

Q3 2017

INTERIM REPORT





27 October 2017 at 8:00 A.M.

eQ PLC'S INTERIM REPORT Q3 2017 – eQ GROUP'S OPERATING PROFIT GREW BY 6%

January to September 2017 in brief

- During the period under review, the Group's net revenue totalled EUR 26.8 million (EUR 26.2 million from 1 Jan. to 30 Sept. 2016).
 - The Group's net fee and commission income was EUR 26.0 million (EUR 24.7 million).
 - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 1.5 million).
- The Group's operating profit grew by 6 per cent to EUR 12.8 million (EUR 12.1 million).
- The Group's profit was EUR 10.1 million (EUR 9.5 million).
- The consolidated earnings per share were EUR 0.27 (EUR 0.26).
- The net cash flow from own investment operations was EUR 0.7 million (EUR 2.4) and the change in fair value was EUR 0.8 million (EUR -1.0 million).
- The net revenue of the Asset Management segment increased by 26 per cent to EUR 23.5 million (EUR 18.6 million) and the operating profit by 41 per cent to EUR 12.4 million (EUR 8.8 million).
- The net revenue of the Corporate Finance segment fell to EUR 2.7 million (EUR 6.3 million). 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.

July to September 2017 in brief

- In the third quarter, the Group's net revenue totalled EUR 8.0 million (EUR 7.8 million from 1 July to 30 Sept. 2016).
 - The Group's net fee and commission income was EUR 7.7 million (EUR 6.9 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.9 million).
- The Group's operating profit grew by 4 per cent to EUR 4.1 million (EUR 4.0 million).
- The Group's profit was EUR 3.3 million (EUR 3.2 million).
- The consolidated earnings per share were EUR 0.09 (EUR 0.09).

Key ratios	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Net revenue, Group, M€	26.8	26.2	2%	8.0	7.8	3%	35.4
Net revenue, Asset Management, M€	23.5	18.6	26%	7.4	6.5	15%	25.6
Net revenue, Corporate Finance, M€	2.7	6.3	-58%	0.3	0.5	-40%	7.9
Net revenue, Investments, M€	0.6	1.3	-55%	0.3	0.8	-66%	1.9
Net revenue, Group administration and eliminations, M€	0.1	0.0	1431%	0.0	0.0	1%	0.0
Operating profit, Group, M€	12.8	12.1	6%	4.1	4.0	4%	16.2
Operating profit, Asset Management, M€	12.4	8.8	41%	4.2	3.4	22%	12.0
Operating profit, Corporate Finance, M€	0.7	3.0	-76%	-0.1	0.0	-1877%	3.7
Operating profit, Investments, M€	0.6	1.3	-55%	0.3	0.8	-66%	1.9
Operating profit, Group administration, M€	-0.9	-1.0	-13%	-0.3	-0.3	-2%	-1.4
Profit for the period, M€	10.1	9.5	6%	3.3	3.2	3%	12.8



Key ratios	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Earnings per share, €	0.27	0.26	5%	0.09	0.09	0%	0.35
Equity per share, €	1.53	1.65	-7%	1.53	1.65	-7%	1.75
Cost/income ratio, Group, %	52.1	52.6	-1%	48.4	47.1	3%	53.0
Liquid assets, M€	8.4	12.1	-31%	8.4	12.1	-31%	16.7
Private equity fund investments, M€	20.1	20.6	-3%	20.1	20.6	-3%	19.2
Interest-bearing liabilities, M€	0.0	0.00	0%	0.0	0.0	0%	0.0
Assets under management, € billion	8.3	8.4	-2%	8.3	8.4	-2%	8.8

Janne Larma, CEO

During the first nine months of the year, the net revenue of the Group grew by 2 per to EUR 26.8 million and the operating profit by 6 per cent to EUR 12.8 million. The Group's profit increased to EUR 10.1 million (EUR 9.5 million from 1 Jan. to 30 Sept. 2016). eQ Group's rolling 12-month operating profit has grown for 14 consecutive quarters.

Strong growth of eQ Asset Management's fee and commission income and operating profit continued

eQ Asset Management's strong profit growth continued. The net revenue of the Asset Management segment increased by 26 per to EUR 23.5 million and the operating profit by 41 per cent to EUR 12.4 million. The growth of the fee and commission income continued in all areas: the management fees from traditional asset management grew by 16 per cent and the management fees from real estate and private equity asset management by 32 per cent. The net subscriptions in the eQ Care and eQ Finnish Real Estate funds were EUR 188 million in the nine-month period. At the same time as we have received clearly the most new capital of the open-ended real estate funds registered in Finland, we have also been able to offer extremely competitive returns. During the nine-month period, the return of the eQ Finnish Real Estate Fund has been 6.9% and that of the eQ Care Fund 6.7%. The interest in private equity asset management has also continued to be strong. In May, eQ established its first secondary market fund, and by the end of September, 18 private equity funds had been bought to its portfolio. The capital of the eQ PE SF L.P. fund amounts to EUR 137.5 million. Within traditional asset management, the demand for eQ's funds has remained good and the returns have been excellent. In May, we established the eQ Emerging Markets Small Cap Fund, and at the end of September its capital totalled EUR 43 million. The returns of the funds managed by eQ are excellent. Since the beginning of the year, 79% of our funds have surpassed their benchmark indices, and during an investment period of three years, 93% of the funds that eQ manages have surpassed their benchmark indices.

Advium's fee income at a lower level than last year

In the Corporate Finance segment Advium acted as advisor in seven finalised transactions during the nine-month period. In the third quarter, Advium acted as advisor to Rettig as it sold an industrial property in Belgium. After the period under review, Advium has acted as advisor in two transactions, one of which was finalised at the beginning of October. According to estimates, the other transaction will be finalised during the last quarter of the year. Advium's fee income was at a lower level than last year. The company's net revenue fell to EUR 2.7 million (EUR 6.3 million from 1 Jan. to 30 Sept. 2016) and its operating profit fell to EUR 0.7 million (EUR 3.0 million). Great variations in fees per quarter are typical of corporate finance operations. The market situation for corporate and real estate transactions continues to be good, and we believe that it will remain good during the last months of the year.



The result of the Investments segment below previous year's level

The operating profit of the Investments segment was EUR 0.6 million (EUR 1.3 million). The result of the Investments segment may also vary greatly per quarter depending on the exits that take place in private equity funds. At the end of September, the balance sheet value of the private equity fund investments was EUR 20.1 million (EUR 19.2 million on 31 Dec. 2016). The values of the investments developed favourably, and the value change in the fair value reserve before taxes was EUR 0.8 million during the nine-month period.

eQ's interim report 1 January to 30 September 2017 is enclosed to this release and it is also available on the company website at www.eQ.fi.

Additional information: Janne Larma, CEO, tel. +358 9 6817 8920

Distribution: Nasdaq Helsinki, www.eQ.fi, media

eQ Group is a group of companies that concentrates on asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and private individuals. The assets managed by the Group total approximately EUR 8.3 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

More information about the Group is available on our website www.eQ.fi.



eQ PLC'S INTERIM REPORT 1 JAN TO 30 SEPT. 2017

Result of operations and financial position 1 Jan. to 30 Sept. 2017

- During the period under review, the Group's net revenue totalled EUR 26.8 million (EUR 26.2 million from 1 Jan. to 30 Sept. 2016).
 - The Group's net fee and commission income was EUR 26.0 million (EUR 24.7 million).
 - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 1.5 million).
- The Group's operating profit grew by 6 per cent to EUR 12.8 million (EUR 12.1 million).
- The Group's profit was EUR 10.1 million (EUR 9.5 million).
- The consolidated earnings per share were EUR 0.27 (EUR 0.26).
- The net cash flow from own investment operations was EUR 0.7 million (EUR 2.4) and the change in fair value was EUR 0.8 million (EUR -1.0 million).

- The net revenue of the Asset Management segment increased by 26 per cent to EUR 23.5 million (EUR 18.6 million) and the operating profit by 41 per cent to EUR 12.4 million (EUR 8.8 million).
- The net revenue of the Corporate Finance segment fell to EUR 2.7 million (EUR 6.3 million). 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.

Result of operations and financial position 1 July to 30 Sept. 2017

- In the third quarter, the Group's net revenue totalled EUR 8.0 million (EUR 7.8 million from 1 July to 30 Sept. 2016).
 - The Group's net fee and commission income was EUR 7.7 million (EUR 6.9 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.9 million).
- The Group's operating profit grew by 4 per cent to EUR 4.1 million (EUR 4.0 million).
- The Group's profit was EUR 3.3 million (EUR 3.2 million).
- The consolidated earnings per share were EUR 0.09 (EUR 0.09).

Operating environment

The result development of American companies was very good during the second quarter. In Europe, the results were at a good level, but the high expectations were not met. In addition, the stronger euro had a negative impact on the result expectations of European export companies. Alongside with result development, the market focused on growth figures, and towards the end of the third quarter, it became obvious that economic growth was speeding up, above all in Europe. In emerging markets, the growth figures have been strong all along. The political situation in the US remained confused, and North Korea continued with its menacing behaviour. This had surprisingly little effect on the market sentiment, however, as strong financial indicators seemed to arise more interest.

The improved growth outlook did not yet have any greater impact on inflation, but central banks are preparing for a tighter monetary policy. Towards the end of the third quarter, the FED announced that it would start cutting the balance sheet, and it also indicated that it would raise its interest rates during the remainder of the year. This is a relief to the European Central Bank, which has been concerned about the excessive strengthening of the euro. Both central banks feel that it is important to gradually normalise the ultralight monetary policy. The pace of the tightening measures will have a strong impact on the currency market, however, and thereby the competition situation of exports. The possible changes in the US fiscal policy are part of this framework.



From a euro investor's point of view, the best return during the first nine months has come from emerging equity markets, which have given a return of 14.0% at index level. Emerging markets produced the best returns, exceeding 4%, during the third quarter as well. The US stock exchange provided the second best return in dollars measured with the S&P 500 index, 13.7%, but measured in euros, the return remained at 1,5% due to the stronger euro. The Finnish stock exchange gave a higher return than the extensive Europe index, i.e. 12.9% vs. 9.6%. In the third quarter, the return of the Finnish stock exchange remained, however at 1.4%, while the return of the Europe index was 2.7%.

The return of the bond market has been uneven since the beginning of the year, and high yield loans have provided the best returns. Europe high yield gave a return of 5.5%, for instance. At the other extreme, euro government bonds have produced a negative return of 0.4%. In the third quarter, the returns have varied less, however, between 0.60 and 1.60%.

Major events during the period under review

On 2 January 2017, eQ Plc was transferred from Small Cap companies to Mid Cap companies in the annual market capitalisation classification of Nasdaq Helsinki.

The annual general meeting of eQ Plc was held on 29 March 2017. Carl Haglund (M.Sc. (Econ), born 1979) was elected new member of the Board of Directors. Jussi Seppälä, who has been on eQ Plc's Board since 2011, left the Board. Georg Ehrnrooth will continue as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

eQ Plc's number of shares increased by 530 000 on 31 May 2017 due to shares subscribed for with option rights.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 26.8 million (EUR 26.2 million from 1 Jan. to 30 Sept. 2016). The Group's net fee and commission income increased to EUR 26.0 million (EUR 24.7 million). The Group's net investment income from own investment operations was EUR 0.8 million (EUR 1.5 million).

The Group's expenses and depreciation totalled EUR 14.0 million (EUR 14.1 million). Personnel expenses were EUR 10.8 million (EUR 10.7 million), other administrative expenses totalled EUR 1.5 million (EUR 1.4 million), and the other operating expenses were EUR 1.4 million (EUR 1.5 million). Depreciation was EUR 0.2 million (EUR 0.5 million).

The Group's operating profit was EUR 12.8 million (EUR 12.1 million) and the profit for the period was EUR 10.1 million (EUR 9.5 million).

Business areas

Asset Management

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

Mutual funds and asset management

At the end of May, eQ established a new Emerging Markets Small Cap Fund, which makes investments in smaller emerging market companies. At the end of the third quarter, its size was already EUR 43 million and there were about 250 unit holders in the fund. At the end of September, eQ had 27 mutual funds registered in Finland.



During the nine-month period, eQ's fixed-income funds gave very good returns with the exception of the eQ Euro Government Bond Fund and eQ LCR Income Fund. The eQ High Yield, eQ Emerging Markets Corporate Bond and eQ Investment Grade funds were the best fixed-income funds during the period with returns between 4.2 and 5.6 per cent. All of eQ's fixed-income funds exceeded their benchmark indices clearly during the nine-month period, and eQ has no less than three fixed-income funds with a five-star Morningstar rating.

The returns of the equity funds were excellent in the first nine months. The best development in the nine-month period was seen in the eQ Nordic Small Cap, eQ CO2 and eQ Finland funds as well as the emerging market funds eQ Emerging Dividend and eQ Emerging Asia. The returns of the best equity funds were approximately 15 per cent during the period. The best returns as compared with benchmark indices came from the eQ Russia, eQ CO2 and eQ Nordic Small Cap funds. Of the funds managed by eQ, 79 per cent surpassed their benchmark indices in the nine-month period, and in the past three years, 93 per cent of the funds managed by eQ have surpassed their benchmark indices. The average Morningstar rating of funds managed by eQ was 4 stars at the end of the quarter. The returns of the discretionary asset management portfolios that eQ manages varied between 3 and 8 per cent during the period, based on the allocation of the investment portfolio. The return of the share portfolio investing in domestic shares was approximately 10 per cent.

Private Equity

The eQ PE IX US private equity fund held its first close at USD 45 million at the end of January. The second close of the fund took place in April at almost USD 82 million, and the final close in June at more than USD 100 million. At the end of the first quarter, eQ also established a new eQ Private Credit Fund, which gathered more than EUR 90 million in one single closing. eQ Private Credit is a fund that mainly makes investments in European senior loans, and it is implemented together with MV Credit, an experienced private credit actor. At the end of the second quarter, eQ established a new eQ PE SF private equity fund for the management of a secondary market transaction of EUR 137.5 million. The assets managed under private equity operations grew and amounted to EUR 4 994 million at the end of the third quarter (EUR 4 319 million on 31 Dec. 2016).

Real estate investments

The strong growth of the eQ Finnish Real Estate Fund continued, and at the end of the third quarter, new subscriptions for EUR 36 million were made in the fund. At the end of the quarter, the size of the fund was EUR 392 million, and its real estate property was almost EUR 475 million. The investment operations of the fund have been extremely successful, and the return since establishment is 9.9 per cent p.a. The fund already has approximately 1 950 unit holders.

The eQ Care Fund was temporarily closed for new subscriptions during the first quarter in order to safeguard the success of the fund's investment operations. At the end of the third quarter, new subscriptions for EUR 20 million were made in the fund. At the end of the quarter, the size of the fund was EUR 467 million and its real estate property was almost EUR 610 million. The return of the fund since establishment is excellent at 8.8 per cent p.a., and the fund already has approximately 2 650 unit holders.

Overall, eQ's real estate funds had real estate property of almost EUR 1 100 million at the end of the third quarter. At the beginning of the fourth quarter, new transactions worth about EUR 100 million were made, and eQ has become a major Finnish real estate investor. Consequently, the real estate team has been expanded.

Towards the end of 2016, eQ also established a new non-UCITS fund that is especially designed for institutions, eQ Forest. eQ Forest makes investments in Finnish forests, and owns forests worth almost EUR 10 million. Due to the strong increase in the prices of good forest property and the thinness of the market, eQ is, however, negotiating about the sale of the acquired property. If the plans come true, the fund will be wound up.



Assets under management and clients

At the end of the third quarter, the assets managed by eQ Asset Management totalled EUR 8 256 million. The assets decreased by EUR 519 million from the close of the year (EUR 8 775 million on 31 Dec. 2016). This was mainly due to the fact that one large institutional client went over to a centralised fund service, due to which the assets of the transferred funds decreased by EUR 1 446 million at the beginning of the third quarter. The transfer has only minor impact on the result. At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 2 252 million (EUR 1 936 million), and the assets under management increased by EUR 316 million. Mutual funds managed by international partners and assets covered by other asset management operations totalled EUR 1 009 million (EUR 2 520 million). The assets managed under private equity funds and asset management totalled EUR 4 994 million (EUR 4 319 million). EUR 3 228 million (EUR 2 890 million) of these private equity assets were covered by the reporting service.

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by 26 per cent and the operating profit by 41 per cent to EUR 12.4 million (EUR 8.8 million from 1 Jan. to 30 Sept. 2016) during the period under review, while the fee and commission income of the segment increased by 27 per cent. The fee and commission income grew strongly in all areas. Expenses increased mainly due to performance-based salary items. The cost/income ratio has fallen below 50 per cent in the nine-month period. During the period under review it was 47.2 per cent. Calculated as full-time resources, the Asset Management segment had 61 employees at the end of the third quarter.

Asset Management	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Net revenue, M€	23.5	18.6	26%	7.4	6.5	15%	25.6
Operating profit, M€	12.4	8.8	41%	4.2	3.4	22%	12.0
Assets under management, € billion	8.3	8.4	-2%	8.3	8.4	-2%	8.8
Cost/income ratio, %	47.2	51.3	-8%	43.5	45.6	-4%	51.6
Personnel at the end of the period	61	60	2%	61	60	2%	62

Fee and commission income, Asset Management, M€	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Management fees from traditional asset management	6.6	5.7	16%	2.2	2.0	12%	7.7
Real estate and private equity management fees	13.3	10.0	32%	4.8	3.7	28%	13.8
Other fee and commission income	0.5	0.3	104%	0.1	0.0	94%	0.3
Performance fees	3.3	2.8	20%	0.5	0.8	-41%	3.9
Total	23.7	18.7	27%	7.5	6.5	15%	25.8

Corporate Finance

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

During the first nine months, Advium acted as advisor in seven finalised transactions. In the third quarter, Advium acted as advisor to Rettig as it sold an industrial property in Belgium. After the period under review, Advium acted as advisor to Peab AB, as it sold 10.6% of Lemminkäinen Corporation's shares to Onvest Sijoitus for about EUR 60 million. In addition, Advium acted as advisor in the sale of a real estate property in the centre of Helsinki. The transaction is expected to be finalised by the end of the year.

Advium's order stock was good at the end of the period, and several projects are about to be finalised. 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.



Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 2.7 million (EUR 6.3 million from 1 Jan. to 30 Sept. 2016). The operating profit was EUR 0.7 million (EUR 3.0 million). The segment had 15 employees at the end of the period.

Corporate Finance	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Net revenue, M€	2.7	6.3	-58%	0.3	0.5	-40%	7.9
Operating profit, M€	0.7	3.0	-76%	-0.1	0.0	-1877%	3.7
Cost/income ratio, %	72.0	51.0	41%	125.4	89.4	40%	52.7
Personnel at the end of the period	15	13	15%	15	13	15%	13

Investments

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

During the period under review, the net revenue of the Investments segment totalled EUR 0.6 million (EUR 1.3 million from 1 Jan. to 30 Sept. 2016). At the end of the period, the fair value of the private equity fund investments was EUR 20.1 million (EUR 19.2 million on 31 Dec. 2016) and the amount of the remaining investment commitments was EUR 9.7 million (EUR 11.2 million). Of the market value, 72 per cent has been invested in private equity funds managed by eQ. The breakdown of the market value and investment commitments of private equity fund investments per fund are presented in the tables on page 21.

During the period, the investment objects returned capital for EUR 2.1 million (EUR 2.7 million from 1 Jan. to 30 Sept. 2016) and distributed a profit of EUR 0.8 million (EUR 1.9 million). Capital calls totalled EUR 2.3 million (EUR 2.2 million). The net cash flow from investments during the period was EUR 0.7 million (EUR 2.4 million). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.2 million (EUR 0.2 million). The write-downs recognised through profit and loss during the period totalled EUR 0.1 million (EUR 0.3 million from 1 Jan. to 30 Sept. 2016).

The value change of investments in the fair value reserve before taxes was EUR 0.8 million (EUR -1.0 million). The unrealised value changes of investments in the fair value reserve after taxes were EUR 0.6 million (EUR -0.1 million on 31 Dec. 2016) at the end of the period. The return of eQ's own investment operations since the beginning of operations has been 21% p.a. (IRR).

During the period under review, eQ Plc made a USD 1.1 million investment commitment in the eQ PE IX US private equity fund. The eQ PE IX US Fund makes investments in private equity funds that make equity investments in unlisted small and mid-sized companies in the US and Canada.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the segment's net revenue and result may vary considerably. eQ only makes new investments in funds managed by eQ.

Investments	1-9/17	1-9/16	Change %	7-9/17	7-9/16	Change %	1-12/16
Net revenue, M€	0.6	1.3	-55%	0.3	0.8	-66%	1.9
Operating profit, M€	0.6	1.3	-55%	0.3	0.8	-66%	1.9
Fair value of investments, M€	20.1	20.6	-3%	20.1	20.6	-3%	19.2
Investment commitments, M€	9.7	11.3	-14%	9.7	11.3	-14%	11.2

Balance sheet and solvency

At the end of the period under review, the consolidated balance sheet total was EUR 67.7 million (EUR 76.2 million on 31 Dec. 2016) and the shareholders' equity was EUR 57.5 million (EUR 64.5 million). During the



period, the shareholders' equity was influenced by the profit for the period of EUR 10.1 million, the change in the fair value reserve of EUR 0.6 million, the dividend distribution of EUR -12.9 million, the repayment of equity of EUR -5.5 million from the reserve for invested unrestricted equity, the subscription of new shares with option rights of EUR 3.0 million and the accrued expense of EUR 0.4 million related to an option scheme and entered in the shareholders' equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 3.3 million (EUR 6.6 million) and liquid investments in mutual funds EUR 5.1 million (EUR 10.0 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt, which consists of the deferred tax liability, at the end of the period was EUR 0.5 million (EUR 0.4 million) and interest-free short-term debt EUR 9.8 million (EUR 11.3 million). eQ's equity to assets ratio was 84.9% (84.7%).

A subsidiary called eQ Asset Management Ltd, which is engaged in investment firm operations and fully owned by eQ Plc, is part of the Group. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the Basel III/CRD IV regulations. The Group's CET1 (Common Equity Tier 1) and solvency ratio of the own funds was 15.7 per cent (13.9 per cent on 31 Dec. 2016) at the end of the period. The minimum requirement for own funds is 8 per cent. At the end of the period, the Group's own funds based on solvency calculations totalled EUR 18.0 million (EUR 16.6 million on 31 Dec. 2016), and the risk-weighted items were EUR 114.7 million (EUR 119.3 million). Detailed information on the Group's solvency can be found in the tables section.

Shares and share capital

At the end of the period on 30 September 2017, the number of eQ Plc's shares was 37 507 198 and the share capital was EUR 11 383 873.

The number of eQ Plc's shares increased by 530 000 on 31 May 2017 due to shares subscribed for with options from the 2010 scheme. The subscription price of the new shares totalled EUR 323 300.00. The entire subscription was entered in the reserve for invested unrestricted equity. There were no changes in the share capital during the period.

The closing price of eQ Plc's share on 30 September 2017 was EUR 8.03 (EUR 8.11 on 31 Dec. 2016). The market capitalisation of the company was thus EUR 301.2 million (EUR 299.9 million) at the end of the period. During the period, 1 540 694 shares were traded on Nasdaq Helsinki (6 700 712 shares from 1 Jan. to 30 Sept. 2016).

Own shares

At the end of the period, on 30 September 2017, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 30 September 2017

	Shares	Share, %
1 Fennogens Investements SA	6 973 137	18.59
2 Chilla Capital S.A.	5 652 635	15.07
3 Anchor Oy Ab	3 883 677	10.35
4 Teamet Oy	3 850 000	10.26
5 Umo Capital Oy	3 786 620	10.10
6 Oy Cevante Ab	1 419 063	3.78
7 Fazer Jan Peter	1 288 306	3.43
8 Linnalex Ab	681 652	1.82
9 Lavventura Oy	550 000	1.47
10 Pinomonte Ab	529 981	1.41
10 major shareholders, total	28 615 071	76.29



Nominee registered	331 308	0.88
Other shares	8 560 819	22.82
Total	37 507 198	100.00

On 30 September 2017, eQ Plc had 4 962 shareholders (4 668 shareholders on 31 Dec. 2016).

Option schemes

At the end of the period, eQ Plc had two option schemes. The option schemes are intended as part of the commitment system of the Group's key personnel.

Option scheme 2010

At the end of the period, altogether 1 700 000 options had been allocated from option scheme 2010. Of these options, altogether 1 150 000 had been exercised by the end of the period. The number of outstanding options was 550 000 at the end of the period. No options of the option scheme 2010 can any longer be allocated. Options 2010 of the option scheme have been listed on Nasdaq Helsinki. 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.

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. At the end of the period, there were still 425 000 options in option scheme 2015 available for allocation. The terms and conditions of the option scheme have been published in a stock exchange release of 5 November 2015, and they can be found in their entirety on the company website at www.eQ.fi.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Wednesday 29 March 2017 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2016.

Decision in respect of the result shown on the balance sheet and the distribution of assets from the reserve for invested unrestricted equity

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.35 per share and a repayment of equity of EUR 0.15 from the reserve for invested unrestricted equity be paid out. The dividend and equity repayment were paid to shareholders who, on the record date for the dividend payment, i.e. 31 March 2017, were recorded in the shareholder register held by Euroclear Finland Ltd. The payment date of the dividend and equity repayment was 7 April 2017.

Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Georg Ehrnrooth, Timo Kokkila and Annika Poutiainen were re-elected and Carl Haglund was



elected as new member to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 3 500 and the other directors EUR 2 000 per month. The Directors will also be paid EUR 400 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Georg Ehrnrooth Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Raija-Leena Hankonen, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the repurchase of shares

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares in one or several transactions on the following terms: the Board of Directors was authorised to decide on the repurchase of no more than 1 000 000 own shares, which corresponded to approximately 2.70 per cent of all the shares in the company on the date of the notice of the AGM. The shares will be repurchased with assets from the company's unrestricted equity, which means that any repurchases will reduce the distributable assets of the company. Shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders with assets from the company's unrestricted equity at the market price of the shares in public trading on Nasdaq Helsinki Ltd at the time of purchase or at a lower price.

Own shares may be repurchased in order to develop the company's capital structure, to finance corporate acquisitions or other business transactions, to finance or carry out investments or other arrangements pertaining to the company operations, or they may be used as part of the company's incentive schemes. For said purposes, the repurchased shares may be held, transferred further or cancelled. The Board of Directors shall decide on 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 next AGM, no longer than 18 months, however.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, in one or several transactions, comprising a maximum total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.52 per cent of all shares in the company on the date of the notice of the AGM.

The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on all matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, including the recipients of the shares or the special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.

Personnel and organisation

At the end of the period, the number of Group personnel calculated as full-time resources was 81 (80 persons on 31 Dec. 2016). Calculated as full-time resources, the Asset Management segment had 61 (62



employees and the Corporate Finance segment 15 (13) employees. Group administration had 5 (5) employees.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 10.8 million (EUR 10.7 million from 1 Jan. to 30 Sep. 2016).

Major risks and short-term uncertainties

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 segment depends on the development of the assets under management, which is dependent of the development of the capital market. The realisation of the performance fee income that is dependent on the success of the investment operations also influences result development. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow.

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 return 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.

Events after the period under review

After the period under review, Advium acted as advisor to Peab AB, as it sold 10.6% of Lemminkäinen Corporation's shares to Onvest Sijoitus for about EUR 60 million. In addition, Advium acted as advisor in the sale of a real estate property in the centre of Helsinki. The transaction is expected to be finalised by the end of the year.

In the Investments segment, private equity funds in which eQ has made investments have announced exits that have not been realised during the period under review. If the announced exits will be carried out according to plan, the cash flow from the exits that eQ will receive after the period under review, in the fourth quarter of 2017, is estimated to be about EUR 0.8 million, of which the estimated distribution of profits accounts for about EUR 0.6 million.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

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

The income of eQ's own investment operations is recognised due to factors independent of the company. As a result, the net income from available-to-sale financial assets may vary considerably.

The interim report has not been audited.

New and amended IFRS standards and interpretations to be applied later

IFRS 9 Financial Instruments:

The new IFRS 9 standard replaces the present IAS 39 Financial Instruments: Recognition and Measurement. The standard will become mandatory on 1 January 2018. IFRS 9 will change the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment on financial assets. The rules regarding hedge accounting will also change. The impacts of the introduction of IFRS 9 presented in the financial statements 2016 have been specified below.

IFRS 9 has three classification groups: a) amortised cost, b) fair value through other comprehensive income and c) fair value through profit or loss. The regulations on classification in the IFRS 9 standard also differ from the IAS 39 standard. The classification is based on the business model defined by the company and the contractual cash flows of financial assets.

According to the IAS 39 standard, the private equity and mutual fund investments made from eQ Group's own balance sheet have been classified as available for sale investments. This classification no longer exists in the new standard. When applying the IAS 39 standard, eQ Group has entered the profit distribution from private equity fund investments among the net income from available-for-sale financial assets. The unrealised changes in value arising from valuation at fair value are included in the shareholders' equity under the fair value reserve through other items of comprehensive income. If available-for-sale financial assets are sold or if their value has decreased permanently and significantly, the profit or loss has been entered in the income statement as net income from available-for-sale financial assets.

According to IFRS 9, eQ Group's own private equity fund investments are classified as financial assets at fair value through profit or loss, and their value changes are entered in the income statement. In the same manner, investments of excess liquidity in short-term interest funds (mutual funds) or in other corresponding funds are, according to IFRS 9, recognised at fair value through profit or loss. Entering the value change in the income statement will increase the volatility of the profit. The changes in the consolidated shareholders' equity will have no impact. During the period 1 January to 30 September 2017, the change in value of the private equity fund investments made from eQ Group's own balance sheet was EUR 0.8 million (EUR -1.0 million from 1 Jan. to 30 Sept. 2016). The cumulative value changes related to private equity fund investments in the fair value reserve after taxes were EUR 0.6 million (EUR -0.1 million on 31 Dec. 2016) on 30 September 2017. When the Group begins to apply the IFRS 9 standard, the cumulative changes in value adjusted with tax will be transferred within equity from the fair value reserve to retained earnings.

The new model for assessing the impairment of financial assets based on expected credit losses according to the IFRS standard is not deemed to have any essential impact on eQ Group. eQ Group does not give credits and it mostly has short-term sales receivables. The Group has no derivative instruments, which means that changes in hedge accounting will have no impact on eQ Group.

eQ Group will apply the IFRS 9 standard from 1 January 2018 and plans to take advantage of the exemption allowing it not to restate comparative information.

IFRS 15 Revenue from Contracts with Customers:

The new IFRS 15 will replace the present IAS 18 and IAS 11 standards and the interpretations related to them. The standard will become effective on 1 January 2018. IFRS 15 provides a five-step model to be applied to revenue based on contracts with customers. Revenue can be recognised over time or at a specific time, with the central criterion being the transfer of control. The standard will also expand the notes presented with financial statements.

The new standard is not expected to change the revenue recognition practice of eQ Group compared with the present situation. The stages of the five-step model regarding the identification of the contract or different performance obligations will not lead to any significant changes to the present revenue recognition practice. In its present practice, eQ Group already takes into consideration the requirement of limiting the assessment of variable consideration when defining the consideration that it expects to be entitled to. Therefore, no changes are expected in the timing of the revenue recognition of the Asset Management segment's management fees or performance fees nor in the revenue recognition of the fees of the Corporate Finance segment. eQ Group's revenue recognition principles are presented more extensively in the financial statements 2016

eQ Group will apply the IFRS 15 standard from 1 January 2018 and will apply it retrospectively.



CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-9/17	1-9/16	7-9/17	7-9/16	1-12/16
Fee and commission income	26 205	24 802	7 775	6 965	33 434
Interest income	1	2	-	1	4
Net income from available-for-sale financial assets	820	1 525	328	889	2 194
Operating income, total	27 026	26 329	8 103	7 854	35 633
Fee and commission expenses	-248	-151	-99	-52	-213
Interest expenses	-1	0	0	0	-1
NET REVENUE	26 777	26 177	8 004	7 802	35 418
Administrative expenses					
Personnel expenses	-10 799	-10 670	-2 888	-2 722	-14 572
Other administrative expenses	-1 525	-1 445	-450	-422	-2 012
Depreciation on tangible and intangible assets	-209	-501	-68	-159	-644
Other operating expenses	-1 428	-1 451	-471	-464	-1 914
OPERATING PROFIT (LOSS)	12 817	12 061	4 127	3 984	16 227
Income tax	-2 693	-2 518	-861	-826	-3 395
PROFIT (LOSS) FOR THE PERIOD	10 123	9 543	3 265	3 158	12 832

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-9/17	1-9/16	7-9/17	7-9/16	1-12/16
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement:					
Available-for-sale financial assets, net	643	-754	-107	-417	-761
Other comprehensive income after taxes	643	-754	-107	-417	-761
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10 767	8 788	3 158	2 741	12 071
Profit for the period attributable to:					
Equity holders of the parent company	10 123	9 543	3 265	3 158	12 832
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	10 767	8 788	3 158	2 741	12 071
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company					
Earnings per average share, EUR	0.27	0.26	0.09	0.09	0.35
Diluted earnings per average share, EUR	0.26	0.25	0.08	0.09	0.33



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 Sept. 2017	30 Sept. 2016	31 Dec. 2016
ASSETS			
Liquid assets	24	54	47
Claims on credit institutions	3 234	7 081	6 579
Available-for-sale financial assets			
Financial securities	5 147	5 030	10 076
Private equity fund investments	20 074	20 596	19 209
Intangible assets	29 413	29 549	29 455
Tangible assets	319	396	368
Other assets	8 451	6 534	8 946
Accruals and prepaid expenditure	554	794	1 006
Income tax receivables	326	386	254
Deferred tax assets	182	284	237
TOTAL ASSETS	67 724	70 703	76 177
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	3 284	2 780	3 369
Accruals and deferred income	6 192	6 058	7 607
Income tax liabilities	282	413	316
Deferred tax liabilities	459	410	374
TOTAL LIABILITIES	10 217	9 661	11 666
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Fair value reserve	583	-54	-61
Reserve for invested unrestricted equity	29 638	34 806	34 861
Retained earnings	5 779	5 364	5 495
Profit (loss) for the period	10 123	9 543	12 832
TOTAL SHAREHOLDERS' EQUITY	57 507	61 042	64 511
TOTAL LIABILITIES AND EQUITY	67 724	70 703	76 177



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-9/2017	1-9/2016	1-12/2016
CASH FLOW FROM OPERATIONS			
Operating profit	12 817	12 061	16 227
Depreciation and write-downs	309	856	999
Interest income and expenses	-1	-2	-3
Transactions with no related payment transactions	391	394	525
Available-for-sale investments, change	-233	554	1 886
Change in working capital			
Business receivables, increase (-) / decrease (+)	949	-1 399	-3 752
Interest-free debt, increase (+) / decrease (-)	-1 812	-1 399	738
Total change in working capital	-863	-2 798	-3 013
Cash flow from operations before financial items and taxes	12 420	11 065	16 620
Interests received	1	2	4
Interests paid	-1	0	-1
Taxes	-2 506	-2 322	-3 422
CASH FLOW FROM OPERATIONS	9 915	8 745	13 202
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-118	-93	-113
Investments/redemptions in other investments – liquid mutual funds	5 000	0	-5 000
CASH FLOW FROM INVESTMENTS	4 882	-93	-5 113
CASH FLOW FROM FINANCING			
Dividends paid/equity repayments	-18 489	-18 364	-18 364
Income from share issue	323	222	278
CASH FLOW FROM FINANCING	-18 165	-18 142	-18 086
INCREASE/DECREASE IN LIQUID ASSETS	-3 369	-9 489	-9 998
Liquid assets on 1 Jan.	6 626	16 623	16 623
Liquid assets on 30 Sept./31 Dec.	3 257	7 134	6 626



CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company						
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan. 2016	11 384	41 929	700	15 988	70 001	70 001
Profit (loss) for the period				9 543	9 543	9 543
Other comprehensive income						
Available-for-sale financial assets			-754		-754	-754
Total comprehensive income			-754	9 543	8 788	8 788
Dividend/equity repayment		-7 345		-11 018	-18 364	-18 364
Share issue		222			222	222
Options granted				394	394	394
Shareholders' equity on 30 Sept. 2016	11 384	34 806	-54	14 907	61 042	61 042

Shareholders' equity on 1 Jan. 2017	11 384	34 861	-61	18 326	64 511	64 511
Profit (loss) for the period				10 123	10 123	10 123
Other comprehensive income						
Available-for-sale financial assets			643		643	643
Total comprehensive income			643	10 123	10 767	10 767
Dividend/equity repayment		-5 547		-12 942	-18 489	-18 489
Share issue		323			323	323
Options granted				392	392	392
Other changes				3	3	3
Shareholders' equity on 30 Sept. 2017	11 384	29 638	583	15 903	57 507	57 507



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-9/17	1-9/16	7-9/17	7-9/16	1-12/16
Asset management fees					
Management fees from traditional asset management	6 590	5 681	2 229	1 989	7 732
Real estate and private equity management fees	13 132	9 812	4 707	3 631	13 545
Other fee and commission income	530	259	58	30	344
Performance fees	3 300	2 754	473	801	3 909
Total	23 553	18 505	7 467	6 450	25 530
Corporate finance fees	2 652	6 297	308	514	7 905
Fee and commission income, total	26 205	24 802	7 775	6 965	33 434

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 Sept. 2017		30 Sept. 2016		31 Dec. 2016	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Available-for-sale financial assets						
Private equity fund investments	20 074	20 074	20 596	20 596	19 209	19 209
Financial securities	5 147	5 147	5 030	5 030	10 076	10 076
Accounts receivable and other receivables	671	671	276	276	1 517	1 517
Liquid assets	3 257	3 257	7 134	7 134	6 626	6 626
Total	29 150	29 150	33 036	33 036	37 429	37 429
Financial liabilities						
Accounts payable and other liabilities	198	198	492	492	643	643
Total	198	198	492	492	643	643

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



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

	30 Sept. 2017		30 Sept. 2016		31 Dec. 2016	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Available-for-sale financial assets						
Private equity fund investments	-	20 074	-	20 596	-	19 209
Financial securities	5 147	-	5 030	-	10 076	-
Total	5 147	20 074	5 030	20 596	10 076	19 209

Level 3 reconciliation – Available-for-sale financial assets:

1-9/2017	Private equity fund investments
Opening balance on 1 Jan. 2017	19 209
Calls	2 309
Returns	-2 134
Impairment loss	-100
Change in fair value	791
Closing balance on 30 Sept. 2017	20 074

1-9/2016	Private equity fund investments
Opening balance on 1 Jan. 2016	22 456
Calls	2 159
Returns	-2 741
Impairment loss	-305
Change in fair value	-973
Closing balance on 30 Sept. 2016	20 596

1-12/2016	Private equity fund investments
Opening balance on 1 Jan. 2016	22 456
Calls	2 414
Returns	-4 328
Impairment loss	-305
Change in fair value	-1 028
Closing balance on 31 Dec. 2016	19 209

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

The fair values of level 3 instruments are based on the value of the fund according to the management company of the fund and their use in widely used valuation models. Private equity investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The impairment losses of private equity fund investments are based on the management's assessment, as described in the principles for preparing the financial statements. During the period under review, no transfers took place between the levels of the fair value hierarchy.



PRIVATE EQUITY FUND INVESTMENTS, EUR 1 000

	Market value		Acquisition cost		Unrealised value change*	
	30.9.17	31.12.16	30.9.17	31.12.16	30.9.17	31.12.16
Funds managed by eQ:						
Funds of funds:						
eQ PE IX US LP	0	-	0	-	0	-
eQ PE VIII North LP	842	182	892	208	-50	-26
eQ PE VII US LP	566	219	672	269	-106	-50
eQ PE VI North LP	1 255	818	1 309	909	-54	-91
Amanda V East LP	3 260	2 730	3 478	3 187	-218	-457
Amanda IV West LP	2 799	3 020	2 185	2 515	614	505
Amanda III Eastern PE LP	5 561	6 115	5 428	5 748	133	368
Eur Fund Inv. LP (EFI II)	75	197	175	337	-100	-140
Total	14 358	13 281	14 139	13 172	219	110
Funds managed by others:						
Large buyout funds	2 688	2 945	2 314	2 907	374	38
Midmarket funds	2 092	1 879	2 006	2 195	87	-315
Venture funds	936	1 104	925	1 066	11	37
Total	20 074	19 209	19 384	19 340	691	-131

*Unrealised value change before taxes

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

	Investment commitment	
	30.9.17	31.12.16
Funds managed by eQ:		
Funds of funds:		
eQ PE IX US LP	926	-
eQ PE VIII North LP	2 012	2 792
eQ PE VII US LP	1 892	2 558
eQ PE VI North LP	1 401	1 860
Amanda V East LP	1 169	1 460
Amanda IV West LP	615	603
Amanda III Eastern PE LP	331	316
Eur Fund Inv. LP (EFI II)	35	35
Total	8 381	9 624
Funds managed by others:		
Large buyout funds	234	224
Midmarket funds	1 079	1 217
Venture funds	12	115
Total	9 705	11 180



MARKET VALUE OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	30.9.17	31.12.16
-2000	455	530
2001-2005	1 232	1 527
2006-2010	15 725	15 934
2011-	2 663	1 219
Total	20 074	19 209

REMAINING INVEST COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	30.9.17	31.12.16
-2000	12	115
2001-2005	742	742
2006-2010	2 720	3 113
2011-	6 231	7 210
Total	9 705	11 180



SEGMENT INFORMATION, EUR 1 000

1-9/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	23 553	2 652	-	-		26 205
From other segments	150	-	-	-	-150	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from available-for-sale financial assets	-	-	732	89		820
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	23 703	2 652	732	148	-208	27 026
Fee and commission expenses	-242	-	-	-6		-248
To other segments	-	-	-150	-	150	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	23 460	2 652	582	141	-58	26 777
Administrative expenses						
Personnel expenses	-8 765	-1 430	-	-603		-10 799
Other administrative expenses	-1 158	-268	-	-157	58	-1 525
Depreciation on tangible and intangible assets	-175	-17	-	-17		-209
Other operating expenses	-981	-194	-	-252		-1 428
OPERATING PROFIT (LOSS)	12 382	742	582	-888	0	12 817
Income tax				-2 693		-2 693
PROFIT (LOSS) FOR THE PERIOD				-3 582		10 123

1-9/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	18 505	6 297	-	-		24 802
From other segments	225	-	-	-	-225	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	1 525	-		1 525
Other operating income	-	-	-	-		-
From other segments	-	-	-	58	-58	-
Operating income, total	18 730	6 297	1 525	60	-283	26 329
Fee and commission expenses	-143	-	-	-8		-151
To other segments	-	-	-225	-	225	-
Interest expenses	-	-	-	-		0
NET REVENUE	18 587	6 297	1 300	51	-38	26 177



1-9/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Administrative expenses						
Personnel expenses	-7 335	-2 730	-	-604		-10 670
Other administrative expenses	-1 059	-260	-	-184	58	-1 445
Depreciation on tangible and intangible assets	-462	-17	-	-22		-501
Other operating expenses	-979	-206	-	-266		-1 451
Impairment losses of other financial assets	-	-50	-	-		-50
OPERATING PROFIT (LOSS)	8 752	3 033	1 300	-1 024	0	12 061
Income tax				-2 518		-2 518
PROFIT (LOSS) FOR THE PERIOD				-3 542		9 543

7-9/17	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	7 467	308	-	-		7 775
From other segments	50	-	-	-	-50	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	0		0
Net income from available-for-sale financial assets	-	-	328	0		328
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	7 517	308	328	19	-69	8 103
Fee and commission expenses	-97	-	-	-2		-99
To other segments	-	-	-50	-	50	-
Interest expenses	-	-	-	0		0
NET REVENUE	7 420	308	278	17	-19	8 004
Administrative expenses						
Personnel expenses	-2 502	-230	-	-156		-2 888
Other administrative expenses	-344	-86	-	-40	19	-450
Depreciation on tangible and intangible assets	-57	-6	-	-6		-68
Other operating expenses	-328	-65	-	-78		-471
OPERATING PROFIT (LOSS)	4 189	-78	278	-263	0	4 127
Income tax				-861		-861
PROFIT (LOSS) FOR THE PERIOD				-1 124		3 265



7-9/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	6 450	514	-	-		6 965
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	1		1
Net income from available-for-sale financial assets	-	-	889	-		889
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	6 525	514	889	20	-94	7 854
Fee and commission expenses	-50	-	-	-2		-52
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	0		0
NET REVENUE	6 475	514	814	18	-19	7 802
Administrative expenses						
Personnel expenses	-2 279	-297	-	-147		-2 722
Other administrative expenses	-309	-86	-	-46	19	-422
Depreciation on tangible and intangible assets	-145	-7	-	-7		-159
Other operating expenses	-308	-71	-	-86		-464
Impairment losses of other financial assets	-	-50	-	-		-50
OPERATING PROFIT (LOSS)	3 434	4	814	-268	0	3 984
Income tax				-826		-826
PROFIT (LOSS) FOR THE PERIOD				-1 094		3 158



1-12/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group total
Fee and commission income	25 530	7 905	-	-		33 434
From other segments	300	-	-	-	-300	-
Net income from foreign exchange dealing	-	-	-	0		-
Interest income	-	-	-	4		4
Net income from available-for-sale financial assets	-	-	2 194	-		2 194
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	-
Operating income, total	25 830	7 905	2 194	81	-377	35 633
Fee and commission expenses	-203	-	-	-10		-213
To other segments	-	-	-300	-	300	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	25 626	7 905	1 894	70	-77	35 418
Administrative expenses						
Personnel expenses	-10 192	-3 513	-	-868		-14 572
Other administrative expenses	-1 517	-348	-	-223	77	-2 012
Depreciation on tangible and intangible assets	-592	-24	-	-28		-644
Other operating expenses	-1 287	-283	-	-343		-1 914
OPERATING PROFIT (LOSS)	12 039	3 686	1 894	-1 392	0	16 227
Income tax				-3 395		-3 395
PROFIT (LOSS) FOR THE PERIOD				-4 787		12 832

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

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



SOLVENCY, EUR 1 000

	CRR 30 Sept. 2017 eQ Group	CRR 31 Dec. 2016 eQ Group
Own capital	57 507	64 511
Common equity tier 1 (CET 1) before deductions	57 507	64 511
Deductions from CET 1		
Intangible assets	-29 413	-29 451
Unconfirmed profit for the period	-10 123	-12 832
Dividend proposal by the Board*	0	-5 657
Common equity tier 1 (CET1)	17 971	16 571
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	17 971	16 571
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	17 971	16 571
Risk-weights, total	114 723	119 286
of which credit risk	52 678	57 713
of which market risk - currency risk	5 560	5 088
of which operative risk	56 485	56 485
Common equity tier 1 (CET1) / risk-weights, %	15.7%	13.9%
Tier 1 (T1) / risk-weights, %	15.7%	13.9%
Total capital (TC) / risk weights, %	15.7%	13.9%
Minimum solvency ratio, %	37.4%	28.6%
Excess of total capital compared with the minimum level (8% solvency ratio)	8 793	7 028
Excess of total capital compared with the target level (10% solvency ratio)	6 498	4 642

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



GROUP KEY RATIOS

	30 Sept. 2017	30 Sept. 2016	31 Dec. 2016
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	10 123	9 543	12 832
Earnings per average share, EUR	0.27	0.26	0.35
Diluted earnings per average share, EUR	0.26	0.25	0.33
Equity per share, EUR	1.53	1.65	1.75
Equity per average share, EUR *)	1.55	1.66	1.75
Return on investment, ROI % p.a.	22.1	19.4	19.1
Return on equity, ROE % p.a.	22.1	19.4	19.1
Equity to assets ratio, %	84.9	86.3	84.7
Cost/income ratio, Group, %	52.1	52.6	53.0
Share price at the end of the period, EUR	8.03	6.58	8.11
Market value, EUR million	301.2	243.0	299.9
Personnel calculated as full-time resources at the end of the period	81	78	80

*) Weighted average number of shares outstanding.

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

REMAINING COMMITMENTS

On 30 September 2017, eQ's remaining investment commitments in private equity funds totalled EUR 9.7 million (EUR 11.2 million on 31 Dec. 2016). Other commitments at the end of the period totalled EUR 1.6 million (EUR 2.1 million on 31 Dec. 2016).