2013

ANNUAL REPORT

Private Equity
Corporate Finance
Asset Management

eQ

eQ client team's year was full of action

The client teams of eQ and Icecapital joined forces early in 2013, and eQ's fund family has gone through major restructuring. Our extensive system reform gave us a lot of work, but our clients could already see the positive results towards the end of the year, as our reporting both improved and became faster. We also renewed our discretionary portfolio management services and improved their efficiency.

eQ took major steps forward during the year as asset manager for institutions. According to the latest SFR study, almost 40 per cent of the largest institutional investors in Finland already use the services of eQ Asset Management. We also received good feedback on our customer services from these institutional clients. We managed to expand our clientele as asset manager of Finnish family companies and wealthy private individuals. Our private clients who are in contact with us mainly through the web suffered from our system renewal at some stage during the year, but we managed to make our services function clearly better in this respect as well towards the end of the year.

eQ Asset Management focuses its own portfolio management more than before on excellent fixed-income investments, Finland and other Scandinavian countries as well as emerging equity and fixed-income markets. As for so-called alternative investments, we are extremely strong in private equity and care properties. Our expertise, particularly as equity investor in emerging markets and a European private equity investor has aroused interest among foreign professional investors as well, and the first foreign investments have been made. It is thus also possible to export Finnish portfolio management expertise!

Although our investment team is one of the largest in Finland, we do not do everything ourselves. Within international investments, we have extensive co-operation with Vanguard and Fidelity, for instance, and we will look for new partners based on various investment needs.

Our innovative and customer-oriented work will continue in 2014. Welcome as eQ's client!

Kirsi Hokka,
Head of Customer Relations

CONTENT


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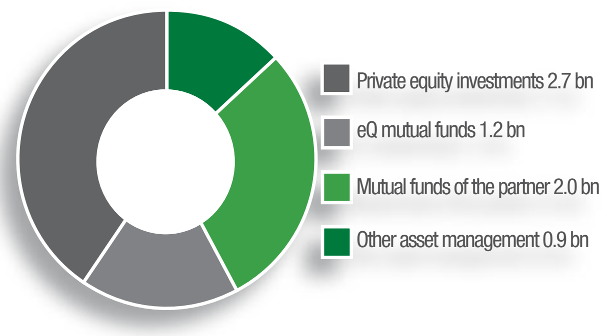
eQ IN BRIEF

eQ Group is a Finnish group of companies that concentrates on asset management and corporate finance operations. The share of the parent company eQ Plc is listed on NASDAQ OMX Helsinki. The Group offers its clients services related to mutual and private equity funds, discretionary asset management, structured investment products, investment insurance policies, and a large range of mutual funds offered by international partners. The asset management clients are institutional investors and private individuals. At the end of 2013, the assets managed by the Group totalled EUR 6.7 billion. In the past few years, eQ has become one of the largest asset managers in Finland. eQ has more than 30 mutual funds registered in Finland, and they contain about EUR 1.2 billion of client assets. The client assets in funds managed by international partners total about EUR 2.0 billion and in private equity investments about EUR 2.7 billion. In addition, Advium Corporate Finance Ltd, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets. The Group employs about 80 experts in the finance sector.

eQ's assets under management



2013

CEO’S REWIEW

The Asset Management segment’s profit increased. eQ consolidated its position as leading asset manager. The assets under eQ’s management grew to almost EUR 7 billion. The company’s investments and interest-bearing receivables totalled EUR 42 million.

The year 2013 was excellent for equity investors

For equity investors, 2013 was for most parts an excellent year. The strong development of equities was mostly dependent on the ultra-light monetary policy, improving economic outlook and the calming-down of the debt crisis in Europe. European stock exchanges saw an increase of 17% last year, and Finnish share prices performed the second best in Europe with an increase of 27%. On the other hand, equities in emerging markets were a disappointment for investors, as the MSCI Emerging Market Index fell by 6.8%. The positive economic development could be seen in the interest rates of government bonds, which rose for the first time since 2009. The 10-year US bond, for instance, gave a yield of 3.0% at the end of 2013 compared with 1.75% at the beginning of the year.

eQ consolidated its position as leading asset manager

At the close of the year, the assets under eQ’s management totalled EUR 6.7 billion. Measured with assets under management, eQ is the largest asset manager in Finland that is independent of bank groups. Quantity does not always replace quality, however, but I am happy to say that in addition to euros, eQ has improved its reputation and ranking among institutional investors. According to SFR’s study, eQ is the fourth most commonly used asset manager in Finland based on information about euro-denominated market shares, and a record number of institutions said they were seriously considering buying services of us. This is an extremely strong signal showing that we have chosen the right course as asset manager.

During the year, we have developed our service offering by launching one new mutual fund, closing some and by successfully selling asset management services related particularly to emerging markets as well as real estate and private equity investments. The Emerging Markets Dividend Fund grew from about EUR 70 million to EUR 159 million in 2013. The fund has aroused interest among both domestic and foreign investors. The reason for this is its exceptionally good yield history. Last year, the fund gave a yield of 8.6%, while the yield of the benchmark index was -6.8%. In February the fund was ranked number one in three year period among 464 funds according to the Morningstar.

In 2013, we acquired the entire share capital of Finnreit Fund Management Company. The sales of the eQ Care Fund, managed by the company, were successful during the year. The size of the fund grew from EUR 6 to 81 million in 2013, and it gave a yield of 12.1%. The number of fund unit holders already exceeds 600.

As for private equity investments, Amanda V East held its final close on 31 January 2013 on EUR 50.0 million. We also carried out a EUR 64 million close in the eQ PE VI North investment programme, which consists of a EUR 30 million investment programme for a domestic institutional investor launched in the second quarter and the EUR 34 million eQ PE VI North Fund.

During the year, we have improved our services by investing in a new information system. It was introduced in stages during the latter part of the year and is now fully operational. By investing in this new system, we were able to close three old systems, which both improves our client reporting and brings about cost savings. In addition, we have been able to achieve cost savings by making our operations more efficient and restructuring our organisation to better meet customer needs.

Advium’s market position remained good

For the fifth year in a row, the number of corporate and real estate acquisitions remained fairly modest. Towards the end of the year, activity started to grow, however, and the outlook is significantly better. In 2013, Advium acted as advisor in seven implemented transactions. Advium has a highly experienced team of 13, which creates good preconditions for result-yielding operations.

Asset Management increased its result

The Asset Management segment was able to increase its result significantly from the previous year, and its operating profit was EUR 3.1 million. In addition, one should note that all the synergy benefits related to the Icecapital acquisition were not yet visible at year level. Advium’s result was modest with an operating profit of EUR 0.4 million. Based on the first months of 2014, the outlook is better, however. The Investments segment also made a lower result than in 2012 with an operating profit of EUR 3.0 million. The net cash flow of investments, EUR 10.4 million, exceeded, however, the 2012 level.

eQ consolidated its position as leading asset manager

The Group's solidity is high and balance sheet extremely strong

The balance sheet of the Group remained extremely strong during the entire year. This was influenced by the strong positive cash flow from investment operations and the income flow from client operations. The Group's liquid assets and interest-bearing receivables totalled EUR 11.3 million at the close of the year, while the balance sheet value of the private equity investments was EUR 30.6 million.

The outlook of client operations for the coming year is very good

The asset management business introduced the year 2014 from good preconditions. The strong sales during the last months of the year combined with the favourable outlook for new sales give trust in the growth of income. Based on the beginning of the year, Advium's outlook is also encouraging. As a result, we believe that the result of the client operations, i.e. the Asset Management and Corporate Finance segments, will improve significantly from 2013. The result of the Investments segment depends, on the other hand, mainly on factors that the company cannot influence, due to which the result of the segment may vary considerably and is difficult to forecast.

I would like to thank our clients for their confidence and our personnel for work well done.

Helsinki, 24 February 2014

Janne Larma
CEO

BUSINESS AREAS

eQ's business areas are Asset Management, Corporate Finance and Investments

ASSET MANAGEMENT

The Asset Management segment consists of eQ Plc's subsidiary, the investment firm eQ Asset Management Ltd and its subsidiaries, the most important of which is eQ Fund Management Company Ltd. The aim of eQ Asset Management is to offer its clients good investment products, innovative investment solutions and excellent customer service. Through our own organisation and our international partners, we can offer an extensive and international range of investment solutions.

The business operations of eQ Asset Management were expanded significantly towards the end of 2012, when eQ acquired Icecapital's asset management business. At the end of 2013, eQ Asset Management had 34 mutual funds. The yields of the fixed-income funds were among the best in the market all along the line in 2013 as well. Among the equity funds, the best relative yield was given by our emerging market equity funds as well as funds making investments in Europe. The best-performing fund of the year was the Emerging Markets Dividend Fund, which grew from about EUR 70 million to almost EUR 160 million. The fund is one of the best funds worldwide making investments in global emerging markets, and its yield exceeded that of the benchmark index by more than 15 percentage points in 2013.

eQ Asset Management's private equity position was further consolidated in 2013. The Amanda V East private equity fund managed by eQ held its final close on 31 January 2013 on EUR 50.0 million, and its investment operations have begun well. On 1 October 2013, eQ also launched a new fund called eQ PE North VI, which makes investments in private equity funds that make investments in small and mid-sized companies in Northern Europe. The total investment capacity of the parallel investment programme and fund is at the moment EUR 64 million, and the investment operations of the fund have had an exceptionally good start thanks to a secondary market transaction made in it.

eQ Asset Management Ltd acquired the entire share capital of Finnreit Fund Management Company Ltd through a deal that was carried out on 30 September 2013. eQ Asset Management Ltd had previously owned 50 per cent and the company management 50 per cent of the company. The sellers and key persons of Finnreit Fund Management Company Ltd joined eQ Asset Management Ltd. The size of the eQ Care fund grew during the year to more than EUR 80 million, and its investment capacity exceeds EUR 160 million. At the moment, the fund has 37 objects in its portfolio. The return of the first whole operating year was 12.1 per cent. The fund accepts subscriptions four times a year and redemptions twice a year.

At the end of the financial year, the assets managed by eQ Asset Management totalled EUR 6 700 million, which is an increase by 6 per cent from the year before (EUR 6 294 million on 31 Dec. 2012). The increase was influenced by the rise of market values and net sales.

The position of eQ Asset Management in the market for institutional investors improved according to the so-called SFR study that covers approximately 100 major institutional investors in Finland. According to the study, almost 40 per cent of them use eQ's services, and based on information about euro-denominated market shares, eQ is the fourth largest asset manager in Finland for institutional investors.

The net revenue of the Asset Management segment in the financial period 2013 totalled EUR 13.6 million and the operating profit was EUR 3.1 million. At the end of December 2013, the number of personnel was 59.

Asset Management	1-12/2013	1-12/2012
Net revenue, EUR million	13.6	9.0
Operating profit, EUR million	3.1	0.9
Assets under management, EUR billion	6.7	6.3
Personnel	59	81

” eQ is the fourth largest asset manager in Finland for institutional investors

eQ Care became a major actor in Finland

The year 2013 was excellent for the non-Ucits fund eQ Care. The real estate portfolio of the fund grew from EUR 8 million to more than EUR 80 million, and the investment capacity of the fund exceeded EUR 160 million at the end of the year. The number of unit holders also increased in 2013 from 160 to more than 600 investors. These unit holders received an excellent return on their investments in 2013, as the return of the fund exceeded 12 per cent.

The rapid growth of the fund is based on the increasing demand for care services in Finland, particularly due to the ageing population. In addition, the public sector is going through major restructuring, where old-fashioned service structures and care chains are being reformed to better meet modern requirements at the same time as the strained economic situation forces the public sector to find more efficient solutions for the provision of care services. These trends became even more prominent during the year. Political decision-makers, such as the Finnish government, have adopted a policy that aims at cutting down the institutional care of senior citizens and, instead, providing care in a more home-like environment where life can be richer. The aim of the eQ Care Fund is to make investments in modern care properties in regions that will need care services in coming years as well. This principle applies to all care property classes included in our fund's investment policy. With regard to the continuity of the fund's operations, we have tried to establish good relations with both service providers in

the private sector and public sector actors, and we feel that we have gained an even more central role in the sector. We are confident that our long-term work for promoting the operations of the fund will be reflected on the future success of the fund. We believe that more and more municipalities and other public sector entities will solve questions related to the provision of care services in 2014 in such a manner that our fund can participate in the projects by providing and owning property solutions that are well suited for service provision. Finnish society faces a major challenge of creating more than 50 000 new places of care in coming years. We will try to meet this challenge by providing high-class care environments for Finns.

The operations of Finnreit Fund Management Company have been integrated with eQ Group from the beginning of 2014 as eQ Asset Management Ltd had acquired the company's entire share capital. The familiar team of experts will continue to develop the operations of the fund in the same uncompromising manner as before, however.

We would like to thank all our unit holders, regardless of the size of their investment, for their confidence. For our part, we wish to earn this confidence every day though our own work!

We wish all present and future clients of eQ welcome to together make the eQ Care Fund a great success story that will not only benefit the unit holders but Finnish society as well!

Amos Janhunen
eQ Care

CORPORATE FINANCE

eQ's corporate finance services are offered by eQ Plc's subsidiary Advium Corporate Finance Ltd. The services cover mergers and acquisitions, large real estate transactions, equity capital markets and advisory services in general. The clients are mainly Finnish companies that make corporate or real estate transactions in Finland and abroad, but also international companies engaged in corporate or real estate transactions in Finland.

Advium is one of the most experienced and highly esteemed advisors in Finland. The company has carried out more than 100 corporate and real estate transactions during the past twelve years, and in many of them, at least one of the parties has been an international actor.

The year 2013 was challenging for Advium, as was the previous year. Even though the M&A market can still be described as cautious and slow, certain signs of market improvements started to emerge in the last quarter of 2013. During the financial year, Advium acted as advisor in seven transactions that were carried out. In 2013, Advium acted as advisor when Pöyry Plc sold its headquarters in Vantaa, Finland to a fund managed by Niam and when Governia Oy bought of VR Group and the telecommunications operator TDC Oy Finland the entire share capital of Corenet Ltd, for instance.

It is typical of the corporate finance business that clients pay a success fee when the transaction has been carried out. Consequently, the transaction dates of the deals have a major impact on invoicing. During the financial period 2013, Advium's net revenue was EUR 2.2 million and operating profit EUR 0.4 million. At the end of December 2013, Advium had 13 employees.

Corporate Finance	1-12/2013	1-12/2012
Net revenue, EUR million	2.2	2.6
Operating profit, EUR million	0.4	0.7
Personnel	13	13

" Advium is one of the most experienced and highly esteemed advisors in Finland

INVESTMENTS

The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet. During the financial year, the net revenue of the Investments segment totalled EUR 3.0 million. At the end of the period, the fair value of the private equity fund investments was EUR 30.6 million.

As for private equity investments, the amount of the remaining investment commitments was EUR 11.2 million. During the financial year, eQ Plc made a EUR 3.0 million investment commitment in the eQ PE VI North Fund. The eQ PE VI North Fund makes investment in small and mid-sized companies in Northern Europe through private equity funds. Commitments are made in new funds to be established, and the company also buys investment commitments from the secondary market.

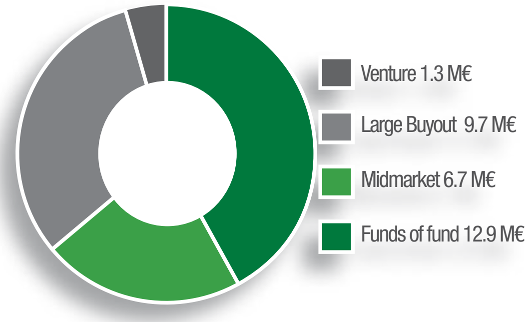
The investment objects returned capital for EUR 8.9 million and distributed a profit of EUR 4.5 million during the financial period. Capital calls totalled EUR 3.0 million. The net cash flow from the investments during the financial period was consequently EUR 10.4 million.

Investments	1-12/2013	1-12/2012
Net revenue, EUR million	3.0	4.7
Operating profit, EUR million	3.0	4.7
Fair value of investments, EUR million	30.6	38.7
Investment commitments, EUR million	11.2	10.8

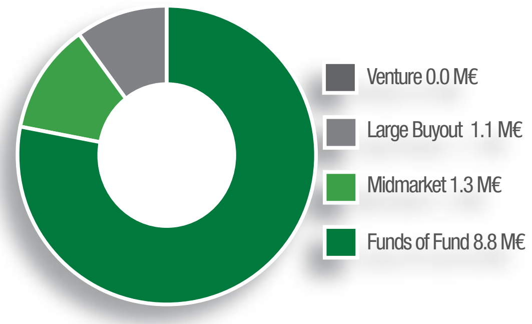
eQ's aim is to achieve an average return on private equity investments that is higher than that of the equity market. The aggregate return of private equity investments since the beginning of investment operations has been 21.30% p.a. (IRR). As for the income from own investment operations, eQ Group's net revenue is recognised for eQ in different quarters due to factors independent of the company. Due to this, the segment's net revenue and result may vary considerably. eQ has made a decision that it will only make new investments in funds managed by eQ in future. eQ's investment objects have been presented on page 90 of the Annual Report.

The enclosed charters present the distribution of the market value of the investments and investment commitments on 31 December 2013 based on fund type.

Distribution of own investments based on market value and fund type



Distribution of own investments based on unpaid investment commitment and fund type



> "The aggregate return of private equity investments since the beginning of investment operations has been 21.30% p.a.

National economies recover and company profits improve

The year 2013 was a success for investors. We had passed the climax of the financial crisis, and the global economy started to slowly recover. Most of the Western equity markets surprised investors with their good returns. The continuously low interest rate level and falling risk premiums contributed to the good yields of corporate loans, even if the yields remained below the top level of the previous year. For equity investors, the year turned out to be a roller coaster: the yields that accumulated in the first months of the year disappeared in the strong price fall experienced in June, when the Fed indicated that it would start cutting bond-buying. The latter part of the year was a time of extensive price increase, and the major recoil of the equity market took place first in January 2014.

The expectations of investors for the year 2014 are high. Economic experts unanimously feel that export-driven economic growth will speed up. Company analysts forecast that the profits of companies in Western industrialised countries will grow by more than 10%. According to the consensus estimate, the profits of Finnish listed companies are expected to increase by no less than 18 % in 2014. In 2013, corporate profits grew reasonably, with the exception of Europe, but the growth was achieved without an increase in net sales, mainly based on cost cutting. The higher share prices raised the valuation level of stock exchanges, but luckily we did not see any stock market bubbles yet.

In 2014, the rise of the equity market can only be based on increasing net sales and improving results. The share price level at stock exchanges can only rise as much as profits improve. Otherwise, there is a risk that the valuation level exceeds traditional levels. The dividend yield of this spring is expected to grow reasonably. At the majority of exchanges, the dividend yield level is clearly higher than the historic level. The dividend yield of listed shares is still historically high compared with the present yield level of corporate bonds, but the reason for this is the exceptionally low yield level of corporate bonds.

Among equity investors, the disappointment of the year was the clearly lower return of emerging markets, compared with other markets. Most strategic experts feel that this resulted from the fact that Western countries, mostly the US, cut down economic recovery measures, which transferred money flows to traditional Western stock exchanges. The valuation level of equities in emerging markets is only about half of the valuation level of the major stock exchanges, but this did not prevent the transfer of money flows, at least not in 2013. The year 2014 is, however, expected to be a turning point for emerging markets. It is likely that investors begin to value the growth and low valuation level of emerging markets, and there are certainly good investment opportunities there for investors with a higher risk tolerance.

Hannu Angervuo
Portfolio Manager

Comments from expert

FINANCIAL STATEMENTS 2013

REPORT BY THE BOARD OF DIRECTORS

Operating environment

The year 2013 was a time of slowly improving growth and economic stabilisation. Particularly in the US and China, the worst fear for disappointments in economic growth started to give way, and even in Japan the pace of growth was a positive surprise. On the other hand, Europe and Latin America continued to grow slowly compared with expectations. In Finland, the situation remained poorer that in the rest of Europe.

Like so often when the economic situation is about to turn, the market sentiment in 2013 was two-fold. At the same time as the market was hopeful that economic growth would speed up, it feared that stronger growth would lead to tighter monetary policy. Particularly in the US, this juxtaposition was a central theme during the entire year and caused the greatest market fluctuations. Europe continued to plod from one crisis to another (Cyprus, Italy, Spain), but the market did not react to the problems of these countries as nervously as it had done a few years ago, and the focus shifted more to the economies and monetary policy of the US and China.

Equity market

Developed equity markets gave a good yield all along the line in 2013. The MSCI World Index, which measures the development of shares globally, rose by 21.2 per cent, the S&P 500 Index describing the US market by 25.9 per cent and the Japanese Nikkei Index by 23.0 per cent. Helsinki Stock Exchange gave an even better yield that the above with a rise of 31.6 per cent, but if we look at different sectors and companies, the picture is very heterogeneous. For example share prices in the basic industry sector fell by one per cent while share prices in the consumer goods sector rose by an average of 33.2 per cent. In Finland, the rise in the share prices of some companies accounted for the most part of the entire rise of the stock exchange.

Share prices did not rise evenly last year either, and the market saw some recoils. The strongest of these was experienced in the second quarter, when the market reacted in anticipation of lower bond buying by the Fed. Towards the end of the year, the market had become used to the idea, and when the Fed started to tighten its monetary policy in December, this no longer had a negative impact on the equity market.

On the other hand, equities in emerging market mostly fell in 2013. The MSCI Emerging Markets share index, which measures emerging markets globally, fell by 6.8 per cent. The only region that developed positively was Asia, but even there, differences between countries were big.

There were several reasons for the poor development of emerging markets. As the US economy recovered, investors moved their assets from emerging markets to the US and towards the end of the year to Europe as well. The fear for slower growth in China had a negative impact on share prices in China as well as in other markets. Additionally, the currencies of several emerging markets fell clearly during the year, which further increased the negative overall yield of investors.

Bond market

In the bond market, the yield of low-risk bond investments remained low in 2013, but in Europe the interest spreads of the so-called fringe states narrowed. EMU government bonds gave a yield or 2.3 per cent at index level and euro-denominated investment grade bonds a yield of 2.4 per cent. High-yield bonds gave an even higher return, 8.6 per cent. In emerging markets, bonds suffered from negative investment flows and weaker currencies (local currency), just like equities, and the yield of bonds denominated in both western and above all local currencies remained negative.

The policies and measures of the Fed had the greatest impact on interest rate movements in 2013. Just like in the equity market, the greatest turbulence was experienced in the second quarter, when long interest rates rose rather steeply, as the view that the Fed would cut bond-buying grew stronger. During the entire year 2013, the German 10-year interest rate rose by 0.6 percentage points to 1.9 per cent, while the corresponding interest rate in the US rose by 1.3 percentage points to 3 per cent due to the improving economic outlook.

Major events

In connection with the acquisition of Icecapital's asset management operations in 2012, business transfers were carried out at the beginning of 2013, whereby the business operations of Icecapital Asset Management Ltd were transferred to eQ Asset Management Ltd and those of Icecapital Fund Management Company Ltd to eQ Fund Management Company Ltd. After these business transfers, Icecapital Asset Management Ltd was merged with eQ Asset Management Ltd and Icecapital Fund Management Company Ltd with eQ Fund Management Company Ltd in the spring of 2013.

The Amanda V East private equity fund managed by eQ held its final close on 31 January 2013 on EUR 50.0 million. The fund makes investments in growth and buyout private equity funds, which make investments in small and midsized unlisted companies in Russia, CIS, CEE and SEE countries.

The Board of Directors of eQ Plc received a letter of resignation from Eero Heliövaara on 14 February 2013. The reason for Heliövaara's resignation was his appointment as Director General of the Government Ownership Steering Department as of 1 March 2013.

The Board of Directors of eQ Plc decided on 14 February 2013, based on the authorisation by the Annual General Meeting of eQ held on 13 March 2012, to carry out a share issue against payment directed to certain key persons of the eQ Group. Through the share issue, a total of 145 000 new shares in the company were offered for subscription to key persons. The key persons sold their minority shareholdings in eQ Financial Products Ltd (previously Icecapital Financial Products Ltd), which is part of the eQ Group The purpose of the directed share issue was to enhance the key persons' commitment to the company.

On 14 February 2013, eQ Plc's Board of Directors decided to issue to Veli-Pekka Heikkinen 200 000 option rights in accordance with eQ Plc's option scheme 2010. Veli-Pekka Heikkinen, D.Sc. (Econ.) was appointed Head of Portfolio Management at eQ Asset Management Ltd on 14 February 2013.

The Annual General Meeting of eQ Plc was held on 26 March 2013.

eQ Asset Management Ltd acquired the entire share capital of Finnreit Fund Management Company Ltd through a deal that was carried out on 30 September 2013. eQ Asset Management Ltd had previously owned 50 per cent and the company management 50 per cent of the company. The sellers and key persons of Finnreit Fund Management Company Ltd joined eQ Asset Management Ltd.

The eQ PE VI North investment programme, established and managed by eQ, grew to EUR 64 million on 1 October 2013, when the eQ PE VI North Fund had its first close. The investment programme consists of a

EUR 30 million programme launched in Q2 2013 for a local institutional investor, and a EUR 34 million fund, eQ PE VI North LP. eQ Plc made an investment commitment of EUR 3.0 million in the eQ PE VI North Fund in connection with the first close.

Group net sales and result development

Icecepital Asset Management Ltd and its subsidiaries, which eQ Group acquired on 19 November 2012, have been consolidated with the Group since the acquisition. On 30 September 2013, eQ increased its holding in Finnreit Fund Management Company Ltd from 50 to 100 per cent. Finnreit Fund Management Company has been consolidated with the Group's result as a subsidiary from 1 October 2013. Due to the acquisitions, the comparison figures of the interim report are not comparable.

During the financial period, the consolidated net revenue totalled EUR 18.8 million (EUR 16.3 million from 1 Jan. to 31 Dec. 2012). Fee and commission income increased from the comparison period due to the acquisition of Icecapital Asset Management Ltd and Finnreit Fund Management Company Ltd. The Group's net fee and commission income rose to EUR 15.4 million (EUR 11.3 million). On the other hand, the income from own investment operations fell from the comparison period. The net investment income was EUR 3.4 million (EUR 5.1 million), including a write-down of EUR 1.1 million (EUR 1.0. million) with a result impact.

The Group's expenses and depreciation totalled EUR 13.8 million (EUR 11.6 million). Personnel expenses were EUR 8.1 million (EUR 6.5 million), other administrative expenses totalled EUR 2.3 million (EUR 2.0 million) and the other operating expenses were EUR 2.1 million (EUR 1.9 million). Depreciation was EUR 1.4 million (EUR 1.2 million), including EUR 1.1 million (EUR 0.9 million) in depreciation of customer agreements allocated to intangible assets in connection with corporate acquisitions. The result of the financial year 2012 comprises non-recurring expenses totalling EUR 1.1 million resulting from a corporate acquisition and the termination of employment relationships.

The Group's operating profit was EUR 4.9 million (EUR 4.7 million). The profit for the financial period was EUR 3.4 million (EUR 3.4 million).

” eQ Asset Management offers versatile and innovative asset management services to both institutions and individuals

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 its subsidiaries, the most important of which is eQ Fund Management Company Ltd.

Mutual funds and asset management

The business operations of eQ Asset Management were expanded considerably towards the end of 2012, as it acquired the asset management business of Icecapital. In 2013, the organisations have been combined, the domestic fund range has been renewed and the portfolio management, risk management and reporting systems have been integrated. In connection with the integration, the company launched at the beginning of March a system project that introduced a new, unified and functionally efficient system platform. The project was completed by the end of the year, and further development will continue in 2014.

At the end of 2013, eQ Asset Management had 34 mutual funds. The yields of the fixed-income funds were among the best in the market in 2013 as well. Among the equity funds, the best relative yield was given by our emerging market equity funds as well as funds making investments in Europe. The eQ Finland equity fund fell short of its benchmark index but gave an excellent return exceeding 20 per cent in 2013. As for the US and Japan, we mainly use Vanguard's effective index funds.

The best-performing fund of the year was the Emerging Markets Dividend Fund, which grew from about EUR 70 million to almost EUR 160 million. The fund is one of the best funds world-wide making investments in global emerging markets, and its yield exceeded that of the benchmark index by more than 15 percentage points in 2013.

Private equity

eQ Asset Management's private equity position was further consolidated in 2013. The Amanda V East private equity fund managed by eQ held its final close on 31 January 2013 on EUR 50.0 million, and its investment operations have began well.

On 1 October 2013, eQ launched a new fund called eQ PE North VI, which will make investments in private equity funds that make investments in small and mid-sized companies in Northern Europe. The total investment capacity of the parallel investment programme and fund is at the moment EUR 64 million, and the investment operations of the fund have had an exceptionally good start thanks to a secondary market transaction made in it.

Real estate investments

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The size of the eQ Care fund grew during the year to more than EUR 80 million, and its investment capacity exceeds EUR 160 million. At the moment, the fund has 37 objects in its portfolio. The return of the first whole operating year was 12.1 per cent. The fund accepts subscriptions four times a year and redemptions twice a year.

Assets under management and clients

At the end of the financial year, the assets managed by eQ Asset Management totalled EUR 6 700 million, which is an increase by 6 per cent from the year before (EUR 6 294 million on 31 Dec. 2012). The increase was influenced by the rise of market values and net sales. At the end of the period under review, the assets managed by mutual funds registered in Finland totalled EUR 1 151 million (EUR 1 056 million on 31 Dec. 2012). Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 2 846 million (EUR 2 587 million). The assets managed under private equity funds and asset management totalled EUR 2 704 million (EUR 2 651 million). EUR 1 414 million (EUR 1 283 million) of these assets were covered by the reporting service.

The position of eQ Asset Management in the market for institutional investors improved according to the so-called SFR study that covers approximately 100 major institutional investors in Finland. According to the study, almost 40 per cent of these use eQ's services, and based on information about euro-denominated market shares, eQ is the fourth largest asset manager in Finland for institutional investors.

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by 51 per cent and the operating profit by 244 per cent on the previous year. We assess that net synergy benefits exceeding EUR 2 million related to the acquisition of Icecapital were realized at annual level according to expectations. The number of personnel in the segment was 59 at the end of the period.

During the financial period, eQ closed its asset management offices in Sweden and Denmark. The decision is not expected to have any impact on the Group result. In future, eQ will carry out asset management operations in Denmark through a local partner.

Asset Management	1-12/2013	1-12/2012	Change
Net revenue, EUR million	13.6	9.0	51%
Operating profit, EUR million	3.1	0.9	244%
Assets under management, EUR billion	6.7	6.3	6%
Personnel	59	81	-27%

The result of Icecapital Asset Management companies has been consolidated with the income statement of eQ Group and the Asset Management segment from 20 November 2012 and Finnreit Fund Management Company from 1 October 2013.

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.

The year 2013 was challenging for Advium, as was the previous year. Even though the M&A market can still be described as cautious and slow, certain signs of market improvements started to emerge in the last quarter of 2013. During the financial year, Advium acted as advisor in seven transactions that were carried out.

In the first quarter, Advium acted as advisor for the seller, when Laura Properties B.V. sold Kilo Health Clinic located in Espoo to Mutual Pension Insurance Company Ilmarinen. In the second quarter, Advium acted as financial advisor as the Finnish Ministry of Employment and the Economy tried to arrange financing for the TUI ships to be built at STX Finland's Turku docks. In addition, Advium acted as advisor for the seller, as Dextra Oy sold its medical centre property in Munkkivuori, Helsinki to Fennia Life insurance company. In the third quarter Advium acted as financial advisor of the seller as Treston Oy concentrated on its core business and sold Hexaplan Oy to Lounais-Suomen Logistiikka Oy. In the last quarter of the year, Advium acted as Pöyry Plc's advisor when it sold its headquarters in Vantaa, Finland, to a fund managed by Niam. In addition, Advium acted as financial advisor of the buyer, as Governia Oy bought of VR Group and the telecommunications operator TDC Oy Finland the entire share capital of Corenet Ltd. Just before Christmas, Advium acted as advisor for the Finnish Ministry of Employment and the Economy, when the government private equity investment company Industry Investment Ltd acquired a 66.4 per cent share of Aker Arctic Technology Ltd.

In 2013, Advium Corporate Finance was once more elected the best investment bank in Finland in the real estate sector in an inquiry by the renowned Euromoney magazine. Advium has been elected the best transaction advisor or investment bank in the real estate sector seven times since 2005 in Euromoney's annual inquiry.

The number of personnel in the Corporate Finance segment remained unaltered during the period under review and was 13 at the end of December.

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

Corporate Finance	1-12/2013	1-12/2012	Change
Net revenue, EUR million	2.2	2.6	-18%
Operating profit, EUR million	0.4	0.7	-46%
Personnel	13	13	0%

Investments

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

During the financial year, the net revenue of the Investments segment totalled EUR 3.0 million (EUR 4.7 million from 1 Jan. to 30 Dec. 2012). At the end of the period, the fair value of the private equity fund investments was EUR 30.6 million (EUR 38.7 million on 30 December 2012). As for private equity investments, the amount of the remaining investment commitments was EUR 11.2 million (EUR 10.8 million). During the financial year, eQ Plc made a EUR 3.0 million investment commitment in the eQ PE VI North Fund. The investment objects returned capital for EUR 8.9 million (EUR 5.7 million) and distributed a profit of EUR 4.5 million (EUR 6.2 million) during the financial period. Capital calls totalled EUR 3.0 million (EUR 4.3 million). The net cash flow from the investments during the period was consequently EUR 10.4 million (EUR 7.6 million). A write-down of EUR 0.6 million (EUR 0.0) with result impact was recorded in the second quarter and a write-down of EUR 0.5 million (EUR 1.0 million) in the last quarter.

The largest exits and cash flows in 2013 were:

- The exit of the Triton II Fund from the producer of chemical raw materials Rütgers. The company was sold to the Indian Rain Commodities. The cash flow generated for eQ in the first quarter was EUR 1.8 million.
- The exit of EQT IV Fund from a company called Gambro. The company was sold to an industrial buyer Baxter International. Gambro is a global service provider of products and care related to kidney disease. The exit generated a cash flow of about EUR 1.0 million to eQ in the third quarter.
- The exit of the EQT V Fund from a company called Springer. The company was sold to another private equity investor BC Partners. The company is a publisher of magazines in science, technology, and health care. The exit generated a cash flow of EUR 1.0 to eQ in the third quarter.
- The exit of the Montagu III Fund from a company called Host. The company was sold to another private equity investor Cinven. The company is a provider of web hosting services. The exit generated a cash flow of EUR 0.8 to eQ in the third quarter.
- eQ's cash flow from the Amanda III fund in the last quarter of the year was EUR 1.4 million. The Amanda III fund has made its investments in other private

equity funds that make investments in Russia and Eastern Europe.

As for the income from own investment operations, eQ Group's net revenue is recognised for eQ in different quarters due to factors independent of the company. Due to this segment's result may vary considerably. eQ has made a decision that it will only make new investments in funds managed by eQ in future.

Investments	1-12/2013	1-12/2012	Change
Net revenue, EUR million	3.0	4.7	-35%
Operating profit, EUR million	3.0	4.7	-35%
Fair value of investments, EUR million	30.6	38.7	-21%
Investment commitments, EUR million	11.2	10.8	4%

Balance sheet and financial position

At the end of the financial year, the consolidated balance sheet total was EUR 77.7 million (EUR 84.3 million on 31 Dec. 2012). At the end of the period, eQ Plc's shareholders' equity was EUR 71.8 million (EUR 73.6 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 3.4 million, the change in the fair value reserve of EUR -1.1 million, a directed share issue of EUR 0.3 million and the dividend distribution of EUR -4.4 million.

At the end of the period, liquid assets and interest-bearing receivables totalled EUR 11.3 million (EUR 10.7 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 6.0 million. At the end of the financial period, the Group had no interest-bearing liabilities (EUR 4.0 million). At the end of the period, interest-free long-term debt was EUR 1.4 million (EUR 0.9 million) and interest-free short-term debt EUR 4.4 million (EUR 5.8 million). eQ's equity to assets ratio was 92.4 % (87.3%).

In the first quarter, eQ paid an additional sales price in connection with the deal on Icecapital Asset Management Ltd concluded in November 2012. The additional sales price based on the acquired final net assets was EUR 0.2 million. This sum was allocated to goodwill in intangible assets.

The Group increased its holding in eQ Financial Products Ltd from 51 to 100 per cent in February 2013. The acquisition cost of the ownership share was EUR 0.4 million. The net assets of eQ Financial Products Ltd at the time of the acquisition were EUR 0.7 million and the net assets allocated to the acquired share EUR 0.4 million. eQ Financial Products Ltd was merged with eQ Asset Management Ltd in June 2013. In addition, the Group increased its holding in eQ Asset Management Denmark A/S from 85 to 100 per cent in October 2013. The acquisition cost of the ownership share acquired was EUR 0.0 million. The net assets of eQ Asset Management Denmark A/S at the time of the acquisition were EUR -0.3 million and the net assets allocated to the acquired share EUR -0.0 million. The difference between the acquisition costs of eQ Financial Products Ltd and eQ Asset Management Denmark A/S and the net assets of the acquired ownership shares was EUR 0.1 million, which was allocated to the Group's retained earnings.

Major risks and short-term uncertainties associated with the operations

The single major risk of the Group is the dependence of the operating income on the changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is highly dependent of the development of the capital market. The management fees of private equity funds are based on long-term agreements that produce a stable cash flow, however. Success fees, which depend on the number of mergers and acquisitions and real estate 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 associated with eQ Group's own investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. The company's own investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the yield of the investments is often small. The income from eQ Group's own investment operations is recognised for eQ in different quarters due to factors independent of the company, depending on the exits from private equity funds. The income from investment operations may vary considerably from quarter to quarter. The company has made a decision that it will only make new private equity investments in funds managed by eQ in future.

The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the surplus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The capital calls and exits from target companies of private equity funds have a major impact on liquidity. In order to ensure the availability of financing, the Group has access to a credit limit.

Board of Directors, Management Team, CEO and auditor

eQ Plc's Annual General Meeting held on 26 March 2013 re-elected the following persons to the Board: Ole Johansson, Christina Dahlbom, Georg Ehrnrooth and Jussi Seppälä. Nicolas Berner was elected new member. The Board appointed Ole Johansson Chairman of the Board at its constituting meeting. eQ Plc's Board had 6 meetings during the financial period 2013, average attendance being 97%.

During the financial period 2013, eQ Group's Management Team has consisted of the following persons:

- Janne Larma, CEO of eQ Plc
- Staffan Jåfs, Director, Private Equity, eQ Asset Management Ltd
- Mikko Koskimies, CEO of eQ Asset Management Ltd
- Lauri Lundström, Director, Administration, eQ Plc
- Juha Surve, Group General Counsel, eQ Plc

The company's CEO was Janne Larma. The company auditor was Ernst & Young Oy, a firm of authorized public accountants, with Ulla Nykky, APA, as auditor with main responsibility.

Personnel

At the end of the period, the number of Group personnel was 82 (103 on 31 December 2012). The Asset Management segment had 59 (81) employees, the Corporate Finance segment 13 (13) employees and the Investments segment 1 (1) employee. Group administration had 9 (8) employees. The personnel of the Asset Management segment comprises three persons with fixed-term employment and that of Group administration one person. Of the personnel, 79 persons (99) worked in Finland and 3 persons (4) in other Scandinavian countries.

As a result of the co-determination negotiations concerning the entire personnel conducted by eQ Plc's subsidiaries eQ Asset Management Ltd, eQ Fund Management Company Ltd, Icecapital Asset Management Ltd and Icecapital Fund Management Company Ltd in November 2012, the company agreed with 18 persons on the termination of their employment at the beginning of 2013. The aim of the plan handled during the negotiations was to remove overlapping functions generated through the acquisition of Icecapital Asset Management Ltd and its subsidiaries and to improve the Group's competitiveness by adapting costs.

The overall salaries paid to the employees of eQ Group during the financial period totalled EUR 8.1 million (EUR 6.5 million from 1 Jan. to 31 Dec. 2012). Due to the acquisitions of Icecapital Asset Management Ltd and Finnreit Fund Management Company Ltd, the information on overall salaries in 2013 and 2012 is not comparable.

Loans to related parties

eQ Plc's receivables from related parties have been described under item 33 (Related party transactions) of the Notes to the Financial Statements.

eQ Plc's share

Authorisations

The Annual General Meeting held on 26 March 2013 authorised the Board of Directors to decide on the repurchase of no more than 1 000 000 company shares, which can be repurchased otherwise than in proportion to the shareholdings of the shareholders, with assets from the company's unrestricted equity. Shares will be purchased at the market price in public trading on NASDAQ OMX Helsinki at the time of purchase. The number of shares corresponded to approximately 2.76 per cent of all shares in the company. Own shares may be repurchased in order to develop the company's capital structure, to finance or carry out corporate acquisitions or other business transactions, or as part of the company's incentive scheme. The repurchased shares may be held by the company in order to fulfil above mentioned purposes, transferred further or annulled. The Board of Directors shall decide on all other matters related to the repurchase of own shares. The authorisation cancels all previous authorisations to repurchase the company's own shares and is effective until the following Annual General Meeting.

In addition, the AGM held on 26 March 2013 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, comprising a maximum of 5 000 000 shares. The amount corresponded to approximately 13.76 per cent of all company shares. The authorisation is to be used in order to finance or carry out potential corporate acquisitions or other business transactions, to consolidate the balance sheet and 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 the terms of 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 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 in a manner that deviates from the shareholders' pre-emptive rights, as described in the Limited Liability Companies' Act. A share issue may also be executed without consideration, in accordance with the preconditions set out in the Limited Liability Companies' Act. The authorisation cancels all previous authorisations to decide on share issues, and it will be effective until the following AGM.

” In 2013, Advium Corporate Finance was once more elected the best investment bank in Finland in the real estate sector

Shares and share capital

The Board of Directors of eQ Plc decided on 14 February 2013, based on the authorisation by the Annual General Meeting of eQ held on 13 March 2012, to carry out a share issue against payment directed to certain key persons of the Group. In the share issue, a total of 145 000 new shares in the company were offered for subscription to key persons deviating from the shareholders' pre-emptive subscription right.

The subscription price was EUR 2.01 per share. The volume-weighted average price of the company's share on NASDAQ OMX Helsinki Ltd for the period of 20 consecutive trading days before the Board meeting that decided on the personnel issue was EUR 2.23 per share. Thus, the discount in the issue was about EUR 0.22 for each share i.e. 10 per cent. The entire subscription price of the new shares was entered into eQ's reserve for invested unrestricted equity. A subscriber does not have the right to assign the subscribed shares before 14 February 2014, and if the subscription exceeds 20 000 shares, not before 14 February 2016.

Based on the share issue, the number of eQ shares grew from 36 297 198 to 36 442 198 shares. The shares were entered in the Trade Register on 28 February 2013. The share capital did not change as a result of the share issue. The share capital was EUR 11 383 873 on 31 December 2013.

Option rights

At the end of the period, eQ Plc had one option scheme. The option scheme is intended as part of the incentive and commitment system of the Group's key employees.

On 14 February 2013, eQ Plc's Board of Directors decided to issue to Veli-Pekka Heikkinen 200 000 option rights in accordance with eQ Plc's option scheme 2010 (50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options). Veli-Pekka Heikkinen, D.Sc. (Econ.), was appointed Head of Portfolio Management at eQ Asset Management Ltd on 14 February 2013.

At the end of the period under review, altogether 1 700 000 options had been allocated. Based on the authorisation given to the Board on 14 April 2010 by the Annual General Meeting, there were 30 000 options still available for allocation at the end of the period. The terms and conditions of the option scheme have been published in a stock exchange release of 18 August 2010, and they can be found in their entirety on the company website at www.eQ.fi.

Own shares

At the end of the financial period on 31 December 2013 eQ Plc held no own shares.

Other information on the share

The following information on the company share is found in the Notes to the Financial Statements: distribution of holdings, information on considerable holdings and votes, the holdings of the company management and directors, and the number of company shares and share types.

Corporate governance

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association in June 2010. The entire Code is available on the website of the Securities Market Association at www.cgfinland.fi.

Proposal for the distribution of profits

The distributable means of the parent company on 31 December 2013 totalled EUR 57.0 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.15 per share be paid out on the record date 1 April 2014. The proposal corresponds to a dividend totalling EUR 5 466 329.70 calculated with the number of shares at the end of the financial year. The Board proposes that the dividend payment date is 8 April 2014.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

Events after the financial period

The business operations of the Group's subsidiary Finnreit Fund Management Company Ltd were transferred with a business transfer to another subsidiary, eQ Fund Management Company Ltd on 1 January 2014.

In the Investments segment, private equity funds in which eQ has made investments have announced exits that have not been realised during the financial period. If the announced exits will be carried out according to plan, the cash flow from the exits that eQ will receive after the financial period, in the first or second quarter of 2014, is estimated to be about EUR 1.4 million, of which the estimated distribution of profits accounts for about EUR 0.0 million.

After the end of the financial period, Advium acted as advisor for Sanoma in the sale of its printing facility and office properties located in Vantaankoski, Finland. The buyer is Swedish AB Sagax. This was one of the largest sales of industrial property in Finland ever.

Outlook

The asset management business introduced the year 2014 from good preconditions. The strong sales during the last months of the year combined with the favourable outlook for new sales give trust in the growth of yields. Based on the beginning of the year, Advium's outlook is also encouraging. As a result, we believe that the result of the client operations, i.e. the Asset Management and Corporate Finance segments, will improve significantly from 2013. The result of the Investments segment depends, on the other hand, mainly on factors that the company cannot influence, due to which the result of the segment may vary considerably and is difficult to forecast.

Helsinki, 14 February 2014

eQ Plc
Board of Directors

KEY RATIOS, CONSOLIDATED

INCOME STATEMENT EUR 1 000	2013	2012	2011	2010	2009
Fee and commission income, net	15 401	11 266	9 327	3 972	4 295
Net income from available-for sale financial assets	3 430	5 080	6 482	1 136	-5 331
Net revenue	18 767	16 295	15 808	5 108	-1 036
Operating profit	4 929	4 668	7 234	1 829	-4 489
% of turnover	26.3	28.6	45.8	35.8	433.2
Profit (loss) before	4 857	4 632	6 932	1 205	-4 662
% of turnover	25.9	28.4	43.9	23.6	449.9
PROFIT (LOSS) FOR THE PERIOD	3 414	3 386	4 942	834	-2 555

BALANCE SHEET EUR 1 000					
Claims on credit institutions and liquid assets	9 982	9 389	10 540	4 112	3 741
Available-for-sale financial assets	30 652	39 106	42 633	40 625	30 769
Intangible and tangible assets	31 236	29 312	19 470	4 623	5 348
Other assets and receivables	5 783	6 513	1 378	2 125	3 574
TOTAL ASSETS	77 653	84 319	74 020	51 486	43 432
Total equity	71 790	73 604	69 684	44 229	38 968
Non-interest-bearing liabilities	5 863	6 677	4 336	1 456	1 464
Interest-bearing liabilities	-	4 038	-	5 800	3 000
TOTAL LIABILITIES AND EQUITY	77 653	84 319	74 020	51 486	43 432

2013

PROFITABILITY AND OTHER KEY RATIOS	2013	2012	2011	2010	2009
Return on investment, ROI % p.a.	4.7	4.7	8.8	3.2	-5.4
Return on equity, ROE % p.a.	4.7	4.7	8.7	2.0	-6.4
Equity to asset ratio, %	92.4	87.3	94.1	85.9	89.7
Gearing, %	-14.0	-7.3	-15.2	3.8	-1.9
Private equity investment to equity ratio, %	42.6	52.6	61.0	91.8	79.0
Investment commitments to equity ratio, %	58.2	67.1	82.1	129.6	161.6
Number of personnel at period end	82	103	62	13	15
Number of personnel on average	82	70	50	14	15

SHARE RATIOS	2013	2012	2011	2010	2009
Earnings per average share, EUR	0.10	0.10	0.16	0.04	-0.12
Earning per share, diluted, eur	0.09	0.10	0.16	0.04	-0.12
Shareholders' equity per share, EUR	1.97	2.03	2.08	1.94	1.71
Shareholders' equity per average share, EUR 1)	1.97	2.21	2.25	1.99	1.76
Dividend EUR 1 000 2)	5 466	4 356	3 996	-	-
Dividend per share 2)	0.15	0.12	0.12	-	-
Dividend per result, % 2)	150.0	120.0	80.8	-	-
Effective dividend yield 2)	6.6	6.0	7.7	-	-
Price/earnings ratio, P/E	22.9	20.0	9.8	45.5	-14.9
Price development of share issue adjusted shares, EUR					
Average stock price	2.25	1.79	1.78	1.61	1.78
Highest stock price	2.51	2.10	1.90	1.95	2.20
Lowest stock price	1.98	1.49	1.34	1.37	1.40
Closing price	2.29	2.00	1.56	1.73	1.71
Market capitalisation EUR 1 000 3)	83 453	72 594	52 198	39 388	38 933
Share turnover 1 000 shs	2 031	6 107	3 354	3 007	1 173
% of total number of shares	5.6	18.3	10.8	13.2	5.2
Share turnover EUR 1,000	4 575	11 146	5 956	4 856	2 091
Share issue adjustment number of shares 1 000 shs					
Average during the period	36 419	33 335	30 983	22 768	22 768
At period end	36 442	36 297	33 460	22 768	22 768

1) The weighted average number of shares outstanding during the period has been used in calculation of the ratio.
2) The proposal of the Board of Directors for the dividend.
3) Closing price and volume of the trading day has been used in calculation of the ratio.

CALCULATION OF KEY RATIOS

RETURN ON INVESTMENT, ROI (%)

$$100 \times \frac{\text{profit or loss + finance expense}}{\text{equity + interest - bearing financial liabilities (average)}}$$

DIVIDEND PER EARNINGS (%)

$$100 \times \frac{\text{dividend per share}}{\text{earnings per share}}$$

RETURN ON EQUITY, ROE (%)

$$100 \times \frac{\text{profit or loss}}{\text{equity (average)}}$$

EFFECTIVE DIVIDEND YIELD (%)

$$100 \times \frac{\text{dividend per share}}{\text{adjusted closing share price at 31. Dec.}}$$

EQUITY TO ASSETS RATIO (%)

$$100 \times \frac{\text{equity}}{\text{balance sheet total - advances received}}$$

PRICE/EARNINGS RATIO, P/E

$$\frac{\text{adjusted closing share price at 31. Dec.}}{\text{earnings per share}}$$

GEARING (%)

$$100 \times \frac{\text{interest bearing liabilities - current investments - cash in hand and at bank}}{\text{equity}}$$

MARKET CAPITALISATION

number of shares at 31. Dec. x closing share price at 31. Dec.

EARNINGS PER SHARE, EPS

$$\frac{\text{profit or loss for the financial period attributable to parent company share holders}}{\text{adjusted average number of shares}}$$

TURNOVER (%)

$$100 \times \frac{\text{number of shares traded during the financial period}}{\text{average number of shares during the financial period}}$$

SHAREHOLDERS' EQUITY PER SHARE

$$\frac{\text{shareholders' equity}}{\text{adjusted number of shares at balance sheet date}}$$

PRIVATE EQUITY INVESTMENTS TO EQUITY RATIO (%)

$$100 \times \frac{\text{private equity investments}}{\text{shareholders' equity}}$$

DIVIDEND PER SHARE

$$\frac{\text{dividend for the financial period}}{\text{adjusted number of shares at balance sheet date}}$$

PRIVATE EQUITY COMMITMENTS EQUITY RATIO (%)

$$100 \times \frac{\text{private equity investments + remaining commitments}}{\text{shareholders' equity}}$$

INCOME STATEMENT, CONSOLIDATED

EUR 1 000	Note no.	2013	2012
Fee and commission income	7	15 670	11 435
Net income from foreign exchange dealing	8	-24	4
Intrest income	9	28	30
Net income from available-for-sale financial assets	10	3 430	5 080
Operating income, total		19 105	16 548
Fee and commission expenses	11	-269	-209
Interest expenses	12	-69	-44
NET REVENUE		18 767	16 295
Administrative expenses	13		
Personnel expenses		-8 052	-6 509
Other administrative expenses		-2 263	-1 952
Depreciation on tangible and intangible assets	14	-1 388	-1 246
Other operating expenses	15	-2 135	-1 920
OPERATING PROFIT (LOSS)		4 929	4 668
Share of associated companies' results		-71	-35
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES		4 857	4 632
Income tax	16	-1 443	-1 247
PROFIT (LOSS) FOR THE PERIOD		3 414	3 386
Other comprehensive income:			
Items that may be reclassified subsequently to the income statement:			
Available-for-sale financial assets, net		-1 083	-938
Transaction differencies		15	-5
Other comprehensive income after taxes		-1 068	-943
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2 346	2 443
Profit for the period attributable to:			
Equity holders of the parent company		3 487	3 364
Non-controlling interest		-73	22
Comprehensive income for the period attributable to:			
Equity holders of the parent company		2 419	2 421
Non-controlling interest		-73	22
Earnings per share calculated from the profit of equity holders of the parent company:	17		
Earnings per average share, EUR *)		0.10	0.10
Diluted earnings per share, EUR		0.09	0.10

BALANCE SHEET, CONSOLIDATED

EUR 1 000	Note no.	31 Dec. 2013	31 Dec. 2012
ASSETS			
Liquid assets		28	33
Claims on credit institutions	18	9 955	9 356
Claims on the public and public sector entities	19	1 300	1 336
Available-for-sale financial assets	20, 28-30		
Financial securities		51	50
Private equity investments		30 600	38 691
Shares in associated companies	20	-	365
Intangible assets	21	31 120	29 174
Tangible assets	21	116	138
Other assets	22	2 214	3 582
Accruals and prepaid expenditure	23	1 647	1 248
Income tax receivables		96	289
Deferred tax assets	24	527	57
TOTAL ASSETS		77 653	84 319
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions		-	4 000
Other liabilities	25	2 618	2 680
Accruals and deferred income	26	2 382	3 076
Income tax liabilities		131	84
Deferred tax liability	24	732	875
TOTAL LIABILITIES		5 863	10 715
EQUITY	31		
Share capital		11 384	11 384
Fair value reserve		-2 567	-1 484
Translation difference		10	-5
Reserve for invested unrestricted equity		52 167	51 875
Retained earnings		7 654	8 394
Profit (loss) for the period		3 487	3 364
Attributable to non-controlling interests		-345	77
TOTAL EQUITY		71 790	73 604
TOTAL LIABILITIES AND EQUITY		77 653	84 319

CONSOLIDATED CASH FLOW STATEMENT

EUR 1 000	2013	2012
CASH FLOWS FROM OPERATIONS		
Operating profit	4 929	4 668
Depreciation and amortisation	2 438	2 234
Financial income and expenses	41	14
Operations without cash payment	337	131
Investments available for sale, change	5 883	1 617
Change in working capital		
Business receivables, increase (-) decrease (+)	1 473	-2 490
Interest-free debt, increase (+) decrease (-)	-1 722	324
Total change in working capital	-248	-2 166
Cash flows from operations before financial items and taxes	13 379	6 498
Interests received	28	30
Interests paid	-69	-44
Taxes	-1 870	-1 832
CASH FLOWS FROM OPERATIONS	11 468	4 652
CASH FLOWS FROM INVESTMENTS		
Acquisition of shares in associated companies	-	-400
Acquisition of subsidiaries excluding acquired cash	-1 932	-10 649
Investments to intangible and tangible assets	-438	-1
INVESTING ACTIVITIES IN INVESTMENTS	-2 370	-11 051
CASH FLOWS FROM FINANCING		
Dividends paid	-4 411	-3 996
Income from share issues	291	5 244
Loans obtained	-	4 000
Repayments of loans	-4 000	-
Changes in subsidiary holdings	-386	-
CASH FLOWS FROM FINANCING	-8 505	5 248
INCREASE/DECREASE IN LIQUID ASSETS	593	-1 150
Liquid assets 1 Jan.	9 389	10 540
Liquid assets 31 Dec.	9 982	9 389

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

1 000 EUR	Share Capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Share of non-controlling interest	Total shareholders' equity
Shareholders' equity on 1 Jan. 2013	11 384	51 875	-1 484	-5	11 758	73 528	77	73 604
Comprehensive income								
Profit (loss) for the period					3 487	3 487	-73	3 414
Other comprehensive income								
Available for sale financial assets			-1 083			-1 083		-1 083
Translation differences				15		15		15
Total comprehensive income			-1 083	15	3 487	2 419	-73	2 346
Acquisition of own share					-4 411	-4 411		-4 411
Share issue		291				291		291
Options granted					338	338		338
Other changes					-31	-31		-31
Changes in subsidiary holdings							-348	-348
Shareholders' equity on 31 Dec. 2013	11 384	52 167	-2 567	10	11 141	72 135	-345	71 790

1 000 EUR	Share Capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Share of non-controlling interest	Total shareholders' equity
Shareholders' equity on 1 Jan. 2012	11 384	46 631	-546	-	12 215	69 684	-	69 684
Comprehensive income								
Profit (loss) for the period					3 364	3 364	22	3 386
Other comprehensive income								
Available for sale financial assets			-938			-938		-938
Translation differences				-5		-5		-5
Total comprehensive income			-938	-5	3 364	2 421	22	2 443
Dividend distribution					-3 996	-3 996		-3 996
Share issue		5 244				5 244		5 244
Options granted					140	140		140
Other changes					35	35		35
Changes in subsidiary holdings							55	55
Shareholders' equity on 31 Dec. 2012	11 384	51 875	-1 484	-5	11 758	73 528	77	73 604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES FOR PREPAIRING THE CONSOLIDATED FINANCIAL STATEMENTS

Main operations

eQ Plc is a Finnish public limited company founded under Finnish law. The domicile of the company is Helsinki, Finland. eQ Plc and its subsidiaries form eQ Group (”eQ” or ”the Group”). The parent company eQ Plc’s shares are listed on NASDAQ OMX Helsinki. eQ Group is a group of companies that concentrates on asset management and corporate finance operations. eQ Asset Management offers versatile asset management services to institutions and private individuals. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

A copy of the consolidated financial statements is available on the company website at www.eq.fi and at the head office of the parent company, address Mikonkatu 9, Helsinki.

The consolidated financial statements have been prepared for the 12-month period 1 January to 31 December 2013. The Board of Directors of eQ Plc has approved the consolidated financial statements for publication on 14 February 2014. According to the Finnish Limited Liability Companies Act, the Annual General Meeting shall have the right to adopt, reject or amend the financial statements after their publication.

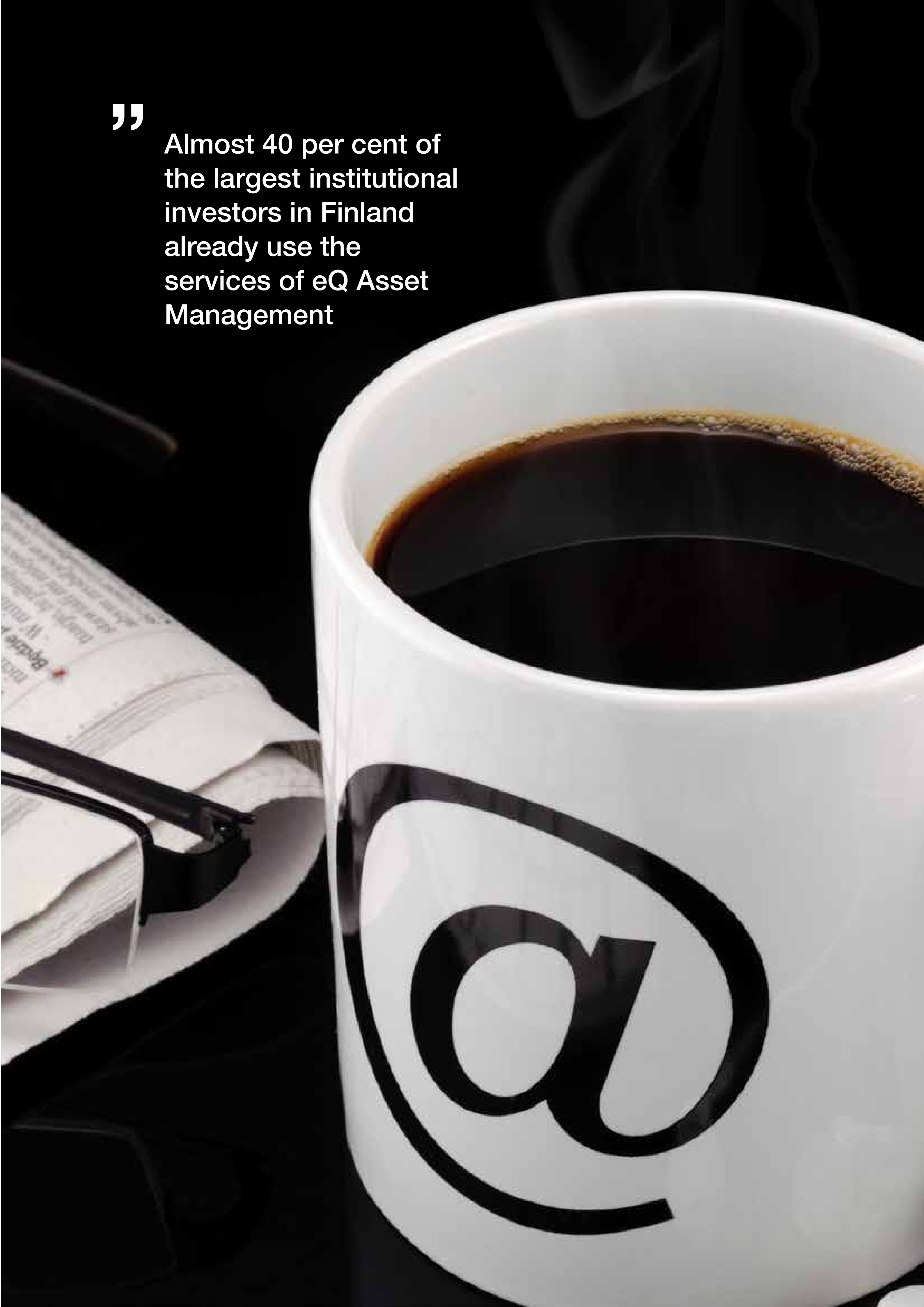
Principles for preparing the financial statements

eQ Plc’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, approved by the EU, and the IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2013 have been applied when preparing the statements.

From the beginning of the financial period 2013, the Group has changed the way of presenting the Group’s IFRS income statement and balance sheet in a manner allowed by IFRS. From the beginning of 2013, the Group presents the income statement and balance sheet in the manner commonly used by investment firms. The manner of presentation was changed, as the main emphasis of the Group’s business lies on investment firm operations. The comparison figures of the financial statements have been regrouped according to the new manner of presentation. The change in the manner of presentation does not have any impact on the figures presented now or earlier, as the changes only relate to the way of grouping income statement and balance sheet items.

The Group has applied the following new and amended standards and interpretations from 1 January 2013:

- Amendment to IAS 19 Employee benefits (effective from 1 January 2013 or from financial periods that begin thereafter). The amended standard contains several amendments that aim at unifying the recognition of pension benefits and improving comparability. In addition, the changes to disclosure will improve the comparability of financial statements and give a clearer picture of the financial commitments related to benefit arrangements. The amendment has not had any impact on the consolidated financial statements.
- Amendment to IAS 1. Presentation of Financial Statements (effective from 1 July 2012 or from financial periods beginning after said date). The main amendment is the requirement on the grouping of items of other comprehensive income that are in certain circumstances reclassified subsequently to profit or loss. The amendment does not change the nature of the items that are currently recognised in other comprehensive income, nor does it have an impact on the determination as to whether items in other comprehensive income are reclassified through profit or loss in future periods. The amendment had an impact on the manner of presenting the Group’s other comprehensive income.
- IFRS 13 Fair value measurement (effective from 1 January 2013 or from financial periods that begin thereafter). The aim is to improve consistency and reduce complexity, by providing a precise definition of fair value and a single source of fair value measurement and the required notes. The use of fair value is not expanded but instructions on its definition are given in situations where its use is allowed or it has been required in some other standard. The Group assesses that the amendment has not had any significant impact on the consolidated financial statements.
- Amendment to IFRS 7 Financial instruments: disclosures (effective from 1 January 2013 or from financial periods that begin thereafter). The amendment specifies the requirements on the notes that apply to financial instruments the net amounts of which are presented on the balance sheet as well as general netting arrangements or similar agreements. The Group assesses that the amendment has not had any significant impact on the consolidated financial statements.
- IFRIC 20 Stripping costs in the production phase of a surface mine (effective from 1 January 2013 or from financial periods that begin thereafter). The amendment has not had any impact on the consolidated financial statements.



” Almost 40 per cent of the largest institutional investors in Finland already use the services of eQ Asset Management

- Annual improvements to IFRSs 2009–2011, May 2012, effective from 1 January 2013 or from financial periods that begin thereafter). Through the annual Improvements procedure, minor and non-urgent amendments are gathered into one entity and executed once a year. The amendments apply to five standards. The impacts of the changes vary by standard, but they have not had any significant impact on the consolidated financial statements.

Use of estimates

Preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amount of assets and liabilities in the balance sheet at the time of preparation, the reporting of contingent assets and liabilities, and the amount of profits and costs during the reporting period. The estimates are based on the management's current best view, but it is possible that the outcome differs from the values used in the financial statements.

Consolidation principles

The consolidated financial statements comprise all Group and associated companies. Subsidiaries are companies over which the Group exercises control (more than 50% of voting rights or otherwise control). Control means the right to decide over the principles of the company's finances and business in order to obtain benefit.

The Group's internal holding has been eliminated by using the acquisition method. Acquired subsidiaries are consolidated from the moment the Group has gained control and transferred subsidiaries until control is terminated. The subsidiaries have been consolidated with the parent company by using the acquisition method. Non-controlling interests are shown as a separate item in the income statement and in the balance sheet in connection with shareholders' equity, on a separate line. All internal transactions, receivables, debts and the internal distribution of profits have been eliminated in the financial statements.

An associated company is a company over which the Group exercises significant influence (more than 20% of the votes) but not control. Such companies have been consolidated by using the proportional method, according to which the investment in the associated company is entered in the balance sheet at original acquisition cost. The acquisition cost is adjusted with changes that have taken place after the acquisition in the Group's share of the associated company's net assets and with possible impairment. The share of the Group in the associated companies' results, based on the holding, is entered as a separate item in the income statement, after operating profit.

The consolidated financial statements comprise the parent company eQ Plc and all the following subsidiaries:

- eQ Asset Management Ltd
- eQ Fund Management Company Ltd
- Finnreit Fund Management Company Ltd (associated company till 30 Sept. 2013)
- eQ Life Ltd
- eQ Asset Management Norway AS
- eQ Asset Management Sweden AB
- eQ Asset Management Denmark A/S
- Advium Corporate Finance Ltd
- Amanda GP I and II Ltd
- Amanda III Eastern GP Ltd
- Amanda IV West GP Ltd
- Amanda V East GP Ltd
- eQ PE VI North GP Ltd
- Nordic Venture Partners Limited
- Nordic Venture Managers Limited
- Proventure Scotland GP
- European Fund Investment II Limited GP

During the financial period 2013, eQ Asset Management Ltd increased its holding in Finnreit Fund Management Company Ltd from 50 to 100 per cent on 30 September 2013. Finnreit Fund Management Company Ltd has been consolidated with eQ Group as subsidiary from 30 September 2013. Finnreit Fund Management Company Ltd was eQ Group's associated company during the period 12 September 2012 to 30 September 2013. During the financial period 2012, eQ Plc acquired Icecapital Asset Management Ltd and its fully owned subsidiaries on 19 November 2012. The acquired companies have been consolidated since acquisition.

Segment reporting

eQ Plc's operating segments are Asset Management, Corporate Finance and Investments. Segment reporting is presented according to the internal reporting provided to the highest operative decision-makers and prepared in accordance with IFRS standards. The highest operative management is responsible for assessing the results of the business segments. In the Group, the CEO is responsible for this function. Within the Group, decisions regarding the assessment of the segments' results are based on the segments' results before taxes.

The business segments consist of business units with different types of products and services as well as different income logics and profitability. The pricing between the segments is based on fair market value. The income, expenses and assets that directly belong to the business areas or can on sensible grounds be allocated to them are allocated to the business areas. Group administrative functions are presented under Other segments. The unallocated items presented under Other segments also comprise interest income and expenses and taxes. 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.

The Asset Management segment comprises asset management, sales of asset management services and customer relationship management as well as business support. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

Foreign currency transactions

The consolidated financial statements are presented in euros and foreign currency transactions are converted to euros using the exchange rates valid on the day of the transaction. Foreign currency receivables and liabilities are converted to euros using the exchange rates on the balance sheet date.

The gains and losses arising from foreign currency transactions and the translation of monetary items are presented through profit and loss. The foreign currency differences are included in the net income from foreign exchange dealing.

The realised foreign currency translation gains and losses from available-for-sale investments are included in the net income from available-for-sale financial assets. Unrealised foreign currency translation gains and losses from available-for-sale investments are included in the investments available for sale and the fair value reserve.

The income statements of subsidiaries using other functional currencies than the euro are translated into euros in the consolidated financial statements using the average rates for the financial period. The balance sheets of the companies are translated using the closing rates on the last day of the accounting period. The translation of the result and balance sheet of the financial period gives rise to a translation difference in the shareholders' equity of the balance sheet. The change is entered into other comprehensive income. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the equity items accrued after the acquisition are entered into other comprehensive income.

Revenue recognition

The asset management fee and commission income for funds and asset management, included in operating income, is periodisized per month and invoiced afterwards in periods of one, three, six or twelve months. The asset management fee and commission income from private equity investment and other advisory services and consulting is mainly invoiced in advance and periodisized per month. The fee income related to projects within corporate finance operations is entered as income for the period during which the result of the project can be assessed in a reliable manner. The expenses arising from a project are expensed immediately.

The net income from available-for-sale financial assets included the operating income includes the profit distributions from private equity funds as well as realised losses or losses assessed as permanent. Profit distributions are recognised in accounting only when the realisation of the target funds has taken place or later, when the target funds have obtained the necessary permits from authorities. Sales profits and losses from direct investments are also included in the net income from available-for-sales financial assets.

Tangible and intangible assets

Tangible assets are entered in the balance sheet at original acquisition cost less depreciation and impairment. Acquisition cost comprises the cost arising directly from the acquisition.

Intangible assets include the goodwill generated from corporate acquisitions. The goodwill arising in the combination of business operations is entered in the amount at which the transferred consideration, the share of non-controlling interests in the object of the acquisition and the previously owned share together exceed the fair value of the acquired net assets.

Goodwill is valued at original acquisition cost minus impairment. No depreciation is booked for goodwill but it is tested annually for impairment. Goodwill is allocated to cash-generating units.

Other intangible assets are brands, customer agreements, software licenses and other intangible rights.

No depreciation is booked for intangible assets that have an unlimited useful life but they are tested annually for impairment. Intangible assets with a limited useful life are entered as costs into the income statement as straight-line depreciation according to plan during their useful life. Depreciation has been calculated based on the useful life from the original acquisition costs as straight-line depreciation.

The depreciation periods according to plan by asset type are as follows:

- Machinery and equipment 3 to 10 years
- Customer agreements 4 to 10 years
- Software and other intangible rights 4 to 5 years

Impairment and impairment test

The balance sheet values of other long-term tangible and intangible assets are tested for impairment at each balance sheet date and always when there is indication that the value of an asset may have been impaired. In the impairment test, the recoverable amount of the assets is tested. The recoverable amount is the higher of an asset's net sales price and its value in use, based on cash flow. An impairment loss is entered in the income statement, if the book value of the asset is higher than the recoverable amount.

The need for impairment is assessed at the level of cash-generating units, i.e. the lowest unit level that is mainly independent of other units and the cash flow of which can be separated from other cash flows. For the testing of impairment, the recoverable amount of the asset item has been defined by calculating the asset items' value in use. The calculations are based on five-year cash flow plans approved by the management. The income cash flows of asset management are based on the assets under management through asset management agreements. The development of the assets under management and the income cash flow from asset management depend essentially on the development of the capital market. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within a year and depending on economic trends. The income cash flow estimate of corporate finance operations is based on the management's view on the number of future transactions. The future expense cash flows of the impairment calculations are based on the Group management's cost estimates for the future. In the calculations, the management uses as discount rate an interest rate defined before taxes that reflects the view on the time value of money and the special risks associated with the asset item.

Employment pensions

The Group's pension arrangement is a contribution-based arrangement and the payments are entered in the income statement for the periods to which they apply. The pension coverage of the Group's personnel is arranged with a statutory TyEL insurance policy through an insurance company outside the Group.

Share-related payments

Option rights are valued at fair value on their grant date and expensed in the income statement during the period when the right arises. The fair value of granted options on the grant date has been defined by using the Black-Scholes price-setting model.

Income taxes

The taxes based on Group company earnings for the period are entered into the Group's taxes, as are the adjustments of taxes from previous periods and the changes in deferred taxes. The tax based on the period's taxable income is calculated from the taxable income based on each country's valid tax rate. The tax impact of items entered directly into shareholders' equity is similarly entered directly into the shareholders' equity.

Deferred taxes are calculated based on the debt method from all temporary differences in accounting and taxation in accordance with the valid tax rate legislated before the end of the financial year. The deferred tax receivable is entered to the amount in which taxable income is likely to arise in future, against which the temporary difference can be exploited. The most significant temporary differences are generated from valuing the available-for-sale financial assts at fair value and the valuation of the acquired companies' net assets at fair value.

Financial assets and liabilities

The Group's financial assets and liabilities are classified into the following groups in accordance with the IAS 39 standard: financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets, loans and other receivables and other financial liabilities. The classification is made in connection with the original acquisition of the financial instruments.

The available-for-sale financial assets are assets not belonging to derivative assets that have specifically been classified into this group or that have not been classified into any other group. eQ Group's private equity investments and investments in mutual funds are classified as available-for-sale investments. Mutual fund investments available for sale are valued at fair value using quoted market prices and rates. Private equity fund investments are valued using the practice generally used in the sector, i.e. the fair value of the private equity fund investment is the latest fund value announced by the private equity fund management company added with the capital investments and less the capital returns that have taken place between the balance sheet date and the announcement of the management company. The changes in the fair value of investments available for sale are entered into comprehensive income and presented in shareholders' equity under the fair value reserve. When an investment available for sale is realised, the accumulated changes in fair value are booked from shareholders' equity to earnings.

Loans and other receivables are assets not belonging to derivative assets with fees that are fixed or that can be defined and that are not quoted in functioning markets, nor does the Group hold them for trading purposes or classify them, in connection with the first entry, specifically as available for sale. Their valuation principle is the periodisized acquisition cost using the method of effective interest rate.

Financial assets are derecognised when the Group has lost the agreement-based right to the cash flows or when it has to a significant degree transferred the risks and return outside the Group.

Liquid assets consist of cash. Claims on credit institutions payable on demand are also included in liquid assets in the cash flow statement.

Financial liabilities are classified either as financial liabilities at fair value through profit or loss or as liabilities valued at periodisized acquisition cost. Interest-bearing liabilities are classified as other financial liabilities. Other financial liabilities are valued at periodisized acquisition cost and entered into the balance sheet and from the balance sheet on the clearing date.


15.95
156.10
151.82
36.52
97.54
54.63
51.85
785.32
54.36
65.32
84.54
98.65
54.64
95.48
96.54
54.64
95.48
96.54
65.32
84.54
98.65
54.64
95.48
96.54
05.02
15.95

Financial liabilities or their part are derecognised first when the debt has ceased to exist, i.e. when the specified obligation has been fulfilled or annulled or its validity has been terminated.

Impairment of financial assets

The Group assesses on each closing date of a reporting period whether there is objective proof of the impairment of a single item or a group of items included in financial assets. An impairment is made if there is objective proof of the impairment of value of said item.

As for available-for-sale investments, the loss in the fair value reserve is transferred to the profit or loss, if there is proof of the impairment. The private equity investments of eQ Group are equity-based. Consequently, the impairment losses of private equity investments are recognised through profit or loss. When assessing the impairment losses, e.g. the following factors are taken into account: the life cycle of the private equity fund, does the private equity fund have uncalled investment commitments and the evaluation of the private equity fund's management company on the permanence of the fair value and acquisition price.

An impairment loss on receivables is recorded, when there is reliable proof that the company cannot recover its receivables according to the original terms.

Earnings per share

Earnings per share are calculated by dividing the profit for the period belonging to the parent company's shareholders with the weighted average number of outstanding shares during the financial period. When calculating earnings per share adjusted with dilution, the diluting effect of the conversion into shares of all diluting, potential ordinary shares is taken into consideration in the weighted average number. The Group's share options are diluting instruments, i.e. instruments that increase the number of ordinary shares.

Dividend distribution

No booking has been made for the dividend proposed by the Board of Directors to the AGM in the financial statements and it has not been taken into account when calculating distributable retained profits. The dividend is only taken into account based on the AGM decision.

2. RISK MANAGEMENT

eQ Group defines risk as an unexpected change in economic outcome. The purpose of risk management is to make sure that the risks associated with the company's operations are identified, assessed and that measures are taken regarding them. Risk management shall see to it that manageable risks do not jeopardize the business strategy, critical success factors or earning power. Risk management comprises all the measures that are needed for the cost-efficient management of risks arising from the Group's operations. Risk management is a continuous process that is assessed at regular intervals. The aim of this is to make sure that risk management is adapted to the changing operating environment.

eQ Plc's Board supervises that the CEO takes care of eQ Plc's day-to-day administration according to the rules and instructions issued by the Board. The Board also supervises that risk management and control are organised in a proper manner. eQ Plc's Board approves the principles for risk management and defines the company's organisation structure as well as the authorities, responsibilities and reporting relations. The operative management is responsible for the practical implementation of the risk management process and control. It is the duty to the operative management to see to it that internal instructions are maintained and make sure that they are sufficient and functional. The management is also responsible for making sure that the organisation structure functions well and is clear and that the internal control and risk management processes function.

eQ Group comprises a fully owned subsidiary of eQ Plc, eQ Asset Management Ltd engaged in investment firm operations. Below is a description of eQ Group's and the investment firms' major risks. As an investment firm, eQ Asset Management Ltd follows the Basel II capital adequacy regulations.

Risks related to operations

Financial risk

Financial risks are divided into market, liquidity and credit risks. The aim of the management of financial risks is to cut down the impacts of fluctuations in interest rates, foreign exchange rates and prices and other uncertainties as well as to guarantee sufficient liquidity.

Market risk

Market risk means the risk that changes in market prices may pose. Interest rate, currency and price risks are regarded as market risks. The business operations of Group companies do not as such comprise taking own positions in the equity or bond market for trading purposes. Therefore, market risks are small in this respect.

Interest rate risk

Interest rate risk means the uncertainty of the cash flow and result that results from changes in interest rates. The business operations of the Group companies do not comprise taking own positions in the bond market for trading purposes. Therefore, there are no market risks in this respect. The possible interest rate risk of the Group mainly arises from short and long-term interest-bearing loans.

Loans with variable interest rates expose the Group to an interest rate risk, which can be hedged with interest rate swaps, when necessary. The interest rate risk is also managed through the planning of the balance sheet structure. The Group did not have any interest-bearing liabilities at the end of the reporting period.

Currency risk

Currency risk means the uncertainty of the cash flow and result arising from changes in exchanges rates. The Group has subsidiaries outside the euro zone, and changes in exchange rates have an impact on their equity (Sweden, Denmark and Norway). As the share of these companies' equity is small, changes in exchange rates have not been hedged. For other parts, the Group company operations are mainly denominated in euros, which means that there is no significant currency risk in this respect.

eQ Plc's private equity fund investments are mainly euro-denominated, which means that the investment operations do not expose the Group to any significant currency risk. eQ does not separately monitor changes arising from foreign exchange rates in its private equity operations but regards them as part of the change in the investment object's fair value. eQ's investments in private equity funds are divided into different currencies as follows:

The major factors influencing the value of eQ's investments in private equity funds are the values of the companies included in the portfolio and factors influencing them, such as the:

- financial success of the underlying company
- growth outlook of the underlying company
- valuation of comparison companies
- valuation method selected by the management company of the fund.

The price risk of eQ's private equity fund portfolio has been diversified by making investments in different sectors, geographic areas, and funds investing in different development stages. At the end on 2013, there were altogether more than 340 indirectly owned companies in eQ's private equity fund portfolio. The impact of one individual risk on the value of eQ's private equity fund portfolio is small, owing to efficient diversification.

The impact of the price risk of the private equity portfolio on shareholders' equity:

At the end of 2013, a 10% change in the market value of the private equity fund portfolio corresponds to a change of EUR 2 448.0 thousand in the shareholders' equity. At the end of 2012, a change of 10% in the market value of the private equity fund portfolio corresponded to change of EUR 2 921.1 thousand in the shareholders' equity.

Private equity investments in foreign currencies and change in fair value in euros, EUR million:

31 Dec. 2013				decrease in value against the euro	
	Currency	Euro	%	10%	20%
EUR million	25.9	25.9	84.6		
GBP million	3.1	3.8	12.3	-0.4	-0.8
USD million	1.3	0.9	3.1	-0.1	-0.2
		30.6			

31 Dec. 2012				decrease in value against the euro	
	Currency	Euro	%	10%	20%
EUR million	33.1	33.1	85.6		
GBP million	3.6	4.4	11.3	-0.4	-0.9
USD million	1.6	1.2	3.1	-0.1	-0.2
		38.7			

Price risk

Price risk means the possibility of loss due to fluctuations in market prices.

The Group's parent company eQ Plc makes investments in private equity funds from its own balance sheet. eQ Plc's private equity investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the yield of the investments is often small.

Liquidity risk

Liquidity risk means the risk that the company's liquid assets and possibilities of getting additional financing are not sufficient for covering business needs. Liquidity risk arises from the unbalance of cash flows.

The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the surplus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The capital calls and exits from target companies of the own private equity fund investments have a major impact on liquidity.

The Group's major source of financing is a positive cash flow. In addition, the Group's parent company has access to a credit limit of EUR 6.0 million in order to safeguard the availability and flexibility of financing.

The table below describes the maturity analysis of debts based on agreements.

Maturity distribution of debts, EUR 1 000

31 Dec. 2013	less than 1 year	1 to 5 years	over 5 years	total
Loans from financial institutions	-	-	-	-
Accounts payable and other liabilities	4 432	699	-	5 131
TOTAL	4 432	699	-	5 131

31 Dec. 2012	less than 1 year	1 to 5 years	over 5 years	total
Loans from financial institutions	1 300	2 700	-	4 000
Accounts payable and other liabilities	5 802	38	-	5 840
TOTAL	7 102	2 738	-	9 840

Credit risk

Credit risk means that a customer or counterparty may not fulfil its obligations arising from a credit relation and that the security that may have been issued is not sufficient for covering the receivable. The Group's contractual counterparties are clients who buy the company's services and partners. The Group does not give any actual credits, which means that the credit risks mainly arise from the own investment portfolio. eQ Plc has tried to manage the credit risk related to private equity operations by diversifying the private equity investments well. eQ has made the decision to make new private equity fund investments only in the Group's own private equity funds in future.

In addition, eQ Group may invest surplus liquidity in accordance with an investment policy that it has approved. Liquid assets are invested in fixed-income funds with short maturity and continuous liquidity, in bank deposits or other corresponding short-term interest rate instruments with a low risk where the counterparties are solid and have a high credit rating. The credit risk of the asset management and corporate finance operations is related to commission receivables from clients, which are monitored daily.

As for credit risks, eQ calculates its minimum capital adequacy requirements according to pillar 1 by using the so-called standardized approach.

Operational risks

Operational risks may arise from inadequate or failed internal processes, people and systems, or from external events. Operational risks also cover legal and reputation risks, and they are managed by, for instance, developing internal processes and seeing to it that the instructions are good and the personnel is offered sufficient training.

Legal risks are included in operational risks and can be related to agreements between the Group and different partners. The Group tries to identify these risks by going through any agreements thoroughly and using the help of external experts, when necessary.

The Group carries our a self-assessment of operational risks annually. The aim is to identify operational risks, assess the probability and impacts of each separate risk and try to find out ways of decreasing the risks.

In the self-assessments, the key employees of different functions assess all potential operational risks in their operating environment. The Group tries to define the expected value for risk transactions, i.e. the most likely amount of loss during the year. The expected value is calculated by multiplying the assessed number of risk occurrences and the assessed amount of one single loss in euros. The results of this assessment are used for planning the measures with which operational risks are cut down.

eQ calculates the capital requirement regarding operational risk based on Basel II pillar 1 using the so-called basic indicator approach, which uses the weighted average of the return indicators for the three previous years. When assessing the risk-based capital of the operational risk, the Group uses risk reviews that are based on the self-assessments of different functions.

Risks arising from business operations and external operating environment

The sources of income in Group operations have been diversified to different sources of income. Consequently, the Group can prevent excessive dependence on one single source of income.

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the asset management operations depends on the development of the assets under management, which is highly dependent of the development of the capital market. The management fees of private equity funds are based on long-term agreements that produce a stable cash flow, however. Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the corporate finance operations. These vary considerably within one year and are dependent on economic trends.

The Group tries to manage the risks associated with its business operations through a flexible, long-tern business strategy, which is reviewed at regular intervals and updated when necessary.

The impact of the risks associated with the external operating environment (business, strategic and reputation risks and risks arising from changes in the compliance environment) on the Group's result, balance sheet, capital adequacy and need of capital is assessed continuously as part of the day-to-day operations and at regular intervals in connection with the top management's strategy planning process. The regular planning assesses the impact on the result, balance sheet and capital adequacy. In the assessment, the company's assets must clearly exceed the minimum requirement set by authorities even in the alternative scenario. The Group aims to maintain a sufficient equity buffer with which it can meet any risks posed by the external operating environment.

Other risks

Risks associated with property and indemnity risks

The Group has insurance policies for property, interruption and indemnity risks. The coverage of the insurance policies is assessed annually. The Group also protects its property with security control and passage rights.

Risks associated with the concentration of business

eQ Group offers overall investment services, i.e. individual asset management and mutual funds for its clients, covering individuals, companies and institutional investors. In addition, the Group offers asset management and advisory services related to private equity investments as well as corporate finance services. In normal situations, there are no essential concentration risks in the Group's operations that would have an impact on the need of capital, at least not to any significant extent, which means that there is no need to maintain a separate risk-based capital regarding the concentration of operations.

3. CAPITAL MANAGEMENT

The aim of the Group's capital management is to create an efficient capital structure that ensures normal operating preconditions and growth opportunities for the Group as well as the sufficiency of capital in relation to the risks associated with the operations. The Group can influence the capital structure through dividend distribution and share issues, for instance. The capital managed is the shareholders' equity shown on the balance sheet. At the end of the accounting period 2013, the shareholders' equity amounted to EUR 71.8 million and the equity to assets ratio was 92.4%. The main source of financing is the positive cash flow of operations. The Group also has access to a credit limit. The covenants associated with the Group's interest-bearing debts and credit limit are regular terms dealing with the relation between the debt and the operating profit, equity to assets ratio and the minimum amount of equity, for instance. During the accounting period, the Group has fulfilled the covenants related to long-term liabilities and the credit limit. The Group's net gearing has been presented in the table below. The ratio is calculated by dividing net debt with shareholders' equity. The Group management monitors the development of net debt as part of capital management.

Net gearing, EUR 1 000

	2013	2012
Interest-bearing financial liabilities	0	4 037
Financial securities	51	50
Liquid assets*	9 982	9 389
Net debt	-10 034	-5 402
Total shareholders' equity	71 790	73 604
Net gearing	-14.0%	-7.3%

*In addition, eQ Group has on 31 December 2013 long-term interest-bearing receivables in the amount of EUR 1.3 million.

The sufficiency of capital is assessed by comparing the available capital with the capital needed for covering risks. The starting point of capital planning consists of the assessments of the future development of business and the possible impacts of the risks associated with the operations on the operations. The plans take into consideration the viewpoints of different stakeholders, e.g. authorities, creditors and owners.

4. CAPITAL ADEQUACY AND ITS MANAGEMENT

eQ Group comprises eQ Plc's fully owned subsidiary eQ Asset Management Ltd, which is engaged in investment business. As investment firm, eQ Asset Management Ltd follows the Basel II regulations. Capital adequacy management is a central part of pillar 2 of the Basel II capital adequacy regulations. According to them, investment firms are obliged to consider their capital adequacy in relation to risks in a more extensive manner than just fulfilling the capital adequacy requirements set out in the first pillar regarding credit, market and operational risks. In the capital adequacy management process, the company builds a motivated view of essential risks and the risk-based capital need required by them, which is not the same as the capital adequacy requirement of pillar 1 and may deviate from it. The capital adequacy management process deals with risks that are not taken into consideration in pillar 1 capital adequacy requirements, including qualitative risks. The capital adequacy management process also takes a stand on the sufficient level of risk management and internal control regarding each separate risk.

The capital adequacy management process is carried out at least once a year in connection with the planning of operations and budgeting. The process results in a capital plan describing the risk-based capital need, the sufficiency of capital and capital adequacy.

The table below presents eQ Group's and the investment firm eQ Asset Management Ltd's capital adequacy requirements and ratios:

Capital adequacy, EUR 1 000

	31 Dec. 2013 eQ Group	31 Dec. 2013 eQ Asset Management Ltd	31 Dec. 2013 eQ Group	31 Dec. 2013 eQ Asset Management Ltd
Own funds:				
Tier 1 capital				
Share capital	11 384	733	11 384	498
Funds	59 830	8 176	60 263	5 039
Minority interest	-345		77	0
Profit for the period according to accounting	3 487	1 489	3 364	634
Decreases of tier 1 capital: intangible assets	-31 120	-1 140	-29 174	-1 660
Tier 2 capital	-2 567		-1 484	0
Total own funds	40 669	9 258	44 430	4 511
Own funds requirement, credit and counterparty risk:				
Claims on credit institutions and investment firms	159	37	150	9
Claims on corporations	306	174	309	251
Investments in mutual funds			0	0
Other items	5 127	412	4 181	142
Own funds requirement, credit and counterparty risk, total	5 592	623	4 640	402
Own funds requirement, currency risk	422	47	507	0
Own funds requirement, operational risk	3 108	1 863	3 254	1 220
Minimum requirement for own funds, total	9 122	2 533	8 401	1 622
Own funds surplus	31 548	6 725	36 029	2 889
Capital adequacy ratio, %	35.67	29.24	42.31	22.25

5. SEGMENT INFORMATION

The Asset Management segment comprises asset management, sales of asset management services and customer relationship management as well as business support. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

EUR 1 000

1 Jan. to 31 Dec, 2013

	Asset Management	Corporate Finance	Investments	Other	Elimin-ations	Group total
Fee and commission income	13 511	2 159	-	-		15 670
From other segments	400	-	-	-	-400	-
Net income from foreign exchange dealing	-23	-	-	-1		-24
Interest income	-	-	-	28		28
Net income from available-for-sale financial assets	-	-	3 430	-		3 430
Other operating income	-	-	-	-		-
From other segments	-	-	-	76	-76	-
Operating income, total	13 888	2 159	3 430	103	-476	19 105
Fee and commission expenses	-267	-	-	-2		-269
To other segments	-	-	-400	-	400	-
Interest expenses	-	-	-	-69		-69
NET REVENUE	13 621	2 159	3 030	33	-76	18 767
Administrative expenses						
Personnel expenses	-5 774	-1 253	-	-1 025		-8 052
Other administrative expenses	-1 806	-243	-	-290	76	-2 263
Depreciation on tangible and intangible assets	-1 350	-12	-	-26		-1 388
Other operating expenses	-1 552	-261	-	-323		-2 136
OPERATING PROFIT (LOSS)	3 139	389	3 030	-1 631	0	4 928
Share of associated companies' results	-71	-	-	-		-71
PROFIT BEFORE TAXES	3 068	389	3 030	-1 631		4 857
Income tax				-1 443		-1 443
PROFIT (LOSS) FOR THE PERIOD				-3 074		3 414

1 Jan. to 31 Dec. 2012

	Asset Management	Corporate Finance	Investments	Other	Eliminations	Group total
Fee and commission income	8 800	2 635	-	-		11 435
From other segments	400	-	-	-	-400	-
Net income from foreign exchange dealing	4	-	-	-		4
Interest income	-	-	-	30		30
Net income from available-for-sale financial assets	-	-	5 080	-		5 080
Other operating income	-	-	-	-		-
From other segments	-	-	-	73	-73	-
Operating income, total	9 204	2 635	5 080	103	-473	16 548
Fee and commission expenses	-179	-	-	-30		-209
To other segments	-	-	-400	-	400	-
Interest expenses	-	-	-	-44		-44
NET REVENUE	9 025	2 635	4 680	29	-73	16 295
Administrative expenses						
Personnel expenses	-4 321	-1 402	-	-786		-6 509
Other administrative expenses	-1 536	-219	-	-270	73	-1 952
Depreciation on tangible and intangible assets	-1 202	-15	-	-29		-1 246
Other operating expenses	-1 055	-274	-	-591		-1 920
OPERATING PROFIT (LOSS)	912	725	4 680	-1 648	0	4 668
Share of associated companies' results	-35	-	-	-		-35
PROFIT BEFORE TAXES	876	725	4 680	-1 648		4 633
Income tax				-1 247		-1 247
PROFIT (LOSS) FOR THE PERIOD				-2 895		3 386

The 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, administrative and other expenses allocated to Group administration. The taxes not distributed to the business areas 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.

In the Asset Management segment, the profit for the year 2012 comprises one-off personnel expenses of EUR 0.7 million related to the termination of employment. In the financial period 2012, the Other segment includes non-recurring expenses of EUR 0.3 million related to the acquisition of Icecapital asset management companies.

eQ Plc does not have any single clients the income from which would exceed 10% of the total income.

Geographic information:

Net revenue per country, EUR 1 000

Domicile	2013	2012
Finland	17 367	15 394
Other countries	1 400	901
TOTAL	18 767	16 295

The other countries comprise Sweden, Denmark, Norway and Guernsey.

External net revenue is presented based on domicile.

6. BUSINESS ACQUISITIONS

Accounting period 2013:

eQ Asset Management Ltd acquired the entire share capital of Finnreit Fund Management Company Ltd through a deal that was carried out on 30 September 2013. eQ Asset Management Ltd had previously owned 50 per cent and the company management 50 per cent of the company. The total acquisition cost for Finnreit Fund Management Company Ltd was EUR 3.0 million. The purchase was financed with the Group's liquid assets. The acquisition cost comprises a transfer tax of EUR 0.0 million. The fair value of shares based on eQ Group's former holding (50%) immediately before the acquisition was EUR 0.3 million, which corresponded to the balance sheet value of the shares.

The total acquisition cost comprises a conditional payment of EUR 0.7 million related to an additional purchase price defined on the basis of future income. This conditional payment has been defined by assessing the present value of the performance fees that will be obtained during the following five years. In the calculations, the company has used a discount rate that reflects the view on the time value of money and the special risks related to the asset item. At the end of the financial period, the additional acquisition cost of EUR 0.7 is included in other liabilities on the balance sheet. The additional purchase price will fall due based on the income to be paid between 2017 and 2019 and can change from the now assessed sum.

The acquisition cost exceeded the purchased net assets by EUR 2.7 million, which was allocated to goodwill. The goodwill is based on the acquired company's personnel and expertise and gives eQ the opportunity to expand its business and product offering.

The balance sheet of Finnreit Fund Management Company Ltd has been consolidated with eQ Group as a subsidiary from 30 September 2013. The company's result has been consolidated with eQ Group's result from 1 October 2013. Had the acquired company been consolidated with eQ Group's result from the beginning of 2013, the Group's net revenue had been EUR 0.1 million higher and result EUR 0.1 million lower during the period.

Acquired net assets at fair value and goodwill, EUR million	
Liquid assets	0.2
Receivables	0.2
Liabilities	0.1
Acquired net assets	0.2
Total acquisition cost	3.0
Goodwill	2.7

Accounting period 2012:

On 19 November 2012, eQ Plc acquired Icecapital Asset Management Ltd and its fully owned subsidiaries, Icecapital Fund Management Company Ltd, Icecapital Life Ltd and Icecapital Asset Management (Norway) AS as well as the following subsidiaries, where the personnel owned the minority share: Icecapital Financial Products Ltd, Icecapital Asset Management AB (Sweden) and Icecapital Asset Management (Denmark) A/S. The purchase price was EUR 14.0 million and the total acquisition cost EUR 14.2 million. The acquisition cost contains a transfer tax of EUR 0.2 million. The Group financed the purchase with its existing cash reserves and bank financing.

The acquisition price exceeded the acquired net assets by EUR 11 million. EUR 0.7 million of the purchase price was allocated to intangible assets by calculating a fair value for the acquired customer agreements. The remaining goodwill is EUR 10.4 million. The goodwill is based on the personnel and their expertise and offers eQ the opportunity to expand its operations to new business areas by widening the customer base and product range.

The acquired companies have been consolidated with eQ Group since the acquisition. Had the acquired companies been consolidated with eQ Group from the beginning of 2012, the Group's net revenue would have been EUR 6.4 million higher and the profit EUR 0.9 million higher during the period under review.

Acquired net assets at fair value and goodwill, EUR million:	
Liquid assets and investments	3.7
Tangible assets	0.0
Intangible assets	0.0
Receivables	2.2
Liabilities	2.7
Acquired net assets	3.3
Acquisition cost	14.2
Share of non-controlling interests of the net assets	0.1
Unallocated purchase price	11.0
Customer agreements	0.7
Deferred tax	-0.2
Goodwill	10.4

NOTES TO THE CONSOLIDATED INCOME STATEMENT

EUR 1 000	2013	2012

7. FEE AND COMMISSION INCOME

Asset management fee income		
Funds	11 355	7 615
Asset management	1 266	765
Other	890	420
Total	13 511	8 800
Corporate Finance income	2 159	2 635
TOTAL	15 670	11 435

8. NET INCOME FROM FOREIGN EXCHANGE AND SECURITIES DEALING

Net income from structured products dealing	6	-
Net income from foreign exchange dealing	-30	4
TOTAL	-24	4

9. INTEREST INCOME

From credit institutions	8	24
From public and public sector entities	16	5
Other interest income	4	1
TOTAL	28	30

10. NET INCOME FROM AVAILABLE-FOR-SALE FINANCIAL ASSETS

Profit from private equity investments	4 480	6 240
Impairment losses	-1 050	-988
Sales profit/losses	-	-172
TOTAL	3 430	5 080

11. FEE AND COMMISSION EXPENSES

Custody fees	-252	-157
Other fees	-17	-52
TOTAL	-269	-209

12. INTEREST EXPENSES

To credit institutions	-59	-42
Other interest expenses	-10	-2
TOTAL	-69	-44

13. ADMINISTRATIVE EXPENSES

	2013	2012
Expenses related to employee benefits		
Short-term employee benefits		
Salaries and remunerations	-6 324	-4 922
Other indirect employee costs	-257	-79
Share-based payments	-338	-140
Termination benefits	-	-656
Benefits after end of employment		
Pension costs - payment based arrangements	-1 134	-712
TOTAL	-8 052	-6 509
Other administrative expenses		
Personnel expenses	-298	-191
IT and connection costs	-975	-967
Other costs	-990	-795
Total	-2 263	-1 952
TOTAL	-10 315	-8 461

14. DEPRECIATIONS AND AMORTISATIONS

Depreciations on tangible assets	-36	-39
Depreciations on intagible assets		
Customer agreements	-1 103	-947
Other intagible assets	-249	-260
TOTAL	-1 388	-1 246

15. OTHER OPERATING EXPENSES

Fees for advisory services	-203	-319
Fees for audit services	-236	-256
Auditing fees	-187	-139
Certificates	-12	-3
Tax consulting	-9	-
Other services	-28	-114
Other expenses	-1 696	-1 344
Premises	-798	-674
Other costs	-898	-670
TOTAL	-2 135	-1 920

16. INCOME TAXES

Direct taxes for the review period	-1 606	-1 451
Change in deferred taxes	163	204
TOTAL	-1 443	-1 247
Deferred tax related items entered directly into equity	229	-304
Tax reconciliation		
Profit (loss) before tax	4 857	4 632
Tax calculated at parent company's tax rate	-1 190	-1 135

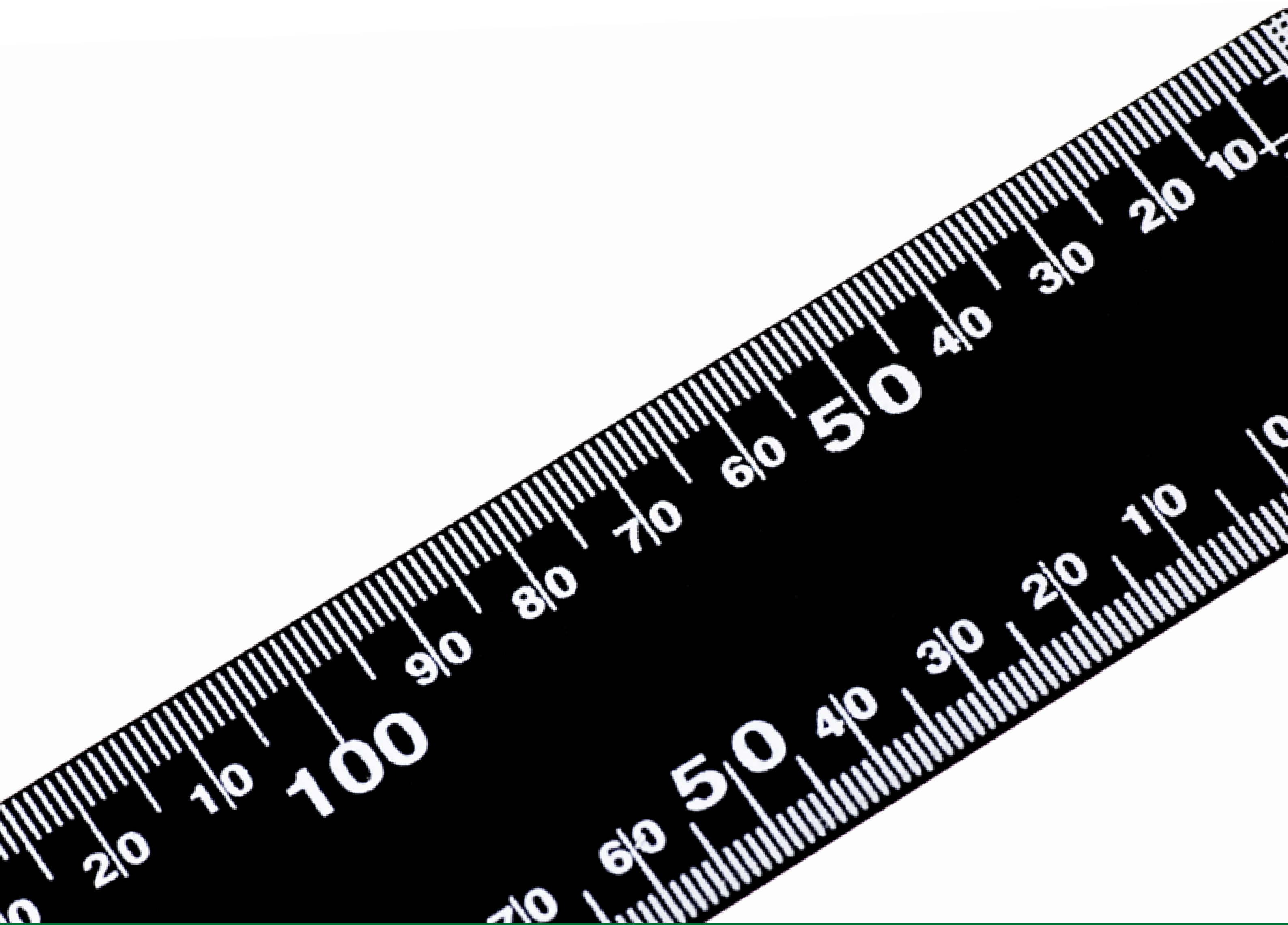
	2013	2012
Income not subjected to tax	0	0
Expenses not allowable for tax purposes	-27	-24
Change of parent companytax base	220	-
Consolidation procedures and eliminations	-446	-87
TOTAL	-1 443	-1 247

*) Tax base for the parent company was 24,5% during 2012 and during 2013. Starting from the financial year 2014 tax base for the parent company is 20,0%. Deferred taxes have been calculated using tax bases legislated before the end of the financial year.

17. EARNINGS PER SHARE

Earnings for the period	3 487	3 364
Shares 1 000 shs *)	36 419	33 335
Earnings per share calculated from the profit of equity holders of the parent company:		
Earnings per share	0.10	0.10
Diluted earnings per share	0.09	0.10

*) Calculated using the weighted avarage number of shares.



1 000 EUR	2013	2012

18. RECEIVABLES FROM CREDIT INSTITUTIONS

Repayable on demand	9 955	9 351
From domestic credit institutions	8 747	8 388
From foreign credit institutions	1 208	963
Other than repayable on demand		
From domestic credit institutions	-	6
TOTAL	9 955	9 356

19. RECEIVABLES FROM PUBLIC AND PUBLIC ORGANISATIONS

Other than repayable on demand		
Companies and housing companies	1 300	1 336

20. SHARES

Investment available for sale		
Private equity investments		
Acquisition cost 1 Jan.	38 691	42 539
Increases	3 046	4 256
Decreases	-8 928	-5 873
Acquisition cost 31 Dec.	32 809	40 922
Change in value	-1 158	-1 243
Write -down recorded as permanent	-1 050	-988
Carrying amount 31 Dec.	30 600	38 691
Financial securities		
Acquisition cost 1 Jan.	50	94
Increases	-	5
Decreases	-	-49
Acquisition cost 31 Dec.	50	50
Change in value	1	
Carrying amount 31 Dec.	51	50
Shares in associates		
Acquisition cost 1 Jan.	365	-
Increases	-	400
Decreases	-293	-
Acquisition cost 31 Dec.	71	400
Adjustment 1 Jan.		-
Share of profit	-71	-35
Adjustments 31. Dec.	-71	-35
Shares in associates 31 Dec.	0	365

Finnreit Fund Management Company Ltd, associated company till 30 September 2013

Finnreit Fund Management Company Ltd	2013	2012
Docimile	-	Helsinki
Assets	-	440
Liabilities	-	49
Sales, net	-	23
Profit/loss	-	-228
Ownership	-	50.00%

21. TANGIBLE AND INTANGIBLE ASSETS

	2013	2012
Tangible assets		
Machinery and equipment, Acquisition cost 1 Jan.	401	376
Increases	18	25
Decreases	-3	
Machinery and equipment, Acquisition cost 31 Dec.	416	401
Accumulated depreciation and impairment losses 1 Jan.	-272	-233
Depreciation for the period	-36	-39
Other impairment losses 31 Dec.	-308	-272
Tangible assets 31. Dec.	108	129
Other tangible assets 1 Jan.	8	8
Other tangible assets 31 Dec.	8	8
Other tangible assets		
Acquisition cost 1 Jan.	1 089	1 004
Increases	438	85
Acquisition cost 31 Dec.	1 527	1 089
Accumulated amortisation and impairment losses 1 Jan.	-704	-444
Depreciation for the period	-249	-260
Accumulated amortisation and impairment losses 31 Jan.	-953	-704
Other tangible assets 31 Dec.	574	385
Customer agreements		
Acquisition cost 1 Jan.	6 713	5 994
Increases	-	719
Acquisition cost 31 Dec.	6 713	6 713
Accumulated amortisation and impairment losses 1 Jan.	-4 276	-3 329
Depreciation for the period	-1 103	-947
Accumulated amortisation and impairment losses 31 Dec.	-5 379	-4 276
Customer agreements 31 Dec.	1 334	2 437
Intangible assets 31 Dec.	1 908	2 822

	2013	2012
Goodwill acquisition cost 1 Jan.	22 353	12 093
Increases	2 860	10 260
Goodwill acquisition cost 31 Dec.	25 212	22 353
Brands 1 Jan.	4 000	4 000
Increases	-	-
Brands 31 Dec.	4 000	4 000
Intangible assets, carrying amount 31 Dec.	31 120	29 174

Goodwill and value of the brands

eQ Plc has goodwill generated from corporate acquisitions related to the asset management and corporate finance operations. The goodwill associated with the asset management operations is related to the acquisition of Finnreit Fund Management Company Ltd in September 2013, the acquisition of Icecapital Asset Management Ltd in November 2012, the acquisition of eQ Asset Management Group Ltd in March 2011, and the acquisition of Mandatum Private Equity Fund Ltd in December 2005. The goodwill associated with corporate finance operations is related to the acquisition of Advium Corporate Finance Ltd in March 2011.

Allocation of goodwill to cash-generating units, EUR million:	31 Dec. 2013	31 Dec. 2012
Asset Management	17.9	15.0
Corporate Finance	7.3	7.3

Additionally, a total of EUR 4.0 million concerning asset management and corporate finance operations has been allocated to intangible assets by calculating fair values for the acquired brands. In connection with the acquisition of eQ Asset Management Group Ltd, EUR 2.0 million was allocated to the eQ brand by calculating a fair value for the brand. In connection with the acquisition of Advium Corporate Finance Ltd, EUR 2.0 million was allocated to the Advium brand by calculating a fair value for the brand. The useful lives of the brands have been deemed as unlimited, as their strong recognisability supports the management's view that they will generate cash flows during a period of time that cannot be defined.

Allocation of brands to cash-generating units, EUR million:	31 Dec. 2013	31 Dec. 2012
Asset Management	2.0	2.0
Corporate Finance	2.0	2.0

Impairment testing

No depreciation is booked for intangible assets that have an unlimited useful life but they are tested annually for impairment. For the testing of impairment, the recoverable amount of the asset item has been defined by calculating the asset items' value in use. The calculations are based on five-year cash flow plans approved by the management.

The income cash flow of asset management is based on assets that are managed under asset management agreements. The development of the assets under management and the income cash flow of asset management operations depend essentially on the development of the capital market. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within a year and depending on economic trends. The estimate on the income cash flow of the corporate finance operations is based on the management's view on the number of future transactions. The future expense cash flows of the impairment calculations are based on the Group management's cost estimates for the future.

Cash flow that extends beyond the five-year prognosis period has been calculated by using the so-called final value method, in which the management's conservative estimate on the long-term growth of the cashflow has been applied when defining growth. An annual growth of 1% has been used as the growth factor of the final value.

In the calculations, the management uses as discount rate before taxes, which reflects the view on the time value of money and the special risks related to the asset item. In 2013, the discount rate was 10% (9% in 2012). The impairment tests show no indication of decrease in value.

Sensitivity analysis

The impairment test calculations have been subjected to sensitivity analyses by using poorer scenarios than the actual prognoses. With these scenarios, we wanted to study the change of the value in use by changing the basic assumptions of value definition. The future income and expense cash flows, discount

rate and growth speed of the final value were changed in the sensitivity analyses. The scenarios were formed by changing the assumptions as follows:

- by using annually an income cash flow that is 4% lower than the original prognosis at the most
- by using annually an expense cash flow that is 4% higher than the original prognosis at the most
- by using 0% growth in the final value calculations
- by using a 4% higher discount rate at the most

Based on the sensitivity analyses, none of the scenarios alone changes the recoverable amount to such an extent that it would lead to a situation where the book value exceeds the value in use. Based on the impairment tests conducted, there is no need to make any impairment write-downs. The management feels that the above-described theoretical changes made in the basic assumptions of the scenarios should not be interpreted as any proof for their likelihood. Sensitivity analyses are hypothetical and must therefore be treated with certain reservation.

As for corporate finance operations, a relatively possible change in the central assumption, based on which the recoverable amount has been defined, can result in a situation where the book value of goodwill and brand value exceeds the recoverable amount. If the operating profit level of the corporate finance operations is not at least 129% higher than in 2013 and at least 23% higher than in 2012 each year during the following five-year period, partial write-down of goodwill is possible. The corporate finance operations' value in use exceeds the book value of the goodwill and brand in the 2013 goodwill test by EUR 6.3 million. The result of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within a year and depending on economic trends.

22. OTHER ASSETS

	2013	2012
Sales receivable	950	2 577
Other receivable	1 264	1 005
TOTAL	2 214	3 582

Sales receivable EUR 950 thousand, age distribution: less than 30 days.

23. ACCRUALS AND PREPAID EXPENDITURE

Interest receivable	11	5
Other accruals	1 635	1 243
TOTAL	1 647	1 248

Accruals include pension contribution EUR 19 thousand.

24. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets		
Changes in fair value	527	57
Deferred tax assets	527	57
Deferred tax liabilities		
Contracts	154	260
Changes in fair value	345	494
Other differences	233	122
Deferred tax liabilities	732	875
Deferred tax assets (-) / tax liabilities (+), net	206	818

The deferred tax asset is booked until it is probable that there will be future taxable income, against which unused tax losses can be utilized. The eQ Group has 2.6 million (EUR 2,7 million 31 Dec 2012) confirmed losses in taxation from which deferred tax asset is not booked as as it is not probable that the Group will have taxable income of which these are avaible to use. Tax losses are related to foreign Icecapital companies acquired in 2012.

25. OTHER LIABILITIES

	2013	2012
Accounts payable	221	499
Other liabilities	2 397	2 180
TOTAL	2 618	2 680

26. ACCRUALS AND PREPAYMENTS

Other accruals	2 382	3 076

Major items in other accruals are bonus reservation EUR 403 thousand and holiday pay reserve EUR 646 thousand.

27. ASSETS AND LIABLITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY

31 Dec. 2013	EUR	Other than EUR	Total
Balance sheet items			
Receivables from credit institutions	9 625	329	9 955
Receivables from public and public institutions	1 300	-	1 300
Other assets	61 596	4 803	66 399
TOTAL	72 521	5 132	77 653
Liabilities to credit institutions	-	-	-
Other liablitites	5 515	349	5 863
TOTAL	5 515	349	5 863

31 Dec. 2012	EUR	Other than EUR	Total
Balance sheet items			
Receivables from credit institutions	9 320	36	9 356
Receivables from public and public institutions	1 336	-	1 336
Other assets	67 639	5 988	73 627
TOTAL	78 295	6 024	84 319
Liabilities to credit institutions	4 000	-	4 000
Other liablitites	6 226	489	6 715
TOTAL	10 226	489	10 715

28. FINANCIAL ASSETS AND LIABILITIES

2013	Carrying amount	Financial inc./exp.	Gains/ losses	Impairment losses	Divi- dends
FINANCIAL ASSETS					-
Financial assets available for sale	30 652		4 480	-1 050	-
Loans	1 300	16	-	-	-
Sales recivable and other receivable	3 957	4	-	-	-
Cash	9 982	8	-	-	-
TOTAL	45 890	28	4 480	-1 050	-
FINANCIAL LIABILITIES					
Financial liabilities to institutions	-	-59	-	-	-
Accounts payable and other liabilities	5 131	-10			
TOTAL	5 131	-69	-	-	-

2012	Carrying amount	Financial inc./exp.	Gains/ losses	Impairment losses	Divi- dends
FINANCIAL ASSETS					-
Financial assets available for sale	38 741	-	6 067	-988	-
Loans	1 336	5	-	-	-
Sales recivable and other receivable	5 119	1	-	-	-
Cash	9 389	24	-	-	-
TOTAL	54 586	30	6 067	-988	-
FINANCIAL LIABILITIES					
Financial liabilities to institutions	4 000	-42	-	-	-
Accounts payable and other liabilities	5 840	-2	-	-	-
TOTAL	9 840	-44	-	-	-

EUR 6 million credit limit is available for eQ Group of which EUR 0 is drawn at end of financial year 2013.

29. FAIR VALUES

	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
FINANCIAL ASSETS				
Financial assets available for sale				
Private equity investments	30 600	30 600	38 691	38 691
Financial securities	51	51	50	50
Loans	1 300	1 300	1 336	1 336
Sales recivable and other receivable	3 957	3 957	5 119	5 119
Cash	9 982	9 982	9 389	9 389
TOTAL	45 890	45 890	54 586	54 586

	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
FINANCIAL LIABILITIES				
Financial liabilities to institutions	-	-	4 000	4 000
Accounts payable and other liablities	5 131	5 131	5 840	5 840
TOTAL	5 131	5 131	9 840	9 840

In the table above are presented fair values and carrying amounts of financial assets and liabilities. The detailed measurement bases of financial assets and liabilities are disclosed in Accounting Policy. Original carrying amount of sales receivables and accounts payable corresponds to the fair value as the effect of the discounting is not material considering maturity.

30. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AT FAIR VALUE

31 Dec. 2013	Fair value	Tier 3
Available-for-sale financial assets		
Private equity investments	30 600	30 600
Financial securities	51	51
TOTAL	30 652	30 652

Tier 3

Available-for-sale financial assets	Private equity investments	Financial securities	Total
Acquisition cost 1. Jan	38 691	50	38 741
Capital calls	3 046	-	3 046
Capital returns	-8 928		-8 928
Write-down	-1 050	-	-1 050
Fair value change	-1 158	1	-1 158
Acquisition cost 31. Dec	30 600	51	30 652

31 Dec. 2012	Fair value	Tier 3
Available-for-sale financial assets		
Private equity investments	38 691	38 691
Financial securities	50	50
TOTAL	38 741	38 741

Tier 3

Available-for-sale financial assets	Private equity investments	Financial securities	Total
Acquisition cost 1. Jan	42 539	94	42 633
Capital calls	4 256	-	4 256
Capital returns	-5 701	-44	-5 745
Write-down	-988	-	-988
Fair value change	-1 243	-	-1 243
Sales loss	-173	-	-173
Acquisition cost 31. Dec	38 691	50	38 741

The fair values of level 3 instruments are based on the value reported by the private equity fund management company, and their use in generally accepted valuation models. Private equity fund investments are valued according to the International Private Equity and Venture Capital Guidelines. Permanent write-downs in valuations are based on management's consideration as described in the principles of the financial statements.

No transfers took place between tiers of the fair value hierarchy during the financial period.

31. EQUITY

Descrition of equity funds:

Reserve for invested unrestricted equity
Reserve for invested unrestricted equity includes other investments of equity nature and part of subscription price that is not specifically recognized in share capital.

Fair value reserve
Fair value reserve includes accumulated fair value changes of available-for-sale-financial-assets and deferred taxes related to these changes.

Translation differencies
Translation differencies includes items from the translation of foreign currency subsdiaries.

32. OBLIGATIONS

	2013	2012
eQ's remaining commitments to private equity funds were	11 169	10 832
Leasing and rental commitments not later than one year	331	596
Leasing and rental commitments later than one year and not later than five years.	68	558
TOTAL	11 569	11 986

33. RELATED PARTY DISCLOSURES

The associated companies, the subsidiaries and the members of the Board of Directors and the Management Team including CEO are considered as related party of the Group. The members of the board of directors, CEO and Management Team are consider to be key employees.

Fee and remuneration of the Management Team, 1 000 EUR	2013	2012
Fees and remunerations of the CEO	240	235
Fee and remuneration of the Management Team	547	435

The retirement age and pension of the CEO and other members of the Management Team are determined in accordance with the Finnish Employees Pensions Act. The CEO and other members of the Management Team do not have a supplementary pension scheme.

Statutory pensions	2013	2012
Statutory pensions of the CEO	44	43
Statutory pensions of the Management Team	100	75

Management has been granted 900 000 option rights of which 450 000 to the CEO. During the financial year 2012 total of 200 000 new share option were issued to the management of the Group.

The Board of Directors has no share based remuneration or other bonus schemes. The Annual General Meeting of Shareholders held on 26 March, 2013: remuneration of EUR 3 300 per month was paid to the Chairman of the Board and EUR 1 800 per month to the members of the Board of Directors.

Loans to related parties

Loans to key employees of the Group, 1 000 EUR

	2013	2012
1 Jan.	1 336	-
Issued during the financial year	-	1 336
Repayment	-36	-
31 Dec.	1 300	1 336

On 4 September 2012, eQ Plc's Board of Directors decide to grant an interest-bearing loan in the amount of EUR 1.3 million to a company wholly owned by Mikko Koskimies, who had been appointed Managing Director of eQ Asset Management Ltd and member of eQ Group's Management Team for financing a purchase of shares in eQ Plc as part of the management's long-term incentive scheme. A total of 1 200 000 new shares of eQ Plc were offered for subscription to the company wholly owned by Mikko Koskimies .

The acquired shares in eQ Plc function as security for the loan. The interest rate of the loan is market-based. The entire loan will be repaid within five years at the latest. The company wholly owned by Koskimies has the right to repay the loan prematurely at any time. The transfer of the eQ shares owned by the company is restricted for three years during the duration of the scheme.

Transactons with the related parties, 1 000 EUR

Associated companies	2013	2012
Sales	156	43
Receivable	-	16

The ownership of the Management Team and the members of the Board of Directors in eQ Plc as of 31 December 2013

The table below shows the personal ownership of the members of the Board and the Management Team and those companies in which they have a sole control.

	Shares	%
Johansson, Ole	150 000	0.41
Dahlblom, Christiina	0	0.00
Ehrnrooth, Georg*	0	0.00
Heliövaara, Eero	5 869 307	16.11
Seppäla, Jussi	75 000	0.21
Larma, Janne	4 271 637	11.72
Jåfs, Staffan	10 089	0.03
Koskimies, Mikko	1 200 000	3.29
Lundström, Lauri	400 000	1.10
Surve, Juha	41 000	0.11

* Georg Ehrnrooth together with his brothers Henrik Ehrnrooth and Carl-Gustaf Ehrnrooth, holds a controlling interest in Fennogens Investments S.A.

26. SUBSIDIARIES

The Group includes following companies at the end of the year.

Company	Country	Group holding, %
eQ Asset Management Ltd	Finland	100
eQ Fund Management Company Ltd	Finland	100
Finnreit Fund Management Company Ltd	Finland	100
eQ Life Ltd	Finland	100
eQ Asset Management Norway AS	Norway	100
eQ Asset Management Sweden AB	Sweden	57
eQ Asset Management Denmark A/S	Denmark	100
Advium Corporate Finance Ltd	Finland	100
Amanda GP I and II Ltd	Finland	100
Amanda III Eastern GP Ltd	Finland	100
Amanda IV West GP Ltd	Finland	100
Amanda V East GP Ltd	Finland	100
eQ PE VI North GP Ltd	Finland	100
Nordic Venture Partners Limited	Guernsey	100
Nordic Venture Managers Limited	Guernsey	100
Proventure Scotland GP	Scotland	100
European Fund Investment II Limited GP	Scotland	100

INCOME STATEMENT, PARENT COMPANY (FAS)

EUR	Note no.	2013	2012
Fee and commission income, net	2	75 900.00	73 200.00
Income from equity investments			
From subsidiaries	3	1 577 000.00	1 520 520.00
Interest income	4	16 244.86	17 002.29
Net income from available-for-sale financial assets	5	3 328 820.40	5 079 387.53
INVESTMENT COMPANY INCOME		4 997 965.26	6 690 109.82
Fee and commission expenses	6	-400 000.00	-400 000.00
Intrest cost	7	-117 824.83	-77 779.39
Administrative expenses		-1 277 109.17	-983 410.97
Personnel expenses	8	-982 057.44	-713 197.43
Salaries and remunerations		-821 204.23	-687 864.12
Indirect employee costs		-160 853.21	-25 333.31
Pension costs		-141 621.61	-16 157.44
Other indirect employee costs		-19 231.60	-9 175.87
Other administrative expenses	9	-295 051.73	-270 213.54
Depreciations or amortisations on tangible and intangible assets	10	-25 978.96	-29 283.35
Other operative expenses	11	-317 486.78	-591 456.19
Impairment losses from other financial assets	12	-387 966.50	-687 767.40
OPERATING PROFIT		2 471 599.02	3 920 412.52
Income taxes	13	-335 863.42	-896 095.88
PROFIT AFTER TAXES		2 135 735.60	3 024 316.64
PROFIT (LOSS) FOR THE FINANCIAL YEAR		2 135 735.60	3 024 316.64

2013

BALANCE SHEET, PARENT COMPANY (FAS)

EUR	Note no.	31 Dec. 2013	31 Dec. 2012
ASSETS			
Receivables from credit institutions			
Repayable on demand	14	4 868 048.19	2 495 607.33
Receivables from public and public organizatons			
Other	15	1 319 277.51	1 353 777.51
Shares and investments	16, 25	30 238 128.89	38 132 825.21
Shares in group companies	16	32 866 045.43	33 379 958.75
Intangible assets	17	37 238.19	54 444.25
Tangible assets			
Other Intangible assets	17	22 588.32	27 314.52
Other assets	18	595 875.94	567 802.24
Accruals and prepaid expenditure	19	112 804.33	82 638.90
Deferred tax assets	20	471 754.54	251 187.00
TOTAL ASSETS		70 531 761.34	76 345 555.71
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions		-	4 000 000.00
Liablities to public and public institutions			
Other		3 800 000.00	2 500 000.00
Other liablities			
Other liablities	21	216 719.30	206 273.80
Accruals and deferred income	22	159 576.53	148 683.43
Deferred tax liabilities	20	344 760.17	493 796.92
TOTAL LIABILITIES		4 521 056.00	7 348 754.15
EQUITY	26		
Share capital		11 383 873.00	11 383 873.00
Restricted equity			
Fair value reserve		-2 348 679.48	-1 306 611.32
Unrestricted equity			
Invested unrestricted equity		50 312 180.66	50 020 730.66
Retained earnings		4 527 595.56	5 874 492.58
Profit (loss) for the financial year		2 135 735.60	3 024 316.64
TOTAL EQUITY		66 010 705.34	68 996 801.56
TOTAL LIABILITIES AND EQUITY		70 531 761.34	76 345 555.71

CASH FLOW STATEMENT, PARENT COMPANY (FAS)

EUR 1 000	2013	2012
CASH FLOW FROM OPERATIONS		
Operating profit	2 472	3 920
Adjustments:		
Depreciation and amortisations	1 464	1 705
Interests received	-16	-17
Interests paid	118	78
Dividends received	-1 577	-1 521
Available-for-sale investments, change	5 726	1 489
Change in working capital		
Business receivables, increase (-) decrease (+)	617	-1 103
Non-interest-bearing liabilities, increase (+) decrease (-)	159	-343
Total change in working capital	776	-1 446
Cash flows from operations before financial items and taxes	8 962	4 209
Interests received	16	17
Interests paid	-118	-78
Dividends received	986	1 521
Taxes	-815	-1 597
CASH FLOW FROM OPERATIONS	9 032	4 071
CASH FLOW FROM INVESTMENTS		
Investing activities to tangible and intangible assets	-4	-40
Investing activities to investments	126	-14 110
CASH FLOW FROM INVESTMENTS	122	-14 149
CASH FLOW FROM FINANCING		
Dividends paid	-4 373	-3 996
Share issue	291	5 244
Loans optained	1 300	6 500
Acquisition of own shares	-4 000	-
CASH FLOW FROM FINANCING	-6 782	7 748
Increase/decrease in liquid assets	2 372	-2 330
Liquid assets 1 Jan.	2 496	4 826
Liquid assets 31 Dec.	4 868	2 496

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. PRINCIPLES FOR PREPARING THE FINANCIAL STATEMENTS

General

When preparing the financial statements, the company has followed the Ministry of Finance Decree on financial statements and consolidated financial statements of credit institutions and investment firms (150/2007) and the Financial Supervision Authority's regulations on accounting, financial statements, and report by the Board of Directors for the financial sector (1/2013). eQ Plc's principles for preparing the financial statements have been amended according to said regulations from the beginning of the financial year 2013. The comparison figures of the financial statements have been regrouped based on the new principles.

Valuation principles and methods as well as periodization principles and methods

Fee and commission income is recorded when the income can be defined in a reliable manner and it is likely that the company benefits from the financial advantage related to the transaction. Dividend income is recorded when the right to the dividend has arisen.

Interest income and expenses are recorded based on time by using the effective interest method and taking into account all contractual terms of the financial instrument. Interests that have not been received on the closing date are recorded as interest income and receivable among accruals and the unpaid interests as interest expenses and liabilities among accrued expenses.

The profit distribution of the private equity fund investments made by eQ Plc is recorded among the net income from available-for-sale financial assets.

The financial assets are classified into the following categories in accordance with IAS 39 Financial instruments: recognition and measurement: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets have been acquired and they are classified in connection with the original acquisition. All purchases and sales of financial assets are recorded on the transaction day.

The available-for-sale financial assets are valued at acquisition price. Later valuation is made at fair value. The unrealised value adjustments arising from valuation at fair value are included in the shareholders' equity under the fair value reserve. If available-for-sale financial assets are sold or if their value has deceased permanently and significantly, the profit and loss is recorded in the income statement as net income from available-for-sale financial assets. eQ Plc's private equity investments are classified as available-for-sale financial assets.

Loans and other receivables are financial assets where the related payments are fixed or can be defined. They are valued at the periodisized acquisition cost using the effective interest method. Impairment is recorded through profit and loss when there is reliable proof that the company cannot recover its receivables according to the original terms.

Depreciation principles

Tangible and intangible assets are entered in the balance sheet at acquisition cost less depreciation according to plan and impairment. The depreciation according to plan is calculated as straight-line depreciation based on the useful life of tangible and intangible assets. Depreciation has been calculated from the month the assets were taken into use. The depreciation period of intangible assets is 3 to 10 years and that of machinery and equipment 4 to 10 years

Foreign currency items

The receivables and debts in foreign currencies have been translated to euros according to the rate prevailing on the balance sheet day.

NOTES TO THE INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1 000	2013	2012

2. FEE AND COMMISSION INCOME

Other activity	76	73

3. INCOME FROM EQUITY INVESTMENTS

Dividend from group companies	1 577	1 521

4. INTEREST INCOME

Receivables from credit institutions	-	10
Receivables from public and public institutions	16	7
Other intrest icome	0	0
TOTAL	16	17

5. NET INCOME FROM AVAILABLE-FOR-SALE FINANCIAL ASSETS

From disposal of financial assets	4 379	6 067
From impairment losses	-1 050	-988
TOTAL	3 329	5 079

6. FEE AND COMMISSION EXPENSES

Other fees - Management of investments eQ Asset Management	-400	-400

7. INTREST COSTS

Liablities to credit institutions	-59	-42
To group companies	-57	-5
Other intrest cost	-2	-30
TOTAL	-118	-78

8. STAFF COSTS

Salaries and remunerations	-821	-688
Pension costs	-142	-16
Other indirect employee costs	-19	-9
TOTAL	-982	-713
Staff during the financial period - permanent	9	8
Change during financial period	1	3

9. OTHER ADMINISTRATIVE EXPENSES

	2013	2012
Other personnel expenses	-63	-40
IT and connection costs	-102	-59
Other administrative expenses	-131	-170
TOTAL	-295	-270

10. DEPRECIATIONS AND AMORTISATIONS

Depreciations and amortisations on tangible and intangible assets	-26	-29

Depreciation specification to balance sheet item is included under intangible and tangible assets.

11. OTHER OPERATING COSTS

Fees for advisory services	-16	-202
Fees for audit services	-72	-163
Auditing fees	-34	-52
Tax consulting	-9	-26
Other fees	-30	-85
Premises and other rent costs	-83	-68
Other expenses	-146	-158
TOTAL	-317	-591

12. IMPAIRMENT LOSSES FROM OTHER FINANCIAL ASSETS

eQ Group shares	-388	-688

13. INCOME TAXES

Income taxes for period		
Income taxes from the operations	-815	-747
Deferred taxes	479	-149
TOTAL	-336	-896

NOTES TO THE BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1 000	2013	2012

14. RECEIVABLES FROM CREDIT INSTITUTIONS

Repayable on demand		
From domestic credit institutions	4 868	2 496

15. RECEIVABLES FROM PUBLIC AND PUBLIC INSTITUTIONS

Other than repayable on demand		
Companies and housing companies	1 319	1 354

16. SHARES AND INVESTMENTS

Shares and investments		
Available-for-sale: Private equity investments	30 236	38 130
Other shares	3	3
Shares and investments in Group companies	32 866	33 380
TOTAL	63 104	71 513
- Of which acquisition cost	32 869	33 382

17. INTANGIBLE AND TANGIBLE ASSETS

Intangible rights		
Acquisition cost 1 Jan.	126	87
Increases	4	39
Acquisition cost 31 Dec.	130	126
Accumulated amortisation and impairment losses 1 Jan.	-72	-49
Amortisation for the period	-21	-23
Accumulated amortisation and impairment losses 31 Dec.	-93	-72
Carrying amount 31 Dec.	37	54
Machinery and equipment		
Acquisition cost 1 Jan.	158	158
Increases	-	1
Acquisition cost 31 Dec.	158	158
Accumulated amortisation and impairment losses 1 Jan.	-131	-125
Depreciation for the period	-5	-6
Accumulated amortisation and impairment losses 31 Dec.	-136	-131
Carrying amount 31 Dec.	23	27

18. OTHER ASSETS

	2013	2012
From group companies	591	568
Other receivables	5	0
TOTAL	596	568

19. ACCRUALS AND PREPAID EXPENDITURE

	2013	2012
Interest receivables	11	5
Other accruals	101	78
TOTAL	113	83

20. DEFERRED TAX ASSETS AND LIABILITIES

	2013	2012
Deferred tax assets		
Changes in fair value	472	251
Deferred tax liabilities	472	251
Deferred tax liabilities		
Changes in fair value	345	494
Deferred tax liabilities	345	494
Deferred tax assets (-) / tax liabilities (+), net	-127	243

21. OTHER LIABLITIES

	2013	2012
Accounts payable	102	40
Other liablities	115	166
TOTAL	217	206

22. ACCRUALS

	2013	2012
Other accruals	160	149

23. ASSETS AND LIABILITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY

31 Dec. 2013	EUR	Other than EUR	Total	From Group companies
Balance sheet items				
Receivables from credit institutions	4 868	-	4 868	-
Receivables from public and public institutions	1 319	-	1 319	-
Other assets	59 632	4 712	64 344	33 457
TOTAL	65 820	4 712	70 532	33 457
Liabilities to credit institutions	-	-	-	-
Liabilities to public and public institutions	3 800	-	3 800	3 800
Other liablities	721	-	721	72
TOTAL	4 521	-	4 521	3 872

31 Dec. 2012	EUR	Other than EUR	Total	From Group companies
Balance sheet items				
Receivables from credit institutions	2 496	-	2 496	-
Receivables from public and public intstitutions	1 354	-	1 354	-
Other assets	66 924	5 572	72 496	33 948
TOTAL	70 774	5 572	76 346	33 948
Liablities to credit institutions	4 000	-	4 000	-
Liablities to public and public institutions	2 500	-	2 500	2 500
Other liabilties	849	-	849	8
TOTAL	7 349	-	7 349	2 508

24. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Receivables from credit institutions	4 868	4 868	2 496	2 496
Receivables from public and public intstitutions	1 319	1 319	1 354	1 354
Shares and investments	30 238	30 238	38 133	38 133
Shares in group companies	32 866	32 866	33 380	33 380
TOTAL	69 292	69 292	75 362	75 362
Financial liabilities				
Liablities to credit institutions	-	-	4 000	4 000
Liablities to public and public institutions	3 800	3 800	2 500	2 500
TOTAL	3 800	3 800	6 500	6 500

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.

25. VALUE OF FINANCIAL INSTRUMENTS ACROSS THE THREE LEVELS OF THE FAIR VALUE HIERARCHY

31 Dec. 2013	Fair value	Level 3
Available-for-sale financial assets		
Private equity investments	30 236	30 236
Financial securities	3	3
TOTAL	30 238	30 238

Tier 3 - Available-for-sale financial assets

	Private equity investments
Opening balance on 1 Jan. 2013	38 130
Calls and returns	-5 726
Impairment loss	-1 050
Change in fair value	-1 118
Closing balance on 30 Dec. 2013	30 236

31 Dec. 2012	Fair value	Tier 3
Available-for-sale financial assets		
Private equity investments	38 130	38 130
Financial securities	3	3
TOTAL	38 133	38 133

Tier 3 - Available-for-sale financial assets

	Private equity investments
Opening balance on 1 Jan. 2012	41 939
Calls and returns	-1 316
Impairment loss	-988
Change in fair value	-1 332
Sales loss	-173
Closing balance on 30 Dec. 2012	38 130

The fair values of level 3 instruments are based on the value reported by the private equity fund management company, and their use in generally accepted valuation models. Private equity fund investments are valued according to the International Private Equity and Venture Capital Guidelines. Permanent write-downs in valuations are based on management's consideration as described in the principles of the financial statements.

26. SHAREHOLDERS' EQUITY

	2013	2012
Share capital 1 Jan.	11 384	11 384
Share capital 31 Dec.	11 384	11 384
Fair value reserve 1 Jan.	-1 307	-
Increase	-1 042	-1 307
Fair value reserve 31 Dec.	-2 349	-1 307
Restricted equity	9 035	10 077
Invested unrestricted equity 1 Jan.	50 021	44 777
Increase	291	5 244
Invested unrestricted equity 31 Dec.	50 312	50 021
Retained earnings 1 Jan.		
Profit brought forward	8 899	6 587
Dividends	-4 373	-3 996
Cancellation of own shares	-	0
Other changes	2	44
Increase	-	3 239
Retained earnings 31 Dec.	4 528	5 874
Profit for the financial year	2 136	3 024
Non-restricted equity	56 976	58 920
Shareholders' Equity 31 Dec.	66 011	68 997

	2013	2012
Calculation of distributable earnings 31 Dec.		
Retained earnings 1 Jan.	4 528	5 874
Profit for the financial year	2 136	3 024
Invested unrestricted equity	50 312	50 021
Distributable earnings	56 976	58 920

The share capital of the company consists of 36 442 198 shares. All share carry one vote.

OTHER NOTES OF THE PARENT COMPANY

27. PLEDGES, MORTGAGES AND OBLIGATIONS (EUR 1 000)

	31 Dec. 2013	31 Dec. 2012
Remaining commitments	11 169	10 712
Leasing and rental commitments not later than one year	37	70
Leasing and rental commitments later than one year and not later than five years	3	5
TOTAL	11 209	10 787

28. IMPACT OF THE CHANGE IN PRINCIPLES FOR PREPARING THE FINANCIAL STATEMENTS

eQ Plc has amended the principles for preparing the parent company's financial statements from the beginning of the financial period 2013 in accordance with the Financial Supervision Authority's regulations (1/2013) on accounting, financial statements, and the Report by the Board of Directors.

Due to said amendment, the private equity investments made by the company are classified as available-for-sale financial assets and valued at fair value. The accumulated changes in value and their tax impacts are recorded in the fair value reserve. Previously, the company has valued the investment at acquisition cost or a lower market value through profit or loss.

1 000 EUR

Due to the change in the principles for preparing the financial statements, the following adjustments have been entered in the company's retained earnings. The entries corresponding to the adjustments refer to the fair value reserve.

Adjustments in retained earnings	
For changes in fair value below acquisition price	3 833
Tax impact of changes in fair value	-1 005
TOTAL	2 828
For the year 2012	-411
For years preceding 2012	3 239
TOTAL	2 828
Retained earnings and profit for the period, total in financial statements 2012	6 070
Retained earnings on 31 Dec. 2012 after adjustments	8 899

SHARES AND SHAREHOLDERS

Major shareholders	Number of shares	Share of shares and votes, %
Fennogens Investements S.A.	5 794 307	15.90
Chilla Capital	4 271 637	11.72
Ulkomarkkinat Oy	3 727 124	10.23
Veikko Laine Oy	3 665 302	10.06
Oy Hermitage Ab	2 295 693	6.30
Mandatum Henkivakuutusosakeyhtiö	2 053 296	5.63
Oy Cevante Ab	1 419 063	3.89
Teamet Oy	1 200 000	3.29
Fazer Jan Peter	1 064 815	2.92
Linnalex Ab	881 652	2.42
Louko Antti Jaakko	747 918	2.05
Lavventura Oy	550 000	1.51
Pinomonte Ab	529 981	1.45
Rettig Asset Management Oy Ab	524 931	1.44
Viskari Jyri	450 000	1.23
Ab Kelonia Oy	405 500	1.11
Leenos Oy	400 000	1.10
Änkilä Petteri Juha Väinämö	346 500	0.95
Liikesivistysrahaston Kannatusyhdistys r.y.	276 800	0.76
Leppä Jukka-Pekka	228 000	0.63
Other	5 609 679	15.39
TOTAL	36 442 198	100.00

The information is based on the situation in the shareholders register kept by Euroclear Finland Ltd on 31 December 2013

Ownership structure by sector 31 Dec. 2013	Number of shares	Share of shares and votes %
Corporations	20 745 110	56.93
Financial and insurance institutions	2 323 840	6.38
Public organisations	37	0.00
Households	7 133 210	19.57
Foreign	5 823 677	15.98
Others 1)	416 324	1.14
TOTAL	36 442 198	100.00

1) The others comprise non-profit organisations.

Ownership structure according to number of shares held

Shares No./shareholder	Number of owners	Share of shareholders %
1 -100	1 208	36.61
101 -500	1 017	30.82
501 -1.000	449	13.61
1.001 -5.000	463	14.03
5.001 -10.000	62	1.88
10.001 -50.000	62	1.88
50.001 -100.000	12	0.36
100.001 -500.000	13	0.39
500.001-	14	0.42
TOTAL	3 300	100.00

Shares No./shareholders	Number of shares	Share of No. of shares %
1 - 100	48 448	0.13
101 - 500	292 109	0.80
501 - 1.000	366 967	1.01
1.001 - 5.000	1 079 157	2.96
5.001 - 10.000	462 643	1.27
10.001 - 50.000	1 366 886	3.75
50.001 - 100.000	867 054	2.38
100.001 - 500.000	3 233 215	8.87
500.001-	28 725 719	78.83
Total	36 442 198	100.00
Shares on a separate account		0.00
TOTAL	36 442 198	100.00

Nominee-registered

93 268 of the company shares represent 0.26 % of company votes and shares, were nominee-registered.

Shares and share capital	Number of shares	Share capital
1 Jan. 2013	36 297 198	11 383 873
Increase	145 000	-
31 Dec. 2013	36 442 198	11 383 873

The number of the eQ Plc share increased by 145 000 on February 28th 2013 due to share issue directed to key persons of eQ Group.

Own shares

eQ Plc held no own shares at the end of the financial period on 31 December 2013.

Management ownership

Specification for the Management ownership is shown in the notes to the balance sheet.

Option programme

eQ Plc's Board of Directors has on 18 August 2010 decided to issue a maximum of 2 000 000 option rights to key employees of the eQ Group. Each option right entitles its holder to subscribe for one new share in eQ Plc. The option rights are intended as part of the incentive and commitment scheme of key persons.

The option rights are valued at fair value on the date of their issue and entered as expense in the income statement during the period when the right arises. The fair value of the issued options on the day of issue has been defined by using the Black-Scholes option pricing model.

Options	2010A	2010B	2010C	2010D	2010E
Number of options	400 000	400 000	400 000	400 000	400 000
Share subscription period begins	1 April 2012	1 April 2013	1 April 2014	1 April 2015	1 April 2016
Share subscription period ends	31 May 2020	31 May 2020	31 May 2020	31 May 2020	31 May 2020
Share subscription price	The share subscription price with an option right is EUR 2.50. * Subscription price is reduced by the dividend and the capital return at the record rate of such event.				

	2013	2011
Number of issued options at the beginning of the financial year	1 500 000	700 000
Options granted	200 000	800 000
Number of issued options at the end of the financial year	1 700 000	1 500 000
Information used in the Black-Scholes model		
Anticipated volatility	30%	30%
Interest rate at the time of issue	1,83%	1.53%/1.67%*

*Option issued on 4 September 2012 and 20 November 2012.

2013

BOARD OF DIRECTORS’ PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The distributable means of the parent company on 31 December 2013 totalled EUR 57.0 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.15 per share be paid out on the record date 1 April 2014. The proposal corresponds to a dividend totalling EUR 5 466 329,70 calculated with the number of shares at the end of the financial year. The Board proposes that the dividend payment date is 8 April 2014.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

SIGNATURES FOR THE AND FINANCIAL STATEMENTS AND BOARD OF DIRECTORS’ REPORT

Helsinki, February 14, 2014

Ole Johansson
Chairman of the Board

Nicolas Berner

Christina Dahlblom

Georg Ehrnrooth

Jussi Seppälä

Janne Larma
CEO

THE AUDITOR’S NOTE

Our auditors’ report has been issued today.

Helsinki, February 14, 2014

ERNST & YOUNG OY
Authorized Public Accountant Firm

Ulla Nykky
Authorized Public Accountant

”

The year 2013 was once more successful for the eQ Emerging Dividend Fund

AUDITOR’S REPORT

To the Annual General Meeting of eQ Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of eQ Plc for the financial period 1.1. - 31.12.2013. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flow, and notes to the consolidated financial statements, as well as the parent company’s balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company’s accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with requirements of professional ethics. We conducted our audit accordance with good auditing practice in Finland. Good auditing practice requires that we and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Directors are guilty of an act of negligence which may result in liability in damages towards the company or violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements and the report of the Board of Directors that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company’s financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Opinions based on assignment of the Board of Directors

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the result shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Directors should be discharged from liability for the financial period audited by us.

Helsinki February 14, 2014

Ernst & Young Oy
Authorized Public Accountant Firm

Ulla Nykky
Authorized Public Accountant

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT 2013

This Corporate Governance Statement has been drawn up separately from the report by the Board of Directors. The statement is not part of the official financial statements.

General

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association in June 2010. The entire Code is available on the website of the Securities Market Association at www.cgfinland.fi.

General Meeting of Shareholders

The General Meeting is eQ Plc's highest decision-making body, at which the shareholders participate in the supervision and control of the company. eQ Plc convenes one Annual General Meeting (AGM) during each financial period. An Extraordinary General Meeting may be convened when necessary. Shareholders exercise their right to vote and voice their views at the General Meeting.

eQ Plc provides shareholders with sufficient information about the agenda of the General Meeting in advance. The advance information is provided in the notice of the General Meeting, other releases and on the company website. The General Meeting is organized in such a way that shareholders can effectively exercise their ownership rights. The goal is that the CEO, Chairman of the Board, and a sufficient number of directors attend the General Meeting. A person proposed as director for the first time shall participate in the General Meeting that decides on his or her election, unless there are well-founded reasons for his or her absence.

eQ Plc's Annual General Meeting was held on 26 March 2013.

Board of Directors

The General Meeting elects the directors. The director candidates put forward to the Board shall be mentioned in the notice of the General Meeting, if the proposal has been made by the Board or if the candidate is supported by shareholders holding at least 10 per cent of the total votes carried by all the shares of the company, provided that the candidate has given his/her consent to the election. The candidates proposed after the delivery of the notice of the meeting will be disclosed separately. The company's Articles of Association do not contain any provisions on the manner of proposing prospective directors. In its Annual Report, the company states the number of Board meetings held during the financial period as well as the average attendance of the directors. The directors are elected for one year at a time.

A person elected director must have the qualifications required by the work of a director and sufficient time for taking care of the duties. The company facilitates the work of the Board by providing the directors with sufficient information on the company's operations. eQ Plc's Board of Directors consists of 5 to 7 members. The members elect the Chairman of the Board.

The company reports the following biographic details and holdings of the directors: name, year of birth, education, main occupation, primary working experience, date of inception of Board membership, key positions of trust, and shareholdings in the company.

The members of eQ's Board of Directors shall provide the Board and the company with sufficient information for the evaluation of their qualifications and independence and notify of any changes in such information.

The Annual General Meeting held on 26 March 2013 elected the following persons to the Board:

Ole Johansson, born 1951, member of the Board since 2011, Chairman of the Board, B.Sc. (Econ)

Svenska Handelsbanken AB (publ.), member of the Board, 2012 -; Outokumpu Oyj, Chairman of the Board, 2008-2013; Confederation of Finnish Industries (EK), Chairman of the Board, 2011-2012; Varma Mutual Pension Insurance Company, Deputy Chairman of the Board, 2005-2012; Technology Industries of Finland, member of the Board, 2010-2012; Finnish Business and Policy Forum EVA, member of the Board, 2010-2013; Research Institute of Finnish Economy ETLA, member of the Board, 2011-2013.

Independent of the company and significant shareholders.

Nicolas Berner, born 1972, member of the Board since 2013, LL.B

2011- Berner Ltd, Chief Financial Officer; Berner Ltd, Member of the Board, 2011-; Nbe Holding Oy, Member of the Board, 2006-.

Independent of the company and significant shareholders.

Christina Dahlblom, born 1978, member of the Board since 2012, D.Sc. (Econ)

2011- Dahlblom & Sparks Ltd, founder and Managing Director; Nordman Invest Oy, member of the Board, 2012-; Oy Transmeri Ab, member of the Board, 2012-; Diamanten i Finland rf, member of the Board, 2012-; Soprano Plc, member of the Board, 2013-.

Independent of the company and significant shareholders.

Georg Ehrnrooth, born 1966, member of the Board since 2011, studies in agriculture and forestry

Pöyry Oyj, member of the Board, 2010-; Norvestia Oyj, member of the Board 2010-; Forcit Oy, member of the Board, 2010-; Paavo Nurmi Foundation, member of the Board, 2005-; Anders Wall Foundation, member of the Board, 2008-; Louise and Göran Ehrnrooth Foundation, deputy member of the Board, 2003-2013, Chairman of the Board, 2013-; Semerca Investments S.A, Chairman of the Board, 2009-; Corbis S.A, Chairman of the Board, 2009-; Fennogens Investments S.A, Chairman of the Board, 2009-; OE Capital Ab, Chairman of the Board, 2010-; Vicus Oy, member of the Board, 2012-.

Independent of the company, but not independent of its significant shareholders.

Jussi Seppälä, born 1963, member of the Board since 2011, M.Sc. (Econ)

2008- Minerva Group, Managing Director of Minerva Partnership Oy, Oy Cardos Ab, member of the Board, 1999-; Hoivakoti Villa Lauriina Koy, member of the Board, 2009-; Lintuvaaran hoivakoti Koy, member of the Board, 2009-; Minerva Partnership Oy, member of the Board, 2009-, Deamia Oy, deputy member of the Board; Keskinäinen Koy Eiran Edelfelt, deputy member of the Board, 2007; Minerva Hoiva I GP Oy, Chairman of the Board, 2009-.

Independent of the company and significant shareholders.

eQ Plc's Board of Directors has drawn up a written charter covering its operations. Below is a list of the most important principles and duties presented in the charter:

- the Board shall be responsible for the administration of the company and the appropriate organization of the company's operations,
- the Board shall steer and supervise the company's operative management as well as appoint and dismiss the CEO,
- the Board shall approve the company's strategic goals,
- the Board shall approve the company's risk management principles and make sure that the management system functions well,
- the Board shall ensure that the company confirms the values that are to be applied in its operations,
- the Board shall promote the interests of the company and all its shareholders,
- the members of the Board do not represent the parties who proposed them as Board members when working on the Board,
- the Board shall assess its performance and working methods annually, either by means of internal self-evaluation or by using an external evaluator.

During the financial period 2013, the Board of Directors of eQ Plc convened 6 times, average attendance being 97 per cent.

The majority of the members of eQ Plc's Board of Directors are independent of the company and the company's major shareholders. The Board of Directors assesses the independence of the directors and states on the company website which of the directors have been deemed independent. When evaluating independence, the circumstances of private individuals or legal entities regarded as related parties will be taken into consideration in all situations. Companies belonging to the same group as a company are comparable with the company.

Board Committees

eQ Plc does not have any Board committees.

CEO

The CEO is in charge of the day-to-day administration of the company in accordance with the rules and regulations of the Finnish Limited Liability Companies Act and instructions and orders issued by the Board of Directors. The CEO may take measures that, considering the scope and nature of the operations of the company, are unusual or extensive with the authorization of the Board. The CEO ensures that the accounting practices of the company comply with the law and that financial matters are organized in a reliable manner.

eQ Plc's Board of Directors appoints the CEO.

- Janne Larma, M.Sc. (Econ) (born 1965) was appointed CEO on 16 March 2011.
- The company discloses the same biographic details and information on the holdings of the CEO as of the directors. The CEO shall not be elected Chairman of the Board.
- eQ Plc does not have substitute for the CEO since 14 February 2013.
- Other executives
- eQ Plc's Management Team during the financial period 2013:
- Janne Larma, born 1965, M.Sc. (Econ), Chairman, CEO, eQ Plc
- Staffan Jåfs, born 1974, M.Sc. (Econ), Director, Private Equity, eQ Asset Management Ltd
- Mikko Koskimies, born 1967, M.Sc. (Econ), CEO, eQ Asset Management Ltd
- Lauri Lundström, born 1962, M.Sc. (Econ), Director, Administration, eQ Plc
- Juha Surve, born 1980, LL.M., M.Sc. (Econ), Group General Counsel, eQ Plc

Remuneration

Board of Directors

Remuneration and other financial benefits of the Board of Directors

The General Meeting decides on the remuneration of the members of the Board of Directors annually.

The 2013 Annual General Meeting decided that the Board of Directors would receive remuneration according to following: Chairman of the Board EUR 3 300 per month (2012: 3 300) and the directors EUR 1 800 per month (2012: 1 800). The remuneration is paid in cash. The members of eQ's Board of Directors have no share-related rights, nor are they covered by any other remuneration scheme.

CEO and other executives

Decision-making process and main principles of remuneration

eQ's Board of Directors decides annually on the remuneration system of the Group, as well as on the principles of performance-based remuneration and the persons involved in the system. The Board of Directors also decides the remuneration of the CEO and the members of the Management Team, based on a proposal by the CEO. The Board reviews annually, in a manner that it decides on separately, that eQ Group has complied with the remuneration system.

eQ's remuneration systems are divided into long-term incentive schemes and the annual performance bonus system. In remuneration, eQ follows the following main principles:

- The systems support eQ Group's long-term goals, such as improving the profitability of the business in a long term, sufficient capital adequacy, return on investments and cost efficiency.
- Remuneration must be designed to prevent unnecessary risk-taking.
- The Board decides on the payment of the performance bonuses based on the systems, and the decision will be made annually after the end of the incentive period.
- A performance bonus will not be paid and it will be recovered as unfounded, if it is found that the person concerned has acted contrary to eQ's internal policies, laws or regulations or guidelines issued by authorities.
- The decision about remuneration is always made by the superior of the concerned person's superior.
- eQ Group does not have any pre-determined thresholds for remuneration, but eQ's Board of Directors will consider annually and case by case whether it is necessary to restrict the payment of the remuneration. When necessary, decisions are made on a postponement of the payment of variable remuneration, on whether non-cash payment should be used or if the payment should be cancelled. If variable remuneration does not exceed EUR 50 000 per year, payment will not be postponed.

Long-term incentive scheme

The aim of the long-term incentive scheme is to commit key personnel to eQ Group and its objectives. The long-term incentive scheme primarily consists of eQ's option scheme. Options are issued to those who can influence the development of the entire eQ Group through their performance. eQ's Board of Directors decides on the issue of options. The terms of the option scheme are available on eQ's website, in the Investors section.

In addition, eQ Group can introduce other long-term incentive schemes based on the consideration of the Board of Directors. Such incentive schemes can be tied directly or indirectly to the company's share price development.

Annual bonus system

The amount of the annual bonus is determined by the achievement of personal goals, the business unit's result and sales, as well as the company result. The share of the result is the higher, the more the person concerned is able to influence the outcome. eQ's Board of Directors determines annually in advance on what basis annual bonuses will be paid and what their size is. In addition, the Board of Directors decides on the distribution of the annual bonuses after the incentive period has ended.

Remuneration and other financial benefits of the CEO

The Board of Directors appoints the CEO and decides on the CEO's salary, benefits and other terms related to the CEO's employment relationship. The terms of the CEO's employment relationship have been specified in writing in the CEO's contract of employment approved by the Board. Both parties may give notice on this contract with a period of notice of two (2) months. When notice is given by the company for whatever reason or if the contract is terminated through mutual agreement by the company and the CEO, the CEO is entitled to a compensation corresponding to his/her overall remuneration for six (6) months preceding the termination of the contract, which compensation is paid on the day when the contract is terminated.

The remuneration of the CEO consists of a fixed monthly salary in cash (monthly salary and fringe benefits), performance bonus as short-term incentive and an option scheme. The Board of Directors decides on the CEO's remuneration. The retirement age and pension of the CEO are determined in accordance with the Finnish Employees Pensions Act. The CEO does not have a supplementary pension scheme.

In 2013, the CEO was paid an overall remuneration of EUR 240 074 (2012: 234 856), the share of variable remuneration being EUR 50 000 (2012: 46 329).

Janne Larma, CEO, has been granted, as part of the long-term incentive scheme, 450 000 option rights (90 000 2010A options, 90 000 2010B options, 90 000 2010C options, 90 000 2010D options and 90 000 2010E options).

Remuneration and other financial benefits of the other executives

The Board of Directors decides on the remuneration system of the Management Team based on the CEO's proposal. The remuneration system consists of a fixed salary in cash (monthly salary and fringe benefits), performance bonus as short-term incentive and a long-term incentive scheme. Management Team members do not receive remuneration when acting as Board members in the subsidiaries of eQ Plc. The retirement age and pension of the Management Team are determined in accordance with the Finnish Employees Pensions Act. The Management Team members do not have a supplementary pension scheme.

In 2013, the other Management Team members than the CEO were paid an overall remuneration of EUR 546 693 (2012: 435 212), the share of the variable remuneration being EUR 44 209 (2012: 19 695).

Mikko Koskimies, member of the Management Team, has been granted 200 000 option rights as part of the long-term incentive scheme (50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options) and Staffan Jåfs, member of the Management Team, 250 000 options (50 000 2010A options, 50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options).

Mikko Koskimies, member of the Management Team, has invested in eQ's shares as part of the long-term incentive scheme for the management. For the purpose of shareholding, a share issue was directed to a company wholly owned by Mikko Koskimies on 4 September 2012. The subscription of shares was financed by capital from the company owned by Mikko Koskimies and through a loan issued by eQ to the company. As part of the arrangement, eQ's Board decided on 4 September 2012 to grant the company wholly owned by Mikko Koskimies an interest-bearing loan of a maximum of EUR 1 336 000 in order to finance the subscription of eQ shares. The loan will be repaid in full within five years at the latest. The company owned by Koskimies has the right to repay the loan prematurely at any time, and transfer of the eQ shares owned by it is restricted for three years during the duration of the scheme. At the end of the financial year 2013 receivable related to this loan was EUR 1 300 000.

Description of the main features of the internal control and risk management systems in relation to the financial reporting process

The objective of the financial reporting process is to produce timely financial information and to ensure that decision-making is based on reliable information. The aim is to ensure that the financial statements and interim reports are prepared according to applicable laws, generally accepted accounting principles and other requirements on listed companies.

The financial reporting process produces eQ Group's monthly and quarterly reports. The Management Team of the Group reviews eQ Group's result and financial performance monthly. The Group management presents the result and financial position of the Group quarterly to the Board of Directors. The Board of Directors supervises that the financial reporting process produces high-quality financial information.

The Group's subsidiaries report their results monthly to the parent company. The financial administration of the Group mostly takes care of the bookkeeping of the subsidiaries. At Group level, this will make it easier to make sure that the financial reporting of the subsidiaries is reliable. The Group's interim reports and financial statements are prepared in accordance with the IFRS reporting standards. The financial administration of the Group monitors the changes that take place in IFRS standards.

Based on risk assessments, the company has developed measures for controlling the risks pertaining to financial reporting, which make sure that financial reporting is reliable. The companies use various reconciliations, checks and analytical measures, for instance. The financial administration of the Group prepares monthly analyses of income statement and balance sheet items, both at company and segment level. In addition, tasks related to risk-exposed work combinations are separated, and there are appropriate approval procedures and internal guidelines. The reliability of financial reporting is also supported by various system controls in the reporting systems. Other basic principles of control are a clear division of responsibility and clear roles as well as regular reporting routines.

The Group does not have a separate internal audit organization. The CEO is responsible for the tasks of the internal audit function. The CEO may assign external evaluators to carry out audits on areas that the CEO deems necessary. The risk management and compliance function of the Asset Management segment is responsible for risk management related to the business and the compliance of the operations to rules and regulations. The risk management and compliance function carries out different sample checks of the operations. The CEO reports the observations to the Board of Directors.

Insider administration

eQ Plc complies with the Guidelines for Insiders issued by NASDAQ OMX Helsinki Ltd on 9 October 2009.

The company maintains an insider register on statutory insiders and company-specific insiders. The statutory insider register, which is public, includes the members of the company's Board of Directors, the CEO, the Management Team, and the auditor with main responsibility. In addition, the personnel of financial administration, risk management and communications, the secretary of the CEO and the management of major subsidiaries are regarded as company-specific insiders. The insider register is maintained by the Euroclear Finland Ltd.

Those who are regarded as eQ Plc's insiders or those whose interests they protect (persons under guardianship) or corporations they control are not be permitted to trade in eQ Plc's shares on a short-term basis. Investments are regarded as short-term investments when the period between the purchase and transfer or the transfer and purchase of the security is less than one (1) month.

Company insiders may not trade in securities issued by the company for 14 days prior to the publication of the company's interim report and financial statements release. It is recommended that insiders schedule their trading, as far as possible, to periods during which the market has as complete information as possible on issues influencing the value of the share.

The restriction on trading is applied to the company's permanent insiders, those under their guardianship and the organizations they control, as referred to in chapter 2, section 4 of the Securities Markets Act (746/2012). The restriction on trading does not apply to auditors, nor corporations in which insiders exercise significant influence.

It is contrary to good practice and forbidden to circumvent the trading restriction by trading in shares on one's own behalf in the name of a related party or through other intermediaries, such as organizations in which the insider exercises significant influence.

The company uses a register on project-specific insiders in issues or arrangements that deviate from the company's regular business activities due to their nature or size. The company evaluates on a case-by-case basis whether an issue or arrangement under preparation is to be deemed a project. The purpose of the project-specific register is to clarify the moment at which a person is to be regarded as an insider and to make the processing of insider information more efficient.

eQ Plc has informed its permanent insiders of the company's Guidelines for Insiders. The company has a designated person in charge of insider issues, who carries out tasks related to the management of insider issues. The company checks the information to be declared with the permanent insiders annually. In addition, the company checks at least once a year the trading of the permanent insiders based on the register information of the Euroclear Finland Ltd.

Audit

The proposal for the election of an auditor prepared by the Board of Directors of the company will be disclosed in the notice of the General Meeting. If the Board has not arrived at a decision on the prospective auditor by the time the notice is sent, the candidacy will be disclosed separately.

In 2013, Ernst & Young Oy, Authorized Public Accountants, acted as an Auditor of eQ Plc. The responsible auditor was Ulla Nykky, APA.

Auditors' fees

The auditors have been paid the following amounts for the services related to the audit and for other services: Fees for the audit and closely related fees in 2013 totalled EUR 187 378 (2012: 139 484. The other services in 2013 amounted to EUR 49 099 (2012: 116 825).

Disclosure of information

The major issues concerning eQ Plc's administration are disclosed on the company website (www.eQ.fi). The stock exchange releases are available on the company website immediately after their publication.

"One of our major development objects in 2013 was sustainable investments

BOARD OF DIRECTORS

The Board of Directors since 26 March 2013

Ole Johansson

Member of the Board since 2011
Chairman of the Board
Born 1951

Education
B.Sc. (Econ.), Swedish School of Economics, Helsinki.

Primary working experience
2000-2011 Wärtsilä Corporation, President & CEO, 1975-79 and rejoined in 1981 Wärtsilä Group; 1984-86 Wärtsilä Diesel Inc., Vice President; 1986-94 Wärtsilä Diesel Group, Vice President & Controller; 1994-96 Metra Corporation, Senior Vice President & CFO; 1996-98 Metra Corporation, Executive Vice President & CFO; 1998-2000 Wärtsilä NSD Corporation, President & CEO.

Positions of trust
Svenska Handelsbanken AB (publ.), member of the Board, 2012 -; Outokumpu Oyj, Chairman of the Board, 2008-2013; Confederation of Finnish Industries (EK), Chairman of the Board, 2011-2012; Varma Mutual Pension Insurance Company, Deputy Chairman of the Board, 2005-2012; Technology Industries of Finland, member of the Board, 2010-2012; Finnish Business and Policy Forum EVA, member of the Board, 2010-2013; Research Institute of Finnish Economy ETLA, member of the Board, 2011-2013.

Independent of the company and significant shareholders.

Nicolas Berner

Member of the Board since 2013

Born 1972

Education
LL.B., Helsinki University

Primary working experience
2011- Berner Ltd, Chief Financial Officer; 1998-2011 Hannes Snellman Ltd and as a partner 2006-2011.

Positions of trust
2011- Berner Ltd, member of the Board; 2006-. Nbe Holding Ltd, member of the Board.

Independent of the company and significant shareholders.

Christina Dahlblom

Member of the Board since 2012

Born 1978

Education
M.Sc (Econ), Swedish School of Economics, Helsinki
Business Coach

Primary working experience
2011- Dahlblom & Sparks Ltd, Founder and Mananging Director; 2006–2011 Hanken & SSE Executive Education Ab, Managing Director; 2004–2006 TNS Gallup Ltd, Director; 2001–2004 Svenska handelshögskolan, Researcher.

Positions of trust
2011- Dahlblom & Sparks Ltd, founder and Managing Director; Nordman Invest Oy, member of the Board, 2012-; Oy Transmeri Ab, member of the Board, 2012-; Diamanten i Finland rf, member of the Board, 2012-; Soprano Plc, member of the Board, 2013-.

Independent of the company and significant shareholders

Georg Ehrnrooth

Member of the Board since 2011

Born 1966

Education

Studies in agriculture and forestry, Högre Svenska Läroverket, Åbo.

Primary working experience

2005 eQ Corporation and eQ Bank Ltd, Chief Executive Officer.

Positions of trust

Pöyry Oyj, Member of the Board, 2010-; Norvestia Oyj, Member of the Board, 2010-; Forcit Oy, Member of the Board, 2010-; Paavo Nurmi Foundation, Member of the Board, 2005-; Anders Wall Foundation, Member of the Board, 2008-; Louise and Göran Ehrnrooth Foundation, Deputy Member of the Board, 2003-; Semerca Investments S.A, Chairman of the Board, 2009-; Corbis S.A, Chairman of the Board, 2009-; Fennogens Investments S.A, Chairman of the Board, 2009-; OE Capital Ab, Chairman of the Board, 2010-; Vicus Plc, Member of the Board 2012-.

Independent of the company, but not independent of its significant shareholders.

Jussi Seppälä

Member of the Board since 2011

Born 1963

Education

M.Sc. (Econ), Helsinki School of Economics

Primary working experience

2008- Minerva Group, Managing Director of Minerva Partnership Oy; 1999-2008 FIM Group Oyj / Glitnir Oyj, 2008 Head of Equities, Moscow, 2006-2007 Marketing Director, 1999-2006 Managing director of FIM Fund Management Oy; 1996-1999 SEB, Fixed income sales; 1992-1995 JP Bank, Stockholm, Fixed income research and sales.; 1988-1991 Entrepreneur, Software development for banking sector (interest rate risk management).

Positions of trust

Oy Cardos Ab, Member of the Board, 1999-; Hoivakoti Villa Lauriina Koy, Member of the Board; Lintuvaaran hoivakoti Koy, Member of the Board; Minerva Partnership Oy, Member of the Board, Deamia Oy, Deputy Member of the Board, 1999-; Keskinäinen Koy Eiran Edelfelt, Substitute Member of the Board; Minerva Hoiva I GP Oy, Chairman of the Board.

Independent of the company and significant shareholders.

MANAGEMENT TEAM

Managment Team since 20 November 2012

Janne Larma,

Chairman of the Management Team

Janne Larma, M.Sc. (Econ), (born 1965) is CEO of eQ Plc. He founded Advium Corporate Finance Ltd in 2000, prior to which he had gained more than ten years of experience within investment banking. In addition, Janne Larma has experience in the asset management business, as Board member of the parent company of eQ Asset Management Group and as member of eQ Bank's management team from 2004 to 2009.

Staffan Jåfs

Staffan Jåfs, M.Sc. (Econ), (born 1974) is responsible for the group's investments and private equity funds. Staffan has worked in the private equity business since 2000 and with eQ Plc since 2007. Previously, he worked at Proventure Ltd as CFO, responsible for the group's financial administration. Staffan started his career as Financial Manager at Kantarellis, a hotel and restaurant chain.

Mikko Koskimies

Mikko Koskimies M.Sc. (Econ), (born 1967) is CEO of eQ Asset Management Ltd. He previously worked as a Managing Director of Pohjola Asset Management Ltd and was a member of the Executive Committee of Pohjola Bank. Mikko Koskimies also worked from 1998 to 2005 as a Managing Director of Alfred Berg Asset Management Ltd. During the years from 1989 to 1997 he worked within the current Nordea Group. From 1993 to1997 Mikko worked in Private Banking for Merita Bank Luxembourg S.A. in Luxembourg.

Lauri Lundström

Lauri Lundström, M.Sc. (Econ), (born 1962) is Director, Group Administration. He has worked as CEO of eQ Asset Management Ltd and from 2006 to 2009 he was responsible for the asset management business of eQ Bank. Before this, he was CEO of Pohjola Fund Management Company from 2001 to 2006, CFO of Conventum Investment Bank from 1999 to 2001, CEO, responsible for asset management, of the fund management company of Arctos Investment Bank Group from 1996 and CFO of Arctos Group from 1993.

Juha Surve

Juha Surve, LL.M and M.Sc. (Econ.), (born 1980) is Group General Counsel of eQ Plc, and he also acts as a secretary of the Board of eQ Plc. Juha has worked among financial sector and capital markets since 2003 and with eQ Plc since the beginning of year 2012. From 2008 to 2012 he worked at Castrén & Snellman Attorneys Ltd expertising in M&A transactions, capital markets and corporate law. Prior to that he gained over five years' experience in various asset management related duties e.g. in OP-Pohjola Group and Nordea Bank. In addition, he has been involved in many law-drafting projects relating to Finnish securities market legislation.

CEO

The Board of Directors appointed Janne Larma as CEO of eQ Plc in the constitutive meeting of March 16, 2011. Janne Larma (born 1965) founded Advium Corporate Finance Ltd in 2000, prior to which he had gained over 10 years of experience within investment banking. In addition, Janne Larma has gained experience in asset management, as a board member of eQ Asset Management as well as a member of the management group of eQ Bank during the years 2004-2009. Janne Larma acts as a Chairman of the Management Team.

FINANCIAL REPORTS IN 2014

Interim reports of eQ will be published as follows in 2014

Interim Report	Interim Report	Interim Report
January-March	January-June	January-September
Thursday, May 8	Thursday, August 14	Thursday, November 6

Interim reports, stock exchange releases and the Annual Report are available and printable at eQ's website www.eQ.fi.

INVESTMENTS

eQ's own Fund of Funds

Amanda III Eastern Private Equity L.P.	
Vintage Year	2006
Management company	Amanda III Eastern GP Ltd
Total size of the Fund	110.2 MEUR
eQ's commitment	10.0 MEUR
Financing stage	Buyout
Geographical focus	Russia, IVY, CIS countries, Central and Eastern Europe
Target funds	No sector preference
www pages	www.eQ.fi

Amanda IV West L.P.	
Vintage year	2007
Management company	Amanda IV West GP Ltd
Total size of the fund	90.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Western Europe
Target funds	No sector preference
www pages	www.eQ.fi

Amanda V East L.P.	
Vintage year	2008
Management company	Amanda V East GP Ltd
Total size of the Fund	50,0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Russia, East Europe
Industry focus	No sector preference
www pages	www.eQ.fi

European Fund Investments L.P. (EFI II)	
Vintage Year	2001
Management company	Nordic Venture Managers Ltd
Total size of the Fund	88.4 MEUR
eQ's commitment	0.88 MEUR
Financing stage	Buyout/venture capital
Geographical focus	Europe
Target funds	No sector preference
www pages	www.eQ.fi

The First European Fund Investments UK L.P. (EFI I)	
Vintage Year	1999
Management company	Nordic Venture Partners Ltd
Total size of the Fund	88.0 MEUR
eQ's commitment	0.88 MEUR
Financing stage	Buyout/venture capital
Geographical focus	Europe
Target funds	No sector preference
www pages	www.eQ.fi

eQ PE VI North L.P.	
Vintage Year	2013
Management company	eQ PE VI North GP Ltd
Total size of the Fund	34,0 MEUR (fundraising ongoing)
eQ's commitment	3,0 MEUR
Financing stage	Buyout
Geographical focus	Northern Europe
Industry focus	No sector preference
www pages	www.eQ.fi

Other Funds

Atlas Venture VI L.P.	
Vintage Year	2001
Management company	Atlas Venture Advisors, Inc.
Total size of the Fund	599.7 MUSD
eQ's commitment	1.9 MUSD
Financing stage	Venture capital
Geographical focus	Europe, U.S.
Industry focus	Information technology, life science
www pages	www.atlasventure.com

Charterhouse Capital Partners VII L.P.	
Vintage Year	2002
Management company	Charterhouse Development Capital Limited
Total size of the Fund	2,708.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.charterhouse.co.uk

Balderton Capital I L.P.	
Vintage Year	2000
Management company	Balderton Capital Partners
Total size of the Fund	500.0 MUSD
eQ's commitment	2.0 MUSD
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	Software, internet, media, and telecom
www pages	www.balderton.com
Other	Fund name previously Benchmark Europe I L.P.

EQT IV (No. 1) L.P.	
Vintage Year	2004
Management company	EQT Partners
Total size of the Fund	2,500.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Large buyout
Geographical focus	Northern Europe
Industry focus	Middle-sized and large industrial companies
www pages	www.eqt.se

EQT V L.P.	
Vintage Year	2006
Management company	EQT Partners
Total size of the Fund	4,250.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Large buyout
Geographical focus	Northern Europe
Industry focus	Middle-sized and large companies
www pages	www.eqt.se

Gresham IV Fund L.P.	
Vintage Year	2006
Management company	Gresham LLP
Total size of the Fund	346.7 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Midmarket
Geographical focus	UK
Industry focus	Small and middle-sized companies
www pages	www.greshampe.com

Fenno Rahasto Ky	
Vintage Year	1997
Management company	Fenno Management Oy, CapMan Capital Management Oy
Total size of the Fund	42.5 MEUR
eQ's commitment	2.6 MEUR
Financing stage	Midmarket
Geographical focus	Finland
Industry focus	Middle-sized companies
www pages	www.capman.fi

Industri Kapital 1997 L.P.	
Vintage Year	1997
Management company	Industri Kapital 1997 Limited
Total size of the Fund	750.0 MEUR
eQ's commitment	3.1 MEUR
Financing stage	Buyout
Geographical focus	Mainly Nordic countries
Industry focus	Middle-sized and large companies
www pages	www.ikinvest.com

Finnventure Rahasto V Ky	
Vintage Year	1999
Management company	CapMan Capital Management Oy
Total size of the Fund	169.9 MEUR
eQ's commitment	4.3 MEUR
Financing stage	Midmarket, venture capital
Geographical focus	Finland, Nordic countries
Industry focus	Middle-sized and technology companies
www pages	www.capman.fi

Innovacom 4 FCPR	
Vintage Year	2000
Management company	Innovacom s.a.
Total size of the Fund	200.7 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Venture capital
Geographical focus	France, Germany, U.S., United Kingdom
Industry focus	Communications, computer related, computer software, electronic related
www pages	www.innovacom.com

Gresham Fund III	
Vintage Year	2003
Management company	Gresham LLP
Total size of the Fund	236.9 MGBP
eQ's commitment	2.0 MGBP
Financing stage	Midmarket
Geographical focus	UK
Industry focus	Small and middle-sized companies
www pages	www.greshampe.com

MB Equity Fund II L.P.	
Vintage Year	1997
Management company	MB Equity Partners Oy
Total size of the Fund	42.1 MEUR
eQ's commitment	4.1 MEUR
Financing stage	Midmarket
Geographical focus	Finland
Industry focus	Middle-sized companies
www pages	www.mbfunds.fi

Merlin Biosciences Fund L.P.	
Vintage Year	2000
Management company	Merlin Biosciences Limited
Total size of the Fund	247.0 MEUR
eQ's commitment	1.3 MEUR
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	Biosciences, life science
www pages	www.excalibur-group.co.uk

Permira Europe II L.P.	
Vintage Year	2000
Management company	Permira Advisers Limited
Total size of the Fund	3,300.0 MEUR
eQ's commitment	4.2 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.permira.com

Montagu III L.P.	
Vintage Year	2005
Management company	Montagu Private Equity LLP
Total size of the Fund	2,260.6 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized companies
www pages	www.montagu.com

Permira Europe III L.P.	
Vintage Year	2003
Management company	Permira Advisers Limited
Total size of the Fund	4,955.3 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.permira.com

Nexit Infocom 2000 Fund L.P.	
Vintage Year	2000
Management company	Nexit Ventures Oy
Total size of the Fund	66.3 MEUR
eQ's commitment	3.2 MEUR
Financing stage	Venture capital
Geographical focus	Nordic countries and U.S.
Industry focus	Mobile, wireless internet infrastructure, mobile internet
www pages	www.nexitventures.com

Permira Europe IV L.P.	
Vintage Year	2006
Management company	Permira Advisers Limited
Total size of the Fund	9,411.2 MEUR
eQ's commitment	4.0 MEUR
Financing stage	Buyout
Geographical focus	Europe, USA and Asia
Industry focus	Large companies
www pages	www.permira.com

PAI Europe IV	
Vintage Year	2005
Management company	PAI Partners
Total size of the Fund	2,697.1 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.paipartners.com

Triton Fund II L.P.	
Vintage Year	2006
Management company	Triton Advisers Limited
Total size of the Fund	1,126.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Midmarket
Geographical focus	Europe
Industry focus	Middle-sized companies
www pages	www.triton-partners.com

Already the third good year for the dividend strategy

The year 2013 was once more successful for the eQ Emerging Dividend Fund. The value of the fund rose by 8.6 per cent, while the emerging markets index fell by 6.8 per cent during the same period. The good performance was due to successful country choices and a share selection strategy that combines a high dividend with the high growth of emerging markets. Investors also noticed that the strategy of the fund functioned well, and the size of the fund grew from EUR 70 million to EUR 159 million in 2013. The strong growth has continued in 2014.

Sustainability improves returns

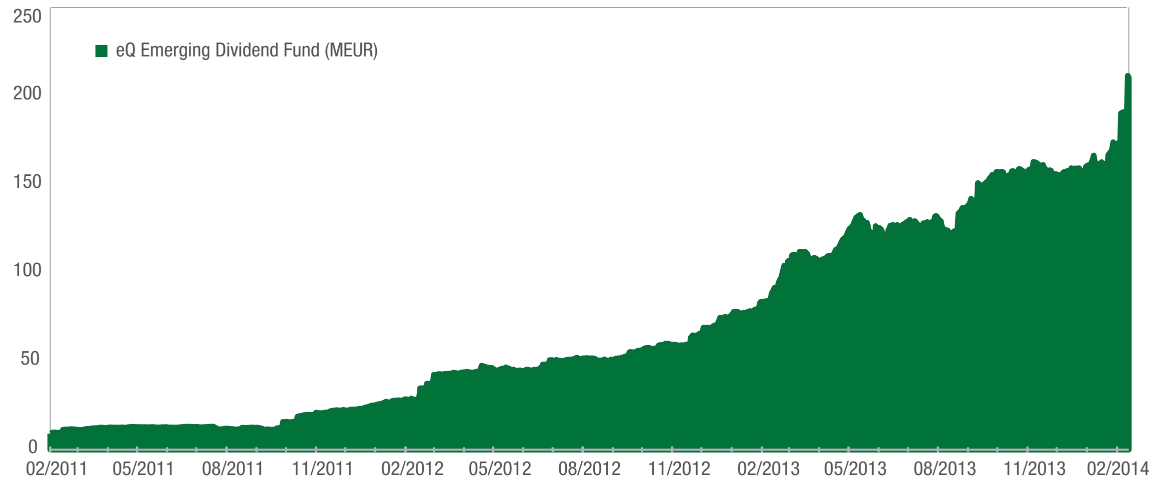
One of our major development objects in 2013 was sustainable investments. In emerging markets, we are geographically far from our investment objects, but we work hard in order to be sure that we make no investments in companies that do not operate according to the values we have accepted. We believe that thorough selection based on sustainability will help us avoid some of the bad investments as well as possible fraud in a concrete manner. We feel that the company dividend is a strong indicator of good corporate governance. During our history of almost three years, no malpractice has been detected among our portfolio companies. This strengthens our opinion that good dividend payers also have stronger corporate governance and are, therefore, safer and better yielding investment objects.

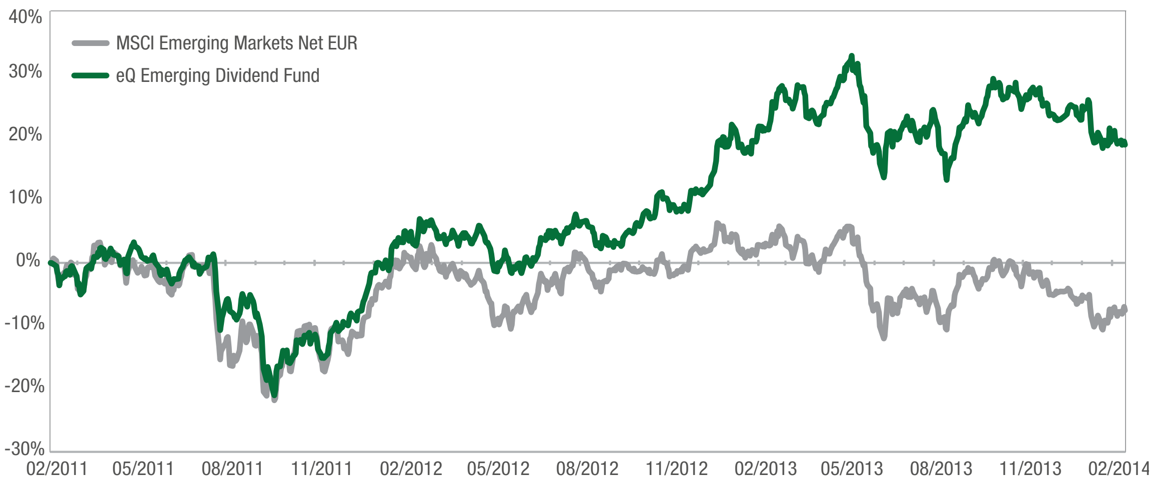
With confidence into the year 2014

The expected dividend yield of the portfolio now exceeds 6.5 per cent and the average P-E ratio is 8.6. The rapid growth of emerging markets is expected to continue, and we expect that our portfolio companies will grow even more rapidly than the market. We believe that the combination of high growth and cash flow will function well in 2014 as well and that the unit holders of the fund will continue to be satisfied with their investments.

Jukka-Pekka Leppä
Portfolio Manager

eQ Emerging Dividend Fund won the benchmark index and got a lot of new investors in year 2013





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