

A black and white photograph of a grand, classical building facade. The building features ornate architectural details, including arched windows, decorative moldings, and a prominent corner structure. The image is used as a background for the title text.

**eQ Plc – Half year result 2019
- result presentation 13 August 2019**

eQ Group – Key figures

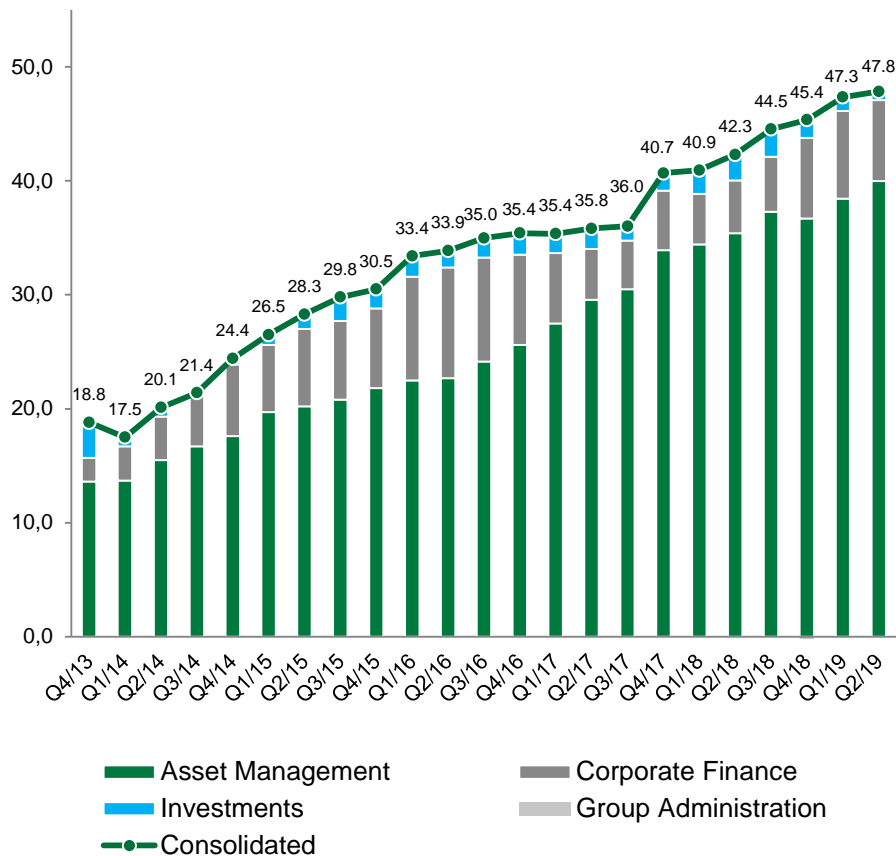


EUR million	1-6/2019	1-6/2018	Change%	1-12/2018
Net revenue	22.9	20.4	12%	45.4
Operating profit	11.0	9.5	15%	22.4
Profit for the period	8.8	7.5	17%	17.8
Earnings per share (EUR)	0.23	0.20	15%	0.47
Cost income -ratio, %	52.1	53.5	-3%	50.5
Liquid assets	12.2	9.2	33%	25.7
Investments in private equity funds	16.8	18.4	-9%	16.9

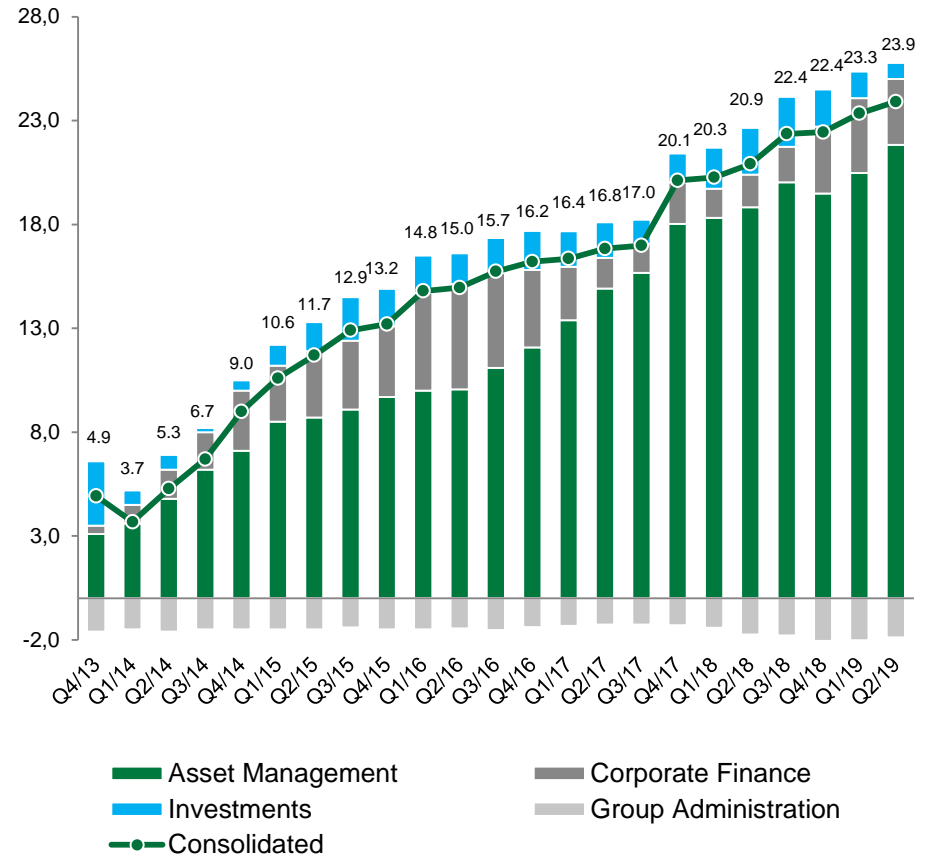
eQ Group – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



- eQ Group's rolling 12-month operating profit has already grown for 21 consecutive quarters.

eQ Group – Balance sheet



ASSETS			LIABILITIES AND EQUITY		
(EUR million)	6/2019	12/2018	(EUR million)	6/2019	12/2018
Liquid assets	0.0	0.0	Other liabilities	4.2	4.1
Claims on credit institutions	8.0	15.8	Accruals and deferred income	7.9	11.1
Financial assets			Lease liabilities	2.9	-
Financial securities	4.3	9.9	Income tax liabilities	0.2	0.7
Private equity fund investments	16.8	16.9	Deferred tax liabilities	0.0	0.0
Intangible assets	29.4	29.4	TOTAL LIABILITIES	15.2	16.0
Tangible assets	0.3	0.3	Share capital	11.4	11.4
Lease agreements	2.8	-	Reserve for invested unrestricted equity	25.8	27.0
Other assets	4.9	5.1	Retained earnings	6.1	6.0
Accruals and prepaid expenditure	0.5	0.6	Profit (loss) for the period	4.2	17.8
Income tax receivables	0.3	0.1	TOTAL SHAREHOLDERS' EQUITY	52.0	62.2
Deferred tax assets	0.0	-			
TOTAL ASSETS	67.3	78.2	TOTAL LIABILITIES AND EQUITY	67.3	78.2

- **Liquid assets 12.2 M€**
- **Private equity fund investments 16.8 M€**
- **Interest-bearing liabilities 0.0 €**
- **Capital adequacy ratio 11.0%**
- **Lease agreements and lease liabilities included to the balance sheet according to the new IFRS 16 -standard**



Asset Management



Asset Management – Income statement



EUR million	1-6/2019	1-6/2018	Change %	1-12/2018
NET REVENUE	20.8	17.5	19%	36.7
Personnel expenses	-7.8	-6.9	13%	-13.8
Other administrative expenses	-0.8	-0.8	-1%	-1.7
Depreciation	-0.3	-0.1	357%	-0.2
Other operating expenses	-0.5	-0.7	-30%	-1.5
OPERATING PROFIT	11.3	9.0	26%	19.5
Cost-income ratio, %	45.5	48.6	-6%	46.9

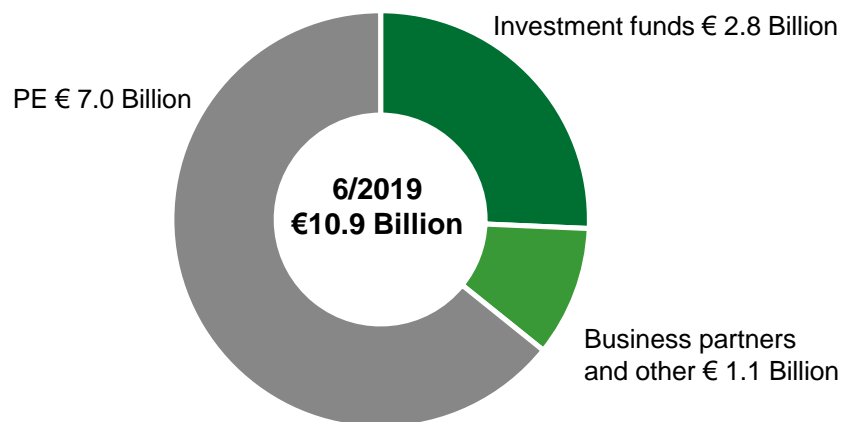
- Since 2019, the depreciations include lease agreements depreciations according to the new IFRS 16 standard.

Asset Management – Fee income and Aum

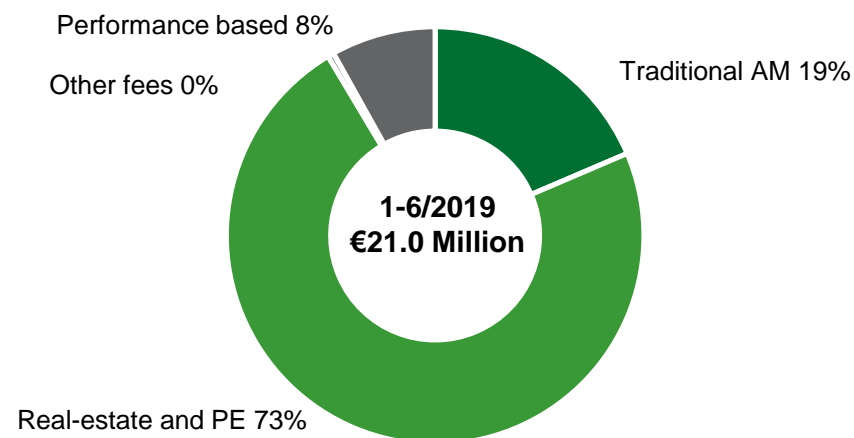


EUR million	1-6/2019	1-6/2018	Change %	1-12/2018
Management fees – Traditional AM	3.9	4.5	-13%	8.6
Management fees – Real-estate and PE	15.3	11.7	31%	25.5
Other fees	0.1	0.2	-45%	0.3
Performance based fees	1.7	1.3	32%	2.7
TOTAL	21.0	17.7	19%	37.1

Assets under management 6/2019



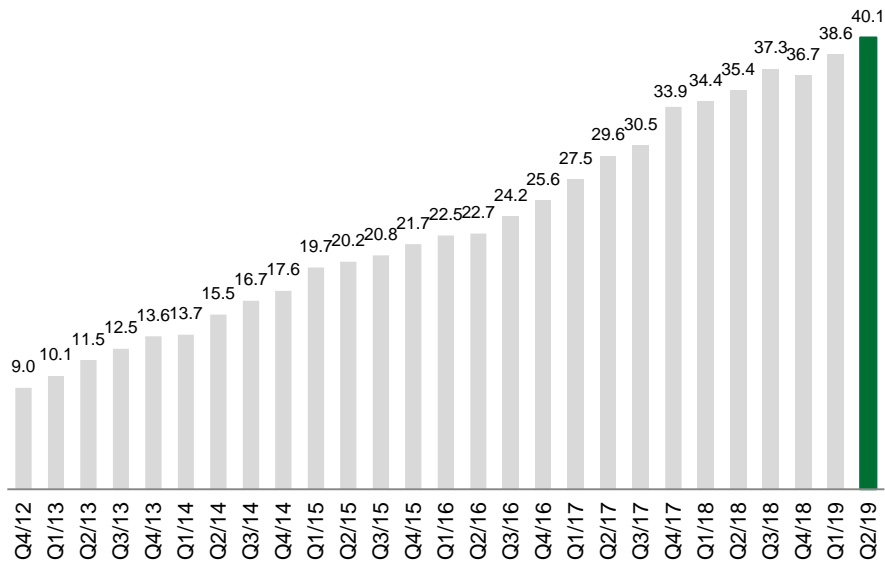
Fee income 1-6/2019



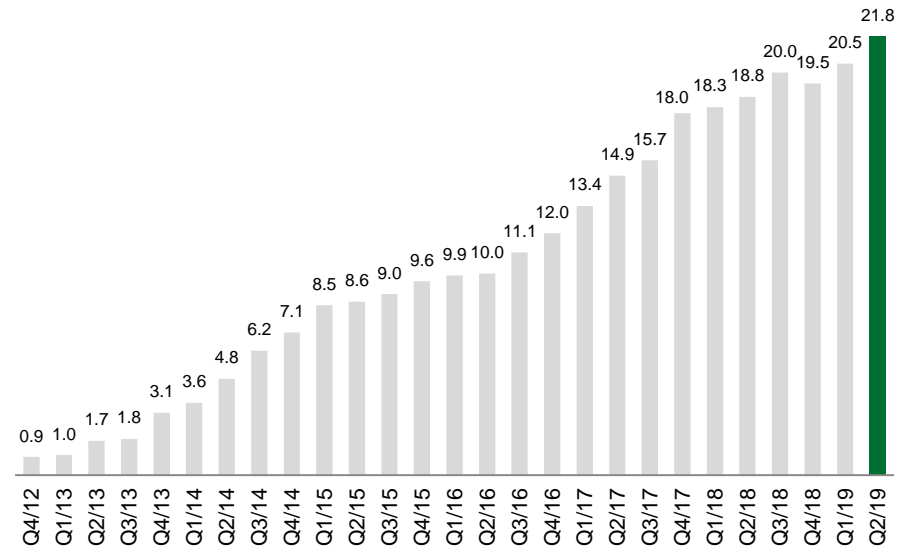
Asset Management – Rolling 12 months



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



Asset Management – Mutual funds



Fund	Since the beginning of the year			3 years p.a.			Morningstar
	Return*	Comparison	Diff.	Return*	Comparison	Diff.	
Fixed income funds							
eQ Money Market	-0,03 %			-0,04 %			
eQ Euro Floating Rate	1,50 %	-0,15 %	1,65 %	1,04 %	-0,32 %	1,36 %	ei ratingia
eQ Government Bond	4,26 %	6,00 %	-1,74 %	1,26 %	1,57 %	-0,31 %	★★★★☆
eQ Euro Investment Grade	5,82 %	5,35 %	0,47 %	3,87 %	2,38 %	1,50 %	★★★★☆
eQ High Yield	8,78 %	7,42 %	1,36 %	5,96 %	5,32 %	0,64 %	★★★★☆
eQ Emerging Markets Corporate Bond	6,60 %	6,66 %	-0,07 %	3,20 %	2,69 %	0,51 %	★★★★☆
eQ Emerging Markets Corporate Bond Loca	10,42 %			5,14 %			★★★★☆
Equity funds							
eQ Finland	18,64 %	13,11 %	5,53 %	11,32 %	11,54 %	-0,22 %	★★★★☆
eQ Nordic Small Cap	20,13 %	13,82 %	6,31 %	9,90 %	8,35 %	1,56 %	★★★★☆
eQ Europe Property	16,77 %	8,69 %	8,08 %	15,09 %	3,95 %	11,14 %	★★★★☆
eQ Europe Dividend	14,99 %	16,24 %	-1,26 %	7,21 %	6,13 %	1,09 %	★★★★☆
eQ Frontier Markets	6,48 %	12,31 %	-5,83 %	4,30 %	7,46 %	-3,16 %	★★★★☆
eQ CO2	25,72 %	17,43 %	8,30 %	17,77 %	10,85 %	6,92 %	★★★★☆
eQ Emerging Asia	8,27 %	11,47 %	-3,20 %	5,02 %	10,71 %	-5,69 %	★★★★☆
eQ Emerging Dividend	10,61 %	11,02 %	-0,40 %	13,91 %	9,75 %	4,16 %	★★★★☆
eQ Emerging Markets Small Cap	17,82 %	7,12 %	10,70 %				★★★★☆
eQ Russia	24,39 %	28,20 %	-3,80 %	14,76 %	13,11 %	1,66 %	★★★★☆
Real estate funds							
eQ Care**	5,53 %			11,55 %			ei ratingia
eQ Finnish Real Estate**	3,88 %			10,93 %			ei ratingia
Balanced Funds							
eQ Mandate	9,50 %			5,81 %			★★★★☆
Funds managed by business partners							
eQ Euro Investment Grade Bond Index	4,91 %	4,83 %	0,08 %	2,01 %	1,94 %	0,07 %	★★★★☆
eQ Europe Active	27,42 %	16,24 %	11,17 %				ei ratingia
eQ Europe Stock Index	16,65 %	16,24 %	0,41 %	8,62 %	8,21 %	0,40 %	★★★★☆
eQ Japan Stock Index	8,18 %	8,16 %	0,02 %	7,19 %	7,17 %	0,01 %	★★★★☆
eQ Emerging Markets Stock Index	11,04 %	11,02 %	0,02 %	9,83 %	9,75 %	0,08 %	★★★★☆
eQ US Stock Index	18,65 %	18,63 %	0,02 %	12,58 %	12,57 %	0,01 %	★★★★☆
Average (funds managed by eQ)	11,08 %	8,67 %	1,37 %	7,48 %	4,92 %	1,11 %	★★★★☆
Funds that have exceeded the comparison index (Funds managed by eQ)			53 %			71 %	

Morningstar – eQ is the Best Fund House

eQ Asset Management won a major Morningstar award in 2019. The Best Fund House Award, announced March 6th 2019, recognizes eQ's entire fund range based on five-year risk-adjusted returns of fixed income, equity and balanced funds.



Asset Management – eQ Real Estate funds



eQ Care

- Invests in modern care properties
- Avg. lease maturity: 9 years
- Vacancy 1%

- Invested capital: €1 084m
- Equity (NAV): €856m
- 1-6/2019 net subscriptions: €117m

- Return 1-6/2019: 4.5 %
- Return from start: 9.0 % p.a.

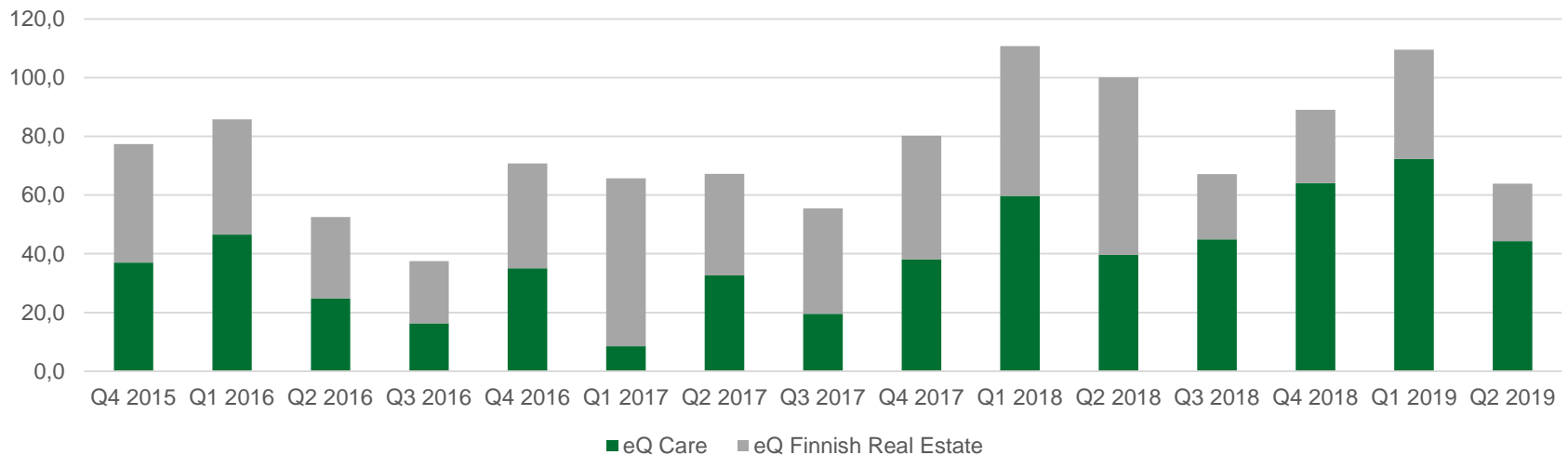
eQ Finnish Real Estate

- Invests in commercial real estate
- Avg. lease maturity: 6 years
- Vacancy 5%

- Invested capital: €959m
- Equity (NAV): €653m
- 1-6/2019 net subscriptions: €57m

- Return 1-6/2019: 2.9 %
- Return from start: 9.1 % p.a.

eQ Real Estate funds - net subscriptions, MEUR



Asset Management – Private Equity



Private Equity - Fund of funds

Founded	Fund	Size	Stage	Investors
2019	eQ PE XI US	\$214m	Investing	90
2018	eQ PE SF II	€135m	Investing	23
2018	eQ PE X North	€175m	Investing	85
2017	eQ PE SF	€124m	Fully invested	10
2017	eQ PE IX US	\$105m	Fully invested	70
2016	eQ PE VIII North	€160m	Fully invested	78
2015	eQ PE VII US	\$80m	Fully invested	34
2013	eQ PE VI North	€130m	Fully invested	42
2011	Amanda V East	€50m	Fully invested	24
2007	Amanda IV West	€90m	Fully invested	8
2006	Amanda III Eastern PE	€110m	Fully invested	34
2003	Mandatum PE Fund II	€20m	Liquidation	2
2002	Mandatum PE Fund I	€50m	Liquidation	7
2001	European Fund Inv. UK	€88m	Liquidation	15

The goal is to set up at least one new fund every year

Private Credit

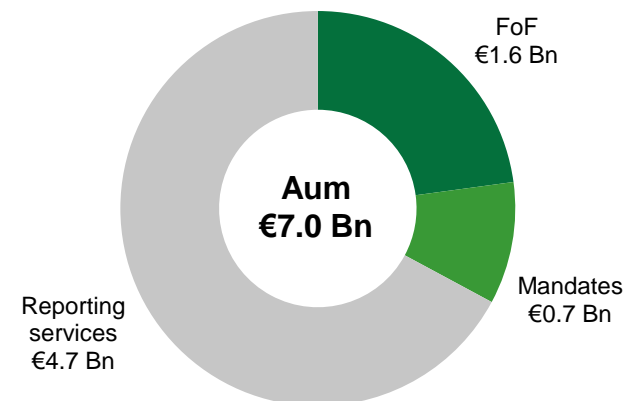
Founded	Fund	Size	Stage	Investors
2019	eQ Private Credit II	€74m	Investing	30
2017	eQ Private Credit	€92m	Fully invested	38

Managed accounts

Manages private equity operations of clients

Example of clients

- Church of Finland
- Finnish Cultural Foundation
- Technology Industries of Finland and foundations within the field of technology



Professional team with lot of experience and exceptional investment success, average return of 21% p.a. (1997-Q2/2019)



Corporate Finance



Advium Corporate Finance

- Leading Finnish Corporate Finance advisor
- Completed some 180 transactions for a value of about 14 billion euro
- 15 professionals with experience from Corporate Finance, Private Equity and Real Estate transactions

Mergers & acquisitions

Leading Finnish M&A advisor

- Divestments, acquisitions
- Mergers
- Public tender offers
- Other services

**100 completed transactions since 2000 –
value of about € 5.0 billion**

Real estate transactions

1 Finnish real estate advisor

- Portfolio and large single-asset transactions
- Sale and leaseback transactions
- Other services

**Over 80 completed transactions since 2000 –
value of about € 9.0 billion**












Euromoney:

Adviumin has been awarded as best Finnish real estate advisor twelve times since 2005

Corporate Finance – Latest transactions



M&A Transactions and Equity capital markets

 <p>sold its Nordic paving- and mineral aggregates business for € 282 million to</p>  <p>Advisor to the Buyer <i>Pending</i></p>	<p>sentica acquired the majority in</p>  <p>Advisor to the Seller <i>July 2019</i></p>	 <p>made a voluntary public cash offer for all shares in</p>  <p>EUR 611 million Advisor to Pöyry <i>February 2019</i></p>	 <p>made a voluntary public cash offer for all shares in</p>  <p>EUR 146 million Advisor to Kotipizza <i>January 2019</i></p>	 <p>has agreed to sell its personal accident and travel insurance business to</p>  <p>Advisor to the Seller <i>January 2019</i></p>	<p>The founders and other owners sold</p>  <p>to a group of investors Advisor to the Sellers <i>November 2018</i></p>	<p>sentica and other owners sold</p>  <p>to a group of industrial investors Advisor to Sentica <i>October 2018</i></p>
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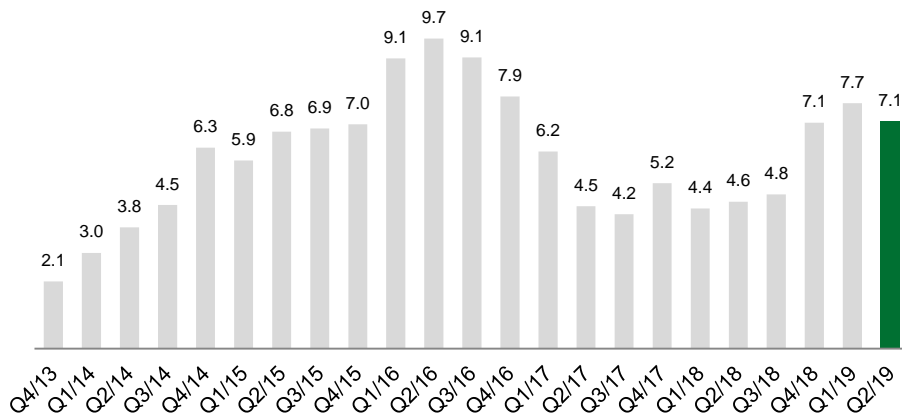
Real estate transactions

 <p>sold 30.9% of Lasipalatsi for € 33.5 million to</p>  <p>Advisor to the Buyer <i>Pending</i></p>	 <p>sold a 13,000 sqm conversion asset in Helsinki to</p>  <p>Advisor to the Seller <i>July 2019</i></p>	 <p>sold its head office property for € 55 million to</p>  <p>Advisor to the Seller <i>December 2018</i></p>	 <p>sold a 62,000 sqm warehouse property in Vantaa to</p>  <p>Advisor to the Seller <i>October 2018</i></p>	<p>Antero Vartia sold shares in public sauna and restaurant complex</p>  <p>Advisor to the Seller <i>October 2018</i></p>	 <p>sold its former HQ in the Helsinki CBD Advisor to the Seller <i>October 2018</i></p>	 <p>sold a portfolio of 1,600 apartments for € 97 million to</p>  <p>Advisor to the Seller <i>April 2018</i></p>
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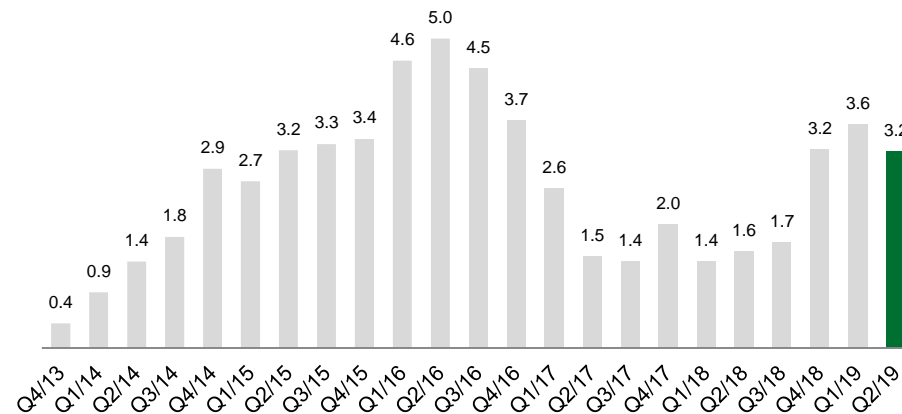
Corporate Finance – Key figures



Net revenue development, rolling 12 months (€'m)



Operating profit development, rolling 12 months (€'m)



EUR million	1-6/2019	1-6/2018	Change %	1-12/2018
NET REVENUE	1.8	1.8	2%	7.1
Personnel expenses	-1.1	-1.1	3%	-3.2
Other administrative expenses	-0.2	-0.2	12%	-0.3
Depreciation	-0.1	-0.0	1171%	-0.0
Other operating expenses	-0.0	-0.1	-47%	-0.3
OPERATING PROFIT	0.4	0.4	-9%	3.2
Cost-income ratio, %	80.3	78.0	3%	54.7

- Since 2019, the depreciations include lease agreements depreciations according to the new IFRS 16 standard.

The background of the slide is a blurred photograph of a document. It features a bar chart with several bars of varying heights. Below the chart, there are labels for states: 'North Carolina', 'Georgia', 'Pennsylvania', 'Maryland', and 'New Jersey'. A silver pen is lying diagonally across the bottom left of the image. A semi-transparent white rectangular box is overlaid on the right side of the image, containing the word 'Investments' in a bold, italicized black font.

Investments

Investments – Key figures



EUR million	1-6/2019	1-6/2018	1-12/2018
Returned capital (excl. profit)	1.3	1.6	4.0
Distribution of profits	0.7	1.0	1.9
Capital calls	-1.6	-0.9	-2.0
Net cash flow	0.3	1.7	3.9
Market value	16.8	18.4	16.9
Investment commitments	7.4	8.6	7.8
<i>Profit and loss</i>			
Distribution of profits	0.7	1.0	1.9
Value changes recognized through p&l	-0.4	0.3	0.1
Group internal management fee	-0.1	-0.1	-0.1
Profit of the Investments –segment	0.1	1.2	1.8

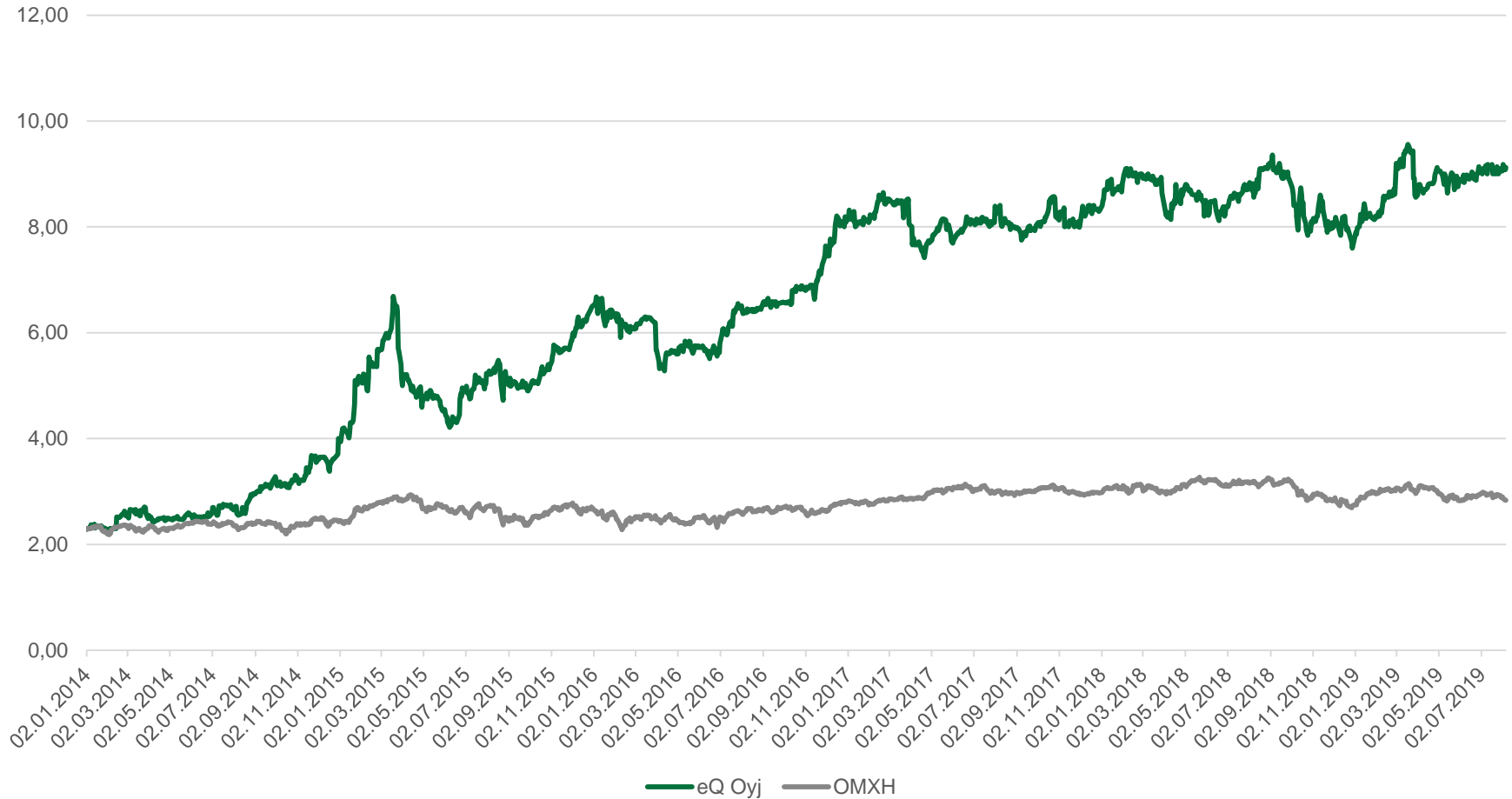
- eQ Plc made during the accounting period an USD 1.0 million investment commitment to the eQ PE XI US Fund.



eQ's share and summary



Share price development and market cap

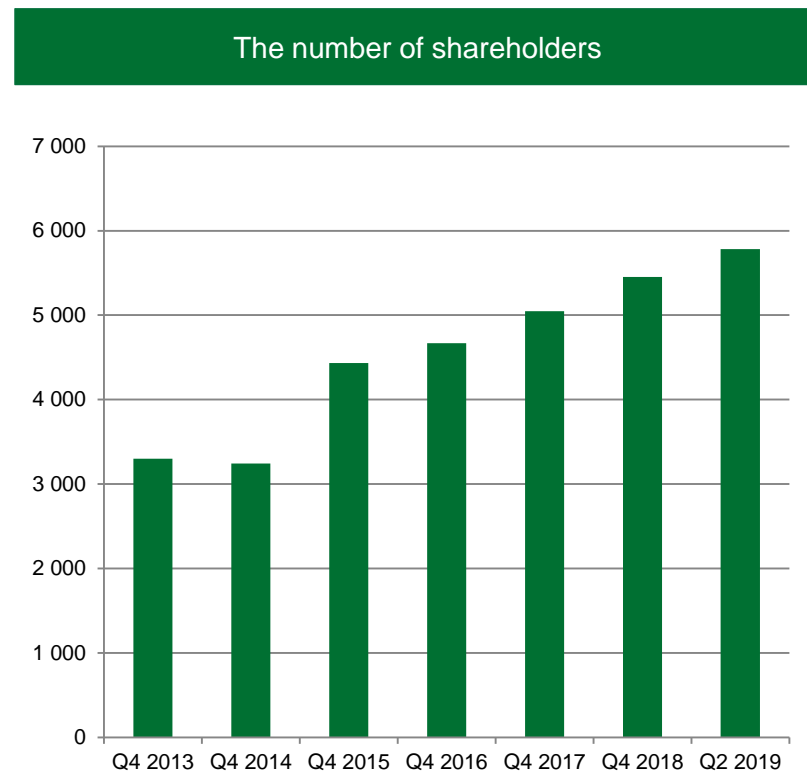


- The Market value of eQ Plc was 347.8 million euro on 30 June 2019

Shareholders 30 June 2019



Shareholder	Shares	% of shares
1 Fennogens Investments S.A.	7 943 137	20.87
2 Chilla Capital S.A.	5 945 275	15.62
3 Anchor Oy Ab	5 803 677	15.25
4 Teamet Oy	4 100 000	10.77
5 Oy Cevante Ab	1 419 063	3.73
6 Fazer Jan Peter	1 298 306	3.41
7 Lavventura Oy	650 000	1.71
8 Linnalex Ab	631 652	1.66
9 Pinomonte Ab	529 981	1.39
10 Procurator-Holding Oy	473 892	1.25
10 largest shareholders total	28 794 983	75.66
Nominee registered	371 254	0.98
Other shares	8 890 961	23.36
In total	38 057 198	100.00



- eQ Group's personnel owns about 40% of the shares
- eQ Plc had 5 782 shareholders on 30 June 2019 (5 451 shareholders on 31 December 2018)

Outlook



Outlook for the financial year is the same as previously and we expect the profit of the Asset Management segment to grow clearly more than in 2018.

In the 2018 Financial Statements, we estimated that one of the private equity funds managed by eQ would reach the hurdle rate during the second half of this year and begin to pay a performance fee this year. We still expect that the private equity fund will reach the hurdle rate and begin to pay performance fee. Exits are dependent among other things on the market development and estimating the timing of them is difficult. Considering this, it is possible that the fund would start paying performance fee next year and not at the end of this year.

Summary and next financial reporting



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Net revenue	22.9	20.4	12%	45.4
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- The Q3/2019 financial report of eQ Plc will be published on Thursday October 24th, 2019.