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	44 714	5 419	996	217	-277	51 069
Fee and commission expenses	-420	-	-	-8		-428
To other segments	-	-	-200	-	200	-
Interest expenses	-17	-5	-	-4		-26
NET REVENUE	44 276	5 413	796	205	-77	50 614
Administrative expenses						
Personnel expenses	-15 620	-2 770	-	-1 368		-19 758
Other administrative expenses	-1 646	-367	-	-248	77	-2 185
Depreciation on tangible and intangible assets	-167	-18	-	-34		-219
Depreciation on leases	-509	-157	-	-82		-749
Other operating expenses	-971	-159	-	-281		-1 411
OPERATING PROFIT (LOSS)	25 363	1 941	796	-1 809	0	26 292
Income tax				-5 257		-5 257
PROFIT (LOSS) FOR THE PERIOD				-7 065		21 035



The fee and commission income of the Asset Management segment from other segments comprises the management fee income from eQ Group's own investments in private equity funds. The corresponding expenses are allocated to the Investments segment. Under the item Other, income from other segments comprises the administrative services provided by Group administration to other segments and the undivided interest income and expenses. The item Other also includes the undivided personnel, administration and other expenses allocated to Group administration. The taxes not distributed to the segments are also presented under the item Other.

The highest operative decision-making body does not follow assets and liabilities at segment level, due to which the Group's assets and liabilities are not presented as divided between the segments.

PROFIT DEVELOPMENT OF SEGMENTS PER QUARTER, EUR 1 000

	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19
Asset Management					
Net revenue	11 941	11 419	11 271	12 511	10 947
Operating profit	7 773	6 612	6 396	7 200	6 818
Corporate Finance					
Net revenue	1 014	1 277	449	2 529	1 090
Operating profit	365	449	-116	1 180	407
Investments					
Net revenue	-316	-981	630	579	74
Operating profit	-316	-981	630	579	74
Other segments and eliminations					
Net revenue	59	171	-327	0	2
Operating profit	-294	-408	-901	-533	-384
Group total					
Net revenue	12 698	11 886	12 024	15 618	12 112
Operating profit	7 528	5 672	6 009	8 426	6 916
Profit for the period	6 012	4 592	4 791	6 730	5 521



CAPITAL ADEQUACY, EUR 1 000

	CRR 30 Sept. 2020 eQ Group	CRR 31 Dec. 2019 eQ Group
Equity	57 912	65 117
Common equity tier 1 (CET 1) before deductions	57 912	65 117
Deductions from CET 1		
Intangible assets	-29 892	-29 465
Unconfirmed profit for the period	-15 396	-21 035
Dividend proposal by the Board*	0	-2 715
Common equity tier 1 (CET1)	12 624	11 901
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	12 624	11 901
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	12 624	11 901
Risk-weighted items total – Total risk exposure	51 890	53 499
of which credit risk	46 704	48 183
of which market risk - currency risk	4 941	5 316
of which extra risk due to fixed expenses	245	-
Common equity tier 1 (CET1) / risk weights, %	24.3%	22.2%
Tier 1 (T1) / risk weights, %	24.3%	22.2%
Total capital (TC) / risk weights, %	24.3%	22.2%
Excess of total capital compared with the minimum level (8% capital adequacy ratio)	8 473	7 621
Excess of total capital compared with the target level (10% capital adequacy ratio)	7 435	6 551

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



GROUP KEY RATIOS

	30 Sept. 2020	30 Sept. 2019	31 Dec. 2019
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	15 396	14 306	21 035
Earnings per average share, EUR	0.40	0.38	0.55
Diluted earnings per average share, EUR	0.38	0.35	0.51
Equity per share, EUR	1.50	1.52	1.70
Equity per average share, EUR *)	1.51	1.52	1.71
Return on investment, ROI % p.a.	32.1	31.3	32.4
Return on equity, ROE % p.a.	33.4	31.8	33.0
Equity to assets ratio, %	76.8	78.3	76.2
Cost/income ratio, Group, %	47.3	48.9	48.1
Share price at the end of the period, EUR	12.85	9.96	12.45
Market value, EUR million	497.6	380.0	476.9
Personnel calculated as full-time resources at the end of the period	92	87	89

*) Weighted average number of shares outstanding.

eQ applies the guidelines of the European Securities and Markets Authority, ESMA, on alternative performance measures. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). eQ presents alternative measures in order to describe the financial development of its operations. Capital adequacy performance measures are presented based on European legislation concerning companies in the finance sector. The calculation principles and formulae of the key ratios are presented in the company's 2019 financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 30 September 2020, eQ's remaining investment commitments in private equity funds totalled EUR 7.9 million (EUR 6.7 million on 31 Dec. 2019). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2019).