

Q1 2023

INTERIM REPORT





25 April 2023, at 8:00 A.M.

eQ Plc's interim report Q1 2023 – eQ group's result fell

January to March 2023 in brief

- The Group's net revenue for the period was EUR 17.7 million (EUR 21.7 million from 1 Jan. to March 2022). The Group's net fee and commission income was EUR 17.5 million (EUR 21.4 million).
- The Group's operating profit fell by 23 per cent to EUR 10.0 million (EUR 13.0 million).
- The Group's profit was EUR 7.9 million (EUR 10.3 million).
- The consolidated earnings per share were EUR 0.20 (EUR 0.26).
- The net revenue of the Asset Management segment fell by 13 per cent to EUR 17.1 million (EUR 19.6 million) and the operating profit by 15 per cent to EUR 10.7 million (EUR 12.6 million). The management fees of the Asset Management segment grew by 6 per cent to EUR 15.6 million (EUR 14.6 million) while the performance fees fell by 68 per cent to EUR 1.6 million (EUR 5.1 million).
- The net revenue of the Corporate Finance segment was EUR 0.5 million (EUR 1.8 million) and the operating profit was EUR -0,4 million (EUR 0.7 million).
- The operating profit of the Investments segment was EUR -0.1 million (EUR 0.4 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.3 million (EUR 0.3 million).

Key ratios	1-3/23	1-3/22	Change	1-12/22
Net revenue, Group, MEUR	17.7	21.7	-18%	77.8
Net revenue, Asset Management, MEUR	17.1	19.6	-13%	71.8
Net revenue, Corporate Finance, EUR	0.5	1.8	-75%	5.4
Net revenue, Investments, MEUR	-0.1	0.4	-123%	0.7
Net revenue, Group administration and eliminations, MEUR	0.3	-0.1		-0.1
Operating profit, Group, MEUR	10.0	13.0	-23%	45.7
Operating profit, Asset Management, MEUR	10.7	12.6	-15%	45.9
Operating profit, Corporate Finance, MEUR	-0.4	0.7	-154%	1.7
Operating profit, Investments, MEUR	-0.1	0.4	-123%	0.7
Operating profit, Group administration, MEUR	-0.3	-0.7		-2.6
Profit for the period, MEUR	7.9	10.3	-24%	36.3



Key ratios	1-3/23	1-3/22	Change	1-12/22
Earnings per share, EUR	0.20	0.26	-25%	0.91
Equity per share, EUR	1.23	1.28	-4%	2.02
Cost/income ratio, Group, %	43.6	40.0	9%	41.1
Liquid assets, MEUR	51.6	19.5	164%	43.8
Private equity and real estate fund investments, MEUR	16.5	19.0	-13%	16.8
Interest-bearing loans, MEUR	0.0	0.0	0%	0.0
Assets under management excluding reporting services, EUR billion	9.9	9.4	5%	9.7
Assets under management, EUR billion	12.7	12.0	6%	12.6

Mikko Koskimies, CEO

The major theme of the first quarter of 2023 was inflation and uncertainty about how much interest rates should still be raised in Western countries in order to slow down inflation. Economic growth in both Europe and especially in the US remained stronger than feared, and at the same time, the pace of inflation remained clearly higher than the goals of central banks. In China, economic growth started to recover, when the service sector as well began to pick up due to the country's revised corona policy.

At the beginning of March, worrying news emerged about severe liquidity problems of some US banks, and soon after that Credit Suisse, one of the largest banks in Switzerland, faced difficulties and was merged with another Swiss bank. In this operation, fixed income investors also suffered losses. As usual, such problems cast a big question mark on the entire banking sector, and above all finance sector shares fell steeply. Market interest rates also began to fall clearly. Despite bank problems, both the Fed and European central banks raised their policy rates in March, the Fed by 0.25 per cent and the ECB by 0.50 per cent. The interest rate market began pricing in the turnaround of the central banks' interest rate policy and the fall of interest rates already during 2023.

Share prices rose at the beginning of the quarter but started to decline in March due to problems in the banking sector. When central banks rapidly came to aid and, as usual, began to calm down the market with different support measures and promises, share prices quickly went up again. The returns of the whole quarter were good. The best return came from MSCI Europe, 8.6 per cent. The return of the S&P 500 Index was 7.4 per cent in dollars and 5.5 per cent in euros. The return of the Finnish Stock Exchange was 2.1 per cent during the first months of the year. The emerging market index return was 2.1 per cent, but there were very large differences between countries. The clearly best return came from Taiwan and the poorest performer was India, which showed a clearly negative return.

Pricing in inflation and interest increase expectations and, in March, the pricing in of the likelihood of a bank crisis led to unexceptionally strong fluctuations in the interest rate market. As for the entire quarter, the best returns in Europe came from European high yields loans, which gave a return of 3.0 per cent. Euro government bonds gave a 2.0 per cent and European investment grade loans a 1.6 per cent return. The return of emerging market loans was 1.5 per cent.

eQ's result for the first quarter fell

eQ's result for the period fell in the challenging operating environment. The net revenue of the Group during the period under review was EUR 17.7 million and the operating profit was EUR 10.0 million. Operating profit fell by 23 per cent from the previous year.

The growth of eQ Asset Management's management fees continued

The management fees of eQ Asset Management continued to grow despite the weak operating environment. On the other hand, performance fees decreased by 68 per cent to EUR 1.6 million. During the period under review, the net revenue of the Asset Management segment fell by 13 per cent to EUR 17.1 million. The



operating profit fell by 15 per cent to EUR 10.7 million. The assets managed by eQ Asset Management grew by 1 per cent to EUR 12.7 billion during the period under review.

As for traditional investments, the returns of client portfolios were positive in the first quarter in line with the market. Of the funds that eQ manages itself, 52 per cent surpassed their benchmark indices, and during a three-year period, the corresponding figure was no less than 85 per cent. The returns of the discretionary asset management portfolios were also positive in the first quarter in line with the market. The returns of real estate and private equity funds were slightly positive.

As for sales, the beginning of 2023 was good, above all in private equity asset management. In 2023, private equity assets are raised to the eQ PE XV US fund, which makes investments in Northern America. In the second closing of the fund, which took place in April, the size of the fund already grew to USD 231 million.

Advium completed no transactions during the first quarter

Advium's net revenue for the period under review was EUR 0.5 million (EUR 1.8 million) and operating profit EUR -0.4 million (EUR 0.7 million).

In the first quarter of the year, the value of mergers and acquisition fell considerably from the previous year world-wide, and the slower market was clearly visible in Finland as well. The volume of real estate transactions has fallen to its lowest level since 2012, and even though there are several processes going on in the market, their realisation is uncertain. Due to the low market activity, no transactions where Advium acted as advisor were completed in the first quarter.

The operating profit of Investments fell

The operating profit of the Investments segment was EUR -0.1 million (EUR 0.4 million) and the net cash flow was at last year's level, i.e. EUR 0.3 million (EUR 0.3 million). The balance sheet value of the private equity and real estate fund investments was EUR 16.5 million at the end of the period (EUR 16.8 million on 31 December 2022). At the beginning of the year, eQ Plc made a USD 1 million investment commitment in the eQ PE XV US Fund.

Outlook

As for sales, the year 2022 was very good for eQ Asset Management. In April 2023, the eQ PE XV US private equity fund grew to USD 231 million in its second closing. This strengthens our view that demand will continue to be strong among investor, above all for private equity investment products. The returns of real estate funds are linked to the development of yields and, their possible performance fees for 2023 involve uncertainty. The performance fees of private equity funds will, on the other hand, be at the same level due to the catch up accrual.

Consequently, we are specifying the outlook and expect the net revenue and operating profit of the Asset Management segment in 2023 to be at the same level as last year. 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. Therefore, their operating profits may vary considerably and are difficult to foresee.

eQ's interim report 1 January to 31 March 2023 is enclosed to this release and it is also available on the company website at 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 12.7 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets. More information about the Group is available on our website www.eQ.fi.



eQ PLC'S INTERIM REPORT 1 JANUARY TO 31 MARCH 2023

Result of operations and financial position 1 January to 31 March 2023

- The Group's net revenue for the period was EUR 17.7 million (EUR 21.7 million from 1 Jan. to March 2022). The Group's net fee and commission income was EUR 17.5 million (EUR 21.4 million).
- The Group's operating profit fell by 23 per cent to EUR 10.0 million (EUR 13.0 million).
- The Group's profit was EUR 7.9 million (EUR 10.3 million).
- The consolidated earnings per share were EUR 0.20 (EUR 0.26).
- The net revenue of the Asset Management segment fell by 13 per cent to EUR 17.1 million (EUR 19.6 million) and the operating profit by 15 per cent to EUR 10.7 million (EUR 12.6 million). The management fees of the Asset Management segment grew by 6 per cent to EUR 15.6 million (EUR 14.6 million) and the performance fees fell by 68 per cent to EUR 1.6 million (EUR 5.1 million).
- The net revenue of the Corporate Finance segment was EUR 0.5 million (EUR 1.8 million) and the operating profit was EUR -0.4 million (EUR 0.7 million).
- The operating profit of the Investments segment was EUR -0.1 million (EUR 0.4 million).
- The net cash flow from the Group's own private equity and real estate fund investment operations was EUR 0.3 million (EUR 0.3 million).

Operating environment

The major theme of the first quarter of 2023 was inflation and uncertainty about how much interest rates should still be raised in Western countries in order to slow down inflation. Economic growth in both Europe and especially in the US remained stronger than feared, and at the same time, the pace of inflation remained clearly higher than the goals of central banks. The prices of energy and food began to calm down, but at the same time the prices of services, for instance, continued to rise, and pressure on salaries and salary increases were common. The labour market in the US remained very tight, which indicated continued inflation pressure. In China, economic growth started to recover, when the service sector as well began to pick up due to the country's revised corona policy.

At the beginning of March, worrying news emerged about severe liquidity problems of some US banks, and soon after that Credit Suisse, one of the largest banks in Switzerland, faced difficulties and was merged with another Swiss bank. In this operation, fixed income investors also suffered losses. As usual, such problems cast a big question mark on the entire banking sector, and above all finance sector shares fell steeply. Market interest rates also began to fall clearly. Despite bank problems, both the Fed and European central banks raised their policy rates in March, the Fed by 0.25 per cent and the ECB by 0.50 per cent. The interest rate market began pricing in the turnaround of the central banks' interest rate policy and the fall of interest rates already during 2023. In practice, this means that the interest rate market began to price in a recession in Western economies. On the other hand, the equity market began to rise clearly towards the end of the quarter.

Share prices rose at the beginning of the quarter but started to decline in March due to problems in the banking sector. When central banks rapidly came to aid and, as usual, began to calm down the market with different support measures and promises, share prices quickly went up again. The returns of the whole quarter were good. The best return came from MSCI Europe, 8.6 per cent. The return of the S&P 500 Index was 7.4 per cent in dollars and 5.5 per cent in euros. The return of the Finnish Stock Exchange was 2.1 per cent during the first months of the year. The emerging market index return was 2.1 per cent, but there were very large differences between countries. The clearly best return came from Taiwan and the poorest performer was India, which showed a clearly negative return.

Pricing in inflation and interest increase expectations and, in March, the pricing in of the likelihood of a bank crisis led to unexceptionally strong fluctuations in the interest rate market. As for the entire quarter, the best returns in Europe came from European high yields loans, which gave a return of 3.0 per cent. Euro government bonds gave a 2.0 per cent and European investment grade loans a 1.6 per cent return. The return of emerging market loans was 1.5 percent.



Major events during the period under review

eQ Plc's Annual General Meeting was held on 27 March 2023. Nicolas Berner, Georg Ehrnrooth, Timo Kokkila, Janne Larma and Tomas von Rettig were re-elected to the Board. Päivi Arminen was elected as new member. The Chair of the Board is Janne Larma and Deputy Chair Georg Ehrnrooth. The decisions by the Annual General Meeting have been presented in a separate chapter below.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 17.7 million (EUR 21.7 million from 1 Jan to 31 March 2022). The Group's net fee and commission income was EUR 17.5 million (EUR 21.4 million). The Group's net investment income from own investment operations was EUR 0.1 million (EUR 0.3 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 7.8 million (EUR 8.7 million). Personnel expenses were EUR 6.3 million (EUR 7.4 million), other administrative expenses EUR 0.7 million (EUR 0.6 million) and the other operating expenses were EUR 0.5 million (EUR 0.5 million). Depreciation was EUR 0.3 million (EUR 0.3 million). The salary expenses fell from the year before due to result-related remuneration.

The Group's operating profit was EUR 10.0 million (EUR 13.0 million) and the profit for the period was EUR 7.9 million (EUR 10.3 million).

Business areas

Asset Management

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

Mutual funds and asset management

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

The returns of eQ's fixed income funds were positive during the first quarter after the strong increase in interest rates last year and the fall in long-term interest rates towards the end of the quarter. The best returns came from the eQ High Yield and eQ Euro Government Bond funds. As compared with the benchmark indices, the best returns were from the eQ High Yield and eQ Floating Rate funds. The returns of our equity funds were also positive at the beginning of the year. The eQ Emerging Markets Small Cap and eQ Blue Planet funds gave the best returns. As compared with the benchmark indices, the best returns came from the eQ Emerging Market Small Cap and eQ Emerging Dividend funds.

Of the funds managed by eQ, 54 surpassed their benchmark indices in the three-month period, and in the past three years, no less than 85 per cent of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 3.3 stars at the end of the period under review. The returns of the discretionary asset management portfolios that eQ manages varied between approximately +1.7 and +5.6 per cent during the period, based on the allocation of the investment portfolio. The return of portfolios that only invest in Finnish shares was +3.2 per cent. 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 XV US private equity fund was held at the end of January 2023 at USD 177 million. In the second closing of the fund, new assets worth USD 54 million were raised to the fund, and



the second closing was carried out after the period, i.e. in April, at altogether USD 231 million. The eQ PE XV US Fund makes investments in private equity funds that invest in unlisted small and mid-sized companies in Northern America. The eQ PE XV US Fund is the fifth fund that makes investments in private equity funds in Northern America, and altogether we have raised investment commitments of almost one billion dollars to these funds.

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 2,874 million (EUR 2,726 million) and the assets managed under private equity asset management programmes were EUR 1,009 million (EUR 1,009 million).

At the beginning of 2022, eQ began to accrue the catch up share of private equity funds' performance fee in the income statement. The catch up share accrued cumulatively by 31 December 2022 was EUR 5.8 million, and the share for the first quarter of 2023 was EUR 1.5 million. The estimated future total amount of performance fees grew to EUR 130 million at the end of 2022 (EUR 109 million on 31 Dec. 2021). More information about the estimated returns and performance fees of private equity funds is available in the tables of the financial statements release on page 31.

Real estate investments

The net subscriptions in the eQ Finnish Commercial Properties Fund were EUR 16 million during the period under review. At the end of the period, the size of the fund was EUR 775 million, and its real estate property exceeded EUR 1.3 billion. The return of the fund in the first quarter was 0.0 per cent and since establishment 8.1 per cent p.a. The fund has approximately 2,200 unit holders.

During the period under review, new net subscriptions for EUR 43 million were made in the eQ Community Properties Fund. At the end of the period under review, the size of the fund was EUR 1,579 million and its real estate property exceeded 2.2 billion. The return of the fund in the first quarter was 0.1 per cent and since establishment 8.7 per cent p.a. The fund has approximately 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 real estate. 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. In 2022, the size of the fund grew to EUR 53 million. Unlike eQ Community Properties and eQ Finnish Commercial Properties 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 3.8 billion at the end of the period under review, and eQ has become a major Finnish real estate investor. In 2022, eQ's real estate funds participated in the GRESB sustainability assessment already for the fourth time. The results have remained good in 2022 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 12,710 million at the end of the period. Growth during the period was EUR 146 million (EUR 12,564 million on 31 Dec. 2022). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 4,064 million (EUR 4,101 million). The assets decreased by EUR 37 million during the period under review. The assets managed by the real estate funds totalled EUR 2,683 million (EUR 2,697 million). The assets managed by the private equity funds and asset management programmes totalled EUR 3,883 million (EUR 3,734 million).



Assets under management, EUR million	3/23	12/22	Change
eQ mutual funds	4 064	4 101	-1%
of which eQ equity, fixed income and balanced funds	1 710	1 687	1%
of which eQ real estate funds	2 354	2 415	-3%
Closed-end real estate funds	329	282	17%
Funds of partners and other asset management	1 583	1 561	1%
eQ private equity funds	2 874	2 726	5%
Private equity asset management programmes	1 009	1 009	0%
Total excl. reporting services	9 859	9 678	2%
Private equity reporting services	2 851	2 885	-1%
Total	12 710	12 564	1%

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment fell by 13 per cent and the operating profit by 15 per cent to EUR 10.7 million (EUR 12.6 million from 1 Jan. to 31 March 2022). Performance fees fell by no less than 68 per cent to EUR 1.6 million. Performance fees typically fluctuate strongly per quarter and financial period. Performance fees include EUR 1.5 million of the accrued catch up share of private equity funds' performance fee.

The cost/income ratio was 36.8 per cent (35.4 per cent). Calculated as full-time resources, the Asset Management segment had 80 employees at the end of the period under review.

Asset Management	1-3/23	1-3/22	Change	1-12/22
Net revenue, MEUR	17.1	19.6	-13%	71.8
Operating profit, MEUR	10.7	12.6	-15%	45.9
Cost/income ratio, %	36.8	35.4	4%	36.0
Personnel as full-time resources	80	74	8%	76

Asset Management, fee and commission income, MEUR	1-3/23	1-3/22	Change	1-12/22
Management fees				
Traditional asset management	2.1	2.6	-16%	9.4
Real estate asset management	9.2	8.2	12%	35.1
Private equity asset management	4.2	3.9	9%	16.9
Management fees, total	15.6	14.6	6%	61.5
Performance fees, total				
Traditional asset management	0.0	0.0	0%	0.0
Real estate asset management	0.0	3.4	-100%	4.3
Private equity asset management	1.6	1.6	0%	6.5
Performance fees, total	1.6	5.1	-68%	10.8
Other fee and commission income	0.0	0.1	-57%	0.1
Fee and commission income, total	17.2	19.7	-13%	72.4

Corporate Finance

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

In the first quarter of the year, the value of mergers and acquisition fell considerably from the previous year world-wide, and the slower market was clearly visible in Finland as well. The volume of real estate transactions has fallen to its lowest level since 2012, and even though there are several processes going on in the market, their realisation is uncertain. Due to the low market activity, no transactions where Advium acted as advisor were completed in the first quarter.



Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 0.5 million (EUR 1.8 million from 1 Jan. to 31 March 2022). The operating profit was EUR -0.4 million (EUR 0.7 million). The segment had 15 employees at the end of the period.

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

Corporate Finance	1-3/23	1-3/22	Change	1-12/22
Net revenue, MEUR	0.5	1.8	-75%	5.4
Operating profit, MEUR	-0.4	0.7	-154%	1.7
Cost/income ratio, %	183.7	60.5	204%	67.7
Personnel as full-time resources	15	16	-6%	13

Investments

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

During the period, the operating profit of the Investments segment was EUR -0.1 million (EUR 0.4 million from 1 Jan to 31 March 2022). At the end of the period, the fair value of the investments was EUR 16.5 million (EUR 16.8 million on 31 Dec. 2022) and the amount of the remaining investment commitments was EUR 8.0 million (EUR 7.5 million). During the period under review, eQ Plc made a USD 1.0 million investment commitment in the eQ PE XV US private equity fund.

During the period, the investment objects returned capital for EUR 0.4 million (EUR 0.2 million from 1 Jan. to 31 March 2022) and distributed a profit of EUR 0.3 million (EUR 0.5 million). Capital calls totalled EUR 0.4 million (EUR 0.5 million). The net cash flow from investments during the period was EUR 0.3 million (EUR 0.3 million). The value changes of investments recognised through profit or loss were EUR -0.3 million during the period (-0.1 EUR million).

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

Investments	1-3/23	1-3/22	Change	1-12/22
Operating profit, MEUR	-0.1	0.4	-123%	0.7
Fair value of investments, MEUR	16.5	19.0	-13%	16.8
Investment commitments, MEUR	8.0	8.9	-10%	7.5
Net cash flow of investments, MEUR	0.3	0.3	8%	2.8

Balance sheet and capital adequacy

At the end of the period, the consolidated balance sheet total was EUR 115.7 million (EUR 110.9 million on 31 Dec. 2022) and the shareholders' equity was EUR 49.6 million (EUR 81.8 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 7.9 million, the decided dividend distribution of EUR -36.8 million, the decided repayment of equity of EUR -3.6 million from the reserve for invested unrestricted equity, and the accrued expense of EUR 0.3 million related to the option scheme and enter in the shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 46.3 (EUR 23.7 million) and liquid investments in mutual funds EUR 5.3 million (EUR 20.1 million).

The lease liability related to premises in the balance sheet was EUR 5.4 million (EUR 5.6 million) at the end of the period, the share of short-term liabilities being EUR 0.8 million (EUR 0.8 million).

Short-term interest-free debt was EUR 60.8 million (EUR 23.5 million), including debt of EUR 40.4 million (EUR - million) related to the distribution of dividend and equity repayment. The Group had no interest-



bearing loans at the end of the period (EUR - million). eQ's equity to assets ratio was 42.8 per cent (73.8 per cent).

The ratio between total capital and the capital requirement according to eQ Group's capital adequacy calculations was 249.6 per cent (242.3 per cent on 31 Dec. 2022). 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 4.9 million. At the end of the period, the Group's total capital based on capital adequacy calculations totalled EUR 12.3 million (EUR 11.9 million). Detailed information on the Group's capital adequacy can be found in the tables section.

Shares and share capital

At the end of the period on 31 March 2023, the number of eQ Plc's shares was 40,429,698 and the share capital was EUR 11,383,873.00.

The closing price of eQ Plc's share on 31 March 2023 was EUR 19.02 (EUR 25.45 on 31 Dec. 2022). The market capitalisation of the company was thus EUR 769.0 million (EUR 1,028.9 million) at the end of the period under review. During the period, 473,164 shares were traded on Nasdaq Helsinki (700,962 shares from 1 Jan. to 31 March 2022). In euros, the turnover was EUR 10.5 million (EUR 16.9 million).

Own shares

On 31 March 2023, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 31 March 2023

	Shares	Share, %
1 Fennogens Investments S.A.	7,962,605	19.69
2 Rettig Group Oy Ab	6,206,706	15.35
3 Chilla Capital S.A.	6,165,904	15.25
4 Teamet Oy	4,075,000	10.08
5 Oy Cevante Ab	1,419,063	3.51
6 Fazer Jan Peter	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	697,500	1.73
10 Linnalex Ab	631,652	1.56
10 major shareholders, total	29,966,507	74.12
Nominee registered	404,052	1.00
Other shares	10,059,139	24.88
Total	40,429,698	100.00

On 31 March 2023, eQ Plc had 8,450 shareholders (8,277 shareholders on 31 Dec. 2022).

Option schemes

At the end of the financial period, eQ Plc had two 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 the options granted, 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. The options have been listed on Nasdaq Helsinki.

Option scheme 2022

At the end of the period, altogether 910,000 options had been allocated from option scheme. 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.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Monday 27 March 2023 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2022.

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 0.91 per share and a repayment of equity of EUR 0.09 per share be paid out from the reserve for invested unrestricted equity. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 29 March 2023, were recorded in the shareholder register of eQ Plc held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 5 April 2023.

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

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 750 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. 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, 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. Päivi Arminen was elected as new member. 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 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 8.66 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.

Amendment of the Articles of Association

The AGM decided that the Articles of Association of eQ Plc be updated with section-specific headings for all items, the field of activity be specified and the possibility to organise a meeting without a physical meeting venue be added, and participation in the General Meeting be made possible via a remote connection. The change in question was made to Section 9 of the Articles of Association, which concerns the notice to the general meeting and registration for the general meeting.

Personnel and organisation

The Group had 100 employees at the end of the period (94 employees on 31 Dec. 2022), calculated as full-time resources. Calculated as full-time resources, the Asset Management segment had 80 (76) employees and the Corporate Finance segment 15 (13) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 6.3 million (EUR 7.4 million from 1 Jan. to 31 March 2022). The salary expenses fell from the year before due to result-related remuneration.

Tero Estovirta was appointed deputy managing director of eQ Asset Management Ltd during the period under review.



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 from asset management may consist of performance fees paid by mutual funds and real estate funds, profit shares that private equity funds pay to management companies, 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. Among these, the market risk has a 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

The second closing of the eQ PE XV US private equity fund was held at USD 231 million in April 2023.

Outlook

As for sales, the year 2022 was very good for eQ Asset Management. In April 2023, the eQ PE XV US private equity fund grew to USD 231 million in its second closing. This strengthens our view that demand will continue to be strong among investor, above all for private equity investment products. The returns of real estate funds are linked to the development of yields and, their possible performance fees for 2023 involve uncertainty. The performance fees of private equity funds will, on the other hand, be at the same level due to the catch up accrual.

Consequently, we are specifying the outlook and expect the net revenue and operating profit of the Asset Management segment in 2023 to be at the same level as last year. 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. Therefore, their operating profits may vary considerably and are difficult to foresee.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

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

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

The report has not been audited.



CONSOLIDATED INCOME STATEMENT, EUR 1,000

	1-3/23	1-3/22	1-12/22
Fee and commission income	17 632	21 501	77 665
Interest income	105	0	8
Net income from financial assets	147	311	709
Operating income, total	17 883	21 812	78 383
Fee and commission expenses	-134	-147	-536
Interest expenses	-33	-14	-65
NET REVENUE	17 716	21 651	77 781
Administrative expenses			
Personnel expenses	-6 314	-7 370	-26 724
Other administrative expenses	-657	-571	-2 490
Depreciation on tangible and intangible assets	-319	-260	-1 178
Other operating expenses	-464	-475	-1 655
OPERATING PROFIT (LOSS)	9 963	12 975	45 735
PROFIT BEFORE TAXES	9 963	12 975	45 735
Income tax	-2 066	-2 648	-9 412
PROFIT (LOSS) FOR THE PERIOD	7 897	10 327	36 322

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/23	1-3/22	1-12/22
Other comprehensive income:	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7 897	10 327	36 322
Profit for the period attributable to:			
Equity holders of the parent company	7 897	10 327	36 322
Non-controlling interests	-	-	-
Comprehensive income for the period attributable to:			
Equity holders of the parent company	7 897	10 327	36 322
Non-controlling interests	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company:			
Earnings per average share, EUR	0.20	0.26	0.91
Diluted earnings per average share, EUR	0.19	0.24	0.87



CONSOLIDATED BALANCE SHEET, EUR 1,000

	31 March 2023	31 March 2022	31 Dec. 2022
ASSETS			
Liquid assets	84	71	21
Claims on credit institutions	46 199	9 149	23 667
Financial assets			
Financial securities	5 295	10 343	20 119
Private equity and real estate fund investments	16 499	18 962	16 837
Intangible assets			
Fair value and brands	29 212	29 212	29 212
Client agreements	83	183	108
Other intangible assets	66	111	79
Tangible assets			
Right-of-use assets	5 026	4 682	5 273
Tangible assets	515	294	514
Other assets	11 071	9 188	14 393
Accruals and prepaid expenditure	706	603	426
Income tax receivables	809	10	138
Deferred tax assets	138	41	70
TOTAL ASSETS	115 704	82 849	110 858
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	51 305	14 458	6 829
Accruals and deferred income	9 055	11 540	16 607
Lease liabilities	5 358	4 883	5 621
Income tax liabilities	417	1 080	22
TOTAL LIABILITIES	66 134	31 961	29 079
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Reserve for invested unrestricted equity	23 422	23 058	27 061
Retained earnings	6 866	6 119	7 011
Profit (loss) for the period	7 897	10 327	36 322
TOTAL EQUITY	49 570	50 888	81 779
TOTAL LIABILITIES AND EQUITY	115 704	82 849	110 858



CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	1-3/2023	1-3/2022	1-12/2022
CASH FLOW FROM OPERATIONS			
Operating profit	9 963	12 975	45 735
Depreciation and write-downs	319	260	1 178
Interest income and expenses	-72	14	57
Transactions with no related payment transactions	530	407	2 451
Financial assets' cash flow – private equity and real estate fund investments	37	-218	755
Change in working capital			
Business receivables, increase (-) / decrease (+)	3 043	-4 723	-9 741
Interest-free debt, increase (+) / decrease (-)	-3 528	-5 484	-6 264
Total change in working capital	-485	-10 207	-16 005
Cash flow from operations before financial items and taxes	10 293	3 231	34 172
Interests received	105	0	8
Interests paid	-33	-14	-65
Taxes	-2 389	-1 564	-9 553
CASH FLOW FROM OPERATIONS	7 975	1 653	24 561
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-36	-15	-369
Investments/redemptions in other investments – liquid mutual funds	14 919	10 504	727
CASH FLOW FROM INVESTMENTS	14 883	10 488	359
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-	-37 850	-39 632
Subscription of new shares	-	-	4 003
Decrease in the lease liability capital	-263	-213	-744
CASH FLOW FROM FINANCING	-263	-38 063	-36 372
INCREASE/DECREASE IN LIQUID ASSETS	22 595	-25 921	-11 452
Liquid assets on 1 Jan.	23 688	35 141	35 141
Liquid assets on 31 March/31 Dec.	46 283	9 219	23 688



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. 2022	11 384	24 247	44 325	79 955	79 955
Profit (loss) for the period			10 327	10 327	10 327
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			10 327	10 327	10 327
Dividend/equity repayment		-1 189	-38 443	-39 632	-39 632
Options granted, cost accrual			238	238	238
Shareholders' equity on 31 March 2022	11 384	23 058	16 446	50 888	50 888

Shareholders' equity on 1 Jan. 2023	11 384	27 061	43 334	81 779	81 779
Profit (loss) for the period			7 897	7 897	7 897
Other comprehensive income					
Financial assets			-	-	-
Total comprehensive income			7 897	7 897	7 897
Dividend/equity repayment		-3 639	-36 791	-40 430	-40 430
Options granted, cost accrual			323	323	323
Shareholders' equity on 31 March 2023	11 384	23 422	14 763	49 570	49 570



FEE AND COMMISSION INCOME, GROUP, EUR 1,000

	1-3/23	1-3/22	1-12/22
Asset management fees			
Management fees			
Traditional asset management	2 144	2 563	9 401
Real estate asset management	9 193	8 174	35 147
Private equity asset management	4 183	3 850	16 782
Management fees, total	15 520	14 587	61 330
Performance fees			
Traditional asset management	4	0	3
Real estate asset management	0	3 444	4 344
Private equity asset management	1 627	1 627	6 456
Performance fees, total	1 631	5 071	10 804
Other fee and commission income	23	54	146
Asset management fees, total	17 175	19 712	72 280
Corporate finance fees	457	1 789	5 385
Fee and commission income, total	17 632	21 501	77 665

	1-3/23	1-3/22	1-12/22
Private equity asset management performance fees - specification			
Paid non-accrued fees	127	166	613
Catch up share accrual	1 499	1 461	5 843
Total	1 627	1 627	6 456

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

	1-3/23	1-3/22	1-12/22
Private equity and real estate fund investment operations			
Profit distribution of funds	252	485	2 040
Changes in fair value and losses	-302	-73	-1 224
Total	-49	412	816
Other investment operations			
Changes in fair value	95	-97	-97
Sales profit/loss	101	-4	-9
Total	196	-101	-106
Net income from financial assets, total	147	311	709



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

	31 March 2023		31 March 2022		31 Dec. 2022	
	Fair value	Book value	Fair value	Fair value	Fair value	Book value
Financial assets						
Investments						
Private equity and real estate fund investments	16 499	16 499	18 962	18 962	16 837	16 837
Financial securities	5 295	5 295	10 343	10 343	20 119	20 119
Accounts receivable and other receivables	151	151	485	485	1 005	1 005
Liquid assets	46 283	46 283	9 219	9 219	23 688	23 688
Total	68 228	68 228	39 009	39 009	61 650	61 650
Financial liabilities						
Accounts payable and other liabilities	329	329	407	407	287	287
Lease liabilities	5 358	5 358	4 883	4 883	5 621	5 621
Total	5 687	5 687	5 290	5 290	5 908	5 908

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

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

	31 March 2023		31 March 2022		31 Dec. 2022	
	Level 1	Level 3	Level 1	Level 1	Level 1	Level 3
Financial assets						
Private equity and real estate fund investments	-	16 499	-	18 962	-	16 837
Financial securities	5 295	-	10 343	-	20 119	-
Total	5 295	16 499	10 343	18 962	20 119	16 837

Level 3 reconciliation: Private equity and real estate fund investments

1-3/2023	
Opening balance on 1 Jan. 2023	16 837
Calls	391
Returns	-427
Value change and loss through profit or loss	-302
Closing balance on 31 March 2023	16 499

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



1-12/2022	
Opening balance on 1 Jan. 2022	18 817
Calls	2 113
Returns	-2 868
Value change and loss through profit or loss	-1 224
Closing balance on 31 Dec. 2022	16 837

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

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

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

Market value	31 March 2023	31 Dec. 2022
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XIV North	206	145
eQ VC	65	76
eQ PE XIII US	307	215
eQ PE XII North	527	520
eQ PE XI US	687	638
eQ PE X North	665	613
eQ PE IX US	1 059	1 091
eQ PE VIII North	1 958	1 956
eQ PE VII US	2 925	3 022
eQ PE VI North	1 538	1 693
Amanda V East	2 070	2 209
Amanda IV West	25	153
Amanda III Eastern PE	365	378
Total	12 396	12 710
Real estate funds:		
eQ Residential II	272	181
eQ Residential	633	527
Funds managed by others:		
Large buyout funds	1 106	1 302
Midmarket funds	245	261
Venture funds	1 847	1 857
Total	16 499	16 837



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

Investment commitment	31 March 2023	31 Dec. 2022
Funds managed by eQ:		
Private equity funds of funds:		
eQ PE XV US	920	-
eQ PE XIV North	800	850
eQ VC	828	844
eQ PE XIII US	598	703
eQ PE XII North	485	485
eQ PE XI US	247	298
eQ PE X North	259	259
eQ PE IX US	128	111
eQ PE VIII North	301	301
eQ PE VII US	163	109
eQ PE VI North	369	369
Amanda V East	663	663
Amanda IV West	427	427
Amanda III Eastern PE	273	273
Total	6 461	5 692
Real estate funds:		
eQ Residential II	700	800
eQ Residential	450	550
Funds managed by others:		
Large buyout funds	133	133
Midmarket funds	302	302
Venture funds	0	0
Total	8 046	7 477



SEGMENT INFORMATION, EUR 1,000

1-3/2023	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	17 175	457	-	-		17 632
From other segments	38	-	-	-	-38	-
Interest income	-	-	-	105		105
Net income from financial assets	-	-	-49	196		147
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	17 212	457	-49	320	-57	17 883
Fee and commission expenses	-134	-	-	-		-134
To other segments	-	-	-38	-	38	-
Interest expenses	-24	-5	-	-4		-33
NET REVENUE	17 054	452	-87	316	-19	17 716
Administrative expenses						
Personnel expenses	-5 228	-637	-	-448		-6 314
Other administrative expenses	-473	-115	-	-88	19	-657
Depreciation on material and immaterial assets	-260	-44	-	-16		-319
Other operating expenses	-347	-35	-	-81		-464
OPERATING PROFIT (LOSS)	10 746	-379	-87	-317	0	9 963
Income tax				-2 066		-2 066
PROFIT (LOSS) FOR THE PERIOD				-2 384		7 897

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



1–12/2022	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	72 280	5 385	-	-		77 665
From other segments	150	-	-	-	-150	-
Interest income	-	-	-	8		8
Net income from financial assets	-	-	816	-106		709
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	72 430	5 385	816	-21	-227	78 383
Fee and commission expenses	-536	-	-			-536
To other segments	-	-	-150	-	150	-
Interest expenses	-44	-10	-	-12		-65
NET REVENUE	71 850	5 375	666	-33	-77	77 781
Administrative expenses						
Personnel expenses	-22 041	-2 931	-	-1 752		-26 724
Other administrative expenses	-1 819	-387	-	-360	77	-2 490
Depreciation on material and immaterial assets	-918	-176	-	-84		-1 178
Other operating expenses	-1 181	-146	-	-327		-1 655
OPERATING PROFIT (LOSS)	45 890	1 735	666	-2 556	0	45 735
Income tax				-9 412		-9 412
				-11		
PROFIT (LOSS) FOR THE PERIOD				969		36 322

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

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



PROFIT DEVELOPMENT OF SEGMENTS PER QUARTER, EUR 1,000

	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Asset Management					
Net revenue	17 054	13 275	18 462	20 518	19 596
Operating profit	10 746	7 464	12 132	13 661	12 634
Corporate Finance					
Net revenue	452	1 034	1 433	1 121	1 787
Operating profit	-379	213	533	282	706
Investments					
Net revenue	-87	-725	240	778	374
Operating profit	-87	-725	240	778	374
Other segments and eliminations					
Net revenue	297	27	-3	-28	-105
Operating profit	-317	-674	-515	-628	-739
Group total					
Net revenue	17 716	13 610	20 131	22 389	21 651
Operating profit	9 963	6 278	12 389	14 093	12 975
Profit for the period	7 897	4 948	9 842	11 206	10 327



CAPITAL ADEQUACY, EUR 1,000

	IFR 31 March 2023 eQ Group	IFR 31 Dec. 2022 eQ Group
Equity	49 570	81 779
Common equity tier 1 (CET 1) before deductions	49 570	81 779
Deductions from CET 1		
Intangible assets	-29 362	-29 400
Unconfirmed profit for the period	-7 897	-36 322
Dividend proposal by the Board*		-4 107
Common equity tier 1 (CET1)	12 311	11 949
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	12 311	11 949
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	12 311	11 949
Own funds requirement according to the most restrictive requirement (IFR)	4 932	4 932
Fixed overhead requirement	4 932	4 932
K factor requirement	396	393
Absolute minimum requirement	150	150
Risk-weighted items total – Total risk exposure	61 651	61 651
Common equity tier (CET1) / own funds requirement, %	249.6%	242.3%
Tier 1 (T1) / own funds requirement, %	249.6%	242.3%
Total capital (TC) / own funds requirement, %	249.6%	242.3%
Common equity tier 1 (CET1) / risk weights, %	20.0%	19.4%
Tier 1 (T1) / risk weights, %	20.0%	19.4%
Total capital (TC) / risk weights, %	20.0%	19.4%
Excess of total capital compared with the minimum level	7 379	7 017
Total capital compared with the target level (incl. a 25% risk buffer for the requirement)	6 146	5 784

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



GROUP KEY RATIOS

	31 March 2023	31 March 2022	31 Dec. 2022
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	7 897	10 327	36 322
Earnings per average share, EUR	0.20	0.26	0.91
Diluted earnings per average share, EU	0.19	0.24	0.87
Equity per share, EUR	1.23	1.28	2.02
Equity per average share, EUR *)	1.23	1.28	2.04
Return on investment, ROI % p.a.	44.6	60.4	43.2
Return on equity, ROE % p.a.	48.1	63.1	44.9
Equity to assets ratio, %	42.8	61.4	73.8
Cost/income ratio, Group, %	43.6	40.0	41.1
Share price at the end of the period, EUR	19.02	25.50	25.45
Market value, EUR million	769.0	1 010.6	1 028.9
Personnel calculated as full-time resources at the end of the period	100	95	94

*) Weighted average number of shares outstanding.

eQ applies the guidelines of the European Securities and Markets Authority, ESMA, on alternative performance measures. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). eQ presents alternative measures in order to describe the financial development of its operations. Capital adequacy performance measures are presented based on European legislation concerning companies in the finance sector. The calculation principles and formulae of the key ratios are presented in the company's 2022 financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 31 March 2023, eQ's remaining investment commitments in private equity and real estate funds totalled EUR 8.0 million (EUR 7.5 million on 31 Dec. 2022). Other commitments at the end of the period totalled EUR 0.0 million (EUR 0.0 million on 31 Dec. 2022).