

2022

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# HALF YEAR REPORT





9 August 2022, at 8:00 A.M.

## eQ Plc's half year report 2022 – eQ's result was excellent during the six-month period

### January to June 2022 in brief

- The Group's net revenue during the period was EUR 44.0 million (EUR 36.8 million from 1 Jan. to 30 June 2021).
  - The Group's net fee and commission income was EUR 43.0 million (EUR 33.2 million).
  - The Group's net investment income from own investment operations was EUR 1.1 million (EUR 3.6 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 28% to EUR 27.1 million (EUR 21.1 million).
- The Group's profit was EUR 21.5 million (EUR 16.9 million).
- The consolidated earnings per share were EUR 0.54 (EUR 0.43).
- The net revenue of the Asset Management segment increased by 30% to EUR 40.1 million (EUR 30.9 million) and the operating profit by 42% to EUR 26.3 million (EUR 18.5 million).
- The net revenue of the Corporate Finance segment was EUR 2.9 million (EUR 2.4 million) and the operating profit was EUR 1.0 million (EUR 0.6 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 1.0 million (EUR 2.5 million).

### April to June 2022 in brief

- In the second quarter, the Group's net revenue totalled EUR 22.4 million (EUR 18.8 million from 1 April to 30 June 2021).
  - The Group's net fee and commission income was EUR 21.6 million (EUR 17.4 million).
  - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 1.4 million), including the return from private equity and real estate fund investments and liquid fixed income funds.
- The Group's operating profit grew by 33% to EUR 14.1 million (EUR 10.6 million).
- The Group's profit was EUR 11.2 million (EUR 8.5 million).
- The consolidated earnings per share were EUR 0.28 (EUR 0.22).

Key ratios	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
Net revenue, Group, MEUR	44.0	36.8	20%	22.4	18.8	19%	78.9
Net revenue, Asset Management, MEUR	40.1	30.9	30%	20.5	16.1	27%	64.9
Net revenue, Corporate Finance, MEUR	2.9	2.4	22%	1.1	1.3	-16%	6.9
Net revenue, Investments, MEUR	1.2	3.5	-67%	0.8	1.4	-43%	7.1
Net revenue, Group administration and Net revenue, MEUR	-0.1	0.0		0.0	0.0		0.0
Operating profit, Group, MEUR	27.1	21.1	28%	14.1	10.6	33%	47.7
Operating profit, Asset Management, MEUR	26.3	18.5	42%	13.7	9.6	42%	40.3
Operating profit, Corporate Finance, MEUR	1.0	0.6	56%	0.3	0.4	-22%	2.7
Operating profit, Investments, MEUR	1.2	3.5	-67%	0.8	1.4	-43%	7.1
Operating profit, Group administration, MEUR	-1.4	-1.4		-0.6	-0.7		-2.5
Profit for the period, MEUR	21.5	16.9	27%	11.2	8.5	33%	38.1



Key ratios	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
Earnings per share, EUR	0.54	0.43	25%	0.28	0.22	31%	0.97
Equity per share, EUR	1.64	1.48	11%	1.64	1.48	11%	2.02
Cost/income ratio, Group, %	38.4	42.4	-9%	36.9	43.5	-15%	39.5
Liquid assets, MEUR	22.3	25.4	-12%	22.3	25.4	-12%	56.0
Private equity and real estate fund investments, MEUR	19.0	16.7	14%	19.0	16.7	14%	18.8
Interest-bearing liabilities, MEUR	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management excluding reporting services, EUR billion	9.3	8.6	7%	9.3	8.6	7%	9.2
Assets under management, EUR billion	12.0	10.7	13%	12.0	10.7	13%	11.6

## Mikko Koskimies, CEO

The year 2022 started in a positive tone. Economies had been opened up after COVID-19 restrictions and growth outlooks were strong. Due to the supply chock caused by COVID-19, inflation had accelerated clearly, however, above all in the US.

The war in Ukraine, which begun in February 2022, and the consequent sanctions caused another supply chock, which further accelerated inflation. During the spring 2022, it became obvious that central banks in above all the US but in Europe as well are forced to begin slowing down the growth in demand and thereby curb inflation by tightening monetary policy. This means increasing interest rates and reducing central bank balance sheets simultaneously.

Due to inflation and the central bank policy, the sentiment in bond and equity markets was very weak and market fluctuations were big in the first half of 2022. Strong growth expectations were replaced by a fear for recession.

In the first half of the year, share prices fell across the board, and market volatility increased clearly. The greatest fall was seen in the S&P 500 Index in the US, which gave a -20.2% return in dollars. The dollar grew clearly stronger in the first half of the year, and in euros, S&P 500 fell by only 13.1%. The return of Helsinki Stock Exchange was -17.7% and that of MSCI Europe -13.8%. The emerging markets MSCI Index gave a return of -10.4%.

The strongly accelerating inflation and expectations of interest rate increases by central banks had serious consequences on bond markets. The emerging markets corporate loan index fell by no less than 15.8% and the high yield index by 15.3% during the first half of the year. The index returns of euro zone government bonds and investment grade corporate loans also fell unexceptionally strongly – government bonds by -12.3% and IG corporate loans by -12.2%.

### eQ's result was excellent during the period

eQ's result was excellent during the period under review, and the result has grown already for 33 consecutive quarters. The net revenue of the Group during the period was EUR 44.0 million and the operating profit was EUR 27.1 million. Net revenue grew by 20% and operating profit by 28% on the previous year. Above all eQ Asset Management and Advium grew strongly, while the result of the Investments segment clearly fell from the year before.

### eQ Asset Management's growth continued

eQ Asset Management's result was once more excellent. During the period under review, the net revenue of the Asset Management segment increased by 30% to EUR 40.1 million. Operating profit grew by 42% per cent to EUR 26.3 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 half in line with the market. Of the funds that eQ manages itself, 23 gave a better return than its benchmark index, and during a



three-year period the corresponding figure was 69. In discretionary asset management portfolios, the six-month returns 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 half of the year, supporting very well the overall returns of most of our clients during the period.

As for sales, the first half of the year was excellent, above all for real estate and private equity asset management. Net subscriptions in the eQ Community Properties and Commercial Properties funds totalled EUR 147 million, and the size of the eQ Residential II Fund grew to EUR 41 million. In 2022, funds are raised to the eQ PE XIV North and eQ PE SF IV funds, which make investments in Northern Europe. Their total size already reached EUR 385 million in the closings made in June. In addition, the size of the eQ VC Fund, established at the end of October 2021, grew to EUR 71 million during the period under review. The eQ VC Fund invests in the best venture capital funds in the US.

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

Advium's net revenue during the period under review was EUR 2.9 million (EUR 2.4 million). The operating profit was EUR 1.0 million (EUR 0.6 million).

During the period under review, the value of M&As fell globally clearly from the record year 2021 but remained at a high level in long-term comparison. In Finland, the number of M&As remained at a good level, but the number of large transactions was lower than previously. The volume of real estate transactions remained good.

During the first six months of the year, Advium acted as advisor in three corporate transactions: the sale of Bluebird to North Alliance, the acquisition of Raksystems by Trill Impact and the sale of Akkurate to Sandvik. In real estate transactions, Advium acted as advisor when Ilmarinen, YIT and HGR Property Partners established a joint venture for the development of significant real estate portfolio and in the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Suomi Ky.

### **Net revenue of the Investments segment fell**

The operating profit of the Investments segment was EUR 1.2 million (EUR 3.5 million) and the net cash flow was EUR 1.0 million (EUR 2.5 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 both eQ PE XIV North and eQ Residential II funds. The value changes 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 half year financial report 1 Jan. to 30 June 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 HALF YEAR REPORT 1 JAN. TO 30 JUNE 2022

## Result of operations and financial position 1 Jan to 30 June 2022

- The Group's net revenue during the period was EUR 44.0 million (EUR 36.8 million from 1 Jan. to 30 June 2021).
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## Result of operations and financial position 1 April to 30 June 2022

- In the second quarter, the Group's net revenue totalled EUR 22.4 million (EUR 18.8 million from 1 April to 30 June 2021).
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## Operating environment

The year 2022 started in a positive tone. Economies had been opened up after COVID-19 restrictions and growth outlooks were strong. Due to the supply chock caused by COVID-19, inflation had accelerated clearly, however, above all in the US.

The war in Ukraine, which begun in February 2022, and the consequent sanctions caused another supply chock, which further accelerated inflation. During the spring 2022, it became obvious that central banks in above all the US but in Europe as well are forced to begin slowing down the growth in demand and thereby curb inflation by tightening monetary policy. This means increasing interest rates and reducing central bank balance sheets simultaneously. China has no inflation problems, but the country has growth challenges of its own. When the US and Europe increase their interest rates, China cuts down interest rates, and fiscal policy is used to stimulate the economy.

Due to inflation and the central bank policy, the sentiment in bond and equity markets was very weak and market fluctuations were big in the first half of 2022. Strong growth expectations were replaced by a fear for recession. The economic data obtained in early summer also indicated that the economic situation would gradually begin to deteriorate. In the US, the reason for this was interest rate increases, in Europe, the uncertainty caused by war and interest rate increase expectations and in China, the slowing down of growth due to problems in the real estate sector and the tight COVID-19 policy. In the euro zone, the familiar structural problem added to problems: as interest rates rise, the interest spread in above all Italy grew wider, which caused concerns about the availability of money in the country and for its bank sector and enterprises.



In the first half of the year, share prices fell across the board, and market volatility increased clearly. The greatest fall was seen in the S&P 500 Index in the US, which gave a -20.2% return in dollars. The dollar grew clearly stronger in the first half of the year, and in euros, S&P 500 fell by only 13.1%. The return of Helsinki Stock Exchange was -17.7% and that of MSCI Europe -13.8%. The emerging markets MSCI Index gave a return of -10.4%. Differences between countries were large. Russia was removed from the index after the war began, but the Brazilian Stock Exchange was almost the only stock exchange in the world that showed a positive return in the first half of 2022.

The strongly accelerating inflation and expectations of interest rate increases by central banks had serious consequences on bond markets. The emerging markets corporate loan index fell by no less than 15.8% and the high yield index by 15.3% during the first half of the year. The index returns of euro zone government bonds and investment grade corporate loans also fell unexceptionally strongly – government bonds by -12.3% and IG corporate loans by -12.2%.

## Major events during the period under review

On 3 February 2022, eQ Plc's Board 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.

During the period under review, the number of eQ Plc's shares increased with new shares subscribed for with option rights. The number of shares increased by 180,000 shares on 17 May 2022 and by 617,500 shares on 16 June 2022. The total number of shares after the increase is 40 429 698.

## Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 44.0 million (EUR 36.8 million from 1 Jan. to 30 June 2021). The Group's net fee and commission income was EUR 43.0 million (EUR 33.2 million). The Group's net investment income from own investment operations was EUR 1.1 million (EUR 3.6 million), including the return from private equity and real estate fund investments and liquid fixed income funds.

The Group's expenses and depreciation totalled EUR 17.0 million (EUR 15.7 million). Personnel expenses were EUR 14.5 million (EUR 13.5 million), other administrative expenses EUR 1.1 million (EUR 1.0 million) and the other operating expenses were EUR 0.8 million (EUR 0.6 million). Depreciation was EUR 0.5 million (EUR 0.5 million). Salary expenses increased from the year before due to result-related remuneration. As compared with the comparison period, the salary expenses went down due to the change in deferred bonuses that are bound to the share price. During the reporting period the change in the deferred bonuses bound to the share price was EUR +0.2 million. The salary expenses of the comparison period comprise EUR 1.1 million cost resulting from the change in deferred bonuses bound to the share price.

The Group's operating profit was EUR 27.1 million (EUR 21.1 million) and the profit for the period was EUR 21.5 million (EUR 16.9 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 and widening of credit risk margins, the returns of eQ's fixed income funds were negative during the six-month period. 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 Government Bond funds.

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

Of the funds managed by eQ, 23 surpassed their benchmark indices in the six-month period, and in the past three years, 69 of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.4 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between approximately -9.0 and -16.5 during the period, based on the allocation of the investment portfolio. The return of portfolios that only invest in Finnish shares was -18.9%. eQ Europe Dividend Fund was awarded as the Best Nordic European Dividend Fund by Lipper Fund Awards for the second time in a row. The award is based on the fund's 3 and 5-year risk-adjusted return. In addition, eQ Asset Management was ranked by the customers to be the best asset manager in Finland in overall quality assessment in the Kantar Prospera 2022 "External Asset Management Finland" -survey. 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 June closing, the size of the fund grew to EUR 264 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 June closing of the fund, its size grew to almost EUR 121 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 June, we also carried out the second closing of the eQ VC Fund, the size of which grew to USD 71 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 2,680 million (EUR 2,203 million) and the assets managed under private equity asset management programmes were EUR 1,009 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 39 million during the period under review. At the end of the period, the size of the fund was EUR 784 million, and its real estate property amounted to almost EUR 1.3 billion. The return of the fund during the first six months was 5.0% and since establishment 8.6% p.a. The fund has approximately 2,200 unit holders.

During the period under review, new net subscriptions for EUR 108 million were made in the eQ Community Properties Fund. At the end of the period under review, the size of the fund was EUR 1,545 million and its real estate property totalled EUR 2.1 billion. The return of the fund during the first six months was 4.9% 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 in January, and during the period under review, that size of the fund has grown to EUR 41 million. 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 3.4 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 12,025 million at the end of the period. Growth during the period was EUR 441 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 3,983 million (EUR 4,264 million), and the assets decreased by EUR 281 million during the period under review. The assets managed by the real estate funds totalled EUR 2,470 million (EUR 2,283 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3,689 million (EUR 3,203 million).

Assets under management, MEUR	6/22	6/21	Change	12/21	Change
eQ mutual funds	3,983	3,920	2%	4,264	-7%
of which eQ equity, fixed income and balanced funds	1,654	1,992	-17%	2,082	-21%
of which eQ real estate funds	2,329	1,928	21%	2,182	7%
Closed-end real estate funds	142	100	41%	100	41%
Funds of partners and other asset management	1,437	1,472	-2%	1,619	-11%
eQ private equity funds	2,680	2,117	27%	2,203	22%
Private equity asset management programmes	1,009	1,001	1%	1,001	1%
Total excl. reporting services	9,251	8,610	7%	9,187	1%
Private equity reporting services	2,774	2,042	36%	2,397	16%
Total	12,025	10,652	13%	11,584	4%

#### *Result of the Asset Management segment*

During the period under review, the net revenue of the Asset Management segment increased by 30% and the operating profit by 42% to EUR 26.3 million (EUR 18.5 million from 1 Jan. to 30 June 2021). Performance fees increased to EUR 10.4 million. Performance fees typically fluctuate strongly per quarter and financial period. Performance fees include EUR 2.9 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 34.3% (40.1%). Calculated as full-time resources, the Asset Management segment had 75 employees at the end of the period under review.

Asset Management	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
Net revenue, MEUR	40.1	30.9	30%	20.5	16.1	27%	64.9
Operating profit, MEUR	26.3	18.5	42%	13.7	9.6	42%	40.3
Cost/income ratio, %	34.3	40.1	-14%	33.3	40.2	-17%	37.7
Personnel as full-time resources	75	74	1%	75	74	1%	76



Fee and commission income, Asset Management, MEUR	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
<b>Management fees</b>							
Traditional asset management	5.0	5.1	-3%	2.4	2.7	-11%	10.6
Real estate asset management	16.8	13.9	21%	8.6	7.1	20%	29.1
Private equity asset management	8.2	6.9	18%	4.3	3.6	18%	13.9
Management fees, total	29.9	25.9	15%	15.3	13.4	14%	53.6
<b>Performance fees, total</b>							
Traditional asset management	-	2.5	-100%	-	1.0	-100%	2.9
Real estate asset management	7.3	1.9	288%	3.9	1.1	244%	5.4
Private equity asset management	3.1	0.6	420%	1.5	0.6	151%	3.1
Performance fees, total	10.4	5.0	111%	5.4	2.7	96%	11.4
Other fee and commission income	0.1	0.3	-75%	0.0	0.1	-53%	0.5
<b>Fee and commission income, total</b>	<b>40.4</b>	<b>31.2</b>	<b>30%</b>	<b>20.7</b>	<b>16.2</b>	<b>27%</b>	<b>65.4</b>

## 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 period under review, the value of M&As fell globally clearly from the record year 2021 but remained at a high level in long-term comparison. Rising interest rates, inflation, the strong correction of the stock market and geopolitical uncertainties all contributed to the fall in the total value. In Finland, the number of M&As remained at a good level, but the number of large transactions was lower than previously. The technology sector was exceptionally active. The volume of real estate transactions remained good.

During the first six months of the year, Advium acted as advisor in three corporate transactions: the sale of Bluebird to North Alliance, the acquisition of Raksystems by Trill Impact and the sale of Akkurate to Sandvik. In July 2022, the acquisition of Finnmyl by Chemigate (Bernier) was published. In real estate transactions, Advium acted as advisor when Ilmarinen, YIT and HGR Property Partners established a joint venture for the development of significant real estate portfolio and in the divestment of Espoo Hospital by the city of Espoo to LähiTapiola Yhteiskuntakiinteistöt Suomi Ky. The value of the Espoo Hospital transaction was about EUR 295 million. In July, Advium acted as advisor to Cromwell European REIT in the sale of office property in Helsinki.

### Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 2.9 million (EUR 2.4 million from 1 Jan. to 30 June 2021). The operating profit was EUR 1.0 million (EUR 0.6 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	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
Net revenue, MEUR	2.9	2.4	22%	1.1	1.3	-16%	6.9
Operating profit, MEUR	1.0	0.6	56%	0.3	0.4	-22%	2.7
Cost/income ratio, %	66.0	73.4	-10%	74.8	72.7	3%	60.0
Personnel as full-time resources	16	15	7%	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 1.2 million (EUR 3.5 million from 1 Jan. to 30 June 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 8.5 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 1.6 million (EUR 2.3 million from 1 Jan. to 30 June 2021) and distributed a profit of EUR 0.5 million (EUR 1.7 million). Capital calls totalled EUR 1.1 million (EUR 1.5 million). The net cash flow from investments during the period was EUR 1.0 million (EUR 2.5 million). The value changes of investments recognised through profit or loss were EUR 0.7 million during the period (EUR 1.9 million). The value changes 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	1-6/22	1-6/21	Change	4-6/22	4-6/21	Change	1-12/21
Operating profit, MEUR	1.2	3.5	-67%	0,8	1.4	-43%	7.1
Fair value of investments, MEUR	19.0	16.7	14%	19,0	16.7	14%	18.8
Investment commitments, MEUR	8.5	6.6	28%	8,5	6.6	28%	7.2
Net cash flow of investments, MEUR	1.0	2.5	-59%	0,8	1.8	-59%	4.1

## Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 91.0 million (EUR 110.8 million on 31 Dec. 2021) and the shareholders' equity was EUR 66.4 million (EUR 80.0 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 21.5 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, the subscription for new shares with option rights of EUR 4.0 million and the accrued expense of EUR 0.5 million related to an option scheme and enter in shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 13.8 (EUR 35.1 million) and liquid investments in mutual funds EUR 8.5 million (EUR 20.9 million).

The lease liability related to premises and entered in the balance sheet was EUR 4.7 million (EUR 1.2 million) at the end of the period, the share of short-term liabilities being EUR 0.6 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 the 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 20.0 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 72.9% (72.1%).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 327.9% (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 15.4 million (EUR 10.8 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 30 June 2022, the number of eQ Plc's shares was 40,429,698 and the share capital was EUR 11,383,873.00.



During the period under review, the number of eQ Plc's shares increased by 180,000 on 17 May 2022 due to new shares subscribed for with option rights 2018. The subscription price of the new shares totalled EUR 903,600.00. During the period under review, the number of eQ Plc's shares also increased by 617,500 new shares subscribed for with option rights 2018. The subscription price of the new shares totalled EUR 3,099,850.00. The entire subscriptions were entered in the reserve for invested unrestricted equity.

The closing price of eQ Plc's share on 30 June 2022 was EUR 20.1 (EUR 25.75 on 31 Dec. 2021). The market capitalisation of the company was thus EUR 812.6 million (EUR 1,020.5 million) at the end of the period. During the period, 1,224,101 shares were traded on Nasdaq Helsinki (955,089 shares from 1 Jan. to 30 June 2021). In euros, the turnover was EUR 28.8 million (EUR 18.3 million).

## Own shares

On 30 June 2022, eQ Plc held no own shares.

## Shareholders

On 16 June 2022, eQ Plc published a flagging announcement in which Fennogens Investments S.A. announced that its holding in the company had fallen below the 20% flagging threshold. The change in holding was due to the increase in the number of eQ Plc's shares.

### Ten major shareholders on 30 June 2022

	Shares	Share, %
1 Fennogens Investements SA	7,962,605	19.69
2 Anchor Oy Ab	6,206,706	15.35
3 Chilla Capital S.A.	6,055,904	14.98
4 Teamet Oy	4,200,000	10.39
5 Oy Cevante Ab	1,419,063	3.51
6 Fazer Jan	1,314,185	3.25
7 Procurator-Holding Oy	793,892	1.96
8 Lavventura Oy	700,000	1.73
9 Ilmarinen Mutual Pension Insurance Company	657,500	1.63
10 Linnalex Ab	631,652	1.56
10 major shareholders, total	29,941,507	74.06
Nominee registered	487,622	1.21
Other shares	10,000,569	24.74
Total	40,429,698	100.00

On 30 June 2022, eQ Plc had 7,984 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 of the Group's key personnel.

### Option scheme 2018

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

Of these options, altogether 797,500 had been exercised by the end of the period. The number of outstanding options was 977,500 at the end of the period. No options of the option scheme 2018 can any longer be allocated.



The terms and conditions of the option scheme have been published in a stock exchange release of 26 October 2018, and they can be found in their entirety on the company website at [www.eQ.fi](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 in Helsinki, decided upon the following: 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**

The Group had 96 employees at the end of the period (96 employees on 31 Dec. 2021), calculated as full-time resources. Calculated as full-time resources, the Asset Management segment had 75 (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 14.5 million (EUR 13.5 million from 1 Jan. to 30 June 2021). The salary expenses increased from the year before due to result-related remuneration. As compared with the comparison period, the salary expenses went down as a result of the change in deferred bonuses that are bound to the share price. During the reporting period the change in the deferred bonuses bound to the share price was EUR +0.2 million. The salary expenses of the comparison period comprise EUR 1.1 million cost resulting from the change in deferred bonuses bound to the share price.

### **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 company's own investments are well diversified, which means that the impact of one investment made by one individual fund in one single investment object on the return is often small. The income from eQ Group's Investment segment is recognised in different quarters due to factors independent of the company, depending on the exits and value changes of the 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

	1-6/22	1-6/21	4-6/22	4-6/21	1-12/21
Fee and commission income	43 246	33 508	21 745	17 531	72 152
Interest income	0	5	0	1	7
Net income from financial assets	1 102	3 595	791	1 394	7 314
Operating income, total	44 348	37 108	22 535	18 926	79 473
Fee and commission expenses	-281	-279	-134	-139	-574
Interest expenses	-26	-10	-12	-6	-19
NET REVENUE	44 041	36 818	22 389	18 781	78 880
Administrative expenses					
Personnel expenses	-14 484	-13 495	-7 114	-7 086	-26 683
Other administrative expenses	-1 132	-994	-561	-514	-2 141
Depreciation on tangible and intangible assets	-521	-531	-260	-265	-1 050
Other operating expenses	-836	-650	-361	-335	-1 346
OPERATING PROFIT (LOSS)	27 068	21 149	14 093	10 581	47 660
PROFIT BEFORE TAXES	27 068	21 149	14 093	10 581	47 660
Income tax	-5 535	-4 257	-2 887	-2 128	-9 582
PROFIT (LOSS) FOR THE PERIOD	21 533	16 892	11 206	8 452	38 078

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/22	1-6/21	4-6/22	4-6/21	1-12/21
Other comprehensive income:	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21 533	16 892	11 206	8 452	38 078
Profit for the period attributable to:					
Equity holders of the parent company	21 533	16 892	11 206	8 452	38 078
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	21 533	16 892	11 206	8 452	38 078
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.54	0.43	0.28	0.22	0.97
Diluted earnings per average share, EUR	0.52	0.41	0.27	0.21	0.93



## CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2022	30 June 2021	31 Dec. 2021
<b>ASSETS</b>			
Liquid assets	71	33	71
Claims on credit institutions	13 747	14 394	35 069
Financial assets			
Financial securities	8 518	10 966	20 943
Private equity and real estate fund investments	19 023	16 711	18 817
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	158	258	208
Other intangible assets	99	189	131
Tangible assets			
Right-of-use assets	4 497	1 343	965
Tangible assets	297	317	301
Other assets			
Accruals and prepaid expenditure	618	477	502
Income tax receivables	10	56	52
Deferred tax assets	36	54	44
<b>TOTAL ASSETS</b>	<b>91 034</b>	<b>81 140</b>	<b>110 842</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Other liabilities	6 384	5 971	6 348
Accruals and deferred income	11 649	13 297	19 103
Lease liabilities	4 676	1 613	1 187
Income tax liabilities	1 926	1 581	4 249
<b>TOTAL LIABILITIES</b>	<b>24 635</b>	<b>22 462</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	27 061	24 247	24 247
Retained earnings	6 421	6 156	6 247
Profit (loss) for the period	21 533	16 892	38 078
<b>TOTAL EQUITY</b>	<b>66 399</b>	<b>58 678</b>	<b>79 955</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91 034</b>	<b>81 140</b>	<b>110 842</b>



## CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2022	1-6/2021	1-12/2021
<b>CASH FLOW FROM OPERATIONS</b>			
Operating profit	27 068	21 149	47 660
Depreciation and write-downs	521	531	1 050
Interest income and expenses	26	5	13
Transactions with no related payment transactions	-86	-1 795	-3 894
Financial assets' cash flow – private equity and real estate fund investments	535	803	910
Change in working capital			
Business receivables, increase (-) / decrease (+)	-10 296	-92	2 500
Interest-free debt, increase (+) / decrease (-)	-11 667	-2 628	3 555
Total change in working capital	-21 963	-2 720	6 055
Cash flow from operations before financial items and taxes	6 101	17 973	51 794
Interests received	0	5	7
Interests paid	-26	-10	-19
Taxes	-3 600	-2 664	-5 321
<b>CASH FLOW FROM OPERATIONS</b>	<b>2 475</b>	<b>15 303</b>	<b>46 460</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Investments in intangible and tangible assets	-49	-32	-70
Investments/redemptions in other investments – liquid mutual funds	12 309	3 982	-6 018
<b>CASH FLOW FROM INVESTMENTS</b>	<b>12 260</b>	<b>3 950</b>	<b>-6 088</b>
<b>CASH FLOW FROM FINANCING</b>			
Dividends paid/equity repayments	-39 632	-27 242	-27 242
Subscription of new shares	4 003	1 392	1 392
Decrease in the lease liability capital	-429	-428	-834
<b>CASH FLOW FROM FINANCING</b>	<b>-36 057</b>	<b>-26 279</b>	<b>-26 685</b>
<b>INCREASE/DECREASE IN LIQUID ASSETS</b>	<b>-21 323</b>	<b>-7 025</b>	<b>13 688</b>
Liquid assets on 1 Jan.	35 141	21 453	21 453
Liquid assets on 30 June/31 Dec.	13 818	14 428	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			16 892	16 892	16 892
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			16 892	16 892	16 892
Dividend/equity repayment		-2 335	-24 907	-27 242	-27 242
Subscription of shares		1 392		1 392	1 392
Options granted, cost accrual			91	91	91
Shareholders' equity on 30 June 2021	11 384	24 247	23 047	58 678	58 678
Shareholders' equity on 1 Jan. 2022	11 384	24 247	44 325	79 955	79 955
Profit (loss) for the period			21 533	21 533	21 533
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			21 533	21 533	21 533
Dividend/equity repayment		-1 189	-38 443	-39 632	-39 632
Subscription of shares		4 003		4 003	4 003
Options granted, cost accrual			540	540	540
Shareholders' equity on 30 June 2022	11 384	27 061	27 954	66 399	66 399



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

	1-6/22	1-6/21	4-6/22	4-6/21	1-12/21
Asset management fees					
Management fees					
Traditional asset management	4 958	5 119	2 395	2 697	10 591
Real estate asset management	16 758	13 877	8 584	7 127	29 112
Private equity asset management	8 095	6 827	4 245	3 577	13 722
Management fees, total	29 811	25 823	15 224	13 401	53 425
Performance fees					
Traditional asset management	-	2 465	-	1 012	2 922
Real estate asset management	7 301	1 883	3 857	1 122	5 385
Private equity asset management	3 137	603	1 511	603	3 104
Performance fees, total	10 439	4 951	5 367	2 737	11 410
Other fee and commission income	84	341	30	65	458
Asset management fees, total	40 334	31 115	20 621	16 203	65 293
Corporate finance fees	2 912	2 392	1 124	1 328	6 859
Fee and commission income, total	43 246	33 508	21 745	17 531	72 152

	1-6/22	1-6/21	4-6/22	4-6/21	1-12/21
Private equity asset management performance fees - specification					
Paid non-accrued fees	216	603	50	603	3 104
Catch up share accrual	2 921	-	1 461	-	-
Total	3 137	603	1 511	603	3 104

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

	1-6/22	1-6/21	4-6/22	4-6/21	1-12/21
Private equity and real estate fund investment operations					
Profit distribution of funds	485	1 691	-	971	3 220
Changes in fair value and losses	742	1 858	815	419	4 068
Total	1 227	3 549	815	1 390	7 288
Other investment operations					
Changes in fair value	-116	28	-19	3	8
Sales profit/loss	-9	18	-5	-	18
Total	-125	46	-25	3	26
Net income from financial assets, total	1 102	3 595	791	1 394	7 314



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

	30 June 2022		30 June 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	19 023	19 023	16 711	16 711	18 817	18 817
Financial securities	8 518	8 518	10 966	10 966	20 943	20 943
Accounts receivable and other receivables	51	51	335	335	1 023	1 023
Liquid assets	13 818	13 818	14 428	14 428	35 141	35 141
Total	41 411	41 411	42 440	42 440	75 923	75 923
Financial liabilities						
Accounts payable and other liabilities	381	381	185	185	214	214
Lease liabilities	4 676	4 676	1 613	1 613	1 187	1 187
Total	5 057	5 057	1 798	1 798	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

	30 June 2022		30 June 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	-	19 023	-	16 711	-	18 817
Financial securities	8 518	-	10 966	-	20 943	-
Total	8 518	19 023	10 966	16 711	20 943	18 817

Level 3 reconciliation: Private equity and real estate fund investments

1-6/2022	
Opening balance on 1 Jan. 2022	18 817
Calls	1 072
Returns	-1 607
Value change and loss through profit or loss	742
Closing balance on 30 June 2022	19 023

1-6/2021	
Opening balance on 1 Jan. 2021	15 656
Calls	1 457
Returns	-2 259
Value change and loss through profit or loss	1 858
Closing balance on 30 June 2021	16 711

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	30 June 2022	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	113	0
eQ VC	46	0
eQ PE XIII US	126	38
eQ PE XII North	469	336
eQ PE XI US	564	349
eQ PE X North	639	521
eQ PE IX US	1 158	986
eQ PE VIII North	2 413	2 430
eQ PE VII US	3 088	2 517
eQ PE VI North	2 175	1 946
Amanda V East	2 738	3 639
Amanda IV West	448	599
Amanda III Eastern PE	375	1 321
Total	14 351	14 683
Real estate funds:		
eQ Residential II	94	0
eQ Residential	425	383
Funds managed by others:		
Large buyout funds	1 975	1 848
Midmarket funds	258	808
Venture funds	1 920	1 094
<b>Total</b>	<b>19 023</b>	<b>18 817</b>



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

Investment commitment	30 June 2021	31 Dec. 2021
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	900	0
eQ VC	909	883
eQ PE XIII US	813	835
eQ PE XII North	535	635
eQ PE XI US	432	573
eQ PE X North	327	427
eQ PE IX US	164	228
eQ PE VIII North	361	501
eQ PE VII US	207	263
eQ PE VI North	534	534
Amanda V East	663	663
Amanda IV West	427	427
Amanda III Eastern PE	273	273
Total	6 544	6 243
Real estate funds:		
eQ Residential II	900	0
eQ Residential	650	650
Funds managed by others:		
Large buyout funds	133	132
Midmarket funds	313	211
Venture funds	0	0
<b>Total</b>	<b>8 540</b>	<b>7 235</b>





## SEGMENT INFORMATION, EUR 1 000

1-6/2022	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group total
Fee and commission income	40 334	2 912	-	-		43 246
From other segments	75	-	-	-	-75	-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	1 227	-125		1 102
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	40 409	2 912	1 227	-87	-113	44 348
Fee and commission expenses	-281	-	-	-		-281
To other segments	-	-	-75	-	75	-
Interest expenses	-14	-4	-	-8		-26
NET REVENUE	40 114	2 908	1 152	-94	-38	44 041
Administrative expenses						
Personnel expenses	-11 990	-1 599	-	-896		-14 484
Other administrative expenses	-840	-161	-	-169	38	-1 132
Depreciation on material and immaterial assets	-386	-89	-	-46		-521
Other operating expenses	-604	-70	-	-161		-836
OPERATING PROFIT (LOSS)	26 294	989	1 152	-1 367	0	27 068
Income tax				-5 535		-5 535
PROFIT (LOSS) FOR THE PERIOD				-6 902		21 533

1-6/2021	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group Total
Fee and commission income	31 115	2 392	-	-		33 508
From other segments	75	-	-	-	-75	-
Interest income	-	-	-	5		5
Net income from financial assets	-	-	3 549	46		3 595
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	31 190	2 392	3 549	90	-113	37 108
Fee and commission expenses	-275	-	-	-4		-279
To other segments	-	-	-75	-	75	-
Interest expenses	-6	-2	-	-3		-10
NET REVENUE	30 910	2 391	3 474	83	-38	36 818
Administrative expenses						
Personnel expenses	-10 865	-1 504	-	-1 126		-13 495
Other administrative expenses	-744	-105	-	-184	38	-994
Depreciation on material and immaterial assets	-393	-87	-	-51		-531
Other operating expenses	-454	-60	-	-135		-650
OPERATING PROFIT (LOSS)	18 454	635	3 474	-1 413	0	21 149
Income tax				-4 257		-4 257
PROFIT (LOSS) FOR THE PERIOD				-5 670		16 892



4-6/22	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group Total
Fee and commission income	20 621	1 124	-	-		21 745
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	0		0
Net income from financial assets	-	-	815	-25		791
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	20 659	1 124	815	-5	-57	22 535
Fee and commission expenses	-134	-	-	-		-134
To other segments	-	-	-38	-	38	-
Interest expenses	-7	-2	-	-3		-12
NET REVENUE	20 518	1 121	778	-8	-19	22 389
Administrative expenses						
Personnel expenses	-5 995	-683	-	-436		-7 114
Other administrative expenses	-407	-80	-	-92	19	-561
Depreciation on material and immaterial assets	-193	-45	-	-23		-260
Other operating expenses	-262	-31	-	-68		-361
OPERATING PROFIT (LOSS)	13 661	282	778	-628	0	14 093
Income tax				-2 887		-2 887
PROFIT (LOSS) FOR THE PERIOD				-3 515		11 206

4-6/21	Asset Man.	Corporate Finance	Invest ments	- Other	Elimin- ations	Group Total
Fee and commission income	16 203	1 328	-	-		17 531
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	1		1
Net income from financial assets	-	-	1 390	3		1 394
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	16 240	1 328	1 390	24	-57	18 926
Fee and commission expenses	-137	-	-	-2		-139
To other segments	-	-	-38	-	38	-
Interest expenses	-3	-1	-	-2		-6
NET REVENUE	16 100	1 327	1 353	20	-19	18 781
Administrative expenses						
Personnel expenses	-5 688	-840	-	-558		-7 086
Other administrative expenses	-380	-50	-	-104	19	-514
Depreciation on material and immaterial assets	-195	-44	-	-26		-265
Other operating expenses	-233	-32	-	-70		-335
OPERATING PROFIT (LOSS)	9 604	362	1 353	-738	0	10 581
Income tax				-2 128		-2 128
PROFIT (LOSS) FOR THE PERIOD				-2 866		8 452



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

	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21
<b>Asset Management</b>					
Net revenue	20 518	19 596	16 338	17 614	16 100
Operating profit	13 661	12 634	10 078	11 761	9 604
<b>Corporate Finance</b>					
Net revenue	1 121	1 787	3 181	1 284	1 327
Operating profit	282	706	1 624	480	362
<b>Investments</b>					
Net revenue	778	374	1 616	2 048	1 353
Operating profit	778	374	1 616	2 048	1 353
<b>Other segments and eliminations</b>					
Net revenue	-28	-105	-20	0	1
Operating profit	-628	-739	-657	-440	-738
<b>Group total</b>					
Net revenue	22 389	21 651	21 115	20 946	18 781
Operating profit	14 093	12 975	12 661	13 850	10 581
Profit for the period	11 206	10 327	10 121	11 065	8 452



## CAPITAL ADEQUACY, EUR 1 000

	IFR 30 June 2022 eQ Group	IFR 31 Dec. 2021 eQ Group
Equity	66 399	79 955
Common equity tier 1 (CET 1) before deductions	66 399	79 955
Deductions from CET 1		
Intangible assets	-29 470	-29 552
Unconfirmed profit for the period	-21 533	-38 078
Dividend proposal by the Board*	0	-1 554
Common equity tier 1 (CET1)	15 396	10 771
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	15 396	10 771
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	15 396	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	367	331
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	58 697	58 697
Common equity tier (CET1) / own funds requirement, %	327.9%	229.4%
Tier 1 (T1) / own funds requirement, %	327.9%	229.4%
Total capital (TC) / own funds requirement, %	327.9%	229.4%
Common equity tier 1 (CET1) / risk weights, %	26.2%	18.3%
Tier 1 (T1) / risk weights, %	26.2%	18.3%
Total capital (TC) / risk weights, %	26.2%	18.3%
Excess of total capital compared with the minimum level	10 701	6 075
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	9 527	4 901

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



## GROUP KEY RATIOS

	30 June 2022	30 June 2021	31 Dec. 2021
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	21 533	16 892	38 078
Earnings per average share, EUR	0.54	0.43	0.97
Diluted earnings per average share, EUR	0.52	0.41	0.93
Equity per share, EUR	1.64	1.48	2.02
Equity per average share, EUR *)	1.67	1.50	2.03
Return on investment, ROI % p.a.	56.7	52.1	50.6
Return on equity, ROE % p.a.	58.9	53.5	51.6
Equity to assets ratio, %	72.9	72.3	72.1
Cost/income ratio, Group, %	38.4	42.4	39.5
Share price at the end of the period, EUR	20.10	25.00	25.75
Market value, EUR million	812.6	990.8	1 020.5
Personnel calculated as full-time resources at the end of the period	96	94	96

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 30 June 2022, eQ's remaining investment commitments in private equity funds totalled EUR 8.5 million (EUR 7.2 million 31 Dec. 2021). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2021).