

A black and white photograph of a grand, classical building facade. The image shows a corner of the building with multiple stories, ornate window frames, and decorative architectural elements like cornices and pilasters. The lighting creates strong shadows, highlighting the texture and depth of the stone or masonry.

**eQ Plc – result 2019
result presentation 6 February 2020**

2019 highlights



Asset Management

- eQ has further improved its position as leading Finnish institutional asset manager. According to the 2019 SFR research, 64% of the largest Finnish institutional investors used eQ's services and eQ has been ranked as No.1 in overall quality by the institutional investors.
- Traditional asset management:
 - Performances of the funds are still strong, during 2019 85 % of the funds managed by eQ have surpassed their benchmark indices.
 - eQ Asset Management received "Best Fund House" award from Morningstar
- Real estate:
 - Real estate funds' net subscriptions 317 million euros in total
 - Funds' equity at the end of 2019 total of 1 722 million euros and invested capital 2 324 million euros
 - Excellent returns – eQ Care 9.1 % and eQ Finnish Real Estate 7.8 %
- Private Equity:
 - eQ PE XI US -fund 217 million usd
 - eQ Private Credit II -fund 74 million euro

Corporate Finance

- 12 finalised transactions – 8 M&A –transactions and 4 real estate transactions
- Advium acted for instance as advisor to the buyer when the Swedish company Peab acquired YIT's paving and mineral aggregates business in Scandinavia; and as advisor to the buyer when a fund managed by Starwood Capital Group bought together with Avara Ltd a portfolio of 2 178 rental apartments from Elo Mutual Pension Insurance and OP Group.

eQ Group

- The Group personnel's commitment and satisfaction are at an excellent level. On a scale from 1 to 5, job satisfaction and well-being at work received the score 4.4 in the annual personnel survey.

eQ Group – Key figures

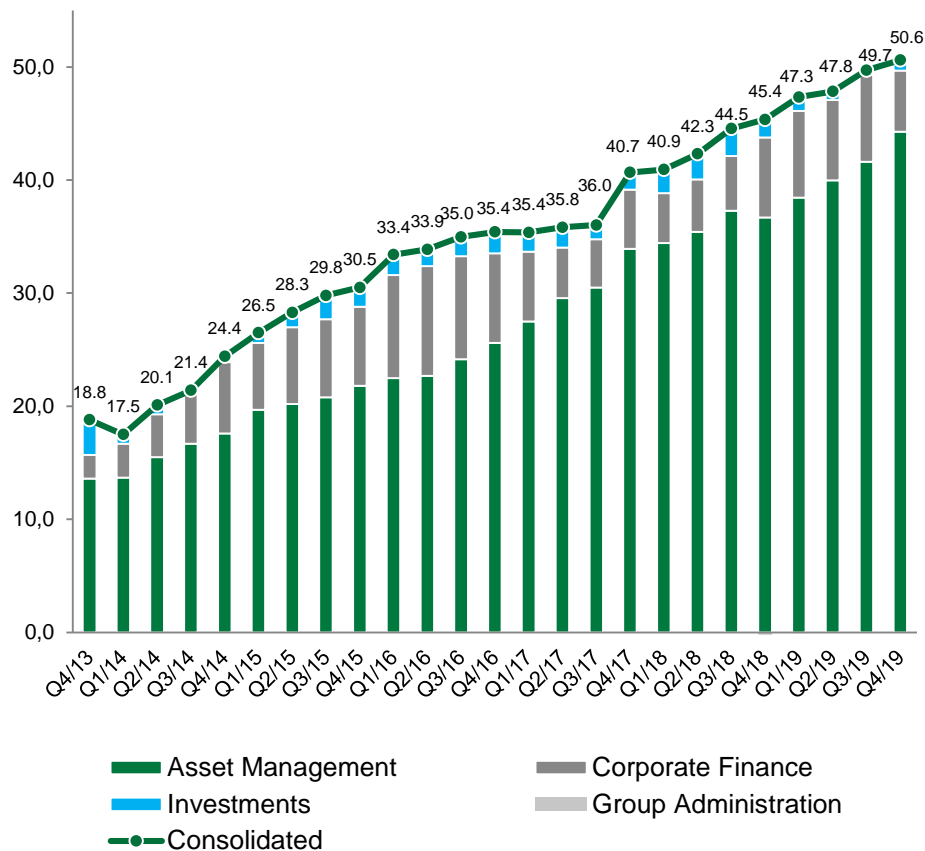


EUR million	1-12/2019	1-12/2018	Change%
Net revenue	50.6	45.4	12%
Operating profit	26.3	22.4	17%
Profit for the period	21.0	17.8	18%
Earnings per share (EUR)	0.55	0.47	17%
Cost income -ratio, %	48.1	50.5	-5%
Liquid assets	32.3	25.7	26%
Investments in private equity funds	16.2	16.9	-4%
Proposal for dividend per share (EUR)	0.55	0.47	17%
Equity repayment per share (EUR)	0.07	0.07	0%

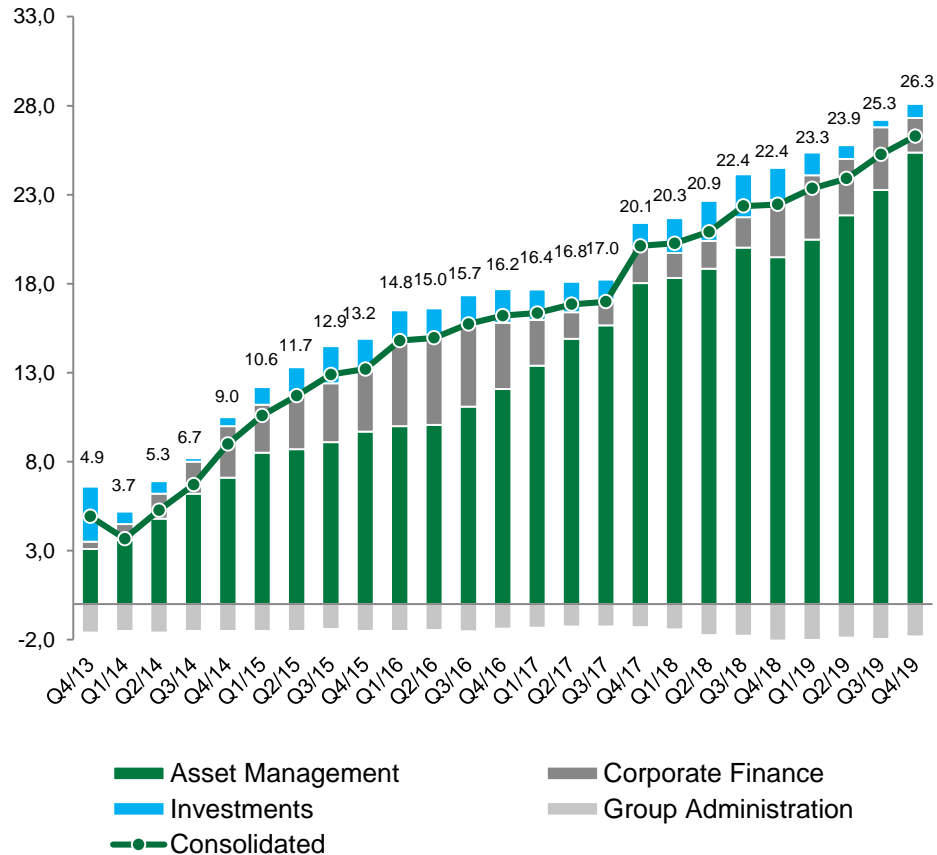
eQ Group – Rolling 12 months



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 23 consecutive quarters.

eQ Group – Balance sheet



ASSETS			LIABILITIES AND EQUITY		
(EUR million)	12/2019	12/2018	(EUR million)	12/2019	12/2018
Liquid assets	0.1	0.0	Other liabilities	4.8	4.1
Claims on credit institutions	22.3	15.8	Accruals and deferred income	12.1	11.1
Financial assets			Lease liabilities	2.6	-
Financial securities	10.0	9.9	Income tax liabilities	0.8	0.7
Private equity fund investments	16.2	16.9	Deferred tax liabilities	0.0	0.0
Intangible assets	29.5	29.4	TOTAL LIABILITIES	20.3	16.0
Tangible assets	0.3	0.3	Share capital	11.4	11.4
Lease agreements	2.4	-	Reserve for invested unrestricted equity	26.5	27.0
Other assets	4.2	5.1	Retained earnings	6.2	6.0
Accruals and prepaid expenditure	0.5	0.6	Profit (loss) for the period	21.0	17.8
Income tax receivables	0.1	0.1	TOTAL SHAREHOLDERS' EQUITY	65.1	62.2
Deferred tax assets	0.0	-			
TOTAL ASSETS	85.4	78.2	TOTAL LIABILITIES AND EQUITY	85.4	78.2

- **Liquid assets 32.3 M€**
- **Private equity fund investments 16.2 M€**
- **Interest-bearing loans 0.0 €**
- **Capital adequacy ratio 22.2%**
- **Lease agreements and lease liabilities included to the balance sheet according to the new IFRS 16 -standard**



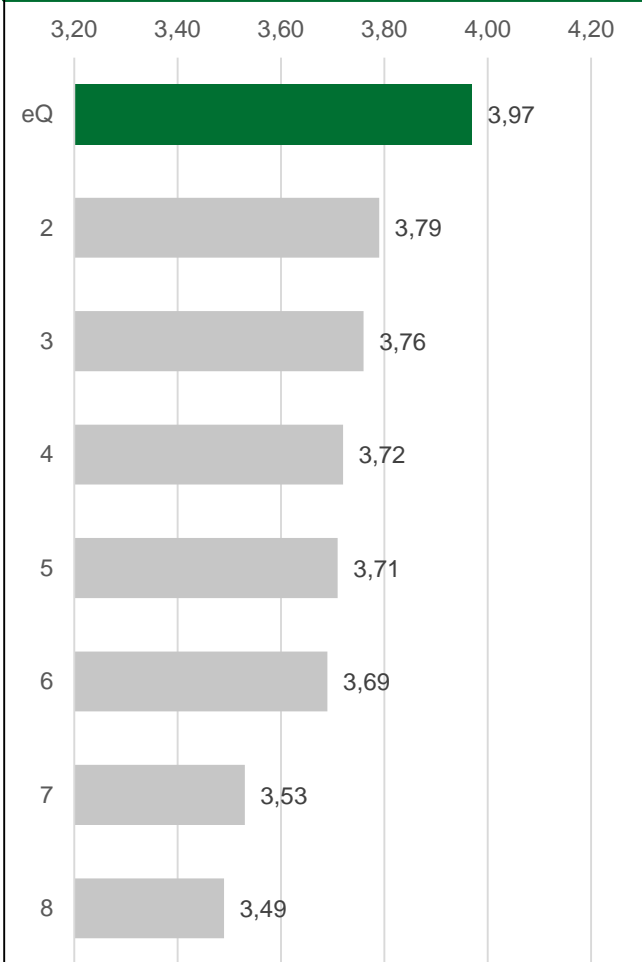
Asset Management



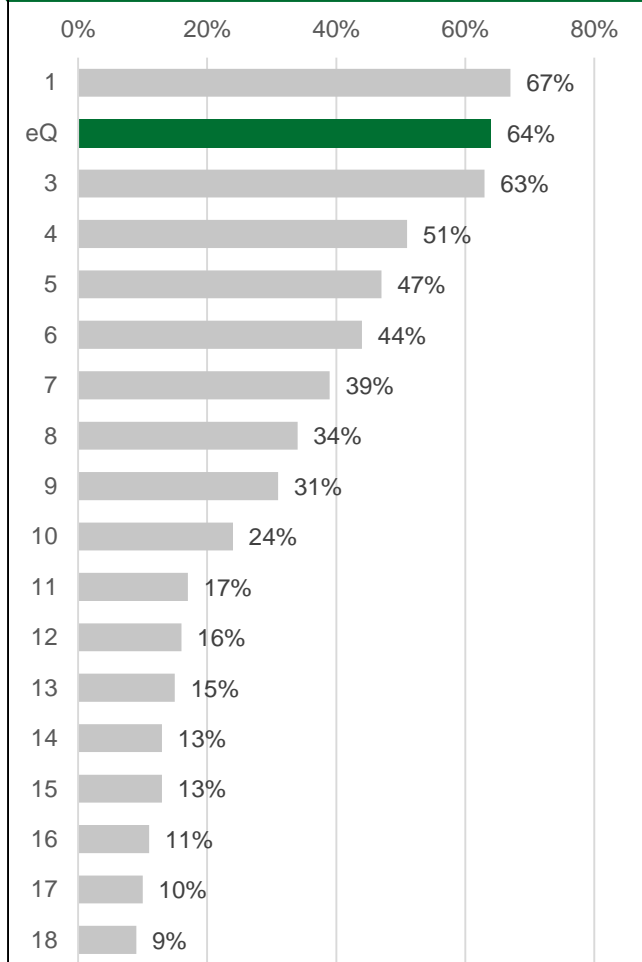
SFR-research 2019



Asset management quality review (1-5)



Most used institutional asset managers



Asset Management – Income statement



EUR million	1-12/2019	1-12/2018	Change %
NET REVENUE	44.3	36.7	21%
Personnel expenses	-15.6	-13.8	13%
Other administrative expenses	-1.7	-1.7	-5%
Depreciation	-0.7	-0.2	305%
Other operating expenses	-1.0	-1.5	-34%
OPERATING PROFIT	25.4	19.5	30%
Cost-income ratio, %	42.7	46.9	-9%

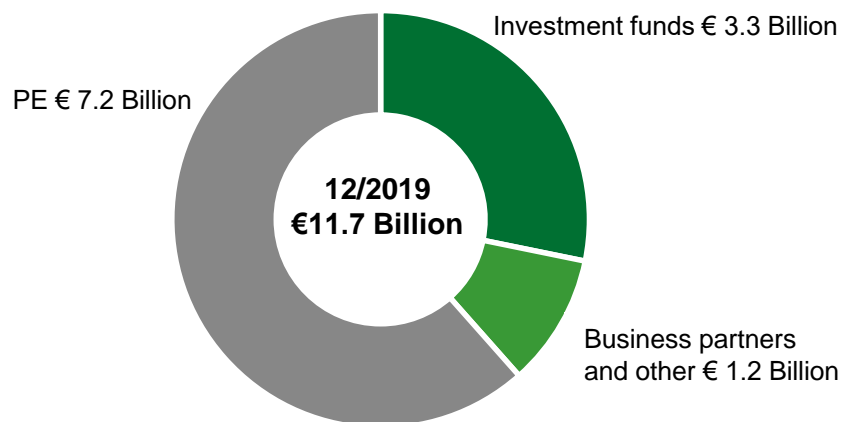
- Since 2019, the depreciations include lease agreements depreciations according to the new IFRS 16 standard.

Asset Management – Fee income and Aum

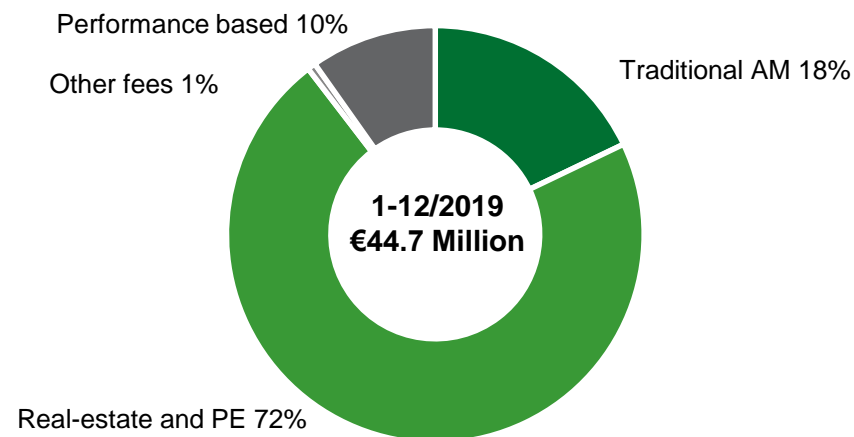


EUR million	1-12/2019	1-12/2018	Change %
Management fees – Traditional AM	8.0	8.6	-7%
Management fees – Real-estate and PE	32.1	25.5	26%
Other fees	0.3	0.3	-12%
Performance based fees	4.4	2.7	63%
TOTAL	44.7	37.1	21%

Assets under management 12/2019



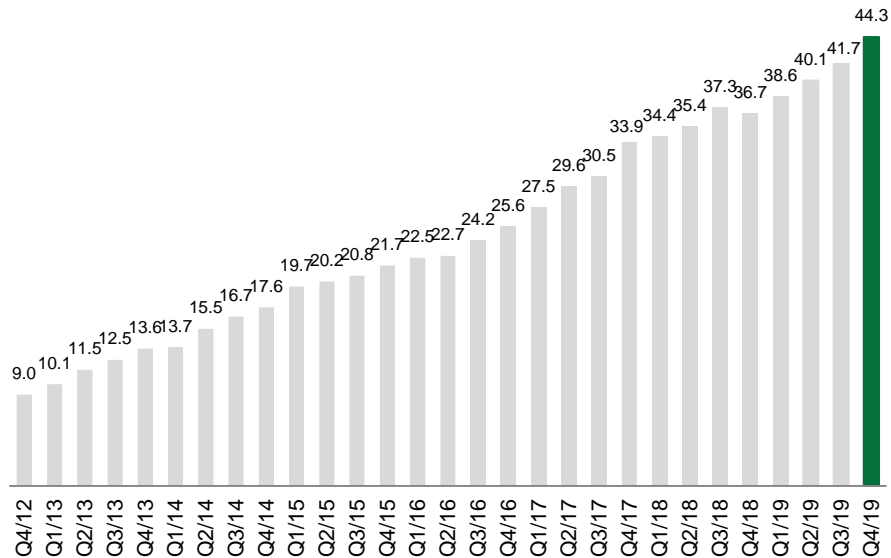
Fee income 1-12/2019



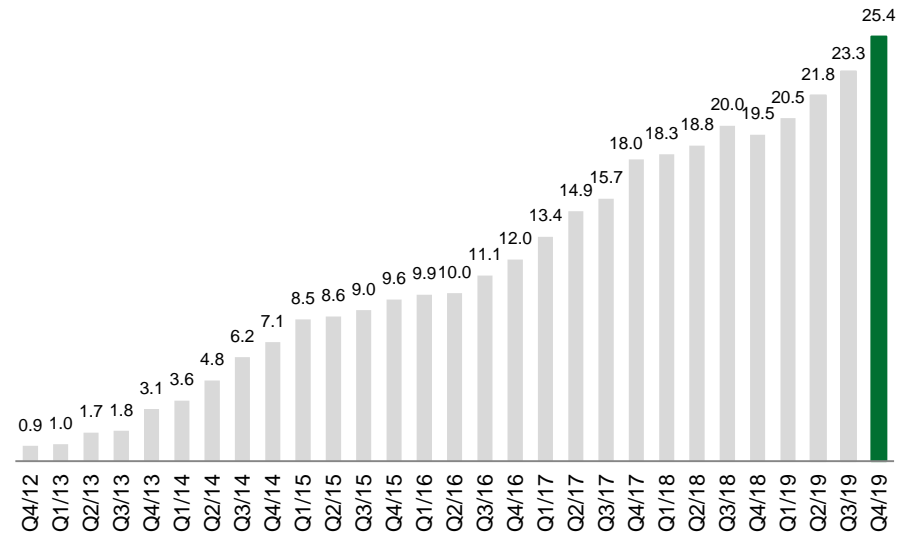
Asset Management – Rolling 12 months



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



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



Asset Management – Mutual funds



Fund	12 months			3 years p.a.			Morningstar
	Return*	Comparison	Diff.	Return*	Comparison	Diff.	
Gross returns 31. Dec 2019							
Fixed income funds							
eQ Money Market	-0,12 %			-0,10 %			
eQ Euro Floating Rate	1,63 %	-0,34 %	1,97 %	0,45 %	-0,34 %	0,78 %	no rating
eQ Government Bond	4,32 %	6,82 %	-2,50 %	1,61 %	2,61 %	-1,00 %	★★★★☆
eQ Euro Investment Grade	7,53 %	6,25 %	1,28 %	3,59 %	2,47 %	1,12 %	★★★★★
eQ High Yield	13,15 %	10,74 %	2,41 %	4,70 %	4,32 %	0,38 %	★★★★★
eQ Emerging Markets Corporate Bond	9,65 %	9,38 %	0,28 %	3,91 %	3,38 %	0,53 %	★★★★☆
eQ Emerging Markets Corporate Bond Local	16,55 %			5,65 %			★★★★★
Equity funds							
eQ Finland	32,89 %	20,45 %	12,44 %	10,17 %	8,89 %	1,28 %	★★★★☆
eQ Nordic Small Cap	37,36 %	26,77 %	10,59 %	10,65 %	7,49 %	3,15 %	★★★★☆
eQ Europe Property	40,63 %	28,51 %	12,12 %	20,80 %	9,76 %	11,04 %	★★★★★
eQ Europe Dividend	30,67 %	26,05 %	4,62 %	6,40 %	5,75 %	0,65 %	★★★★☆
eQ Frontier Markets	11,15 %	20,16 %	-9,01 %	2,50 %	6,91 %	-4,41 %	★★★★☆
eQ Blue Planet	34,21 %	30,02 %	4,19 %	15,85 %	10,26 %	5,59 %	★★★★★
eQ Emerging Dividend	25,13 %	20,61 %	4,51 %	12,17 %	9,28 %	2,89 %	★★★★☆
eQ Emerging Markets Small Cap	27,57 %	13,56 %	14,01 %				
Real Estate Funds							
eQ Care	11,27 %			11,61 %			no rating
eQ Finnish Real Estate	9,86 %			10,67 %			no rating
Balanced Funds							
eQ Mandate	15,66 %			5,49 %			★★★★☆
Funds managed by business partners							
eQ Euro Investment Grade Bond Index	5,43 %	5,28 %	0,15 %	2,19 %	2,10 %	0,09 %	★★★★☆
eQ Europe Active	41,44 %	26,05 %	15,39 %				no rating
eQ Europe Stock Index	26,82 %	26,05 %	0,77 %	8,01 %	7,51 %	0,49 %	★★★★☆
eQ Japani Stock Index	21,86 %	21,81 %	0,05 %	6,72 %	6,68 %	0,04 %	★★★★☆
eQ Emerging Markets Stock Index	20,63 %	20,61 %	0,02 %	9,38 %	9,28 %	0,10 %	★★★★☆
eQ US Stock Index	33,14 %	33,10 %	0,04 %	12,24 %	12,23 %	0,01 %	★★★★☆
Average (funds managed by eQ)	18,44 %	12,88 %	3,35 %	7,10 %	4,16 %	1,30 %	★★★★☆
Funds that have exceeded the comparison index (Funds managed by eQ)			85 %			83 %	(4,1 stars)

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: 10 years
- Vacancy 1%

- Invested capital: € 1 237m
- Equity (NAV): € 1 010m
- 1-12/2019 net subscriptions: € 232m

- Return 1-12/2019: 9.1%
- Return from start: 9.0 % p.a.

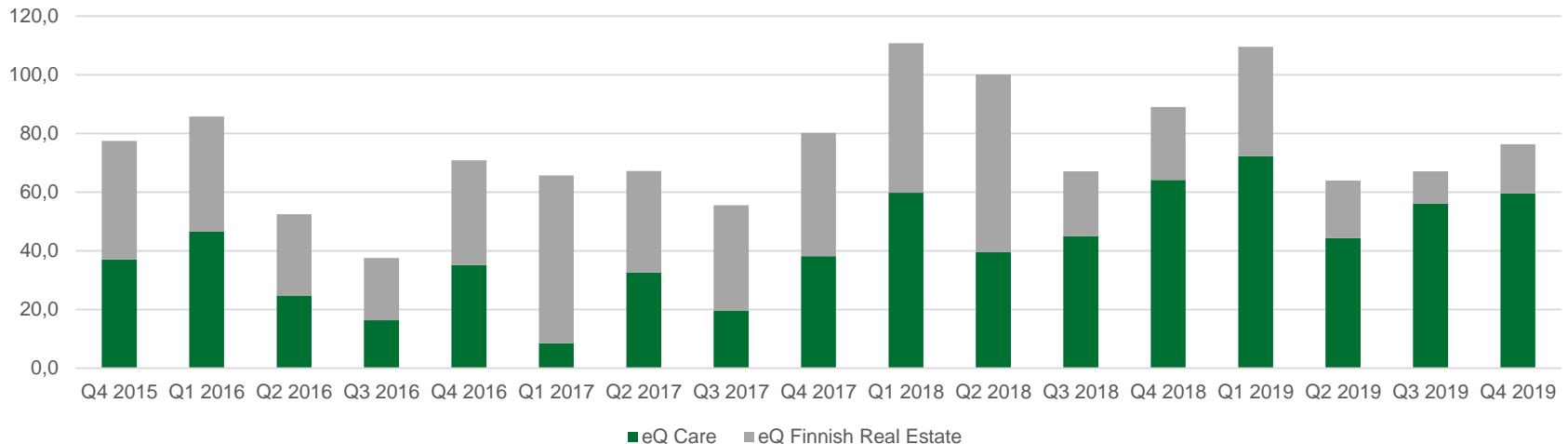
eQ Finnish Real Estate

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

- Invested capital: € 1 087m
- Equity (NAV): € 712m
- 1-12/2019 net subscriptions: € 84m

- Return 1-12/2019: 7.8 %
- Return from start: 9.2 % p.a.

eQ Real Estate funds - net subscriptions, MEUR



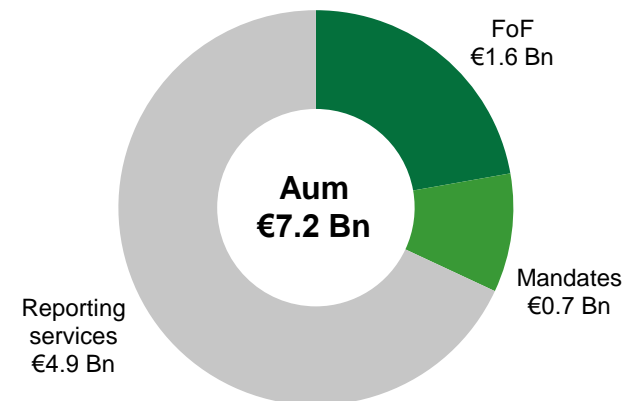
Asset Management – Private Equity



Private Equity - Fund of funds

Founded	Fund	Size	Stage	Investors
2020	eQ SF III	€75m	1st close	18
2020	eQ PE XII North	€126m	1st close	46
2019	eQ PE XI US	\$217m	Investing	90
2018	eQ PE SF II	€135m	Investing	23
2018	eQ PE X North	€175m	Fully invested	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
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

The background of the slide is a blurred image of a financial document. It features a bar chart with several bars of varying heights. A silver pen is lying diagonally across the bottom left of the chart. The text 'Corporate Finance' is overlaid on a semi-transparent white rectangular box in the center-right of the image.

Corporate Finance

Advium Corporate Finance

- Leading Finnish Corporate Finance advisor
- Completed some 200 transactions for a value exceeding 15 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

**Over 110 completed transactions since 2000 –
value of about € 6.0 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>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>and other owners sold</p> <p>to a group of industrial investors Advisor to Sentica <i>October 2018</i></p>
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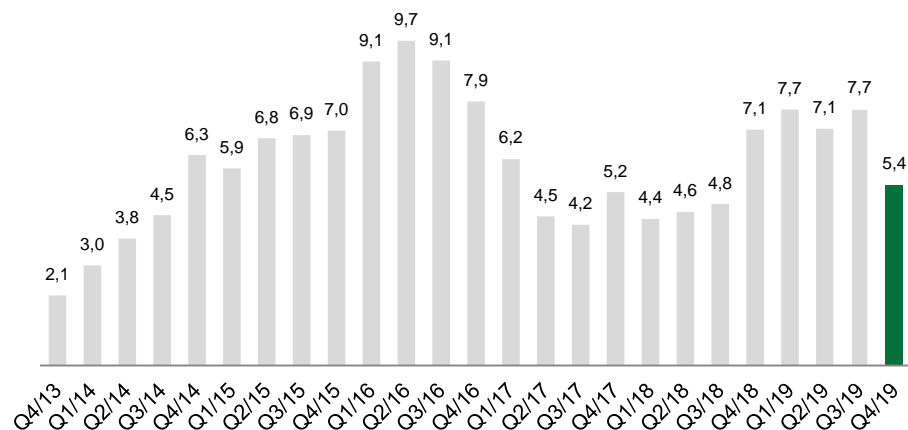
Real estate transactions

<p>sold a prime CBD property in Helsinki to</p> <p>Advisor to the Sellers <i>September 2019</i></p>	<p>sold a portfolio of 2,178 apartments to</p> <p>Advisor to the Buyer <i>August 2019</i></p>	<p>sold the Basware HQ property in Espoo to</p> <p>Advisor to the Seller <i>July 2019</i></p>	<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>
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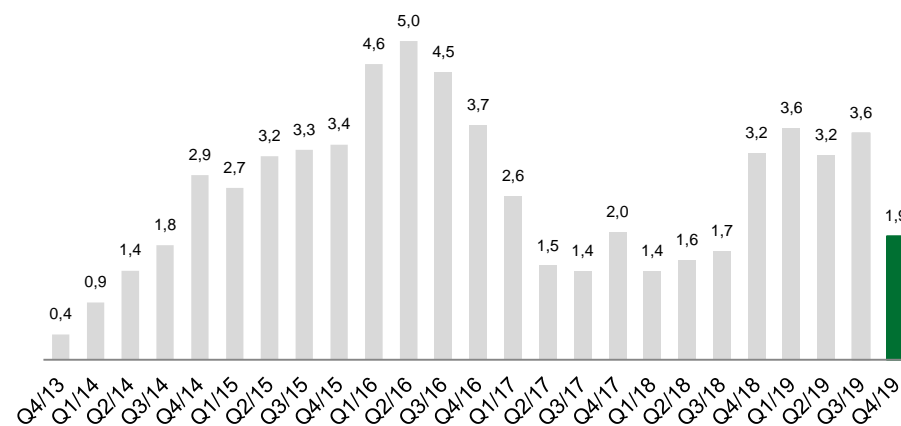
Corporate Finance – Key figures



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



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



EUR million

NET REVENUE

Personnel expenses

Other administrative expenses

Depreciation

Other operating expenses

OPERATING PROFIT

Cost-income ratio, %

1-12/2019

1-12/2018

Change %

5.4

7.1

-24%

-2.7

-3.2

-14%

-0.4

-0.3

13%

-0.2

-0.0

1067%

-0.2

-0.3

-46%

1.9

3.2

-40%

64.1

54.7

17%

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

The background is a grayscale photograph of a business document. It features a bar chart with several bars of varying heights. Below the chart, there are labels for states: 'North Carolina', 'Georgia', 'Pennsylvania', and 'Maryland'. A silver pen is lying diagonally across the bottom left of the chart. 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	1-12/2019	1-12/2018
Returned capital (excl. profit)	2.3	4.0
Distribution of profits	1.8	1.9
Capital calls	-2.4	-2.0
Net cash flow	1.7	3.9
Market value	16.2	16.9
Investment commitments	6.7	7.8
<i>Profit and loss</i>		
Distribution of profits	1.8	1.9
Value changes recognized through p&l	-0.8	0.4
Group internal management fee	-0.2	-0.2
Profit of the Investments –segment	0.8	1.8

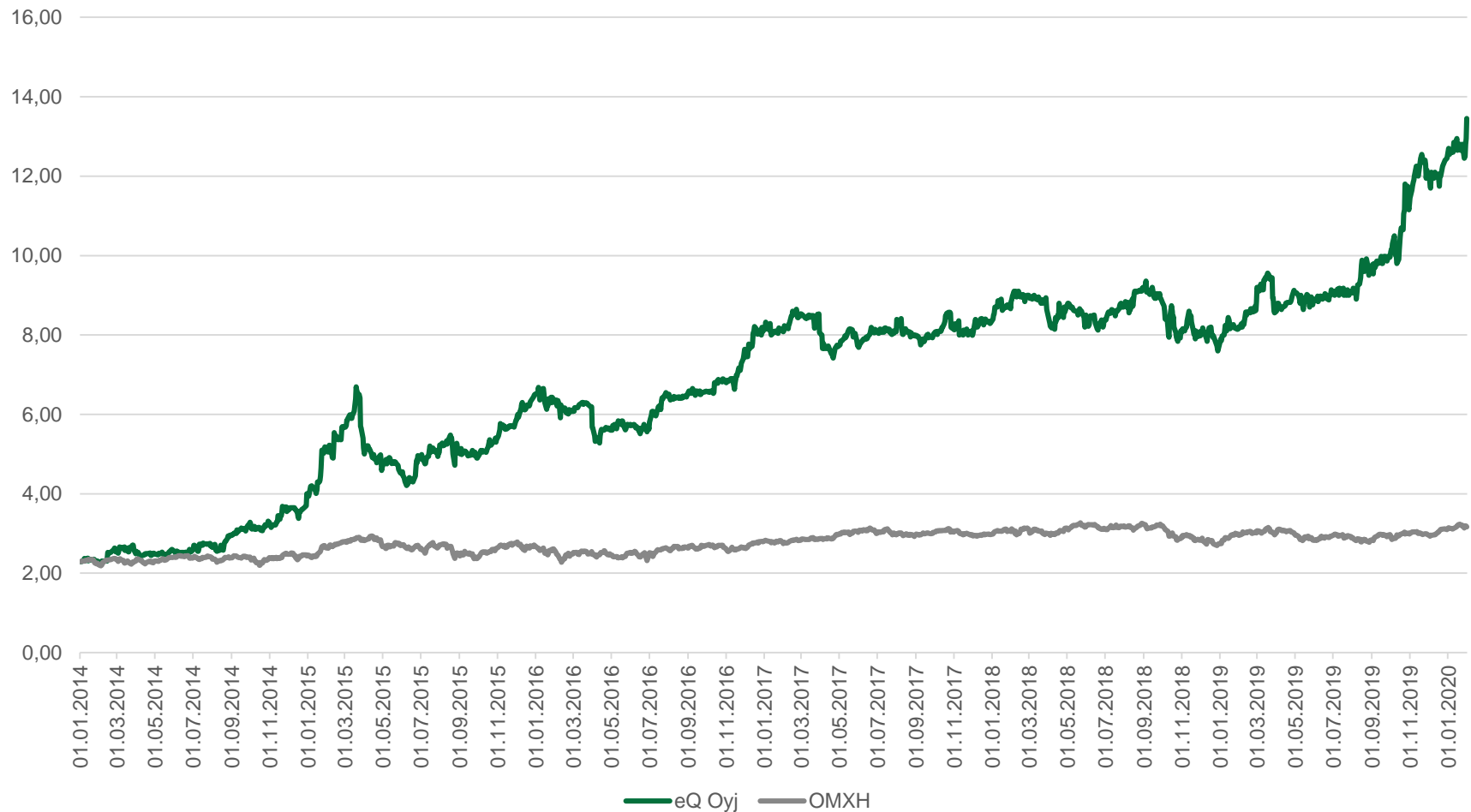
- eQ Plc made during the 2019 financial year an USD 1.0 million investment commitment to the eQ PE XI US Fund.
- After the 2019 financial year eQ Plc made an EUR 1.0 million investment commitment to the eQ PE XII North Fund.



eQ's share, outlook and summary



Share price development and market cap

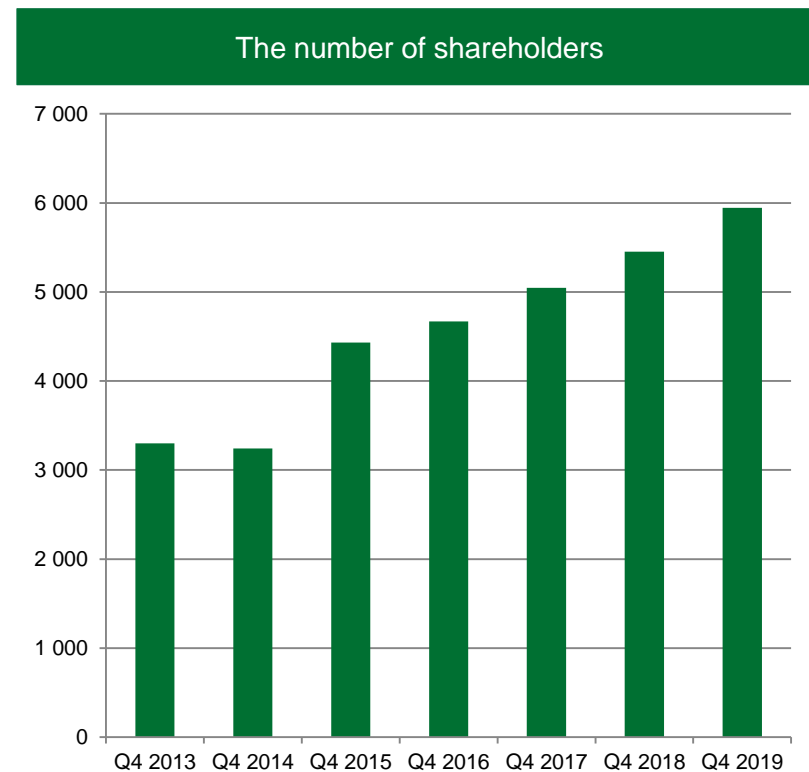


- The Market value of eQ Plc was 476.9 million euro on 31 December 2019

Shareholders 31 December 2019



Shareholder	Shares	% of shares
1 Fennogens Investments S.A.	7 943 137	20.74
2 Chilla Capital S.A.	5 945 275	15.52
3 Anchor Oy Ab	5 803 677	15.15
4 Teamet Oy	4 100 000	10.70
5 Oy Cevante Ab	1 419 063	3.70
6 Fazer Jan Peter	1 298 306	3.39
7 Lavventura Oy	650 000	1.70
8 Linnalex Ab	631 652	1.65
9 Procurator-Holding Oy	623 892	1.63
10 Pinomonte Ab	529 981	1.38
10 largest shareholders total	28 944 983	75.56
Nominee registered	336 375	0.88
Other shares	9 025 840	23.56
In total	38 307 198	100.00



- eQ Group's personnel owns about 40% of the shares
- eQ Plc had 5 945 shareholders on 30 December 2019 (5 451 shareholders on 31 December 2018)

Outlook



In December, net subscriptions for EUR 76 million were made in eQ's real estate funds. In addition, the eQ PE XII North and eQ PE SF III private equity funds raised altogether EUR 201 million in the first closings of the funds in January 2020. This is the largest sum raised to private equity funds in the first closing during eQ's history. This only strengthens our view that the demand for alternative investment products continues to be strong.

We report now for the first time our assessment on when our own private equity funds will begin to pay a performance fee. We believe that this will make it easier for our shareholders and analysts to analyse eQ's future returns. These estimates can be found on page 31 of the financial statements release. We estimate that the Amanda IV Fund will begin to pay a performance fee towards the end of this year.

With regard to the above, we expect the net revenue and operating profit of the Asset Management segment to grow in 2020. In accordance with our disclosure policy, we do not issue profit guidance for the Corporate Finance and Investments segments. The results of these segments are highly dependent on factors that are not dependent on the company. Consequently, their operating profits may vary considerably and are difficult to foresee.

Performance fees of eQ's private equity funds



Fund	Size of the fund	Vintage year	Hurdle rate	Performance fee	eQ's share of performance fee	Estimate on reaching the hurdle rate (cash flow)			
						Will not be reached	Estimated to be reached 2020-2021	2022-2026	After 2026
Amanda III	MEUR 110	2006	6.0%	10.0%	100 %	X			
Amanda IV*	MEUR 90	2007	8.0%	7.5%	100 %		X		
Amanda V	MEUR 50	2011	6.0%	10.0%	100 %	X			
eQ PE VI	MEUR 100	2013	7.0%	7.5%	100 %			X	
eQ PE VII	MUSD 80	2015	7.0%	7.5%	45 %			X	
eQ PE VIII	MEUR 160	2016	7.0%	7.5%	100 %			X	
eQ PE IX	MUSD 105	2017	7.0%	7.5%	45 %			X	
eQ PE SF II	MEUR 135**	2018	10.0%	10.0%	100 %			X	
eQ PE X	MEUR 175	2018	7.0%	7.5%	100 %				X
eQ PE XI	MUSD 217	2019	7.0%	7.5%	45 %				X

It is possible for eQ Group to obtain a performance fee based on the return of the fund (carried interest / profit distribution-share return) from the private equity funds that it manages.

In addition to the above mentioned funds, eQ Group may receive a performance fee from the private equity fund mandates in fund form that it manages.

*eQ estimates that the final IRR of the Amanda IV Fund will be about 10% and the return multiple about 1.5x-1.6x (net), provided that the entire present portfolio is held to the end of the period

**Capital covered by performance fee MEUR 75

Summary and next financial reporting



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Equity repayment per share (EUR)	0.07	0.07	0%

- The Q1/2020 Interim Report of eQ Plc will be published on Tuesday April 28th, 2020.