

Q1 2022

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# INTERIM REPORT





26 April 2022 at 8:00 AM

## eQ Plc's interim report Q1 2022 – eQ's year started off excellently

### January to March 2022 in brief

- The Group's net revenue during the period was EUR 21.7 million (EUR 18.0 million from 1 Jan. to 31 March 2021).
  - The Group's net fee and commission income was EUR 21.4 million (EUR 15.8 million).
  - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 2.2 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 23% to EUR 13.0 million (EUR 10.6 million).
- The Group's profit was EUR 10.3 million (EUR 8.4 million).
- The consolidated earnings per share were EUR 0.26 (EUR 0.22).
- The net revenue of the Asset Management segment increased by 32% to EUR 19.6 million (EUR 14.8 million) and the operating profit by 43% to EUR 12.6 million (EUR 8.8 million).
- The net revenue of the Corporate Finance segment was EUR 1.8 million (EUR 1.1 million) and the operating profit was EUR 0.7 million (EUR 0.3 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.3 million (EUR 0.7 million).

Key ratios	1-3/22	1-3/21	Change	1-12/21
Net revenue, Group, MEUR	21.7	18.0	20%	78.9
Net revenue, Asset Management, MEUR	19.6	14.8	32%	64.9
Net revenue, Corporate Finance, MEUR	1.8	1.1	68%	6.9
Net revenue, Investments, MEUR	0.4	2.1	-82%	7.1
Net revenue, Group administration and eliminations, MEUR	-0.1	0.0		0.0
Operating profit, Group, MEUR	13.0	10.6	23%	47.7
Operating profit, Asset Management, MEUR	12.6	8.8	43%	40.3
Operating profit, Corporate Finance, MEUR	0.7	0.3	159%	2.7
Operating profit, Investments, MEUR	0.4	2.1	-82%	7.1
Operating profit, Group administration, MEUR	-0.7	-0.7		-2.5
Profit for the period, MEUR	10.3	8.4	22%	38.1

Key ratios	1-3/22	1-3/21	Change	1-12/21
Earnings per share, EUR	0.26	0.22	20%	0.97
Equity per share, EUR	1.28	1.26	2%	2.02
Cost/income ratio, Group, %	40.0	41.3	-3%	39.5
Liquid assets, MEUR	19.5	43.6	-55%	56.0
Private equity and real estate fund investments, MEUR	19.0	17.2	10%	18.8
Interest-bearing loans, MEUR	0.0	0.0	0%	0.0
Assets under management excluding reporting services, EUR billion	9.4	8.1	15%	9.2
Assets under management, EUR billion	12.0	9.9	22%	11.6



## Mikko Koskimies, CEO

The year 2022 started off with increasing economic growth, accelerating inflation and tighter monetary policy. Above all in the US, inflation increased on a broad front and the FED prepared itself for several increases of interest rates in 2022. Growth figures were good in Europe as well, and the ECB also prepared itself for cutting purchase programmes due to the increasing inflation. China announced a strong growth target of 5.5% for its part.

The crisis between Russia and Ukraine began emerging to headlines towards the end of January, and in mid-February it started to raise concerns in the market. As Russia attacked Ukraine on 24 February, Western countries rapidly introduced and expanded sanctions on Russian banks, the central bank's currency reserve and politically influential persons, for instance. A constantly increasing number of Western companies began closing down operations in Russia.

In addition to being a human catastrophe, the war has major impacts on economic development, above all in Europe. In addition to exports, several European countries and especially Germany are highly dependent on Russian energy. Both the price of energy that has risen due to the war and the risk of availability problems further increase inflation and have a negative impact on growth. The US is clearly less dependent on Russia, and its growth outlook is therefore stronger than Europe's. During the war, China has been opportunely quite reluctant to take a stand, not wishing to openly support Russia in order not to risk trade relations with Western countries.

Western share prices fell already in January due to the expected interest increases, and the fall speeded up as the war in Ukraine began. Like in several previous geopolitical crises, stock exchanges also recovered rapidly. The return of the entire first quarter at index level was -5.3% in Europe, -2.6% in US and -4.9% in emerging markets. The Finnish stock exchange fell clearly more than the rest of Europe, giving a return of -10.5%. Russia shares were removed totally from central share indices.

Interest returns were also negative across the board. The return of euro government bonds was -5.3%, that of investment grade loans -5.3% as well, the return of high yield loans was -4.5% and that of emerging market euro-hedged corporate loans as much as -9.7%. Russian loans were removed from major interest rate indices.

### eQ's year started of excellently

The result of eQ's first quarter was excellent, and the result has grown already for 32 consecutive quarters. The net revenue of the Group during the period under review was EUR 21.7 million and the operating profit EUR 13.0 million. Net revenue grew by 20% and operating profit by 23% on the previous year. Above all eQ Asset Management and Advium grew strongly while the result of the Investments segment clearly reduced from the year before.

### eQ Asset Management's growth continued

The result of eQ Asset Management was once more excellent. The net revenue of eQ Asset Management increased by 32% during the period under review to EUR 19.6 million. Operating profit grew by 43% to EUR 12.6 million. The strongest growth was experienced in performance fees and the management fees of both real estate asset management and private equity asset management.

As for traditional investments, the returns of client portfolios were negative in the first quarter of 2022 in line with the negative market. Of the funds that eQ manages itself, 31% gave a better return than its benchmark index, and during a three-year period, the corresponding figure was 62%. In discretionary asset management portfolios, the returns in the first quarter were also negative along with the market. The returns of real estate and private equity operations were, on the other hand, excellent in the first quarter of the year, supporting very well the overall returns of most of our clients during the first months of the year.

As for sales, the year 2022 began very strongly, above all for real estate and private equity asset management. Net subscriptions in the eQ Community Properties and Commercial Properties funds were EUR 123 million, and the first closing of the eQ Residential II Fund took place at EUR 27 million. In 2022, funds are raised to the eQ PE XIV North and eQ PE SF IV funds, which make investments in Northern Europe. During the first quarter, their sizes grew already to a total of EUR 331 million. In addition, the size of



the eQ VC Fund, established at the end of October 2021, grew to USD 59 million during the first quarter. The eQ VC Fund invests in the best venture capital funds in the US.

### **Advium's fee income and profit grew strongly**

Advium's net revenue was EUR 1.8 million (EUR 1.1 million) and operating profit EUR 0.7 million (EUR 0.3 million) during the period under review.

During the first quarter, the value of M&As remained high globally, even though some slowing-down could be detected from the record year 2021. The number of M&As remained good in Finland as well, even though the impacts of the latest geopolitical events were already reflected on the numbers. The volume of real estate transactions remained good, and we expect the market to stay active.

The major transaction in which Advium acted as advisor during the first quarter was the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Ky. The value of the transaction is about EUR 295 million.

### **The operating profit of the Investments segment fell**

The operating profit of the Investments segment was EUR 0.4 million (EUR 2.1 million) and the net cash flow was EUR 0.3 million (EUR 0.7 million). The balance sheet value of the private equity and real estate fund investments was EUR 19.0 million at the end of the period. eQ Plc made an investment commitment of EUR 1 million to the eQ PE XIV North and eQ Residential II funds. The write-downs made in the Amanda III and Amanda V private equity funds, which invest in Eastern Europe, due to the war in Ukraine had a negative impact on the value changes of investments during the period under review.

## **Outlook**

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments.

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eQ's interim report 1 January to 31 March 2022 is enclosed to this release and it is also available on the company website at [www.eQ.fi](http://www.eQ.fi).

eQ Plc

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eQ Group is a group of companies that concentrates on asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and private individuals. The assets managed by the Group total approximately EUR 12.0 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets. More information about the Group is available on our website [www.eQ.fi](http://www.eQ.fi).



# eQ PLC'S INTERIM REPORT 1 JAN. TO 31 MARCH 2022

## Result of operations and financial position 1 Jan. to 31 March 2022

- The Group's net revenue during the period was EUR 21.7 million (EUR 18.0 million from 1 Jan. to 31 March 2021).
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- The net revenue of the Corporate Finance segment was EUR 1.8 million (EUR 1.1 million) and the operating profit was EUR 0.7 million (EUR 0.3 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.3 million (EUR 0.7 million).

## Operating environment

The year 2022 started off with increasing economic growth, accelerating inflation and tighter monetary policy. Above all in the US, inflation increased on a broad front and the FED prepared itself for several increases of interest rates in 2022. Growth figures were good in Europe as well, and the ECB also prepared itself for cutting purchase programmes due to the increasing inflation. China announced a strong growth target of 5.5% for its part.

The crisis between Russia and Ukraine began emerging to headlines towards the end of January, and in mid-February it started to raise concerns in the market. As Russia attacked Ukraine on 24 February, Western countries rapidly introduced and expanded sanctions on Russian banks, the central bank's currency reserve and politically influential persons, for instance. A constantly increasing number of Western companies began closing down operations in Russia.

In addition to being a human catastrophe, the war has major impacts on economic development, above all in Europe. In addition to exports, several European countries and especially Germany are highly dependent on Russian energy. Both the price of energy that has risen due to the war and the risk of availability problems further increase inflation and have a negative impact on growth. The US is clearly less dependent on Russia, and its growth outlook is therefore stronger than Europe's. During the war, China has been opportunely quite reluctant to take a stand, not wishing to openly support Russia in order not to risk trade relations with Western countries.

Western share prices fell already in January due to the expected interest increases, and the fall speeded up as the war in Ukraine began. Like in several previous geopolitical crises, stock exchanges also recovered rapidly. The return of the entire first quarter at index level was -5.3% in Europe, -2.6% in US and -4.9% in emerging markets. The Finnish stock exchange fell clearly more than the rest of Europe, giving a return of -10.5%. Russia shares were removed totally from central share indices.

Interest returns were also negative across the board. The return of euro government bonds was -5.3%, that of investment grade loans -5.3% as well, the return of high yield loans was -4.5% and that of emerging market euro-hedged corporate loans as much as -9.7%. Russian loans were removed from major interest rate indices.



## Major events during the period under review

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

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

## Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 21.7 million (EUR 18.0 million from 1 Jan. to 31 March 2021). The Group's net fee and commission income was EUR 21.4 million (EUR 15.8 million). The Group's net investment income from own investment operations was EUR 0.3 million (EUR 2.2 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 8.7 million (EUR 7.5 million). Personnel expenses were EUR 7.4 million (EUR 6.4 million), other administrative expenses EUR 0.6 million (EUR 0.5 million) and other operating expenses EUR 0.5 million (EUR 0.3 million). Depreciation was EUR 0.3 million (EUR 0.3 million). The salary expenses increased from the year before due to result-related remuneration.

The Group's operating profit was EUR 13.0 million (EUR 10.6 million) and the profit for the period was EUR 10.3 million (EUR 8.4 million).

## Business areas

### Asset Management

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

#### *Mutual funds and asset management*

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

As a result of the increase in interest rates, the returns of eQ's fixed income funds were negative during the first quarter. The best returns came from the eQ Short-Term Euro and eQ Floating Rate funds. The best returns as compared with benchmark indices came from the eQ Emerging Markets Corporate Bond and eQ Euro Government Bond funds.

The returns of our equity funds were also negative during the first quarter. The best returns were seen in the eQ Emerging Dividend and eQ Emerging Markets Small Caps funds. The best return as compared with the benchmark index came from the eQ Emerging Dividend Fund.

Of the funds managed by eQ, 31 surpassed their benchmark indices in the three-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 3.3 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between approximately -4.8 and -6.8% based on the allocation of the investment portfolio. The return of portfolios that are only invest in Finnish shares was -11.6%. The ESG ratings of the eQ funds are better than the average, and eQ obtained excellent ESG ratings in the latest PRI assessment.



### *Private equity*

The first closing of the new eQ PE XIV North private equity fund was held at the end of January 2022 at EUR 196 million. In the second closing, the size of the fund grew to EUR 230 million. The eQ PE XIV North Fund makes investments in private equity funds that invest in unlisted, small and mid-sized growth companies in Northern Europe. eQ also established its fourth secondary market fund eQ PE SF IV, and its first closing was held at EUR 85 million. In the second closing, the size of the fund grew to EUR 101 million. The secondary market investments of the eQ PE XIV North Fund are carried out through the eQ PE SF IV Fund. The investment focus of the eQ PE SF IV Fund is, both geographically and as for the size of companies, the same as that of the eQ PE XIV North Fund. In the first quarter, were also made the following closings of the eQ VC Fund, the size of which grew to USD 59 million. The eQ VC Fund invests in the best venture capital funds in the US.

eQ's private equity ESG integration and reporting are at an excellent level and the company continues with the development work. At the end of the period, the assets in private equity funds managed by eQ totalled EUR 2 570 million (EUR 2 203 million) and the assets managed under private equity asset management programmes were EUR 989 million (EUR 1 001 million).

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

### *Real estate investments*

The net subscriptions in the eQ Finnish Commercial Properties Fund were EUR 40 million during the period under review. At the end of the period, the size of the fund was EUR 765 million, and its real estate property amounted to almost EUR 1.2 billion. The return of the fund during the first nine months was 2.3% and since establishment 8.5% p.a. The fund has more than 2 200 unit holders.

During the period under review, new net subscriptions for EUR 84 million were made in the eQ Community Properties Fund. At the end of the period under review, the size of the fund was EUR 1 483 million and its real estate property was almost EUR 1.9 billion. The return of the fund during the first nine months was 2.4% and since establishment 9.0% p.a. The fund has almost 4 800 unit holders.

In May 2020, eQ established a new real estate fund eQ Residential. The fund was finally closed in May 2021 at EUR 100 million. The investment operations have proceeded excellently, and the fund invests more than EUR 300 million in residential properties. eQ Residential makes investments in the Helsinki metropolitan area, Tampere and Turku. The fund targets complete residential buildings and aims to manage approximately 1 500 rental units in total. In practice, the entire investment capacity of the fund was used by the end of 2021, and therefore we decided to establish a new eQ Residential II Fund. The first closing of the new fund was held at EUR 27 million during the period under review. Unlike eQ Community Property and eQ Finnish Real Estate funds, the eQ Residential funds are intended for professional investors only, and they have a closed-end fund structure.

Overall, eQ's real estate funds had real estate property worth more than EUR 3.1 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. In 2021, eQ's real estate funds also participated in the GRESB sustainability assessment already for the third time. The results improved further and clearly exceed both the average results of companies participating in the GRESB assessment and the results of the funds' peers.

### *Assets under management and clients*

The assets managed by eQ Asset Management totalled EUR 12 032 million at the end of the period. Growth during the period was EUR 448 million (EUR 11 584 million on 31 Dec. 2021). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 4 142 million (EUR 4 264 million), and the assets decreased by EUR 122 million during the period. The assets managed by the real estate funds totalled EUR 2 375 million (EUR 2 282 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3 559 million (EUR 3 203 million).



Assets under management, EUR million	3/22	12/21	Change
eQ mutual funds	4 142	4 264	-3%
of which eQ equity, fixed income and balanced funds	1 894	2 082	-9%
of which eQ real estate funds	2 248	2 182	3%
Closed-end real estate funds	127	100	27%
Funds of partners and other asset management	1 548	1 619	-4%
eQ private equity funds	2 570	2 203	17%
Private equity asset management programmes	989	1 001	-1%
Total excl. reporting services	9 376	9 187	2%
Private equity reporting services	2 655	2 397	11%
Total	12 032	11 584	4%

#### Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 32% and the operating profit by 43% to EUR 12.6 million (EUR 8.8 million from 1 Jan. to 31 March 2021). Performance fees increased to EUR 5.0 million. Performance fees typically fluctuate strongly per quarter and financial period. Performance fees include EUR 1.5 million of the accrued catch up share of private equity funds' performance fee, and the updated estimate of the accrual for the entire year 2022 is EUR 5.8 million instead of EUR 7.2 million, announced earlier in connection with the publication of the financial statements. The Amanda V Fund is no longer expected to accrue a performance fee.

The cost/income ratio was 35.4% (40.1%). Calculated as full-time resources, the Asset Management segment had 74 employees at the end of the period under review.

Asset Management	1-3/22	1-3/21	Change	1-12/21
Net revenue, MEUR	19.6	14.8	32%	64.9
Operating profit, MEUR	12.6	8.8	43%	40.3
Cost/income ratio, %	35.4	40.1	-12%	37.7
Personnel as full-time resources	74	74	0%	76

Fee and commission income, Asset Management, MEUR	1-3/22	1-3/21	Change	1-12/21
Management fees				
Traditional asset management	2.6	2.4	6%	10.6
Real estate asset management	8.2	6.8	21%	29.1
Private equity asset management	3.9	3.3	19%	13.9
Management fees, total	14.7	12.5	18%	53.6
Performance fees				
Traditional asset management	-	1.5	n/a	2.9
Real estate asset management	3.4	0.8	347%	5.4
Private equity asset management	1.6	-	n/a	3.1
Performance fees, total	5.0	2.2	126%	11.4
Other fee and commission income	0.1	0.3	-80%	0.5
Fee and commission income, total	19.7	15.0	32%	65.4

#### Corporate Finance

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

During the first quarter, the value of M&As remained high globally, even though some slowing-down could be detected from the record year 2021. The number of M&As remained good in Finland as well, even though the impacts of the latest geopolitical events were already reflected on the numbers. The volume of real estate transactions remained good, and we expect the market to stay active.





The major transaction in which Advium acted as advisor during the first quarter was the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Ky. The value of the transaction is about EUR 295 million.

#### *Result of the Corporate Finance segment*

Advium's net revenue during the period under review was EUR 1.8 million (EUR 1.1 million from 1 Jan. to 31 March 2021). The operating profit was EUR 0.7 million (EUR 0.3 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 of the segment varies considerably from quarter to quarter.

Corporate Finance	1-3/22	1-3/21	Change	1-12/21
Net revenue, MEUR	1.8	1.1	68%	6.9
Operating profit, MEUR	0.7	0.3	159%	2.7
Cost/income ratio, %	60.5	74.4	-19%	60.0
Personnel as full-time resources	16	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, the operating profit of the Investments segment was EUR 0.4 million (EUR 2.1 million from 1 Jan. to 31 March 2021). At the end of the period, the fair value of the investments was EUR 19.0 million (EUR 18.8 million on 31 Dec. 2021) and the amount of the remaining investment commitments was EUR 8.9 million (EUR 7.2 million). During the period under review, eQ Plc made a EUR 1.0 million investment commitment in the eQ PE XIV North private equity fund and a EUR 1.0 million commitment in the eQ Residential II Fund.

During the period, the investment objects returned capital for EUR 0.2 million (EUR 0.5 million 1 Jan. to 31 March 2021) and distributed a profit of EUR 0.5 million (EUR 0.7 million). Capital calls totalled EUR 0.5 million (EUR 0.5 million). The net cash flow from investments during the period was EUR 0.3 million (EUR 0.7 million). The value changes of investments recognised through profit or loss were EUR -0.1 million during the period (EUR 1.4 million). The write-downs made in the Amanda III and Amanda V private equity funds, which invest in Eastern Europe, due to the war in Ukraine had a negative impact on the value changes of investments during the period under review.

The income of eQ's Investments segment is recognised due to factors independent of the company. Due to this, the segment's result may vary considerably.

Investments	1-3/22	1-3/21	Change	1-12/21
Operating profit, MEUR	0.4	2.1	-82%	7.1
Fair value of investments, MEUR	19.0	17.2	10%	18.8
Investment commitments, MEUR	8.9	7.5	19%	7.2
Net cash flow of investments, MEUR	0.3	0.7	-54%	4.1

#### **Balance sheet and capital adequacy**

At the end of the period, the consolidated balance sheet total was EUR 82.8 million (EUR 110.8 million on 31 Dec. 2021) and the shareholders' equity was EUR 50.9 million (EUR 80.0 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 10.3 million, the dividend distribution of EUR -38.4 million, the repayment of equity of EUR -1.2 million from the reserve for invested unrestricted equity, and the accrued expense of EUR 0.2 million related to an option scheme and enter in the 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 9.2 (EUR 35.1 million) and liquid investments in mutual funds EUR 10.3 million (EUR 20.9 million). The Group's short-term receivables amounted to EUR 9.8 million (EUR 5.1 million) at the end of the period.

The lease liability related to premises and entered in the balance sheet was EUR 4.9 million (EUR 1.2 million) at the end of the period, the share of short-term liabilities being EUR 0.8 million (EUR 0.9 million). The amount of lease liabilities increased resulting from a follow-up agreement on the leased premises. In addition, eQ has concluded an agreement on the expansion of premises, which means that lease liability will increase by about EUR 1 million in 2022, when the expansion will be taken into use.

Short-term interest-free debt was EUR 27.1 million (EUR 29.7 million). The Group had no interest-bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 61.4% (72.1%).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 235.4% (229.4% on 31 Dec. 2021). eQ Asset Management Ltd as investment firm and eQ Plc as the holding company apply the IFD/IFR regime. The most restrictive capital requirement for eQ is defined on the basis of fixed overheads at the end of the period. The minimum capital requirement based on fixed overheads was EUR 4.7 million. At the end of the period, the Group's total capital based on capital adequacy calculations totalled EUR 11.1 million. Detailed information on the Group's capital adequacy can be found in the tables section.

## Shares and share capital

At the end of the period on 31 March 2022, the number of eQ Plc's shares was 39 632 198 and the share capital was EUR 11 383 873.00.

The closing price of eQ Plc's share on 31 March 2022 was EUR 25.50 (EUR 25.75 on 31 Dec. 2021). The market capitalisation of the company was thus EUR 1 010.6 million (EUR 1 020.5 million) at the end of the period. During the period, 700 962 shares were traded on Nasdaq Helsinki (600 029 shares from 1 Jan. to 31 March 2021). In euros, the turnover was EUR 16.9 million (EUR 14.6 million).

## Own shares

On 31 March 2022, eQ Plc held no own shares.

## Shareholders

### Ten major shareholders on 31 March 2022

	Shares	Share, %
1 Fennogens Investements SA	7 962 605	20.09
2 Anchor Oy Ab	6 206 706	15.66
3 Chilla Capital S.A.	6 055 904	15.28
4 Teamet Oy	4 200 000	10.60
5 Oy Cevante Ab	1 419 063	3.58
6 Fazer Jan	1 302 484	3.29
7 Procurator-Holding Oy	793 892	2.00
8 Lavventura Oy	700 000	1.77
9 Linnalex Ab	631 652	1.59
10 Pinomonte Ab	529 981	1.34
10 major shareholders, total	29 802 287	75.20
Nominee registered	436 417	1.10
Other shares	9 393 494	23.70
Total	39 632 198	100.00

On 31 March 2022, eQ Plc had 7 838 shareholders (7 883 shareholders on 31 Dec. 2021).



## Option schemes

At the end of the period, eQ Plc had two valid option schemes. The option schemes are intended as part of the commitment system for 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. 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](http://www.eQ.fi). The options have been listed on Nasdaq Helsinki.

### Option scheme 2022

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

Based on the option scheme 2022, the Board of Directors of eQ Plc decided to issue 880 000 option rights to key persons employed by the eQ Group nominated by the Board. The option scheme 2022 covers more than one fourth of eQ Group's personnel.

The subscription period of shares with option rights 2022 will begin on 1 April 2025 April and end on 30 April 2027. The terms and conditions of the option scheme have been published in a stock exchange release of 4 February 2022, and they can be found in their entirety on the company website at [www.eQ.fi](http://www.eQ.fi).

## Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Monday 23 March 2022 March in Helsinki, decided upon the following matters. In order to prevent the spread of the COVID-19 pandemic, the Annual General Meeting was held without shareholders' and their proxy representatives' presence at the venue of the meeting. Shareholders of the company and their proxy representatives were able to participate in the meeting and exercise shareholder rights through voting in advance as well as by making counterproposals and presenting questions in advance.

### Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2021.

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

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.97 per share and a repayment of equity of EUR 0.03 from the reserve for invested unrestricted equity be paid out. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 25 March 2022, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 1 April 2022.

### Discharge from liability to the Board of Directors and the CEO

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



## Remuneration Report for Governing Bodies

The AGM confirmed the Remuneration Report for Governing Bodies.

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

According to the decision of the AGM, six members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila, Lotta Kopra, Janne Larma and Tomas von Rettig were re-elected for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: Chair of the Board will receive EUR 5 000, Deputy Chair EUR 4 000 and the other directors EUR 3 000 per month. The Directors will also be paid EUR 500 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. At its constituent meeting immediately after the Annual General Meeting, the Board elected Janne Larma Chair of the Board and George Ehrnrooth Deputy Chair of the Board.

### Auditors and auditors' compensation

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

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

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, in one or several transactions, comprising a maximum total of 3 500 000 new shares. The amount of the authorisation corresponded to approximately 8.83% of all shares in the company on the date of the notice of the AGM.

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

### Personnel and organisation

At the end of the period, the number of Group personnel calculated as full-time resources was 95 (96 persons on 31 Dec. 2021). Calculated as full-time resources, the Asset Management segment had 74 (76) employees and the Corporate Finance segment 16 (15) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 7.4 million (EUR 6.4 million from 1 Jan. to 31 March 2021). The salary expenses increased from the year before due to result-related remuneration.

### Major risks and short-term uncertainties

The Group's major single risk is the dependence of the result on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets



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

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

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

### **Events after the period under review**

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

### **Outlook**

The outlook for the financial year is still unaltered, and we expect the net revenue and operating profit of the Asset Management segment to grow from the previous year. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments.

eQ Plc  
Board of Directors



## **TABLES**

### **Principles for drawing up the report**

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

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

The report has not been audited.



## CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-3/22	1-3/21	1-12/21
Fee and commission income	21 501	15 977	72 152
Interest income	0	3	7
Net income from financial assets	311	2 202	7 314
Operating income, total	21 812	18 182	79 473
Fee and commission expenses	-147	-140	-574
Interest expenses	-14	-4	-19
NET REVENUE	21 651	18 037	78 880
Administrative expenses			
Personnel expenses	-7 370	-6 408	-26 683
Other administrative expenses	-571	-479	-2 141
Depreciation on tangible and intangible assets	-260	-267	-1 050
Other operating expenses	-475	-315	-1 346
OPERATING PROFIT (LOSS)	12 975	10 568	47 660
PROFIT BEFORE TAXES	12 975	10 568	47 660
Income tax	-2 648	-2 129	-9 582
PROFIT (LOSS) FOR THE PERIOD	10 327	8 439	38 078

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/22	1-3/21	1-12/21
Other comprehensive income:	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10 327	8 439	38 078
Profit for the period attributable to:			
Equity holders of the parent company	10 327	8 439	38 078
Non-controlling interests	-	-	-
Comprehensive income for the period attributable to:			
Equity holders of the parent company	10 327	8 439	38 078
Non-controlling interests	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:			
Earnings per average share, EUR	0.26	0.22	0.97
Diluted earnings per average share, EUR	0.24	0.21	0.93



## CONSOLIDATED BALANCE SHEET, EUR 1 000

	31 March 2022	31 March 2021	31 Dec. 2021
<b>ASSETS</b>			
Liquid assets	71	68	71
Claims on credit institutions	9 149	32 628	35 069
Financial assets			
Financial securities	10 343	10 963	20 943
Private equity and real estate fund investments	18 962	17 165	18 817
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	183	283	208
Other intangible assets	111	222	131
Tangible assets			
Right-of-use assets	4 682	1 521	965
Tangible assets	294	336	301
Other assets			
Accruals and prepaid expenditure	9 188	5 269	4 525
Income tax receivables	603	591	502
Deferred tax assets	10	56	52
Deferred tax assets	41	60	44
<b>TOTAL ASSETS</b>	<b>82 849</b>	<b>98 373</b>	<b>110 842</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Other liabilities	14 458	35 636	6 348
Accruals and deferred income	11 540	11 224	19 103
Lease liabilities	4 883	1 822	1 187
Income tax liabilities	1 080	791	4 249
<b>TOTAL LIABILITIES</b>	<b>31 961</b>	<b>49 473</b>	<b>30 887</b>
<b>EQUITY</b>			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	23 058	22 967	24 247
Retained earnings	6 119	6 110	6 247
Profit (loss) for the period	10 327	8 439	38 078
<b>TOTAL EQUITY</b>	<b>50 888</b>	<b>48 900</b>	<b>79 955</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>82 849</b>	<b>98 373</b>	<b>110 842</b>





## CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1- 3/2022	1- 3/2021	1- 12/2021
<b>CASH FLOW FROM OPERATIONS</b>			
Operating profit	12 975	10 568	47 660
Depreciation and write-downs	260	267	1 050
Interest income and expenses	14	1	13
Transactions with no related payment transactions	407	-1 418	-3 894
Financial assets' cash flow – private equity and real estate fund investments	-218	-70	910
Change in working capital			
Business receivables, increase (-) / decrease (+)	-4 723	1 654	2 500
Interest-free debt, increase (+) / decrease (-)	-5 484	-2 278	3 555
Total change in working capital	-10 207	-623	6 055
Cash flow from operations before financial items and taxes	3 231	8 725	51 794
Interests received	0	3	7
Interests paid	-14	-4	-19
Taxes	-1 564	-1 333	-5 321
<b>CASH FLOW FROM OPERATIONS</b>	<b>1 653</b>	<b>7 391</b>	<b>46 460</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investments in intangible and tangible assets	-15	-28	-70
Investments/redemptions in other investments – liquid mutual funds	10 504	3 982	-6 018
<b>CASH FLOW FROM INVESTMENTS</b>	<b>10 488</b>	<b>3 954</b>	<b>-6 088</b>
<b>CASH FLOW FROM FINANCING</b>			
Dividends paid/equity repayments	-37 850	-	-27 242
Subscription of new shares	-	112	1 392
Decrease in the lease liability capital	-213	-213	-834
<b>CASH FLOW FROM FINANCING</b>	<b>-38 063</b>	<b>-101</b>	<b>-26 685</b>
<b>INCREASE/DECREASE IN LIQUID ASSETS</b>	<b>-25 921</b>	<b>11 243</b>	<b>13 688</b>
Liquid assets on 1 Jan.	35 141	21 453	21 453
Liquid assets on 31 March/31 Dec.	9 219	32 696	35 141



## CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company					
	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan. 2021	11 384	25 190	30 972	67 545	67 545
Profit (loss) for the period			8 439	8 439	8 439
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			8 439	8 439	8 439
Dividend/equity repayment		-2 335	-24 907	-27 242	-27 242
Subscription of shares		112		112	112
Options granted, cost accrual			46	46	46
Shareholders' equity on 31 March 2021	11 384	22 967	14 549	48 900	48 900
Shareholders' equity on 1 Jan. 2022	11 384	24 247	44 325	79 955	79 955
Profit (loss) for the period			10 327	10 327	10 327
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			10 327	10 327	10 327
Dividend/equity repayment		-1 189	-38 443	-39 632	-39 632
Options granted, cost accrual			238	238	238
Shareholders' equity on 31 March 2022	11 384	23 058	16 446	50 888	50 888



## FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-3/22	1-3/21	1-12/21
Asset management fees			
Management fees			
Traditional asset management	2 563	2 422	10 591
Real estate asset management	8 174	6 750	29 112
Private equity asset management	3 850	3 250	13 722
Management fees, total	14 587	12 422	53 425
Performance fees			
Traditional asset management	-	1 453	2 922
Real estate asset management	3 444	761	5 385
Private equity asset management	1 627	-	3 104
Performance fees, total	5 071	2 214	11 410
Other fee and commission income	54	276	458
Asset management fees, total	19 712	14 913	65 293
Corporate finance fees	1 789	1 064	6 859
Fee and commission income, total	21 501	15 977	72 152

	1-3/22	1-3/21	1-12/21
Private equity asset management performance fees - specification			
Paid non-accrued fees	166	-	3 104
Catch up share accrual	1 461	-	-
Total	1 627	-	3 104

## NET INCOME FROM FINANCIAL ASSETS, GROUP, EUR 1 000

	1-3/22	1-3/21	1-12/21
Private equity and real estate fund investment operations			
Profit distribution of funds	485	720	3 220
Changes in fair value and losses	-73	1 439	4 068
Total	412	2 159	7 288
Other investment operations			
Changes in fair value	-97	25	8
Sales profit/loss	-4	18	18
Total	-101	43	26
Net income from financial assets, total	311	2 202	7 314



## FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	31 March 2022		31 March 2021		31 Dec. 2021	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	18 962	18 962	17 165	17 165	18 817	18 817
Financial securities	10 343	10 343	10 963	10 963	20 943	20 943
Accounts receivable and other receivables	485	485	963	963	1 023	1 023
Liquid assets	9 219	9 219	32 696	32 696	35 141	35 141
Total	39 009	39 009	61 786	61 786	75 923	75 923
Financial liabilities						
Accounts payable and other liabilities	407	407	163	163	214	214
Lease liabilities	4 883	4 883	1 822	1 822	1 187	1 187
Total	5 290	5 290	1 985	1 985	1 401	1 401

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

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

	31 March 2022		31 March 2021		31 Dec. 2021	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	18 962	-	17 165	-	18 817
Financial securities	10 343	-	10 963	-	20 943	-
Total	10 343	18 962	10 963	17 165	20 943	18 817

Level 3 reconciliation: Private equity and real estate fund investments

1-3/2022	
Opening balance on 1 Jan. 2022	18 817
Calls	460
Returns	-242
Value change and loss through profit or loss	-73
Closing balance on 31 March 2022	18 962

1-3/2021	
Opening balance on 1 Jan. 2021	15 656
Calls	524
Returns	-455
Value change and loss through profit or loss	1 439
Closing balance on 31 March 2021	17 165

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

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



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

## PRIVATE EQUITY AND REAL ESTATE FUND INVESTMENTS, EUR 1 000

Market value	31 March 2022	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	3	0
eQ VC	0	0
eQ PE XIII US	80	38
eQ PE XII North	408	336
eQ PE XI US	413	349
eQ PE X North	527	521
eQ PE IX US	1 055	986
eQ PE VIII North	2 450	2 430
eQ PE VII US	2 780	2 517
eQ PE VI North	2 096	1 946
Amanda V East	2 745	3 639
Amanda IV West	451	599
Amanda III Eastern PE	917	1 321
Total	13 924	14 683
Real estate funds:		
eQ Residential II	0	0
eQ Residential	386	383
Funds managed by others:		
Large buyout funds	1 948	1 848
Midmarket funds	901	808
Venture funds	1 803	1 094
<b>Total</b>	<b>18 962</b>	<b>18 817</b>



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

Investment commitment	31 March 2022	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	1 000	0
eQ VC	898	883
eQ PE XIII US	808	835
eQ PE XII North	585	635
eQ PE XI US	531	573
eQ PE X North	427	427
eQ PE IX US	183	228
eQ PE VIII North	361	501
eQ PE VII US	194	263
eQ PE VI North	534	534
Amanda V East	663	663
Amanda IV West	427	427
Amanda III Eastern PE	273	273
Total	6 886	6 243
Real estate funds:		
eQ Residential II	1 000	0
eQ Residential	650	650
Funds managed by others:		
Large buyout funds	132	132
Midmarket funds	211	211
Venture funds	0	0
<b>Total</b>	<b>8 879</b>	<b>7 235</b>



## SEGMENT INFORMATION, EUR 1 000

1-3/2022	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group total
Fee and commission income	19 712	1 789	-	-		21 501
From other segments	38	-	-	-		-
Interest income	-	-	-			0
Net income from financial assets	-	-	412	-101		311
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	19 750	1 789	412	-82	-19	21 812
Fee and commission expenses	-147	-	-			-147
To other segments	-	-	-38	-	0	-
Interest expenses	-7	-2	-	-5		-14
NET REVENUE	19 596	1 787	374	-86	-19	21 651
Administrative expenses						
Personnel expenses	-5 994	-916	-	-460		-7 370
Other administrative expenses	-432	-81	-	-77	19	-571
Depreciation on material and immaterial assets	-193	-44	-	-23		-260
Other operating expenses	-343	-39	-	-93		-475
OPERATING PROFIT (LOSS)	12 634	706	374	-739	0	12 975
Income tax				-2 648		-2 648
PROFIT (LOSS) FOR THE PERIOD				-3 387		10 327

1-3/2021	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group Total
Fee and commission income	14 913	1 064	-	-		15 977
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	3		3
Net income from financial assets	-	-	2 159	43		2 202
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	14 950	1 064	2 159	66	-57	18 182
Fee and commission expenses	-138	-	-	-2		-140
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-1		-4
NET REVENUE	14 809	1 063	2 121	63	-19	18 037
Administrative expenses						
Personnel expenses	-5 176	-664	-	-569		-6 409
Other administrative expenses	-364	-55	-	-80	19	-479
Depreciation on material and immaterial assets	-198	-43	-	-25		-267
Other operating expenses	-221	-28	-	-66		-315
OPERATING PROFIT (LOSS)	8 850	273	2 121	-676	0	10 568
Income tax				-2 129		-2 129
PROFIT (LOSS) FOR THE PERIOD				-2 805		8 439



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

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

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





## PROFIT DEVELOPMENT OF SEGMENTS PER QUARTER, EUR 1 000

	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
<b>Asset Management</b>					
Net revenue	19 596	16 338	17 614	16 100	14 809
Operating profit	12 634	10 078	11 761	9 604	8 850
<b>Corporate Finance</b>					
Net revenue	1 787	3 181	1 284	1 327	1 063
Operating profit	706	1 624	480	362	273
<b>Investments</b>					
Net revenue	374	1 616	2 048	1 353	2 121
Operating profit	374	1 616	2 048	1 353	2 121
<b>Other segments and eliminations</b>					
Net revenue	-105	-20	0	1	44
Operating profit	-739	-657	-440	-738	-676
<b>Group total</b>					
Net revenue	21 651	21 115	20 946	18 781	18 037
Operating profit	12 975	12 661	13 850	10 581	10 568
Profit for the period	10 327	10 121	11 065	8 452	8 439



## CAPITAL ADEQUACY, EUR 1 000

	IFR 31 March 2022 eQ Group	IFR 31 Dec. 2021 eQ Group
Equity	50 888	79 955
Common equity tier 1 (CET 1) before deductions	50 888	79 955
Deductions from CET 1		
Intangible assets	-29 507	-29 552
Unconfirmed profit for the period	-10 328	-38 078
Dividend proposal by the Board*	0	-1 554
Common equity tier 1 (CET1)	11 053	10 771
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	11 053	10 771
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	11 053	10 771
Own funds requirement according to the most restrictive requirement (IFR)	4 696	4 696
Fixed overhead requirement	4 696	4 696
K-factor requirement	344	331
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	58 697	58 697
Common equity tier (CET1) / own funds requirement, %	235.4%	229.4%
Tier 1 (T1) / own funds requirement, %	235.4%	229.4%
Total capital (TC) / own funds requirement, %	235.4%	229.4%
Common equity tier 1 (CET1) / risk weights, %	18.8%	18.3%
Tier 1 (T1) / risk weights, %	18.8%	18.3%
Total capital (TC) / risk weights, %	18.8%	18.3%
Excess of total capital compared with the minimum level	6 357	6 075
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	5 183	4 901

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



## GROUP KEY RATIOS

	31 March 2022	31 March 2021	31 Dec. 2021
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	10 327	8 439	38 078
Earnings per average share, EUR	0.26	0.22	0.97
Diluted earnings per average share, EU	0.24	0.21	0.93
Equity per share, EUR	1.28	1.26	2.02
Equity per average share, EUR *)	1.28	1.27	2.03
Return on investment, ROI % p.a.	60.4	56.2	50.6
Return on equity, ROE % p.a.	63.1	58.0	51.6
Equity to assets ratio, %	61.4	49.7	72.1
Cost/income ratio, Group, %	40.0	41.3	39.5
Share price at the end of the period, EUR	25.50	18.50	25.75
Market value, EUR million	1 010.6	720.0	1 020.5
Personnel calculated as full-time resources at the end of the period	95	94	96

\*) 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 2021 financial statements, which are available on the company website at [www.eQ.fi](http://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 31 March 2022, eQ's remaining investment commitments in private equity and real estate funds totalled EUR 8.9 million (EUR 7.2 million on 31 Dec. 2021). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2021).