



To future-proof companies  
and make a positive impact

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### About this report

EQT AB (publ) 556849-4180 reports the Group’s financial and non-financial information in a joint report. The formal annual report consists of a Board of Directors’ report and financial statements including notes and has been audited by external auditors. The Sustainability reporting forms an integrated part of this report and fulfills the requirement for a statutory sustainability report found in the Swedish Annual Accounts Acts as well as the GRI Standards ‘Core option’. Key sustainability sections are located on pages 12, 14–17, 36–39, 55–57, 64–71, 83, 145–160.

The combination with Exeter Property Group (“Exeter”) is expected to be completed in the second quarter of 2021, the transaction is subject to customary closing conditions. Unless otherwise stated, information and data in this report exclude Exeter.

This report is also available in Swedish. In the event of discrepancies, the Swedish original will supersede the English version. Data as of December 31, 2020, unless otherwise stated.

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# 01

## EQT – a purpose- driven organization

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### Our values

#### What we stand for

High performing  
Respectful  
Entrepreneurial  
Informal  
Transparent

### Purpose

#### Why we exist

To future-proof  
companies and make  
a positive impact.

### Vision

#### What we strive for

To be the most reputable  
investor and owner.


### Mission

#### What we do and how

With the best talent and network around the world, EQT uses a thematic investment strategy and distinctive value creation approach to future-proof companies, creating superior returns to EQT's investors and making a positive impact with everything we do.



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# EQT facts

EQT is a purpose-driven global investment organization solely focused on active ownership strategies. With a Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. Uniquely, EQT is the only large private markets firm in the world with investment strategies covering all phases of a business’ development, from start-up to maturity.

## EQT AB Group



**700+**  
employees  
>40 nationalities

Offices in  
**17**  
countries<sup>1)</sup>

**€762 million**  
in adjusted revenue 2020  
46% adjusted revenue CAGR  
(2018–2020)

**€385 million**  
in adjusted EBITDA 2020  
69% adjusted EBITDA CAGR  
(2018–2020)

**100%**  
electricity from renewable  
energy sources in EQT’s offices<sup>2)</sup>

**1%**  
owned by EQT  
Foundation

**500+**  
EQT Advisors

<sup>1)</sup> Office in Tokyo announced 2021, included throughout the report.  
<sup>2)</sup> See Additional sustainability disclosures for more details.

## EQT funds

**€52 bn**  
assets under  
management (AUM)

**500+**  
fund investors

**166**  
portfolio companies<sup>3)</sup>

**17**  
active funds

**175,187**  
employees in portfolio companies<sup>4)</sup>

**Private Capital**  
*Ventures, Growth, Private Equity, Public Value*

**€33 bn AUM**

**22%** Net IRR<sup>5)</sup>    **2.5x** Realised gross MOIC<sup>5)</sup>

**Real Assets**  
*Infrastructure, Real Estate*


**€19 bn AUM**

**15%** Net IRR<sup>5)</sup>    **2.4x** Realised gross MOIC<sup>5)</sup>

<sup>3)</sup> Of which 67 are investments by the EQT Ventures funds.  
<sup>4)</sup> Excludes portfolio companies in Ventures and Real Estate.  
<sup>5)</sup> Includes EQT funds raised prior to 2012, which are not managed by the EQT AB Group, excludes Public Value.

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# 02

## Reflections on 2020 and beyond



### Infrastructure – Germany:

#### Deutsche Glasfaser

Deutsche Glasfaser is pioneering the “fiber-to-the-home” roll-out in rural areas in Germany, offering fiber-based high-speed internet access to more than one million households. By 2030, Deutsche Glasfaser aims to provide fiber connectivity to six million households.

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# 2020 in brief

## Key events



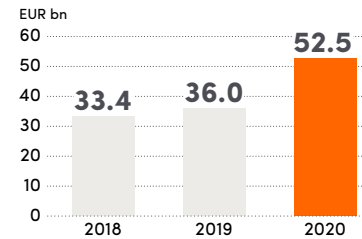
- EQT AB adopted its Statement of Purpose, establishing EQT's purpose, vision and mission.
- EQT joined forces with Exeter, creating a global leader in value-add real estate.
- EQT is solely focused on active ownership strategies following the divestment of Credit.
- EQT joined the Science Based Targets initiative.
- ESG-linked credit facilities established.
- EQT Growth invested in Wolt, its first investment, financed via EQT AB's balance sheet.
- Offices opened in Paris, Sydney and Tokyo.
- Ongoing preparations for APAC strategy announcement.
- Ongoing evaluation of long-hold strategy.

Key events include 2020 and Q1 2021.

## Fundraising

- AUM grew by €16.5 bn, up 46% to €52.5 bn.
- Real Estate II closed at €1 bn hard cap.
- Key funds activated in 2020:
  - EQT IX
  - EQT Infrastructure V

### Assets under management (AUM)



## Value creation

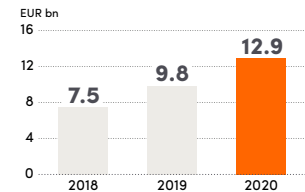
All key EQT funds are on or above plan to meet Gross MOIC targets.

	On plan	Above plan
<b>Private Capital</b>	EQT VI EQT VII EQT VIII EQT IX	
<b>Real Assets</b>	EQT Infrastructure II EQT Infrastructure IV EQT Infrastructure V	EQT Infrastructure III

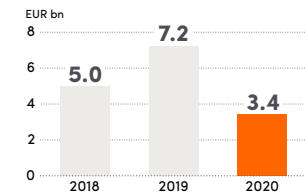
## Investment and exit activity – EQT funds

- Investment and exit activity was concentrated in the second half of 2020.
- 78% of 2020 investments in TMT and Healthcare.

### Investments by EQT funds



### Gross EQT funds exits



## Governance

- Articles of Association of EQT AB changed to reflect EQT's objective of conducting its business in a way that **future-proofs companies and makes a positive impact**.
- Two new board members were appointed, adding further competence within sustainability, risk and control:

**Nicola Kimm**, Global Head of Sustainability & Environment, Health and Safety at Signify

**Diony Lebot**, Deputy Chief Executive Officer of Société Générale

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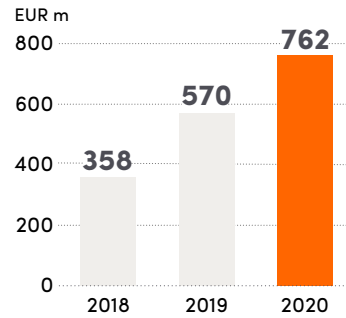
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# 2020 in brief continued

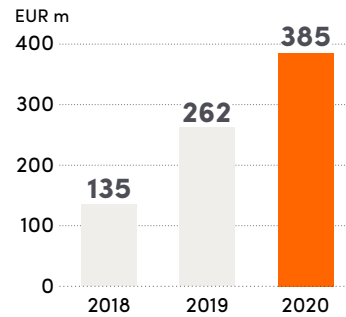
## Financials

### Adjusted total revenue



Increase in revenue primarily driven by management fees generated from the closed out commitments in EQT IX as well as carried interest.

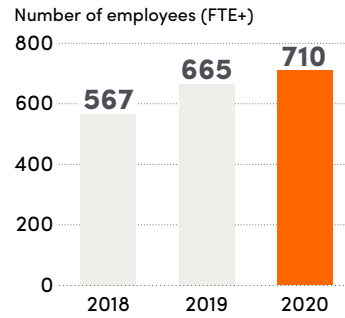
### Adjusted EBITDA



EBITDA margin grew to 51% from 46% in 2019.

## People

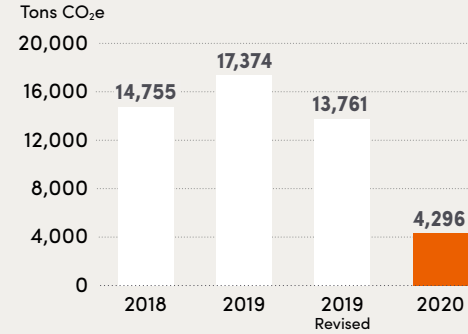
### Employees



FTE+ growth of 7% despite a slower hiring pace at the beginning of the year due to Covid-19.

## Sustainability

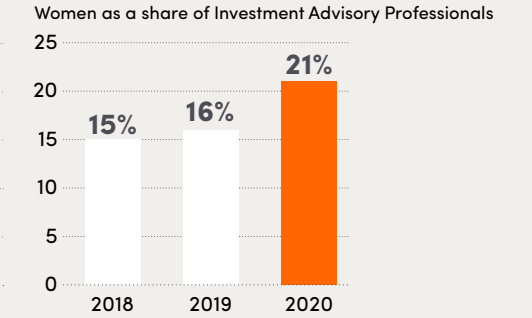
### Greenhouse gas emissions <sup>1)</sup>



Decrease in total greenhouse gas emissions by 69% primarily due to travel restrictions.

<sup>1)</sup> EQTAB Group, emissions from own operations. See Additional Sustainability Disclosures for details of the updated methodology.

### Gender diversity



Share of women among Investment Advisory Professionals increased from 16% to 21% following intensified efforts to increase gender diversity.



**“**  
**EQT: Private Equity with a Purpose**

The article “EQT: Private Equity with a Purpose” was published in the summer edition of the Journal of Applied Corporate Finance.

[▶ Read the article here.](#)

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# Letter from the Chairperson

## “Preparing for what comes next”

**Needless to say, 2020 was an eventful year: Australian wildfires, drawn-out Brexit discussions, strained China-US relations, political turmoil with a new light shone on long-standing inequalities, and of course, Covid-19. The pandemic sparked a new level of disruption that has shaken societies and economies to the core and the long-term consequences are yet to be seen.**

We have all been impacted by the pandemic in one way or another, and EQT and the portfolio companies are no exception. But despite the initial uncertainty, our thematic investment strategy has helped build a resilient portfolio that allowed EQT to quickly adapt to the new normal. Today, I am convinced that EQT will come out of the pandemic stronger than before.

Our focus on future-proofing companies, a concept that is more important than ever before, is key to this. As we see it, future-proofing companies is really about preparing businesses for uncharted territories beyond the horizon and providing them with the necessary tools and competencies to face the challenges of tomorrow. This is the very essence of EQT’s purpose and a continuation of our original motto “EQT – more than capital”, first coined at our inception in 1994.

Since then, EQT has evolved through many phases to become the global investment organization it is today. Even so, developing companies with a clear purpose and preparing them for what comes next has been the main theme throughout our history. The same concept also applies to how we have future-proofed our own firm. Having started integrating sustainability in our business model over a decade ago and being an early adopter of digitalization have allowed us to develop a unique toolbox that is central to how EQT future-proofs companies and makes a positive impact today. This has been key



**“Today, I am convinced that EQT will come out of the pandemic stronger than before.”**

to EQT’s resilience through 2020 and remains a top priority as we prepare the portfolio for a time beyond the pandemic. After all, having a clear purpose is simply good business, and good businesses create strong societies.

In 2020, we also took new actions to future-proof EQT AB’s board of directors by adding global specialist competencies within the areas of risk management and sustainability. We

welcomed Diony Lebot and Nicola Kimm as new board members and they have brought a wealth of experience from their current executive positions at Société Générale and Signify, and from previous leadership roles at large international organizations and within academia. The expertise in their respective fields is a vital complement to the board and to EQT’s future growth aspirations.

More than a year has now passed since EQT AB’s listing on Stockholm Nasdaq. While most things within our firm remain business as usual, the step into the public market has brought new opportunities for accelerated growth – a promise we made to our shareholders and EQT’s fund investors. The IPO has not only cemented our brand, it has also provided EQT AB with a strong balance sheet and a share that can support our firm’s inorganic growth. For example, EQT’s combination with Exeter Property Group – a highly complementary add-on that will create a global leader in value-add real estate investing – was financed through a combination of cash and newly issued EQT AB ordinary shares. This structure not only allowed our stock to help finance the transaction, but it also creates a long-term alignment between EQT and Exeter’s senior management and key talent.

EQT AB’s balance sheet has also supported further diversification of the EQT platform through the launch of the Growth strategy. With Growth, EQT is now the only large private markets firms in the world with a set of business lines that can back companies throughout their entire life cycles – ultimately enabling us to put our purpose into practice at scale.

As we leave behind a turbulent 2020, we enter a new year with hope for increased geopolitical stability, resumed climate talks and successful vaccine rollouts. And as for EQT, I am more confident than ever that we stand prepared for whatever comes next.

**Conni Jonsson**  
*Founder and Chairperson*



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Letter from the CEO

# “Delivering shareholder value through societal impact”

One of the first things I do when looking ahead to a new year is ask: what can we do better? This is an integral part of EQT’s culture – reflecting on how to continuously improve and drive performance, as individuals, as teams, across the portfolio companies and as a firm. This year, I want to be even bolder and ask: how can we, as an industry, do better and make a greater positive impact?

The private markets industry has a huge opportunity to rethink and reset, to combine financial returns with a quest to improve the societies in which we operate. Many leading corporates have already declared that shareholder value is no longer the sole focus and that other societal aspects are equally important. This is a shift no company or industry with a long-term perspective can ignore. The world’s challenges are too great – from climate change and resource scarcity to diversity and inclusion, income inequality, and health. Our industry also has tremendous power to make a difference – we have a governance model and active ownership approach that get things done. We align disparate interests, incentivize change, and contribute towards achieving non-financial goals without compromising on quality.

Investing with a purpose has been a part of EQT’s genetic make-up since the firm was founded in 1994 and it defines the way we conduct our business at all levels. In 2020, EQT AB became one of the first companies in the world to enshrine its Statement of Purpose, to have a positive impact, into the Articles of Association.

Delivering strong returns for the fund investors is vital, but so too is how those returns are created. As purpose-driven investors and owners, EQT combines the creation of shareholder value with the creation of broader societal and environmental value. This is achieved through a thematic

investment strategy and through how the EQT funds’ portfolio companies are future-proofed – ensuring they are equipped to stay relevant for the long-term. And we take a similar approach to the way we run our own business.

Take diversity and inclusion, for example. Last year, we set a gender diversity target to have women account for 65 percent of the investment advisory professionals hired in 2020. A majority of our teams accomplished this. The percentage of women in our partnership group has also risen, from three to 10 percent. Across the EQT funds’ portfolio, the percentage of women among independent directors

**“Investing with a purpose has been a part of EQT’s genetic make-up since the firm was founded in 1994.”**

appointed by EQT rose last year to 21 percent from 16 percent in 2019. For 2021, we are setting a long-term goal of having women constitute 40 percent of the independent board members that are appointed in all new control investments. Furthermore, we have decided to set specific targets for diversity per business line and team to improve on the

**“The very notion of future-proofing has been sorely tested over the past year.”**



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most pressing diversity and inclusion areas. We remain fully focused on making real and measurable progress as a means of maintaining our high performing culture and future-proofing ourselves as an organization. Our requirement for no less than 25 percent of the underrepresented gender in teams from our suppliers continues – it turned out to be an excellent way of broadening our impact and improving together. We are moving in the right direction but there is so much more to do!

Another example is how we address climate change. All companies across the portfolio are accelerating their transitions into renewable energy with a long-term target of 100 percent renewables. A few companies have already fully transitioned. There is big momentum internally, and the ESG-linked credit facilities launched in Private Equity and Infrastructure in 2020 are great examples of how we both inspire and incentivize strong performance in this area. The ambition is to get full discount on the facilities as this is where the majority of EQT's new investments are made. Over time, more portfolio companies will reach their non-financial goals and that is exactly what we want to achieve. EQT is also one of the first private markets firms committed to the Science Based Targets which, simplified, means we will set emissions reduction targets in line with the Paris Agreement. We also have a climate solution mindset in the investment process, which brings new angles to a potential acquisition. Several investments made last year had electrification and reduction of greenhouse gas emissions as a key value creation component. These, along with many other initiatives, are a good start, but they are just that – a start.

Improving performance across these important areas makes EQT more sustainable across numerous dimensions. But it goes further than just EQT. What we and our peers do in this regard will be vital to ensuring that the private markets industry itself is future-proofed.

The very notion of future-proofing has been sorely tested over the past year. Few expected the magnitude of Covid-19,

yet it proved devastating for so many. EQT tried to meet the many challenges posed by the pandemic head-on. Thanks to EQT's focus on backing companies that benefit from thematic megatrends, the vast majority of the EQT funds' portfolio companies proved resilient and were well equipped to handle the crisis. I thank the management teams and staff who have worked so hard to ensure quick adaptation to a new environment and a special thank you to the in companies that have been particularly challenged.

**“As an industry, we have an opportunity to make a positive change on an even larger scale for the benefit of society.”**

Looking ahead, we see numerous opportunities to invest behind the long-term themes we believe are important – access to high-speed internet via fiber optic broadband investments in infrastructure; increasing adoption of e-commerce via logistic properties; and developing companies in essential services in areas such as healthcare and TMT, to name a few examples.

As we strive to improve, we should not diminish the accomplishments EQT delivered in 2020. We had a record fundraising year, attracting about EUR 22 billion in fresh capital. We also launched EQT Growth which was, for us, the missing piece of the private markets puzzle. With Growth, EQT is now the only large global private markets firm that can back companies across the development lifespan – from start-up through to maturity. This ability is further strengthened through our “internal ecosystem” where our global investment Advisory Teams across all business lines share insights and spot trends in different regions, sectors and themes, and also work closely together with the advisors of the global EQT Network.

In January 2021, we made significant progress with our strategic ambition to expand EQT's real estate business as well as our presence in North America through the combination with Exeter Property Group, a leading thematic real estate investment platform with over USD 10 billion in assets under management and market-leading returns.

Crucial to our development is that all of EQT's strategies are now active ownership strategies, a defining characteristic that makes us stand out from other global private market firms. This year, we will continue to focus on creating new investment products that fulfill EQT's aim of investing behind our core themes and creating great returns for the fund investors, including evaluating a longer-term investment strategy. We will also continue to expand internationally with a renewed focus on Asia-Pacific, where we now have a presence in Tokyo, Japan.

EQT's entrepreneurial spirit, operational approach and strategy of investing thematically and with a purpose will ensure that EQT continues to deliver top-performance for the fund investors as well as create value for our shareholders. And as an industry, we have an opportunity to make a positive change on an even larger scale for the benefit of society, both today and for future generations that rely on those in power to make the right choices for tomorrow's world. If we challenge ourselves to do better and make greater positive impact – as individuals, as firms and as an industry – I am confident that over the coming years, not only will EQT make significant progress in making great investments that also deliver a positive contribution to a more inclusive and cleaner world, but so will our peers across the industry.

**Christian Sinding**  
CEO and Managing Partner

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# Towards our targets

**Strategic targets** Our strategic ambition consists of six key pillars:

<h1>1</h1> <p><b>Future-proof companies and make a positive impact with everything we do.</b></p>	<h1>2</h1> <p><b>Create superior risk-adjusted returns through purpose-driven investments.</b></p>	<h1>3</h1> <p><b>Stay ahead on culture, talent management and leadership.</b></p>	<h1>4</h1> <p><b>Increase the scaling speed of our operating platform (with digital innovation and control framework).</b></p>	<h1>5</h1> <p><b>Become the no. 1 global leader in value-add Infrastructure, a global top 5 player in Private Equity and build other growth strategies.</b></p>	<h1>6</h1> <p><b>Solidify Europe, win North America and expand APAC.</b></p>
					
<ul style="list-style-type: none"> <li>• EQT AB's shareholders' meeting adopted new Articles of Association, reflecting EQT's objective of conducting its business in a way that future-proofs companies and makes a positive impact.</li> </ul>	<ul style="list-style-type: none"> <li>• EUR 12.9 billion of thematic investments by EQT funds in 2020.</li> <li>• All key EQT funds are on or above plan to meet Gross MOIC targets.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued growth of EQT AB Group with 117 new joiners in 2020, low undesired attrition of 1% and maintained high employee engagement.</li> <li>• EQT Academy fully digitalized to ensure onboarding and training continuity, new courses added to cover conscious inclusion and virtual transformation.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased investments focused on building the Client Relations and Capital Raising Advisory Team and further developing digital tools and processes to increase the scaling speed of our operating platform.</li> </ul>	<ul style="list-style-type: none"> <li>• EQT is no. 2 globally by active funds across Private Equity and Infrastructure.<sup>1)</sup></li> <li>• EQT is no. 3 globally by active funds in Infrastructure.<sup>1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• New offices opened in Paris, Sydney and Tokyo.</li> <li>• With Exeter, EQT will significantly expand its presence in North America.</li> </ul>
<p><b>Reflections on the future</b></p>					
<ul style="list-style-type: none"> <li>• EQT's purpose journey involving EQT AB, EQT funds, their portfolio companies and beyond will accelerate in 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• A handful of EQT funds' portfolio companies have been severely affected by the Covid-19 pandemic.</li> <li>• EQT Investment Advisory Professionals remain focused on downside risks.</li> </ul>	<ul style="list-style-type: none"> <li>• EQT's strong culture and tech maturity allow for alternative ways to recruit, onboard and develop top talents across the globe.</li> </ul>	<ul style="list-style-type: none"> <li>• Central's costs are expected to grow at approximately half of the growth in assets under management over the medium-term.</li> </ul>	<ul style="list-style-type: none"> <li>• With Exeter, EQT will be in the top 4 globally in active ownership strategies across Private Equity, Infrastructure and Real Estate.</li> </ul>	<ul style="list-style-type: none"> <li>• APAC strategy expected to be announced in 2021.</li> </ul>

<sup>1)</sup> Source: Preqin, Lit. search, EQT analysis; per January 2021; active defined as funds currently investing, based on full fund size at close. Excludes open-ended Infrastructure funds.

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# Towards our targets

**Financial targets** The EQT AB board of directors has adopted the following medium- to long-term financial targets over a fund cycle:

# 1

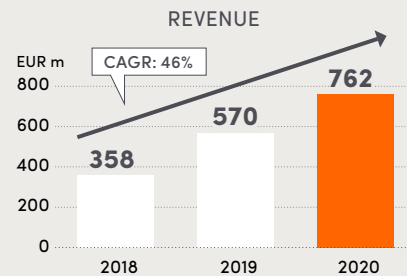
## Revenue growth

### Target:

Total revenue growth over time to exceed the long-term growth rate of the private markets industry.



**34%**  
(2019: 59%)



### Reflections on the future

- The private markets industry has grown by about 7% annually over the past three years, and is expected to grow by about 10% annually over the next five years.<sup>1)</sup>

<sup>1)</sup> Source: Preqin.

# 2

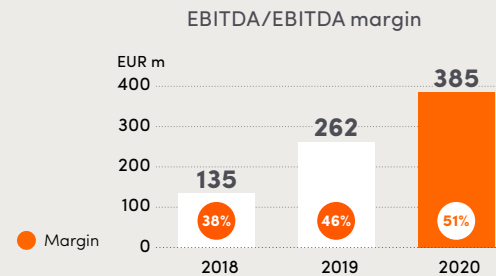
## Adjusted EBITDA margin

### Target:

Adjusted EBITDA margin over time to be in the range of 55 percent to 65 percent.



**51%**  
(2019: 46%)



- In 2020, 20% of EQT AB's revenues were derived from Carried Interest & Investment income.
- Over time, EQT expects more funds to be at a stage where EQT will recognize carried interest which, combined with growth in management fees, is expected to drive an increase in EQT EBITDA margin towards the target of 55–65%.

# 3

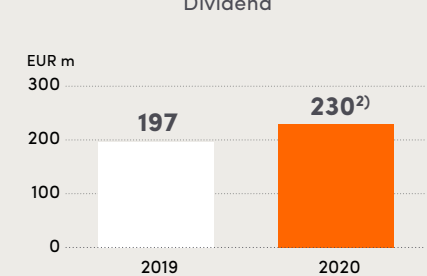
## Dividend policy

### Target:

To generate a steadily increasing annual dividend in absolute Euro-denominated terms.



**€230 million<sup>2)</sup>**  
(2019: €197 million)



- The board of directors has proposed a dividend of SEK 2.40 per share for the fiscal year 2020 to be paid in two installments in 2021.

<sup>2)</sup> Approximately EUR 230 m to be paid in dividend 2021 (SEK 2.40 per share) excl. shares to be issued as part of EQT's combination with Exeter, using EUR/SEK rate as of year-end of 10.037.

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# Towards our targets

**Sustainability targets** announced in 2020:

# 1

**Environmental**  
**Clean & Conscious**

**Target:**

100 percent renewable energy in EQT AB Group's offices.

Portfolio companies of EQT funds to start transitioning to renewable energy.

# 2

**Social**  
**Diversity & Upskilling**

**Target:**

65 percent of the Investment Advisory Professional recruits in 2020 to be women.

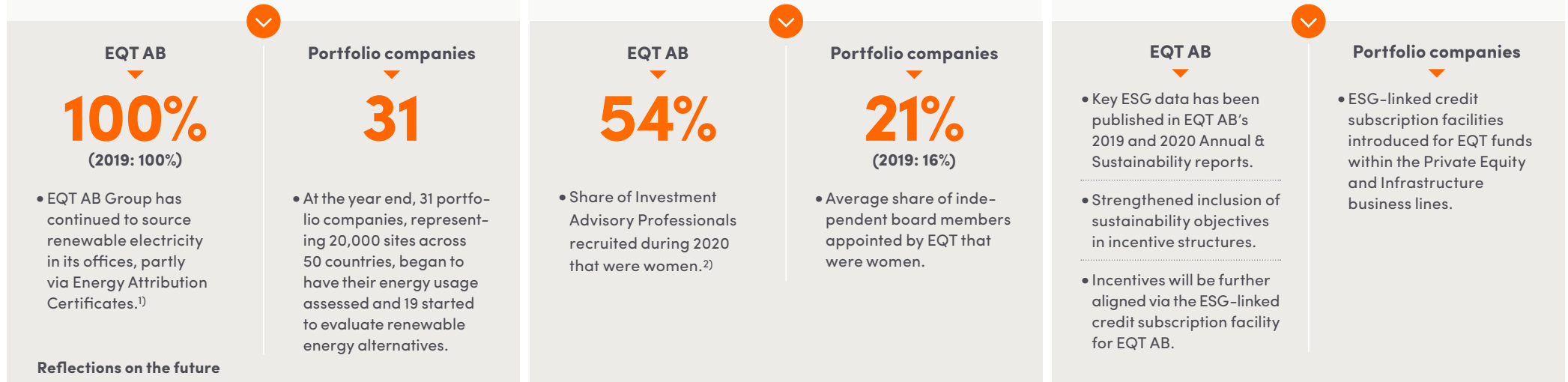
At least 25 percent of the independent board members within EQT funds' portfolio companies to be women in 2020.

# 3

**Governance**  
**Transparency & Accountability**

**Target:**

Publish EQT's key ESG data and link incentive schemes to sustainability objectives.



**Reflections on the future**

- As part of EQT's ambition to *transform ways of operating in line with science*, EQT will, in 2021, work to set greenhouse gas emission reduction targets, also covering EQT funds' portfolio companies.
- Approximately 30 additional EQT funds' portfolio companies will initiate renewable energy assessments in Q1 2021.

<sup>1)</sup> See Additional sustainability disclosures for more details.

- EQT's ambition to *attract and nurture a diverse, world-class EQT team and Network* remains core to our strategy and EQT is working consciously to improve diversity and inclusion to ensure more balanced teams at all levels.

<sup>2)</sup> The corresponding share of Investment Advisory Professionals that joined during 2020 being women is 39% (19% in 2019).


- With an overall ambition to *champion transparency to build trust*, EQT is committed to continue publishing key ESG data for itself and the EQT funds' portfolio companies in various channels.
- In 2021, EQT will continue to improve flows of ESG data to enhance our ability to act on sustainability insights as well as cater for the new EU Sustainable Finance regulations.

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# 03

## Our company

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Private Equity – Sweden:

### Anticimex

Anticimex’s vision is to be the global leader in preventive pest control. The company’s solutions help prevent the spread of infectious diseases and destruction of resources.

Anticimex’s industry leading solution, Anticimex Smart, is reducing the use of biocides and CO<sub>2</sub> emissions in pest control dramatically.



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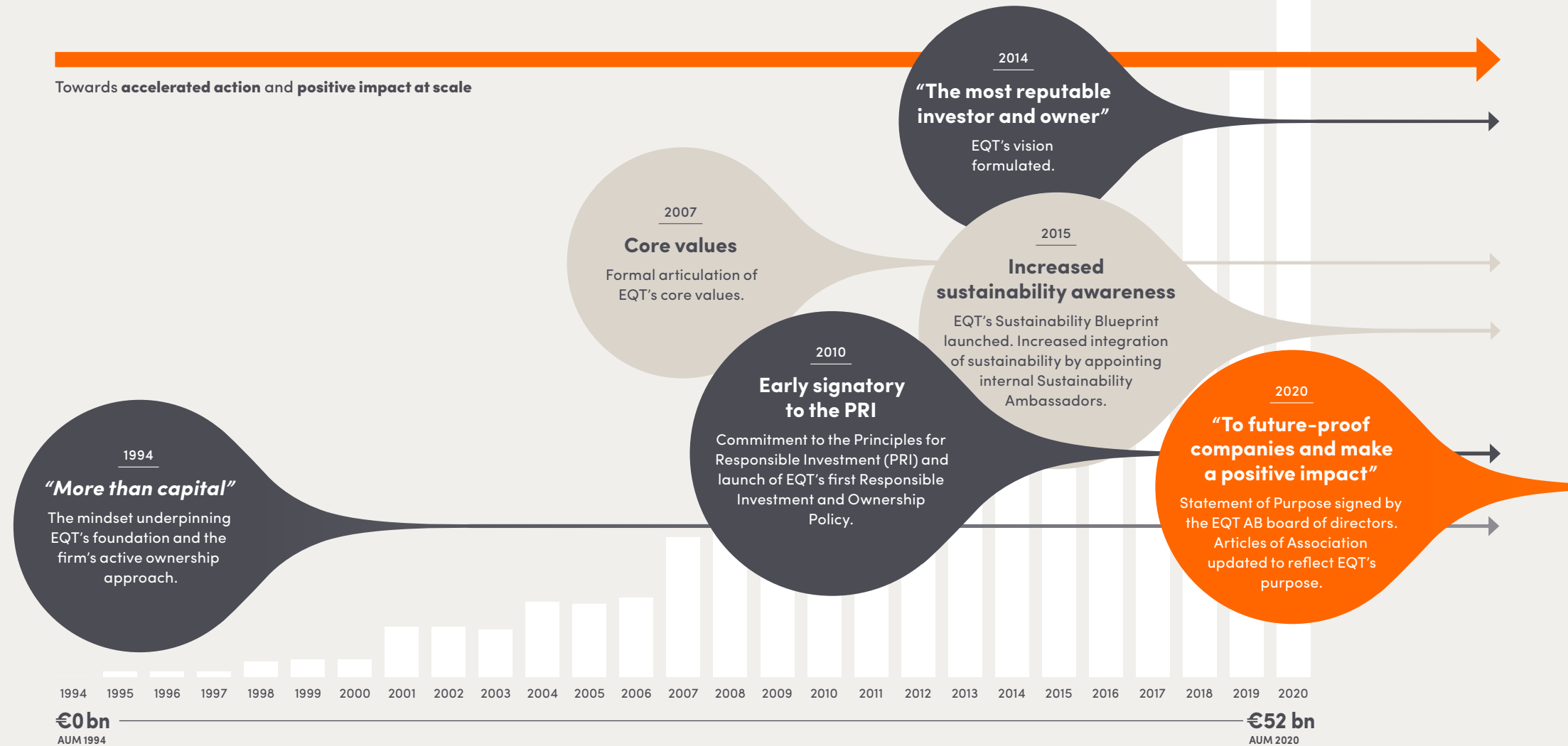
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# EQT’s purpose journey

Since inception in 1994, EQT has taken an active ownership approach based on the mindset of being “more than capital”. While a value-based, purpose-driven culture and multi-stakeholder approach have remained at our core, EQT is constantly changing in line with our mantra that “everything can always be improved, everywhere, at all times”. The need to drive change, understand the disruptive dynamics and stay entrepreneurial are crucial elements for EQT to remain relevant. EQT’s growth and our journey towards making a positive impact are intertwined. Each reinforces the other and, as such, are essential for our continued success.



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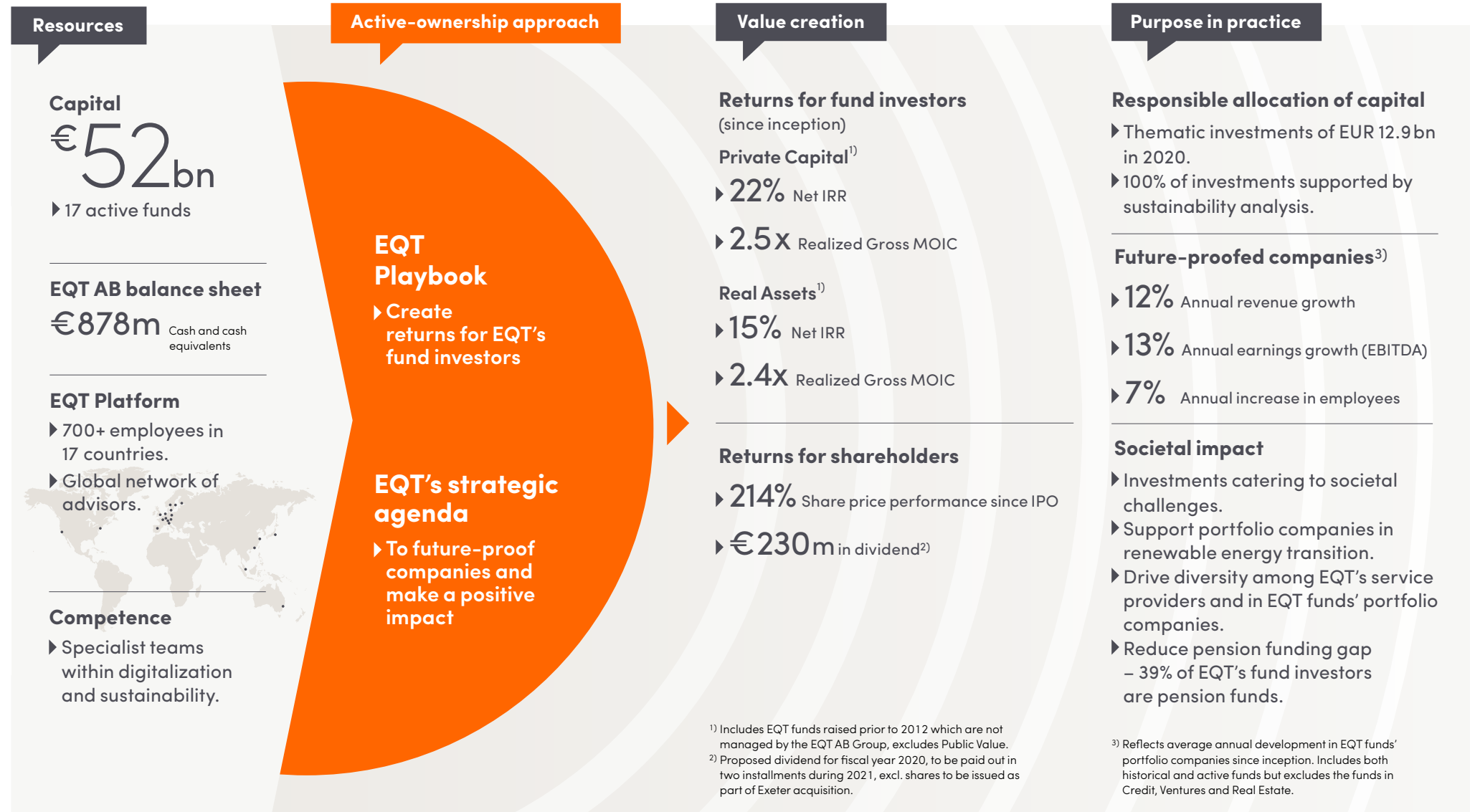
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# Making a positive impact – our model



<sup>1)</sup> Includes EQT funds raised prior to 2012 which are not managed by the EQT AB Group, excludes Public Value.  
<sup>2)</sup> Proposed dividend for fiscal year 2020, to be paid out in two installments during 2021, excl. shares to be issued as part of Exeter acquisition.

<sup>3)</sup> Reflects average annual development in EQT funds’ portfolio companies since inception. Includes both historical and active funds but excludes the funds in Credit, Ventures and Real Estate.



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# ESG-linked credit facilities – accelerating sustainability progress

New, innovative credit facilities with a total upper limit of EUR 11 billion have been established for EQT funds and EQT AB to accelerate ESG performance.

EQT explores ways of making a positive impact continuously by improving Environmental, Social and Governance (ESG) performance across its operations. This also includes financing structures. In 2020, ESG-linked credit facilities were launched for EQT funds within two of EQT’s business lines, one for EQT Private Equity and the other for EQT Infrastructure. Each facility has an upper limit of around EUR 5 billion, making them the largest facilities of their kind in the global fund financing markets. The credit facilities are backed by a syndicate of leading global financial institutions. The key difference from other subscription credit facilities is that interest rates are linked to timely fulfillment of specific targets in three areas related to EQT’s sustainability ambitions:

**E Renewable energy** The share of renewable energy of the total purchased electricity in applicable EQT funds’ portfolio companies should increase to 85 percent.

**S Board gender diversity** The share of women board members appointed by EQT in EQT funds’ portfolio companies to represent at least 40 percent.

**G Governance** Applicable EQT funds’ portfolio companies are required to have a fundamental sustainability governance platform. This includes, for instance, conducting a materiality analysis and having a strategy to achieve at least one ambitious target, such as reducing greenhouse gas emissions in alignment with the Paris Agreement.

EQT and the EQT funds’ portfolio companies should all develop roadmaps to reach these specific sustainability targets. The results from the portfolio companies’ ESG efforts compared with the KPI targets will impact the interest rate. Hence, the more progress in the portfolio companies, the better financing terms. These are clear incentives for improved ESG performance, and as ESG progress also makes portfolio companies more resilient and future-proofed, this is a true win-win situation.

In late 2020, a revolving credit facility was also set up for EQT AB with an upper limit of EUR 1 billion. This credit facility will also incorporate a pricing mechanism linked to ESG-related objectives.



“These new credit facilities demonstrate how private markets firms can play an instrumental role as catalysts of change, moving the entire financial community to stimulate more sustainable businesses.”

Therése Lennehag Head of Sustainability



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# EQT AB Group – the listed entity

## Our shareholders

- EQT EMPLOYEES AND PARTNERS**  
57% ownership
- FREE FLOAT**  
24% ownership
- INVESTOR AB**  
18% ownership
- EQT FOUNDATION**  
1% ownership

- 29,195 shareholders own EQT AB.
- EQT AB’s ordinary shares have been listed on Nasdaq Stockholm since September 2019.

## EQT AB Group

**INVESTMENT ADVISORY**  
EQT’s Investment Advisory Professionals are organized by business segments and investment strategies:

<b>PRIVATE CAPITAL</b> Ventures Growth Private Equity Public Value	<b>REAL ASSETS</b> Infrastructure Real Estate
--	---

Recommendations regarding investments and divestments.

**INVESTMENT MANAGEMENT**

**FUND MANAGER**  
Managing and operating EQT funds

Fund management companies make investment and exit decisions based on advice from external and internal advisors, as well as being ultimately responsible for capital raisings and client relationships.

**CENTRAL**

EQT’s Central team handles a number of support functions including capital raising and client relationships as well as specialist advice to its funds in areas such as digitalization and sustainability.

- EQT AB Group has offices in 17 countries across Europe, Asia-Pacific and North America with more than 700 employees.

## EQT funds

**€52 bn**  
AUM

**17**  
Active funds

- EQT Infrastructure V
- EQT IX
- EQT Ventures II
- EQT Public Value Fund
- EQT Infrastructure IV
- EQT Real Estate II
- EQT VIII
- EQT Mid Market Europe
- EQT Real Estate I
- EQT Ventures
- EQT Mid Market US
- EQT Infrastructure III
- EQT Mid Market Asia III
- EQT VII
- EQT Infrastructure II
- EQT Mid Market
- EQT VI

• Approximately 500 investors are currently invested in the EQT funds.

• EQT’s Capital Raising and Client Relations Advisory Teams support the fund manager in engaging continuously with fund investors.

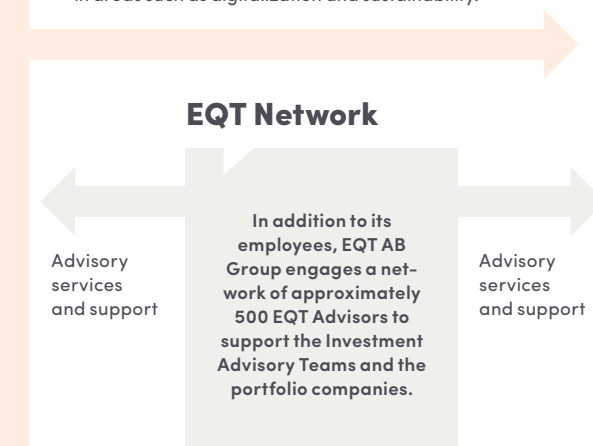
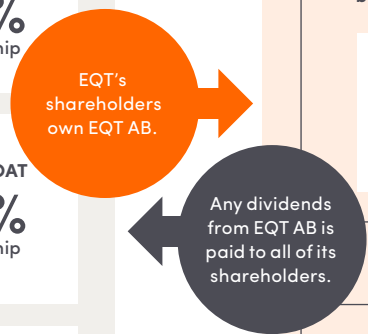
Investment Advisory Professionals provide ongoing support and advice to the fund managers with respect to the EQT funds’ portfolio companies as part of EQT’s governance model. EQT’s specialist functions support in areas such as digitalization and sustainability.

**Portfolio companies**

**166**  
Portfolio companies of EQT funds globally

**175,187**  
Employees across the portfolio companies<sup>1)</sup>

<sup>1)</sup> Excludes portfolio companies in Ventures and Real Estate.



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# EQT Foundation – pushing the frontiers of positive impact

The EQT Foundation was established in 2019 to drive EQT’s global philanthropic activities, to act as a steward of EQT’s culture and values, and to complement the firm’s mission of making a positive impact with everything it does.

The EQT Foundation has a purpose of building a more inclusive and cooler tomorrow by supporting impact entrepreneurs to present vital new innovations to the market. It will also offer EQT’s employees a learning platform where they get to work side-by-side with bold entrepreneurs and help them solve some of the most pressing problems faced by society.

The EQT Foundation holds around one percent of the shares in EQT AB and has a right to appoint a member to the nomination committee of EQT AB, acting as an eternal steward of the EQT culture and values. The EQT Foundation is structurally independent of EQT and is managed by the EQT Foundation’s Members’ Committee, which was set up to maintain the partnership feeling after the public listing. EQT employees with a deep and long-term commitment in EQT may be invited to become members of this committee.



**“At EQT we believe that everything can be improved, always. This is also true for how we as a society solve our collective issues. With grants and investments, the foundation can de-risk new and improved ways of doing things, and ultimately help impact entrepreneurs attract growth capital.”**

**Cilia Holmes Indahl** Head of EQT Foundation  
**Contact: [Foundation@eqtpartners.com](mailto:Foundation@eqtpartners.com)**

## Activities 2020

In December 2020, the EQT Foundation made its first investment decision to support Living Carbon, a Silicon Valley based startup using biotechnology to develop trees that better capture and store carbon. By using biochemistry to enhance a tree’s natural ability to drawdown atmospheric carbon, the company is not only devising a solution to address climate change, but also producing more durable wood for a multitude of building and manufacturing


applications. Earlier in 2020, the EQT Foundation also announced its first donation of EUR 1 million to the Covid-19 Therapeutics Accelerator that puts equity at the core of its approach. These are the first, in a series of grants and investments, that the EQT Foundation will undertake to help create a more inclusive world and close the funding gap for climate technology and hence support inclusive approaches to tackling global challenges.

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# 04

## Private markets

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## Private Equity – Germany:

### schülke

schülke's mission is to protect lives worldwide by providing critical hygiene solutions that effectively combat risks for humans and materials from infection and contamination. schülke offers a diversified product portfolio, including disinfection products for hand, skin and surface and wound antiseptis solutions.



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# Private market

Private markets have experienced rapid growth in recent years. The market is expected to grow further, supporting increased allocations to alternative assets and increasing assets under management.

## Increasing allocations to private markets

The growth rate in private market assets under management is expected to continue at an average of ~10 percent per year until 2025. Factors such as low interest rates, strong investment returns, and further diversification demands are driving investors to the private market. These structural dynamics are expected to be sustained, supporting continued growth in assets under management.

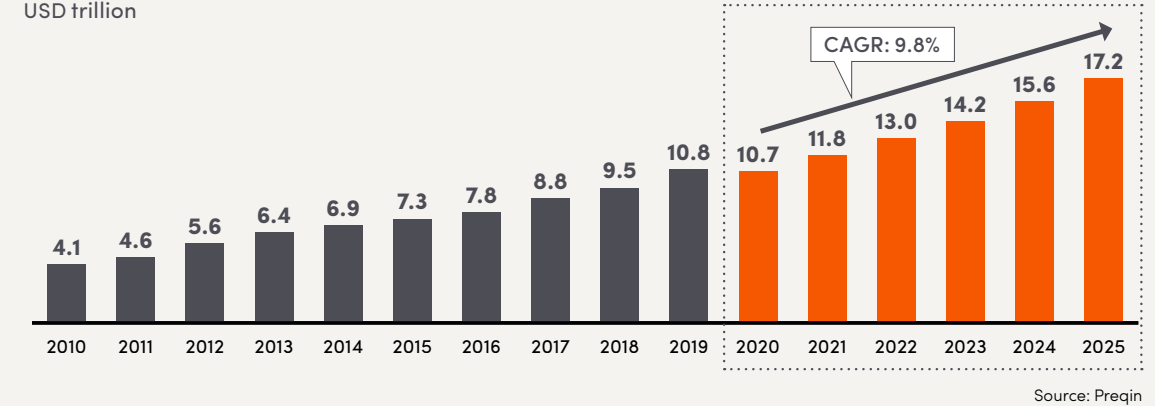
Alternative assets have experienced strong growth over the last decade, from USD 4.1 trillion in assets under management in 2010 to USD 10.7 trillion in 2020. All asset classes within alternative assets are expected to grow in the coming years, with private equity poised to more than double assets under management between 2020 and 2025.<sup>1)</sup> In a survey by Prequin, 81 percent of investors said that they expect to increase allocations to alternative assets going forward.

## The continued search for returns in a low yield environment

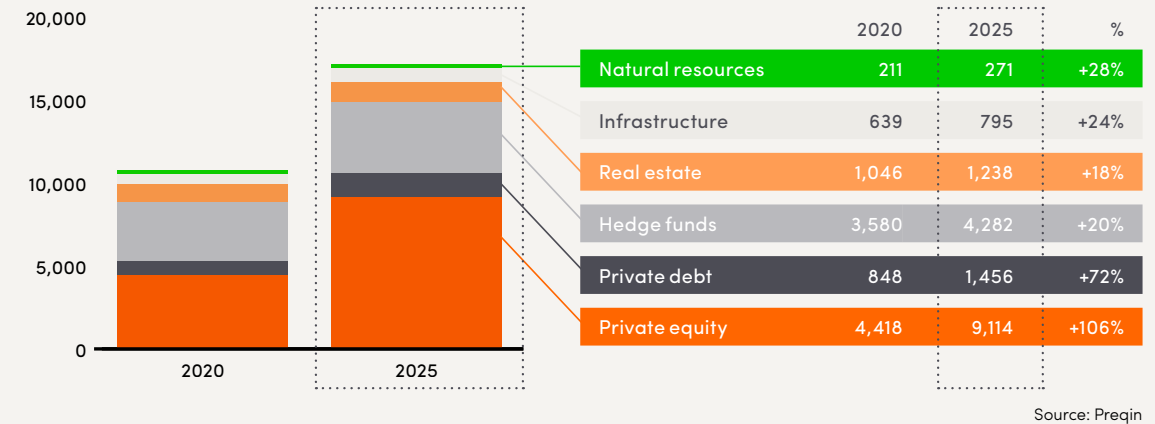
The low to negative yield environment resulting from the monetary policy pursued by central banks over the last several years has created significant challenges for investors. Within the institutional client base, some investors have found it difficult to achieve targeted returns in a low interest rate environment within a framework of conventional asset allocations to equities and bonds. Forecasts predict that central banks' policy rates will remain close to zero percent and not rise above one percent in countries such as the US and Germany until 2026.

<sup>1)</sup> Prequin, 2020. 2020 figure is annualized based on data until October. 2021–2025 are Prequin's forecasted figures.

Alternative Assets under Management<sup>2)</sup>  
USD trillion



Alternative Assets under Management, 2020 vs. 2025<sup>2)</sup>  
USD billion



<sup>2)</sup> 2020 figure is annualised based on data to October. 2021–2025 are Prequin's forecasted figures.

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# EQT in the private markets

EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. EQT is the second largest Private Equity and Infrastructure Manager on a global level in terms of active funds. Within Infrastructure, EQT is the third largest Manager in the world by active funds. With Exeter, EQT will be top four globally in active ownership strategies across Private Equity, Infrastructure and Real Estate. EQT’s leading strategies in Private Equity and in Infrastructure have consistently outperformed public markets across market cycles.

EQT has six investment strategies and invests within two business segments: Private Capital and Real Assets. This demonstrates a diversified set of investment capabilities across multiple asset classes and EQT has a proven track record delivering attractive risk-adjusted returns to investors in both of its business segments. Overall, EQT funds have continued to deliver consistent, strong returns and several of the EQT funds rank top decile or top quartile.

EQT continuously invests in building strong fund investor relationships and aims to remain a relevant and long-term partner for its fund investors by pursuing compelling investment opportunities, by launching successor funds to its existing

strategies and by launching new investment strategies. EQT is also continuously developing its procedures and processes based on feedback from its fund investors. The recent launch of EQT’s Investor Portal is one example of EQT’s significant investments to improve the customer journey.

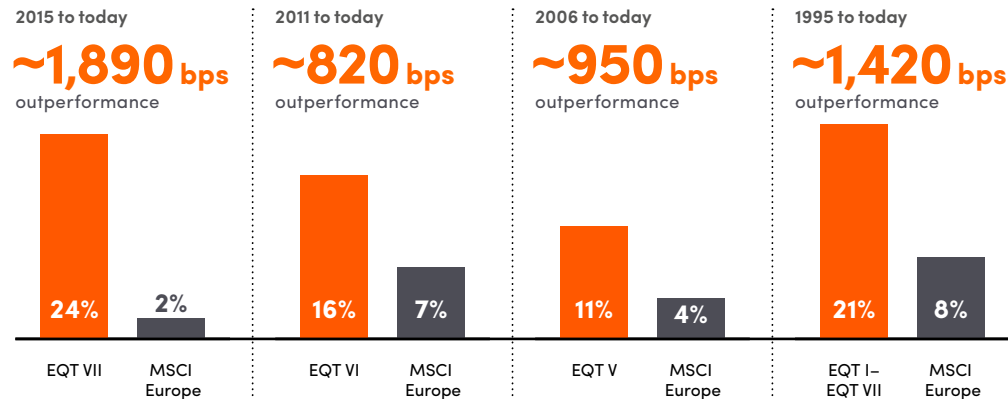
### EQT and its fund investors Fund investor breakdown

Since its inception, EQT funds has raised more than EUR 84 billion. The EQT funds has a stable and growing investor base mainly consisting of pension funds and financial institutions. As of 31 December 2020, the fund investor base included more

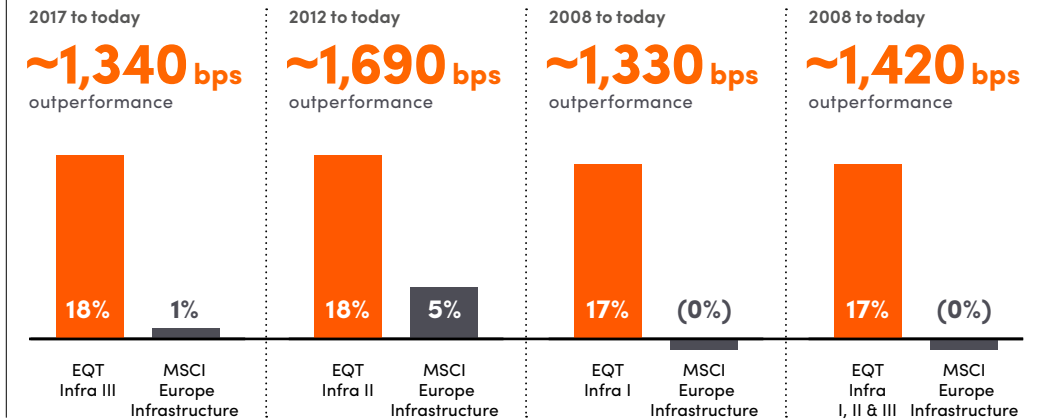
than 500 investors, a figure which has doubled over the last ten years, affirming EQT’s established market position and reputation. The investor base is well diversified, with no single investor comprising more than 3 percent<sup>1)</sup> of current assets under management (AUM). Approximately 24 percent of EQT’s AUM come from fund investors in the Americas. Fund investors from the Nordics and rest of Europe accounted for 44 percent of AUM. Investors in the EQT funds are served by the Fund Management team supported by the Firm’s in-house Client Relations and Capital Raising Advisory Team, which currently consists of 52 professionals around the globe.

<sup>1)</sup> Excluding Investor AB.

### Annual bps of outperformance of EQT Private Equity to MSCI Europe



### Annual bps of outperformance of EQT Infrastructure to MSCI Europe Infrastructure



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The MSCI Europe Index Net TR (EUR) and MSCI Europe Infrastructure Index include a number of countries in which the EQT Private Equity and EQT Infrastructure, respectively, have not invested. Accordingly, investors should attach correspondingly qualified consideration to the comparison shown. Past performance information herein is not necessarily indicative of any future results and there can be no assurances that any current or future EQT Fund will achieve comparable results, that the returns generated by any other current or future EQT Fund will equal or exceed those returns generated by other EQT Funds or that any current or future EQT Fund will be able to implement its investment strategy or achieve its investment objectives. EQT VIII-IX and EQT Infrastructure IV-V are not included in the comparison on the basis that these have been active only for a limited number of years and thus cannot be presented without arbitrary assumptions regarding the allocation of fund-level amounts such as fees, costs, expenses and carried interest. Preliminary as of Q4 2020. The calculations are based on the Direct Alpha Methodology. All indices are total return indices, i. e. dividends are reinvested in the index.

Source: Preqin, Lit. search, EQT analysis; per January 2021; active defined as funds currently investing, based on full fund size at close. Excludes open-ended Infrastructure funds.



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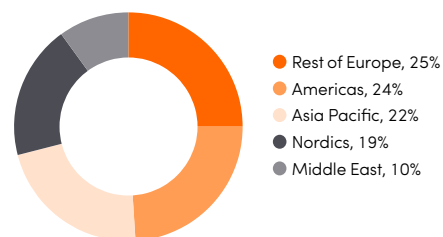
## Private markets

As the investment management industry develops, so do the needs and expectations of EQT funds' investors. This includes co-investment opportunities, strategic partnerships, and single-asset transactions, which all continue to be a complementary part of EQT's offering. Looking ahead on future channels for growth, EQT will continue to grow in select underpenetrated markets such as the Americas and Asia Pacific. Another focus area for EQT is to penetrate the private wealth management market. Family offices, private wealth platforms and retail capital represent ample growth opportunities for the industry and are estimated to be worth USD 74 trillion<sup>1)</sup> worldwide, yet less than 15 percent of this wealth is invested in alternative investment classes.<sup>2)</sup> Family offices, high net worth individuals and retail investors are increasingly attempting to mimic institutional investors' investment programs to boost returns, increase diversification, reduce volatility, and access various sources of growth. EQT has already captured market share in this segment.

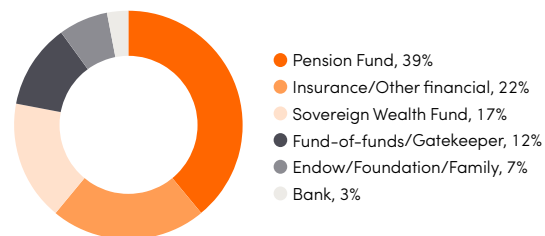
<sup>1)</sup> Defined as high net worth individual wealth.

<sup>2)</sup> According to Capgemini's 2020 World Wealth report.

### AUM by fund investor geography



### AUM by fund investor type



## Infrastructure – Denmark:

### Molslinjen

Molslinjen is Denmark's largest passenger ferry company and a critical part of the country's domestic transport network. Molslinjen's network of "floating bridges" links major population centers and connects several islands with the mainland. Over the past decade, Molslinjen has built an impressive track record of phasing out fossil fuels, achieving a reduction of its CO<sub>2</sub> emissions per transported kg by over 60 percent. In the years to come, the company will continue to invest in the decarbonization of its ferry fleet to further reduce its environmental footprint.



## Infrastructure – Norway:

### Torghatten

Torghatten is the leading private passenger transportation company in Norway. Torghatten provides essential transportation services and its route network significantly shortens travel time along the Norwegian coastline, making the company a critical part of the country's domestic transportation system. Having recently built the world's largest fully-electric car ferry, Torghatten is at the forefront of the green shift in the transportation sector. EQT Infrastructure will continue to support the company's ambitious sustainability agenda and its intention to accelerate the transition to zero or low emission transportation infrastructure solutions.



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# A new fundraising record in 2020

Despite the challenges posed by the pandemic, EQT’s fundraising efforts did not slow in 2020. On the contrary, 2020 was a record year for EQT in terms of total funds raised. EQT raised more than EUR 22 billion of capital throughout 2020, showcasing the resiliency of the EQT platform as well as the strength and depth of our relationships with clients.

Morten Hummelmoose was recently appointed Head of the Client Relations and Capital Raising Advisory Team. Morten joined EQT in 2006 and comes most recently from a role as Chairperson of EQT North America and Head of the Private Equity Advisory business in North America.

### How has EQT’s fundraising been affected by the Covid-19 pandemic?

– At the outset of the pandemic, there were signs of some slight delays in ongoing fundraisings compared to a normal year, however our investors adjusted to the situation rapidly and our well-integrated digital platform allowed us to swiftly switch to virtual fundraising meetings. Ultimately, in 2020 EQT raised the largest amount of capital in any given year during our history, despite the challenges posed by the pandemic. In total, more than EUR 22 billion was raised across various funds. In September, EQT Real Estate II reached its hard cap of EUR 1 billion. In March 2021, EQT held its first closing for the EQT Infrastructure V fund, reaching approximately EUR 12.5 billion, corresponding to the previously communicated target fund size. In light of strong support from both new and existing investors EQT currently expects EQT Infrastructure V to reach its hard cap of EUR 15 billion. However, the actual fund size remains dependent on the final outcome of the fundraising process. Active fundraising efforts are expected to be materially concluded in H1 2021.

Moreover, the EQT IX fundraising is materially concluded. The expectation is that the fund will have its final closing during Q2 2021, reaching its hard cap of EUR 15 billion.

While the pandemic accelerated the adoption of digital tools, EQT had been investing in its digital capabilities for a number of years and integrating new technology into the way we work, meaning the team was able to easily transition to remote working. We have held a vast number of digital fundraising meetings for our funds with existing as well as with new clients. Moreover, we made efforts to deliver informative and engaging virtual versions of our recurring investor events, such as the Annual Investor Meeting and New York Investor Day.

EQT funds’ compelling track record in delivering consistent investment performance for investors and our focus on future-proofing companies for sustainable long-term performance has kept us relevant and helped us attract interest from our clients.

### How will the global fundraising market look in 2021?

– We believe that it is more important than ever to communicate and interact with our clients and to invest time in creating long-term, strong and in-depth client relationships. The private equity market continues to develop and mature in terms of behaviors and structures, which we believe is a positive development for the investment management industry. This spurs the development of stronger governance, more focused




“In 2020, EQT raised the largest amount of capital in any given year during our history, despite the challenges posed by the pandemic.”

**Morten Hummelmoose**  
Head of Client Relations and Capital Raising Advisory team



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## Private markets

investment strategies and improvements in reporting and transparency. We also see an increase in more complex transactions, which puts the trust and strength of the relationship between EQT and our investors to a test, and we believe that the mutual dependency between managers and fund investors continues to increase. The private equity asset class continues to play a key role in our client's portfolios, which increases the importance of strong relationships even further.

### What are the advantages of being a large private markets firm when raising capital?

– First time funds and less established managers have always had more difficulties raising capital compared to established funds and managers with proven track records. In our experience, the pandemic has accelerated this trend. Investors' appreciation of EQT as a Group and of EQT funds' track record of generating consistent, strong risk-adjusted returns, is evidenced by the strong demand for EQT's funds and by the significant amount of capital raised by EQT this year, despite the pandemic. We also believe investors see strategic value in having fewer but stronger relationships with select managers and EQT is committed to continuing to improve these important relationships.

### What is the way ahead for EQT's fundraising?

– We have a very exciting year ahead of us as we expect to be in fundraising on a number of funds during the year. We are also investing heavily in our corporate in-house digital tools, such as our proprietary Investor Portal. The portal enables our clients to easily access all relevant information related to their fund commitments and their co-investments. The portal also includes all fundraising documents related to ongoing fundraisings. Our goal is to make information on investors' commitments to EQT funds readily accessible, to be more transparent and to facilitate the process of evaluating and committing to EQT's funds. We will also continue to invest in our Client Relations and Capital Raising Advisory Team to further improve our ability to interact and build relationships with our clients globally. We aim to continue consulting with our clients on their respective targets and priorities and to actively communicate EQT's approach to global affairs, our thematic investment philosophy and discuss our current investments in respective funds. We are truly committed to continuously improving the customer journey.

## Private Equity – Denmark:


### Chr. Hansen Natural Colors

Chr. Hansen Natural Colors is the leading global developer and manufacturer of natural coloring ingredients for food and beverages. The company's underlying market is supported by favorable macro trends, such as increasing consumer awareness around health and the environment. Chr. Hansen Natural Colors products are made from all-natural fruit and vegetable concentrates and support the ongoing transition from synthetic ingredients to natural ingredients, and a growing demand for sustainable and plant-based food.



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# 05

## Strategy and financial model

Private Equity – Sweden:

### Epidemic Sound

Epidemic Sound is a new generation music-tech company on a mission to 'soundtrack the internet' by offering high-quality music to content creators on social media- and streaming platforms, such as YouTube, TikTok and Spotify. Epidemic Sound collaborates with musicians all over the world and simplifies music licensing processes through a subscription-based model that gives customers access to an extensive music library for usage in content production.



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# Strategy

EQT has established six strategic pillars to achieve its purpose, vision and mission.

- 1

**Future-proof companies and make a positive impact with everything we do.**

Future-proof through digital innovation and transformation and promote sustainable business practices. Future-proofing starts with the Group itself, in order to ensure that EQT continues to deliver exceptional value over the long-term for its shareholders, fund investors and society as a whole.
- 2

**Create superior risk-adjusted returns through purpose-driven investments.**

Deliver consistent, attractive returns. Generating superior risk-adjusted returns for our investors is at the core of EQT’s business.
- 3

**Stay ahead on culture, talent management and leadership.**

Continue to nurture and develop EQT’s unique culture in order to attract, retain and develop the best individuals and promote exceptional leaders.
- 4

**Increase the scaling speed of our operating platform (with digital innovation and control framework).**

Continue to develop EQT’s operating platform to ensure it is equipped to scale as the Group continues to grow. This will enable existing strategies to scale effectively and new strategies to launch and grow efficiently.
- 5

**Become the no. 1 global leader in value-add Infrastructure, a global top 5 player in Private Equity, establish Real Estate as one of EQT’s leading strategies, and build other growth strategies.**

Deliver strong risk-adjusted returns to solidify market-leading positions for our core strategies while future-proofing new strategies and growing them into new core EQT strategies.
- 6

**Solidify Europe, win North America and expand APAC.**

Maintain EQT’s position as a European leader in private markets investing through selective expansion. “Win North America” by further expanding in Private Equity, Infrastructure and Real Estate. Expand in Asia-Pacific by focusing on the Infrastructure business line initially and expanding into Private Equity and Real Estate over time.



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# EQT is a global leader in active ownership strategies

EQT has established six investment strategies (business lines), organized into two business segments – Private Capital and Real Assets. EQT is solely focused on active ownership strategies where EQT can future-proof companies and make a positive impact, and at the same time, leverage the strengths and scalability of EQT’s operating platform.

EQT’s investment strategies represent a set of growth opportunities, including leading strategies such as Private Equity (1995) and Infrastructure (2008), scaling strategies such as Real Estate (2016) and Ventures (2016), and more recently launched or announced strategies such as Public Value (2018) and Growth (2020).

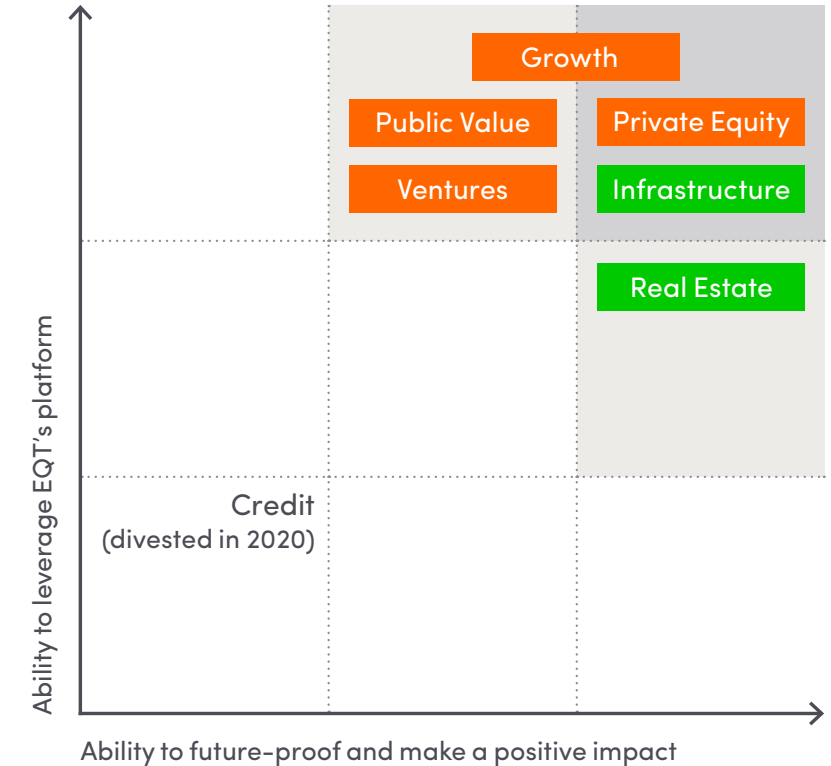
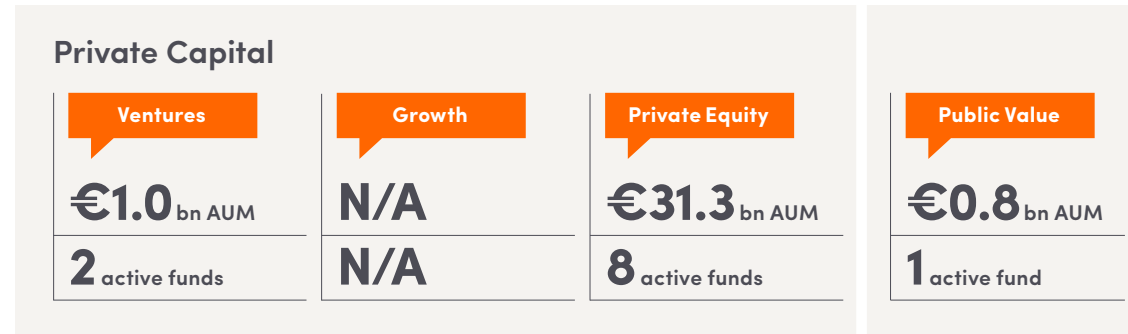
In 2020, EQT divested its Credit business and EQT is now solely focused on active ownership.

In January 2021, EQT announced that it is joining forces with Exeter, a thematic real estate manager within value-add real estate, establishing EQT as a global leader in active ownership strategies<sup>1)</sup>.

Uniquely, EQT is the only large private markets firm in the world with investment strategies covering all phases of a business’ development, from start-up to maturity.

In addition, EQT is evaluating new strategies, including a strengthened approach to APAC which is expected to be announced in 2021, and potential long-hold funds. All investment strategies are supported by a clear governance and control framework and EQT’s integrated, scalable operating platform.

<sup>1)</sup> Defined as Private Equity, Infrastructure and Real Estate.



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# With consistent and attractive returns, EQT can scale its strategies over time

## Emerging strategies

The Emerging Strategies include more recently launched strategies which EQT believes have significant potential for growth and value creation in the long-term.

- **EQT Public Value Fund** has established a strong performance track-record and is continuously growing AUM.
- **EQT Growth**, a strategy announced in 2020, is positioned between Ventures and Private Equity, complementing the EQT ecosystem.

## Scaling strategies

The scaling strategies have an established investment track-record and the latest fundraises have been successfully completed at larger sizes compared to the first generation funds in the respective strategies.

- **EQT Ventures II** was closed in 2019, building on the multi-stage strategy of EQT Ventures I.
- **EQT Real Estate II** was closed at its EUR 1 billion hard cap in 2020.
- By combining Exeter with EQT’s existing real estate platform, the Real Estate strategy will be established as one of EQT’s leading strategies.

## Leading strategies

A leading strategy delivers consistent and attractive returns and has a strong ability to future-proof and make a positive impact.

To deliver continued strong returns, EQT continuously develops the EQT Playbook and its thematic investment approach.

EQT also seeks to selectively expand its geographic coverage within the leading investment strategies.



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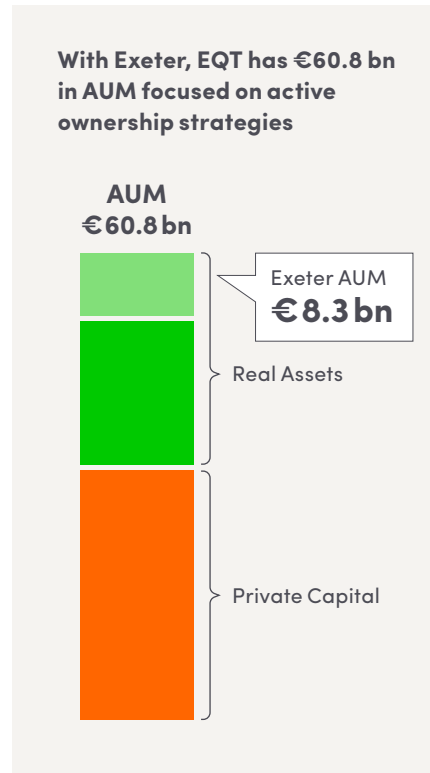
# EQT and Exeter combine to create a global leader in value-add real estate investing

With the combination with Exeter announced in January 2021, EQT took a major leap forward in delivering on its strategic ambition in Real Estate as well as its plan to grow EQT’s presence in North America.

Exeter is a leading value-add real estate investor with ~230 FTEs. Exeter has a ~15-year track-record with flagship Logistics/Industrial value-add funds whose performance of their respective fund vintages has consistently ranked in the top five percent.<sup>1)</sup> The firm has a best-in-class, vertically integrated in-house approach to value creation.

Exeter fits perfectly with EQT’s culture and focus on value-add strategies. With 37 local deal offices, Exeter combines local execution with a global reach, mirroring EQT’s local-with-locals approach. Exeter brings 60 new fund investors to EQT and adds EUR 8.3 billion in AUM.

<sup>1)</sup> Source: Cambridge Associates Real Estate Index and Benchmark Statistics (as of 30 June 2020).



## Exeter facts

### FTEs

**~230**

### AUM by geography

North America  
**€6.3 bn**

Europe  
**€2.0 bn**

### Track-record

Net IRR since inception<sup>1)</sup>  
**21%**

Gross MOIC since inception<sup>2)</sup>  
**2.3x**

### Fund investors by region



<sup>1)</sup> As of 30 September 2020; calculation includes Industrial Value Fund I (US), Industrial Value Fund II (US), Industrial Value Fund III (US), Industrial Value Fund IV (US), Industrial Core Fund I (US), Industrial Core Fund II (US), Industrial Core Fund III (US), Co-invest I (US), Co-invest II (US), Co-invest III (US), Co-invest IV (US), Life Science / Office Value Fund I (US), Industrial Value Fund II (Europe), and Value Fund III (Europe); pro forma for Industrial Value Fund I (Europe), which was realized as of 21 December 2020.

<sup>2)</sup> Calculation includes those funds which are "realized" as of 30 September 2020 (Industrial Value Fund I (US), Industrial Value Fund II (US), Industrial Value Fund III (US), Industrial Core Fund I (US), Co-invest I (US), Co-invest II (US), and Industrial Value Fund II (Europe)); pro forma for Industrial Value Fund I (Europe), which was realized as of 21 December 2020.

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# EQT is continuously developing its global ecosystem of strategies

## Developing EQT’s strategies – ongoing initiatives

### APAC

EQT sees potential to further expand and build a scalable platform in the high-growth Asia-Pacific region. In 2020, Simon Griffiths re-joined EQT as Head of the Private Equity Asia-Pacific Advisory Team to formulate EQT’s new APAC strategy.

In January 2021, EQT announced the establishment of a local office in Japan. EQT announced that it will collaborate with a local leading private equity firm, Japan Industrial Partners (“JIP”).

EQT also opened an office in Sydney in 2020. In addition, EQT’s Real Estate footprint in APAC is expanded with Exeter having local teams in Shanghai and Seoul.

### Growth

Positioned between EQT Ventures and EQT Private Equity, the launch of a Growth strategy positions EQT as the only large private markets firm in the world with investment strategies that address the needs of companies throughout their lifecycle, from start-up all the way to mature, leading businesses. The EQT Growth Advisory Team houses deep expertise and experience with Ventures, Growth, Private Equity and operating backgrounds.

### Long-hold

EQT is currently evaluating opportunities in the long-hold space, in line with the ambition to enable investments across the life cycle of attractive companies.

## Using EQT AB Group’s balance sheet to support growth

With the IPO in 2019, EQT AB Group strengthened its balance sheet to facilitate the acceleration of the Group’s growth of new and existing investment strategies. In 2020, EQT established a revolving credit facility (RCF) which provides additional financial flexibility for the Group.

### Selective strategic growth

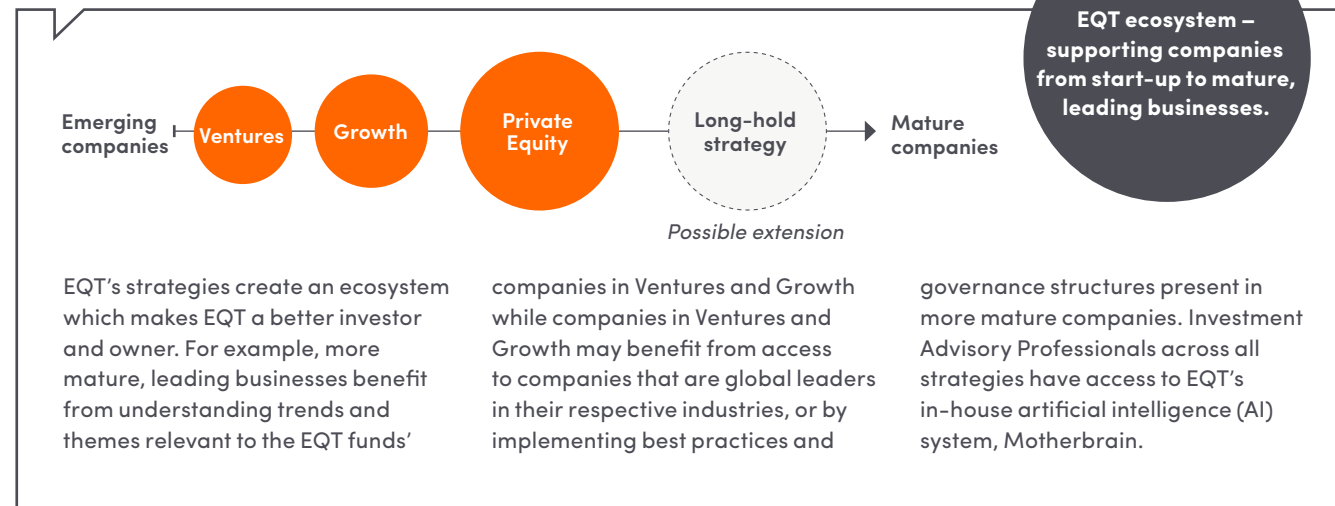
In January 2021, EQT announced that it would be joining forces with Exeter. The consideration of USD 1,870 million will be funded by an issue of new EQT AB shares as well as through a cash component, funded by EQT AB Group.

### Supporting new strategies

EQT believes that the ability to deploy its own capital will positively impact fund-raising for new strategies. EQT expects to make investments in the range of EUR 50 million – EUR 250 million per initiative.

As an example, in January 2021, EQT Growth invested in Wolt, a leading food delivery platform. The investment, which was the first by the EQT Growth strategy, was made through EQT AB’s balance sheet.

## An ecosystem of strategies – from start-ups to leading businesses



EQT’s strategies create an ecosystem which makes EQT a better investor and owner. For example, more mature, leading businesses benefit from understanding trends and themes relevant to the EQT funds’

companies in Ventures and Growth while companies in Ventures and Growth may benefit from access to companies that are global leaders in their respective industries, or by implementing best practices and

governance structures present in more mature companies. Investment Advisory Professionals across all strategies have access to EQT’s in-house artificial intelligence (AI) system, Motherbrain.

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# Developing EQT’s ecosystem of strategies

## Three questions for:

### Marc Brown

Head of EQT Growth Advisory Team, London

**What are the advantages of being the only large private markets firm in the world with investment strategies covering all phases of a business’ development, from start-up to maturity?**

– It is the sharing of ideas, trends, past experience, networks, et cetera. amongst every part of the organization that makes everyone at EQT an even smarter investor and a better partner to management teams.

**How does EQT Growth fit with EQT’s other strategies?**

– EQT Growth is a natural extension from a number of successful growth transactions in EQT’s Mid Market, Private Equity and Ventures investment strategies. A growth-focused strategy also naturally complements EQT’s existing investment strategies and allows EQT to be a complete solution provider in every part of a company’s lifecycle and furthers our ambition to be the preferred partner to founders and management teams as they build and grow market-leading businesses.

**Why did you decide to join EQT?**

– I joined primarily for two reasons – first, in EQT I found an organization in which I could fully leverage my M&A and strategic investment expertise and my network developed at Microsoft and over the course of my career given EQT’s reputation and amazing team. Second, it became very clear to me during the interview process that EQT, like Microsoft, is a purpose driven organization that values and puts into practice an active growth mindset culture. It is clear that, at EQT, the mantra of “doing good is good business” is not just a marketing slogan, it is apparent in everything we do both in terms of working with portfolio companies and within EQT itself. A culture of constant improvement is at the core of who we are.



## Three questions for:

### Carolina Brochado

Partner EQT Growth Advisory Team, London

**Which investment opportunities will EQT Growth explore?**

– EQT Growth will explore thematic growth opportunities between venture capital and private equity that are aligned with EQT’s key investment areas such as Enterprise Tech, Con/Prosumer Tech, Health Tech and Climate Tech.

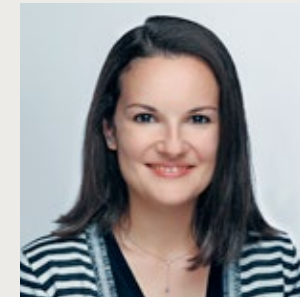
**How can EQT Growth benefit from the EQT platform?**

– We will make great use of EQT’s capabilities in digitalization and sustainability, as both areas are critical parts of our value creation agenda. The EQT Network will help us identify new investment opportunities, and Motherbrain, EQT’s proprietary in-house artificial intelligence (AI) system, will play a crucial role in identifying trends and sourcing potential investment opportunities.

EQT AB Group is also using its balance sheet to support investments aligned with the EQT Growth strategy. The first investment was announced in January 2021, when EQT Growth invested in Wolt, a leading, fast-growing, food delivery platform.

**Why did you decide to join EQT?**

– Throughout my career, I have worked across several investment disciplines, including private equity, venture capital and growth, and find the growth segment particularly exciting. Applying EQT’s thematic focus, we seek future champions and get to support founders and management teams throughout their journeys. EQT’s superb toolbox that will have a positive impact on Growth stage businesses as they rapidly scale and mature was one of the main reasons why I joined EQT.





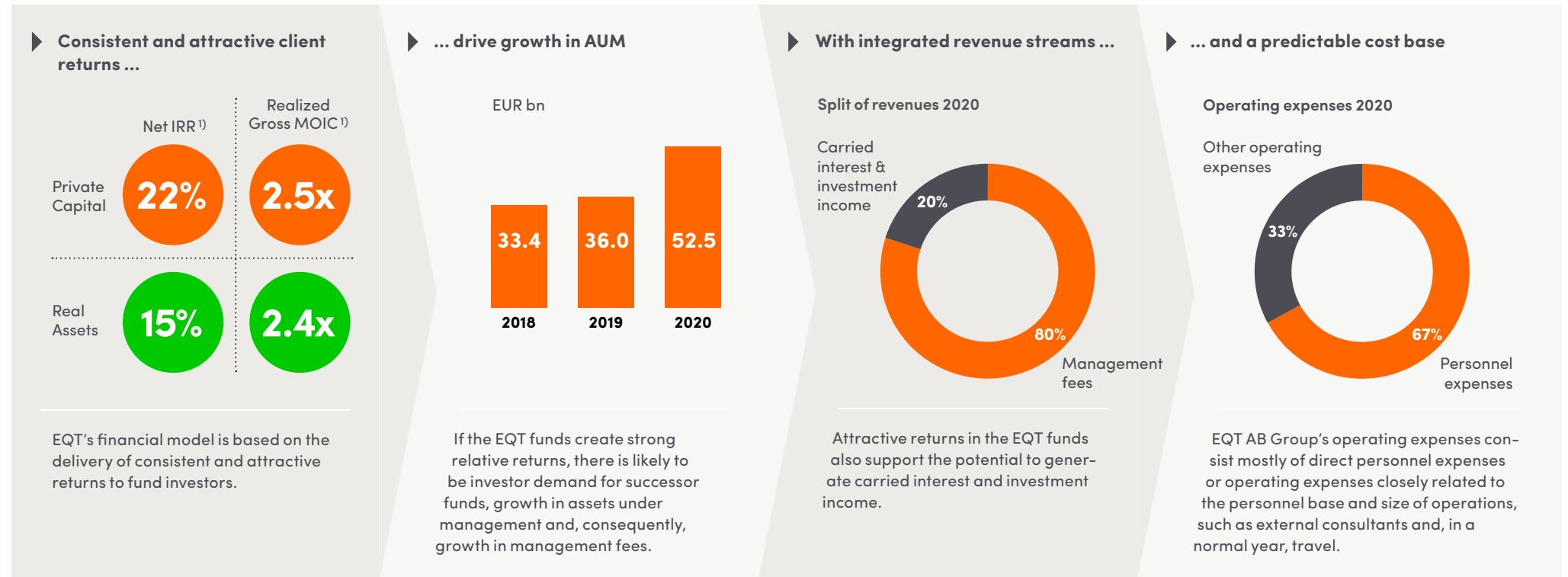
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# Financial model

EQT AB Group’s revenues consist of two integrated streams: management fees as well as carried interest and investment income. Strong investment performance by the EQT funds is the foundation for our success, translated into growth in both revenue streams. EQT AB Group receives management fees for the management and operation of the EQT funds, including the provision of investment advisory services. The management fees are contractually recurring, normally calculated at a fixed percentage rate over the term of the fund, and paid semi-annually in advance.



<sup>1)</sup> Includes EQT funds raised prior to 2012 which are not managed by the EQT AB Group, excludes Public Value.

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# Explaining management fees

A typical EQT fund life can be divided into two phases, a commitment period and a post-commitment period. The commitment period for a fund represents the time during which the relevant EQT fund sources investments and calls on capital contributions from the fund investors to finance the acquisition of the fund investments. During the commitment period, the management fee is normally calculated as a percentage of commitments to the fund.

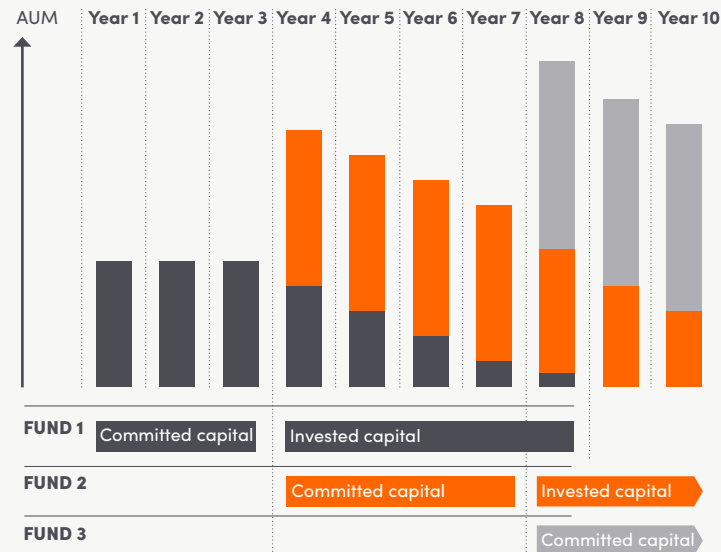
An EQT fund normally enters the post-commitment period at the end of a set period of time or once approximately 80–90 percent of total commitments are invested and a successor fund is activated. During the post-commitment period, management fees are normally calculated on the invested capital. As an EQT fund realizes investments, the fund’s invested capital will decline and the management fees will therefore decline in absolute terms, as more and more of the fund’s investments are realized.

When a fundraising has been completed, no further commitments are accepted, meaning the EQT funds are normally closed-ended. Management fees typically do not depend on underlying market valuations.

Management fee generation is supported by increasing the size of successor funds, as well as developing and scaling new business lines.

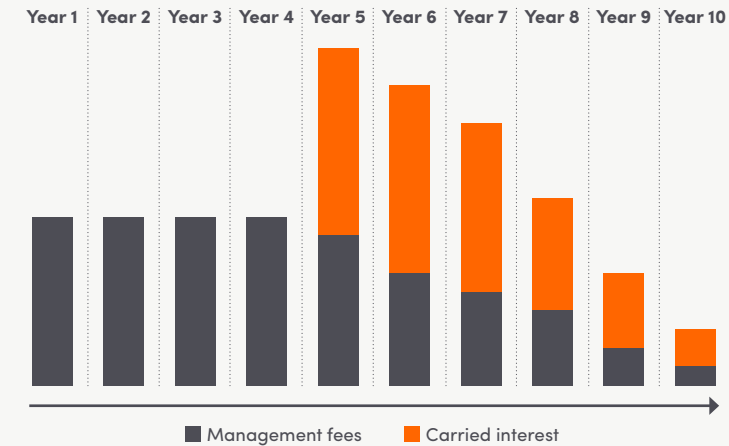
EQT AB Group is typically also entitled to a share of fund profits, so-called carried interest (see next page).

## AUM drives contractual management fees with good visibility



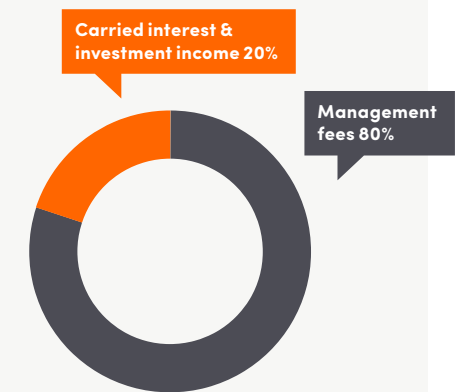
- Management fees are based on committed capital when a fund sources new investments and calls on capital contributions.
- During the post-commitment period, fees are based on invested capital, which gradually decreases as fund investments are realized.
- Management fees grow with the capital committed in successor funds.

## Illustrative split of revenues during the life of a fund



- Management fees are based on AUM.
- All of EQT’s AUM is fee-generating.
- Recognition of carried interest under IFRS depends on fund profits and is only recognized when minimum return requirements have been met.

## Split of revenues in 2020



- In 2020, about 80% of EQT’s revenues were derived from management fees.
- Over time, the share of carried interest & investment income is expected to grow towards 25–30% of EQT’s total revenues.

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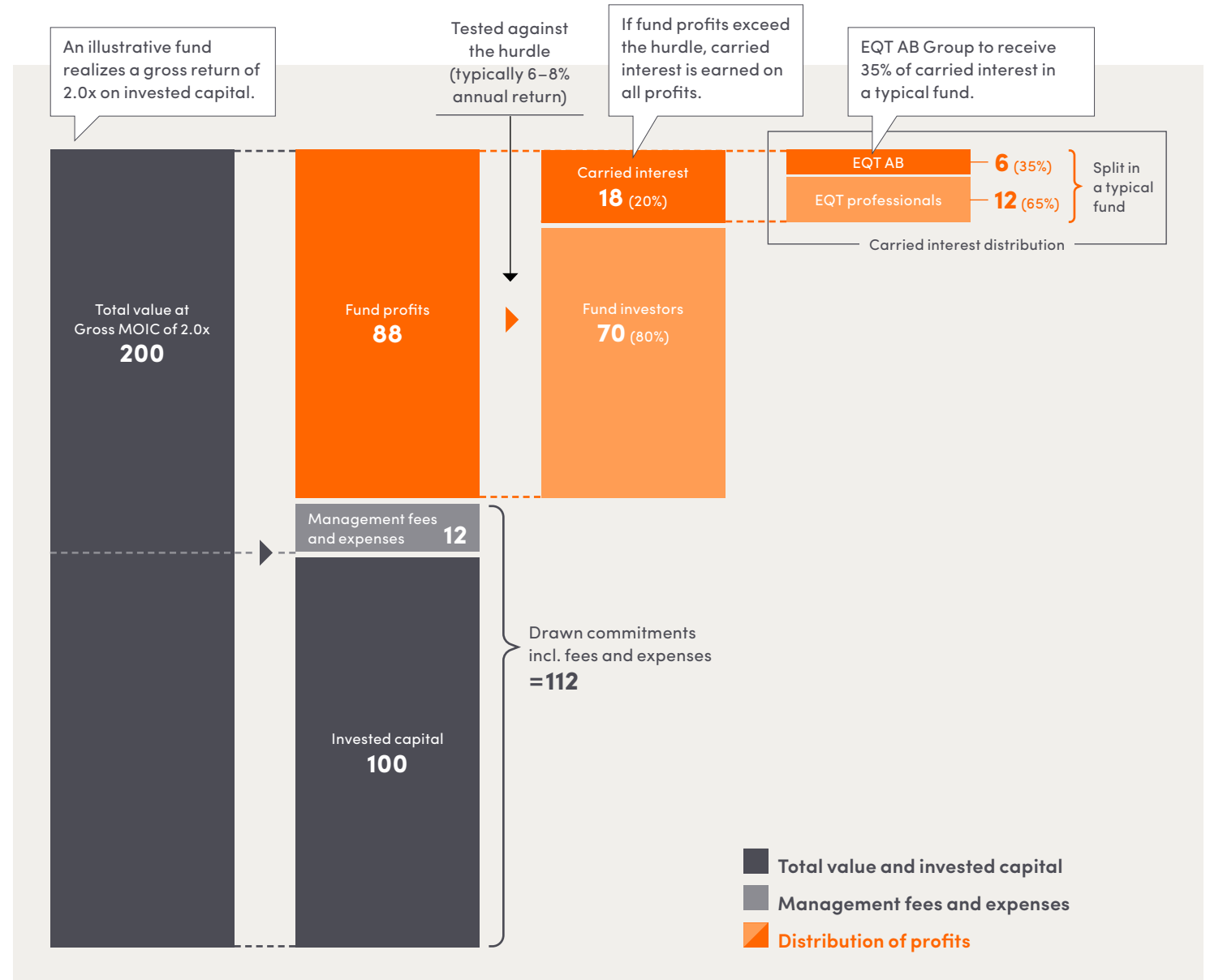
# Explaining carried interest

Carried interest aligns interests between EQT AB Group, the Group’s Investment Advisory Professionals and the fund investors through profit-sharing.

EQT AB Group, the Investment Advisory Professionals and other potential Carried Interest Participants invest in the EQT funds through a Special Limited Partner (SLP). In return, the carried interest Participants are entitled to receive carried interest and investment income.

Subject to fund profits exceeding a certain minimum return to fund investors (“hurdle rate”), typically between 6–8 percent annual return, profits are normally split 80 percent to fund investors and 20 percent to carried interest, of which EQT AB Group would normally be entitled to 35 percent of the carried interest.

The amount is variable and fully dependent on the performance of the relevant EQT fund.




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# 06

## People

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**EQT**

Private Equity – Germany:

### Ottobock

Ottobock is the global market leader in mobility solutions. The company has been a synonym for revolutionizing and innovating medical mobility technology as reflected in many “world’s first” products, for example the first completely microprocessor-controlled lower limb prosthesis. Today, Ottobock offers a highly diversified, comprehensive product portfolio, allowing users to become more mobile, independent and achieve a better quality of life.



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# Positive impact driven by people, culture and values

EQT is convinced that purpose-driven organizations attract and retain the best talent. People are at the core of EQT’s purpose to make a positive impact and ensure the company’s long-term success.

EQT has 700+ talented team members, all striving to achieve outstanding results. EQT is happy to say that the Covid-19 pandemic has not impacted EQT’s ability to perform, collaborate and continue to develop the business. The reason for this is not only digital maturity, but also our corporate culture, uniting employees during this difficult time and fostering a team spirit across the globe even without interaction in person. With a best-in-class digital set-up and tool kits already in place, EQT decided at the beginning of 2020 that all employees across the offices in Europe, APAC and North America should work from home as much as possible in order for the employees and their families to stay safe. The majority of EQT’s offices were operational but at a significantly smaller scale. Despite the circumstances, the employee engagement scores increased slightly during 2020 (+0.1 in December 2020 compared to December 2019).

### Important steps taken in line with the strategic ambitions

While the business was remarkably unaffected by the pandemic and the Group continued to build its business in line with its strategic ambitions, the pace of hiring slowed down slightly at the beginning of the year as the impact of Covid-19 was assessed. In total, 117 new colleagues joined EQT in 2020.

The focus during the year was to continue to strengthen the US and the APAC regions and to solidify the Group’s position in Europe, the highlights of these efforts being the new office in Australia that opened in February and the new Paris office that opened in June. EQT also continued to strengthen the central functions to create



Alexandra Lutz, Digital, New York office

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an even more scalable organization to deliver on the business needs. The divestment of Credit and the addition of a new business focus area in Growth were strategic steps in building the EQT of tomorrow.

**Developing and supporting talent**

2020 was an unusual year when it came to training and development. EQT continued to expand the EQT Academy and while no training was canceled, it was redesigned to a virtual format to be able to keep up individual development of team members.

EQT managed to deliver stellar onboarding programs and experiences for the new colleagues who joined, even though the pandemic made it very difficult to meet up or even be in

the office. Thanks to an ecosystem of tech tools seamlessly integrated within the organization, employees were able to start working from home and also onboard and support new colleagues. The engagement score measured during the first three months onboard at EQT amounted to 9.2 out of 10.

Covid-19 affected communities in many ways. EQT took proactive steps to equip employees with training and tools to nurture their physical and mental wellbeing during the pandemic. The main initiative for the latter was the launch of the “My Mental Wealth” which consists of a range of digital trainings, tools and lectures. Leaders play an essential role in regard to nurturing mental wellbeing and de-stigmatizing the topic. Therefore, EQT invested in live, interactive, expert-led

training for all line managers to educate, share knowledge and provide tangible tools for leading with mental wellbeing in mind. EQT will continue to address this even further in 2021 by appointing the mental first aiders in the offices and expanding the offering to employees worldwide.

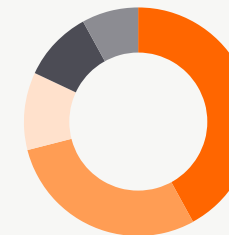
**Key employee metrics**

	2020	2019
Employees (FTE+), numbers	710	665
Employees (FTE), numbers	653	606
Temporary employees (FTE), %	1	1
Average age, years	35	35
Education cost per employee, EUR	1,608	2,462
Employee turnover, %	10	12
Undesired employee turnover, %	1	1
Employees, women, %	45	44
New hires, women, %	46	41
Investment Advisory Professionals, women, %	21	16
Investment Advisory Professionals new hires, women, %	39	19
Partners, women, %	5	3
Senior executives, women, %	14	14
Senior leaders <sup>1)</sup> , women, %	16	20
Employee engagement score	8.2	8.1

<sup>1)</sup> Senior leaders are defined as members of key committees and forums, primarily consisting of business line and function heads.

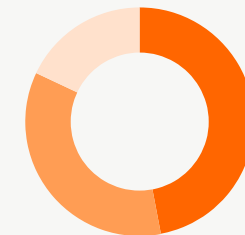
For additional employee metrics, please see the Additional sustainability disclosures under section Additional Information.

Employees per region



- Nordics, 42%
- Rest of Europe 29%
- UK, 11%
- North America, 10%
- Asia-Pacific, 8%

Employees per segment



- Central, 47%
- Private Capital, 35%
- Real Assets, 18%

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Singapore office



**Diversity and inclusion**

EQT continues to focus on diversity and inclusion based on the conviction that this leads to better decisions and performance.

For years, EQT has actively focused on gender diversity in particular and some significant progress was made during the year based on intensified efforts. In 2020, further steps were also taken to move beyond gender as the top diversity priority. Two practical examples on the journey to create an inclusive work culture is partnering up with Out Investors, an LGBT+ (lesbian, gay, bisexual, and transgender) network and the introduction of Conscious Inclusion training for all staff.

*Read more about diversity and inclusion in the Sustainability section.*

**A high performing and highly engaged workforce**

The physical distances in 2020 made it more important than ever to stay close to employees. Since 2018, EQT has used

an advanced analytics tool to measure employee engagement on a regular basis to support managers in making better people-related decisions by tracking trends and maintaining active conversations with employees. In 2020, more emphasis was placed on securing and following up on employees’ health and wellbeing as well as their needs and feedback in relation to the Covid-19 pandemic. With the valuable feedback from employees, EQT was able to adapt and improve the working from home set-up during the pandemic.

This year taught everyone new skills and ways of working and the Group is ready to step out of the pandemic even stronger than before, and will ensure that all beneficial changes will continue after the pandemic.

The pandemic was also a perfect opportunity to strengthen the conversations around the Group’s impact on society, what EQT’s purpose really means and how EQT can stay ahead of the curve – to the benefit of stakeholders, society and employees.

**Priority areas**

In 2021, EQT will further accelerate the initiatives started in 2020 and continue to ensure the full measurable business benefits of the implementations. EQT will continue to focus on attracting and retaining high performing individuals aligned with EQT’s purpose for the new initiatives and growing regions, and continue to ensure we maintain low undesired attrition and high performance.

The Group will emphasize inclusion as part of diversity and will nourish a culture where employees feel empowered to reach their full potential, where they can develop and grasp opportunities based solely on merit and where they can feel safe. EQT will find ways to measure and follow up on various dimensions of diversity, while continuing to make progress on gender diversity.

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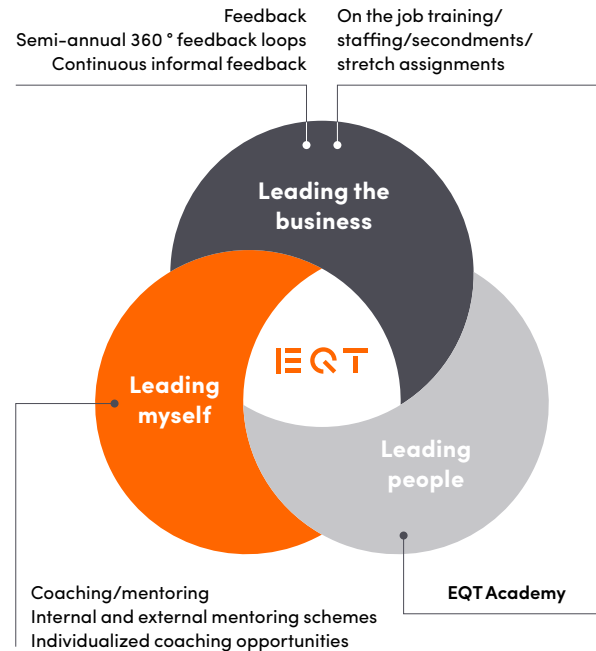


# EQT’s development framework and EQT Academy

EQT’s development framework and EQT Academy are integral parts of EQT’s strategy to stay ahead on culture, talent management and leadership. Everything we do is governed by our core values: Respectful, Entrepreneurial, High performing, Transparent and Informal.

## EQT’s development framework

EQT’s business model is reliant on high performing individuals being capable of delivering at their very best in all situations, both now and in the future as they take on larger and more complex roles. To future-proof EQT, there is a need to ensure that EQT can develop inhouse talent and a steady stream of proficient leaders who are ready to step up in all parts of the organization.



## EQT Academy

EQT Academy is an important tool for nurturing EQT’s unique culture and values while providing training for each career stage and function within the business, focusing on the skills relevant to each employee’s development.

The training seeks to develop executive leadership skills, feedback skills and the ability to create and lead diverse teams while also providing and developing technical skills and qualifications.

Throughout 2020, EQT continued to provide employees with training and even increased the amount of training delivered:

- Almost 120 people joined EQT in 2020 – all new employees participate in EQT’s Introduction Days.
- In 2020, about 180 employees took part in training within the EQT toolbox which focuses on negotiation skills, communication and leadership.

Engagement score 3 months after joining: **9.2/10**

In 2020, EQT introduced the following three types of training:

- Conscious inclusion training to all employees.
- Virtual transformation training to senior Investment Advisory Professionals and Client Relations and Capital Raising professionals.
- Mental Wealth training to all line managers at EQT.

## EQT Introduction Days

All new joiners globally participate in EQT Introduction Days. This training focuses on:

- Where we come from and what we stand for
- EQT organization
- How we operate
- How we make a difference

~120 new joiners in 2020

## Tailored training programs

Employees are offered tailored training programs based on roles and functions:

### Investment Advisory Professionals

- EQT Start
- EQT Advanced
- EQT Next
- EQT Accelerate
- EQT Lead

### Central Functions

- Project Management
- Speak to inspire
- Communicate, lead and accelerate
- Manager education
- Specialist training tailored to each function

## Focused training sessions

- Conscious inclusion
- Virtual transformation
- Mental Wealth




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# 07

## Business overview

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**EQT**

### Private Equity – Sweden:

#### Karo Pharma

Karo Pharma is a European pharmaceutical and consumer health company with the purpose of helping people stay in good health and providing smart choices in everyday healthcare. Karo Pharma's product portfolio includes over-the-counter and prescription pharmaceuticals as well as medical devices.



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# Private Capital

Private Capital is EQT’s largest business segment with EUR 33.1 billion in AUM, representing 63 percent of EQT’s total AUM. Private Capital comprises four business lines: Ventures, Growth, Private Equity and Public Value. EQT has grown its Private Capital segment rapidly while achieving strong returns throughout its history. The EQT funds within Private Capital has delivered consistent returns, independent of region, company size, exit route and investment source.

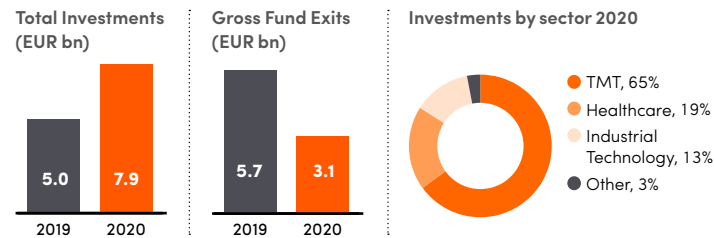
## Assets Under Management (AUM)

As of year-end 2020, the 11 EQT funds within the Private Capital business segment had EUR 33.1 billion in AUM, an increase of EUR 11.1 billion compared to EUR 22.0 billion in 2019. The increase was primarily driven by the activation of EQT IX in July.



## Investment and exit activity

EQT funds within the Private Capital business segment made total investments of EUR 7.9 billion (EUR 5.0 billion) and total gross fund exits of EUR 3.1 billion (EUR 5.7 billion) during 2020.



## Segment financials

Private Capital shows adjusted revenue of EUR 531 million for 2020, an increase of 61 percent compared to the EUR 331 million for 2019 driven by management fees from EQT IX and carried interest recognized in EQT VII. Gross segment result increased to EUR 406 million (EUR 207 million) and the business segment had 244 FTE+ at year-end, across 15 countries.



## Valuation – Key funds

All key funds in Private Capital developed on plan.

### Performance of selected funds<sup>1)</sup>

	Gross MOIC		Expected Gross MOIC
	31 Dec. 2019	31 Dec. 2020	
EQT VI	2.4 x	2.4 x	On plan
EQT VII	1.8 x	2.3 x	On plan
EQT VIII	1.1 x	1.4 x	On plan
EQT IX	–	1.2 x	On plan

<sup>1)</sup> Data for current Gross MOIC reflects only closed investments and realizations. For Private Equity funds, “On Plan” refers to expected Gross MOIC between 2.0 and 2.5x.



### Offices

Amsterdam	Madrid	San Francisco
Berlin	Milan	Shanghai
Copenhagen	Munich	Singapore
Helsinki	New York	Stockholm
Hong Kong	Oslo	Sydney
London	Paris	Tokyo
		Zurich

### Net IRR<sup>2)</sup>

22%

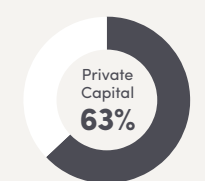
### Realized Gross MOIC<sup>2)</sup>

2.5x

### No. of FTE+

244

### Share of total AUM



**Per Franzén**  
Co-Head Private Equity Advisory Team



**Marcus Brennecke**  
Co-Head Private Equity Advisory Team

<sup>2)</sup> Includes EQT funds raised prior to 2012, which are not managed by the EQT AB Group, excludes Public Value.

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## Private Capital in numbers

EQT Private Capital funds managed by the EQT AB Group as of 31 December 2020

Fund	Start year	Committed capital	Status
EQT VI	2011	EUR 4,815 m	Fully invested
EQT VII	2015	EUR 6,853 m	Fully invested
EQT VIII	2018	EUR 10,921 m	Fully invested
EQT IX	2020	EUR 14,567 m	Investing
EQT Mid Market	2013	EUR 1,054 m	Fully invested
EQT Mid Market US <sup>1)</sup>	2015	USD 695 m	Fully invested
EQT Mid Market Europe	2016	EUR 1,616 m	Investing
EQT Mid Market Asia III	2016	USD 744 m	Investing
EQT Ventures	2016	EUR 505 m	Fully invested
EQT Ventures II	2019	EUR 620 m	Investing
EQT Public Value	2018	EUR 780 m <sup>2)</sup>	Open-ended

<sup>1)</sup> A discontinued strategy.  
<sup>2)</sup> Fee generating AUM.

### Private Capital – Key metrics

	2020	2019
Fund investments, EUR bn	7.9	5.0
Gross fund exits, EUR bn	3.1	5.7
Adjusted revenue, EUR m	531	331
Gross segment results, EUR m	406	207
Margin, %	76	63
AUM, EUR bn	33.1	22.0
Avg. AUM, EUR bn	26.2	22.2
FTE+ (end of period)	244	236

## Private Equity

Focus:

**Large-cap and mid-cap investments**

No. of investments:  
**70**

No. of investment advisors:  
**135+**

AUM:  
**€31.3 bn**

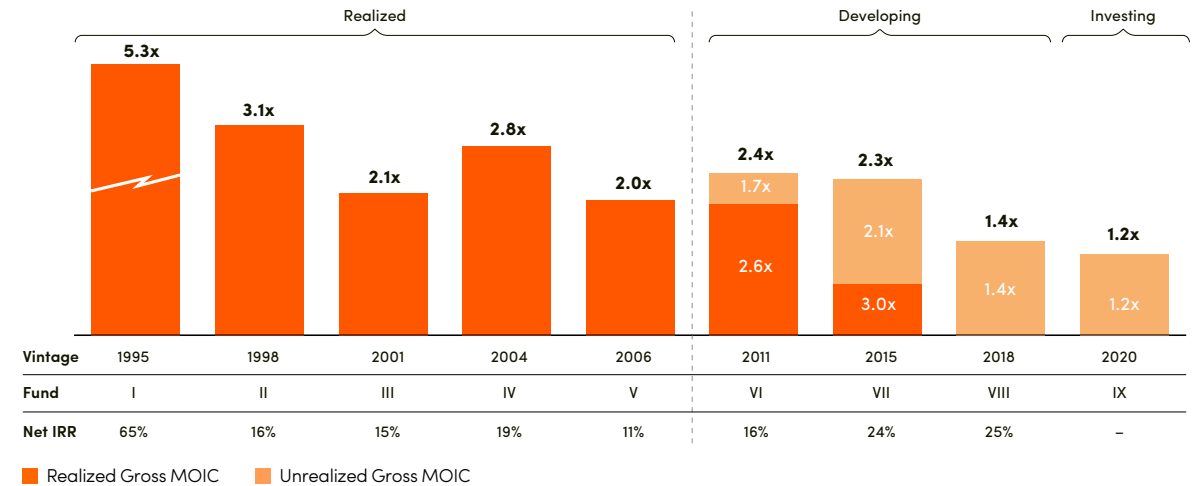
The EQT Private Equity Advisory Team consists of more than 135 Investment Advisory Professionals with a focus on core sectors in Healthcare, TMT, Services and Industrial Technology.

The EQT Private Equity Advisory Team has vast investment expertise, industry and sector knowledge, and established networks in the local business communities and societies in which it operates. With a strong sector-based approach and by maintaining

a local-with-locals presence, the team is uniquely positioned to analyze companies and the markets in which they operate, and to develop proprietary investment opportunities. The team’s operational approach, combined with an ability to see what is “beyond the obvious” in terms of growth potential, industry consolidation or structural change, are key advantages when scanning investment opportunities and monitoring EQT funds’ portfolio companies’ development.

### Strong investment performance in Private Equity<sup>1) 2)</sup>

Gross MOIC across EQT’s Private Equity funds



<sup>1)</sup> Note that EQT I, EQT II, EQT III, EQT IV and EQT V are not managed by the EQT AB Group. EQT VI is not managed or operated by the EQT AB Group, however, it is included due to the change of entitlement for revenue from EQT VI.

<sup>2)</sup> Realized funds include funds in which all portfolio companies have been divested, although there might still be unrealized values left.

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## Ventures

Focus:

Investment range **€1-40 million**

No. of investments:	No. of investment advisors:	AUM:
<b>65+</b>	<b>20+</b>	<b>€1.0 bn</b>

EQT Ventures seeks fast-growing, innovative and technology-driven companies across all industries, from anywhere in the world, with a focus on Europe and the US. The funds aim to support great entrepreneurs throughout different stages of growth, providing access to capital and in-depth specialist experience. The EQT Ventures funds employ a multi-stage strategy to make equity investments typically ranging between EUR 1 million and EUR 40 million, from late seed rounds all the way to growth rounds. This means the EQT Ventures’ support window is wider than a typical single-phase fund.

The EQT Ventures funds do not focus on particular markets or industries, as transformational shifts in technology are occurring across all industries. The focus is on ambition and scale. EQT Ventures is looking for ambitious founders that want to build and grow global success stories, not just regional ones.

## Growth

Focus:

Growth opportunities between venture capital and private equity

No. of investment advisors:	AUM:
<b>5+</b>	<b>N/A</b>

EQT Growth is aligned with EQT’s key investment areas such as Enterprise Tech, Con/Prosumer Tech, Health Tech and Climate Tech. Motherbrain, EQT’s proprietary in-house artificial intelligence (AI) system, will play a crucial role in the EQT Growth strategy in identifying trends, enabling data-driven insights and work-flows, and sourcing potential investment opportunities.

EQT Growth seeks minority, control and/or co-control investments in high-growth companies and investments will typically range between EUR 50 million and EUR 200 million.

The EQT Growth Advisory Team has deep expertise and experience with Ventures, Growth, Equity and operating backgrounds.

## Public Value

Focus:

Quality mid-market companies in Northern Europe

No. of investments:	No. of investment advisors:	AUM:
<b>8</b>	<b>10+</b>	<b>€0.8 bn</b>

The EQT Public Value fund’s ambition is to be the leading European constructivist investor in the mid-cap space, creating sustainable long-term value through purpose-driven and thematic investments. With a track record approaching three years within EQT and another nine years previously, the EQT Public Value fund has a deal track-record of more than 20 investments and 12 exits of transforming publicly listed companies. The EQT Public Value Advisory Team consists of 14 Investment Advisory Professionals based in Stockholm, Oslo, Munich and London. The EQT Public Value strategy targets strong influence positions in Northern European mid-market companies within Services, Healthcare, TMT and Industrial Technology sectors, where EQT has significant experience and extensive networks. The EQT Public Value fund strives to appoint members of the EQT Public Value Advisory Team and relevant EQT Advisors from the EQT Network to portfolio companies’ Board of Directors. The primary value creation approach is to be a constructive owner and incentivize the portfolio companies’ management and board to implement strategies that drive and accelerate value creation.

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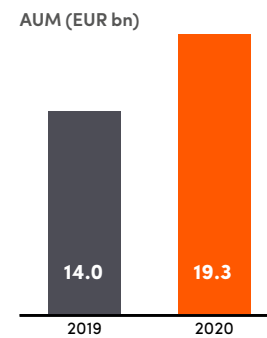


# Real Assets

Since its establishment in 2008, the Real Assets segment has grown to EUR 19.3 billion in AUM, representing 37 percent of EQT’s AUM. The business segment employs approximately 100 Investment Advisory Professionals and 16 Advisory Partners across 11 offices. Real Assets comprises two business lines: Infrastructure and Real Estate. The funds pursue value-add infrastructure and real estate investments across Europe, North America and Asia Pacific. In January 2021, EQT announced it will join forces with Exeter Property Group to create a global champion within value-add real estate.

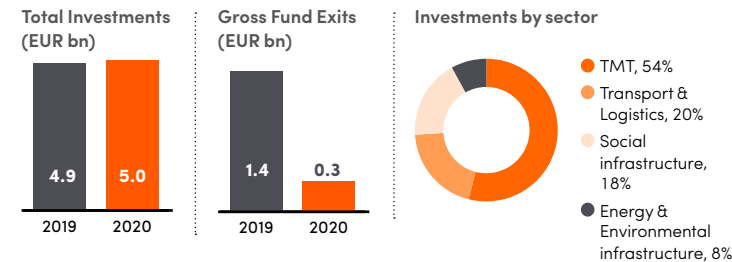
## Assets Under Management (AUM)

As of year-end 2020, the six active funds within the Real Assets business line had EUR 19.3 billion (EUR 14.0 billion) in AUM. In addition, Exeter had EUR 8.3 billion in AUM.



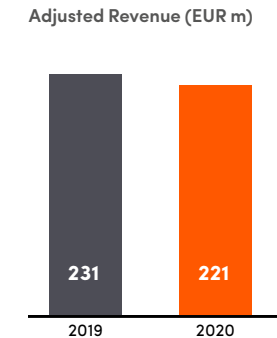
## Investment and exit activity

During 2020, the six active EQT funds in Real Assets made total investments of EUR 5.0 billion (EUR 4.9 billion) and total gross fund exits of EUR 0.3 billion (EUR 1.4 billion).



## Segment financials

Adjusted revenue for the Real Assets business segment decreased by five percent to EUR 221 million compared to 2019 due to a step-down in the AUM base for EQT Infrastructure IV as EQT Infrastructure V was activated. The business segment had 129 FTE+ at year-end, across 11 countries.



## Valuation – Key funds

All key funds in Real Assets are developing on plan, except for Infrastructure III which is developing above plan.

### Performance of selected funds<sup>1)</sup>

	Gross MOIC		Expected Gross MOIC
	31 Dec. 2019	31 Dec. 2020	
EQT Infrastructure II	2.1 x	2.0 x	On plan
EQT Infrastructure III	1.5 x	1.8 x	Above plan
EQT Infrastructure IV	1.1 x	1.1 x	On plan
EQT Infrastructure V	–	1.0 x	On plan

<sup>1)</sup> Data for current Gross MOIC reflects only closed investments and realizations. For Infrastructure funds, "On Plan" refers to expected Gross MOIC between 1.7 and 2.2x.



### Offices

Helsinki	Munich	Stockholm
London	New York	Sydney
Madrid	Paris	Zurich
Milan	Singapore	

### Net IRR<sup>2)</sup>

15%

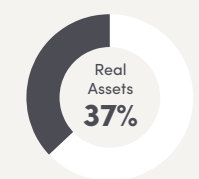
### Realized Gross MOIC<sup>2)</sup>

2.4x

### No. of FTE+

129

### Share of total AUM



**Lennart Blecher**  
Head of Real Assets Advisory Team

<sup>2)</sup> Includes EQT funds raised prior to 2012, which are not managed by the EQT AB Group.

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## Real Assets in numbers

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Fund	Start year	Committed capital	Status
EQT Infrastructure II	2012	EUR 1,938 m	Fully invested
EQT Infrastructure III	2016	EUR 4,046 m	Fully invested
EQT Infrastructure IV	2018	EUR 9,127 m	Fully invested
EQT Infrastructure V	2020	EUR 7,599 m	Investing
EQT Real Estate I	2016	EUR 373 m	Fully invested
EQT Real Estate II	2019	EUR 1,078 m	Investing

Real Assets – Key metrics

	2020	2019
Investments by the EQT funds, EUR bn	5.0	4.9
Gross fund exits, EUR bn	0.3	1.4
Adjusted revenue, EUR m	221	231
Gross segment result, EUR m	155	177
Margin, %	70	77
AUM, EUR bn	19.3	14.0
Avg. AUM, EUR bn	15.3	13.9
FTE+ (end of period)	129	106

## Infrastructure

Focus:

Investment range

€0.2–1.0 bn

No. of investments:

15+

No. of investment advisors:

75+

AUM:

€18.1 bn

The Infrastructure Advisory Team, in collaboration with the EQT Network, seeks to identify control or co-control equity investments in medium-sized infrastructure companies that provide an essential service to society, are recession resilient, have secure cash flows and ideally offer some inflation protection. The typical equity investment opportunity ranges between EUR 200 million and EUR 1 billion.

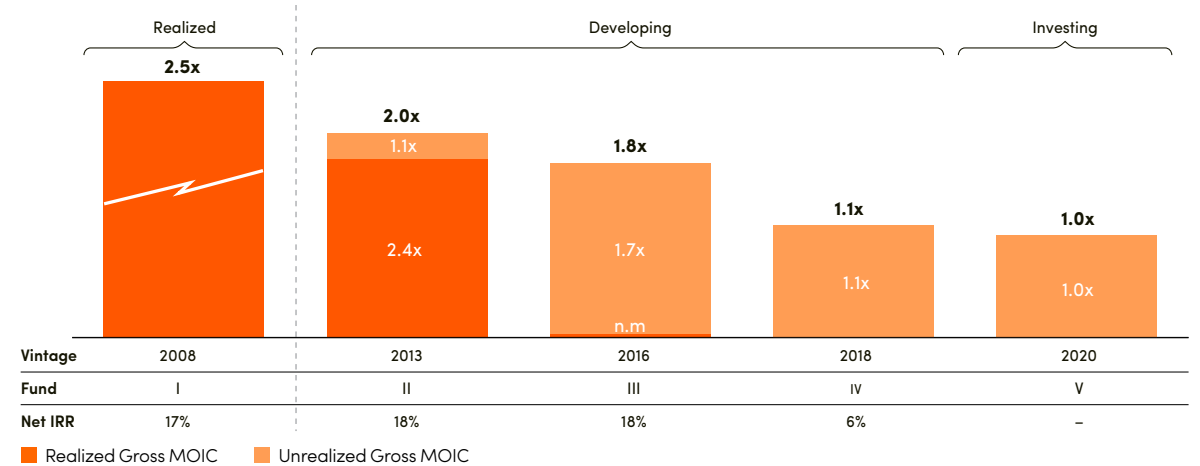
Several types of opportunities are evaluated by the Team, including standalone operating infrastructure

companies, infrastructure assets that have evolved into corporate orphans, and government privatizations. Ideal investment targets are operating companies in industries with regulated infrastructure, concession-based infrastructure, market-driven infrastructure or infrastructure-related services.

When it comes to investment themes and sectors, the focus is on companies within the energy, transport & logistics, environmental, telecom and social sectors.

### Strong investment performance in Infrastructure<sup>1) 2)</sup>

Gross MOIC across EQT’s Infrastructure funds



<sup>1)</sup> EQT Infrastructure I is not managed by the EQT AB Group.

<sup>2)</sup> Realized funds include funds in which all portfolio companies have been divested, although there might still be unrealized values left.

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EQT Real Estate and Exeter are combining to form **EQT Exeter**

**Real Estate**

Focus: Investment range	No. of investments:	No. of investment advisors:	AUM:
€50m+	10	20+	€1.2bn

The EQT Real Estate Advisory Team comprises about 20 experienced Investment Advisory Professionals working out of EQT’s offices in London, Madrid, Milan, Paris and Stockholm.

The EQT Real Estate Advisory Team focuses on identifying investment opportunities in European cities with strong demographics including above-average GDP, infrastructure development and employment growth.

By focusing on supply-constrained submarkets within gateway cities benefiting from positive urbanization trends, the Advisory Team identifies investment opportunities to create sustainable value.

The strategy within the EQT Real Estate funds’ investments is to support a transition to Core, focusing on sustainable value creation through leveraging the Real Estate Investment Advisory Team’s “hands-on” asset management capabilities.

EQT Real Estate looks for direct and indirect investment opportunities in real estate assets that offer significant potential for value creation through repositioning, redevelopment, refurbishment and active asset management.

**Exeter<sup>1)</sup>**

Focus: Investment range	No. of investments:	No. of investment advisors:	AUM:
<€30m	550+	100+	€8.3bn

At its core, Exeter acquires, develops and manages high-quality properties to deliver superior real estate solutions for its tenants and thus seeks to create market-leading returns for its investors.

Exeter is a leading investment manager in the attractive logistics/industrial space in the US and Europe, with a growing presence in US life science/suburban office and residential multi-family segments, which is highly complementary to EQT’s existing strength in European real estate.

Founded in 2006, Exeter has built its business based on a hands-on, vertically integrated operator approach. With 37 local deal offices, Exeter combines local execution with a global reach, mirroring EQT’s local-with-locals approach.

EQT Exeter will be part of EQT Real Assets. The combined real estate platform will operate under a joint EQT Exeter brand following closing and the existing EQT Real Estate business line will be integrated into EQT Exeter.

<sup>1)</sup> Combination with Exeter expected to be completed in the second quarter of 2021.



**Real Estate – United Kingdom:**

**Saturn**

Saturn is a joint venture between EQT Real Estate and Sigma Capital, which aims to create high-quality “build-to-rent” residential homes at market rental rates in more affordable areas of Greater London. The joint venture will promote sustainable living practices within the apartments themselves and will typically be located near green outdoor areas.

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# Central

EQT’s operating platform is a critical part of the strategy and a key source of competitive advantage and differentiation. EQT is continuously investing to create a future-proof and scalable operating platform, with the capacity to efficiently support the Group’s growth ambitions across both current and new geographies and strategies.

A robust operating platform has enabled EQT to scale its business and diversify across multiple strategies. The benefits of its operating platform not only enable a higher level of efficiency and higher quality across its operations, but also allow Investment Advisory Professionals to focus on investments.

The platform has 337 FTE+ as of year-end 2020 (323 FTE+). Investments in the operating platform focus on scaling through automation initiatives in areas such as fund administration and reporting to the fund investors. EQT is adding FTEs primarily in Client Relations and Capital Raising, but also in EQT Digital and other parts of the operating platform to further support EQT’s growth ambitions.

These investments are expected to support EQT AB Group’s ambition to grow central costs at approximately half the growth rate in assets under management on average over the medium-term. In the short term, the current investment plans in EQT’s operating platform will result in cost increases temporarily exceeding the medium-term objective.

As EQT AB Group continues to grow, it will strive to maintain the quality of service and delivery through a focus on establishing process efficiency, continuing to future-proof the Group’s IT setup, and creating a scalable and fit-for-purpose Fund Operations function while delivering a high-quality end product to its fund investors.

## EQT’s operating platform supports the scaling of our Investment Strategies

Due to its scalable nature, the operating platform enables EQT AB Group to efficiently launch new funds, expand strategies and enter new geographies and markets. The operating platform allows the investment advisory organization to focus on advising on transactions and supporting in developing companies.

- Meet clients’ reporting requirements
- Raise Capital
- Provide cutting-edge digital tools and solutions
- Talent management
- Manage legal, regulatory, and tax environment

	Strategies	Operating platform
Emerging strategies	<ul style="list-style-type: none"> <li>• Public Value</li> <li>• Growth</li> </ul>	Brand and fundraising capabilities key for early success
Scaling strategies	<ul style="list-style-type: none"> <li>• Ventures</li> <li>• Real Estate</li> </ul>	Several and larger funds drive profitability
Leading strategies	<ul style="list-style-type: none"> <li>• EQT Exeter</li> <li>• Private Equity</li> <li>• Infrastructure</li> </ul>	Significant operating leverage in all processes

No. of FTE+:

**337**

### Client Relations and Capital Raising

Advising on capital raising matters and servicing fund investors.

No. of FTE+

**50+**

### Fund Operations

Managing and operating the EQT funds, including meeting fund investors’ reporting requests.

No. of FTE+

**75+**

### EQT Digital

Providing cutting-edge digital tools and solutions.

No. of FTE+

**75+**

### Specialist teams

Providing central management and financial services.

Ensuring that EQT manages and complies with the legal, tax and regulatory environment in its various jurisdictions.

Human resources handle personnel and talent management.

No. of FTE+

**120+**



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# Scaling EQT’s operating platform



## Five questions for: **Caspar Callerström** Deputy CEO and COO



**What is the purpose of EQT’s operating platform?**  
– By having a well invested platform, EQT can effectively launch new funds and support the growth of its existing strategies. The operating platform allows for scalable growth while driving best practices and efficiencies across the organization.

**How can new strategies benefit from the operating platform?**  
– A new strategy can plug into the platform and draw on expertise and resources to set up the fund, hire new people, raise funds, manage reporting requirements, and handle legal and regulatory aspects while benefitting from EQT’s ecosystem of strategies, the EQT playbook and in some cases, even use capital from EQT’s balance sheet to finance initial investments.

EQT Growth is a good example. The Growth team will utilize Motherbrain for intelligence, they benefit from EQT’s global local-with-locals approach, they share knowledge and intelligence with other strategies and have access to the EQT Network. The EQT AB Group’s acquisition of investments on its balance sheet for warehousing purposes, such as Wolt, accelerates the Growth platform so that it can be operational prior to the actual fundraising. EQT’s HR team was also effectively supporting the establishment of a new team with a mix of new talent and experienced EQT veterans.

Exeter is another good example. EQT has over 500 fund investors globally. Exeter has about 90 fund investors, mostly in North America. By combining EQT and Exeter, EQT can distribute Exeter’s products to EQT’s existing client base, and vice versa. In fact, around 40 percent of EQT’s assets under management comes from fund investors investing in only one business segment. As such, there is ample opportunity to scale client relationships across additional products.

**How does the operating platform contribute to driving performance in the EQT funds?**  
– The Fund Management team and the Investment Advisory Professionals draw on specialist resources during the investment and ownership phases. For example, EQT Digital supports EQT and the EQT funds’ portfolio companies to ensure they become digital leaders in their respective sectors. Similarly, the Sustainability team works across EQT and supports the EQT funds’ portfolio companies. The team is able to identify risks and opportunities to enable sustainable results, as it is an integrated part of the investment and ownership periods.

Importantly, by having dedicated specialist functions across the operating platform, the fund management and investment advisory organizations can focus on advising on new investments and providing support in developing portfolio companies.

**How do you build a scalable platform for continued growth?**  
– We future-proof EQT with the same mindset that we future-proof fund portfolio companies. We always look for ways to improve how we are working. We automate processes, we simplify, and we leverage our digital capabilities to improve quality while driving scalability. Looking back in time, our decision to create one single fund operations hub has, for example, allowed for deeper specialization, simplicity and shared resources which all drive scalability. Knowledge is applied to successor funds and new strategies which ensures consistency across the platform.

We are now in the process of expanding fundraising capabilities to prepare EQT for the next leg of our growth journey. We invest in people, but also in our digital interface towards the fund investors to improve quality and scalability.

**“The platform is set up to service larger funds, multiple strategies and teams across geographies and, at the same time, a larger client base.”**

The platform is set up to service larger funds, multiple strategies and teams across geographies and, at the same time, a larger client base.

**How does the operating platform contribute to EQT’s financial performance?**  
– Our ambition is to grow the operating platform at half the pace of AUM. In other words, growth in central costs should, over time, be about half of our AUM growth in percentage terms. Scalability is, therefore, a core part of EQT’s platform strategy. The platform also allows us to maintain a long-term perspective. Take our emerging strategies as an example. A more recent strategy may not have the scale to break even financially. We can support the strategy through the EQT platform as it establishes a performance track record. As the strategy creates strong returns and scales through successor funds, it increasingly contributes to EQT’s financial performance through the growth in management fees and investment income and carried interest.

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## EQT Client Relations and Capital Raising

### EQT Client Relations and Capital Raising

The Client Relations and Capital Raising team advises the Fund Management team on fundraising activities. The Client Relations and Capital Raising team today serves its global investors while maintaining a “local-with-locals” presence throughout seven offices across Europe, North America, and Asia Pacific. The team currently consists of 52 professionals and is set to expand further in order to serve the growing investor base.

The overarching goal for the Client Relations and Capital Raising team is to support the Fund Management team in serving and raising capital from the globally diversified set of investors across all of EQT’s business lines and funds. The team is involved in capital raising projects including fundraisings, co-investments, and separately managed accounts. The Client Relations and Capital Raising team is also involved in arranging EQT’s recurring investor events, such as the Annual Investors Meeting and New York Investor Day.

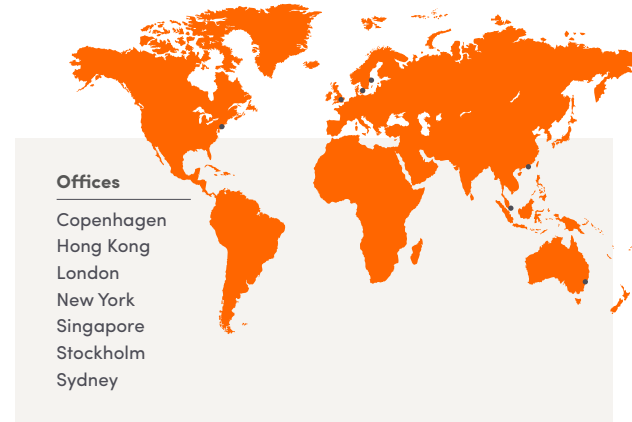
**The Client Relations and Capital Raising function is divided into two teams:**

*The Advisory Team* works across all regions and business lines on the preparation of capital raising projects, including strategic analysis, investor materials and due diligence. The team also works on investor communication and events during the investment lifecycle.

*The Coverage team* is focused on supporting the Fund Management in building and maintaining long-term relationships with existing and potential investors globally.

### The capital strategy

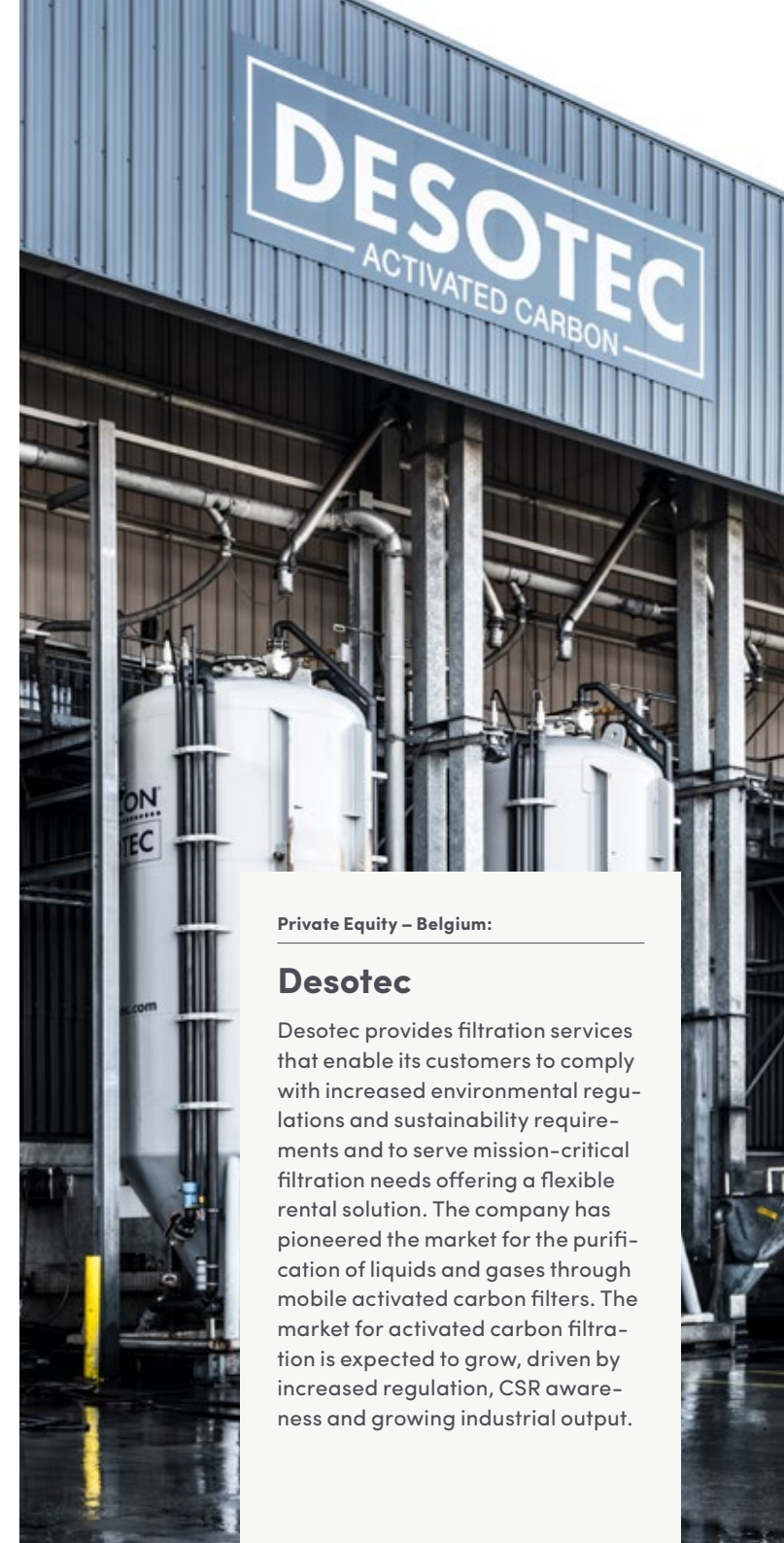
EQT AB Group aims to retain current fund investors by deepening the relationship in existing investment



strategies through high-quality service. EQT seeks to improve the overall customer journey through a variety of initiatives. One of the key initiatives is the launch of a proprietary EQT Investor Portal. The portal will service EQT’s clients and cater to their increasing requests for transparency, user-friendliness and improved communications.

Given the breadth of the EQT platform, EQT AB Group aims to leverage the multi-asset offering with existing customers across all strategies, acting as a solutions provider addressing client needs across the private markets. At present, circa 40 percent of EQT’s assets under management comes from fund investors investing in only one business segment. As such, there is ample opportunity for growth and cross-selling with existing investors.

EQT has a stable and growing investor base, well diversified by region, profile and strategy and strives to add new investors selectively across the platform, particularly in certain geographies or channels that present significant growth potential such as the Americas and Asia-Pacific or the underpenetrated private wealth management channels.



### Private Equity – Belgium:

## Desotec

Desotec provides filtration services that enable its customers to comply with increased environmental regulations and sustainability requirements and to serve mission-critical filtration needs offering a flexible rental solution. The company has pioneered the market for the purification of liquids and gases through mobile activated carbon filters. The market for activated carbon filtration is expected to grow, driven by increased regulation, CSR awareness and growing industrial output.

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## Fund Operations

Fund Operations is in charge of decision-making, activities and affairs with regard to the EQT funds i.e. investment decisions, actions and operations during ownership, and exits. The Fund Operations team is currently present in Stockholm, Luxembourg, Amsterdam and London. The Fund Management team is part of Fund Operations and the EQT AB Group has established entities in Luxembourg and the UK which are regulated by, and categorized as alternative investment fund managers, under the AIFM Directive.

EQT’s fund management operations have undergone significant change in recent years, with all of EQT funds from 2012 being domiciled onshore. Creating one single onshore hub in Luxembourg in 2017 was a natural next step in EQT’s ambition to standardize and safeguard transparency at all levels of the organization. The decision to centralize the management and operations of the EQT funds will provide numerous benefits over time, including increased scalability given the shared resource and knowledge, increased quality of service due to the deep specialization and enhanced operations, and benefits from simplicity, having only one regulator as counterparty.

An EQT Fund generally has a General Partner and a Fund Manager with its own board, and in most cases also an Investment Advisory Committee, which acts independently from the EQT Investment Advisory Team that identifies, evaluates and recommends investment opportunities to the Fund Manager of the EQT Fund. The Fund Manager is the decision-making body for the fund and responsible for all decisions with respect to investments and divestments. Further key responsibilities include fund oversight, fund compliance, fund risk management and fund portfolio management. Fund Operations and the EQT AB Group also have an in-house team responsible for supporting the Fund Management team in Valuation & Reporting, based in Stockholm.



**Private Equity – Denmark:**

### WS Audiology

WS Audiology is one of the world’s largest pure play producers of hearing aids and accessories, helping people with hearing loss enjoy the sounds that make life wonderful. With more than 170 years of experience in total and a proven track-record as an industry innovator, WS Audiology exclusively develops, manufactures and sells leading-edge hearing aids via several brands and multiple sales channels. WS Audiology’s ambition is to unlock human potential by making wonderful sound part of everyone’s life.

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# EQT Digital: Future-proofing all of EQT

All industries are affected by digital disruption, and although the speed and rate may vary, it is unavoidable and can ultimately transform entire industries. Applying deep sector expertise and curiosity for innovation is vital in the digital era. EQT’s digital mission is to ensure that EQT and the EQT funds’ portfolio companies are digital leaders in their respective industries, now and in the future.

## EQT’s Digital Mission

Leveraging digital technology is a critical element of future-proofing both the EQT AB Group itself and the EQT funds’ portfolio companies. As part of this, EQT has made significant investments in building its digital capabilities and infrastructure over the past several years.

EQT wants to capture new opportunities and realize the full potential of Digital by leveraging talent, technology, data, and ways-of-working to...

- Continuously make each EQT fund an ever smarter and more innovative investor.
- Catalyze all EQT funds’ portfolio companies in their pursuit of digital leadership in their respective industries and markets.
- Make EQT’s customer experience and operations ever faster, more scalable and precise.
- Ensure that EQT, as a recognized digital leader, drives transformation of the global investment ecosystem.

## Integrated digital capabilities

EQT Digital comprises multiple teams that together take ownership of digital maturity and the use of technology across EQT and in supporting the EQT funds’ portfolio companies. This ranges from internal operations to how technology is used throughout the deal process.

EQT’s digital focus centers on a firmly-held belief that digitally leading firms are winners today, and will be tomorrow; a belief supported by a growing evidence base. EQT has a holistic and systematic view on Digital as well as the necessary capabilities to evaluate assets and drive digital transformation across companies the EQT funds invest in.

## Digital Business Development

The Digital Business Development Team provides industry-specific digital insights and support and is active throughout every stage of an EQT fund’s investment, from deal sourcing and due diligence to transformation and exit. EQT’s proprietary Digital Framework provides the Fund Management

team, supported by the Investment Advisory Teams, with a consistent approach and toolbox to support value creation and drive cross-portfolio initiatives such as within cyber-security.

The team is global with local leadership extended across three active hubs in the Nordics, the DACH region and North America, and is fully embedded within the Investment Advisory Teams. Team members have senior operational leadership experience within digital growth and IT and are responsible for supporting the investment process and EQT funds’ portfolio companies, as well as curating a network of best-in-class advisors, consultants and tech vendors across all EQT geographies.

## EQT Technology

EQT believes in “the art of the possible” and therefore has a customer-centric approach in internalizing the possibilities of technology, as well as practicing what is preached to the EQT funds’ portfolio companies. Today, all of EQT AB Group’s mission-critical infrastructure is cloud-based and critical vendors are carefully reviewed according to EQT Policies. EQT values data privacy and applies data protection controls, and frequent testing, across the IT environment.

EQT has made significant investments to transition from a model reliant on traditional tools and approaches, to a modern way of working with cloud-based systems and next-generation working tools and applications. This made the transition to a work-from-home setup throughout parts of 2020 seamless. Recently, EQT Technology has focused on enabling automation across the organization and next-generation investor services through our in-house developed EQT Investor Portal.

EQT Technology is responsible for EQT’s proprietary artificial intelligence (AI) platform, Motherbrain. The team comprises user experience researchers, software engineers and data scientists working to further enhance Motherbrain’s capabilities and develop further applications for AI across the organization.

### EQT Digital Framework

The EQT Digital Framework provides a holistic and systemized view on digital. It ensures a consistent approach from investment Advisory Teams and partners in driving due diligence and value creation across the investment ownership process. It also acts as a framework for building an ecosystem of preferred advisors, consultancies and technology vendors. Within the dimensions of the Digital Framework the team offers in-house operational expertise as well as a curated network of preferred advisors and vendors across EQT’s geographies.

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## Motherbrain

Motherbrain started in 2016 as a platform for Ventures to be truly data-driven in finding the best tech startups to invest in. As more than 4,800 new startups are founded every day, no human can rate them all. Today, a great number of potential investments, identified with Motherbrain and assessed by Ventures, have grown into potential Growth investments, creating an extension to the rest of the EQT platform.

Motherbrain supports the tracking of company life cycles rather than deal life-cycles, ending at a fund’s exit. By visualizing and making the data accessible, building on a common corporate memory and collectively trained algorithms, Motherbrain creates structural competitive advantages enabling EQT to make faster and more substantiated decisions.

**Deal Making Workflow:** EQT Ventures has been tracking dealmaking in Motherbrain since 2016, capturing thousandths of assessments and leveraging the platform for EQT Growth. With Ventures and Growth as trailblazers, all Private Equity investment professionals were onboarded to Motherbrain in 2020 and have commenced replacing their traditional tools with capabilities in Motherbrain to handle continuous deal flow work in our proprietary platform.

**Thematic Deal and Add-on Sourcing:** Ventures’ investment thesis is proven with nine investments fully sourced by Motherbrain. These include Peakon, AnyDesk, CodeSandbox, Griffin, Handshake, WarDucks, Standard Cognition, Netlify and Anyfin. All of these are companies that would not have been identified without Motherbrain. For many of the investments it is still early days, but for the earliest ones we can see proven successful growth and value creation.

**Market Analysis & Monitoring:** The world has caught up with EQT’s ambitions and today, we have great tech to use in our similarity models. Motherbrain provides multiple tools for analyzing peers and competitors as well as sourcing add-ons and analysing markets for M&A opportunities.

**Expert & Talent Sourcing:** Motherbrain combines external data points with company data and 140k unique connections uploaded by EQT employees.

**Metrics & True Benchmarking:** Motherbrain’s most successful effort to capture metrics is the automated note parser. Through this functionality EQT captures crucial metrics without changing users’ behavior.

# Leveraging AI in deal sourcing

In practice

## Three questions for: Elin Bäcklund

Deal Engine Lead

### What is the idea with Motherbrain?

– The idea is that we want to model the world. We want to have all the companies out there in Motherbrain. To EQT, that’s the future of identifying emerging trends and sourcing investment opportunities, rather than being reactive to incoming leads. Motherbrain helps EQT to be more proactive and to monitor how companies develop over time.

### Why is EQT embracing AI?

– Motherbrain is EQT’s manifestation of using data science and machine learning to become a smarter investor. Being data-driven in everything from finding and evaluating companies to engaging the right people in the deal helps us make better and more objective investments decisions and to work in more scalable ways.

Five years into this endeavor, we can now start evaluating the performance of companies we have sourced with Motherbrain. Interestingly, we can see that these companies are performing above average compared to the rest of the Ventures portfolio so far. What was a very exciting start is today a proven investment and long term differentiator.


### Who uses Motherbrain?

– Today, we have expanded Motherbrain’s use and application beyond EQT Ventures to include several strategies. Across EQT’s ecosystem of strategies, Motherbrain supports us in tracking the company lifecycle from venture to growth to private equity. There’s also a lot of cross collaboration across EQT happening on Motherbrain today.

In the Ventures and Growth teams, all Investment Advisory Professionals rely on Motherbrain to manage the daily deal work, leveraging Motherbrain’s algorithms to prioritize which companies to assess. Across EQT, the Investment Advisory Professional usage has reached the hundreds, and what started as a tool focused on Market and Talent Analysis, can today we also capture the whole deal mechanics. We are methodically rolling out Motherbrain to region and sector teams and over time we will cover all EQT’s business lines to the same extent as Ventures and Growth.



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# Credit – divested in 2020

In January 2020, EQT initiated a review of strategic options for the Credit business segment. The review of strategic options was initiated in light of Credit’s growth prospects being further away from EQT’s core business and active ownership approach.

Following the strategic review, it was decided to divest Credit to Bridgepoint, a transaction that closed in the fourth quarter of 2020.

The divestment permits EQT to further focus its efforts on investment strategies where EQT can future-proof companies, make a positive impact and fully utilize the EQT platform.

The Credit business segment is reported as a discontinued operation together with the capital gain and costs relating to the transaction, see note 27.



Private Equity – Sweden:

## IFS

IFS is a globally-recognized enterprise software leader, enabling its customers across complex industry verticals, to deliver flawless Moments of Service to their customers. A single Cloud platform leverages the full IFS suite of capabilities across Service Management, Enterprise Resource Planning and Enterprise Asset Management to deliver world-class customer outcomes.

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## EQT Playbook and investment activity



Private Equity – United Kingdom:

### IVC

Independent Vetcare’s (IVC) purpose is to provide the world’s best veterinary services by caring for pets and people. IVC is leading the way in bringing new standards to animal care and staff wellbeing in the sector globally. With more than 1,500 clinics, IVC is the largest veterinary services provider in Europe.

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# EQT Playbook

The EQT Playbook is a key element of EQT’s active ownership model and includes tools focused on driving growth and developing EQT funds’ portfolio companies through digitalization, sustainability and operational excellence. The EQT Playbook is used across EQT’s strategies to future-proof companies and make a positive impact.

## Future-proofed companies

EQT invests in good companies across the world with a mission to help them develop into great and sustainable companies. By providing access to ownership skills and operational expertise, EQT can help portfolio companies grow and prosper, both under EQT funds’ ownership and with future owners.

The portfolio companies develop through the implementation of strategies geared towards growth and operational excellence. Sales growth and margin expansion are achieved through multiple strategies, including geographic expansion, new products, acquisitions and strategic re-orientation.

EQT has a track record of consistent and attractive returns across geographies, sectors and strategies. We do this by making a real difference: over the years, EQT has, on average, grown the EQT funds’ portfolio companies per year by:

Employee growth<sup>1)</sup>

**7%**

Revenue growth<sup>1)</sup>

**12%**

EBITDA growth<sup>1)</sup>

**13%**

<sup>1)</sup> Reflects average annual development in EQT funds’ portfolio companies since inception. Includes both historical and active funds but excludes the funds in Credit, Ventures and Real Estate.



## Thematic and sector-based approach

EQT applies a thematic mindset in deal sourcing. Guided by underlying macro trends, EQT targets high-quality companies with significant sustainable growth potential in attractive industries with secular growth drivers and strong downside protection.

The thematic approach is combined with deep sector expertise. Within the identified sectors, EQT sources investment opportunities in market-leading companies with good prospects for future growth and operational improvements.

Investing alongside macro trends puts EQT in a position where we can be part of the solution to significant challenges of our time. EQT targets the sectors where EQT’s expertise can make a change. Applying the thematic and sector-based approach allows EQT to make a positive impact while exercising active ownership. Investment themes and sectors are regularly reviewed.

### Key themes

#### Key themes

- Automation
- Big data
- Digitalization
- E-commerce
- Sustainability
- Urbanization
- Aging population
- Connectivity

### Key sectors per business segment

#### EQT Private Capital

- Healthcare
- Technology
- Tech-enabled services
- Industrial businesses

#### EQT Real Assets

- Social infrastructure
- Telecommunications
- Energy
- Transport & Logistics
- Environmental infrastructure



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### Local-with-locals

EQT believes that local knowledge, local business relationships and local presence are all critical to securing a competitive edge in private markets. This includes access to local deal flow, being a preferred partner for management teams and ultimately winning deals. This local approach has resulted in close, long-term relationships between EQT, private owners and companies. EQT’s geographical presence in Europe, the US and APAC allow the investment organization to combine extensive local knowledge and cultural understanding with deep global sector expertise. A majority of the EQT funds’ investments to date have been made in geographies where EQT has a local presence.



### EQT Network

Since its foundation, EQT has built a global network of advisors with a variety of backgrounds, including entrepreneurs and current or former executives of major international corporations. Many of these relationships have evolved from EQT’s connection to the Wallenberg sphere and its global network that spans across industries and sectors. The EQT Network is continuously renewed and expanded, and EQT believes that it provides the Group with a competitive advantage across business segments. The advisors in the EQT Network add operational and strategic expertise as well as experience to the EQT funds’ portfolio companies. The advisors are engaged in the entire investment process from providing strategic advice on initial deal sourcing and assessment of potential investments, to joining the boards of portfolio companies.

Read more on page 69.



### House of Value Creation

EQT AB Group applies an integrated framework of tools and best practices across its business segments to support value creation and performance in EQT funds’ portfolio companies. The framework includes value creation levers and tools, such as revenue enhancements, management changes, pricing, cost improvements and more transformational levers such as strategic realignment and add-on acquisitions.

Shortly after acquisition, portfolio companies develop full potential plans to execute on set targets. The portfolio companies are continuously evaluated against their set plans.

EQT carries out institutionalized periodic performance reviews, which provide an owner’s forum for high level and forward-looking discussions on value creation. The forum sets perspectives and ensures performance drive, including exit.



### Governance model

EQT’s governance model is designed to enable accountability, promote fast decision-making and empower EQT funds’ portfolio companies’ CEOs, while also allowing for informal free thinking and limiting internal politics.

The model is built upon clear roles and responsibilities for the management of the portfolio company, its board and the EQT AB Group. It is underpinned by a TROIKA forum that enables smooth communication, transparency and efficient governance.

The TROIKA consists of the portfolio company’s Chairperson (typically appointed from the EQT Network), a responsible advisory partner at EQT and the portfolio company’s CEO. Working closely together, the TROIKA is a sparring partner to the CEO and keeps EQT well-informed of the performance in the portfolio company. This informal forum also creates a good relationship among the involved parties and helps to drive value creation in an aligned and effective way.

Through participation programs, the board and select management team members are invited to invest in the portfolio company, creating a joint agenda and common goals.

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## Digitalization

Leveraging world-class industrial expertise has always been a part of EQT’s DNA and this approach is even more vital in the digital era. Those who cannot adapt to the increased pace of technological disruption will be left behind. Exploiting digital opportunities is a critical element of future-proofing both EQT AB Group itself, as well as EQT funds’ portfolio companies.

EQT aims to support all companies in which EQT funds are invested in driving digital transformation and developing into digital leaders in their respective industries. To achieve this, EQT has made significant investments into its own digital teams, infrastructure and capabilities over the last several years. One of EQT’s prioritized digital missions is to continuously make each EQT fund an ever-smarter buyer, owner and seller.

EQT looks to apply industry-specific and best-in-class digital approaches and tools throughout every stage of an EQT funds’ investment cycle, from the sourcing of deals through, for example, the proprietary AI platform Motherbrain, to the due diligence of potential opportunities and the support in improvement of the portfolio companies. EQT’s Digital Framework provides the Fund Management team with support in value creation and drives cross-portfolio initiatives on topics such as cybersecurity.



## Sustainability

EQT is committed to future-proofing companies and making a positive impact with everything we do. We believe this will ensure that EQT stays successful and relevant for its investors and society as a whole for the long-term.

EQT aims to promote a mindset and culture that delivers a positive impact. It does this by focusing on what matters, linking to value creation and leveraging the entrepreneurial approach of EQT’s Investment Advisory Teams and the EQT Network. In advising and supporting the Fund Management team, these teams make sure that sustainability is considered and assessed during investment sourcing and due diligence, and is also continuously monitored.

EQT strives to scale solutions with a positive societal impact and instill sustainable practices in all companies the EQT funds invest in, from start-ups to mature companies. EQT applies responsible investment and ownership principles and practices throughout the investment cycle. This extends from thematic sourcing and focused sustainability due diligence to acceleration of positive impact as an owner.

An essential part of EQT’s value creation, exercised through the governance model, is typically the appointment of the board of directors of the EQT funds’ portfolio companies. This allows EQT to accelerate portfolio companies’ positive societal impact, sustainability performance and disclosure practices by setting clear expectations and providing strategic guidance.

EQT’s Responsible Investment & Ownership (RI&O) Policy describes EQT’s view on sustainability. The policy is aligned with key international conventions and standards, including the Ten Principles of the United Nations Global Compact.

EQT funds’ portfolio companies adhere to the EQT RI&O Policy as well as the EQT Sustainability Blueprint which articulates the sustainability expectations, expressed in a set of KPIs, which portfolio companies are to report on annually. EQT assesses each portfolio company’s maturity against these expectations to track their journey and performance over the ownership period.

### Integrating sustainability into investment and ownership

#### RESPONSIBLE INVESTMENT

#### RESPONSIBLE OWNERSHIP

Deal sourcing	Due diligence	Transformation	Exit
EQT’s thematic sourcing and investment approach is guided by the Sustainable Development Goals (SDGs), evaluating where alignment exists and identifying portfolio companies that make a positive societal impact or have transformation potential.	EQT considers material sustainability topics as part of its due diligence, assessing target companies’ societal impact and how it might be improved through concrete actions post-investment.	EQT has clear expectations of EQT funds’ portfolio companies including managing sustainability at a strategic level and improving their sustainability performance, both in terms of solutions and practices, during the ownership period.	EQT aims to future-proof EQT funds’ portfolio companies and highlights progress against sustainability KPIs as part of the exit story.

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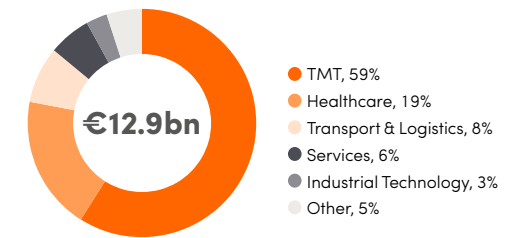
# EQT funds' transactions 2020

EQT applies a thematic and sector-based investment approach in deal sourcing across sectors and strategies. In alignment with EQT's purpose, the EQT funds invest in companies that deliver a positive impact or have the potential to make a positive impact through our transformational support, as is set out in our purpose.

Supported by the thematic and sector-based investment approach, the EQT funds' have built a robust portfolio with limited exposure to the sectors primarily affected by Covid-19. This means that EQT has been able to keep deal activity high even during this particularly turbulent year. For the

EQT funds, investments in TMT (Technology, media and telecommunications) were particularly high in 2020 and EQT has further strengthened its position as one of the leading fiber investors worldwide. EQT's second largest sector in 2020, in terms of investment size, was Healthcare.

EUR 12.9 billion of thematic investments signed in 2020  
Based on investment size



## Private Capital

### TMT

<p>RIMES TECHNOLOGIES</p> <p>EQT Mid Market Europe Investment</p> <p>UNITED KINGDOM</p>	<p>FREEPIK</p> <p>EQT Mid Market Europe Investment</p> <p>SPAIN</p>	<p>WAYSTAR - E-SOLUTION</p> <p>EQT VIII Add-on investment</p> <p>UNITED STATES</p>	<p>SUSE - RANCHER LABS</p> <p>EQT VIII Add-on investment</p> <p>UNITED STATES</p>	<p>CASA.IT</p> <p>EQT IX Investment</p> <p>ITALY</p>	<p>IVER - CITY NETWORKS</p> <p>EQT Mid Market Europe Add-on investment</p> <p>SWEDEN</p>
<p>IFS</p> <p>EQT VIII, EQT IX Investment   EQT VII Exit</p> <p>SWEDEN</p>	<p>IDEALISTA</p> <p>EQT IX Investment</p> <p>SPAIN</p>	<p>TIA TECHNOLOGY</p> <p>EQT Mid Market Exit</p> <p>DENMARK</p>	<p>THINKPROJECT</p> <p>EQT IX Investment</p> <p>GERMANY</p>	<p>STORABLE</p> <p>EQT IX Investment</p> <p>USA</p>	<p>SPORTRADAR</p> <p>EQT VI Exit</p> <p>SWITZERLAND</p>

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## Private Capital continued

### TMT

WOLT




EQT AB (Growth Investment)

---

FINLAND

### Healthcare

KARO PHARMA



EQT VIII Investment

---

SWEDEN

SCHÜLKE




EQT VIII Investment

---

GERMANY

CERTARA




EQT VII Exit

---

USA

RECIPHARM




EQT IX Investment

---

SWEDEN

### Services

APLEONA



EQT VII Exit

---

GERMANY

BEIJER REF



EQT IX Investment

---

SWEDEN

### Industrial Technology

ALTUS INTERVENTION



EQT VI Exit

---

NORWAY

CHR. HANSEN NATURAL COLORS



*Improving food & health*

EQT IX Investment

---

DENMARK

### Other

MUSTI GROUP




EQT Mid Market Europe Exit

Consumer goods

---

FINLAND

LIVE KINDLY




EQT AB Investment

Consumer goods

---

FRANCE

HUSCOMPAGNIET



EQT VI Exit

Consumer goods

---

DENMARK

Note: Not including transactions in Public Value and Ventures.

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## Real Assets

### Telecom

DEUTSCHE GLASFASER



EQT Infrastructure IV and EQT Infrastructure V Investment

GERMANY

EDGECONNEX



EQT Infrastructure IV Investment

UNITED STATES

FIBERKLAAR



EQT Infrastructure V Investment

BELGIUM

### Social

METLIFECARE



EQT Infrastructure IV Investment

NEW ZEALAND

### Environmental

SYNAGRO



EQT Infrastructure II Exit

UNITED STATES

### Transports & Logistics

HECTOR RAIL GROUP



EQT Infrastructure II Exit

SWEDEN

MOLSLINJEN



EQT Infrastructure V Investment

DENMARK

TORGHATTEN ASA



EQT Infrastructure V Investment

NORWAY

### Energy

02 POWER



EQT Infrastructure IV Investment

INDIA

### Healthcare

COLISÉE




EQT Infrastructure V Investment

FRANCE

### Real Estate

SATURN



EQT Real Estate II Investment Real Estate

UNITED KINGDOM

TRIDeca

Real Estate I Exit Real Estate

FRANCE

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# Thematic investing



## Five questions for: **Lennart Blecher** Head of Real Assets Advisory Team



### What does it mean for EQT to be guided by a thematic and sector-based investment approach?

– Being guided by a thematic and sector-based investment approach means that EQT seizes investment opportunities in companies that are expected to benefit from strong macro trends and have the potential to solve some of the most important issues of our time and disrupt entire industries. Across our key sectors, EQT has identified themes where we see interesting opportunities to support market-leading businesses that cater to societal challenges.

By combining the thematic investment approach and our purpose of future-proofing companies, we aim to make a positive impact and create stronger returns at a lower risk for EQT’s fund investors.

### What is a thematic investment?

– A great example is demographic aging. This trend is a great societal challenge and we see a significant need for expanded and improved quality of care for the elderly. Based on our understanding of this macro trend, the funds within EQT Infrastructure have made significant investments in eldercare over the past year.

Another example would be the strong trend toward more connected citizens, businesses and public institutions, consuming ever more data with greater expectations on reliability and security. Digital infrastructure is a very active thematic area where we see a strong pipeline of investment opportunities.

One final example is access to clean water, where the EQT funds’ portfolio companies support authorities and industrial companies in their water and wastewater management activities.

### How does EQT work to integrate sustainability in the investment process?

– Sustainability is integrated across our entire investment value chain. Before making an investment decision, EQT assesses potential sustainability opportunities and risks and if we choose to make an investment, the first thing we do is develop a plan for how to future-proof the business.

EQT’s expectations for portfolio companies, with respect to sustainability, are defined in EQT’s Responsible Investment and Ownership Policy and the EQT Sustainability Blueprint.

In some instances, EQT makes investment decisions based on the opportunity to make great sustainability advancements. In 2020, EQT Infrastructure V acquired the passenger ferry company Molslinjen, after identifying an opportunity to support its sustainability agenda by investing in the decarbonization of the ferry fleet and the transition to renewable fuel sources. This will be an integral part of future-proofing the company.

### How do you continue to create value for fund investors as EQT’s funds have grown larger and larger?

– EQT creates value by having a continued laser-sharp focus on thematic investments, building on our deep understanding of key macro trends and our aim to make a positive impact on society with every investment. EQT is relentless about driving continuous improvements in portfolio companies, supporting them in becoming more sustainable, digital

“By combining the thematic investment approach and our purpose of future-proofing companies, we aim to make a positive impact.”

and efficient. Further, staying agile is of great importance, as we experienced in 2020, a year defined by the Covid-19 pandemic.

Through the larger funds, EQT can support long-term value creation and decision making in larger businesses, where the existing owner may not have had the capital, capacity or, for any reason, a strategic focus on transforming the business to drive long-term value. EQT has an active ownership approach and will make the required investments to drive long-term value in our portfolio companies.

### What is your outlook for investments in 2021?

– The continued trend toward cleaner, healthier and more connected societies presents many investment opportunities in digital, social, and transport infrastructure and in decarbonizing the energy sector. On the risk side, if the current positive outlook for the Covid-19 vaccines doesn’t materialize, we could see prolonged lock-downs impacting societies. EQT will remain agile and continuously refine our thematic approach.

In 2021, we will stay disciplined in identifying the most attractive thematic investments, and driving the full potential of each of the EQT funds’ investments.

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## Five questions for: Per Franzén

Co-Head of EQT Private Equity Advisory Team

### How does EQT, as an active owner, make thematic improvements to portfolio companies?

– All new investments EQT pursues are within our focus sectors and have been hand-picked because they are in line with our thematic priorities and because we see an opportunity for EQT to make a difference during the ownership period. For example, the EQT funds invested in Chr. Hansen’s business unit Natural Color in 2020 as we saw that, with the help of the EQT toolbox, we could carve out the business as a standalone entity, make the necessary investments into the company and make a positive impact by accelerating the switch from synthetic to natural ingredients in food processing.

### How does EQT put its purpose of making a positive impact into practice when making investment decisions?

– When assessing a potential opportunity, a fundamental question we need to ask ourselves is: “Does this company make the world a better place?” Given our positive impact ambitions, this is something that the investment committee, in 2020, decided that we needed to ask ourselves before approving any new investments. Looking back at our new deal activity in the funds within EQT Private Capital from the past year, I am happy to say that we have focused new investments on businesses that contribute to exactly this.

### Are companies supported by thematic trends more expensive to acquire?

– Yes, companies that are active in resilient, growing sectors are, relatively speaking, more expensive. For EQT Private Capital, not investing in line with key macro trends means exposing EQT’s fund investors to the risk of being disrupted. Based on the thematic investment focus,

EQT funds prefer to pay fair, market-based multiples for quality businesses in our target sectors where we can make a difference during the holding period with the help of the EQT ownership model. Good businesses are often better than you think, and bad ones are often worse than you think.

### How does EQT work to refine its thematic focus?

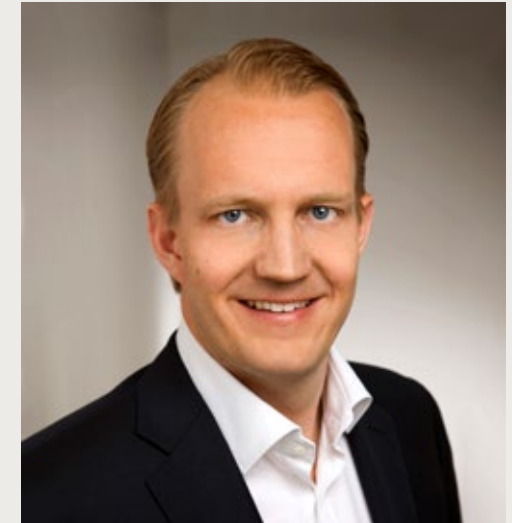
– The world is moving faster than ever before and the pandemic is only accelerating trends that we saw prior to Covid-19. Against this backdrop, the scale and integrated set up of the EQT Private Capital platform is a unique differentiator in our industry. By collaborating across our Ventures, Growth and Private Equity strategies, and across our global sector teams, we can identify new trends early on. In addition, we use Motherbrain to further facilitate cooperation and become more data-driven in deal sourcing across all strategies.

We continuously review potential investment themes and sector priorities to make sure that we focus our efforts on finding the most attractive opportunities.

### How did the thematic focus hold up during 2020, a year defined by the Covid-19 pandemic and its implications?

– In this market environment, our thematic investment approach has proven to be incredibly successful. For instance, the funds within EQT Private Equity have invested more than 80 percent of our funds in Healthcare

“A fundamental question we need to ask ourselves is: Does this company make the world a better place?”



and Technology-related opportunities over the past couple of years. As a result, the vast majority of our portfolio companies have performed well during the pandemic and for many, we will be evaluating exit opportunities in the near term.


EQT Private Capital will continue to stay disciplined and focus our new investments on the sectors we have followed for a long time and in which we have good visibility for the near to mid-term, irrespective of the pandemic. Our pipeline remains healthy and we continue to benefit from our strong, local presence in our targeted geographies.

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# 09

## Sustainability

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### Ventures – Sweden:

## Einride

Einride is a pioneer in Autonomous Electric Transport systems with a unique transportation platform that brings us one step closer to realizing the promise of self-driving autonomous vehicles and a fully sustainable transport system. In 2019, the company's pod became the world's first autonomous, all-electric truck to operate a commercial flow for DB Schenker with a permit on public roads.





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# Ambitions, progress and plans

EQT’s focus and ambitions related to Environmental, Social and Governance (ESG) matters have been set based on an analysis of the United Nations Sustainable Development Goals and engagement with EQT’s stakeholders. EQT subsequently formulated its sustainability framework in three focus areas: Clean & Conscious, Diversity & Upskilling and Transparency & Accountability. Furthermore, Innovation & Partnerships have been identified as enablers in achieving the targets and ambitions. In 2020, important steps were taken to further strengthen the foundation for driving positive impact.

By considering sustainability as an integral part of its business model, EQT and the EQT funds’ portfolio companies can identify and capture value creation opportunities as well as mitigate risks. In doing so, EQT will drive change and play an active role in developing regenerative solutions needed for the future.

### EQT’s sustainability impact

EQT can make a positive impact at scale through its significant sphere of influence across the EQT Group, the EQT funds’ portfolio companies and their respective value chains.

- **EQT AB:** To credibly inspire action, EQT AB must lead by example, live its purpose-driven culture and set ambitions for its own business practices – the basis for EQT’s sustainability framework.
- **EQT funds:** EQT’s main contribution to society is the positive impact created through the EQT funds’ responsible investment and ownership activities, underpinned by EQT’s active ownership approach. *Read more in the EQT Playbook section.*

### Progress during the year

In 2020, EQT AB formulated its Statement of Purpose, signed by the board of directors. The Articles of Association were subsequently updated to recognize this statement as an underlying principle of EQT’s ways of doing business. EQT’s Statement of Purpose articulates EQT’s belief that long-term profit can only be generated if a company creates value for, and makes a positive impact on, a broad set of stakeholders, people and society.

### Plans going forward

In 2020, fundamental building blocks were put in place to enhance progress towards our sustainability ambitions. Improved flows of ESG data to enhance our ability to act on the valuable insights stemming from sustainability will also continue to be a crucial area for EQT going forward.

Purpose	To future-proof companies and make a positive impact	• Fund returns and long-term value creation • Responsible investment and ownership
<b>Environmental</b>	<b>Clean &amp; Conscious</b> <i>Transform ways of operating in line with science</i>	<ul style="list-style-type: none"> <li>• Travel habits</li> <li>• Procurement practices</li> <li>• Resource efficiency</li> </ul>
<b>Social</b>	<b>Diversity &amp; Upskilling</b> <i>Attract and nurture a diverse, world-class EQT team and Network</i>	<ul style="list-style-type: none"> <li>• Diversity and inclusion</li> <li>• Talent acquisition</li> <li>• Training and development</li> <li>• Compensation and benefits</li> <li>• Employee engagement and wellbeing</li> </ul>
<b>Governance</b>	<b>Transparency &amp; Accountability</b> <i>Champion transparency to build trust</i>	<ul style="list-style-type: none"> <li>• Values and business ethics</li> <li>• Corporate governance</li> <li>• Communication and disclosure</li> <li>• Information security</li> <li>• Customer privacy</li> <li>• Sustainable finance regulations</li> <li>• Tax</li> </ul>

### Innovation & Partnerships to accelerate actions at scale

EQT’s ESG-framework – our Sustainability Ambitions – consists of three focus areas and an enabling area. To read more about progress on the specific sustainability targets see section Reflections on 2020 and beyond. Additional sustainability disclosures are found in section Additional information.

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# A cleaner and cooler tomorrow

The science is clear that climate change has and will continue to shape our societies and business on a fundamental level. Extreme weather events, resource scarcity, value chain disruptions and carbon pricing are all factors that need to be addressed globally. At EQT, there is a strong recognition of the risks and structural changes stemming from climate change. Given the role EQT plays in society and its active ownership approach, the challenge of combating climate change also presents an opportunity to be a part of the solution and contribute to a climate-positive economy.

For many years, EQT has followed the mantra of measuring and reducing its climate impact, offsetting emissions that cannot be reduced and communicating and collaborating with different stakeholders to fuel action. With EQT’s global reach, its increasing number of employees, assets under management and large number of portfolio companies, the organization has an important responsibility towards society and towards the planet. EQT is addressing climate change in a holistic way, across all parts of the EQT ecosystem, from integrating it into its purpose and supporting the EQT funds’ portfolio companies, to partnering with the EQT Foundation to drive innovation. For EQT, this is the only way forward.

## Measure

One of the very first projects the EQT Sustainability Team and Ambassadors set out to explore in 2015 was the climate impact of EQT Group’s own operations. Since then, EQT has continuously stepped up its sustainability ambitions.

EQT’s greenhouse gas emissions in 2020 were largely reduced as business travel, the major emission source for EQT’s own operations, was restricted as a result of Covid-19. The pandemic has changed employees’ ways of working. EQT has learned from these experiences and will continue to optimize working conditions with both people and the planet in mind.

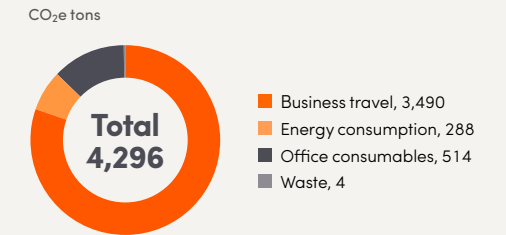
## Reduce

To further cement its commitment to addressing climate change, EQT became one of the first private equity firms to sign up for the Science Based Targets initiative in late 2020. This initiative drives climate action by helping companies set greenhouse gas emissions reduction targets in line with the Paris Agreement. EQT is currently establishing its baseline and assessing targets, in alignment with the recently-published guidelines for financial institutions. To achieve the reduction goals, which will also cover the EQT funds’ portfolio companies, EQT is teaming up with the EQT Foundation. The EQT Foundation has climate tech as one of its key investment themes and by working together, EQT is aiming to create an ecosystem around key climate challenges, to share best practices and help climate technology founders scale their solutions and impact.

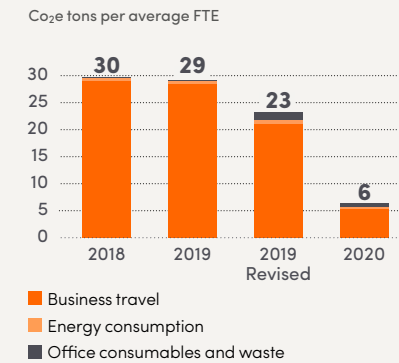
## Offset

In addition to measuring and trying to reduce its own emissions, EQT has also, for the sixth consecutive year, offset all emissions that cannot be avoided. With ‘entrepreneurial’ being one of its core values, EQT has been searching for innovative carbon offset solutions. In 2020, this was done with an investment in a combined portfolio of frontier climate projects, such as biochar, and more traditional projects.

Greenhouse gas emissions, by source 2020



Greenhouse gas emissions intensity



For more information and details on the revised method, please see the Additional sustainability disclosures under section Additional Information.

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Portfolio companies

## Advancing the EQT funds' climate actions

Recognizing that EQT's main impact on the climate is indirect, through the EQT funds, EQT is engaging actively with portfolio companies around this topic and requests greenhouse gas emission data on an annual basis.

To support portfolio companies and in preparation for setting Science Based Targets, EQT has initiated a comprehensive project to map the 2019 and 2020 baselines for the portfolio, starting with applicable EQT funds within Infrastructure, Private Equity and Real Estate. This project aims to improve data comparability, but also increase awareness and inspire further actions.

Other examples of EQT's actions in this area include the establishment of ESG-linked credit facilities for EQT funds within Private Equity and Infrastructure. By linking ESG performance, including greenhouse gas emission reductions, to financial incentives, the facilities have the ability to further drive positive change.

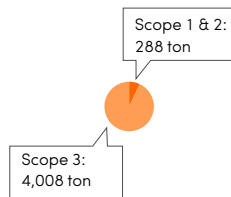
### Going green

As part of the ongoing process to set Science Based Targets, plans to reduce greenhouse gas emissions will be put in place for the EQT funds' portfolio companies. In addition, EQT is making investments to transition the EQT funds' portfolio companies to renewable electricity. In 2020, EQT launched a project to analyze the use of renewable energy and to establish clear roadmaps towards a green transition. At year end, 31 portfolio companies, in total representing 20,000 sites across 50 countries, initiated a detailed energy usage assessment and 19 companies started to evaluate renewable energy alternatives. Around 30 additional EQT funds' portfolio companies will initiate their assessments in Q1 2021.

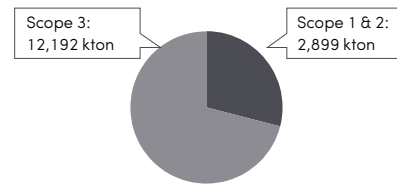
Integrating a climate solution mindset throughout the investment process opens up new opportunities and angles. Several investments made during 2020 had electrification and the reduction of greenhouse gas emissions as key investment themes, such as ferry operator Molslinjen, building technology company thinkproject and refrigerant producer Beijer Ref.

### Greenhouse gas emissions – own operations compared to EQT funds

**EQT AB Group**  
**4,296 ton CO<sub>2</sub>e**



**EQT funds' portfolio companies<sup>1)</sup>**  
**15,091 kton CO<sub>2</sub>e**



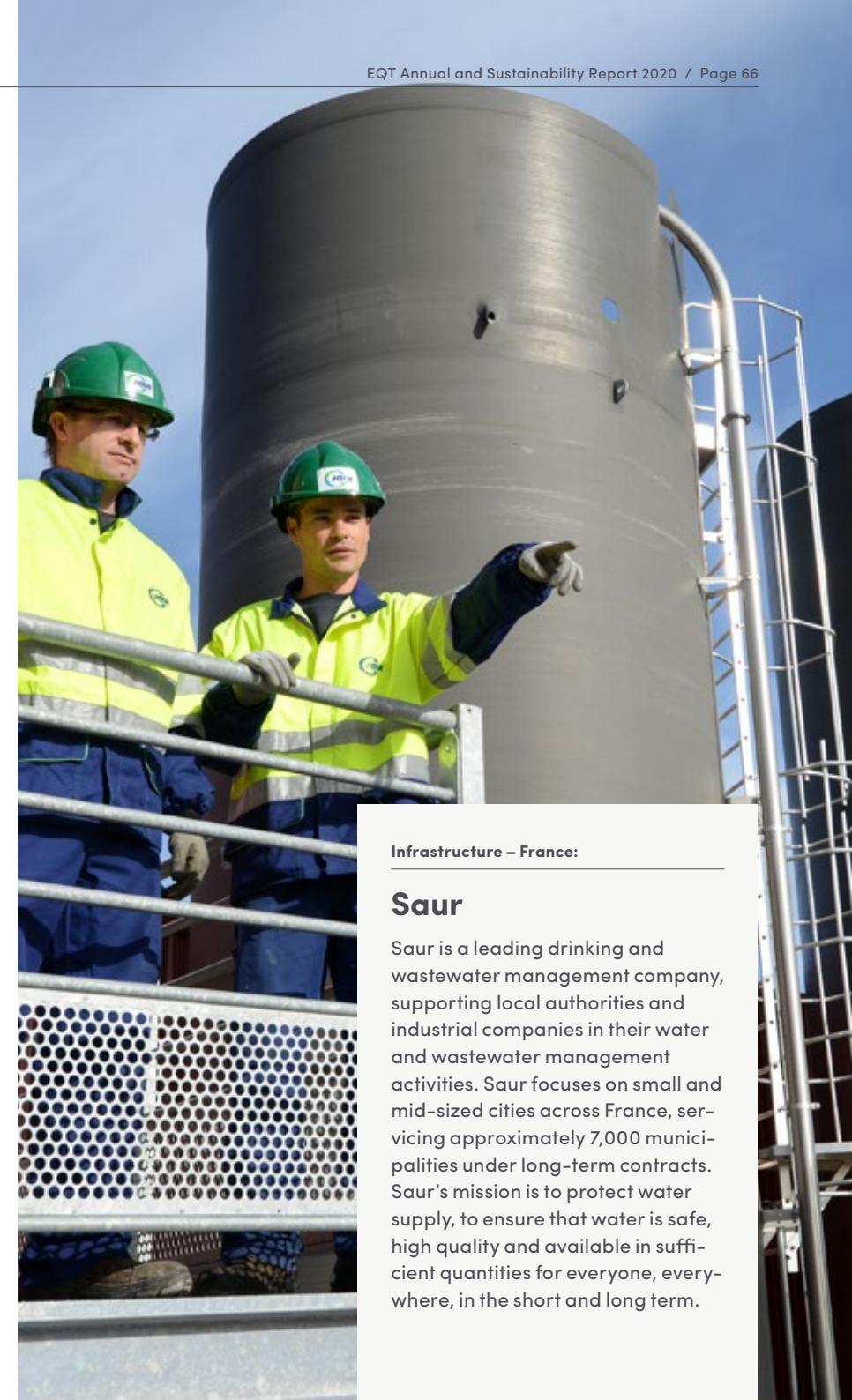
**Average portfolio company**  
**196 kton CO<sub>2</sub>e**

Scope 1 & 2: 38 kton  
 Scope 3: 158 kton

**Median portfolio company**  
**34 kton CO<sub>2</sub>e**

Scope 1 & 2: 4 kton  
 Scope 3: 30 kton

<sup>1)</sup> Data based on 77 EQT funds' portfolio companies within Infrastructure and Private Equity, representing the companies owned as of November 2020. The greenhouse gas emissions data is based on year 2019 and is a mix of actuals and estimates using revenue and industry average proxy data.



Infrastructure – France:

### Saur

Saur is a leading drinking and wastewater management company, supporting local authorities and industrial companies in their water and wastewater management activities. Saur focuses on small and mid-sized cities across France, servicing approximately 7,000 municipalities under long-term contracts. Saur's mission is to protect water supply, to ensure that water is safe, high quality and available in sufficient quantities for everyone, everywhere, in the short and long term.

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# Diversity and inclusion for better decisions and performance

EQT is a strong believer that diversity and inclusion have a positive impact for both our key stakeholders and for society. Increasing diversity across the organization and fostering an environment that values and respects differences contribute to the future-proofing of EQT.

EQT is a promoter of equal opportunity, and believes that all dimensions of diversity such as gender, ethnicity, religion, age, nationality, sexual orientation, educational and socio-economic background are important, and that diverse teams drive better results.

### More gender-diverse investment Advisory Teams

For years, EQT has actively focused on gender diversity and some significant progress towards more gender balanced teams was made in 2020. As there was a drop in the share of women among Investment Advisory Professionals hired in 2019, EQT decided to challenge the whole organization with a very ambitious goal for all teams to aim for 65 percent of Investment Advisory Professional hires during 2020 to be women. This was challenging in a year where the pandemic slowed down recruitments. Even so, 60 percent of the teams reached this goal. In total, 54 percent of the Investment Advisory Professionals hired since the goal was launched were women. As there is often a delay in start dates, 39 percent of all Investment Advisory Professionals that started at EQT in 2020 were women, compared to only 19 percent in 2019. EQT also supported this push with an upgraded recruiting toolbox, which was reviewed for biases.

The number of women in senior positions is also increasing across the organization. In 2020, EQT had three women Partners within the investment advisory organization, compared to only one in 2016. In February 2021, EQT announced the new Partners promoted where 42 percent are women. The number of Partners who are women now comprises around 10 percent of the total Partner group.

### EQT Women’s International Network (WIN)

The progress on gender diversity balance can also be attributed to the internal women’s employee network, WIN, which among other initiatives, runs a mutual mentorship program, aiming to accelerate women’s careers through the support of an experienced mentor and to create a greater understanding of challenges in the organization. The program has been well received among employees and in 2020, the number of participants increased to 49 percent, compared to 36 percent in the previous year.

### Moving beyond gender diversity


In 2020, further steps were taken to move beyond focusing on gender as the top diversity priority. One practical example on the journey to create an inclusive work culture is partnering up with Out Investors, an LGBT+ (lesbian, gay, bisexual, and transgender) network, with the mission to make the direct investing industry more welcoming for LGBT+ individuals.

To continue on this journey and really harvest the benefit of diverse teams, the Conscious Inclusion training provided to all staff focused on developing an understanding and raising awareness of what it takes to be truly inclusive. The Conscious Inclusion training covers how bias operates in the workplace, increases self-awareness, and builds an understanding of the value of an inclusive culture.

In 2021, EQT will find ways to further focus on the broader topic of inclusion and will implement measures for diversity dimensions other than gender so that the Group can continue to progress on the journey to becoming a truly inclusive workplace.



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# Diversity and inclusion

## Three questions for: **Anna Wahlström** Global Head of Human Resources

### Why is EQT embracing diversity?

– We are in the business of making judgment calls, assessing a large variety of companies and industries and making decisions. We know, and research confirms, that diverse teams with different backgrounds, experiences, knowledge and ways of approaching a topic make better business decisions. It is simply good business.

### Gender diversity at EQT has improved over the past 12 months, what have you done differently?

– The results come from the improvements implemented over many years of work. We have focused on understanding why we hired fewer women and then worked to address the specific and factual findings with clear actions and improvements such as changed recruitment processes, outreach activities towards students and young professionals that are women, as well as the demand towards our suppliers to staff more women on our projects.

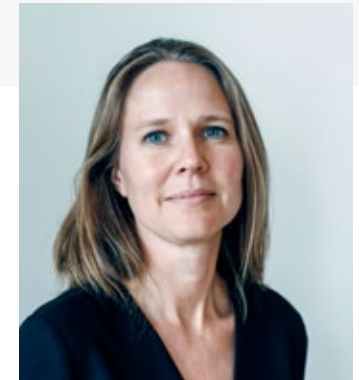
We have utilized the same research-based approach to performance assessment and long term success for women at EQT. Based on the findings, we have taken a number of actions, including training managers on giving feedback, improving scorecards and assessment frameworks to create more transparency, working with

sponsorship and mentorship, and creating an internal understanding of the importance of staffing decisions. We have also improved the family-friendly benefits and made them gender neutral to enable our male colleagues to also take parental leave. In 2020, our focus continued with training in conscious inclusion for the whole organization and the launch of a new recruitment toolkit to support biased free hiring. EQT’s Women’s Internal Network (WIN) has been a vital partner in identifying and implementing relevant and specific actions.

### What is the next step to continue to improve diversity and inclusion at EQT?

– We have now started to broaden the diversity lens more to ensure we become a truly inclusive workplace and that we achieve the business benefits of having a diverse workforce. We will continue to ensure both recruitment as well as internal long-term success by setting more targeted and relevant goals to focus on the areas that are most important to progress on in each part of the

**“We have now started to broaden the diversity lens more actively to ensure we become a truly inclusive workplace and that we achieve the business benefits of having a diverse workforce.”**



business. We will also empower local offices and employee initiatives and create an internal diversity, equality and inclusion council to ensure we continue to understand, learn and challenge ourselves.

We will continue to work with all our stakeholders, as we are dependent on our suppliers and clients to also progress on this important topic. To quote one of our suppliers: “EQT’s 25% service provider rule has shaken us at the core and created real change – now diversity has become a business critical driver for our future as the leadership has realized that EQT will simply not pick us if we don’t deliver. This has completely shifted our hiring and promotion process, thank you EQT”.

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**EQT Network**

## Developing the extended EQT team

One of the assets in EQT’s Playbook is the global network of advisors that are engaged in the entire investment process and often join the boards of portfolio companies. Maintaining and nurturing the EQT Network is essential, especially as the greatest impact starts at the governance level in the portfolio companies. Some of EQT’s advisors are current or former business executives of major international companies, with vast experience in transformation and value creation, while others are ex-politicians or serial entrepreneurs. But above all, they are disruptors, big thinkers and doers and importantly, they share EQT’s values of being respectful, entrepreneurial, high performing, transparent and informal.

### Continuous development of the network

To ensure that the network develops and that relevant knowledge and competencies are available, EQT continuously sources new EQT Advisors, connects them to the right investment processes and evaluates their performance through an annual board appraisal process.

In late 2020, Chairpersons and CEOs from over 80 of the EQT funds’ portfolio companies were invited to the annual, this year fully virtual, EQT Network conference to build skills and share experiences. The invitees discussed EQT’s purpose, future-proofing and positive impact and the conference finished off with a hot chair discussion with senior leaders from the Group.

### Small steps towards gender balanced boards

EQT is working hard to make the EQT Network more diverse. Efforts have been made to improve this, such as through dedicated talent searches, broadly as well as more focused on EQT’s key sectors.

In early 2020, a new target was introduced to improve board gender diversity in the EQT funds’ portfolio companies. While the target of 25 percent was not reached, there was a change in the right direction when looking at the average share of women independent board members appointed by EQT, increasing from 16 percent to 21 percent. The measure of independent board members excludes EQT’s own investment advisory professionals as well as board members the EQT funds do not have appointment rights over.

In the EQT funds covered by the new ESG-linked credit facilities, a more ambitious target has been set to incentivize increased board gender diversity further. There, the share of women board members appointed by EQT in portfolio companies of the EQT funds should over time comprise at least 40 percent.

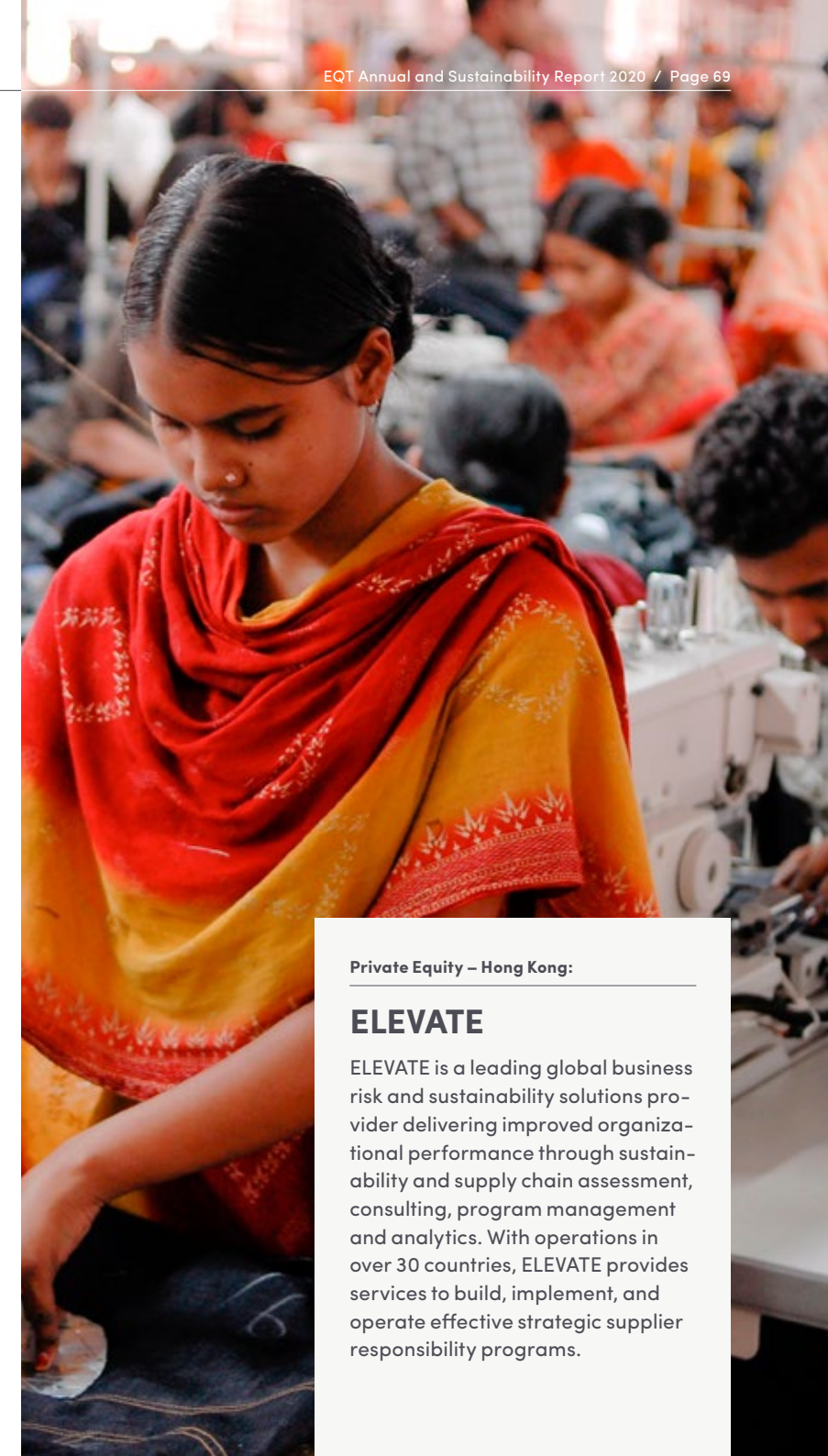
The aspiration for gender-balanced boards continues and EQT is determined to do more to improve in this regard, for example by using various search channels and implementing new initiatives to identify great diverse candidates for the future.

### Board diversity across EQT funds’ portfolio companies

Average share women

	2020 (n = 83 PCs)	2020 Target	2019 (n = 77 PCs)
Independent board members appointed by EQT	21%	25%	16%
All board members	17%		13%
Chairpersons	11%		9%

Note: The metrics above cover EQT funds’ portfolio companies within Private Equity and Infrastructure, i.e. the investment strategies where EQT funds typically have control or co-control.




### Private Equity – Hong Kong:

## ELEVATE

ELEVATE is a leading global business risk and sustainability solutions provider delivering improved organizational performance through sustainability and supply chain assessment, consulting, program management and analytics. With operations in over 30 countries, ELEVATE provides services to build, implement, and operate effective strategic supplier responsibility programs.

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# Relationship between sustainability and financial performance

EQT is convinced that there is a positive correlation and mutual reinforcement between sustainability and financial performance. This is one of the reasons for our deep focus and investment in this area, which we believe creates value for investors, in portfolio companies and in society at large.

## Becoming the preferred partner for founders

A venture capital deal typically includes a term sheet outlining the basic terms and conditions under which an investment will be made. While not always legally binding, term sheets are morally binding in our industry. Since 2019, the EQT Ventures funds have been adding a clause in the term sheets, stating as conditions to the fund’s investment that the founders must agree to develop Diversity & Inclusion policies, and agree to disclose any potential issues regarding #metoo incidents.

The approach is new in Europe, and noteworthy because term sheets are short and high-level. To introduce this level of “detail” at an early stage therefore sends a strong signal of its importance to the EQT Ventures funds.

In late 2020, this approach was expanded to include that founders will also need to adopt a Sustainability Policy. *Insisting on these simple yet impactful clauses are important even if the EQT Ventures funds typically make minority investments. We believe it is the right thing to do, even our obligation to do it, and also that founders will be more inclined to work with EQT because of it.* We are now spreading the word to other venture capital firms, who are keen to follow suit.

By **Ashley Lundström**  
Investment Advisor,  
EQT Ventures  
Stockholm, Sweden



## Positive impact underpins valuation

Certara, acquired by EQT VII in 2017, is the global leader in model-informed drug development and regulatory science. Certara’s solutions help inform the drug development and regulatory approval process and address the key efficacy, safety, productivity and commercial challenges facing the biopharma industry. Certara’s clients include 1,600 global biopharmaceutical companies, leading academic institutions, and key regulatory agencies across 60 countries.

*The investment in Certara is an example of EQT’s thematic approach and our purpose to make a positive impact. Certara’s main societal contribution is to accelerate medicines to patients using proprietary biosimulation software and technology to transform traditional drug discovery and development.* During EQT VII’s ownership, the focus was on professionalizing the business and accelerating growth via investments in next-generation science and technology. Since 2014, Certara’s biosimulation customers have received over 90% of all new drug approvals by the U.S. Food and Drug Administration. Inspired by its



partnership with the Bill & Melinda Gates Foundation, the company has formed Certara Global Health to focus on helping to achieve equity in health for all people worldwide.

In December 2020, Certara was listed on the Nasdaq Global Select market, representing EQT’s first IPO in the US. EQT VII remains a significant shareholder, with 49 percent ownership post-IPO.

By **Eric Liu**  
Investment Advisor, EQT Private Equity  
New York, United States

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## Growth through circular solutions for a cleaner planet

“ Desotec has pioneered the market for purification of liquids and gases through mobile activated carbon filtering solutions. The company is the European leader in this field and provides environmental services that help customers operate in a more sustainable way. Desotec was acquired by the EQT VII fund in 2017, and today has a fleet of ~2,700 mobile filters and four state-of-the-art reactivation furnaces.

Desotec’s solutions are delivered through an innovative circular model. First, mobile filters at the clients’ sites capture pollutants by using activated carbon, a non-hazardous product that acts like a sponge. Once saturated, filters are brought to Desotec for reactivation to enable the reuse of carbon and the recovery of other resources. After reactivation, filters are redeployed to the clients for recurring service.

Investing in Desotec meant investing in a cleaner planet. Following and supporting Desotec in furnace and filter fleet investments as well as Desotec’s digitization and sustainability efforts has been super exciting! It really showcases the win-win of investing in companies that provide solutions to societal problems.



**Desotec has delivered strong financial performance, but also, and equally important, has contributed to protecting clean water, air and soil, and reducing CO<sub>2</sub> emissions equivalent to 80,000 passenger cars annually.** I personally feel privileged and proud to have been part of this journey over the past three years.

By **Bert Janssens**  
Investment Advisor, EQT Private Equity  
Amsterdam, the Netherlands

## Investing in future-proofed transports on water

“ In December 2020, EQT Infrastructure V agreed to acquire Molslinjen, Denmark’s largest passenger ferry company and a critical part of the country’s transportation infrastructure. Its network of “floating bridges” links Denmark’s major population centers and connects several important islands with the mainland. Molslinjen thereby contributes to Denmark’s local and regional economic activity and social development.

Over the past decade, Molslinjen has built an impressive track record of phasing out fossil fuels, achieving a reduction of its CO<sub>2</sub> emissions per transported kg by over 60 percent. In the years to come, the company will continue to invest in the decarbonization of its ferry fleet to further reduce its environmental footprint. As part of our commitment to a renewable energy transition, EQT will support Molslinjen in introducing electric ferries on selected routes and in pursuing solutions involving other renewable fuel sources for larger vessels.

**EQT believes that the next development phase of Molslinjen will be defined by an ambitious sustainability agenda**

**underpinned by substantial investments. These investments will further future-proof the company and secure its long-term “license to operate”, making it a more attractive partner for Danish society, passengers and employees, as well as a more valuable company for future owners.**


By **Daniel Pérez**  
Investment Advisor, EQT Infrastructure  
Stockholm, Sweden





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# 10

## Investing in EQT



### Infrastructure – New Zealand:

## Metlifecare

Metlifecare owns and operates retirement villages and aged care facilities in New Zealand. The company provides supportive environments, which empower people to live the life they choose, and outstanding care to more than 5,600 New Zealanders in 25 retirement villages, located predominantly in the country's upper North Island.

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# EQT investment case

EQT AB is listed on Nasdaq Stockholm. The EQT AB Group manages, advises and invests in the EQT funds. EQT’s revenues primarily consist of management fees from the EQT funds as well as a share of profits, consisting of investment income and carried interest, which primarily relate to investments in the EQT funds. With strong returns for its clients, EQT can grow assets under management and management fees, but also carried interest.

## EQT is a purpose-driven global investment organization

With its roots in the Wallenberg family’s entrepreneurial mindset and philosophy of long-term ownership, EQT is guided by a set of strong values and a distinct corporate culture. EQT’s purpose is to future-proof companies and make a positive impact.

### Our values

- What we stand by**
- High performing
  - Respectful
  - Entrepreneurial
  - Informal
  - Transparent

### Our purpose

**Why we exist**  
To future-proof companies and make a positive impact.

### Our vision

**What we strive for**  
To be the most reputable investor and owner.

### Mission

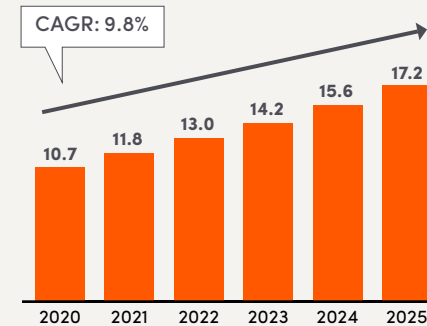
**What we do and how**  
With the best talent and network around the world, EQT uses a thematic investment strategy and distinctive value creation approach to future-proof companies, creating superior returns for EQT’s investors and making a positive impact with everything we do.

## EQT operates in a growth market

EQT operates in a growth market where alternative assets have experienced strong growth over the last ten years.

Growth is expected to continue with an average of approximately 10 percent per year until 2025.

Alternative Assets under Management (Stn)



Source: Preqin

## EQT is a global leader in active ownership strategies

EQT has more than 700 employees across 17 countries. EQT is a global leader in active ownership strategies. Across Private Equity and Infrastructure, EQT is the second largest player globally by active funds. Within Infrastructure, EQT is the third largest player globally by active funds.

With Exeter, EQT will be in the top four globally in active ownership strategies across Private Equity, Infrastructure and Real Estate.



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### EQT has a unique toolbox for value creation - the EQT Playbook

- 1 Thematic and sector-based approach
- 2 Local-with-locals
- 3 House of value creation
- 4 Governance model
- 5 EQT Network
- 6 Digitalization
- 7 Sustainability

### EQT's success has been built on strong returns for its clients

#### Private Capital

**22%**  
NET IRR<sup>1)</sup>

**2.5x**  
Realised Gross MOIC<sup>1)</sup>

#### Real Assets

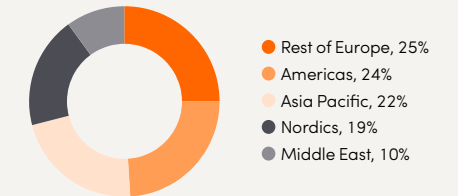
**15%**  
NET IRR<sup>1)</sup>

**2.4x**  
Realised Gross MOIC<sup>1)</sup>

### EQT has a proven fundraising track record and a broad client base

Since EQT's inception, more than EUR 84 billion has been raised. The fund investor base includes more than 500 investors.

#### AUM by fund investor geography



### EQT is a thematic investor

#### Key themes

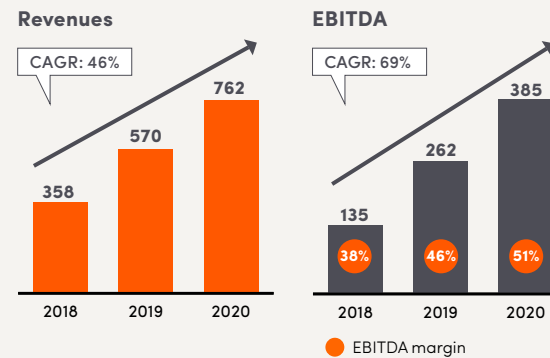
- Key themes**
- Automation
  - Big data
  - Digitalization
  - E-commerce
  - Sustainability
  - Urbanization
  - Aging population
  - Connectivity

#### Key sectors per business segment

- EQT Private Capital**
- Healthcare
  - Technology
  - Tech-enabled services
  - Industrial businesses
- EQT Real Assets**
- Social infrastructure
  - Telecommunications
  - Energy
  - Transport & Logistics
  - Environmental infrastructure

### EQT's business is growing and profitable with recurring revenues

EQT's revenues are driven by the EQT funds' AUM and returns. With strong returns for its clients, EQT can grow AUM and management fees, but also carried interest. EQT's cost base is predictable and mainly driven by personnel expenses.



### EQT shares have gained 214% since the IPO in September 2019

- Dividend to shareholders of SEK2.20 per share paid in 2020 for fiscal year 2019.
- Proposed dividend of SEK 2.40 per share for fiscal year 2020.




<sup>1)</sup> Includes EQT funds raised prior to 2012 which are not managed by the EQT AB Group, excludes Public Value.

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# 11

## Financial statements

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### Private Equity – Finland:

## Musti Group

Musti Group is the leading Nordic pet care specialist, offering a wide and curated range of pet supplies, accessories, foods and services. During EQT's ownership, Musti Group was transformed from a Finnish retail concept into the leading omnichannel player in the Nordic pet care market, with hundreds of stores across Finland, Sweden and Norway.



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# Board of directors' report

The board of directors and the CEO of EQT AB (publ) (reg. no. 556849-4180) with its registered office in Stockholm, Sweden submit the annual report and consolidated financial statements for the 2020 financial year.

## REVENUES AND NET INCOME

Revenues for the period increased to EUR 708.7m (EUR 563.9m). The increase in revenues was partly driven by carried interest and investment income amounting to EUR 99.8m in 2020 compared to EUR 24.8m in 2019. Adjusted revenues of EUR 761.6m (EUR 570.3m) are adjusted by removing the fair value step-up on the, in April 2019, acquired contractual right to carried interest and instead applying EQT AB Group's accounting policies and the related constraint requirements of IFRS 15 (the discount).

Total operating expenses during the year amounted to EUR 368.6m (EUR 367.3m), driven by expansion and build-out of the organization.

EBITDA increased to EUR 340.0m (EUR 196.6m) corresponding to a margin of 48.0% (34.9%). Adjusted EBITDA amounted to EUR 385.3m (EUR 262.4m) corresponding to a margin of 50.6% (46.0%).

Depreciation and amortization amounted to EUR 35.1m (EUR 29.8m), primarily related to facility lease agreements including new offices in Sydney and Paris and the Stockholm office as of May 2019.

Net financial income and expenses amounted to EUR 6.2m (EUR -5.5m). This is primarily comprised of currency translation differences and interest expenses relating to lease agreements according to IFRS 16.

Income taxes amounted to EUR 28.3m (EUR 11.8m) primarily driven by an increased profit before tax.

Net income for the period from continuing operations increased to EUR 282.8m (EUR 149.4m). Adjustment items affecting net income, including tax effects, amounted to EUR 46.9m (EUR 53.0m). Adjusted net income for the period from continuing operations was EUR 329.7m (EUR 202.4m).

Earnings per share for continued operations before and after dilution amounted to EUR 0.297 (EUR 0.176) and EUR 0.297

(EUR 0.175), respectively. Adjusted earnings per share for continued operations before and after dilution amounted to EUR 0.346 (EUR 0.238) and EUR 0.346 (EUR 0.238), respectively.

Adjustment items affecting EBITDA amounted to EUR 45.2m (EUR 65.8m) and relates to an adjustment of revenues for fair value step-up on the, in April 2019, acquired contractual right to carried interest as well as a reversal of part of the provision recorded during 2019 relating to the VAT ruling. Adjustment items affecting EBITDA in 2019 related to preparatory work as well as bonuses in relation to the IPO process and the restructuring of the EQT AB Group as well as cost as a result of the VAT ruling.

## CASH FLOW AND FINANCIAL POSITION

Goodwill and Other intangible assets amounted to EUR 25.4m (EUR 36.9m). The decrease of EUR 11.5m is driven by amortization.

Property, plant and equipment amounted to EUR 112.6m (EUR 112.5m).

Financial investments increased by EUR 96.5m to EUR 167.0m (EUR 70.5m) primarily driven by increased investments from EQT AB Group into EQT funds as well as pre-fund investments as a result of the Growth strategy.

Current assets amounted to EUR 1,291.3m (EUR 1,193.2m). The increase in current assets was primarily driven by accrued income relating to recorded but not yet received carried interest. Cash and cash equivalents at the end of the period amounted to EUR 878.0m (EUR 908.5m).

Equity increased to EUR 1,262.8m (EUR 1,081.8m). The increase is primarily driven by current year's net income.

Non-current liabilities amounted to EUR 74.5m (EUR 78.0m). Current liabilities amounted to EUR 285.3m (EUR 269.1m). The increase is mainly explained by increased bonus provisions as a result of an increased number of employees.

## EXPECTATIONS FOR 2021

Continued investments in EQT's platform and people including expansion of fundraising capabilities, and further investments in people and technology across EQT's Central platform are

expected. Preparations for APAC strategy are ongoing and EQT's evaluation of potential long-hold investment strategies is set to continue.

## PERSONNEL

Number of full-time equivalent employees (FTE), at year-end 2020, amounted to 653 (606) excluding Credit. The increase is driven by i.a. the EQT Growth strategy, the Infrastructure Advisory Team in anticipation of EQT Infrastructure V and within Central to continue to strengthen the EQT platform.

## SIGNIFICANT EVENTS DURING THE YEAR

### Significant events and transactions

On 21 December 2020, EQT signed a five-year EUR 1 billion revolving credit facility (RCF). The RCF will increase the financial flexibility of EQT and be used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. The RCF will incorporate a pricing mechanism linked to ESG-related objectives, lowering the interest rates if targets are met, and increasing them if targets are not achieved. It will thus be in line with EQT's overall approach of integrating sustainability throughout its activities, both on EQT AB Group level and within funds advised by EQT.

Fundraising of EQT IX (target fund size of EUR 14.75bn and hard cap of EUR 15.0bn) progressed according to plan albeit with an increasing share of work handled remotely and digitally.

During the first half of 2020 preparations intensified for EQT Infrastructure V. The target size for EQT Infrastructure V was set at EUR 12.5bn as announced on 30 June 2020 and is progressing according to plan. Hard cap was set at EUR 15.0bn.

On 27 January, 2020 the Supreme Administrative Court of Sweden ("SAC") announced its decision on the appealed advance tax ruling regarding VAT for EQT AB's Swedish subsidiary EQT Partners AB. The SAC mainly subscribed to the approach of the Swedish Tax Agency why, as a result of current accounting practice, a one-off provision of EUR 32.0m was recorded in 2019. The decision is not expected to have a material impact on EQT AB Group's future financial position or result. On 8 January 2021 the Swedish Tax Agency issued its

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reassessment decision, see further under Significant events after 31 December 2020.

As announced in EQT’s quarterly announcement on 23 January 2020, EQT initiated a review of strategic options for the business segment Credit. Following the review, it was decided to divest the business segment Credit to Bridgepoint as communicated on 18 June 2020. Following the signed agreement and as communicated on 26 October 2020, the transaction was completed. The business segment Credit is reported as a discontinued operation together with capital gain and costs relating to the transaction.

As for any organization, the Covid-19 development has brought uncertainty and disruption. The situation continues to be carefully monitored and EQT is in close dialogue with respective portfolio companies. On the transaction side, EQT’s thematic investment strategy has continued to identify and execute attractive opportunities and the portfolio value creation agenda is on track. Only a few of the EQT funds’ portfolio companies operate in the hardest hit sectors, but a prolonged pandemic may have a negative impact across the portfolio.

**INCENTIVE PROGRAMS**

In 2019, the annual shareholders’ meeting in EQT AB resolved to implement a share program for the EQT AB Group employees. The objective of the share program is to align employees’ performance to the interest of the shareholders, based on performance metrics tailored to EQT’s strategic goals. The share program is divided into five separate annual grants, with maximum dilution of approximately 0.3 percent per annual grant, and approximately 1.0 percent in total. During the initial year of each grant an amount may be earned, depending on the outcome of the performance metrics, which after that year is settled in the number of shares in EQT that corresponds to the amount earned. The shares constitute non-listed class C shares, with rights to receive dividends and with 0.1 vote, that will be held for three years before being converted into ordinary shares that can be traded. No vesting conditions apply during the three-year holding period. During 2019, a new share issue of 8,663,490 class C shares was carried out and subsequently repurchased for the purpose of delivering class C shares within the scope of the share program. In relation to the 2019 grant 365,406 class C shares were allotted to the participants in the beginning of 2020. Total expense during 2020 for the share-based program amounts to EUR 18.9m (EUR 11.0m).

**Related parties**

No significant related party transactions have occurred during the period.

**EVENTS AFTER THE REPORTING PERIOD**

On 8 January 2021 the Swedish Tax Agency issued its reassessment decision for the majority of the period for which EQT Partners AB had recorded a provision as a result of the VAT ruling announced by the Supreme Administrative Court on 27 January 2020. The decision resulted in a reversal of EUR 7.8m in the provision recorded during 2019.

As announced on 26 January 2021 EQT has signed an agreement on the combination with Exeter Property Group (“Exeter”), delivering on EQT’s strategic ambition in Real Estate as well as EQT’s plan to grow its presence in North America. Exeter has a strong performance and growth track-record and fits perfectly with EQT’s culture and focus on value-add strategies. With 37 local deal offices, Exeter combines local execution with a global reach, mirroring EQT’s local-with-locals approach. Exeter brings 60 new fund investors to EQT and adds USD 10.2 billion in AUM. Total consideration is USD 1,870 million on a cash and debt free basis, of which approximately USD 800 million to be satisfied through issue of new EQT AB ordinary shares, with number of EQT AB ordinary shares to be issued determined by the volume-weighted average closing price of EQT AB’s ordinary shares for the 30 trading days preceding the date that is one business day before 26 January 2021 (equal to approximately 33 million shares, corresponding to a dilution of approximately 3.3 percent) and is subject to adjustment based on Exeter’s balance sheet on completion. The share consideration for Exeter management shareholders to join EQT AB will be subject to customary lock up provisions, consistent with the lock ups of current EQT partners, of which 25 percent is to be released in Q4 2022, 25 percent in Q4 2023 and 50 percent in Q4 2024. The lock up agreements will also include a forfeit mechanism. The share consideration for TA Associates will not be subject to lock up. The proposed consideration is expected to equate to a mid-teens EBITDA multiple on a run-rate basis at completion. The transaction, which is subject to customary closing conditions, is expected to complete in the second quarter of 2021.

**PARENT COMPANY**

The parent company’s profit before tax amounted to SEK 1,159.1m (SEK 1,602.6m). The decrease is mainly explained by a timing effect of dividends from subsidiaries. As a result of the decision last year to set up a separate treasury entity the majority of the cash in EQT AB has now been transferred to EQT Treasury AB.

**THE SHARE**

EQT AB’s ordinary shares are listed on Nasdaq Stockholm in the Large Cap segment. As of 31 December 2020, there were 952,983,900 ordinary shares and 365,406 non-listed Class C shares are outstanding. Ordinary shares carry 1 vote per share and Class C shares carry 0.1 vote per share. The quota value of the shares are SEK 0.1. See Note 15 for further information.

In addition to what is disclosed in Note 15 there are no restrictions on the transferability of shares due to statutory provisions, articles of association or, as far as EQT AB is aware, in shareholders agreements.

For information regarding changes in EQT’s share capital resulting from, and lock ups entered into as part of, the combination with Exeter, please refer to the heading “Events after the reporting period” above.

**SUSTAINABILITY**

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, EQT has elected to prepare the statutory sustainability report separately from the Board of directors’ report. The scope of the statutory sustainability report is given on page 145.

**GUIDELINES FOR EXECUTIVE REMUNERATION (REMUNERATION POLICY)**

Set forth below are the Board’s proposed guidelines for executive remuneration, to be adopted by the Annual Shareholders’ Meeting 2021. The guidelines for executive remuneration approved by the Annual Shareholders’ Meeting are presented in Note 7. During 2020, there were no deviations from the guidelines.

**GUIDELINES FOR EXECUTIVE REMUNERATION**

The CEO, the deputy CEO and other members of the Executive Committee (executive management) fall within the provisions of these guidelines. To the extent a board member conducts work for EQT, in addition to the board work, consulting fees and other

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compensation for such work may be paid. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual shareholders’ meeting 2020. These guidelines do not apply to any remuneration separately decided or approved by the shareholders’ meeting.

EQT has a clear remuneration philosophy (including for variable cash) applicable across the whole group which also governs the remuneration to the Executive Committee and links compensation to EQT AB Group’s business strategy, sustainability, long-term interests and long-term value growth for its shareholders.

Most important is to incentivize fund performance and ensure aligned interest with our limited partners in the EQT funds, EQT AB’s shareholders as well as EQT’s long term approach. EQT is a performance driven organization focused on long-term value creation in line with our culture. Team performance and individual performance are important – therefore we reward both. Performance is key to our success and we award higher performance with higher compensation.

To be able to achieve the business goals, EQT needs to be able to attract and retain world class talent suitable for each role. To achieve this, EQT applies market competitive total compensation.

EQT compensate locally based on geography and in line with local practice and regulations, taking into account, to the extent possible, the overall purpose of these guidelines.

The principles in these guidelines enable EQT AB to offer the Executive Committee a competitive total remuneration.

For more information regarding the EQT AB Group’s business strategy, please see EQT AB’s webpage, [www.eqtgroup.com](http://www.eqtgroup.com).

**EQT SHARE PROGRAM**

An incentive program, the EQT Share program, has been implemented in the EQT AB Group. The EQT Share program has been resolved by the shareholders’ meeting and is therefore excluded from these guidelines. The program includes members of the Executive Committee in EQT AB. The performance criteria used to assess the outcome of the program are distinctly linked to the EQT AB Group’s business strategy, sustainability, long-term interests and value growth for its shareholders. These performance criteria comprise financial targets, inter alia, revenue

growth and EBITDA, and in addition thereto the general competitiveness as well as the individual meeting or exceeding EQT AB’s highly set expectations on adding value to the EQT platform. The participants will invest a variable amount (financed by EQT) in C shares after a performance year, whereupon a three-year (approximately) holding period follows. For more information regarding the EQT Share program, including the criteria which the outcome depends on, please see [eqtgroup.com/shareholders/corporate-governance/incentive-programs/](http://eqtgroup.com/shareholders/corporate-governance/incentive-programs/).

**TYPES OF REMUNERATION, ETC.**

The remuneration shall be on market terms and may consist of the following components: fixed remuneration, variable cash remuneration, pension benefits and other benefits. Additionally, the shareholders’ meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

**Fixed remuneration**

The fixed remuneration, i.e. base salary, should be competitive and reflect responsibility and performance.

**Variable remuneration**

The satisfaction of criteria for awarding variable cash remuneration, within the EQT Bonus program, shall be measured over a period of one year. The variable cash remuneration may amount to no more than 100 percent of the annual base salary.

The EQT Bonus program consists of a performance assessment of the business as well as an individual performance assessment. Important business performance factors determining the size of the bonus is the success of the underlying business measured by business performance in the funds (investments and exits as well as portfolio and fund performance), business profitability, fundraising, sustainability as well as organizational development. The individual performance is assessed versus agreed targets as well as meeting, exceeding or not meeting high set individual performance expectations for the individual in the current role.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee shall be responsible for the evaluation so far as

it concerns variable remuneration to the CEO. For variable cash remuneration to other members of the Executive Committee, the CEO shall be responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by EQT AB.

The Executive Committee partly consists of owners of EQT AB. Owners that owned above 1.5 percent of the shares of EQT AB at IPO may not be comprised by the EQT Bonus program, i.e. variable cash remuneration, nor the EQT Share program. Therefore, total remuneration for the majority of the Executive Committee consists of base salary, pension benefits and other benefits.

**Pension**

All members of the Executive Committee shall be covered by defined contribution pension plans, for which pension premiums shall be based on the members’ base salary and paid by the company during the period of employment. For current members of the Executive Committee pension contributions shall be based on base salary and follow contribution levels in accordance with local market practice, except for the application of a cap. For Sweden, this means that it shall be comparable to the old BTP-plan with a contribution cap for base salary exceeding 40 Income base amounts. The pension premiums shall amount to no more than 25 percent of the annual base salary.

**Other benefits**

Other benefits, such as insurances (health, life, travel), sports contributions or occupational health services, should be payable to the extent this is considered to be in line with market conditions in the market concerned. Premiums and other costs relating to such benefits may amount to no more than 25 percent of the annual base salary.

**TERMINATION OF EMPLOYMENT AND TERMS FOR SEVERANCE PAY FOR THE CEO**

A twelve month notice period will apply if notice is given by the CEO or EQT AB. The CEO’s employment terms include a non-competition clause. If used, this would entitle the employee to an additional compensation corresponding to a maximum of twelve months’ salary, however, reduced by any remuneration paid by a new employer.



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**TERMINATION OF EMPLOYMENT AND TERMS FOR SEVERANCE PAY FOR SENIOR EXECUTIVES**

In the event of notice being given by the EQT AB Group, a notice period of nine months applies, while in the event of notice being given by the senior executive a period of notice of six months applies. The senior executives’ employment terms also include a non-competition clause. If used, this entitles the employee to an additional compensation corresponding to a maximum of nine months’ salary, however, reduced by any remuneration paid by a new employer. Base salary during the notice period and severance pay may not together exceed an amount corresponding to the base salary for eighteen months. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

**SALARY AND EMPLOYMENT CONDITIONS FOR EMPLOYEES TAKEN INTO ACCOUNT DURING PREPARATIONS OF THESE GUIDELINES**

In the preparation of the board of directors’ proposal for these remuneration guidelines, salary and employment conditions for employees of the EQT AB Group have been taken into account by including information on the employees’ total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee’s and the board of directors’ basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

**THE DECISION-MAKING PROCESS TO DETERMINE, REVIEW AND IMPLEMENT THE GUIDELINES**

The board of directors has established a remuneration committee. The committee’s tasks include preparing the board of directors’ decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the shareholders’ meeting. The guidelines shall be in force until new guidelines are adopted by the shareholders’ meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Executive Committee, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation

levels in the EQT AB Group. The members of the remuneration committee, apart from Conni Jonsson, are independent of EQT AB and its Executive Committee. The CEO and other members of the Executive Committee do not participate in the board of directors’ processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

**DEVIATION FROM THE GUIDELINES**

The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there may be special cause for the deviation and a deviation should be necessary to serve the EQT AB Group’s business strategy, sustainability, long-term interests and long-term value growth for its shareholders, or to ensure the EQT AB Group’s financial viability. As set out above, the remuneration committee’s tasks include preparing the board of directors’ resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

**DESCRIPTION OF MATERIAL CHANGES TO THE GUIDELINES AND HOW THE VIEWS OF SHAREHOLDERS’ HAVE BEEN TAKEN INTO CONSIDERATION**

No material changes have been made to these suggested guidelines, compared to the guidelines previously approved. However, it has been clarified that sustainability shall be taken into consideration in relation to variable remuneration. Furthermore, the previous Capital Raising and Client Relations responsible was entitled to a variable remuneration corresponding to maximum 700 percent of the annual base salary. Following changes in the composition of the Executive Committee during 2020, this is no longer applicable. Finally, it has been clarified that owners that owned more than 1.5 percent of the shares of EQT AB at the IPO may not be comprised by the EQT Bonus program nor the EQT Share program.

**CORPORATE GOVERNANCE**

EQT prepares its Corporate Governance Report as a separate document from the statutory annual report. Please see page 134.

**PROPOSAL FOR THE DISTRIBUTION OF NET INCOME**

The board of directors proposes a dividend for 2020 of SEK 2.40 per share, to be paid out in equal installments in June and December 2021, respectively.

Holders of ordinary shares and Class C shares are equally entitled to dividend. The dividend will be based on the number of shares outstanding as of each record date.

Standing at the disposal (in SEK) of the annual shareholders’ meeting, in accordance with the balance sheet of EQT AB:

Share premium reserve	8,983,811,720
Profit brought forward	528,803,875
Net income	1,059,562,212
<b>Total</b>	<b>10,572,177,807</b>

The board proposes that, following approval of the balance sheet of EQT AB for the financial year 2020, the annual shareholders’ meeting should distribute the earnings as follows:

Dividend to shareholders:

SEK 2.40 per share	2,288,038,334 <sup>1)</sup>
Retained earnings	8,284,139,473
<b>Total</b>	<b>10,572,177,807</b>

<sup>1)</sup> Based on the number of outstanding shares at December 31, 2020. The amount of the dividend may change due to issue of new shares up until the record date as a result of the signed agreement on the combination with Exeter Property Group (“Exeter”). See Events after the reporting period.

It is the board’s opinion that the proposed dividend is justifiable taking into consideration the demands that the nature, scope and risks of EQT’s operations place on the size of EQT AB’s and EQT AB Group’s equity, and EQT AB’s and EQT AB Group’s consolidation needs, liquidity and financial position in general.

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# Managing risks

As an investment organization, it is EQT’s ambition to achieve superior risk-adjusted returns. Therefore, the primary risk to EQT’s business and future development is the risk of weak fund performance relative to its peers. This section provides an overview of the various risks and uncertainties that could materially affect the EQT AB Group’s operations, financial position and/or earnings and how EQT responds to them.

The EQT AB Group identifies, assesses and manages risks based on EQT’s purpose, vision and mission. A group risk analysis of business, strategic, legal, tax, operational and financial risks is performed annually by the Risk Committee. The Group risk analysis is documented in a risk map, presented to the audit committee and the board of directors annually.

## Business risks

### Weak fund performance

If the EQT funds, advised by entities in the EQT AB Group, were to perform unsatisfactorily, this could affect the carried interest and investment income received by the EQT AB Group and could damage EQT’s brand and reputation and long-term prospects.

## Risk management

All proposed investments go through a thorough due diligence and approval process during which all key aspects of the transactions, company and industry are discussed and assessed. Within each business line, an Investment Committee recommends the transaction before it is presented to the Investment Advisory Committee for endorsement and to the Fund Manager for final approval.

The portfolio companies’ performance is monitored on an ongoing basis. In addition to the monthly and quarterly reviews of the portfolio companies’ financials, the Portfolio Performance Review (“PPR”) tracks the progress of each investment from an owner’s perspective, focusing on performance, value creation, but also on topics such as management, governance, culture, digitalization, sustainability, and financial transparency. The role of the PPR is to identify opportunities and warning signs early on and to advise the relevant parties accordingly.

At deal level, strong governance rights ensure EQT’s ability to support the business strategy and execution of the business plan in the portfolio company. In addition, size limits per investment ensure that the fund is not materially affected by the underperformance of a single investment.

Finally, the Global Investment Forum (“GIF”) reviews overall performance and aggregate exposures across all funds in the EQT AB Group, to ensure consistency in the business lines’ investment approach and drive performance in a disciplined manner. The GIF comprises the CEO, Chairman of the Board, Head of Private Equity, Head of Real Assets, Head of Capital Raising, Deputy Managing Partner and COO (as voluntary).

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Business risks	Risk management	Business risks	Risk management
<p><b>Market conditions and changed trends in private markets</b></p> <p>Difficult market conditions may impact the performance of the EQT funds by affecting the portfolio companies’ revenues and restricting their ability to source investment opportunities, exit investments, or obtain favorable debt financing for potential acquisitions.</p> <p>The EQT AB Group’s AUM is also affected by market trends, including increased competition or the risk that fund investors may decrease their allocation to private markets. If the positive trends in the asset management industry do not continue or if the industry becomes subject to negative trends, this may impede the EQT AB Group’s ability to raise capital for new funds.</p>	<p>To meet the demands of fund investors, the EQT AB Group has a multi-strategy platform including, inter alia, Private Capital and Real Assets, enabling fund investors to simplify their investment manager relationships by investing across multiple investment strategies with the same manager.</p> <p>EQT has grown to more than 500 fund investors as of December 2020. Further, EQT has kept a low level of concentration of fund investors, with no fund investor accounting for more than 3 percent<sup>1)</sup> of AUM, which provides diversification and less dependency on single investors.</p>	<p><b>Inability to meet fundraising targets</b></p> <p>The development of the EQT AB Group’s AUM is primarily dependent on the EQT AB Group’s ability to raise new funds and deliver attractive returns to fund investors.</p> <p>Even if AUM grows as expected, the management fees may decline in percentage terms, due to supply and demand factors, historical and expected performance of the EQT funds and industry standard fee levels.</p>	<p>Whilst EQT does not have control over external macro-economic factors, EQT’s project-based fundraising processes help minimize the risk of not meeting fundraising goals by ensuring EQT acts on the opportunities available to the extent possible.</p>
	<p><sup>1)</sup> Excluding Investor AB</p>	<p><b>Unsuccessful execution of new business initiatives</b></p> <p>The EQT AB Group’s growth strategy involves geographic expansion, expanding into new asset classes and developing other new business initiatives. Given its ambitious goals, there is a risk that EQT does not deliver on its strategic objectives, meet public market expectations, or succeed in delivering shareholder value.</p> <p>New initiatives may be difficult to launch, especially in areas where EQT does not have a proven track record or may entail significant difficulties or costs. Furthermore, the EQT AB Group may be directly exposed to new business if business initiatives are financed with the Group’s own capital.</p>	<p>EQT has a dedicated Business Development team which project-manages new business initiatives of strategic nature or with significant impact on the Group. All new business initiatives include a business plan and impact analysis which are presented to, and approved by, the ExCom. All strategic initiatives are also reviewed on an ongoing basis as part of the annual 5-year plan and forecast process.</p> <p>EQT’s strong balance sheet and the involvement of the HR department in key strategic projects allow the Group to attract and retain the right talent to execute business plans associated with new initiatives.</p>

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Business risks	Risk management	Strategic risks	Risk management
<p><b>Event risk</b></p> <p>Event risks are risks to EQT’s business which are generally outside of the company’s control, such as natural disasters, cyberattacks, kidnappings, civil uprisings, or terrorist attacks. In such situations, inadequate or uncoordinated/slow response could have a material impact on the Group’s reputation and could damage stakeholders’ trust in the company.</p> <p>The Covid-19 pandemic has been the biggest test to EQT’s event risk response processes throughout the year. Its impact has been wide ranging, from travel restrictions at a time of unprecedented fundraising to having to activate the firm’s business continuity plans across the globe.</p> <p>Beyond its direct impact on the Group, the pandemic has affected EQT’s investments in different ways, whether through their performance or the ability to exit the companies at the right time.</p>	<p>EQT has a strong balance sheet and liquidity position, which makes the Group highly resilient in times of crisis. Its robust incident and crisis management process ensures all relevant stakeholders are informed and included in the decision-making process. Throughout the Covid-19 pandemic, central and local crisis management groups have worked together to minimize disruptions while ensuring the safety of EQT’s personnel. EQT’s large in-house Technology team was mobilized to deliver an efficient remote working setup for EQT’s personnel and extended its efforts to delivering EQT’s first digital Annual Investor Meeting and Annual Shareholders’ Meeting.</p> <p>At investment level, EQT reviews its sector exposures on an ongoing basis and focuses primarily on resilient sectors, such as telecommunications and healthcare, both of which have been less affected by Covid-19. EQT’s governance model enables it to work closely with portfolio company and support them during times of crisis. As preparation for a potential downturn, a scenario analysis was conducted for every single company in every single portfolio.</p> <p>As part of its thematic investment approach the EQT funds has also been able to take advantage of this market and invest in areas that will gain from the long-term structural changes the pandemic has brought.</p>	<p><b>Dilution of culture and Nordic heritage</b></p> <p>The EQT AB Group has a strong corporate culture based on core values. Growth and expansion across different geographical areas and markets may lead to organizational and cultural challenges.</p> <p><b>Challenges in attracting and retaining the right talent</b></p> <p>The EQT AB Group’s ability to recruit, retain and motivate employees is dependent on EQT’s ability to maintain a positive brand and reputation, uphold its corporate culture as well as to offer attractive compensation arrangements.</p> <p><b>Brand and reputation</b></p> <p>EQT’s brand and reputation are important in the competition for investors in, and investment opportunities for, the EQT funds. If EQT’s brand and reputation were to deteriorate, the EQT AB Group’s ability to attract and retain talent and raise funds would be adversely affected.</p> <p><b>Sustainability risks</b></p> <p>The EQT funds invest in portfolio companies across various countries and sectors with different sustainability profiles. These companies may engage in actions with negative societal impact, which could reflect badly on the EQT AB Group’s brand, reputation and/or lead to financial losses.</p>	<p>The EQT AB Group works to uphold EQT’s corporate culture. Staff alignment with EQT’s corporate values is embedded into the recruitment process, employee retention initiatives, training and corporate events and is continuously supported by management and HR.</p> <p>The ability to attract, retain and develop talent is supported by several measures including e.g. a well-defined recruitment process, succession planning, a competitive and long-term approach to compensation, and a focus on development opportunities through the semi-annual performance review, coaching, mentoring and training platform.</p> <p>EQT AB has a dedicated Communications team responsible for monitoring and responding to negative press, whether it is based on false rumors or accurate facts. The Information Policy mitigates the risk of disseminating inaccurate information by setting out roles and responsibilities in communicating on behalf of EQT as well as a routine for media relationships.</p> <p>The Fund Manager of the EQT funds evaluates potential sustainability-related risks early in the investment process when conducting due diligence on target investments, where sustainability aspects are a key input in the investment decision process.</p> <p>Furthermore, portfolio companies are regularly assessed across a set of sustainability dimensions and KPIs. EQT works to support the portfolio company in ensuring that remedial measures are put in place to improve its sustainability profile.</p>

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Operational & compliance risks	Risk management	Financial risks	Risk management
<p>In pursuing its growth ambitions, the EQT AB Group must constantly adapt its operational processes to improve the efficiency and scalability of its operating platform and ensure compliance with applicable rules and regulations. Failure to do so could lead to higher costs of doing business, a deterioration of EQT’s brand and / or compliance-related sanctions.</p> <p>As part of its day-to-day operations, the EQT AB Group processes large amounts of transactions and data. Possible disruptions, such as cyber-attacks or a material system or third-party failure, could result in large financial losses, legal costs and significant reputational damage for the EQT AB Group.</p>	<p>The EQT AB Group’s Fund Management team and support functions are responsible for developing and maintaining robust policies &amp; procedures to ensure the quality, resiliency, and scalability of EQT’s operations. The internal control framework is reviewed annually to identify and fix specific control issues. In addition, the Regulatory &amp; Compliance team performs ongoing compliance monitoring to ensure obligations and regulatory requirements are followed with no exception.</p> <p>When outsourcing key operational activities, the EQT AB Group contracts with reputable vendors and has procedures in place to monitor service levels.</p> <p>From a technology standpoint, the EQT AB Group relies on a robust IT infrastructure, which is tested regularly and protected by modern firewalls with an around-the-clock team of technicians in multiple time zones.</p>	<p><b>Market, credit and liquidity risks</b></p> <p>The EQT AB Group’s financial income is among others exposed to the following risks: fluctuations in interest rates (interest rate risk), currency exchange rates (currency risks) and changes in Net Asset Value for investments held by the EQT AB Group (revaluation risk).</p> <p>The EQT AB Group is also exposed to the credit risk of counterparties to receivables and contract assets, cash deposits, derivative instruments with a positive fair value and financial guarantees.</p> <p>Liquidity risk may arise in relation to the operations of certain EQT entities, where cash inflows from management fees are not sufficient to meet cash obligations.</p>	<p>The Treasury department monitors and reports on those risk exposures on a periodic basis. In addition, the EQT AB Group uses risk mitigation tools, such as minimum credit ratings, cash forecasting and liquidity facilities. See Note 19.</p>

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# Consolidated income statement

## 1 January – 31 December

EUR m	Note	2020	2019
Management fees	5	608.9	539.1
Carried interest and investment income	5	99.8	24.8
<b>Total revenue</b>		<b>708.7</b>	<b>563.9</b>
Personnel expenses	7	-251.6	-216.3
Other operating expenses	6, 8	-117.1	-151.0
<b>Total operating expenses</b>		<b>-368.6</b>	<b>-367.3</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>		<b>340.0</b>	<b>196.6</b>
Depreciation and amortization	5, 11, 12	-35.1	-29.8
<b>Operating profit (EBIT)</b>		<b>304.9</b>	<b>166.8</b>
Financial income		26.1	2.6
Financial expenses		-19.9	-8.1
<b>Net financial income and expenses</b>	9	<b>6.2</b>	<b>-5.5</b>
<b>Profit before income tax</b>		<b>311.2</b>	<b>161.3</b>
Income taxes	10	-28.3	-11.8
<b>Net income for the period from continuing operations</b>		<b>282.8</b>	<b>149.4</b>
Net income for the period from discontinued operations	27	96.5	10.2
<b>Net income</b>		<b>379.3</b>	<b>159.6</b>
<i>Attributable to:</i>			
Owners of the parent company		379.3	159.6
Non-controlling interests		-	-
		<b>379.3</b>	<b>159.6</b>
<i>Earnings per share, EUR</i>	26		
before dilution		0.398	0.188
of which continued operations		0.297	0.176
after dilution		0.398	0.187
of which continued operations		0.297	0.175
<i>Average number of shares</i>			
before dilution		953,209,150	851,289,562
after dilution		953,619,051	851,748,997

# Consolidated statement of comprehensive income

## 1 January – 31 December

EUR m	2020	2019
<b>Net income</b>	<b>379.3</b>	<b>159.6</b>
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to the income statement</i>		
Foreign operations – foreign currency translation differences	-6.1	-1.6
<b>Other comprehensive income for the period</b>	<b>-6.1</b>	<b>-1.6</b>
<b>Total comprehensive income for the period</b>	<b>373.2</b>	<b>158.0</b>
<i>Attributable to:</i>		
Owners of the parent company	373.2	158.0
Non-controlling interests	-	-
	<b>373.2</b>	<b>158.0</b>


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# Consolidated balance sheet

EUR m	Note	31.12.2020	31.12.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	11	15.3	14.7
Other intangible assets	11	10.1	22.2
Property, plant and equipment	12	112.6	112.5
Financial investments	19	167.0	70.5
Other financial assets	19	22.0	3.2
Other non-current asset	5	3.3	4.4
Deferred tax assets	10	1.1	8.2
<b>Total non-current assets</b>		<b>331.5</b>	<b>235.7</b>
<b>Current assets</b>			
Current tax assets		15.3	7.7
Accounts receivable	19	3.4	6.3
Other current assets	14	61.7	112.9
Prepaid expenses and accrued income	5, 13	332.8	157.8
Cash and cash equivalents		878.0	908.5
<b>Total current assets</b>		<b>1,291.3</b>	<b>1,193.2</b>
<b>TOTAL ASSETS</b>		<b>1,622.7</b>	<b>1,428.9</b>

EUR m	Note	31.12.2020	31.12.2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	15		
Share capital		9.1	9.1
Other paid in capital		837.4	837.4
Reserves		-12.8	-6.6
Retained earnings including net income		429.0	241.9
<b>Total equity attributable to owners of the parent company</b>		<b>1,262.8</b>	<b>1,081.8</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>1,262.8</b>	<b>1,081.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	16, 20	73.2	75.9
Deferred tax liabilities	10	1.4	2.1
<b>Total non-current liabilities</b>		<b>74.5</b>	<b>78.0</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	16, 19	-	9.4
Lease liabilities	16, 20	16.0	14.4
Current tax liabilities		25.5	18.8
Accounts payable	19	5.0	12.5
Other liabilities	17	53.6	74.3
Accrued expenses and prepaid income	5, 18	185.0	139.6
<b>Total current liabilities</b>		<b>285.3</b>	<b>269.1</b>
<b>Total liabilities</b>		<b>359.9</b>	<b>347.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,622.7</b>	<b>1,428.9</b>

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# Consolidated statement of changes in equity

EUR m	Attributable to owners of the parent company					Non-controlling interest	Total equity
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity		
Opening balance at 1.1.2020	9.1	837.4	-6.6	241.9	1,081.8	-	1,081.8
Total comprehensive income for the period							
Net income				379.3	379.3		379.3
Other comprehensive income for the period			-6.1		-6.1		-6.1
Total comprehensive income for the period	-	-	-6.1	379.3	373.2	-	373.2
Transactions with owners of the parent company							
Dividends				-196.8	-196.8		-196.8
Share issues							
Transaction cost (net of tax)							
Bonus issue							
Share-based bonus				4.6	4.6		4.6
Purchase of own shares and/or participations							
Acquisition of minority							
Total transactions with owners of the parent company	-	-	-	-192.2	-192.2	-	-192.2
Closing balance at 31.12.2020	9.1	837.4	-12.8	429.0	1,262.8	-	1,262.8

EUR m	Attributable to owners of the parent company					Non-controlling interest	Total equity
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity		
Opening balance at 1.1.2019	0.0	227.8	-5.0	108.3	331.1	0.0	331.2
Total comprehensive income for the period							
Net income				159.6	159.6		159.6
Other comprehensive income for the period			-1.6		-1.6		-1.6
Total comprehensive income for the period	-	-	-1.6	159.6	158.0	-	158.0
Transactions with owners of the parent company							
Dividends				-30.3	-30.3		-30.3
Share issues	0.9	714.8			715.7		715.7
Transaction cost (net of tax)		-12.1			-12.1		-12.1
Bonus issue	8.2			-8.2	-		-
Share-based bonus				12.5	12.5		12.5
Purchase of own shares and/or participations		-93.1			-93.1		-93.1
Acquisition of minority				0.0	0.0	-0.0	-
Total transactions with owners of the parent company	9.1	609.6	-	-26.0	592.7	-0.0	592.6
Closing balance at 31.12.2019	9.1	837.4	-6.6	241.9	1,081.8	-	1,081.8




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# Consolidated statement of cash flows

EUR m	Note	2020	2019
<b>Cash flows operating activities</b>			
Operating profit (EBIT), continued operations	21	304.9	166.8
Operating profit (EBIT), discontinued operations incl transaction cost		-3.5	11.6
Adjustments:			
Depreciation and amortization		35.1	29.8
Changes in fair value		-16.1	-11.4
Foreign currency translation differences		-5.7	-5.3
Other non-cash adjustments		10.6	12.5
Increase (-) / decrease (+) in accounts receivable and other receivables		-130.6	-32.4
Increase (+) / decrease (-) in accounts payable and other payables		12.5	82.5
Income taxes paid		-35.4	-10.3
<b>Net cash from operating activities</b>		<b>171.8</b>	<b>243.7</b>
<b>Cash flows investing activities</b>			
Investment in intangible assets		-0.1	-1.5
Acquisition of property, plant and equipment		-8.3	-17.1
Investment in financial investments		-111.9	-34.3
Acquisition of entitlement		-	-23.7
Proceeds from disposals of financial investments		5.0	8.9
Interest received		0.8	1.0
Consideration received	27	136.5	-
Investment in non-current assets		-1.4	23.0
<b>Net cash from (+) / used in (-) investing activities</b>		<b>20.6</b>	<b>-43.8</b>

EUR m	Note	2020	2019
<b>Cash flows financing activities</b>			
Dividends paid		-196.8	-30.3
Repayment of borrowings		-9.4	-5.5
Investment in short term loan receivable		9.4	5.5
Payment of lease liabilities		-14.4	-10.8
Interest paid		-4.7	-4.1
Share issues		-	574.6
Purchase of own shares and/or participations		-	-93.1
<b>Net cash from (+) / used in (-) financing activities</b>		<b>-215.9</b>	<b>436.2</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>		<b>-23.6</b>	<b>636.2</b>
Cash and cash equivalents at the beginning of the period			
		908.5	264.4
Translation differences			
		8.2	7.9
Cash and cash equivalents discontinued operations	27	-15.2	-
<b>Cash and cash equivalents at the end of the period</b>		<b>878.0</b>	<b>908.5</b>

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# Notes

## Note 1 General information

EQT AB (publ), reg. no. 556849-4180, is a company domiciled in Sweden with its ordinary shares listed on Nasdaq, Stockholm. The visiting address is Regeringsgatan 25, 111 53 Stockholm, Sweden. The registered postal address is Box 16409, 103 27 Stockholm, Sweden.

The consolidated financial statements comprise EQT AB (“the Company”) and its direct and indirect subsidiaries, together referred to as the “EQT AB Group”.

## Note 2 Accounting policies

### BASIS OF ACCOUNTING

#### Compliance with legislation and standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the EU as of 31 December 2020. Additional disclosure requirements in the Swedish Annual Accounts Act (1995:1554) have been applied in accordance with RFR 1 Complementary Accounting rules for groups issued by the Swedish Financial Reporting Board.

EQT AB's consolidated financial statements were authorized for issue by the board of directors and the CEO on 23 March 2021. The consolidated financial statements are subject to approval by the annual shareholders' meeting on 2 June 2021.

### ACCOUNTING POLICIES

The accounting policies applied in these consolidated financial statements are the same as those applied in the annual report 2019 with the following exception:

- EQT AB has divested the business segment Credit, the accounting standard IFRS 5 “Non-current Assets Held for Sale and Discontinued operations” has become applicable for the Group. The assets and liabilities of disposal groups are presented as current assets and current liabilities respectively and are subject to certain measurement policies. Net income from discontinued operations is separated from the continued operation and presented as a single amount after tax at the end of the consolidated income statement, with comparative figures restated. See section “Discontinued operations and disposal groups held for sale” below.

- Based on the new strategy regarding future investment EQT AB Group qualifies as an investment entity from an accounting perspective. Accordingly, EQT AB is exempt from consolidating subsidiaries that are investments and measures them as equity instruments at fair value through profit or loss instead. The conclusion reached has only an effect on the financial statements going forward and there is no effect on previous periods.

A number of revised standards were also effective from 1 January 2020 but did not have any material effect on the EQT AB Group's consolidated financial statements.

#### Basis of measurement

Assets and liabilities are measured at historical cost, with the exception of financial investments which are measured at fair value.

#### Functional and presentation currency

The consolidated financial statements are presented in Euro (EUR). For the parent company the functional and reporting currency is Swedish Krona (SEK).

All amounts have been rounded to the nearest million Euro with one decimal, unless otherwise indicated. Rounding may apply in tables and calculations, which means that the presented total amounts are not always an exact sum of the rounded amounts.

#### Classification

Non-current assets comprise amounts expected to be recovered or payment received after more than 12 months from the balance sheet date, while current assets comprise amounts expected to be recovered or payment received within 12 months from the balance sheet date. Non-current liabilities comprise amounts which the EQT AB Group, at the end of the reporting period, has an unconditional right to choose to pay later than 12 months after the end of the reporting period. If the EQT AB Group has no such right at the end of the reporting period – or the liability is expected to be settled within the normal operating cycle – the liability is reported as a current liability.

#### Use of judgments and estimates in the financial statements

Preparation of financial statements requires the use of judgment and accounting estimates that affect the application of the EQT AB Group's accounting policies and the reported amounts of assets, liabilities,

income and expenses. Revisions of estimates are recognized prospectively.

The judgments, made by the management when applying IFRS, which may have significant effects on the financial statements and estimates that may contribute to significant adjustments in the financial statements of the following financial year are described in Note 3 Use of judgments and estimates.

### STANDARDS ISSUED BUT NOT YET EFFECTIVE

New or revised standards and interpretations issued by the IASB and the IFRS Interpretations Committee but not yet effective, are expected to have an immaterial impact on the EQT AB Group's financial statements in the future periods of initial application.

### BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

#### Subsidiaries and control

##### Control

Subsidiaries are entities controlled directly or indirectly by EQT AB. The EQT AB Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Part of the future investment strategy in EQT Growth, as announced in October, is focused on partnering with founders and management teams of market-leading companies through growth investments in a range of technology, technology-enabled, and scalable businesses. As EQT AB Group might, using its own cash pre-fund, invest in entities whereby control can or will be achieved, the accounting for these subsidiaries has to be addressed. Previously EQT AB Group only had subsidiaries that were consolidated according to IFRS.

Based on the new strategy regarding future investment an evaluation of the Group from an IFRS 10 perspective has been performed and led to the conclusion that EQT AB Group is to be seen as an investment entity from an accounting perspective.

In accordance with IFRS 10 an investment entity is an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on a fair value basis. As an investment entity EQT AB Group is exempt from consolidating subsidiaries that are investments and measures them at fair value through profit or loss instead. Subsidiaries that serve in a supporting function such as investment services continue to be consolidated in accordance with IFRS 10 and those that are not providing

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investment services will be recognized at fair value instead of being consolidated. The conclusion reached has only an effect on the financial statements going forward and there is no effect on previous periods.

**Non-consolidated special entities**

According to IFRS 10 Consolidation, an investor that has control over only specified and ring-fenced assets and liabilities within a legal entity, should, for consolidation purposes, treat portions of the entity as a deemed separate entity (silos). The specified assets of one silo is not available to meet obligations of other parts of the legal entity, including in the event of insolvency. Each silo’s assets are the only source of payment for specified obligations of the silo. Silos that are not directly or indirectly controlled by EQT AB are not considered to be subsidiaries and are accordingly not consolidated. See Note 3 for further information of significant judgments used.

**Funds**

Each EQT fund, being composed of one or more Limited Partnerships (or the equivalent) is managed by a general partner and/or a manager (jointly “Fund Manager”). The Fund Manager is a direct or indirect subsidiary of EQT AB. The authority and powers of the Fund Manager are defined in the Limited Partnership Agreement (or similar).

Determining whether or not a Fund Manager should consolidate its managed funds is based on judgments of whether the Fund Manager is acting as a principal or an agent to the fund for accounting purposes. The assessment of the EQT AB Group’s expected level of return is based on the funds’ performance, i.e. the variable returns. Should a fund generate variable return EQT AB Group would be entitled to between two and seven percent of the variable return, which is not considered to meet the control criterion in IFRS on link between power and return. Instead, EQT AB Group is considered to be an agent in relation to the fund investors, for accounting purposes and, accordingly the funds are not consolidated.

**Purchase price allocation of consolidated entities**

The EQT AB Group accounts for business combinations using the acquisition method when control is transferred to the EQT AB Group. The method implies that acquisition of a subsidiary is considered a transaction by which the Group indirectly acquires the subsidiary’s assets and assumes its liabilities. An acquisition analysis determines the fair value of identifiable net assets acquired, liabilities assumed and any non-controlling interest. Transaction costs incurred are recognized directly in the income statement, with the exception of costs related to the issue of debt or equity securities.

Business combinations in which the consideration exceeds the fair value of separately recognized assets acquired and liabilities assumed, the difference is recognized as goodwill. Any negative difference is recognized in the income statement immediately.

Contingent considerations are measured at fair value at the date of acquisition. Obligations to pay contingent consideration that meet the definition of a financial instrument not classified as equity, are measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in the income statement. Contingent liability obligations classified as equity instruments are not remeasured and settlement effects are recognized within equity.

**Transactions eliminated on consolidation**

Intra-group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**FOREIGN CURRENCY**

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. Functional currency is the currency in the primary economic environment in which an entity operates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognized in the income statement. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

**DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE**

Discontinued operations consist of the business segment Credit, as further described in Note 27 “Discontinued Operations”. This operation has been classified as discontinued operation as it represents a business segment that is available for sale and the divestment is highly probable within less than 12 months.

“Net income for the period from discontinued operations” is presented as a single amount after tax at the end of the Consolidated income statement. Comparative figures are restated.

From the date of classification as held for sale, assets and liabilities related to the disposal group are presented as a single current asset item and a single current liability item on the balance sheet, labelled

“Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale”. Comparative figures are not restated. At the time of classification of assets as held for sale, the assets are recognized at the lowest of their carrying amount and fair value less cost to sell. However, financial assets are exempted and are measured according to the accounting policies applicable to assets that are not classified as a holding for sale.

**REVENUE**

IFRS 15 Revenue from Contracts with Customers is based on a five-step model that requires revenue to be recognized when control over services and their benefits are transferred to the customer.

Revenue is measured based on the consideration specified in the contracts and exclude amounts collected on behalf of third parties, discounts and value added taxes.

The EQT AB Group’s revenue is generated from fund management services, carried interest and investment income.

The parties of agreements of fund management services comprise the EQT AB Group and the investors of each fund. Accordingly, the group of investors of each fund are identified as the customer of the EQT AB Group for accounting purposes. EQT AB Group is the recipient of the revenue.

For fund management services there is only one single performance obligation for each fund and its investors. The performance obligation comprises identifying and evaluating investment and divestment opportunities, providing support on structuring, fund management and monitoring and reporting on an ongoing basis over the life of each fund. The different activities are considered interrelated and part of the same obligation to perform fund management services for the benefit of the investors. EQT AB Group is entitled to consideration consisting of fixed fees based on either committed capital or the cost of invested capital, and variable profit sharing fully dependent on the performance of the relevant fund and the fund’s underlying investments.

The integrated revenue model of management fees and carried interest and investment income are described in more detail below.

The following describes the types of contracts, the services included in the performance obligations and when performance obligations are satisfied which determines the timing of revenue recognition.

**Management fees**

The performance obligation of the EQT AB Group is to manage and support the funds, through the Fund Managers, on an ongoing basis.

To manage and support on an ongoing basis represents a series of distinct services that increments on an ongoing basis and together is treated as one single performance obligation. Management fees are recognized over time over the life of each fund.

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The management fee is based on agreements over the life of each fund, generally with the term of 10–12 years occasionally subject to one or more 12 months’ extension periods.

The fee charged is normally based on commitments until the termination of the commitment period and thereafter based on the total cost of investments not yet realized or written off. If any investments remain after the term date management fees are charged on the total acquisition cost of such investments but at a lower rate for each six-month period until the agreed extension period expires.

The fees during the commitment and divestment period are payable half-yearly in advance and adjusted in the following half-year period, should any triggering events have occurred. Examples of triggering events include launch of a successor fund, commencement of the divestment period/end of commitment period and multiple closings in funds in fundraising.

Management fees also comprises some revenue services provided to Fund Managers of EQT funds raised before 2012. This revenue is recognized over time based on cost, plus an agreed profit margin, charged semi-annually in advance based on estimated cost, adjusted to actual cost plus margin at year-end.

**Carried interest**

Carried interest is a share of profits that the EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund and the development of the fund’s underlying investments. The EQT AB Group is entitled to an agreed share of accumulated profits exceeding agreed thresholds (“hurdles”) over the expected life of each individual fund.

Recognition of carried interest is normally assessed based on a three-step model:

- Hurdle assessment; the total hurdle is determined by the sum of total accumulated drawdowns paid by the Limited Partners (“LPs”) and total accrued minimum return attributable to the LPs (the “Preferred return”) as of the reporting date.
- Total discounted value assessment; the fair value of unrealized investments is determined as of the reporting date. The unrealized fair value will be adjusted, in accordance with established precautionary principles, to the extent that carried interest revenue should only be recognized once it is highly probable that the revenue would not result in a significant reversal of cumulative revenue recognized at final realization of the fund. The fund’s other assets/liabilities and any total proceeds from realized investments as of reporting date are then added to the equation, and thus constitutes the total discounted value of the fund.
- Carried interest recognition assessment; if the total discounted value exceeds the total hurdle, carried interest revenue is recognized.

Revenue is only recognized to the extent it is highly probable that the revenue would not result in significant revenue reversal of any accumulated revenue recognized on final fund settlement. The reversal risk is managed through adjustments of current fair values of unrealized investments through discounts of 30 to 50 percent. The discount applied for each fund depends on specific segment risks and the expected average remaining holding period. The discounts applied are assessed semi-annually.

Carried interest is either payable on a whole fund basis, in installments at the time of realization of investments, or in combinations of the two. Payment is further subject to satisfaction of certain tests relating to claw backs i.e. repayment requirements on final settlement of the fund.

See Note 3 for further information of significant judgments used in the process of applying the accounting policies on revenue recognition of carried interest.

**Investment income**

Investment income consists primarily of changes in fair value of the EQT AB Group’s underlying fund investments. Changes in fair value are recognized in the income statement. Capital gains on realized investments are normally distributed within 3–5 days of an exit. For further information on accounting policies for financial instruments, see Note 2 “Financial instruments”.

**Cost of obtaining a contract**

The EQT AB Group makes use of placement agents or other local representatives/agents in certain jurisdictions, where its own personnel is not authorized to market the funds. The fee for the services of finding new limited partners to invest in the funds are, subject to payment terms with relevant agent, paid when the fund holds final close and the fund’s commitment period commences. The fee is capitalized as a non-current assets representing cost of obtaining contract. The cost of obtaining the contracts is expected to be recovered over the fund commitment period. The benefit of the cost is primarily considered to be attributable to the period when the fund investments are carried out. Therefore, the useful life of the asset is the commitment period which is expected to be between three to six years. The asset is amortized on a straight-line basis.

**LEASES**

At inception of a contract, the EQT AB Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in time in exchange for consideration. The lease contracts identified by the EQT AB Group mainly consist of office premises where the EQT AB Group is a tenant.

**Measurement**

The EQT AB Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of any costs to restore premises at the end of the lease term, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease term is estimated as the non-cancellable period plus any additional periods, covered by extension or termination options, that are judged to be reasonably certain to be used. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability. The right-of-use assets are depreciated during the lease term, generally three to ten years.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the EQT AB Group’s incremental borrowing rate. Generally, the EQT AB Group uses its incremental borrowing rate as the discount rate as the implicit rate is not readily determinable for the rented office premises.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate or if the EQT AB Group changes its assessment of whether it will exercise an extension or a termination option. Re-assessment of the use of extension and termination options is made only in special situations, typically on occurrence of the last termination date within the previous lease term.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The EQT AB Group presents right-of-use assets in “Property, plant and equipment” and lease liabilities as a separate line item in the balance sheet.

**Short-term leases and leases of low-value assets**

The EQT AB Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The EQT AB Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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**FINANCIAL INCOME AND FINANCIAL EXPENSES**

Financial income comprises primarily translation gains. Financial income also comprises interest on bank balances. Financial expense comprises translation losses and interest on interest-bearing liabilities and finance lease liabilities. Other financial income and expenses are insignificant.

Interest income and expense is recognized using the effective interest method. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

**TAX**

Income tax expenses comprise current and deferred tax. Income tax is recognized in the income statement except when the underlying transaction is recognized in other comprehensive income or equity whereby related tax effect is recognized in other comprehensive income or equity.

Current tax comprises income tax payable or income tax receivable for the year. Current tax also includes any tax adjustments attributable to previous periods.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, recognition of deferred tax on temporary differences arising from initial recognition of goodwill are exempted. Deferred tax is measured based on how the underlying asset or liability is expected to be realized or settled. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for deductible temporary differences and tax losses–carry forward to the extent that it is probable they can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**FINANCIAL INSTRUMENTS**

The EQT AB Group’s financial assets consist of financial investments, accounts receivable and other receivables and cash and cash equivalents. Financial liabilities comprise accounts payable, short and long-term interest-bearing liabilities and other financial liabilities.

Cash and cash equivalents consist of on-demand deposits with credit institutions.

**Recognition and initial measurement**

Accounts receivable are initially recognized when issued. All other financial assets and financial liabilities are initially recognized when the EQT AB Group becomes a party to the contractual provisions of the instrument.

Financial assets (other than accounts receivable) and financial liabilities are initially measured at fair value plus, for assets or liabilities not subsequently measured at fair value through the income statement, transaction costs that are directly attributable to their acquisition or issue. Accounts receivable are initially measured at the transaction price.

**Classification and subsequent measurement of financial assets and financial liabilities**

*Financial assets*

A financial asset is initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the asset’s contractual cash flows. The measurement categories for financial assets are as follows:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)
- Amortized cost (AC)

Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to realize the cash flows from the financial assets by holding the financial assets and collecting its contractual cash flows over the life of the assets and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost include accounts receivable, other long-term as well as short-term receivables and cash and cash equivalents.

Financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to realize the cash flows from the financial assets both by collecting the contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The EQT AB Group does currently not have any financial assets measured at FVOCI.

A financial asset shall be measured at FVPL unless it is measured at amortized cost or at FVOCI.

Financial assets measured at FVPL currently include Financial investments.

*Financial liabilities*

Financial liabilities are either measured at amortized cost or at FVPL. All of the EQT AB Group’s financial liabilities are measured at amortized cost using the effective interest rate method.

**Derecognition of financial assets and financial liabilities**

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the EQT AB Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

The EQT AB Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. A financial liability is also derecognized when its terms are modified and the cash flows from the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Liabilities to pay dividend are recognized as soon as the shareholders’ meeting has decided on the distribution of dividend.

**Impairment of financial assets**

A loss allowance is recognized to reflect the expected credit losses on financial assets not recognized at FVPL. For accounts receivable and contract assets, the loss allowance is measured at an amount equal to the expected losses under the entire lifetime of the accounts receivable and the contract assets. For other receivables and bank balances the loss allowance is measured at an amount equal to the 12 month expected credit losses, as long as there has been no significant increase in credit risk since initial recognition.

The 12 month expected credit losses are the portion of the expected credit losses that result from default events that are possible within 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months. If there is a significant increase in credit risk, a loss reserve is instead recognized to reflect the expected credit losses under the entire lifetime of the asset.

Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the EQT AB Group expects to receive. Expected credit losses are discounted using the effective interest rate of the asset.

The loss allowance is deducted from the gross carrying amount of the assets in the balance sheet.

Impairment of financial assets measured at amortized cost are reversed if the expected losses decrease.

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**Financial guarantee contracts**

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the higher of i) the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers, and ii) the amount of the expected credit loss allowance determined in accordance with IFRS 9 Financial Instruments.

**Fair value measurement**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which EQT AB Group has access at that date.

When appropriate, the EQT AB Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the EQT AB Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

**PROPERTY, PLANT AND EQUIPMENT**

**Owned assets**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes purchase price as well as expenditures directly attributable to put the asset in place and order to be used in accordance with the purpose of the acquisition. Accounting principles for impairment are described below.

Items of property, plant and equipment consisting of parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is removed from the balance sheet at disposal or when no future economic benefits are expected from the use or disposal of the asset. Gains or losses arising from disposal of an asset consist of the difference between sales price and the asset’s carrying amount less cost of disposal. Gains and losses are recognized as other operating income/expense.

**Right-of-use assets**

Assets that are leased are measured in accordance with IFRS 16. Accounting principles for right-of-use assets and the corresponding liabilities, see Note 2 “Leases”.

**Subsequent expenditure**

Subsequent expenditures are capitalized only if it is probable that future economic benefits associated with the asset will flow to the EQT AB Group and the cost can be measured reliably. All other subsequent expenditure are recognized as expense in the period they arise. Repairs are expensed on an ongoing basis.

**Depreciation principles**

Depreciation is made over the asset’s estimated useful life using the straight-line method. Leased assets are also depreciated over the asset’s useful life or, if shorter, the term of the lease considering any extension or termination options, that are judged to be reasonably certain to be used, see Note 2 “Leases”.

The estimated useful life:

Equipment	3–5 years
Leasehold improvements	3–10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**INTANGIBLE ASSETS**

**Goodwill**

As from the acquisition date, goodwill acquired in a business combination is allocated to each cash-generating unit (CGU) or group of cash-generating units of the EQT AB Group expected to benefit from the synergies of the combination. Goodwill is measured at cost less accumulated impairment losses. Impairment test is undertaken annually in the fourth quarter or more frequently if events or changes in circumstances indicate potential impairment loss, see below. Expenditures for internally generated goodwill are recognized in the income statement as expenses when incurred.

**Capitalized development cost**

Development cost of new systems that are directly attributable to building and testing new systems controlled by the EQT AB Group are recognized as intangible assets when the following criteria are met:

- The system is technically and commercially feasible to carry out
- Management intends to complete the system or service for own use or to sell it

- It can be demonstrated that generation of future economic benefits are probable
- There are sufficient resources to complete development and to use or sell the asset
- The expenditure attributable to the system can be reliably measured during its development

The criteria are applied by each project. If not all criteria are met, no item of expenditure is capitalized.

The EQT AB Group’s assessment of generation of future economic benefits – revenue generation or cost savings – is made applying the principles in IAS 36 Impairment of assets which comprises discounting of future cash flows and, in case the project will generate cash flows only in conjunction with other projects or other assets, assessment is made for groups of cash generating units.

Expenditure from feasibility studies and development expenditure that do not meet the criteria above, are expensed as incurred. Development costs previously recognized as expense cannot be recognized as an asset in a subsequent period.

Expenditure associated with maintaining current systems are recognized as an expense as incurred.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses. Amortization of development assets begins when the asset is available for its intended use, i.e. when the asset is in its location and conditions necessary for operating as intended by management for revenue generation or for cost saving. Amortization is made over the expected useful life applying the straight-line method.

**Other intangible assets**

Other intangible assets constitutes acquired customer contracts, licenses and trademarks and are accounted for at cost less accumulated amortization and any accumulated impairment losses.

**Customer contracts acquired through business combinations**

The net assets acquired through the business combination of EQT Partners AB Group in 2007 included fund management services contracts with general partners of several funds. At the time of the acquisition, the cost of the acquired customer contracts was measured at fair value by discounting estimated contractual future cash flows over the remaining expected term of the contracts. The acquired customer contracts are recognized as an intangible asset and amortized over the expected remaining term of each contract.

Expenditures for internally generated brands are recognized in the income statement as expenses when incurred.

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**Subsequent expenditure**

Subsequent expenditure are recognized as an asset only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are expensed as incurred.

**Amortization principles**

The amortization is made, applying the straight-line method, over the estimated useful life, unless the useful life is indefinite. Goodwill and other intangible assets with indefinite useful life or development assets that are not yet ready for use, are reviewed for impairment annually or more frequently if there are indications of any potential impairment from events or changes in circumstances. Intangible assets and determinable useful lives are amortized from the point in time they are available for the indented use.

**Estimated useful life:**

Software		3 years
Trademark		5 years
Development costs		5 years
Customer contracts	Remaining term of contracts,	between 4–15 years

Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

**IMPAIRMENT**

At each reporting date, the EQT AB Group reviews its assets to determine whether there is any indication of impairment. IAS 36 Impairment of assets is applied for impairment of assets other than financial assets and deferred tax assets. Any impairment or remeasurement losses on assets exempted from IAS 36, are determined in accordance with the accounting policies described in other parts of these accounting policies.

**Impairment of Property, plant and equipment and Intangible assets**

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit or groups of cash-generating units, exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less cost of disposal. Impairment tests are performed as soon as any indications of impairment losses arise for individual assets or cash-generating units.

Goodwill and development assets not yet ready for use, the recoverable amount is estimated at least annually, irrespective of any indication of impairment or not.

If an asset does not generate largely independent cash inflows and its fair value less cost of disposal cannot be used, the assets are grouped together into the smallest group of assets that generates cash inflows

from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

In assessing value in use, the estimated future cash flows after tax are discounted to their present value using an after tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement. Any impairment loss to be recognized for a cash-generating unit is allocated primarily to goodwill and secondly pro rata to other assets of the cash-generating unit.

**Reversal of impairment losses**

Impairment of property, plant and equipment and intangible assets are reversed if there are indications that the need for impairment is no longer present and there has been a change in assumptions underlying the estimation of the recoverable amount. An impairment loss in respect of goodwill cannot be reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**EQUITY**

**Purchase of treasury shares**

Acquisitions of treasury shares are recognized as a reduction of equity. Proceeds from the sale of treasury shares are recognized as an increase in equity. Any transaction costs are recognized directly in equity.

**Preference shares**

Preference shares are recognized as equity in accordance with IAS 32 Financial Instruments – Presentation, since the EQT AB Group does not have any undertakings to redeem outstanding preference shares and dividends on preference shares are subject to approval by the shareholders’ meeting. The board of directors is able to make a decision on redemption of preference shares.

**Dividends**

Dividends are recognized as a liability when the shareholders’ meeting has approved the dividend.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Short-term employee benefits are estimated and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the EQT AB Group has a present legal or

constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Defined contribution plans comprise the pension-plans in which the EQT AB Group’s obligation is limited to the fees the EQT AB Group undertakes to pay. In that case, the size of the employee’s pension depends on the fees paid by the EQT AB Group to the plan or to an insurance company and the return on capital invested. Consequently, it is the employee who carries the actuarial risk (the compensation will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected benefits). Obligations for contributions to defined contribution plans are expensed as the related service is provided.

**Defined benefit plans**

Defined benefit plans are plans for post-employment benefits other than defined contribution plans, where the employer is obligated to pay future pensions to the retiree on a certain benefit level.

**Termination benefits**

Termination benefits are expensed at the earliest of:

- When the EQT AB Group can no longer withdraw the offer of those benefits and
- When the EQT AB Group recognizes costs for a restructuring program including the terminations.


Benefits expected to be settled within 12 months of the reporting date are recognized as current liabilities. Benefits not expected to be settled within 12 months of the reporting date are recognized at present value as long-term liabilities.

**Share-based payments**

A share incentive program with separate annual grants during five years starting with a first performance year in 2019 is recognized as an equity-settled share-based payment. In each tranche, participants may earn a bonus during an initial performance year, for the sole purpose of investing in class C shares in EQT AB following said performance year. The shares cannot be sold during the following three-year period. No vesting conditions apply during this period. The expense is for each tranche recognized over the initial performance year, with a corresponding amount recognized directly in equity. Expense for social security charges is recognized in an equivalent manner, with a corresponding entry as a liability.

Some employees of the EQT AB Group during 2019 were entitled to a bonus payment based on the increase in the share price during the initial three months after commencement of trading of the share on Nasdaq

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Note 2 cont.

Stockholm. The payment, including related social security charges, was made by an entity outside the EQT AB Group. The amount paid was recognized as personnel expense in the Group, with a corresponding amount recognized directly in equity.

#### PROVISIONS

A provision differs from other liabilities due to uncertainties about the date of settlement or the amount required to settle the obligation. A provision is recognized in the balance sheet when a legal or informal obligation exists due to a past event and it is probable that an outflow of resources is required to settle the obligation and the amount can be measured reliably.

#### CONTINGENT LIABILITY

Disclosure of contingent liabilities is provided when there is a potential obligation attributable to past events and the existence of the obligation will be confirmed by one or several uncertain events, which are not within the EQT AB Group's control, or when an obligation exists that is not recognized as a liability because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be estimated with sufficient reliability.

#### Note 3 Use of judgments and estimates

The management of the EQT AB Group makes estimates and assumptions concerning the future as well as exercises judgment in applying the accounting principles when preparing financial statements. Estimates and judgments are continually evaluated and the assessments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The sources of uncertainty in the assessments given below refer to those that entail a risk that the value of assets or liabilities may have to be significantly adjusted during the following year, together with significant judgments in the application of the EQT AB Group's accounting policies.

#### CARRIED INTEREST

Carried interest is a share of profits that the EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund and the development of the fund's underlying investments. The EQT AB Group is entitled to an agreed share of accumulated profits exceeding agreed thresholds ("hurdles") over the expected life of each individual fund.

Estimates are needed to assess the risk that achieved earnings will be reversed before realization, due to risk of lower future overall performance of the fund, considering the remaining exposure of unrealized investments and time until winding up of the fund.

Management of the EQT AB Group needs to make assumptions and use estimates when determining whether or not revenue should be recognized including the timing and measurement of revenue from carried interest. Revenue should only be recognized to the extent it is highly probable that the revenue would not result in significant reversal of any accumulated revenue recognized on final settlement. The reversal risk is managed through adjustments of current unrealized fund values by imposing discounts of 30 to 50 percent. The discounts applied depends on specific segment risks and the expected average remaining holding period of each fund. The discounts applied are assessed semi-annually.

The carrying amount of the net contract asset related to carried interest at 31 December 2020 was EUR 191.6m (EUR 118.7m), see Note 5.

#### INVESTMENT INCOME

Investment income consist primarily of changes in fair value of the EQT AB Group's underlying fund investments. Determining the fair value for the investments require subjective assessment with varying degrees of judgement regarding e.g. liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific financial asset. The valuation is determined based on management's judgment about the assumptions to reflect what market participants would use in pricing the asset. The valuation techniques applied by the EQT AB Group for valuing the financial investments are applied consistently, and only change if deemed necessary to reflect a representative fair value.

The carrying amount of financial investments at 31 December 2020 was EUR 167.0m (EUR 65.5m), see Note 19.

#### NON-CONSOLIDATED SPECIAL ENTITIES

According to IFRS 10 Consolidation, an investor that has control over only specified and ring-fenced assets and liabilities within a legal entity, should, for consolidation purposes, treat portions of the entity as a deemed separate entity, a so called "silo". The silo concept means that the EQT AB Group only consolidates the silo and not the whole entity. The specified assets of one silo is not available to meet obligations of other parts of the legal entity. Each silo's assets are the only source of payment for specified obligations of the silo. Silos that are not directly or indirectly controlled by EQT AB are not considered to be subsidiaries and are accordingly not consolidated.

EQT AB is an indirect investor in each EQT fund, typically through separate entities, one separate entity for each EQT fund. These indirectly owned entities have different shareholders with different economic rights and responsibilities. In general, these entities have different share classes, one share class tracking carried interest related movements and one share class tracking management fee related movements. The management fee share class is 100 percent held by the EQT AB Group and consolidated in full. The carried interest related share class tracks investments and proceeds from the EQT AB Group's investments in the funds, via its holding in the Special Limited Partners, see Note 2 "Subsidiaries and control".

#### Note 4 Operating segments

The CEO of EQT AB Group has been identified as the chief operating decision maker. EQT AB Group is divided into operating segments based on how the CEO reviews and evaluates the operation. The operating segments correspond to the internal reporting used to assess performance and to allocate resources.

During the period the segment Credit has been classified as a discontinued operations and is therefore not included in the current or comparable period. For additional information please see Note 27.


EQT's operations are divided into two business segments: Private Capital and Real Assets. The operations of both business segments consists of providing investment management services in the private investment markets. The investment management services comprise i.a. structuring and investment advice, investment management and monitoring as well as reporting and administrative services.

The business segment Private Capital consists of the business lines Private Equity, Ventures, Growth and Public Value. The business segment Real Assets consists of business lines Infrastructure and Real Estate.

The CEO assesses the operating segments based on the line items presented below, primarily on revenue and Gross segment results. Segment revenues has been adjusted by removing the fair value adjustment of acquired contractual rights to carried interest. Accordingly, the acquired contractual right to carried interest reflects the sellers carrying amount adjusted to EQT AB Group's accounting policies, i.e. the accrued income excluding the fair value uplift made at the acquisition date in the consolidated accounts of EQT AB Group. The difference between the carrying amount and fair value of accrued carried interest is primarily due to the constraint requirements of IFRS 15 of variable performance-based income reflected through the application of the Group's prudent revenue recognition model for carried interest. Expenses directly incurred by each respective business segment are



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included in gross segment result, whereas items reported under Central have not been allocated to any business segment. Central consists of the Fund Management organization as well as EQT AB Group management, client relations and capital raising, EQT Technology and other specialist functions such as HR and finance. Central revenue arises from services provided to fund managers of EQT funds raised before 2012, as well as to certain other non-consolidated entities.

Reconciliations consists of revenue adjustments (see above) as well as items affecting comparability. Items affecting comparability in 2020 relates to a reversal of part of the provision recorded during 2019 relating to the VAT ruling and transaction costs and capital gain relating to the sale of segment Credit. Items affecting comparability in 2019 related to costs as a result of the preparatory work as well as bonuses in relation to the IPO process and the restructuring of the EQT AB Group including i.a. costs for legal, financial, commercial and other advisors as well as a one-off provision of EUR 32.0m relating to the VAT ruling. Gross segment result together with central items and reconciliations constitute EQT AB Group's EBITDA. EBITDA is defined as Operating profit excluding depreciation and amortization of property, plant and equipment and intangible assets.

#### GEOGRAPHICAL AREAS

EQT AB Group's business of providing fund management services cannot reliably and fairly be reviewed by geographical areas. The EQT AB Group's fund investors may often be located in multiple jurisdictions and the funds through which the fund investors invest are located in a few centers where fund management services are provided, principally Luxembourg.

January–December 2020 EUR m	Private Capital	Real Assets	Central	Total adjusted	Items affecting comparability	Revenue adjustment	IFRS reported
Total revenues	530.8	220.6	10.2	761.6		-53.0	708.7
Personnel expenses				-251.6			-251.6
Other operating expenses				-124.8	7.8		-117.1
<b>Total operating expenses</b>	<b>-125.2</b>	<b>-65.4</b>	<b>-185.8</b>	<b>-376.4</b>	<b>7.8</b>	<b>-</b>	<b>-368.6</b>
<b>Gross segment result<sup>1)</sup> / EBITDA<sup>2)</sup></b>	<b>405.6</b>	<b>155.2</b>	<b>-175.6</b>	<b>385.3</b>	<b>7.8</b>	<b>-53.0</b>	<b>340.0</b>
<i>Margin, %</i>	<i>76.4%</i>	<i>70.4%</i>		<i>50.6%</i>			<i>48.0%</i>
Depreciation and amortization				-35.1			-35.1
<b>EBIT</b>				<b>350.1</b>	<b>7.8</b>	<b>-53.0</b>	<b>304.9</b>
Net financial income and expense				6.2			6.2
Income taxes				-26.7	-1.7		-28.3
<b>Net income for the period from continuing operations</b>				<b>329.7</b>	<b>6.1</b>	<b>-53.0</b>	<b>282.8</b>
Net income for the period from discontinued operations				11.0	85.5		96.5
<b>Net income</b>				<b>340.7</b>	<b>91.6</b>	<b>-53.0</b>	<b>379.3</b>

<sup>1)</sup> Gross segment result relate to the segments Private Capital and Real Assets.

<sup>2)</sup> EBITDA relates to Central, Total adjusted and IFRS reported.

January–December 2019 EUR m	Private Capital	Real Assets	Central	Total adjusted	Items affecting comparability	Revenue adjustment	IFRS reported
Total revenues	330.7	231.5	8.1	570.3		-6.5	563.9
Personnel expenses				-203.3	-12.9		-216.3
Other operating expenses				-104.6	-46.5		-151.0
<b>Total operating expenses</b>	<b>-123.6</b>	<b>-54.3</b>	<b>-130.0</b>	<b>-307.9</b>	<b>-59.4</b>	<b>-</b>	<b>-367.3</b>
<b>Gross segment result<sup>1)</sup> / EBITDA<sup>2)</sup></b>	<b>207.1</b>	<b>177.2</b>	<b>-121.8</b>	<b>262.4</b>	<b>-59.4</b>	<b>-6.5</b>	<b>196.6</b>
<i>Margin, %</i>	<i>62.6%</i>	<i>76.6%</i>		<i>46.0%</i>			<i>34.9%</i>
Depreciation and amortization				-29.8			-29.8
<b>EBIT</b>				<b>232.6</b>	<b>-59.4</b>	<b>-6.5</b>	<b>166.8</b>
Net financial income and expense				-5.5			-5.5
Income taxes				-24.7	12.9		-11.8
<b>Net income for the period from continuing operations</b>				<b>202.4</b>	<b>-46.5</b>	<b>-6.5</b>	<b>149.4</b>
Net income for the period from discontinued operations				10.2			10.2
<b>Net income</b>				<b>212.6</b>	<b>-46.5</b>	<b>-6.5</b>	<b>159.6</b>

<sup>1)</sup> Gross segment result relate to the segments Private Capital and Real Assets.

<sup>2)</sup> EBITDA relates to Central, Total adjusted and IFRS reported.

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## Note 5 Revenue

### MANAGEMENT FEES

The EQT AB Group earns management fees for fund management services, typically based on agreements over the life of each fund, generally with a term of 10–12 years. Management fee is a recurring revenue and the fees are predominately based on the committed capital during the commitment period and the cost of invested capital during the divestment period.

The management fee is payable half-yearly in advance and adjusted in the following half-year period should any triggering events occur. Examples of triggering events include launch of a successor fund, commencement of the divestment period/end of commitment period and multiple closings in funds in fundraising.

For further information of the EQT AB Group's management fee, see Note 2 "Management fees".

### CARRIED INTEREST

Carried interest is a share of profits that the EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund. Carried interest is either payable at the end of the life of the fund or paid as installments at the time of realization within each fund, or a combination thereof.

In April 2019, EQT AB Group through re-negotiations of existing contracts, increased its share of carried interest entitlements in a number of EQT funds, and also acquired 5.73 percent of the contractual rights to carried interest and investment income generated by EQT VI. The acquisitions of contractual rights to carried interest entitlement were based on net asset value, (i.e. the full contingent mark-to-market value) which is higher than accrued revenue if the acquired contractual right had been valued in accordance with IFRS 15 and the, by the Group, applied discounts. Revenues from carried interest will be recognized once IFRS 15 accrued revenues exceed the fair market value (i.e. deal value).

For further information of the EQT AB Group's carried interest, see Note 2 "Carried interest".

### INVESTMENT INCOME

Investment income consists primarily of changes in fair value of the EQT AB Group's underlying fund investments. Changes in fair value are recognized in the income statement. Capital gains on realized investments are normally distributed within 3–5 days of an exit.

### CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities are reported within Prepaid expenses and accrued income, see Note 13, and Accrued expenses and prepaid income, see Note 18.

Deferred income and accrued income are reported as contract assets and contract liabilities, respectively. The EQT AB Group presents contract assets and liabilities relating to carried interest and management fee separately. The contract asset and liability regarding management fee arise from timing differences between the time of generating the revenues and payment. The timing difference is mainly related to the beginning of the life of a fund, before the final close of a fund, or after the end of the commitment period of the fund.

#### Specifications of changes in contract assets and contract liabilities related to carried interest

EUR m	2020		2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	119.6	-0.9	5.8	-0.9
Revenue recognized during the period	83.7	0.9	14.0	
Realization of carried interest	-10.7		-7.7	
Acquisition of entitlement			107.5	
Discontinued operations	-1.0		-	
<b>Closing balance</b>	<b>191.6</b>	<b>-</b>	<b>119.6</b>	<b>-0.9</b>

#### Specifications of changes in contract assets and contract liabilities related to management fee

EUR m	2020		2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	28.1	-5.3	15.6	-3.6
Transfers from contract assets recognized at the beginning of the period to receivables	-28.1		-15.6	
Revenue recognized that was included in the contract liability balance at the beginning of the period		5.3		3.6
Revenue recognized during the period not yet invoiced/not yet chargeable	119.5		28.1	
Payment in advance during the period for performance obligations not yet performed		-32.0		-5.3
<b>Closing balance</b>	<b>119.5</b>	<b>-32.0</b>	<b>28.1</b>	<b>-5.3</b>

#### Cost of obtaining a contract

EUR m	2020	2019
Opening balance	4.4	5.5
Additions	1.5	0.8
Depreciation	-2.6	-2.0
<b>Total changes net</b>	<b>-1.1</b>	<b>-1.2</b>
<b>Closing balance</b>	<b>3.3</b>	<b>4.4</b>

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### LONG-TERM CONTRACTS

Management fee is normally calculated on the underlying EQT funds' committed capital during the commitment period, between 3–6 years, depending on fund duration. After the commitment period has ended, the investment cost is used as basis for calculating management fee. During this period, management fee is based on the respective fund's remaining invested capital measured at cost. In addition to management fees, the EQT AB Group may be entitled to carried interest via its holdings in Special Limited Partners as a variable consideration based on the performance of the fund and its underlying investments. The life of the fund is uncertain, and is depending on the progress of the fund management work, market development and both investment and divestment opportunities arising. The life of the fund is normally 10–12 years.

Carried interest is dependent on the performance of the investments, including volatility in the market, resulting in a large number of possible outcomes. Timing and magnitude of future revenue is therefore considered uncertain and cannot be reliably estimated. Accordingly, no such disclosures are provided. Disclosures of commitments are presented in Note 19.

### CLIENTS

EQT AB Group has a broad client base where no single client comprises more than 10 percent of revenue.

### Note 6 Other operating expenses

EUR m	2020	2019
Administrative expenses <sup>1)</sup>	51.1	94.3
External services <sup>1)</sup>	51.6	47.3
IT expenses net of capitalization	14.4	9.4
<b>Total other operating expenses</b>	<b>117.1</b>	<b>151.0</b>

#### <sup>1)</sup> Summary of items affecting comparability

In 2020 items affecting comparability of EUR 7.8m (Administrative expenses) relates to a reversal of part of the provision recorded during 2019 relating to the VAT ruling. In 2019 items affecting comparability of EUR 46.5m (EUR 32.0m on Administrative expenses and EUR 14.5m on External services) relates to costs as a result of the preparatory work as well as bonuses in relation to the IPO process and the restructuring of the EQT AB Group including i.a. costs for legal, financial, commercial and other advisors as well as a provision related to VAT.

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**Note 7 Employees, senior executives and board of directors**

**GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES DURING 2020**

At the annual shareholders’ meeting held on 8 June 2020, it was resolved to adopt the following guidelines for remuneration and other terms of employment for the CEO and other senior executives.

**Guidelines for executive remuneration**

The CEO, the deputy CEO and other members of the Executive Committee (executive management) fall within the provisions of these guidelines. To the extent a board member conducts work for EQT, in addition to the board work, consulting fees and other compensation for such work may be paid. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual shareholders’ meeting 2020. These guidelines do not apply to any remuneration separately decided or approved by the shareholders’ meeting.

EQT has a clear remuneration philosophy (including for variable cash) applicable across the whole Group which also governs the remuneration to the Executive Committee and links compensation to EQT AB Group’s business strategy, sustainability, long-term interests and long-term value growth for its shareholders.

Most important is to incentivize fund performance and ensure aligned interest with our limited partners in the EQT funds, EQT AB’s shareholders as well as EQT’s long term approach. EQT is a performance driven organization focused on long-term value creation in line with our culture. Team performance and individual performance are important – therefore we reward both. Performance is key to our success and we award higher performance with higher compensation.

To be able to achieve the business goals, EQT needs to be able to attract and retain world-class talent suitable for each role. To achieve this, EQT applies market competitive total compensation.

EQT compensates locally based on geography and in line with local practice and regulations, taking into account, to the extent possible, the overall purpose of these guidelines.

The principles in these guidelines enable EQT AB to offer the Executive Committee a competitive total remuneration.

For more information regarding the EQT AB Group’s business strategy, please see EQT AB’s webpage, [www.eqtgroup.com](http://www.eqtgroup.com).

**EQT Share program**

An incentive program, the EQT Share program, has been implemented in the EQT AB Group. The EQT Share program has been resolved by the shareholders’ meeting and is therefore excluded from

these guidelines. The program includes members of the Executive Committee in EQT AB. The performance criteria used to assess the outcome of the program are distinctly linked to the EQT AB Group’s business strategy, sustainability, long-term interests and value growth for its shareholders. These performance criteria comprise financial targets, inter alia, revenue growth and EBITDA and in addition thereto the general competitiveness as well as the individual meeting or exceeding EQT AB’s highly set expectations on adding value to the EQT platform. The participants will invest a variable amount (financed by EQT) in C shares after a performance year, whereupon a three-year (approximately) holding period follows.

**Type of remuneration, etc.**

The remuneration shall be on market terms and may consist of the following components: fixed remuneration, variable cash remuneration, pension benefits and other benefits. Additionally, the shareholders’ meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

**Fixed remuneration**

The fixed remuneration, i.e. base salary, should be competitive and reflect responsibility and performance.

**Variable remuneration**

The satisfaction of criteria for awarding variable cash remuneration, within the EQT Bonus program, shall be measured over a period of one year. The variable cash remuneration may amount to no more than 100 percent of the annual base salary, apart for variable cash remuneration to the Capital Raising and Client Relations responsible, which may amount to no more than 700 percent of the annual base salary.

The EQT Bonus program consists of a performance assessment of the business as well as an individual performance assessment. Important business performance factors determining the size of the bonus is the success of the underlying business measured by business performance in the funds (investments and exits as well as portfolio and fund performance), business profitability, fundraising as well as organizational development. The individual performance is assessed versus agreed targets as well as meeting, exceeding or not meeting high set individual performance expectations for the individual in the current role.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee shall be responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other members of the Executive Committee, the CEO shall be responsible

for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by EQT AB.

The Executive Committee partly consists of owners of EQT AB. Owners with ownership above 1.5 percent of the shares of EQT AB may not be comprised by the EQT Bonus program, i.e. variable cash remuneration, nor the EQT Share program. Therefore, total remuneration for the majority of the Executive Committee consists of base salary, pension benefits and other benefits.

**Pension**

All members of the Executive Committee shall be covered by defined contribution pension plans, for which pension premiums shall be based on the members’ base salary and paid by the company during the period of employment. For current members of the Executive Committee pension contributions shall be based on base salary and follow contribution levels in accordance with local market practice, except for the application of a cap. For Sweden, this means that it shall be comparable to the old BTP-plan with a contribution cap for base salary exceeding 40 Income base amounts. The pension premiums shall amount to no more than 25 percent of the annual base salary.

**Other benefits**

Other benefits, such as insurances (health, life, travel), sports contributions or occupational health services, should be payable to the extent this is considered to be in line with market conditions in the market concerned. Premiums and other costs relating to such benefits may amount to no more than 25 percent of the annual base salary.

**Termination of employment and terms for severance pay for the CEO**

A twelve month notice period will apply if notice is given by the CEO or EQT AB. The CEO’s employment terms include a non-competition clause. If used, this would entitle the employee to an additional compensation corresponding to a maximum of twelve months’ salary, however, reduced by any remuneration paid by a new employer.

**Termination of employment and terms for severance pay for senior executives**

In the event of notice being given by the EQT AB Group, a notice period of nine months applies, while in the event of notice being given by the senior executive a period of notice of six months applies. The senior executives’ employment terms also include a non-competition clause. If used, this entitles the employee to an additional compensation corresponding to a maximum of nine months’ salary, however, reduced by any remuneration paid by a new employer. Base salary during the notice period and severance pay may not together exceed an amount corresponding to the base salary for eighteen months.

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When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

#### Salary and employment conditions for employees taken into account during preparations of these guidelines

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the EQT AB Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the shareholders' meeting. The guidelines shall be in force until new guidelines are adopted by the shareholders' meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Executive Committee, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the EQT AB Group. The members of the remuneration committee, apart from Conni Jonsson, are independent of EQT AB and its Executive Committee. The CEO and other members of the Executive Committee do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### Deviation from the guidelines

The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there may be special cause for the deviation and a deviation should be necessary to serve the EQT AB Group's business strategy, sustainability, long-term interests and long-term value growth for its shareholders, or to ensure the EQT AB Group's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

#### PROPOSED GUIDELINES FOR EXECUTIVE REMUNERATION (REMUNERATION POLICY)

For future remuneration policy to be approved by the annual shareholders' meeting 2021, see the proposal in the board of directors' report.

#### Salary and remunerations to employees

EUR m	2020	2019
Salaries, bonuses and remunerations	202.3	172.7
Pension expenses, defined contribution plans	8.8	7.0
Social security expenses	24.8	20.9
	<b>235.9</b>	<b>200.7</b>
Other personnel related expenses	15.6	15.6
Personnel expenses	<b>251.6</b>	<b>216.3</b>

#### Average number of employees

	2020	whereof women	2019	whereof women
Sweden	227	48%	199	50%
Germany	72	37%	76	35%
UK	73	47%	61	47%
USA	68	40%	62	44%
Luxembourg	37	39%	33	38%
China, Hong Kong	25	43%	23	38%
Denmark	17	42%	16	38%
Singapore	18	43%	16	38%
Switzerland	17	38%	14	36%
The Netherlands	32	54%	24	52%
Norway	10	39%	10	43%
Finland	9	41%	9	54%
Spain	14	41%	10	38%
China, Shanghai	6	34%	7	31%
Italy	8	30%	1	57%
France	8	42%	–	–
Australia	4	22%	–	–
Continued operations	<b>642</b>	<b>44%</b>	<b>559</b>	<b>44%</b>
Discontinued operations	<b>29</b>	<b>30%</b>	<b>37</b>	<b>33%</b>
Total	<b>671</b>	<b>43%</b>	<b>596</b>	<b>43%</b>

#### Board of directors and senior executives split by gender

Proportion of women	2020	2019
Board of directors (parent company)	38%	17%
Senior executives	14%	14%

The EQT AB Group's executive committee consisted of seven persons in 2020. For a few months in the middle of 2020, the executive committee consisted of eight persons. During 2019, the EQT AB Group's executive committee consisted of seven persons. The senior executives are employed by different companies in the EQT AB Group.

#### REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

Fees and other remuneration to the members of the board of directors, including the chairperson, are resolved by the annual shareholders' meeting.

At the annual shareholders' meeting held on 8 June 2020, it was resolved that EUR 275,000 shall be paid to the chairperson of the board of directors and EUR 125,000 to each of the other board members who are not employed by the company. In addition, EUR 40,000 will be paid to the chairpersons of the audit committee and the remuneration committee, respectively, and remuneration to each of the other members of the relevant committees should be EUR 20,000 each. The members of the board of directors are not entitled to any benefits following termination of their assignments as directors of the board.

#### Salaries and other remunerations and pension expenses for the board of directors and senior executives

EUR m	2020	2019
Salaries, bonuses and remunerations	5.6	5.2
(whereof bonuses)	1.8	1.7
Share-based program	0.3	1.2
Pension expenses	0.5	0.4
	<b>6.3</b>	<b>6.8</b>

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## Salaries and other remunerations to senior executives and board of directors

2020 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total
<b>Chairperson of the board (Conni Jonsson)</b>						
Remuneration from parent company	0.3	–	–	–	–	0.3
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
<b>Board member (Peter Wallenberg Jr)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Finn Rausing)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Johan Forssell)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Diony Lebot)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Nicola Kimm) <sup>1)</sup></b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Edith Cooper) <sup>1)</sup></b>						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–

2020 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total
<b>Board member (Gordon Orr) <sup>1)</sup></b>						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–
<b>CEO (Christian Sinding)</b>						
Remuneration from parent company	0.4	–	–	0.0	–	0.4
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.2
<b>Deputy CEO (Caspar Callerström)</b>						
Remuneration from parent company	0.2	–	0.1	0.0	–	0.3
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Other senior executives (6 persons)</b>						
Remuneration from parent company	0.5	0.4	0.1	0.0	0.3	1.2
Remuneration from subsidiaries	1.3	1.4	0.2	0.1	–	3.0
<b>Total</b>	<b>3.8</b>	<b>1.8</b>	<b>0.5</b>	<b>0.1</b>	<b>0.3</b>	<b>6.4</b>
<b>Remuneration from parent company</b>	<b>2.3</b>	<b>0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>3.1</b>
<b>Remuneration from subsidiaries</b>	<b>1.5</b>	<b>1.4</b>	<b>0.3</b>	<b>0.1</b>	<b>–</b>	<b>3.3</b>

<sup>1)</sup> Gordon Orr, Edith Cooper and Nicola Kimm have during 2020 provided consultancy services to EQT in addition to their assignments as board members. Remuneration for such consultancy services are included in the column "Base salary, board fee". For further information, see Note 24.

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2019 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total
<b>Chairperson of the board (Conni Jonsson)</b>						
Remuneration from parent company	0.3	–	–	–	–	0.3
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
<b>Board member (Peter Wallenberg Jr)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Finn Rausing)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Johan Forssell)</b>						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Edith Cooper)<sup>1)</sup></b>						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–
<b>Board member (Gordon Orr)<sup>1)</sup></b>						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–
<b>CEO (Christian Sinding)</b>						
Remuneration from parent company	0.4	–	–	–	–	0.4
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
<b>Deputy CEO (Caspar Callerström)</b>						
Remuneration from parent company	0.3	–	0.1	0.0	–	0.3
Remuneration from subsidiaries	0.0	–	–	–	–	0.0
<b>Other senior executives (5 persons)</b>						
Remuneration from parent company	0.5	0.7	0.1	0.0	1.2	2.4
Remuneration from subsidiaries	1.0	1.0	0.2	0.2	–	2.4
<b>Total</b>	<b>3.5</b>	<b>1.7</b>	<b>0.4</b>	<b>0.2</b>	<b>1.2</b>	<b>7.0</b>
<b>Remuneration from parent company</b>	<b>2.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.0</b>	<b>1.2</b>	<b>4.3</b>
<b>Remuneration from subsidiaries</b>	<b>1.3</b>	<b>1.0</b>	<b>0.2</b>	<b>0.2</b>	<b>–</b>	<b>2.7</b>

<sup>1)</sup> Gordon Orr and Edith Cooper have during 2019 provided consultancy services to EQT in addition to their assignments as board members. Remuneration for such consultancy services are included in the column "Base salary, board fee". For further information, see Note 24.

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**REMUNERATIONS TO SENIOR EXECUTIVES AND OTHER EMPLOYEES**

EQT AB Group has an internal Compensation Committee that establishes and approves levels of salary and other remuneration for the employees in EQT. The total remuneration may consist of base salary, bonus, share-based program, pension and other benefits. The bonus is related to annual achievement on both group wide and individual targets. Target achievement of bonus is determined in the beginning of the year following. Most employees are part of the EQT Bonus program.

**Variable remuneration for CEO and executive committee members**

The CEO Christian Sinding has not been part of the EQT Bonus program. The same applies to the majority of the Executive Committee members.

**Share-based program**

At the annual shareholders’ meeting held on 27 June 2019, it was resolved to implement a share program for the EQT AB Group employees. The objective of the program is to align employees’ performance to the interest of the shareholders, based on performance metrics tailored to the Group’s strategic goals on an annual basis. The intention is to ensure that all work towards the same goal of building a successful EQT platform and to reward employees for long-term value creation benefiting the Group. In addition, the share program will be an important tool for the Group to recruit, motivate and retain the best talent, which is vital in order for the Group to achieve long-term value growth for its shareholders.

The share program is divided into five separate annual grants, each subject to a duration of approximately four years before final conversion to ordinary shares, comprising a one-year performance period during each of the financial years 2019–2023, followed by a three-year holding period for each grant. A maximum of around 35 percent of the EQT AB Group employees will during the five annual grants (a maximum of around 180 EQT AB Group employees during the first annual grant and around 280 EQT AB Group employees during the fifth annual grant) be invited to participate in the program. Depending on the extent to which performance targets are met during the performance year, the participants will in or around March in the financial year following, be invited to receive a relevant number of class C shares. Thereafter, all class C shares allotted are subject to a three-year holding period, with no vesting conditions, after which the class C shares are converted into ordinary shares. The class C shares carry the same economic rights as ordinary shares in the Company and carry one-tenth (0.1) vote each.

The amount for each participant to be settled in class C shares depends on the extent to which the performance targets have been achieved. The performance targets are measured during each year

and are based on individual performance and the EQT AB Group’s performance, on the basis of performance criteria set by the board of directors and communicated to eligible participants. The performance targets are tied to the EQT AB Group’s financial targets, inter alia, revenue growth and EBITDA and in addition to the general competitiveness as well as the individual meeting or exceeding EQT’s highly set expectations on adding value to the EQT platform.

The final assessment of the extent to which the performance targets have been achieved is made on a discretionary basis by the board of directors or by the remuneration committee, by themselves or by delegation. There is no automatic right to receive class C shares even if the performance targets, in whole or in part, could be considered to have been achieved.

The maximum total amount that may be invested into the share program for all participants is limited to a maximum of EUR 17m at each relevant time of allocation, and EUR 56m in total. Each participant’s number of class C shares will be calculated by dividing the investment amount by the average price paid per share in the Company during ten days in conjunction with each allocation and applying a relevant currency exchange rate SEK/EUR. However, the maximum total number of class C shares that may be allocated to participants pursuant to such investment shall equal a maximum dilution of approximately 0.3 percent per annual grant, and approximately 1.0 percent in total, in each case in terms of total shares in the Company.

The costs and dilution of the program are expected to have a marginal effect on the Company’s key ratios. In relation to the 2019 grant 365,406 class C shares were allotted to the participants in the beginning of 2020. Total expense including social charges recognized, for the second grant, as of year-end 2020 amounts to EUR 18.9m (EUR 11.0m). The amount excluding social charges EUR 17.0m (EUR 9.4m) will be settled in class C shares during 2021.

**Other bonuses**

In connection with the IPO Offering 2019, a number of employees received additional remuneration, conditional upon the completion of the listing. The expenses recognized amounted to EUR 10.5m in total (including discontinued operations).

A number of employees (non-partners) received a one off bonus payment correlated to any increase in the price of the Company’s shares during the approximately first three months following the first day of trading, up to a certain maximum amount. The bonus payment was performed by an entity outside the EQT AB Group which is indirectly owned by certain Partners, and EQT AB Group was indemnified for any social security cost incurred in connection with such bonus. This payment did

not result in an outflow of resources for EQT AB Group but due to the fact that the payment was made to employees in EQT AB Group, and that the bonus payment was dependent on the share price of EQT AB, this was, from an accounting perspective, treated as a share-based payment. Total expenses for EQT AB Group amounted to EUR 3.1m (including discontinued operations), which was fully reimbursed, with the same amount recognized as an addition to equity.

**Other benefits**

EQT AB Group offers all employees a variety of non-monetary benefits, such as occupational health service, health insurance, life insurance, employee fitness programs and sports contributions.

**Certain investments by senior executives**

Certain members of the board of EQT AB and senior executives of EQT AB Group, including the CEO of EQT AB, have invested in various carried interest and employee co-investment schemes related to the EQT funds. The returns (in the form of investment income and capital appreciation) are fully dependent on the performance of the relevant fund and the fund’s underlying investments.

**Pension terms**

The EQT AB Group has defined contribution plans that generally follows a specific table for level of contributions based on age and/or income level. Wherever possible, the contributions are only made on base salary up to locally set caps. Payments to these plans are made on a continuous basis according to the rules of each plan. The expenses for defined contribution plans in 2020 amounted to EUR 8.8m (EUR 7.0m).

The chairperson of the board, Conni Jonsson, has a defined benefit pension plan which has been secured through a trust. The defined benefit plan consists partly of a guaranteed amount corresponding to the accumulated amount of historical contributions and partly of a variable amount corresponding to the fair value of the trust’s net assets in excess of the guaranteed amount. If the fair value of the trust’s net assets is lower than the guaranteed amount EQT AB Group is obliged to contribute the difference. As of 31 December 2020, EQT AB Group’s part of the fair value of the trust’s net assets, converted to euro, amounted to EUR 4.2m (EUR 3.9m) and the guaranteed amount amounted to EUR 1.4m (EUR 1.4m). From January 2018 there have been no further contributions to the trust.



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## Note 8 Audit fees and expenses

EUR m	2020	2019
<b>KPMG</b>		
Audit services	1.7	1.1
Tax consultancy	0.1	0.1
Other services	0.3	3.5
<b>Other auditors</b>		
Audit services	0.0	0.0

Audit services refer to the legally required examination of the annual report and the book-keeping, the board of director's and the CEO's management and any other audit examinations or agreed-upon procedures determined by contract. This includes other work assignments which rest upon the Company's auditor to conduct, and advising or other support justified by observations in the course of the audit. For 2019 other services primarily relate to work in conjunction with the IPO.

## Note 9 Financial income and expenses

EUR m	2020	2019
Interest income	0.7	0.9
Translation gains	25.5	1.7
Other financial income	0.0	0.1
<b>Financial income</b>	<b>26.1</b>	<b>2.6</b>
Interest expenses	-4.7	-4.0
Translation losses	-14.9	-3.8
Other financial expenses	-0.3	-0.4
<b>Financial expenses</b>	<b>-19.9</b>	<b>-8.1</b>
<b>Net financial income and expenses</b>	<b>6.2</b>	<b>-5.5</b>

All interest income and expenses from financial assets and financial liabilities are measured at amortized cost.

## Note 10 Income taxes

EQT AB Group has operations in different jurisdictions. Each jurisdiction has its own tax legislation and regulations. Constant changes of the income tax rules and the interpretation of the legislation create exposures regarding income taxes. The complexity of rules related to income taxes in different jurisdictions and the accounting for these require management's involvement in judgments and estimates. These estimates might differ from the actual outcome.

EQT AB Group has documented guidelines, processes and controls for managing both income taxes and other taxes. Through these processes the Group ensures that tax risks are identified and mitigated through tax risk identification processes.

### Taxes recognized in the income statement

EUR m	2020	2019
<b>Current tax expenses (-)/tax income (+)</b>		
Current tax expenses / income for the year	-23.1	-19.4
Tax attributable to prior years	1.1	2.5
	<b>-22.0</b>	<b>-16.9</b>
<b>Deferred tax expenses (-)/tax income (+)</b>		
Deferred tax related to temporary differences	-6.3	5.1
	<b>-6.3</b>	<b>5.1</b>
<b>Total reported income tax</b>	<b>-28.3</b>	<b>-11.8</b>

### Reconciliation of effective tax rate

EUR m	2020	2019
Profit before income tax	311.2	161.3
Tax at parent company's statutory rate 21.4%	-66.6	-34.5
Effect of:		
Foreign tax rates	0.1	-2.4
Non-deductible expenses	-6.2	-1.6
Non-taxable income <sup>1)</sup>	41.3	22.9
Additional taxable income <sup>2)</sup>	3.2	1.7
Tax attributable to prior years	1.1	2.5
Other	-1.2	-0.4
<b>Reported effective tax</b>	<b>-28.3</b>	<b>-11.8</b>

<sup>1)</sup> Non-taxable income includes income that is not subject to taxation and income/entities not recognized for tax purposes under the normal corporate income tax regime of the relevant jurisdiction, e.g. dividends and capital gains subject to local participation exemption regimes.

<sup>2)</sup> Additional taxable income in accordance with tax clearances and advance pricing agreements issued by local tax authorities.

### Recognized deferred tax assets and liabilities Change in deferred tax in temporary differences

EUR m	2020	
	Deferred tax asset	Deferred tax liability
Property, plant and equipment	0.9	0.5
Intangible assets	-	1.0
Other	0.3	0.0
Tax loss carry-forward	-	-
	<b>1.1</b>	<b>1.4</b>

EUR m	2019	
	Deferred tax asset	Deferred tax liability
Property, plant and equipment	0.0	-0.1
Intangible assets	-	2.4
Other	0.3	-0.2
Tax loss carry-forward <sup>1)</sup>	7.9	-
	<b>8.2</b>	<b>2.1</b>

<sup>1)</sup> All changes of deferred tax asset and liabilities have been recognized in the income statement except for EUR 3.3m that has been recorded directly in equity and EUR 0.7m that has been subject to a reclassification.

The total tax losses carried forward from 31 December 2019 amounting to EUR 37.0m have been utilized in 2020.

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## Note 11 Intangible assets

EUR m	Goodwill	Capitalized development costs	Other intangible assets
<b>Accumulated cost</b>			
Opening balance 1.1.2020	14.7	11.6	106.1
Additions	–	–	0.3
Translation difference	0.6	0.5	3.2
<b>Closing balance 31.12.2020</b>	<b>15.3</b>	<b>12.1</b>	<b>109.6</b>
<b>Accumulated amortization and impairment</b>			
Opening balance 1.1.2020	–	–8.5	–87.0
Amortization	–	–3.1	–9.0
Translation difference	–	–0.5	–3.4
<b>Closing balance 31.12.2020</b>	<b>–</b>	<b>–12.1</b>	<b>–99.4</b>
<b>Carrying amount</b>	<b>15.3</b>	<b>–</b>	<b>10.1</b>
<b>Accumulated cost</b>			
Opening balance 1.1.2019	14.9	10.3	89.7
Additions	–	1.5	17.0
Translation difference	–0.2	–0.1	–0.6
<b>Closing balance 31.12.2019</b>	<b>14.7</b>	<b>11.6</b>	<b>106.1</b>
<b>Accumulated amortization and impairment</b>			
Opening balance 1.1.2019	–	–4.7	–80.7
Amortization	–	–3.7	–7.5
Translation difference	–	0.0	1.2
<b>Closing balance 31.12.2019</b>	<b>–</b>	<b>–8.5</b>	<b>–87.0</b>
<b>Carrying amount</b>	<b>14.7</b>	<b>3.1</b>	<b>19.1</b>

Other intangible assets includes acquired entitlement to management fee surplus in EQT VI GP with a carrying amount of EUR 7.1m (EUR 12.8m).

### Total Other intangible assets

EUR m	2020	2019
Capitalized development costs	–	3.1
Other intangible assets	10.1	19.1
<b>Carrying amount</b>	<b>10.1</b>	<b>22.2</b>

### Capitalized development costs

The EQT AB Group's capitalized development costs relates to IT software used within the operations.

### Other intangible assets

The net assets acquired through the business combination of EQT Partners AB Group in 2007 included investment advisory services contracts with general partners of several funds. At the time of the acquisition, the cost of the acquired customer contracts was measured at fair value by discounting estimated contractual future cash flows over the remaining expected term of the contracts. The acquired customer contracts are recognized as an intangible asset and amortized over the expected remaining term of each contract.

The acquisition of entitlement of management fee surplus in EQT VI was based on fair market value assessed through a discounted cash flow valuation. Revenue from the acquired management fee surplus is recognized in the income statement and the corresponding intangible asset is amortized linearly over three years with no residual value.

### Goodwill

All goodwill is attributable to the acquisition of EQT Partners AB, including subsidiaries, in 2007. This goodwill is tested for impairment at the lowest level within the EQT AB Group where goodwill is monitored for internal management purposes, which is the Private Capital segment.

### Impairment test of units containing goodwill

The recoverable amount of the Private Capital operations was based on its value in use. The value in use was determined by discounting the expected future cash flows generated from the continuing use of the operation's net operating assets. The following discount rates and long-term growth rates were used:

	31 Dec 2020	31 Dec 2019
Discount rate post-tax, %	8.0	8.0
Discount rate pre-tax, %	9.1	9.6
Annual cash flow growth beyond year 5, %	2.0	2.0

The discount rate used in the impairment test is the post-tax WACC, assuming no debt financing (i.e. equal to the cost of equity). The cost of equity has been calculated according to the Capital Asset Pricing Model (CAPM) and is based on the risk-free interest rate with addition of the market risk premium multiplied with the assumed beta value (based on beta values of similar quoted companies) and a size premium.

Cash flows were projected for a period of five years, assuming constant annual growth thereafter. The cash flow forecasts are based on the budget for the following year and the long term forecast for years two to five. The operating profit forecast was based on future outcomes taking into account past experiences. Terminal growth rate, assumed from year six and onwards, is applied to an assumed stable cash flow in year five.

The impairment test resulted in a value in use higher than the carrying amount with significant headroom. Management believes that any reasonable possible change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amounts.

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## Note 12 Property, plant and equipment

### Owned assets

EUR m	Equipment	Leasehold improvement
Acquisition cost		
Opening balance 1.1.2020	11.6	27.6
Additions	2.0	8.4
Disposals	-0.9	-3.5
Translation difference	-0.3	-0.8
<b>Closing balance 31.12.2020</b>	<b>12.4</b>	<b>31.7</b>
Depreciation		
Opening balance 1.1.2020	-7.6	-7.7
Depreciation	-1.8	-3.8
Disposals	0.7	1.6
Translation difference	0.3	-0.4
<b>Closing balance 31.12.2020</b>	<b>-8.3</b>	<b>-10.3</b>
<b>Carrying amount</b>	<b>4.1</b>	<b>21.4</b>
Acquisition cost		
Opening balance 1.1.2019	9.4	14.2
Additions	3.0	14.8
Disposals	-0.9	-1.8
Translation difference	0.1	0.4
<b>Closing balance 31.12.2019</b>	<b>11.6</b>	<b>27.6</b>
Depreciation		
Opening balance 1.1.2019	-6.7	-5.6
Depreciation	-1.4	-3.3
Disposals	0.9	1.8
Translation difference	-0.3	-0.6
<b>Closing balance 31.12.2019</b>	<b>-7.6</b>	<b>-7.7</b>
<b>Carrying amount</b>	<b>4.1</b>	<b>19.9</b>

### Right-of-use assets

EUR m	Office premises	
Opening balance 1.1.2020	88.5	
Depreciation	-14.8	
Other changes, net	13.3	
<b>Closing balance 31.12.2020</b>	<b>87.1</b>	
Opening balance 1.1.2019	45.5	
Depreciation	-11.8	
Other changes, net	54.8	
<b>Closing balance 31.12.2019</b>	<b>88.5</b>	
<b>Total Property, plant and equipment</b>		
EUR m	2020	2019
Equipment	4.1	4.1
Leasehold improvement	21.4	19.9
Office premises	87.1	88.5
<b>Carrying amount</b>	<b>112.6</b>	<b>112.5</b>

## Note 13 Prepaid expenses and accrued income


EUR m	2020	2019
Licenses	2.0	1.6
Other prepaid expenses	8.3	3.3
Accrued income	322.6	153.0
<b>Total prepaid expenses and accrued income</b>	<b>332.8</b>	<b>157.8</b>

Accrued income primarily comprises contract assets relating to revenue from contracts with clients, see Note 5.

## Note 14 Other current assets

EUR m	2020	2019
Expenses to be recharged	20.2	41.5
Drawdown receivable	4.3	4.6
Other receivables	37.2	66.8
<b>Total other current assets</b>	<b>61.7</b>	<b>112.9</b>

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## Note 15 Equity

### Shares

	2020	2019
Ordinary shares		
Issued per 1 January	952,983,900	1,139,681,500
Reduction of share capital	–	–500,000,000
New share issues	–	313,302,400
<b>Issued per 31 December – paid</b>	<b>952,983,900</b>	<b>952,983,900</b>
<b>Total numbers of C shares outstanding</b>	<b>365,406</b>	<b>–</b>
Preference shares		
Issued per 1 January	–	6,200
Redemption	–	–6,200
<b>Issued per 31 December – paid</b>	<b>–</b>	<b>–</b>

All ordinary shares carry one vote and class C shares carry 0.1 vote. The class C shares carry the same economic rights as ordinary shares.

During 2020, and in line with the EQT share program, 365,406 of the class C shares issued during 2019 has been allocated to participants in the program and is hence outstanding as of 31 December 2020. Total number of class C shares held by EQT at 31 December 2020 amounted to 8,298,084.

### EQUITY RELATED RESOLUTIONS ADOPTED AT DIFFERENT SHAREHOLDER MEETINGS DURING 2019

During the first half of 2019 the reorganization of the EQT AB Group continued, including the below events and transactions:

- In accordance with a resolution adopted at the extraordinary shareholders' meeting in December 2018, a directed share issue of 404,376 ordinary shares, SEK 495.4m (EUR 44.1m), took place and was duly paid and registered during April 2019.
- Directed dividends of EUR 30.3m, whereof EUR 21.2m to the preference shareholders of EQT AB and EUR 9.1m to Investor AB, see Note 24 for further information.
- A bonus issue of SEK 86.5m (EUR 8.2m), affecting unrestricted equity and share capital in equal amounts.
- Redemption of 6,200 preference shares outstanding in EQT AB in accordance with the articles of association, corresponding to EUR 93.0m.
- A share split of 1:100.

At the annual shareholders' meeting in June 2019 it was resolved to implement a share program for the EQT AB Group employees. In accordance with this the board of directors was authorized to issue convertible and redeemable class C shares in order to transfer these to the participants in the EQT Share program. During the second half of 2019 a new share issue of 8,663,490 class C shares was made at quota value, corresponding to a value of SEK 0.8m. All class C shares were subsequently repurchased.

Since 24 September 2019, EQT's ordinary shares are listed on Nasdaq Stockholm Large Cap.

### RESTRICTIONS ON TRANSFERABILITY

All Partners who in total own approximately 57 percent of EQT AB have for the benefit of EQT AB agreed, with certain exceptions, not to transfer or dispose of their respective holdings in EQT AB (as per the day before the first day of trading) during a period of five years after the first day of trading, without prior written consent from EQT AB. These lock up undertakings will expire with respect to 25 percent of the shares subject to lock up after three years after the first day of trading and an additional 25 percent after four years after the first day of trading, provided that the holder's employment within the EQT AB Group has not been terminated by either party on said date. If the employment is terminated at any time during the five-year lock up period after the first day of trading, all shares still subject to lock up at such point in time will be locked up for the remainder of the five-year lock up period. EQT AB intends to procure that coordinated sell-downs of shares that are not still subject to the lock up take place following the third and fourth year, respectively, after the first day of trading for Partners who then wish to sell.

From 24 September 2020, EQT AB has granted waivers from lock ups on EQT AB shares for a limited number of individuals, primarily related to discontinued and divested business lines. Under the waivers, shares representing less than 1.5 percent of EQT AB's share capital were divested.

Investor AB as well as Knut och Alice Wallenbergs Stiftelse, Marianne och Marcus Wallenbergs Stiftelse and Stiftelsen Marcus och Amalia Wallenbergs Minnesfond (through a partnership wholly-owned by these foundations), as well as the members of the board of directors and executive management who are not Partners but are shareholders in EQT AB, also agreed in conjunction with the listing on Nasdaq Stockholm, with certain exceptions, not to transfer or dispose of their respective holdings in EQT AB for a period of one year after

the first day of trading, i.e. to 23 September 2020, without prior written consent. As of 23 September 2020 these commitments expired.

The shares within the share program constitute non-listed class C shares, with rights to receive dividends and with 0.1 vote, that will be held for three years before being converted into ordinary shares that can be traded.

In addition to above there are no restrictions on the transferability of shares due to statutory provisions, articles of association or, as far as the Company is aware, in shareholder agreements.

### EQUITY MANAGEMENT


The EQT AB Group maintains a financial position that supports the confidence of investors, creditors and the market, and provides a basis for continued development of business operations, and that the long-term returns generated to the shareholders are satisfactory.

### DIVIDEND DISTRIBUTION TO THE OWNERS OF THE PARENT COMPANY

The board of directors proposes a dividend to the shareholders of SEK 2.40 per share for the fiscal year 2020. The dividend is proposed to be paid out in two equal installments, SEK 1.20 with record date 4 June 2021 and SEK 1.20 with record date 1 December 2021.

The board of directors of EQT AB has adopted a dividend policy which aims to generate a steadily increasing annual dividend in absolute euro-denominated terms.

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## Note 16 Interest bearing liabilities

For more information regarding the EQT AB Group's exposure to interest risks and foreign currency risks, in respect of interest-bearing liabilities, see Note 19.

EUR m	2020	2019
<b>Non-current liabilities</b>		
Lease liabilities <sup>1)</sup>	73.2	75.9
Loans from credit institutions	–	–
	<b>73.2</b>	<b>75.9</b>
<b>Current liabilities</b>		
Short-term loans	–	9.4
Loans from credit institutions	–	–
Current portion of lease liabilities <sup>1)</sup>	16.0	14.4
	<b>16.0</b>	<b>23.9</b>

<sup>1)</sup> Lease liabilities, for further information, see Note 20.

## Note 17 Other liabilities

EUR m	2020	2019
<b>Other current liabilities</b>		
Drawdown	1.1	5.5
Other <sup>1)</sup>	52.5	68.8
	<b>53.6</b>	<b>74.3</b>

<sup>1)</sup> In 2020 reversal of EUR 7.8m of the provision recorded during 2019 relating to the VAT ruling (EUR 32.0m).

## Note 18 Accrued expenses and prepaid income

EUR m	2020	2019
Accrued personnel expenses	115.5	98.9
Accrued consultancy fees	21.4	12.6
Other accrued expenses	11.7	19.1
Prepaid income	36.4	9.0
	<b>185.0</b>	<b>139.6</b>

Prepaid income primarily comprises contract liabilities relating to revenue from contracts with clients, see Note 5.

## Note 19 Financial instruments and financial risks

### FINANCIAL RISK MANAGEMENT FRAMEWORK

The EQT AB Group conducts a risk management framework to mitigate and control EQT AB Group's financial risks in a cost-efficient manner. The financial risk management is covered in the EQT AB Group Treasury Policy. The policy is maintained by the Treasury department. The policy is reviewed yearly, and any new version must be approved by EQT AB Group's board of directors who has the ultimate responsibility for the establishment and control mechanisms of the Group's risk management. The EQT AB Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risks (interest rate risk, currency risk, revaluation risk of holdings in EQT funds)

### CREDIT RISK

Credit risk arises from the potential financial loss in the event a counterparty to EQT AB Group is unable to fulfil its obligations towards the EQT AB Group. This relates primarily to receivables and contract assets, cash held at bank accounts, any derivative instruments outstanding with a positive fair value and any financial guarantees. The credit risk exposures are regularly reviewed to assess exposures and concentrations of risks in accordance with procedures set out in the Group Treasury Policy.

The book value of financial assets represents the EQT AB Group's maximum exposure to credit risks. At 31 December 2020 financial assets amounted to EUR 1,454.8m (EUR 1,254.5m). The financial guarantees are further described below under heading Financial guarantees.

### Receivables and contract assets

The Group's exposure to credit risk from receivables and contract assets is defined by the characteristics of the individual counterparties, primarily consisting of EQT funds. Credit risks are reviewed on a regular basis and there are no significant credit risks identified as of the balance sheet date, nor have there been any during the reporting period.

The Group regularly review expected credit losses for receivables and contract assets, primarily based on historical losses. The Group has historically not suffered any material losses from receivables and contract assets and there are no receivables post due at the balance sheet date (none). The expected credit loss at the balance sheet date is therefore considered insignificant (insignificant).

### Cash and cash equivalents

The financial credit risk exposure mainly arises from cash deposits held on bank accounts. The Group's Treasury Policy stipulates which banks that are approved for cash deposits and relationships are closely monitored by the Group's Treasury department. The minimum official credit rating for a counterparty, in terms of deposits, is BBB (S&P, or S&P equivalent). As of 31 December 2020, the Group held cash and cash equivalents of EUR 878.0m (EUR 908.5m).

Expected credit losses are assessed on a regular basis primarily based on external credit ratings for the counterparties and information about historical losses. The EQT AB Group has historically not suffered any losses from cash and cash equivalents. As of 31 December 2020, the expected credit losses is considered insignificant and reflects the short maturities of the deposits and the credit quality of counterparties reflected in the external credit ratings (insignificant).

Distribution of cash and cash equivalents by credit rating of counterparties:


	31.12.2020	Credit rating
Cash and cash equivalents	98%	A+
Cash and cash equivalents	0%	A–
Cash and cash equivalents	2%	BBB+
<b>Total</b>	<b>100%</b>	

	31.12.2019	Credit rating
Cash and cash equivalents	99%	A+
Cash and cash equivalents	0%	A–
Cash and cash equivalents	0%	BBB+
<b>Total</b>	<b>100%</b>	

### Financial guarantees

The EQT AB Group has guaranteed to cover certain carried interest claw-back obligations related to the EQT VIII, EQT IX, EQT Infra-structure IV and EQT Infrastructure V funds. Under the limited partnership agreement of each applicable fund vehicle, an assessment will be made at termination of the fund to determine if there has been an overpayment of carried interest to the Special Limited Partner (being the recipient of carried interest). Any overpayment of carried interest will in the first instance be satisfied by a return of amounts which are placed into escrow to cover a claw-back scenario. In the unlikely event that amounts held in escrow would be insufficient to

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cover the claw-back liability, then the guarantee may be called upon to cover the balance. At 31 December 2020 no carried interest had been generated, nor paid, from EQT VIII, EQT IX, EQT Infrastructure IV or EQT Infrastructure V (none).

In order to facilitate certain individuals' financing, through loans from a financial institution, of investments in carry schemes related to funds raised since 2015, the EQT AB Group has issued guarantees to the relevant financial institution. According to the terms of these guarantees, the EQT AB Group will pay to the lender any amounts due under the loan agreements due to the individuals being in default on debt repayment. In addition, the individuals have entered into agreements with the EQT AB Group, by which they have agreed to reimburse the EQT AB Group for any amount that the EQT AB Group has paid to the lender under the guarantee. The total amount covered by the guarantees, i.e. the maximum exposure to credit risk, at 31 December 2020 amounts to EUR 57.5m (EUR 5.8m).

The amounts related to financial guarantees has not had any significant effect on the EQT AB Group's financial position at 31 December 2020 and has not affected the EQT AB Group's profit or loss for 2020.

#### LIQUIDITY RISK

The EQT AB Group's liquidity risk relates to its ability to meet obligations associated with liabilities and commitments that are settled by cash payments. The EQT AB Group manages its liquidity risk by ensuring sufficient liquidity to meet its obligations when due under both normal as well as stressed conditions. The Group performs cash forecasting, updated at least on a monthly basis. On 21 December 2020, EQT signed a five-year EUR 1 billion revolving credit facility (RCF). The RCF will increase the financial flexibility of EQT and be used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. The RCF is not limited to a specific currency, it can be utilized in both EUR and USD, by both EQT AB and EQT Treasury AB, as of 31 December 2020 the RCF was unused. The RCF will also incorporate a pricing mechanism linked to ESG-related objectives, lowering the interest rates if targets are met, and increasing them if targets are not achieved. It will thus be in line with EQT's overall approach of integrating sustainability throughout its activities, both on EQT AB Group level and within funds advised by EQT. Cash and cash equivalents as of 31 December 2020 amounted to EUR 878.0m (EUR 908.5m).

Distribution of remaining contractual cash flows of the EQT AB Group's financial liabilities:

EUR m	Carrying amount		Expected maturity		
	31.12.2020	Total	2021	2022	After 2022
Interest-bearing liabilities	–	–	–	–	–
Accounts payable	5.0	5.0	5.0	–	–
Other liabilities	31.3	31.3	31.3	–	–
Accrued expenses	30.3	30.3	30.3	–	–
Leasing liabilities	89.2	97.3	16.3	14.6	66.4
Remaining commitments		256.7			
<b>Total</b>	<b>155.9</b>	<b>420.7</b>	<b>83.0</b>	<b>14.6</b>	<b>66.4</b>

EUR m	Carrying amount		Expected maturity		
	31.12.2019	Total	2020	2021	After 2021
Interest-bearing liabilities	9.4	9.4	9.4	–	–
Accounts payable	12.5	12.5	12.5	–	–
Other liabilities	65.1	65.1	65.1	–	–
Accrued expenses	29.4	29.4	29.4	–	–
Leasing liabilities	90.4	98.8	14.5	23.2	61.2
Remaining commitments		70.7			
<b>Total</b>	<b>206.8</b>	<b>285.9</b>	<b>130.9</b>	<b>23.2</b>	<b>61.2</b>

Translation into EUR of amounts denominated in foreign currency has been done using the exchange rate at the end of the reporting period.

Accounts payables have a maturity of less than one year. Other payables include drawdown notices issued by the Special Limited Partners in the funds, normally with payment terms of 10 days. In 2018 a back-to-back facility was provided where the liability (excl. accrued interest) was matched by a receivable on the same terms and conditions, these amounted to EUR 9.4m as at 31 December 2019 and were repaid during 2020.

At 31 December 2020, the EQT AB Group had remaining commitments to invest in multiple EQT funds of a total amount of EUR 256.7m (EUR 70.7m). The commitments are called over time, normally between one to five years following the commitment. Commitments in 2020 increased due to higher fundraising activities compared to

drawdowns during the year and were primarily related to EQT IX and EQT Infrastructure V.

#### INTEREST RATE RISK

The EQT AB Group's interest rate risk, related to fluctuations in market interest rates with potential impact on the EQT AB Group's net financial income, is limited as the Group does not have any long-term interest-bearing debt as of 31 December 2020. Should the EQT AB Group be exposed to interest rate risk, the EQT AB Group Treasury Policy allows for use of derivatives to manage the risk.

As of 31 December 2020, the EQT AB Group's interest rate risk mainly relates to negative interest rates paid on cash deposits, which normally do not exceed the National bank rate for the relevant currency. Changes in cash deposits interest rates will affect the Group's interest income. If all interest rates on cash deposits would increase by 25 basis points, the EQT AB Group's annual interest income would increase by EUR 2.2m (EUR 2.3m), assuming the same level of cash deposits as of the balance sheet date.

EQT AB Group is not exposed to significant cash flow risk due to changes of market interest rates in its lease liabilities, even if cash-flows are subject to index adjustments for certain contracts.

#### FOREIGN CURRENCY RISK

The Group's foreign currency risk relates to potential changes in exchange rates with impact on the Group's income statement and/or the value of its assets and liabilities.

The Group's income is primarily denominated in EUR and/or USD and its expenses are primarily denominated in EUR, GBP, SEK and USD. Expenses are also denominated in AUD, CHF, CNY, DKK, HKD, NOK and SGD. In most subsidiaries, the income and expenses are denominated in the same currency as the functional currency of the entity and does therefore not create any currency effects in the Group's income statement. The Group's presentation currency is EUR. Income and expenses denominated in EUR are therefore not directly affected by changes in exchange rates. However, when income and expenses arise in entities with a functional currency other than EUR, the Group's operating profits will be affected by changes in exchange rates in the period between initial recognition of revenue or expense and settlement.

The exposure to foreign currency risk is primarily related to the parent company, EQT AB, and the subsidiary EQT Partners AB, both with the functional currency SEK. The currency risk arises as the majority of the income in these entities is denominated in EUR and the expenses are in SEK. In 2020, EUR 250.9m (EUR 281.3m) of income in these two entities (93 percent of total income) were denominated in EUR.

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In 2020, currency effects of EUR –6.1m (EUR 2.4m) were recognized in the Group's operating profit.

The Group's exposure to foreign currency risk at the balance sheet date is primarily related to receivables and cash balances held in currencies other than the functional currency of the entity. This exposure primarily arises in the parent company, EQT AB and in the subsidiary, EQT Partners AB, due to receivables and cash balances in EUR. A strengthening/weakening of the EUR by 5 percent against SEK at 31 December 2020 would affect the value of those assets and the Group's income statement by approximately EUR +/-3.7m (holding all other factors constant) (EUR+/-2.7m). The sensitivity presented reflect the balances at the balance sheet date.

The Group is also exposed to currency risk when translating the balance sheets and income statements of the parent company and the subsidiaries with a functional currency other than EUR into the presentation currency of the Group. The balance sheets are translated using the exchange rate at the balance sheet date and the income statements are translated using the average exchange rate for the period. The translation effect is recognized in other comprehensive income and accumulated in equity for the Group. The translation effect recognized in other comprehensive income in 2020 was EUR –6.1m (EUR –1.6m). The translation exposure is considered limited.

Generally, the exposure to foreign currency risk is not hedged. However, the Group Treasury Policy allows forward contracts to be used to buy future needs of foreign currencies in advance.

No speculative trading with currencies is allowed according to the Group Treasury Policy.

#### REVALUATION RISK

The EQT AB Group is exposed to revaluation risk in the form of changes in the Net Asset Value (NAV) for financial investments held by the EQT AB Group classified at fair value through profit or loss. The risk of changes in NAV is a natural consequence of the EQT AB Group's business and the risk is not hedged in any way. The effect of changes in the NAV on the EQT AB Group's profit or loss is presented below under the heading "Sensitivity analysis of fair values".


#### Classification of financial assets and liabilities in measurement categories

Distribution of carrying amounts of financial assets and financial liabilities by measurement categories stipulated by IFRS 9.

31 December 2020, EUR m	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
<b>Financial assets</b>				
Investments	167.0	0.0		167.0
Other long-term assets	19.8	2.2		22.0
Accounts receivable		3.4		3.4
Other current assets		61.7		61.7
Accrued income		322.6		322.6
Cash and cash equivalents		878.0		878.0
<b>Total financial assets</b>	<b>186.8</b>	<b>1,268.0</b>	<b>–</b>	<b>1,454.8</b>
<b>Financial liabilities</b>				
Interest-bearing liabilities			–	–
Accounts payable			5.0	5.0
Other liabilities			31.3	31.3
Accrued expenses			30.3	30.3
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>66.6</b>	<b>66.6</b>

31 December 2019, EUR m	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
<b>Financial assets</b>				
Investments	65.5	5.0		70.5
Other long-term assets		3.2		3.2
Accounts receivable		6.3		6.3
Other current assets		112.9		112.9
Accrued income		153.0		153.0
Cash and cash equivalents		908.5		908.5
<b>Total financial assets</b>	<b>65.5</b>	<b>1,188.9</b>	<b>–</b>	<b>1,254.4</b>
<b>Financial liabilities</b>				
Interest-bearing liabilities			9.4	9.4
Accounts payable			12.5	12.5
Other liabilities			65.1	65.1
Accrued expenses			29.4	29.4
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>116.4</b>	<b>116.4</b>

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For EQT AB Group's short-term financial assets and liabilities (accounts receivables, other current assets, accrued income, cash, deposits, accounts payables, other liabilities and accrued expenses) the carrying amounts are considered reasonable approximations of their fair values. This also holds for other long-term assets and interest-bearing liabilities since these carry variable interest and therefore the fair value is not significantly affected by changes in the market interest rates.

#### FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the EQT AB Group has access to at that date. The fair value of a liability reflects its non-performance risk.

The EQT AB Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs – other than quoted prices included within level 1 – that are observable for assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

EQT AB Group measure investments in investment programs at fair value in the balance sheet. The fair values for these investments at December 31, 2020 was EUR 167.0m (EUR 65.5m) and are using inputs that are not based on observable market data and are therefore classified as level 3 in the fair value hierarchy. There have not been any transfers between levels in the fair value hierarchy during the periods presented.

Part of the purchase price in relation to the sale of segment Credit was variable and dependent on the size of future funds. Depending on the size of the future funds the variable compensation (earn-out) can range between EUR 0 and EUR 50m. EQT AB Group measure the earn-out to fair value in the balance sheet. The fair value at December 31, 2020 was EUR 19.8m and is calculated using inputs that are not based on observable market data and are therefore classified as level 3 in the fair value hierarchy. A change in the fair value will be included in "net income for the period from discontinued operations" in the income statement.

#### LEVEL 3 FAIR VALUES (FINANCIAL INVESTMENTS)

The table below shows a reconciliation of level 3 fair values for financial investments.

EUR m	2020	2019
Opening balance	65.5	18.0
Net change in fair value	16.1	11.4
Acquisitions	–	15.8
Investments	92.7	29.4
Divestments	–5.0	–8.9
Discontinued operations	–2.2	–
<b>Closing balance</b>	<b>167.0</b>	<b>65.5</b>

Net change in fair value is included in "Carried interest and investment income" in the income statement.

#### FAIR VALUE FOR FINANCIAL INVESTMENTS

Financial investments disclosed as level 3 financial instruments primarily consist of investments in EQT funds. The fair value of EQT AB Group's financial investments in EQT funds are based on the net asset value after taking all assets and deducting all liabilities and provisions, in line with Invest Europe Investor Reporting Guidelines. The valuation processes and techniques described below therefore relates to the most significant processes and techniques for valuing the underlying holdings of the funds.

EQT AB Group applies the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) when determining the fair values for the holdings in the EQT funds. Determining the fair value require subjective assessment with varying degrees of judgment regarding what market participants would use in estimating the value of an asset including valuation methodology, pricing assumptions, the current economic and competitive environment and the risks affecting the specific asset. The use of multiple valuation techniques is encouraged.

For certain investments, primarily within real estate, the EQT AB Group is making use of external valuation agents. External valuers within real estate operates under the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017, which incorporate the International Valuation Standards as published by the International Valuation Standards Council (IVSC). The valuation policy for the real estate funds managed by EQT also reflects recommendations of industry bodies such as the European Association for Investors in Non-Listed Real Estate Vehicles (INREV).

The valuation principles applied by the EQT AB Group are applied consistently from period-to-period, and only changed if deemed necessary to reflect a representative fair value.

EQT AB Group applies control processes to ensure that the fair value of the financial assets reported in the consolidated financial statements are in accordance with applicable accounting standards and determined on a reasonable basis. This include ensuring that the valuations are consistent with the IPEV Guidelines, where relevant, and ensure that the valuations are supported by underlying documentation.

The following valuation techniques are applied by the EQT AB Group to determine fair values of investments in line with IFRS 13.

#### Valuation based on earnings multiples

EQT AB Group applies earnings multiples to determine the fair value for investments with revenues, maintainable profits and/or maintainable positive cash flows. The earnings multiples applied are derived from multiples from a basket of publicly traded companies (a peer group) and multiples from comparable transactions. For this purpose, the EQT AB Group normally uses the EV/EBITDA multiple. If another earnings multiple is more suitable for a specific investment, it should be used instead, and the reason for doing so should be properly motivated and documented.

The multiples for publicly traded companies used by EQT AB Group should be from the date when the valuation is performed. Each individual company in the peer group is evaluated for every valuation date to determine if the company is appropriate from a financial, geographic and operational standpoint. In addition, assessments are made in order to determine whether there exist any additional companies appropriate to include in the peer group.

The multiples for comparable transactions should not be more than 18 months old. In cases where there are no comparable transactions at hand it is considered whether relevant to include a basket of comparable transactions from a wider definition of the industry in which the investment operates in. As investments may be realized through trade sale (majority basis) as well as through stock listing (minority basis), all transactions may be considered in the valuation, without applying a minority discount.

Earnings figures are adjusted for exceptional or non-recurring items, the impact of discontinued activities and acquisitions and forecast downturns in profits. The valuation process and all changes to the peer group, the comparable transactions and any earnings adjustments are documented and approved by EQT management.



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**Valuation based on discounted cash flows**

In the absence of significant revenues, profits or positive cash flows, methods such as the earnings multiple are generally inappropriate. The discounted cash flow technique (DCF) is flexible in the sense that it can be applied to any stream of cash flows or earnings. In the context of private equity valuation, this flexibility enables the valuation technique to be applied in situations that other techniques may be incapable of addressing.

Discounted cash flow techniques imply that expected cash flow amounts are discounted to a present value at a rate that represents the time value of money and reflects the risks of the specific instrument. The discount rate is based on current market conditions and the expected return from the investment.

**Valuation based on quoted prices**

Investments quoted on an active market are measured at the latest available quoted price for the individual asset on the measurement date. Blockage discounts that reflect the quantity of the investment held or any other discounts are not applied.

**Unobservable inputs to valuation techniques**

When measuring fair value, the EQT AB Group uses non-observable market inputs in its valuation techniques. Significant unobservable inputs include: EBITDA multiples (based on budgeted/forward-looking EBITDA and EBITDA multiples of comparable listed companies for an equivalent period), credit ratings, discount rates, capitalization rates, physical and geographic location of assets, price/book as well as price/earnings ratios and enterprise value/sales multiples. A significant portion of the investments is measured at EBITDA multiples. EBITDA multiples used show wide ranges.

**SENSITIVITY ANALYSIS OF FAIR VALUES**

From an EQT AB Group perspective, financial investments are normally measured at fair value applying the adjusted net asset values of the investment programs. A reasonable possible change of 10 percent in the adjusted net asset value would affect the fair values of the investments at December 31, 2020 by EUR 16.7m (EUR 6.6m). The effect would be recognized in the income statement.

Although the EQT AB Group believes that its estimates of fair values are appropriate, the use of different methodologies and different unobservable inputs in the underlying investments of the investment programs, could lead to different measurements of fair value. Due to the number of unobservable input factors used in the valuation of the investment programs' direct investments and their broad range, in particular with regards to earnings multiples, a sensitivity analysis on

these underlying unobservable input factors does not result in meaningful outcomes.

As part of the discontinued operations related to Credit, a reasonable possible change of 10 percent in the size of future funds would not have a material impact on the fair value of the earn-out as of December 31, 2020. The effect would be recognized in net income for the period from discontinued operations.

**Note 20 Leases****AS A LESSEE**

The EQT AB Group's leases mainly consist of office premises. The carrying amount of the right-of-use assets for the year can be found in Note 12. The lease liabilities are presented in the balance sheet and a maturity analysis of the lease liabilities in Note 19.

**Amounts recognized in income statement**

EUR m	2020	2019
Interest on lease liabilities	2.4	2.2
Depreciation on right-of-use assets	14.8	11.8
	17.1	14.0

EQT Group recognizes short-term leases and low value leases directly in the income statement. The leasing amounts for short-term leases and low value leases that have been expensed during 2019–2020 is not significant.

**Amounts recognized in the statement of cash flows**

EUR m	2020	2019
Total cash outflow for leases	16.8	13.0

**Right-of-use asset in the balance sheet**

EUR m	2020	2019
Additions in the right-of-use asset	13.3	54.8


**Office premises leases**

EQT AB Group leases office premises for its office space. The leases of office space typically run for a period of 3–10 years. Some leases of office premises contain extension options exercisable by the EQT AB Group up to 6 months before the end of the contract period. Where practicable, the EQT AB Group seeks to include extension options in the leases to provide operational flexibility. The extension options

held are exercisable only by the EQT AB Group and not by the lessors. The EQT AB Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. This assessment is based on all relevant facts and circumstances that exist at the commencement date. EQT AB Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the EQT AB Group to make payments that relate to the property taxes levied on the lessor and is generally determined annually.

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## Note 21 Cash flow specifications

### Transactions that do not involve payments

EUR m	2020	2019
Acquisition of assets through lease	13.3	54.8

### Reconciliation of debts arising from financing activities

EUR m	Lease liabilities	Short term loan	Total debt arising from financing activities
Opening balance 1.1.2020	90.4	9.4	99.8
Cash flows	-16.8	-9.4	-26.1
Non-cash changes			
Accrued interest	2.4		2.2
New lease agreements	13.3		13.3
Translation differences	-		-
<b>Closing balance 31.12.2020</b>	<b>89.2</b>	<b>-</b>	<b>89.2</b>

EUR m	Lease liabilities	Short term loan	Total debt arising from financing activities
Opening balance 1.1.2019	46.4	14.9	61.3
Cash flows	-13.0	-5.5	-18.5
Non-cash changes			
Accrued interest	2.2	-	2.2
New lease agreements	54.8		54.8
Translation differences	-		-
<b>Closing balance 31.12.2019</b>	<b>90.4</b>	<b>9.4</b>	<b>99.8</b>

### Unutilized credit facilities

EUR m	2020	2019
Unutilized credit facilities	1,000.0	-

On 21 December 2020, EQT signed a five-year EUR 1 billion revolving credit facility (RCF). The RCF is not limited to a specific currency, it can be utilized in both EUR and USD, by both EQT AB and EQT Treasury AB.

## Note 22 Pledged assets and contingent liabilities


EQT AB Group has no pledged assets or contingent liabilities as of 31 December 2020 (none).

## Note 23 Events after the reporting period

On 8 January 2021 the Swedish Tax Agency issued its reassessment decision for the majority of the period for which EQT Partners AB had recorded a provision as a result of the VAT ruling announced by the Supreme Administrative Court on 27 January 2020. The decision resulted in a reversal of EUR 7.8m in the provision recorded during 2019.

As announced on 26 January 2021 EQT has signed an agreement on the combination with Exeter Property Group ("Exeter"), delivering on EQT's strategic ambition in Real Estate as well as EQT's plan to grow its presence in North America. Exeter has a strong performance and growth track-record and fits perfectly with EQT's culture and focus on value-add strategies. With 37 local deal offices, Exeter combines local execution with a global reach, mirroring EQT's local-with-locals approach. Exeter brings 60 new fund investors to EQT and adds USD 10.2 billion in AUM. Total consideration is USD 1,870 million on a cash and debt free basis, of which approximately USD 800 million to be satisfied through issue of new EQT AB ordinary shares, with number of EQT AB ordinary shares to be issued determined by the volume-weighted average closing price of EQT AB's ordinary shares for the 30 trading days preceding the date that is one business day before 26 January 2021 (equal to approximately 33 million shares, corresponding to a dilution of approximately 3.3 percent) and is subject to adjustment based on Exeter's balance sheet on completion. The share consideration for Exeter management shareholders to join EQT AB will be subject to customary lock up provisions, consistent with the lock ups of current EQT partners, of which 25 percent is to be released in Q4 2022, 25 percent in Q4 2023 and 50 percent in Q4 2024. The lock up agreements will also include a forfeit mechanism. The share consideration for TA Associates will not be subject to lock up. The proposed consideration is expected to equate to a mid-teens EBITDA multiple on a run-rate basis at completion. The transaction, which is subject to customary closing conditions, is expected to complete in the second quarter of 2021.

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## Note 24 Related parties

Expenses for salaries, other remuneration and pensions for the EQT AB Group's senior executive management and the board of directors in EQT AB are presented in Note 7. Apart from what is stated in Note 7

certain transactions between the EQT AB Group and related parties have occurred and are specified in the table below.

### Transactions with related parties

EUR m		Sales of goods, services and assets	Purchases of goods and services	Receivables as per 31 Dec	Liabilities as per 31 Dec
Related parties					
Board members and senior executives	2020	0.1	0.1	0.0	–
Board members and senior executives	2019	0.0	0.0	0.0	–

### Description of transactions

Following a new share issue resolved by an extraordinary shareholders' meeting on 19 December 2018 and allotted by the board of directors on 2 April 2019 following the receipt of necessary regulatory approvals Investor AB became a related party to EQT AB. Through the new share issue Investor AB, via its wholly owned subsidiary Investor Investments Holding AB, increased its ownership in EQT AB from approximately 19 percent to approximately 23 percent.

At the shareholders' meeting held on 27 June, 2019, the shareholders resolved to distribute a directed dividend to Investor Investments Holding AB for a total amount of EUR 9,118,180.

In conjunction with the acquisitions of entitlement to revenue, see Note 5 "Carried interest", Investor Investments Holding AB received EQT AB shares valued at EUR 29.5m and cash of EUR 5.5m in exchange for rights to a portion of the management fee surplus in EQT VI GP, as well as investment income and carried interest in certain of the EQT funds. Further, certain members of the board of directors and executive management of EQT AB received EQT AB shares valued in aggregate at EUR 19.5m in exchange for rights to a portion of the investment income and carried interest in certain of the EQT funds.

In conjunction with the listing a total of 114,358,068 shares was offered by selling shareholders (in addition to the new shares offered). As one of the selling shareholders Investor AB via its wholly owned subsidiary Investor Investments Holding AB offered 26,967,384 shares which decreased its ownership in EQT AB from approximately 23 percent to 18 percent. Hence, from the date of the listing Investor AB is no longer a related party to EQT.

In April 2019, the Company entered into consultancy agreements with the Company's board members Edith Cooper and Gordon Orr. In accordance with these consultancy agreements, Edith Cooper and

Gordon Orr shall – in parallel to their respective assignments as members of the board of directors – provide consultancy services as EQT Advisors to support EQT's administration of the EQT Network. Both Edith Cooper and Gordon Orr were entitled to an annual fixed retainer of EUR 35,000 each for the provision of these consultancy services. These consultancy agreements were entered into for a fixed period until 30 June 2020. During 2020, both of the above consultancy agreements with Edith Cooper and Gordon Orr were extended with an additional year until 30 June 2021. The annual fixed retainer remained the same as in the initial agreements, amounting to EUR 35,000 each. Both EQT AB and the respective consultants may terminate the consultancy agreements prematurely with one month's notice, the agreements may also be renewed again in connection to the end date.


In addition to Gordon Orr's original assignment, he also provides consultancy services as an EQT Advisor to support the APAC Advisory Team. This agreement was entered for the fixed period from 1 June 2020 until 31 December 2020, the agreement was capped at a total fee of EUR 37,500, of which EUR 25,000 was invoiced during 2020 based on a daily fee.

During 2020, EQT AB also engaged its board member Nicola Kimm as an EQT Advisor during the due diligence for two pre-deal projects. Her total consultancy fee amounted to EUR 4,375.

Apart from above, EQT AB Group has invoiced a company controlled by a board member for administrative services during 2020 and 2019. The total amount of these transactions amounted to EUR 0.1m (EUR 0.0m).

There has been no other significant transactions between EQT and related parties during the period.

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## Note 25 Subsidiaries

### Group companies

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2020	31.12.2019
EQT Partners AB	Stockholm	556233-7229	100%	100%
EQT Partners AB ES Branch	Madrid	556233-7229	–	–
EQT Partners AB NL Branch	Amsterdam	556233-7229	–	–
EQT Partners AB DK Branch	Copenhagen	556233-7229	–	–
EQT Partners Spain S.L.U.	Madrid	B01597822	100%	0%
EQT Partners Netherlands B.V.	Amsterdam	77321227	100%	0%
EQT Partners Denmark ApS	Copenhagen	41073381	100%	0%
EQT Partners AG	Zurich	CHE-113.618.871	100%	100%
EQT Partners AS	Oslo	940532981	100%	100%
EQT Partners Australia Pty Ltd	Sydney	638432318	100%	0%
EQT Partners Australia II Pty Ltd	Sydney	638488623	100%	0%
EQT Partners GmbH	Munich	HRB 127746	100%	100%
EQT Partners Inc.	New York	4401345	100%	100%
EQT Partners BD LLC	New York	5789596	100%	100%
EQT Partners Oy	Helsinki	1098042-8	100%	100%
EQT Partners Singapore Pte. Ltd.	Singapore	200906516Z	100%	100%
EQT Partners Asia Limited	Hong Kong	10199637	100%	100%
EQT Partners Shanghai Limited	Shanghai	310000400514790	100%	100%
EQT Partners Limited	London	6590781	100%	100%
EQT Partners UK Advisors LLP	London	OC338685	100%	100%
EQT Partners UK Advisors II LLP	London	OC397306	100%	100%
EQT Credit Partners Limited	London	12011559	0%	100%
EQT Partners S.R.L.	Milan	10552820960	100%	100%
EQT Partners SAS	Paris	85392898400014	100%	100%
EQT Services (UK) Limited	London	07936651	100%	100%
EQT Services Netherlands B.V.	Amsterdam	851645768	100%	100%
EQT Corporate Services Netherlands B.V.	Amsterdam	74993097	100%	100%
EQT Treasury AB	Stockholm	559227-5647	100%	100%
EQT Holdings AB	Stockholm	559244-1462	100%	0%
EQT Holdings S.à r.l.	Luxembourg	B244018	100%	0%
EQT Growth (General Partner) S.à r.l.	Luxembourg	B249692	100%	0%
EQT Infrastructure V (GP) S.à r.l.	Luxembourg	B243962	100%	0%
EQT IX (General Partner) S.à r.l.	Luxembourg	B238938	100%	0%
EQT IX GP LLC	Dover	3167396	100%	0%

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2020	31.12.2019
EQT Investment Verwaltungs-GmbH	Munich	HRB 194327	100%	100%
EQT Netherlands Management B.V.	Amsterdam	60593733	100%	100%
EQT Loan Fund (General Partner) S.à r.l.	Luxembourg	B210931	0%	100%
EQT Fund Management S.à r.l.	Luxembourg	B167972	100%	100%
EQT Infrastructure II (GP) Limited	Edinburgh	SC416498	100%	100%
EQT Credit II (GP) Limited	Edinburgh	SC420737	0%	100%
EQT Mid Market (GP) Limited	Edinburgh	SC436969	100%	100%
EQT VII Floss (General Partner) S.à r.l.	Luxembourg	B219445	100%	0%
EQT VII Limited	Edinburgh	SC493105	100%	100%
EQT VII Co-Investment (General Partner) S.à r.l.	Luxembourg	B217579	100%	100%
EQT Co-Investment (GP) S.à r.l.	Luxembourg	B209598	100%	100%
EQT VII International Holdings B.V.	Amsterdam	69473129	100%	100%
EQT VII Luxembourg (General Partner) S.à r.l.	Luxembourg	B214397	100%	100%
EQT VII Netherlands (General Partner) B.V.	Amsterdam	68608195	100%	100%
EQT Real Estate Limited	Edinburgh	SC504628	100%	100%
EQT Ventures (General Partner) S.à r.l.	Luxembourg	B196578	100%	100%
EQT Mid Market US (General Partner) Limited	Edinburgh	SC500973	100%	100%
EQT Mid Market Asia III (General Partner) Limited	Edinburgh	SC521109	100%	100%
EQT Mid Market Europe (General Partner) Limited	Edinburgh	SC521108	100%	100%
EQT Credit Opportunities III (GP) Limited	Edinburgh	SC521170	0%	100%
EQT Infrastructure III (General Partner) S.à r.l.	Luxembourg	B207225	100%	100%
EQT VIII (General Partner) S.à r.l.	Luxembourg	B215816	100%	100%
EQT Mid-Market Credit II (General Partner) S.à r.l.	Luxembourg	B212991	0%	100%
EQT Credit Solutions(General Partner) S.à r.l.	Luxembourg	B217695	0%	100%
EQT Management S.à r.l.	Luxembourg	B145067	100%	100%
EQT Luxembourg Management S.à r.l.	Luxembourg	B217192	100%	100%
EEC Holding S.à r.l.	Luxembourg	B201525	100%	100%
EQT RA Management S.à r.l.	Luxembourg	B240358	100%	0%
EQT Infrastructure II (GP) S.à r.l.	Luxembourg	B244690	100%	0%
EQT Infrastructure II GP C.V.	Amsterdam	78485266	100%	0%
EQT Mid Market (GP) S.à r.l.	Luxembourg	B244691	100%	0%
EQT Mid Market GP C.V.	Amsterdam	78485622	100%	0%
EQT Public Value (General Partner) S.à r.l.	Luxembourg	B225269	100%	100%
EQT Mid Market US (General Partner) S.à r.l.	Luxembourg	B243106	100%	0%

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Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2020	31.12.2019
EQT Mid Market US GP C.V.	Amsterdam	78484804	100%	0%
EQT Mid Market Asia III (General Partner) S.à r.l.	Luxembourg	B243105	100%	0%
EQT Mid Market Asia III GP C.V.	Amsterdam	78484316	100%	0%
EQT Mid Market Europe (General Partner) S.à r.l.	Luxembourg	78484316	100%	0%
EQT Mid Market Europe GP C.V.	Amsterdam	78484030	100%	0%
EQT Infrastructure IV (General Partner) S.à r.l.	Luxembourg	B225708	100%	100%
EQT Ventures II (General Partner) S.à r.l.	Luxembourg	B232970	100%	100%
EQT Real Estate II (General Partner) S.à r.l.	Luxembourg	B225704	100%	100%
EQT IX (General Partner) S.à r.l.	Luxembourg	B238938	0%	100%
EQT Holdings B.V.	Amsterdam	54467861	100%	100%
EQT Holdings II B.V. Shareclass AS/ASE <sup>1)</sup>	Amsterdam	55502903	100%	100%
EQT Infrastructure II GP B.V.	Amsterdam	54468701	100%	100%
EQT Credit Holdings B.V. Shareclass AS/ASE <sup>1)</sup>	Amsterdam	55591701	100%	100%
EQT Credit II GP LP	Edinburgh	SL011031	0%	100%
EQT Holdings III B.V. Shareclass AS <sup>1)</sup>	Amsterdam	56497490	100%	100%
EQT Mid Market Immigration GP B.V.	Amsterdam	71283730	100%	0%
EQT Mid Market GP B.V.	Amsterdam	55314295	100%	100%
EQT Holdings PVF Coöperatief U.A.	Amsterdam	71843647	100%	100%
EQT Holdings VII B.V. Shareclass AS <sup>1)</sup>	Amsterdam	63039818	100%	100%
EQT VII (General Partner) LP	Edinburgh	SL019045	100%	100%
EQT Holdings Real Estate B.V. Shareclass AS <sup>1)</sup>	Amsterdam	63243687	100%	100%
EQT Real Estate I (General Partner) LP	Edinburgh	SL020800	100%	100%
EQT Holdings Ventures B.V. Shareclass AS <sup>1)</sup>	Amsterdam	63191334	100%	100%
EQT Ventures (GP) SCS	Luxembourg	B196905	100%	100%
EQT Holdings MMUS B.V. Shareclass AS <sup>1)</sup>	Amsterdam	63039729	100%	100%
EQT Mid Market US GP B.V.	Amsterdam	62863223	100%	100%
EQT Holdings Mid Market Asia III Coöperatief U.A.	Amsterdam	72183128	100%	100%
EQT Mid Market Asia III GP B.V.	Amsterdam	64683869	100%	100%
EQT Holdings MM Europe B.V. Shareclass AS <sup>1)</sup>	Amsterdam	65104153	100%	100%
EQT Mid Market Europe GP B.V.	Amsterdam	64683796	100%	100%
EQT Holdings Credit III B.V. Shareclass AS <sup>1)</sup>	Amsterdam	68321562	100%	100%
EQT Credit Opportunities III GP LP	Edinburgh	SL024416	0%	100%
EQT Holdings Infrastructure III B.V. Shareclass AS <sup>1)</sup>	Amsterdam	66262844	100%	100%
EQT Infrastructure III (GP) SCS	Luxembourg	B207350	100%	100%
EQT Holdings VIII Coöperatief U.A.	Amsterdam	70951098	100%	100%
EQT VIII HB3 B.V.	Amsterdam	72340614	100%	0%

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2020	31.12.2019
EQT VIII (GP) SCS	Luxembourg	B215860	100%	100%
EQT Holdings MM Credit II Coöperatief U.A.	Amsterdam	70991553	100%	100%
EQT Mid-Market Credit II (GP) SCS	Luxembourg	B213004	0%	100%
EQT Credit Solutions Holdings I Coöperatief U.A.	Amsterdam	70834954	100%	100%
EQT AD Customised Credit (GP) SCS	Luxembourg	B221199	0%	100%
EQT BOCPIF Credit Solutions (GP) SCS	Luxembourg	B222739	0%	100%
EQT Empire Credit Solutions (GP) SCS	Luxembourg	B220838	0%	100%
EQT Holdings Infrastructure IV Coöperatief U.A.	Amsterdam	72203498	100%	100%
EQT Infrastructure IV (GP) SCS	Luxembourg	B225827	100%	100%
EQT Holdings Ventures II Coöperatief U.A.	Amsterdam	74791478	100%	100%
EQT Ventures II (GP) SCS	Luxembourg	B233027	100%	100%
EQT Holdings Real Estate II Coöperatief U.A.	Amsterdam	72225521	100%	100%
EQT Real Estate II (GP) SCS	Luxembourg	B226491	100%	100%
ECLO Credit Holding I AB	Stockholm	559212-8861	100%	100%
ECLO Credit Investments I S.à r.l.	Luxembourg	B236457	0%	100%
EQT Credit UK Limited	London	12164465	0%	100%
EQT HC I Holdings BV	Amsterdam	58187898	100%	100%
EQT HC II Holdings BV	Amsterdam	58188177	100%	100%
De Rome BV	Amsterdam	851792200	100%	100%
Helmholtz Invest BV	Amsterdam	855118623	100%	100%
White Mill Two AG	Wollerau	CHE-195.379.514	100%	100%

<sup>1)</sup> The EQT AB Group controls only specified and ring-fenced assets and liabilities within the legal entity (a silo), see Note 2 regarding non-consolidated special entities.

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Note 25 cont.

#### INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Silos not controlled and accordingly not consolidated by the EQT AB Group consists of investments in EQT funds and carried interest facilitated through silo entities. The EQT AB Group has economic interests relating to transactions with unconsolidated silos with reference to the Group's carried interest.

The EQT AB Group's investments relating to carried interests are recognized in the balance sheet as "Financial investments", measured at fair value and changes in fair value are recognized as Investment income in the income statement. Disclosures of the investments are presented in Note 19. Carried interest is recognized in the income statement. Contract assets relating to carried interest are recognized as "Prepaid expenses and accrued income" and separately disclosed in Note 5.

The EQT AB Group's maximum risk exposure relating to these silos are represented by the amount recognized in the balance sheet.

#### INVESTMENT ENTITY

Based on the new strategy regarding future investment an evaluation of the Group from an IFRS 10 perspective has been performed and led to the conclusion that EQT AB Group is to be seen as an investment entity from an accounting perspective.

In accordance with IFRS 10 an investment entity is an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on a fair value basis. As an investment entity EQT AB is exempt from consolidating subsidiaries that are investments and measures them at fair value through profit or loss instead. Subsidiaries that serve in a supporting function such as investment services continue to be consolidated in accordance with IFRS 10 and those that are not providing investment services will be recognized at fair value instead of being consolidated. The conclusion reached has only an effect on the financial statements going forward and there is no effect on previous periods.

#### Note 26 Earnings per share

EUR	2020	2019
Earnings per share, before dilution	0.398	0.188
– of which continued operations	0.297	0.176
Earnings per share, after diluted	0.398	0.187
– of which continued operations	0.297	0.175

The calculation of earnings per share has been based on the net income attributable to the shareholders and the weighted average number of shares outstanding. The amounts used in the numerator and denominator are presented below together with some additional information.

#### Net income attributable to ordinary shareholders and outstanding class C shares, basic and diluted

EUR m	2020	2019
Net income attributable to shareholders, basic	379.3	159.6
Net income attributable to shareholders, diluted	379.3	159.6

#### Weighted average number of shares, basic and diluted

Number of shares	2020	2019
Weighted average number of shares, basic	953,209,150	851,289,562
Number of dilutive class C shares	409,901	459,435
Weighted average number of shares, diluted	953,619,051	851,748,997

#### Share transactions

A shareholders' meeting held on 16 April 2019 decided upon a new share issue of 982,669 ordinary shares to be paid by way of contribution of non-cash consideration. Further in accordance with a resolution taken at the shareholders' meeting held on 19 December 2018, a new share issue of 404,376 ordinary shares with payment in cash has been made in April 2019 subsequent to approval from competition authorities on which the transaction was conditioned.

A shareholders' meeting held on 27 June 2019 decided upon a share program. The program may have a dilutive effect when calculating earnings per share in future periods.

The shareholders' meeting held on 27 June 2019 also decided on a split of the Company's shares, whereby one existing ordinary share was split into one hundred ordinary shares. For earnings per share calculation purposes, the number of ordinary shares have been adjusted retrospectively as if the share split had occurred at the beginning of the earliest period presented in these financial statements.

During the second half of 2019 a new share issue of 8,663,490 class C shares was issued at quota value, corresponding to a value of SEK 0.8m, and subsequently repurchased in full. As of 31 December 2020 the total outstanding class C shares was 365,406.

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## Note 27 Discontinued operations

### BACKGROUND TO DIVESTMENT OF CREDIT

As announced in EQT's quarterly announcement on January 23, 2020, EQT initiated a review of strategic options for the business segment Credit. Following the review it was decided to divest the business segment Credit and as communicated on June 18, 2020 a signed agreement with Bridgepoint was entered into. As communicated on October 26, 2020 the transaction was completed. As a result of the transaction EQT AB Group recognize a capital gain in discontinued operations of EUR 112.7m representing the difference between the purchase price received and the carrying value of the net assets at the time of the transaction. Part of the purchase price is variable and dependent on the size of future funds. Depending on the size of the future funds the variable compensation (earn-out) can range between EUR 0 and EUR 50m. EQT AB Group measure the earn-out to fair value in the balance sheet, see Note 19. The fair value (included in the capital gain) was EUR 19.8m. The business segment Credit is reported as a discontinued operations together with the capital gain and costs relating to the transaction.

### RESULT FOR THE SEGMENT

Revenues during 2020, up until the completion of the transaction, amounted to EUR 30.4m compared to EUR 35.8m for the full year 2019.

EBITDA remained stable at EUR 13.0m (EUR 11.6m).

### Income statement for discontinued operations

EURm	2020	2019
<b>Total revenues</b>	<b>30.4</b>	<b>35.8</b>
Personnel expenses	-11.2	-14.1
Other operating expenses	-6.2	-10.1
<b>Total operating expenses</b>	<b>-17.4</b>	<b>-24.2</b>
<b>EBITDA</b>	<b>13.0</b>	<b>11.6</b>
Margin, %	42.8%	32.4%
Depreciation and amortization	-	-
<b>Operating profit (EBIT)</b>	<b>13.0</b>	<b>11.6</b>
Net financial income and expenses	-	-
Income taxes	-12.6	-1.4
<b>Net income</b>	<b>0.4</b>	<b>10.2</b>
Capital gain	112.7	-
Transaction related costs	-16.6	-
<b>Net income for the period from discontinued operations</b>	<b>96.5</b>	<b>10.2</b>

Earnings per share, discontinued operations, EUR	2020	2019
Earnings per share, basic	0,101	0,012
Earnings per share, diluted	0,101	0,012

### Cash flow from discontinued operations

EURm	2020	2019
Operating cash flow	-8.9	-6.5
Investing activities	-22.2	-2.3
Financing activities	43.6	3.4
<b>Net cash flow for the period</b>	<b>12.4</b>	<b>-5.5</b>

### Effect of disposal on the financial position of the Group

EURm	2020
Financial investments	26.4
Current assets	6.9
Cash and cash equivalents	15.2
Total current liabilities	-5.0
<b>Total net assets</b>	<b>43.6</b>
Capital gain	112.7
<b>Purchase price received</b>	<b>156.3</b>
Whereof cash consideration	136.5
Whereof earn-out	19.8

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# Parent company income statement

## 1 January – 31 December

SEK m	Note	2020	2019
Net sales	2	1,221.2	900.3
Other operating income	3	–	5.5
<b>Total revenue</b>		<b>1,221.2</b>	<b>905.8</b>
Personnel expenses	5	–369.4	–304.5
Other external costs	6, 7	–722.9	–565.7
Other operating expenses	4	–24.3	–
Depreciation and amortization	12, 13	–15.5	–15.3
<b>Operating profit/loss</b>		<b>89.1</b>	<b>20.3</b>
Profit/loss from financial items			
Profit/loss from participation in subsidiaries	8	865.9	1,828.2
Interest income and similar profit/loss items	9	57.5	86.6
Interest expense and similar profit/loss items	10	–30.9	–202.5
<b>Profit/loss after financial items</b>		<b>981.6</b>	<b>1,732.4</b>
Group contribution		177.5	–129.8
<b>Profit/loss before tax</b>		<b>1,159.1</b>	<b>1,602.6</b>
Income taxes	11	–99.5	39.5
<b>Net income</b>		<b>1,059.6</b>	<b>1,642.1</b>

Net income corresponds to total comprehensive income



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# Parent company balance sheet

SEK m	Note	31.12.2020	31.12.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Trademarks	12	–	0.2
		–	0.2
<i>Property, plant and equipment</i>			
Leasehold improvements	13	61.8	72.6
Equipment	13	6.8	9.8
		<b>68.6</b>	<b>82.4</b>
<i>Financial assets</i>			
Participation in subsidiaries	14	9,520.1	11,941.3
Other securities held as non-current assets	15	10.0	14.2
Deferred tax		–	82.7
Other long-term receivables	17	5.3	3.7
		<b>9,535.4</b>	<b>12,041.8</b>
<b>Total non-current assets</b>		<b>9,604.0</b>	<b>12,124.4</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable		14.6	10.9
Receivables from subsidiaries		803.1	2,782.9
Current tax assets		–	13.2
Other receivables		123.9	293.9
Prepaid expenses and accrued income	18	46.5	36.9
		<b>988.2</b>	<b>3,137.9</b>
<i>Cash and bank</i>	19	994.3	8,620.1
<b>Total current assets</b>		<b>1,982.4</b>	<b>11,757.9</b>
<b>TOTAL ASSETS</b>		<b>11,586.5</b>	<b>23,882.3</b>

SEK m	Note	31.12.2020	31.12.2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	20	96.2	96.2
		<b>96.2</b>	<b>96.2</b>
<i>Non-restricted equity</i>			
Share premium reserve		8,983.8	8,983.8
Profit or loss brought forward		528.8	941.8
Net income		1,059.6	1,642.1
		<b>10,572.2</b>	<b>11,567.7</b>
		<b>10,668.4</b>	<b>11,663.9</b>
<b>Current liabilities</b>			
Accounts payable		1.6	25.1
Liabilities to subsidiaries		635.1	11,965.2
Tax liabilities		3.9	–
Other liabilities		29.8	40.6
Accrued expenses and prepaid income	21	247.7	187.5
		<b>918.1</b>	<b>12,218.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,586.5</b>	<b>23,882.3</b>

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# Parent company statement of changes in equity


SEK m	Restricted equity		Non-restricted equity	
	Share capital <sup>1)</sup>	Share premium reserve	Retained earnings incl. profit for the year	Total equity
<b>Opening balance at 1.1.2020</b>	96.2	8,983.8	2,583.9	11,663.9
Net income			1,059.6	1,059.6
Transactions with owners				
Dividend			-2,097.4	-2,097.4
Share-based bonus			42.3	42.3
<b>Total</b>	<b>96.2</b>	<b>8,983.8</b>	<b>-2,055.1</b>	<b>-2,055.1</b>
<b>Closing balance at 31.12.2020</b>	<b>96.2</b>	<b>8,983.8</b>	<b>1,588.4</b>	<b>10,668.4</b>

<sup>1)</sup> The share capital amounts to SEK 96,167,739.

SEK m	Restricted equity		Non-restricted equity		Total equity
	Share capital <sup>1)</sup>	New share capital issue in progress	Share premium reserve	Retained earnings incl. profit for the year	
<b>Opening balance at 1.1.2019</b>	0.1	0.1	1,355.2	2,235.1	3,590.4
Net income			-	1,642.1	1,642.1
Transactions with owners					
Dividend				-317.3	-317.3
Share issues	9.6	-0.1	7,628.6		7,638.1
Transaction costs (net of tax)				-128.2	-128.2
Bonus issue	86.5			-86.5	-
Share-based bonus				105.6	105.6
Purchase of own shares	-0.1			-867.0	-867.0
<b>Total</b>	<b>96.1</b>	<b>-0.1</b>	<b>7,628.6</b>	<b>-1,293.3</b>	<b>6,431.3</b>
<b>Closing balance at 31.12.2019</b>	<b>96.2</b>	<b>-</b>	<b>8,983.8</b>	<b>2,583.9</b>	<b>11,663.9</b>

<sup>1)</sup> The share capital amounts to SEK 96,167,739.


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# Parent company statement of cash flows

SEK m	2020	2019
<b>Cash flows from operating activities</b>		
Operating profit (EBIT)	89.1	20.3
Adjustments:		
Depreciation and amortization	15.5	15.3
Changes in accruals	50.6	34.9
Foreign currency exchange differences	24.3	-5.5
Other non-cash adjustments	5.8	29.3
Increase (-) /decrease (+) in account receivables and other receivables	1,214.8	125.2
Increase (+) /decrease (-) in account payables and other payables	-3,021.4	1,846.4
Dividends received	2,001.0	204.0
Income taxes paid	0.3	-12.2
<b>Net cash from operating activities</b>	<b>379.9</b>	<b>2,257.6</b>
<b>Cash flows from investing activities</b>		
Investment in subsidiaries/Group contributions paid	-6,368.8	-766.7
Shareholders' contribution repaid	4.8	-
Investment in subsidiaries	-0.3	-
Divestment of subsidiaries	477.2	-
Acquisition of property, plant and equipment	-1.5	-82.2
Investment in non current assets	-	239.5
Divestment of non current assets	-2.8	-
Interest received	13.9	16.8
<b>Net cash from investing activities</b>	<b>-5,877.4</b>	<b>-592.6</b>
<b>Cash flows from financing activities</b>		
Share issues	-	6,145.1
Repurchase of own shares	-	-867.0
Dividends paid	-2,097.4	-317.3
Interest paid	-30.9	-42.2
<b>Net cash flows from financing activities</b>	<b>-2,128.2</b>	<b>4,918.6</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-7,625.8</b>	<b>6,583.7</b>
Cash and cash equivalents at the beginning of the period	8,620.1	2,036.4
<b>Cash and cash equivalents at the end of the period</b>	<b>994.3</b>	<b>8,620.1</b>

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# Notes to the Parent company financial statements

## Note 1 Accounting principles

### GENERAL INFORMATION

EQT AB, reg.no 556849-4180, is a Swedish registered limited company domiciled in Stockholm. The registered postal address is Box 16409, 103 27 Stockholm. The visiting address is Regeringsgatan 25, Stockholm.

The annual report and consolidated financial statements have been approved for issuance by the board of directors on 23 March 2021. The consolidated income statement and balance sheet and the Parent company's income statement and balance sheet will be presented for approval at the annual shareholders' meeting on 2 June 2021.

Amounts are presented in SEKm unless otherwise stated. The accounting policies are unchanged compared with the annual report 2019.

### STANDARDS ISSUED BUT NOT YET EFFECTIVE

Revised standards and interpretations issued by the IASB and the IFRS Interpretations Committee but not yet effective, are expected to have an immaterial impact on the Parent company's financial statements in the future periods of initial application.

### DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

#### Classification and presentation

The income statement and balance sheet of the Parent company are prepared in accordance with the schedules of the Annual Accounts Act, while the statement of income and other comprehensive income, the statement of changes in equity, and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

#### Discontinued operations

Non-current assets held for sale and discontinued operations are not reported separately in EQT AB's income statement and balance sheet as the company follows Annual Accounts Act's presentation form for income statement and balance sheet. EQT AB does not apply IFRS 5.

#### Subsidiaries

Shares in subsidiaries are recognized at cost. Transaction costs are included in the carrying amount of shares in subsidiaries. In the consolidated financial statements, transaction costs attributable to business combinations are recognized directly in the income statement as incurred.

Contingent considerations are measured based on the probability that the consideration will be paid. Any changes in the provision/receivable is added to/reduces the cost of the shares in subsidiaries. In the consolidated

financial statements, contingent considerations are measured at fair value and changes in fair value are recognized in the income statement.

Investments in certain foreign entities with different types of share classes and with ring-fenced assets and liabilities attributable to each type of class, are treated as separate units, so called silos, within each entity. Only the share classes attributable to silos that are controlled by EQT AB are recognized as shares in subsidiaries.

#### Functional and accounting currency

The Parent company does not apply the Group's principles for determining the functional currency. Instead, the Annual Accounts Act's rules on accounting currency are applied, which means that the Parent company has SEK as its accounting and reporting currency.

#### Anticipated dividends

Anticipated dividends from subsidiaries are recognized in cases where the Parent company alone has the right to decide the size of the dividend and the Parent company has decided on the size of the dividend before the Parent company has published its financial statements.

#### Tax

Unlike the consolidated financial statements, the Parent company recognizes untaxed reserves in the balance sheet without allocating it to equity and deferred tax liability. Similarly, no part of the appropriation is allocated to deferred tax expenses in the Parent company's income statement.

#### Leases

The Parent company does not apply IFRS 16 Leases. Instead, all lease contracts where EQT acts as a lessee, the lease payments are recognized as an expense according to the straight-line method over the lease term. Accordingly, no right of use assets nor lease liabilities are recognized in the balance sheet.

#### Research and development

In the Parent company, all development costs are recognized as expenses in the income statement as incurred. In the consolidated financial statements, development costs are capitalized when certain criterias are met.

#### Financial instruments

The Parent company has, in accordance with RFR 2, chosen not to apply IFRS 9 Financial Instruments for financial instruments, which means that

financial non-current assets are measured at cost or amortized cost less any impairment losses and financial current assets are measured according to the lower of cost or market.

However, some of the principles in IFRS 9 are applicable – such as impairment losses and credit losses, recognition/derecognition, and the effective interest method for interest income and expenses.

The cost of interest-bearing instruments is adjusted for the accrued difference between the amount that was initially paid, after addition/deduction of transaction costs, and the amount paid on maturity, i.e. the premium and discount respectively.

Impairment losses on financial assets measured at amortized cost are recognized in accordance with IFRS 9, in the same manner as the consolidated financial statements.

Impairment losses on investments in equity instruments are recognized if the fair value is less than the carrying amount.

#### Financial guarantees

The Parent company's issued financial guarantee contracts consist partly of guarantees in favor of subsidiaries. Financial guarantees require the company to reimburse the holder of a debt instrument for losses that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the contract.

The Parent company applies the allowed exemption to IFRS 9 as permitted by the Swedish Financial Reporting Board (RFR) for financial guarantees. The exemption relates to financial guarantee contracts issued in favor of, among others, subsidiaries. The Parent company recognizes financial guarantee contracts as provisions in the balance sheet when the company has a commitment for which it is probable that a payment will be required to settle the commitment.

#### Shareholders' contributions

Provided shareholders' contributions are recognized as an increase in the carrying amount of the shares/participation. Repaid shareholders' contributions are recognized as dividends followed by an impairment test of shares in subsidiaries.

#### Group contributions

Both group contributions received and paid are recognized as appropriations.

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## Note 2 Revenue

Revenue derives from contracts to provide services for other companies, mainly subsidiaries. The services relate to management and support functions and are considered to be interrelated and therefore constitute a single performance obligation that is fulfilled over time to the customer. The transaction price for the services is determined by a method based on the arm's length principle.

Revenue is recognized over time as the assignment is performed based on costs incurred and the fulfillment of the performance obligations.

The fee is invoiced on an ongoing basis based on a preliminary cost estimate with a final settlement at year end, payment is due within 10 days from invoicing.

## Note 3 Other operating income

	2020	2019
Foreign currency gains on operating receivables/liabilities	–	5.5
	–	5.5

## Note 4 Other operating expenses

	2020	2019
Foreign currency losses on operating receivables/liabilities	–24.3	–
	–24.3	–

## Note 5 Employees and personnel expenses

Average number of employees	2020	whereof men	2019	whereof men
Sweden	133	50%	101	49%

Disclosures regarding the company's board of directors and senior executives are presented in the Group's Note 7.

## Salaries, other remunerations and social security expenses, including pension expenses

	2020		2019	
	Salaries and remunerations	Social security expenses	Salaries and remunerations	Social security expenses
	234.6	99.2	191.8	86.2
(of which pension expenses)		32.0		24.3

Remunerations to the company's CEO and other senior executives are presented in the Group's Note 7.

## Note 6 Audit fees and expenses

	2020	2019
KPMG		
Audit services	7.5	4.5
Other services <sup>1)</sup>	5.1	37.2

<sup>1)</sup> Other services in 2019 include costs referring to the IPO.

Audit services refer to the legally required examination of the annual report and the book-keeping, as well as the board of directors and the CEO's management and any other audit examinations or agreed-upon procedures determined by contract. This includes their work assignments which rest upon the company's auditor to conduct, and advising or other support justified by observations in the course of examination or execution of such other work assignments.

## Note 7 Operating leases

### Lease contracts where the Company is the lessee

	2020	2019
Future minimum lease payments under non-cancellable operating leases		
Within one year	47.4	46.8
Between one and five years	185.0	185.5
Later than five years	182.6	228.5
	415.0	460.7
	2020	2019
Lease expenses recognized	26.4	20.9


EQT AB signed a new lease agreement for new office premises in April 2019. Rent is included in future lease expenses. The lease agreement for the new office premises has a lease term of 10 years. Parts of the office rent is recharged to the subsidiary EQT Partners AB and is therefore not included in the lease expenses recognized during the year.

## Note 8 Profit/loss from participations in subsidiaries

	2020	2019
Capital gain on divested subsidiaries	273.1	–
Impairment of shares in subsidiaries	–3,421.1	–8.5
Dividends from subsidiaries	4,013.8	1,836.7
	865.9	1,828.2

In 2020, the EQT Group divested the Credit segment to Bridgepoint. As a result, EQT AB has divested the subsidiaries EQT Credit UK Ltd, EQT Credit II (GP) Ltd, EQT Credit Investment Verwaltungs GmbH, EQT Credit Solutions GP S.à r.l., EQT Mid-Market Credit II (General Partner) S.à r.l., EQT Loan Fund (General Partner) S.à r.l., EQT Credit Opportunities III (GP) Ltd and EQT Mid-Market Credit SV SA, which has generated a capital gain that is reported under profit/loss from participation in subsidiaries.

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### Note 9 Interest income and similar profit/loss items

	2020	2019
Interest income, subsidiaries	13.7	14.8
Interest income, other	1.2	2.0
Foreign currency gains	42.5	68.3
Other	0.0	1.4
	<b>57.5</b>	<b>86.6</b>

### Note 10 Interest expense and similar profit/loss items

	2020	2019
Interest expenses, subsidiaries	-21.8	-30.9
Interest expenses, other	-9.1	-11.3
Foreign currency losses	-	-160.3
	<b>-30.9</b>	<b>-202.5</b>

### Note 11 Income taxes

	2020	2019
Current tax expenses	-99.7	41.3
Tax attributable to prior years	0.2	-1.8
	<b>-99.5</b>	<b>39.5</b>

### Reconciliation of effective tax rate

	2020		2019	
	Percent	Amount	Percent	Amount
Profit before tax		1,159.1		1,602.6
Tax at Parent company's statutory rate	21.4%	-248.0	21.4%	-343.0
Non-deductible expenses		-771.5		-8.8
Non-taxable income		919.8		393.1
Tax attributable to prior years		0.2		-1.8
Reported effective tax		<b>-99.5</b>		<b>39.5</b>

### Note 12 Intangible assets

	Trademarks
Accumulated cost	
Opening balance 01.01.2020	0.8
Closing balance 31.12.2020	0.8
Accumulated amortization	
Opening balance 01.01.2020	-0.6
Amortization	-0.2
Closing balance 31.12.2020	-0.8
Carrying amount at year-end 31.12.2020	-

Accumulated cost	
Opening balance 01.01.2019	0.8
Closing balance 31.12.2019	0.8
Accumulated amortization	
Opening balance 01.01.2019	-0.5
Amortization	-0.2
Closing balance 31.12.2019	-0.6
Carrying amount at year-end 31.12.2019	0.2


### Note 13 Property plant and equipment

	Leasehold improvements	Equipment	Total
Accumulated cost			
Opening balance 01.01.2020	79.8	11.8	91.6
Acquisitions	1.5	-	1.5
Closing balance 31.12.2020	81.3	11.8	93.1
Accumulated depreciation			
Opening balance 01.01.2020	-7.1	-2.0	-9.1
Depreciation	-12.3	-3.0	-15.3
Closing balance 31.12.2020	-19.4	-5.0	-24.4
Carrying amount at year-end 31.12.2020	<b>61.8</b>	<b>6.8</b>	<b>68.6</b>

Accumulated cost			
Opening balance 01.01.2019	14.8	2.7	17.4
Acquisitions	71.0	11.2	82.2
Scrapped/sold	-6.0	-2.0	-8.0
Closing balance 31.12.2019	79.8	11.8	91.6
Accumulated depreciation			
Opening balance 01.01.2019	0.0	-2.1	-2.1
Scrapped/sold	6.1	2.0	8.1
Depreciation	-13.2	-1.9	-15.2
Closing balance 31.12.2019	-7.1	-2.0	-9.2
Carrying amount at year-end 31.12.2019	<b>72.6</b>	<b>9.8</b>	<b>82.4</b>

Leasehold improvements relate to properties in the entered lease agreement of the headquarter office in 2019. Scrapping of leasehold improvements that occurred during 2019 is related to the previous office building. Leasehold improvements also include art where depreciation does not take place.

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## Note 14 Participations in subsidiaries

	2020	2019
Accumulated cost		
Opening balance	12,034.9	1,487.1
Acquisitions	0.3	12.9
Divestment of subsidiaries	-199.3	-
Shareholders' contributions paid	1,203.2	10,534.9
Shareholders' contributions repaid	-4.8	-
Closing balance	13,034.2	12,034.9
Accumulated impairments		
Opening balance	-93.6	-85.1
Impairment	-3,420.5	-8.5
Closing balance	-3,514.1	-93.6
<b>Carrying amount at year-end</b>	<b>9,520.1</b>	<b>11,941.3</b>

### Specification of Participations in subsidiaries

Subsidiary / Corp. reg. no./ Registered office	Number of shares	Share in % <sup>1)</sup>	2020-12-31	2019-12-31
			Carrying amount	Carrying amount
EQT Services (UK) Ltd. Reg. no. 07936651, London	625	100.0	24.5	24.3
EQT Holdings BV. Reg. no. 54467861, Amsterdam	1,800,000	100.0	3,472.8	3,199.2
EQT Investment Verwaltungs-GmbH. Reg. no. HRB 194327, Munich	25,000	100.0	3.7	3.7
EQT Infrastructure II (GP) Ltd. Reg. no. 416498, Edinburgh	100	100.0 <sup>2)</sup>	0.0	0.0
EQT Credit II (GP) Ltd. Reg. no. 420737, Edinburgh	100	0.0	-	0.3
EQT Fund management S.à r.l. Reg. no. B167.972, Luxembourg	1,627	100.0	185.0	132.0
EQT Mid Market (GP) Ltd. Reg. no. 436969, Edinburgh	100	100.0 <sup>2)</sup>	0.0	0.0
EQT Management S.à r.l. Reg. no. B 145067, Luxembourg	12,500	100.0	12.2	12.2
EQT Mid-Market Credit SV SA. Reg. no. 34372326, Luxembourg	36,287,950	0.0	-	-
EQT Netherlands Management BV. Reg. no. 60593733, Amsterdam	1	100.0	14.3	14.3
EQT Services Netherlands BV. Reg. no. 851645768, Amsterdam	1,800,000	100.0	38.5	38.6
EQT Partners AB. Reg. no. 5562337229, Stockholm	5,000	100.0	106.0	69.8
EQT VII Ltd. Reg. no. 493105, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Mid Market US (GP) Ltd. Reg. no. SC500973, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Real Estate Ltd. Reg. no. SC504628, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Ventures (GP) S.à r.l. Reg. no. B 0196578, Luxembourg	12,500	100.0	0.1	0.1
EQT Infrastructure III (GP) S.à r.l. Reg. no. B 207225, Luxembourg	12,500	100.0	0.1	0.1

### Specification of Participations in subsidiaries, forts.

Subsidiary / Corp. reg. no./ Registered office	Number of shares	Share in % <sup>1)</sup>	2020-12-31	2019-12-31
			Carrying amount	Carrying amount
EQT Co-Investment (GP) S.à r.l. Reg. no. B 209598, Luxembourg	1,200,000	100.0	0.6	0.1
EQT Loan Fund (GP) S.à r.l. Org. nr. B 210931, Luxembourg	1,200,000	0.0	-	0.1
EQT Mid Market Asia III GP Ltd. Reg. no. SC521109, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Mid Market Europe GP Ltd. Reg. no. SC521108, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT VII International Holdings BV. Reg. no. 69473129, Amsterdam	12,000	100.0	0.6	0.1
EQT VIII (GP) S.à r.l. Org. nr. B 215816, Luxembourg	12,000	100.0	0.1	0.1
EQT VII Co-Investment (GP) S.à r.l. Reg. no. B 217579, Luxembourg	12,000	100.0	0.1	0.1
EQT Mid-Market Credit II (General Partner) S.à r.l. Org. nr. B212991, Luxembourg	12,000	0.0	-	0.1
EQT Credit Solutions GP Sarl. Reg. no. B217695, Luxembourg	12,000	0.0	-	0.1
EQT HC I Holdings BV. Reg. no. 852917247, Amsterdam	308,642	100.0	-	-
EQT HC II Holdings BV. Reg. no. 852917387, Amsterdam	308,642	100.0	-	-
De Rome BV. Org. nr. 851792200, Amsterdam	216,049	100.0	-	-
Helmholtz Invest BV. Reg. no. 855118623, Amsterdam	154,321	100.0	-	-
White Mill Two AG. Reg. no. CH-0203035230-6, Switzerland	308,642	100.0	-	-
ECLO Credit Holding I AB. Reg. no. 559212-8861, Stockholm	6,500	100.0	9.2	55.8
EQT Treasury AB. Reg. no. 559227-5647, Stockholm	6,500	100.0	5,651.8	8,377.7
EQT Credit Opportunities III (GP) Limited. Reg. no. SC521170	1	0.0	-	-
EQT Credit UK Limited. Reg. no. 12164465, England & Wales	1,000,490	0.0	-	12.3
EQT VII Floss (General Partner) S.à r.l. Reg. no. B219445, Luxembourg	12,000	100.0	0.4	-
			<b>9,520.1</b>	<b>11,941.3</b>

<sup>1)</sup> Referring to the owners' share of the capital, which is equivalent to the share of the votes for the total amount of shares.

<sup>2)</sup> The value amounts to 1 GBP each for these companies.

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### Note 15 Other securities held as non-current assets

	2020	2019
Accumulated cost		
Opening balance	14.2	11.6
Additional assets	–	2.6
Divestment	–4.2	–
<b>Closing balance</b>	<b>10.0</b>	<b>14.2</b>
<b>Carrying amount at year-end</b>	<b>10.0</b>	<b>14.2</b>

### Note 16 Financial instruments and risk management

#### FINANCIAL RISKS AND FINANCIAL RISK MANAGEMENT

The description of financial risks and financial risk management for the Group – Note 19 Financial Instruments and Financial Risks, is in all material aspects also applicable for the Parent company.

#### FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below presents the Parent company's financial assets and liabilities.

	2020	2019
<b>Financial assets</b>		
Other securities held as non-current assets	10.0	14.2
Other non-current receivables	5.3	3.7
Accounts receivables	14.6	10.9
Receivables from subsidiaries	803.1	2,782.9
Other receivables	123.9	293.9
Cash and bank	994.3	8,620.1
<b>Total financial assets</b>	<b>1,951.2</b>	<b>11,725.7</b>
<b>Financial liabilities</b>		
Accounts payable	1.6	25.1
Liabilities to subsidiaries	635.1	11,965.3
Other liabilities	29.8	40.6
Accrued expenses	145.0	100.1
<b>Total financial liabilities</b>	<b>811.5</b>	<b>12,131.0</b>

All financial assets are recognized at amortized cost. For short-term financial assets and liabilities (accounts receivables, receivables and liabilities from group companies, other receivables and liabilities, accrued income and expenses, cash and bank, and accounts

payable) the carrying amounts are considered to be reasonable approximations of their fair value. For a description and disclosures about the fair value of other securities held as non-current assets, see the Group's Note 19.

### Note 17 Other long-term receivables

	2020	2019
Accumulated cost		
Opening balance	3.7	1.6
Additional receivables	1.6	2.1
<b>Carrying amount at the year-end</b>	<b>5.3</b>	<b>3.7</b>

### Note 18 Prepaid expenses and accrued income

	2020	2019
Insurance	9.3	2.6
Pensions	1.0	0.0
Licenses	18.7	14.3
Other	17.5	20.0
	<b>46.5</b>	<b>36.9</b>

### Note 19 Revolving credit facility

On 21 December 2020, EQT signed a five-year EUR 1 billion revolving credit facility (RCF). The RCF will increase the financial flexibility of EQT and be used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. The RCF is not limited to a specific currency, it can be utilized in both EUR and USD, by both EQT AB and EQT Treasury AB, as of 31 December 2020 the RCF was unused. The RCF will also incorporate a pricing mechanism linked to ESG-related objectives, lowering the interest rates if targets are met, and increasing them if targets are not achieved. It will thus be in line with EQT's overall approach of integrating sustainability throughout its activities, both on EQT AB Group level and within funds advised by EQT.

### Note 20 Number of shares and quota value

For further information regarding Number of shares and quota value, see the Group's Note 15 Equity.

### Note 21 Accrued expenses and prepaid income

	2020	2019
Accrued personnel expenses	102.7	87.5
Accrued consultancy fees	100.7	51.4
Other accrued expenses	44.3	48.5
	<b>247.7</b>	<b>187.5</b>

### Note 22 Pledged assets and contingent liabilities

As of 31 December 2020 the Parent company does not have any general guarantee commitments (SEK 0.0).

### Note 23 Related parties

Related parties	Year	Sales of services	Purchases of services	Other	Receivables	Liabilities
Subsidiaries	2020	1,201.2	1.7	4,005.7	803.1	635.1
Subsidiaries	2019	878.1	3.8	1,820.6	2,782.9	11,965.2

### Note 24 Events after the reporting period

For disclosures regarding events after the reporting period, see the Group's Note 23.



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**PROPOSAL FOR THE DISTRIBUTION OF NET INCOME**

Standing at the disposal (in SEK) of the annual shareholders' meeting, in accordance with the balance sheet of EQT AB:

Share premium reserve	8,983,811,720
Profit brought forward	528,803,875
Net income	1,059,562,212
<b>Total</b>	<b>10,572,177,807</b>

The board proposes that, following approval of the balance sheet of EQT AB for the financial year 2020, the annual shareholders' meeting should distribute the earnings as follows:

Dividend to shareholders:	
SEK 2.40 per share	2,288,038,334 <sup>1)</sup>
Retained earnings	8,284,139,473
<b>Total</b>	<b>10,572,177,807</b>

<sup>1)</sup> Based on the number of outstanding shares at December 31, 2020. The amount of the dividend may change due to issue of new shares up until the record date as a result of the signed agreement on the combination with Exeter Property Group ("Exeter"). See Events after the reporting period.

It is the board's opinion that the proposed dividend is justifiable taking into consideration the demands that the nature, scope and risks of EQT's operations place on the size of EQT AB's and EQT AB Group's equity, and EQT AB's and EQT AB Group's consolidation needs, liquidity and financial position in general.

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**EQT AB**  
Corp. id 556849-4180

The board and CEO assure that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with International Accounting Standards, stated in the regulation of the European Parliament and the Council of Ministers (EG) no 1606/2002 of 19 July 2002, concerning the application of international accounting standards. The Annual Report and the consolidated accounts give a true and fair view of the parent company as well as of the EQT AB Group’s position and result. The Board of Directors’ report for the parent company and the EQT AB Group gives a true and fair view of the parent company’s and Group’s business development, position and result. It also describes the major risks and uncertainty factors facing the parent company and Group companies.

Stockholm 23 March 2021

Conni Jonsson  
*Chairperson*

Christian Sinding  
*CEO*

Edith Cooper

Johan Forssell

Nicola Kimm

Diony Lebot

Gordon Orr

Finn Rausing

Peter Wallenberg Jr

The Annual Report and the consolidated accounts have been approved for publication by the Board of Directors and the Chief Executive Officer on **23 March 2021**. The consolidated income statement and balance sheet and the parent company’s income statement and balance sheet will be presented for adoption by the AGM on 2 June 2021.

Our audit report has been submitted  
KPMG AB

Håkan Olsson Reising  
*Authorized public accountant*

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# Auditor’s report

To the general meeting of the shareholders of EQT AB, corp. id 556848-9418

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of EQT AB for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 75–129 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that,

based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Carried interest

See disclosure 5 and accounting principles on page 90 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter	Response in the audit
<p>As of 31 December 2020 the group reported carried interest of EUR 83.4 million.</p> <p>Carried interest is a share of profits that EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund and the development of the funds’ underlying investments. EQT AB Group is entitled to an agreed share of accumulated profits exceeding agreed thresholds over the expected life of each individual fund.</p> <p>Management of the EQT AB Group makes assumptions and uses estimates to determine whether or not revenue should be recognized including the timing and measurement of revenue from carried interest. Revenue should only be recognized to the extent it is highly probable that revenue would not result in significant revenue reversal of accumulated revenue recognized on final settlement of the fund. The reversal risk is managed through adjustments of current unrealized fund values by imposing discounts. The discounts applied depend on specific segment risks and the expected average remaining holding period of each fund.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• We have reviewed the company’s model for calculation of carried interest and obtained an understanding of the valuation process and key controls in this process,</li> <li>• We have assessed the development of the funds underlying investments and the discounts to conclude whether these were performed in accordance with the prescribed method,</li> <li>• We tested that the methodology and consistency applied in the valuation of the portfolio companies is in accordance with the International Private Equity and Venture Capital Valuation Guidelines,</li> <li>• We assessed the relevance of multiples used against market multiples from relevant transactions or market data,</li> <li>• We have involved an internal valuations- and accounting specialists to assess the current unrealized fund values by imposing discounts and also to evaluate the accuracy of the disclosures of carried interest in the annual accounts and consolidated accounts.</li> </ul>

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**Other information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–74, 134–144, 145–160 and 162–168. The other information also comprises of the remuneration report which we obtained prior to the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director’s responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

**Auditor’s responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the

group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor’s report unless law or regulation precludes disclosure about the matter.

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## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of EQT AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among

other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of EQT AB by the general meeting of the shareholders on the 8 June 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2012.

Stockholm 23 March 2021

KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

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## Additional information



Infrastructure – United States:

### EdgeConneX

EdgeConneX operates over 40 hyperscale and edge data centers, bringing speed, agility and security to your business and customers. The company is expected to benefit from powerful industry tailwinds such as cloud adoption and data consumption. EdgeConneX is well positioned to capture the growing number of bandwidth intensive and latency sensitive workloads generated by emerging technologies such as Artificial Intelligence, Internet-of-Things, Virtual and Augmented Reality, and Cloud Gaming.

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# Corporate governance report

Corporate governance practices refer to the decision-making systems through which owners, directly or indirectly, govern a company. Good corporate governance is not only important for EQT AB’s organization, it is also integrated in EQT’s business model as it is part of the core of EQT’s value creation strategy when advising and future-proofing the portfolio companies of the EQT funds.

EQT AB is a Swedish limited liability company governed by the Swedish Companies Act. As a listed company on Nasdaq Stockholm, EQT AB further adheres to the Swedish Code of Corporate Governance (the “Code”). The Code is published on [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se), where a description of the Swedish Corporate Governance model can be found.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how EQT AB has conducted its corporate governance activities during the financial year 2020.

EQT AB did not breach or deviate from the Nasdaq Stockholm Rule Book for Issuers, the Code or good stock market practice during the financial year 2020.

The Corporate Governance Report has been reviewed by EQT AB’s auditor, as presented on page 144.

## Statement of Purpose

### Purpose – why we exist:

“To future-proof companies and make a positive impact”

### Vision – what we strive for:

“To be the most reputable investor and owner”

### Mission – what we do and how:

“With the best talent and network around the world, EQT uses a thematic investment strategy and distinctive value creation approach to future-proof companies, creating superior returns to EQT’s investors and making a positive impact with everything we do”

EQT has an enduring commitment to responsible investment and has since inception had a multi-stakeholder approach, with the original concept from EQT’s founding in 1994 of being “more than capital”. This concept still embodies the fundamental mindset that defines EQT and our active ownership approach. With an entrepreneurial spirit and passion for future-proofing companies, EQT continues to further incorporate the long-term ownership philosophy of the Swedish Wallenberg family.

Today, EQT is a differentiated global investment organization with a 25-year history of responsibly investing in, owning and developing companies. With a Nordic heritage and a global mindset combined with well-grounded values and a deeply rooted culture, EQT funds have a track record of consistent and attractive returns across geographies, sectors and strategies. We do this by making a real difference: over the years, EQT has on average grown portfolio company revenues per year by 12 percent, EBITDA by 13 percent and number of employees

by 7 percent, annually. Going forward, we will develop EQT with greater diversity in mind and consciously transition portfolio companies to use renewable energy, which will reduce greenhouse gas emissions. EQT is also committed to publish key ESG data and link incentive schemes to sustainability objectives.

As EQT has grown, our philosophy has been further ingrained into the EQT way of doing business. By taking an active role and working closely with management and the boards, EQT supports portfolio companies with hands-on governance and expertise, leveraged from both within the EQT platform and the global network of EQT Advisors. Providing both capital and competence constitutes the essence of EQT’s active ownership approach and is difficult to replicate. It allows us not only to invest, but also to be part of the solution and make a positive impact that prevails during and after EQT funds’ ownership period, all while creating attractive returns for EQT funds’ investors.

Shouldering the role as an active owner is not done overnight. It requires trust from multiple stakeholders and such trust is earned over time. At EQT, we have always been dependent on our license to operate to continue carrying out our mission. This has meant a continuous quest to gain and preserve confidence from a broad set of stakeholders such as portfolio companies’ employees, fund investors, unions, the media, politicians – and since the public listing, also EQT AB’s shareholders.

Finally, we have decided to align all investment decisions in support of achieving the United Nations Sustainable Development Goals (SDGs) as well as ownership actions to support the development of the portfolio companies in this direction – taking an active part in the world’s “Full Potential Plan”. Accordingly, EQT is committed to future-proofing companies and making a positive impact with everything we do. We believe this will ensure that EQT stays successful and relevant for its investors and society as a whole for the long-term.

**Conni Jonsson**  
Founder and Chairperson

**Christian Sinding**  
CEO and Managing Partner

**Edith Cooper**  
Board Member

**Johan Forssell**  
Board Member

**Nicola Kimm**  
Board Member


**Diony Lebot**  
Board Member

**Gordon Orr**  
Board Member

**Finn Rausing**  
Board Member

**Peter Wallenberg Jr**  
Board Member

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## AUTHORIZATIONS

At the annual shareholders' meeting held on 8 June 2020, an authorization was granted to the board to, during the period until the Annual Shareholders' Meeting 2021, on one or more occasions, resolve upon issuances of new shares. Shares may be issued without preferential rights for the shareholders of EQT AB. The number of shares issued may not correspond to a dilution of more than 10 percent of the total number of shares outstanding at the time of the annual shareholders' meeting 2020's resolution on the authorization, after full exercise of the authorization. An issue of new shares resolved upon by virtue of the authorization may only be made against contribution in kind. The purpose of the authorization is to provide flexibility for acquisitions of companies, businesses or parts thereof. Any issue of new shares resolved upon by virtue of the authorization shall be made at market terms and conditions.

## SHAREHOLDERS' MEETINGS AND THE ANNUAL SHAREHOLDERS' MEETING 2021

According to EQT AB's articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on EQT's website. At the time of the notice convening a shareholders' meeting, information regarding the notice shall be published in the Swedish daily newspaper Dagens Industri.

Shareholders who wish to participate in a shareholders' meeting of EQT AB must be included in the shareholders' register maintained by Euroclear Sweden ("Euroclear") on the day falling six banking days prior to the meeting and notify EQT AB of their participation no later than on the date stipulated in the notice convening the shareholders' meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways as indicated in the notice of the shareholders' meeting. A shareholder may vote for all shares in EQT AB owned or represented by the shareholder, without restrictions on the number of votes.

The Annual Shareholders' Meeting 2021 (the "AGM 2021") of EQT AB will take place on 2 June 2021 at 14:00 CEST by postal voting and digital participation. All documents related to the AGM 2021 will be published on EQT's website.

## SHARES

At year-end 2020, EQT AB had 29,195 shareholders according to the shareholders' register maintained by Euroclear. The only shareholders representing more than one tenth of the shares and votes in EQT AB are Investor Investments Holding Aktiebolag, an indirect subsidiary of Investor Aktiebolag, with 18.1 percent of the capital and 18.3 percent of the votes and Bark Partners AB, an entity owned by Conni Jonsson, Thomas von Koch, Harry Klagsbrun and Per Franzén, with 15.3 percent of the capital and 15.4 percent of the votes. For more information about the EQT AB share and its largest shareholders, see page 163. Information on EQT AB's shareholder structure is also made available on EQT's website.

## NOMINATION COMMITTEE

Under the Code, all companies whose shares are listed on a regulated market in Sweden must have a nomination committee to prepare proposals regarding certain appointments by the shareholders' meeting. The main task of the nomination committee is to propose candidates for election to the board, including the chairperson of the board, and, where applicable, propose auditors for election to the shareholders' meeting. When nominating persons for election to the board, the nomination committee shall determine whether in its view the persons nominated for election are considered independent of EQT AB, its senior management and the major shareholders in EQT AB. In addition, the nomination committee shall propose a candidate for election as chairperson of the annual shareholders' meeting. The nomination committee shall also submit proposals concerning the remuneration of the chairperson of the board, the other board members and the auditors.

The nomination committee of EQT AB shall be appointed as follows:

- i. The nomination committee shall comprise one member appointed by each of the four largest shareholders, based on ownership in EQT AB on the last banking day of August the year before the annual shareholders' meeting, and the chairperson of the board. If any shareholder renounces its right to appoint a member to the nomination committee, such right shall transfer to the shareholder who is the next largest shareholder in EQT AB.
- ii. If none of the four largest shareholders is (a) a member of the EQT Partnership Association ("EQT Member"), which is the manager of Stiftelsen EQT Foundation ("EQT Foundation"), or (b) the EQT Foundation, the fourth largest shareholder's right shall instead vest in the EQT Foundation. Thus, an EQT Member or the EQT Foundation shall always be allowed to appoint a member of the nomination committee. If the EQT Foundation renounces such right, the right shall transfer to the fourth largest shareholder pursuant to (i).

For further information regarding the principles for appointment of the nomination committee, please refer to EQT's website. The composition of the nomination committee meets the requirements concerning the independence of the nomination committee. All AGM documents related to the nomination committee will be published on EQT's website.

### Nomination committee for the AGM 2021

Members	Appointed by	% of the votes per 31 December 2020
Jacob Wallenberg (Chairperson)	Investor AB	18.3
Harry Klagsbrun	Bark Partners AB	15.4
Kine Burøy-Olsen	Lennart Blecher	3.4
Magnus Billing	Alecta	1.4
Conni Jonsson	Chairperson of the Board	0.6 <sup>1)</sup>

<sup>1)</sup> In total, Conni Jonsson holds 52,616,245 shares representing 5.5 percent of the votes and 5.5 percent of the shares, whereof 6,026,336 shares representing 0.6 percent of the votes and 0.6 percent of the shares are held through Qarlbo Associates SA, and the remainder of the shares are held through Bark Partners AB.



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**AUDITOR**

EQT AB’s auditor shall review EQT AB’s annual report and accounting, as well as the management of the Board and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders’ meeting.

Pursuant to EQT AB’s articles of association, EQT AB shall have no less than one and no more than two auditors with no more than two deputy auditors. Since 2011, EQT AB’s auditor is KPMG AB.

For details on remuneration to the auditors, see Note 8.

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# The Board



**CONNI JONSSON**

Born 1960. Chairperson of the Board since January 2012<sup>2)</sup>. Founder of EQT.

**Education:**

Bachelor of Science with majors in Economic Analysis and Accounting & Finance from Linköping University. Studies at the Management Development Program, Harvard Business School.

**Other current assignments:**

Board member of EQT Foundation, Bark Partners AB, Elins Hage AB, Pophouse Entertainment Group AB and Silver Life AB. Member of several Investment Committees within EQT – Equity, Real Assets and Public Value.

**Previous assignments:**

Chairperson of the board and board member of EQT Partners Aktiebolag.

**Shareholding in EQT AB<sup>1)</sup>:**

52,616,245 ordinary shares (indirectly).

**Independent of EQT AB and executive management:** No.

**Independent of major shareholders:** No.



**EDITH COOPER**

Born 1961. Board member since October 2018.

**Education:**

Master of Management from Kellogg School of Management, Northwestern University. Bachelor of Arts from Harvard University.

**Other current assignments:**

Board member of Slack Technologies Inc. and ETSY Inc.

**Previous assignments:**

Executive Vice President and Global Head of Human Capital Management for Goldman Sachs.

**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.



**JOHAN FORSELL**

Born 1971. Board member since August 2015.

**Education:**

Master of Science in Economics and Business Administration from Stockholm School of Economics.

**Other current assignments:**

CEO and board member of Investor AB. Board member of Atlas Copco AB, Epiroc AB, Wärsilä Oyj Abp, Patricia Industries, Confederation of Swedish Enterprise and Stockholm School of Economics. Member of The Royal Swedish Academy of Engineering Sciences (IVA).

**Previous assignments:**

Board member of SAAB Aktiebolag.

**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** No.



**NICOLA KIMM**

Born 1970. Board member since June 2020.

**Education:**

BSc Ecology, University of Calgary; BSc Chemical Engineering, University of Alberta; MSc Chemical Engineering, University of Calgary; Doctorate Economics & Business Engineering Karlsruhe Institute of Technology, Germany.

**Other current assignments:**

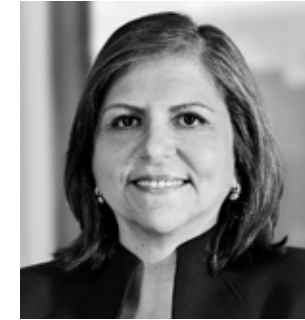
Board member of Dunlop, Global Head of Sustainability & Environment, Health and Safety at Signify.

**Previous assignments:**

**Shareholding in EQT AB<sup>1)</sup>:** 7,380 ordinary shares (directly).

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** No.



**DIONY LEBOT**

Born 1962. Board member since June 2020.

**Education:**

Masters in Finance and taxation from University Pantheon Sorbonne.

**Other current assignments:**

Deputy Chief Executive Officer of Société Générale, supervising control functions (Risk and Compliance) and CSR, as well as financial services and insurance activities of the Societe Generale Group.

**Previous assignments:** –

**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.

<sup>1)</sup> Shareholdings in EQT AB are stated as of 31 December 2020.

<sup>2)</sup> Conni Jonsson was the sole board member of EQT AB from 13 January 2012 until 26 August 2013, when he was elected Chairperson of the board.

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The Board, continued



**GORDON ORR**

Born 1962. Board member since October 2018.

**Education:**

Master in Engineering from Oxford University. MBA, Baker Scholar, Harvard Business School.

**Other current assignments:**

Chairperson of the board of Westchel Ltd. Board member of Lenovo Group Ltd, China Britain Business Council, Swire Pacific Ltd, PCH Ltd, Phynova Ltd and Meituan Ltd.

**Previous assignments:**

Partner and board member of McKinsey & Company. Board member of BioProducts Laboratory Ltd.

**Shareholding in EQT AB<sup>1)</sup>:**

31,530 ordinary shares (directly).

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.



**FINN RAUSING**

Born 1955. Board member since August 2013.

**Education:**

LL.B. from Lund University. MBA, INSEAD, Fontainebleau.

**Other current assignments:**

Board member of Tetra Laval Group, Alfa Laval AB, DeLaval Holding AB, Swede Ship Marine AB, Excillum AB, Östekonomiska institutet and Islero Investments AG.

**Previous assignments:** –

**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.



**PETER WALLEMBERG JR**

Born 1959. Board member since July 2014.

**Education:**

International Bacholoria, American School in Leysin Switzerland and BSBA Hotel Administration, University of Denver USA.

**Other current assignments:**

Chairperson of the Board of Knut and Alice Wallenbergs Foundation, Marianne and Marcus Wallenbergs Foundation, Wallenberg Foundations AB, The Grand Group AB and KAK – the Royal Automobile Club. Board member of Atlas Copco AB and Scania AB.

**Previous assignments:**

Board member of Aleris, Investor AB and FAM AB.


**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** No.

<sup>1)</sup> Shareholdings in EQT AB are stated as of 31 December 2020.

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According to EQT AB's articles of association, the board members elected by the shareholders' meeting shall be no less than three and no more than ten without any deputy members.

Since the annual shareholders' meeting held on 8 June 2020, the board has consisted of eight members and no deputy members. All six members elected at the annual shareholders' meeting 2019 were re-elected at the annual shareholders' meeting 2020 and two of the members, Nicola Kimm and Diony Lebot, were newly elected at the annual shareholders' meeting 2020.

The composition of EQT AB's board meets the Code's requirements concerning independence. In the nomination committee work for the Annual Shareholders' Meeting 2021, the nomination committee will apply rule 4.1 of the Code as diversity policy in its nomination work with the aim to achieve a well-functioning composition of the board when it comes to diversity and breadth, as regards inter alia gender, nationality, age and industry experience.

#### Evaluation of the board and the CEO

The board applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting each year. Pursuant to the rules of procedure, the Chairperson of the board initiates an annual evaluation of the performance of the board. The objective of the evaluation is to provide insight into the board members' view about the performance of the board and identify measures that could make the work of the board more effective. A secondary objective is to form an overview of the areas the board believes should be afforded greater scope and where additional expertise might be needed within the board. All members of the board participated in the 2020 evaluation. In addition, each board member completed a survey within the evaluation and the Chairperson of the board held individual conversations with each board member to discuss the results of the survey to gain a better understanding of the board's work during the year. As part of the annual evaluation process, the Chairperson reports the results to the nomination committee. The board continuously evaluates the performance of the CEO by monitoring the development of the business in relation to the established objectives. A formal performance review is carried out once a year.

#### Attendance at Board meetings and Board remuneration in 2020

Member	Attendance record, Board and Committee meetings 2020			Remuneration resolved by the annual shareholders' meeting 2020 (EURk)			Total
	Board meetings <sup>1)</sup>	AudCo meetings	RemCo meetings	Board Fee	Audit committee	Remuneration committee	
Connj Jonsson (Chairperson)	12/12	9/9	2/2	275	20	20	315
Johan Forssell	12/12	9/9	–	125	20	–	145
Peter Wallenberg Jr	12/12	–	2/2	125	–	20	145
Finn Rausing	12/12	–	–	125	–	–	125
Gordon Orr	12/12	9/9	–	125	40	–	238 <sup>2)</sup>
Edith Cooper	12/12	–	2/2	125	–	40	200 <sup>3)</sup>
Nicola Kimm	7/7	–	–	125	–	–	129 <sup>4)</sup>
Diony Lebot	7/7	4/4	–	125	–	20	145
<b>Total</b>				<b>900</b>	<b>80</b>	<b>100</b>	<b>1,442</b>

<sup>1)</sup> Per capsulam and by correspondence not included.

<sup>2)</sup> The total remuneration includes a fixed retainer of EUR 35,000 for consultancy work and consulting fees of EUR 2,500 per day (in total 15 days, i.e. EUR 37,500 in total) where services have been performed, please see further Note 24.

<sup>3)</sup> The total remuneration includes EUR 35,000 for consultancy work, please see further Note 24.

<sup>4)</sup> The total remuneration includes EUR 4,375 for consultancy work, please see further Note 24.

#### Work of the board in 2020

During 2020, the board held 12 board meetings. The board members' attendance is shown in the table below. The secretary of all board meetings was Lena Almfelt, General Counsel at EQT AB. Prior to each meeting, the board members were provided with written information on the matters that were to be discussed. Furthermore, there have been board meetings where the board members have had the opportunity to discuss matters without representatives of EQT AB's management being present. The main focus areas for the board's work during 2020 have been the Covid-19 implications, EQT's strategic priorities, policy portfolio and governance.

Committee work is an important task performed by the board. For a description of the work conducted by the committees during 2020, see the summary below.

In addition to participating in meetings of the audit committee, EQT AB's auditor also attended a board meeting during which board members had the opportunity to pose questions to the auditor without representatives of EQT AB's management being present.

#### Board committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the board has formed an audit committee as well as a remuneration committee. The members of the committees are appointed at the inaugural board meeting and the committees' duties and decision-making authorities are regulated in annually approved committee instructions. The primary objective of the committees is to provide preparatory and administrative support to the board. The matters considered at committee meetings are recorded in minutes and reported at the next board meeting. Representatives from EQT AB's specialist functions typically participate in committee meetings.

The audit committee shall perform the tasks set out in applicable EU rules, the Swedish Companies Act and, to the extent appropriate, the Code. The purpose and aim of the audit committee is to assist the board in fulfilling its responsibilities with respect to financial reporting, internal control and risk management and to increase the quality of the audit of EQT AB and the EQT AB Group, improve contacts between the board and EQT AB's auditor, increase the quality and improve the super-

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vision and control of EQT AB’s financial risk exposure, risk management and financial reporting. The audit committee shall also keep itself informed about the audit of the annual financial statements and the consolidated financial statements, monitor the handling of related party transactions, review and monitor the impartiality and independence of the auditors and pay special attention to whether the auditors are providing other services besides audit services to EQT AB, and assist in preparations for the purchase of auditing services as well as preparations for the annual shareholders’ meeting’s decision on the election of auditors.

The purpose and aim of the remuneration committee is to address remuneration matters and ensure a comprehensive and well prepared and supervised remuneration model for the EQT AB Group’s employees.

The remuneration committee is tasked with preparing proposals on remuneration principles, remunerations and other employment terms for EQT AB’s executive management. The remuneration committee is also tasked with monitoring and evaluating programs for variable remuneration for the executive management, the application of the guidelines for remuneration to the executive management adopted by the annual shareholders’ meeting as well as the current remuneration structures and remuneration levels in EQT AB.

**Remuneration to the board**

Board fees, including fees to the Chairperson of the board, are resolved by the shareholders’ meeting. Detailed information about remuneration, pensions and other benefits for the board is set out in note 7 and on EQT’s website. The board members are not entitled to any benefits following termination of their assignments as members of the board. To the extent a board member conducts work for EQT, in addition to the board work, consulting fees and other compensation for such work may be paid.

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# The executive committee



**CHRISTIAN SINDING**

Born 1972. CEO and Managing Partner since January 2019. Deputy Managing Partner 2015–2019. Employed by EQT since 1998.

**Education:**

Bachelor of Science in Commerce with Distinction, University of Virginia.

**Other current assignments:**

Board member of Vidsjåa AS, Baggins AG and EQT Foundation. Member of the EQT Executive Committee and Chairman of the Equity Partners Investment Committee.

**Previous assignments:**

Board member of XXL ASA, Plantasjen AS, VTI Technologies, ISS AB, Cimbria A/S, Gambro AB, Vaasan&Vaasan Oy., Findus AB and Flexlink AB.

**Experience**

Joined EQT Partners from AEA Investors Inc., a leading U.S.- based private equity firm. Previously, Christian was a financial analyst with Bowles Hollowell Conner & Co. Christian has worked in the Stockholm-, Munich- and Copenhagen-offices of EQT Partners and opened the Oslo office in 2007. Christian was Head of Equity between 2011–2018.

**Shareholding in EQT AB<sup>1)</sup>:**

31,241,385 ordinary shares (indirectly).



**LENNART BLECHER**

Born 1955. Deputy Managing Partner since August 2013. Head of Real Assets Advisory Team since January 2015. Employed by EQT since 2007.

**Education:**

Master of Laws, Lund University. Academy of American and International Law, University of Dallas.

**Other current assignments:**

Board member of Volito AB, Volito Fastigheter AB, Volito Industri AB and Nordkap Holding AB. Chairperson of EQT Infrastructure Partners Investment Committee.

**Previous assignments: –**

**Experience:**

Managing Director and Senior Banker in the investment bank of Unicredit/HypoVereinsbank, Munich. Managing Director at GE Commercial Finance, London. Various positions in the ABB Group, Zurich, such as General Counsel for the ABB Financial Services Group, President and Business Area Manager for ABB Structured Finance and ABB Equity Ventures.

**Shareholding in EQT AB<sup>1)</sup>:**

32,448,395 ordinary shares (directly and indirectly).



**CASPAR CALLERSTRÖM**

Born 1973. Deputy CEO. Partner since 2004. COO since February 2016. Employed by EQT since 1996.

**Education:**

Studies at Stockholm School of Economics with majors in Financial Economics and International Business.

**Other current assignments:**

Chairperson of the board of EQT Partners AB. Board member of Kramerica Industries AB, Harmerica Properties AB, Fastighetsaktiebolaget Wanda, Wanda Holding AB.

**Previous assignments:**

Board member of Scandic Hotels Aktiebolag, Scandic Hotels Group AB, Scandic Hotels Holding AB, Balder Sunstorm AB, Brookite Real Estate 2 AB, Brookite Infrastructure 4 AB and Brookite Equity 8 AB. Deputy board member of Trill Capital AB.

**Experience:**

Caspar joined EQT while completing his studies at the Stockholm School of Economics. From 2007 to 2013, Caspar was Head of EQT Equity in Stockholm.

**Shareholding in EQT AB<sup>1)</sup>:**

30,429,355 ordinary shares (directly).



**PER FRANZÉN**

Born 1976. Partner and Co-Head of EQT Private Equity Advisory Team. Employed by EQT since 2007.

**Education:**

M.Sc in Economics and Business Administration from the Stockholm School of Economics with exchange studies at the University of St Gallen in Switzerland.

**Other current assignments:**

Chairman of the Equity Partners Investment Committee. Board member of Anticimex, Independent Vetcare Limited, Bark Partners AB, Lago Invest, Lago Holding.

**Previous assignments (last five years):**

Board member of Eton AB, Industrial and Financial Systems, IFS Aktiebolag, Evidensia Djursjukvård AB and Automic.

**Experience:**

Per has worked in the Stockholm and Munich offices at EQT Partners and has been involved in a number of investments including IFS, Automic, SSP, Acade-Media, Securitas Direct, IVC, Anticimex, Eton, Duni, Karo Pharma and Piab.

**Shareholding in EQT AB<sup>1)</sup>:**

30,641,090 ordinary shares (indirectly).

<sup>1)</sup> Shareholdings in EQT AB are stated as of 31 December 2020.

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The executive committee, continued



**KIM HENRIKSSON**

Born 1968. CFO since October 2018.

**Education:**

Master of Science in Economics from Hanken School of Economics.

**Other current assignments:**

Board member of EQT Partners AB.

**Previous assignments (last five years):**

Board member of Altia Oyj and Nokkila Konsult & Förvaltnings Aktiebolag. Partner and board member of Access Partners Oy. Board member of APG Advisory AB, APG Holding AB, APG Invest AB and Cubs Club V AB.

**Experience:**

Kim started his career at Morgan Stanley in 1994 and left the Nordic M&A team as a Managing Director in 2008. Between 2010 and 2015 Kim held the position as CFO at Munksjö and most recently he was a Partner and Corporate Finance Advisor at Access Partners.

**Shareholding in EQT AB<sup>1)</sup>:**

225,000 ordinary shares (directly) and 17,475 class C shares.



**MORTEN HUMMELMOSE**

Born 1971. Partner since 2008 and Head of Client Relations and Capital Raising Advisory Team since January 2021. Employed by EQT since 2006.

**Education:**

Morten holds a M.Sc. in Economics from the University of Copenhagen and a M.Sc. in Finance from the University of London.

**Other current assignments:**

Board member of Pas Normal Studios and Chairperson of Human Rights Watch Copenhagen Circle of Friends.

**Previous assignments:**

Chairman of EQT Partners Inc, Head of Private Equity US, Head of Private Equity Copenhagen, Board member at Focus Vision, Nordic Aviation Capital, Cast & Crew, ISS, DAKO, Færch Plast, KMD and Flying Tiger Copenhagen.

**Experience:**

Prior to joining EQT Partners, Morten worked as a Director in the corporate finance department of Enskilda Securities (2001-2006) in Copenhagen. Prior to Enskilda Securities, Morten worked at Goldman Sachs International (1998-2001) in London and Aros Securities (1995-1998) (now Nordea) in Copenhagen.

**Shareholding in EQT AB<sup>1)</sup>:**

26,693,904 ordinary shares (indirectly).



**ANNA WAHLSTRÖM**

Born 1976. Global Head of Human Resources since October 2017. Employed by EQT since 2013.

**Education:**

Master of Social Science and Human Resources with a major in Sociology from Uppsala University.

**Other current assignments:**

Board member of Inannut AB.

**Previous assignments: –**

**Experience:**

Prior to joining EQT, Anna was CEO at Propell, a recruitment agency that she founded in 2004 together with Investor and Novare. Prior to that she worked as HR consultant for Investor's HR firm Novare.

**Shareholding in EQT AB<sup>1)</sup>:**

577,335 ordinary shares (directly).

<sup>1)</sup> Shareholdings in EQT AB are stated as of 31 December 2020.

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The CEO is appointed by and subordinated to the board and is responsible for the everyday management and operations of EQT AB. The division of work between the board and the CEO is set out in the rules of procedure for the board and the CEO’s instructions. The CEO is also responsible for the preparation of reports and compiling information from executive management for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in EQT AB and consequently must ensure that the board receives adequate information for the board to be able to evaluate EQT AB’s financial condition continuously, including results, liquidity and credit status.

Furthermore, the CEO must continuously keep the board informed of developments in EQT’s operations, important business events, as well as environmental, social and governance issues and risks and all other events, circumstances or conditions which can be assumed to be of significance to EQT AB’s shareholders.

EQT AB’s executive management, Executive Committee, consists of seven members. In addition to the CEO/ Managing Partner (Christian Sinding), the team comprises the CFO (Kim Henriksson), the COO/Deputy CEO (Caspar Callerström), the Global Head of Human Resources (Anna Wahlström), the Co-Head of EQT Private Equity Advisor (Per Franzén), the Head of Client Relations and Capital Raising Advisory Team (Morten Hummellose) as well as the Head of the Real Assets Advisory Team and Deputy Managing Partner (Lennart Blecher). Executive Committee meets on a regular basis, and the matters considered at the meetings are recorded in minutes. In 2020, the Executive Committee’s work has mainly been focused on executing on EQT’s strategic priorities to build the EQT platform for the long-term, and to ensure safe business continuity for EQT during the global pandemic.

The remuneration for the CEO is determined by the board. Remuneration for other members of the executive management is determined by the CEO and approved by the remuneration

committee, following which the board is informed. The latest adopted guidelines for remuneration to executive management are described in Note 7. The remuneration report will be presented to the AGM 2021 according to the Code and will be published on EQT’s website.

**CONTROL FUNCTIONS**

The risk management function is responsible for coordinating the internal reviews and reporting of significant risks and the effectiveness of the EQT AB Group’s internal controls. Risk management reports to the CFO.

The compliance function supports the EQT AB Group’s compliance with laws and regulations by implementing regulatory frameworks, monitoring compliance and training employees. The compliance function is separate from the risk management function and reports to the General Counsel of the EQT AB Group.

**Internal Control Framework**

The EQT AB Group’s internal control framework is governed by the Swedish Companies Act and the Code. The internal control process is effectuated by the board, the audit committee, the CEO, the executive management and other employees. The internal control process is intended to provide reasonable assurances that the EQT AB Group’s objectives are met with respect to effective and efficient operations, reliable reporting and compliance with applicable laws and regulations. With respect to financial reporting, internal control is an integral part of the overall internal control, using for example such control activities as segregation of duties, reconciliations, approval, safe-guarding of assets and control over information systems. Internal control of financial reporting is intended to provide reasonable assurances regarding the reliability of external financial reporting as well as to ensure that external financial reporting is prepared in accordance with applicable laws and regulations, applicable accounting standards and other requirements for EQT AB as a company listed on a regulated market.

The process for the EQT AB Group’s internal control is based on the Committee of Sponsoring Organizations of the Treadway Commission’s guidelines on internal control (“COSO”). The process includes control environment, risk assessment, control activities, information as well as communication and monitoring. The control environment establishes the character and provides the discipline and structure for the other four integral components of internal control.

The board of EQT AB evaluates the need for a separate internal audit function on a yearly basis. EQT AB has not had a separate internal audit function as the ongoing internal work with internal control was deemed to be sufficient as an audit function.

**Control environment**

The internal control environment is built upon corporate values, which ensure the organization’s commitment to integrity and holding individuals accountable for their responsibilities. The board is responsible for performing independent oversight of the development and performance of the EQT AB Group’s internal control. The audit committee is responsible for the quality and the supervision and control of the EQT AB Group’s internal control and risk management. A key aspect of the internal control environment is the organizational structure of the EQT AB Group, including its reporting lines, authorities and allocation of responsibilities established by the executive management. To ensure that EQT’s values, ways of working and regulatory requirements are applied throughout the entire organization, the EQT AB Group has developed a number of policies, guidelines and instructions, including i.a. the Information Security and Data Privacy Policy, the EQT Responsible Investment & Ownership Policy and the Conflicts of Interest Policy. The process for managing these policies and allocating ownership and accountability is set out in the Governance Policy. In addition to Group policies, the EQT AB Group has a Code of Business Conduct with mandatory principles regarding management and employee behavior.



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**RISK ASSESSMENT**

The EQT AB Group identifies, assesses and manages risks based on the EQT AB Group’s purpose, vision, mission and goals. Throughout the year, EQT AB Group further strengthened the risk framework by clarifying the governance and operating model of the risk management function, including roles, responsibilities, processes and information flows. A Risk Committee was put in place to review and discuss the risk framework and assessments on behalf of the Executive Committee. Risk appetites and Key Risk Indicators (“KRIs”) were also agreed and a new standardized risk dashboard is currently being implemented.

Risk assessments are conducted continuously by way of interviews and internal reports. Conclusions drawn from conducted risk assessments are presented to key representatives of the EQT AB Group and used to conduct a group wide risk analysis of key strategic, operational, legal and financial risks, including environmental, social and governance risks. A summary of the EQT AB Group risk analysis is documented in a risk map and presented to the audit committee and the board annually.

Using the EQT AB Group’s risk analysis, the audit committee determines which of the identified risks should be prioritized by the risk management function for the following year, suggests improvements and follows up on previously identified areas of improvement.

The assessment of capital raising and fund reporting risks has been a focus area during the year and the risk management function performed in-depth reviews of internal controls in this area. However, all risks included in the EQT Group’s risk register have also been reviewed.

**Control activities**

Control activities mitigate the risks identified and ensure accurate and reliable financial and sustainability reporting. Risks are mapped out for all key business processes and internal

controls designed and implemented to cover these risks. On a periodic basis, the risk manager ensures that EQT’s new initiatives and processes are captured by the internal control framework.

The migration of the internal control framework to a robust audit & risk software, including the documentation of remediation issues and sample tests by the EQT AB Group’s risk function, has been a focus area during the year.

**Information and communication**

Within the EQT AB Group, information and communication regarding risks and internal controls contributes to ensure that the right business decisions are made. Key policies and guidelines are communicated to employees, e.g. by ensuring that those are published and accessible through the intranet or on the shared drive. EQT recognizes that certain policies are also of interest to external stakeholders and as such publish these on EQT’s website. Internal controls awareness sessions are conducted with the persons responsible for each process, who then ensure those controls are understood and performed by relevant staff.

**Monitoring**

A self-assessment of the effectiveness of internal controls for each business process is performed annually and reported to the audit committee and the board. The CFO is responsible for the self-assessment process, which is facilitated by the risk manager. In addition, independent reviews are conducted by the risk manager using a risk-based approach. The risk manager performs reviews of the risk- and internal control systems.

# Auditor’s report on the corporate governance statement

To the general meeting of the shareholders in EQT AB, corporate identity number 556849-4190

**ENGAGEMENT AND RESPONSIBILITY**

It is the board of directors who is responsible for the corporate governance statement for the year 2020 on pages 134-144 and that it has been prepared in accordance with the Annual Accounts Act.

**THE SCOPE OF THE AUDIT**

Our examination has been conducted in accordance with FAR’s auditing standard RevU 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

**OPINIONS**

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 23 March 2021

KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

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### About the sustainability report

EQT’s sustainability report 2020 has been prepared in accordance with the GRI Standards: Core option and forms an integrated part of EQT’s second Annual Report as a listed company. EQT’s sustainability reporting is found under sections: **Reflections on 2020 and beyond** (page 12), **Our company** (pages 14–17), **People** (pages 36–39), **EQT Playbook** (pages 55–57), **Sustainability** (pages 64–71), **Managing risks** (page 83) and here in the **Additional sustainability disclosures** (pages 145–160).

Sustainability information is also included in other parts of the report as a result of the integrated approach. The GRI content index found on pages 159–160 will hence guide the reader and contains references where in the report the specified sustainability information and disclosures can

be found, and if there are any deviations or comments to the externally assured and reported GRI Standards. While EQT reports according to the GRI Standards this year, it has continued to assess other reporting frameworks such as Nasdaq’s ESG Guide, SASB and WEF’s white paper Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation. EQT’s sustainability reporting fulfills the requirement for a statutory sustainability report found in the Swedish Annual Accounts Act. Since 2018, EQT has published a statutory sustainability report.

The content and topic boundaries related to EQT’s sustainability reporting are based on the outcome from ongoing stakeholder engagements and dialogues as well

as from a materiality analysis performed in 2019. This analysis identified four areas underpinning EQT’s sustainability ambitions – Clean & Conscious, Diversity & Upskilling, Transparency & Accountability and Innovation & Partnerships. For each area at least one GRI Standard disclosure and/or EQT disclosure is reported on. The direct scope of the report is EQT AB Group. EQT funds and the portfolio companies are not included in the scope of the sustainability report unless explicitly mentioned, such as part of EQT’s responsible investment and ownership approach.

The sustainability reporting has been assured by an external party. See Auditor’s Limited Assurance Report on Sustainability Report and statement regarding the Statutory Sustainability Report on page 161.

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# Sustainability management and performance

This section describes supporting context, details, and performance disclosures in relation to EQT’s direct sustainability impact. Focus is on describing the structure set up internally to support EQT’s investment advisory activities and the performance in relation to EQT’s direct material sustainability topics.

## Sustainability governance

EQT’s long-term, strategic approach to sustainable business begins with a mindset that integrates financial as well as environmental, social and governance (ESG) considerations with a goal to make a positive impact.

EQT’s board of directors has the ultimate responsibility for the strategic development of EQT’s sustainability performance. The CEO must continuously keep the board informed of developments in EQT’s operations, important business events, as well as ESG issues, risks and all other events, circumstances or conditions which can be assumed to be of significance to EQT AB’s shareholders.

EQT’s direct sustainability activities are governed by the EQT Code of Business Conduct and multiple additional policies also approved by the board of directors. Different EQT functions have the internal responsibility for different sustainability topics.

The overall responsibility for EQT’s direct sustainability activities lies however with the Executive Committee. EQT invests in awareness-building and training on sustainability for all employees, including the board of directors, who are upskilled through regular reporting on key issues and participation in sustainability-specific meetings and conferences.

EQT’s indirect sustainability activities in the form of responsible investment and ownership are governed by the EQT Responsible Investment & Ownership (RI&O) Policy approved by the board of directors. EQT’s Head of Sustainability is the owner of the EQT RI&O Policy and is responsible for providing information on responsible investment and ownership areas to EQT’s board of directors. The EQT funds invest in portfolio companies with different sustainability profiles. These companies may be exposed to climate risks or engage in activities with negative social impact. The Fund Manager of the EQT fund, with support from the respective investment Advisory Team, evaluates potential sustainability related risks early in the investment process when conducting due diligence on the target investment. To support the organization and portfolio companies, EQT has dedicated sustainability resources that work in close liaison with the investment Advisory Teams. Additionally, to integrate and

advance EQT’s responsible investment and ownership practices within the organization, Sustainability Ambassadors have been appointed for all business lines, also covering EQT’s core sectors. Heads of the respective investment Advisory Teams are responsible for annually reporting on compliance to the RI&O Policy.

## Stakeholder engagement

EQT engages continuously with stakeholders to understand their perspectives, needs, and areas of focus with respect to decisions and assessments taken in relation to EQT. A broad variety of stakeholders today expect EQT to be part of the solution and take a lead on solving the major environmental and social challenges that society is facing – from pension funds that want to see their customers retire in a healthy world, to people wanting to be part of a purpose-driven company.

The table on the next page shows some of EQT’s key relationships with stakeholders, methods of engagement and examples of sustainability-related topics discussed. Sustainability topics often form an integrated part of EQT’s interactions with stakeholders but can also be the principal reason for the conversation. During 2020 there has been an increased focus from stakeholders on climate related topics and the EU Sustainable Finance

### Important EQT policies and guidelines

- EQT Code of Business Conduct
- EQT Diversity & No-Harassment Guidelines
- EQT Tax Policy
- EQT Responsible Investment & Ownership Policy
- EQT Modern Slavery Act Statement
- Anti-Corruption Compliance Guidelines (internal)
- Anti-Money Laundering Guidelines (internal)
- Conflict of Interest Policy (internal)
- Employee Handbook (internal)
- Family Friendly Guidelines (internal)
- Gifts & Business Entertainment Guidelines (internal)
- Global HR Policy (internal)
- Information Security and Data Privacy Policy (internal)
- Political Contributions guidelines (internal)

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Action Plan. Furthermore, the Covid-19 crisis has increased the awareness and focus on topics such as health and safety, labor rights and also emphasized the importance of collaboration and partnerships.

**Other key stakeholders include:**  
 Future employees, owners and buyers, entrepreneurs, advisors and other business partners, politicians and opinion builders, general public and media, regulatory bodies, academia, unions, research analysts and ESG rating agencies.

**Key stakeholders, methods of engagement and sustainability-related topics discussed**

	Employees	EQT Network	EQT AB shareholders	Debt providers	EQT funds' investors	EQT funds' portfolio companies	Other stakeholders
Methods of engagement	<ul style="list-style-type: none"> <li>Recruitment</li> <li>Onboarding and ongoing dialogues</li> <li>EQT Academy</li> <li>Conferences and workshops</li> <li>Sustainability Network forums/calls</li> <li>Employee engagement surveys</li> <li>Promotions</li> <li>Bi yearly development discussions</li> </ul>	<ul style="list-style-type: none"> <li>Involvement in due diligence, market screenings and value creation of portfolio companies</li> <li>Onboarding and ongoing dialogues, in roles as Chairpersons /Board Members</li> <li>Network and sector conferences</li> </ul>	<ul style="list-style-type: none"> <li>Roadshows and conferences</li> <li>Shareholders' Meeting</li> <li>Financial reporting and other disclosures</li> <li>Regular shareholder relation dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing dialogues</li> <li>ESG-linked credit facilities</li> <li>Information requests</li> <li>Forums and conferences</li> </ul>	<ul style="list-style-type: none"> <li>Fundraising and ongoing dialogues</li> <li>Annual Investors' Meeting</li> <li>Investors' Committee meetings</li> <li>Information requests</li> </ul>	<ul style="list-style-type: none"> <li>Onboarding and ongoing dialogues</li> <li>CEO and CFO Conferences</li> <li>Sustainability workshops</li> <li>Sustainability annual follow-up</li> </ul>	<ul style="list-style-type: none"> <li>Public relations</li> <li>Media</li> <li>Information requests</li> <li>Activities and events in relation to students and universities</li> <li>Union negotiations</li> </ul>
Example of sustainability-related topics discussed	<ul style="list-style-type: none"> <li>Opportunities to develop as employees and professionals</li> <li>Ability to contribute to the society – in line with our purpose</li> <li>Culture and values</li> <li>Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Values and business ethics</li> <li>Corporate governance</li> <li>Tools for sustainability assessment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability as a tool for value creation</li> <li>Exposure to sustainability risks and opportunities</li> <li>Corporate governance</li> <li>ESG-related disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Risks and opportunities connected to environmental and societal challenges</li> <li>Performance on KPIs related to governance, renewable energy and gender diversity</li> <li>Data integrity, assurance</li> </ul>	<ul style="list-style-type: none"> <li>Fund returns and long-term value creation</li> <li>Ability to deliver future-proof investments</li> <li>Communication and disclosure</li> <li>EU Sustainable Finance regulations</li> </ul>	<ul style="list-style-type: none"> <li>Support and ideas on how to improve performance in terms of sustainable solutions and practices</li> </ul>	<ul style="list-style-type: none"> <li>Career development opportunities</li> <li>Sustainability performance</li> <li>Exposure to sustainability risks and opportunities</li> <li>Gender diversity</li> <li>Tax</li> <li>EU Sustainable Finance regulations</li> </ul>

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**Materiality analysis**

Material sustainability topics are those factors that have a direct or indirect impact on EQT’s ability to create, preserve or erode economic, environmental and social value for the company, its stakeholders and society at large.

**EQT’s sustainability ambitions**, sometimes referred to as our societal ambitions, were formulated in 2019 based on stakeholder engagements, internal discussions and an analysis of the United Nations Sustainable Development Goals (SDGs) at target level in relation to EQT’s commitment to lead by example. EQT also compared the identified sustainability topics with those of global standard-setters such as the Sustainability Accounting Standards Board (SASB), data providers such as MSCI and initiatives and frameworks such as the Principles for Responsible Investments (PRI), the EU Sustainable Finance Action Plan and the Task Force on Climate-related Financial Disclosures (TCFD).

The outcome, together with our purpose, form **EQT’s ambitions within sustainability** within three focus areas – **Clean & Conscious**, **Diversity & Upskilling** and **Transparency & Accountability** and an enabling area: **Innovation & Partnerships**. The structure is also aligned with the increased information requirements from investors and analysts on environmental, social and governance-related (ESG) information.

**Materiality analysis – EQT’s sustainability ambitions**

Purpose:  
**To future-proof companies and make a positive impact**

**Environmental: Clean & Conscious**

*Transform ways of operating in line with science*

**Social: Diversity & Upskilling**

*Attract and nurture a diverse, world-class EQT team and Network*

**Governance: Transparency & Accountability**

*Champion transparency to build trust*

**Enablers: Innovation & Partnerships**

*Leverage the power of digitalization/AI and partnerships*

**Long list of key topics**

- Fund returns and long-term value creation
- Responsible investment and ownership



- Travel habits
- Procurement practices
- Resource efficiency



- Diversity and inclusion
- Talent acquisition
- Training and development
- Compensation and benefits
- Employee engagement and wellbeing



- Values and business ethics
- Corporate governance
- Communication and disclosure
- Information security
- Customer privacy
- Sustainable finance regulations
- Tax



- Access to ESG data
- Data integrity
- Collaboration



**Sustainable Development Goals link**

- 7.2 Increase global percentage of renewable energy
- 7.3 Double the improvement in energy efficiency
- 13.2 Integrate climate change measures into policies and planning

- 4.7 Education for sustainable development and global citizenship
- 5.5 Ensure full participation in leadership and decision-making

- 12.6 Encourage companies to adopt sustainable practices and sustainability reporting
- 16.6 Develop effective, accountable and transparent institutions

- 9.5 Enhance research and upgrade industrial technologies
- 17.6 Enhance the global partnership for sustainable development

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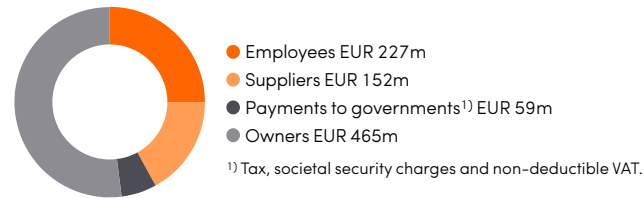


# To future-proof companies and make a positive impact

For EQT, future-proofing means constant challenging of norms and ways of operating to become a better active owner, employer, advisor, business partner and citizen. EQT’s two main ways to contribute to society are how EQT AB as a Group leads by example and how the EQT funds via their investment and ownership activities make a positive impact at scale.

## EQT’s direct economic value

EQT AB Group generates direct economic value for society through its business activities and in 2020 distributed a total of EUR 437m (EUR 413m) between employees, suppliers and governments, whereas EUR 465m (EUR 162m) was retained or distributed to owners.



## Responsible investment and ownership approach

EQT’s indirect economic contribution is far greater than the direct economic contribution. It includes the growth of EQT funds’ portfolio companies, the creation of innovation and jobs in those companies and the value created and distributed to Fund Investors. For more information on how EQT funds aim to future-proof companies see sections: EQT Playbook (pages 55–57) and Sustainability (pages 64–71). EQT integrates responsible investment and ownership principles in all EQT funds’ investments, for the benefit of Fund Investors, shareholders and the wider society.

In the RI&O Policy, EQT’s view on sustainability throughout the investment process is established. The policy is aligned with key international conventions and standards, including the Ten Principles of the United Nations Global Compact.

Since the initial adoption of the RI&O Policy in 2010, EQT has tracked performance against three simple process key performance indicators (KPIs) to ensure that sustainability topics are being taken into account by Fund Management, investment Advisory Teams and EQT funds’ portfolio companies. The table below shows EQT funds’ applicable investments’ outcome during 2020:

### Application of the Responsible Investment and Ownership Policy 2020

**100 percent** of investment decisions were made with the support of a formally documented sustainability analysis.

**≥95 percent** of portfolio companies communicated a sustainability-related code, policy or similar guidelines.<sup>1)</sup>

**≥85 percent** of portfolio companies held an annual strategic board discussion on sustainability.<sup>1)</sup>

<sup>1)</sup> Excludes portfolio companies owned by EQT funds less than 1 year, early stage investments and companies subject to special conditions.

The annual performance of these KPIs has since 2013 been reported in EQT’s publicly available RI Transparency Reports, which EQT prepares as a signatory to the Principles for Responsible Investment (PRI). The historical performance has generally been above 90 percent, with deviations from target (100 percent) being further examined. The KPI related to an annual strategic board discussions on sustainability has under 2020 been partly affected by the pandemic.

The EQT Sustainability Blueprint further articulates additional sustainability expectations, expressed in a set of KPIs which portfolio companies are reporting on annually. EQT assesses each portfolio company’s maturity against these expectations to track their journey and performance over the ownership period. Since the introduction of EQT’s new sustainability ambitions, additional portfolio company KPIs are also being followed up separately.

## Expectations from the EQT Sustainability Blueprint

### EQT Absolutes

- Four actions to build a sound sustainability foundation.
- Confirm adherence to the United Nations Global Compact Principles.
  - Communicate a sustainability-related code/policy or similar guidelines.
  - Share material from the annual strategic board discussion on sustainability.
  - Share the materiality assessment.

### EQT Core KPIs

- Six mandatory KPIs to foster and inspire sustainable value-creating behavior and measure progress.
- Ethics and anti-corruption training
  - Diversity
  - Employee engagement
  - Greenhouse gas (GHG) emissions
  - Water usage
  - Waste to landfill

### Portfolio company-specific KPIs

Minimum three KPIs designed to capture and manage market- and sector-specific opportunities and risks.


Examples include energy efficiency, health and safety, customer satisfaction and responsible supply chain.

As a signatory to the **Principles for Responsible Investment (PRI)**, EQT received the highest possible score A+ for its RI Transparency Report 2020, for the reported modules within Strategy & Governance, Private Equity and Infrastructure<sup>1)</sup>.

EQT Real Estate I participated for a third time in **GRESB**, a global ESG benchmark for real assets, achieving year on year improvement and retained its Green Star in 2020, due to its strong performance in both the Management and Performance sections.

<sup>1)</sup> Please see the PRI’s assessment methodology and EQT’s RI Transparency Report 2020 for further details.

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# Clean & Conscious

For EQT, Clean & Conscious is about transforming ways of operating in line with science. EQT is committed to addressing climate change and started to track EQT AB Group’s green-house gas (GHG) emissions already in 2015 and is since then annually measuring, reducing and offsetting the climate impact, while reporting transparently on footprint and actions. During the year, EQT’s offices continued to source renewable electricity and work was initiated to transition the EQT funds’ portfolio companies to renewable electricity as well. This section contains additional policies, processes and disclosures related to EQT’s environmental and climate impact.

## Impact from own operations

EQT’s operations and +700 employees are located in 17 countries around the globe, and focuses around services rather than production and resource-use. Sustainability topics and disclosures related to water withdrawal, freshwater availability, hazardous waste and non-recyclable waste ratio is therefore not of utmost relevance for EQT to report on.

EQT’s direct climate impact is mainly related to business travel, procurement practices and office consumption. The EQT travel guidelines stipulate that travel shall be booked taking climate efficiency into account and that travel shall be booked via a contracted travel agency. The carbon footprint from business

travel is calculated based on all applicable modes of transport and accommodation.

On office consumption, climate smart actions are taken both firm-wide and by local offices. Examples from 2020 include reducing non-reusable goods, switching to more plant-based food offerings, donating leftover food to limit food waste, as well as arranging sustainability awareness events and challenges for employees.

## Investment impacts

EQT strives to lead by example by actively reducing the GHG emissions from its own operations. However, as its main impact on society is through the portfolio of the EQT funds, EQT also puts a large focus on measuring and reducing the investments’ GHG emissions. An integrated approach to climate issues are included in EQT’s responsible investment and ownership approach, see the the EQT Playbook and Sustainability sections for more information.

## Detailed environmental disclosures

In 2020, EQT AB Group’s absolute GHG emissions totaled 4,296 ton CO<sub>2</sub>e, a decrease of 69 percent compared to 2019. As in previous years, the majority of these emissions arise from business travel.

Having digitalization close to its heart, EQT seeks to reduce its climate impact through smart use of technology. The decision to transition EQT’s operations to 100 percent cloud-based solutions has, due to energy efficiency, reduced the overall energy consumption for physical data centers. Furthermore, computers are increasingly reused by schools through a circularity initiative.

EQT has committed to set Science Based Targets, aligning its operations with the Paris Agreement and its goal to limit global warming to well below 2 degrees Celsius, compared to pre-industrial levels. EQT will use the operational control approach and is working to set targets in 2021, also addressing the Scope 3 category 15 – investments.

# ESG

ESG-consideration:  
Environment

The reductions are primarily driven by the restrictions caused by the Covid-19 pandemic, especially decreased business travels. Still, EQT has continued to invest in local and global initiatives to reduce its negative climate impact, including enhanced recycling processes and the improvement of video conference solutions, leading to close to 146,000 (61,000) virtual meetings held in 2020.

EQT AB Group’s GHG emissions are calculated and reported in accordance with the GHG Protocol. As part of the process to align its climate actions with the science, EQT revised its GHG emission reporting processes and methodology in 2020, to align with the Science Based Targets initiative’s (SBTi) criteria and the Partnership for Carbon Accounting Financials (PCAF) Standard as well as to harmonize the methodology applied across the EQT funds’ portfolio. This included a change from financial to operational approach. The 2019 Scope 1 and 2 emissions, as well as the Scope 3 non-investment categories (1-14) were recalculated and emission factors revisited to enable EQT to use 2019 and 2020 as a base year for target setting across all scopes. The data collection and assessments have been done together with the help of an external advisor. The 2020 data has also been verified by an external auditor.

*The environmental-related data disclosures continues on next page.*

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**Greenhouse gas (GHG) emissions by source and scope**

GHG emissions by source	2020	2020 share of total	2019 revised <sup>1)</sup>	2019	2018
Energy consumption	288	7%	406	255	240
<b>Business travel</b>	<b>3,490</b>	<b>81%</b>	<b>12,593</b>	<b>16,979</b>	<b>14,403</b>
Air travel	3,254	76%	12,113	16 623	14,131
Ground travel	85	2%	112	87	74
Hotels	151	3%	368	269	198
<b>Office consumables</b>	<b>514</b>	<b>12%</b>	<b>760</b>	<b>138</b>	<b>129</b>
<b>Waste</b>	<b>4</b>	<b>0%</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Total – Market based</b>	<b>4,296</b>	<b>100%</b>	<b>13,761</b>	<b>17,374</b>	<b>14,775</b>

GHG emissions by scope	2020	2020 share of total (market based)	2019 revised <sup>1)</sup>	2019	2018
Scope 1	92	2%	128	0	0
Scope 2 – Market based	196	5%	277	0	0
Scope 2 – Location based	375		398	0	0
Scope 3	4,008	93%	13,356	17,374	14,798
<b>Total – Market based</b>	<b>4,296</b>	<b>100%</b>	<b>13,761</b>	<b>17,374</b>	<b>14,798</b>
<b>Total – Location based</b>	<b>4,475</b>		<b>13,882</b>	<b>17,374</b>	<b>14,798</b>

Under the Operational Control Approach, EQT AB Group’s emissions are divided into three scopes with the following distribution:

**Direct (Scope 1) GHG emissions**

Emissions from stationary combustion (natural gas).

**Indirect energy (Scope 2) GHG emissions**

Emissions from the generation of purchased electricity and district heating/cooling for owned and leased offices.

**Other indirect (Scope 3) GHG emissions**

All other emissions, including indirect emissions related to heating/cooling and other energy production, business travel, office consumables and waste are included in Scope 3 non-investment categories.

<sup>1)</sup> The 2019 figures have been calculated to adapt them to SBTi criteria, see more information on the previous page. An assessment of EQT Credit’s impact on EQT’s overall GHG emissions showed a non-material impact, hence numbers have not been adjusted for the Credit divestment in 2020.

The results in the tables and charts are expressed in metric tons CO<sub>2</sub>e and may not add up precisely to the totals due to rounding.

**GHG emissions offset**

EQT AB Group strives for carbon neutrality and annually offsets all GHG emissions that cannot be avoided or reduced. For year 2020, EQT offset its GHG emissions through supporting a combined portfolio of projects, including frontier solutions like biochar, and more traditional projects.

**Energy consumption**

EQT offices 2020	Total consumption (MWh)	Intensity (kWh per m <sup>2</sup> )
Electricity	1,137	62
<i>Electricity from renewable sources</i>	<i>1,036</i>	<i>56</i>
<i>Electricity from non-renewable sources</i>	<i>101</i>	<i>6</i>
District heating	534	29
District cooling	236	13
Natural gas	453	25

**Energy Attribution Certificates**

EQT AB offices use electricity from 100 percent renewable sources<sup>1)</sup>, partly as a result of EQT making an active decision to purchase Energy Attribute Certificates (EACs) and having green tariff solutions available at certain locations.

An Energy Attribute Certificate (EAC) is a commodity that substantiates environmental claims associated with electricity produced by renewables sources. Each EAC represents proof that 1 MWh of renewable energy has been produced and added to the grid, traded or consumed.

<sup>1)</sup> Excluding four offices in line with RE100 technical guidance on materiality threshold.

**Business travel**

EQT AB Group’s employees’ flights 2020	Distance (pkm)
Short haul (<500 km)	846,139
Medium haul (500–1,000 km)	4,283,509
Long haul (>1,000 km)	4,709,821



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# Diversity & Upskilling

For EQT, Diversity & Upskilling means attracting and nurturing a diverse, world-class EQT team and network. During the year, there have been improvements in the right direction towards the ambition in this area. This section contains additional policies, processes and disclosures on topics prioritized to attract top talent and retain and develop EQT’s employees.

## Diversity and inclusion

EQT believes in equal opportunity, and that all dimensions of diversity such as gender, ethnicity, religion, age, nationality, sexual orientation, educational and socioeconomic background are important, and that diverse teams drive better results.

EQT’s commitment to diversity, equality, inclusion and a harassment-free workplace is formalized in documents such as the EQT’s Code of Business Conduct and the EQT Diversity & No-Harassment Guidelines. The latter outline EQT’s values and standards on diversity, inclusion and anti-harassment. EQT has quality in the reporting process around these issues and an openness to report in the organization. Concerns can be addressed directly through line managers/HR, through EQT’s employee engagement tool and the whistleblowing system. The employee engagement tool asks specific questions to capture potential inappropriate behaviors. EQT addresses all perceived inappropriate behaviors and also works proactively with training on the topic to increase knowledge and awareness for all employees.

To further drive change in the area of diversity and inclusion, EQT has introduced an initiative called EQT Women’s International Network (WIN), which is an employee-driven initiative focused on attracting more women to EQT, increasing retention of employees that are women and implementing guidelines to develop EQT’s inclusive workplace. It runs a mentoring program and a global network of WIN supporters across the firm. Furthermore, to ensure EQT is a flexible and inclusive workplace for parents, EQT has evolved Family Friendly Guidelines, a support and benefits package designed to enable parents to combine worklife, career and family. This includes for example equally paid parental leave regardless of gender, parental leave

planning toolkit and coaching, domestic service allowance, workstation at home, flexible work hours and working time reduction.

In 2020, EQT also became a member of Out Investors, an organisation focusing on making the direct investing industry more welcoming for LGBT+ (lesbian, gay, bisexual, transgender) professionals. EQT is also in the midst of forming a global Diversity, Equality & Inclusion council, to ensure a holistic approach for the one common goal of equality, including the prioritization of ethnicity and social mobility.

EQT’s commitment to diversity and inclusion does not only concern its own organization. To inspire change in the broader financial industry, in 2019, EQT communicated that working teams at their key advisors, such as commercial, tax, legal and financial advisors, need to comprise at least 25 percent of the underrepresented gender. In doing so, EQT aims to create a ripple effect in the industry and deliver its mission of making a positive impact with everything it does. EQT further collaborates with student organizations, gives lectures at universities and offers internship programs, always with a diversity and inclusiveness angle to ensure a broader stakeholder group gets inspired to join the private markets industry.

For more information on diversity in the EQT funds’ portfolio companies, see section Sustainability.

## Personal development, feedback and performance

A key component of EQT’s people strategy is supporting employees to realize their potential, through training, mentoring and regular feedback. Feedback is an important part of EQT’s culture, and the Group works with structured 360-degree feedback, as well as everyday direct feedback, to develop and improve individual performance. The structured feedback system secures that all employees are offered regular performance and career development reviews.

The vast majority of the employee development is achieved through on the job training with seniors training juniors, buddy system and mentors and with an active staffing to ensure a varied

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exposure and learning opportunity, including the opportunity to work abroad for another team during a limited time period.

To complement the daily development, EQT has an in-house EQT Academy delivering training both for onboarding purposes as well as for career progression and personal development, see People section for more details.

### EQT Academy – Trainings and education cost per employee 2020

In 2020, 14 trainings were delivered within the standard offer (nine in 2019). In addition three trainings were offered and targeted a wider group (two in 2019).

Average education cost per employee amounted to EUR1,608. As trainings in 2020 primarily was performed online, this led to a significantly reduced cost compared to 2019 (EUR 2,462).

Note that given the nature of the trainings, EQT does not measure average training hours but rather training sessions, mandatory and specialized, and related costs as an indication.

### Compensation philosophy in practice

Fair and transparent total cash compensation, reviewed annually against a range of relevant, high quality benchmarks.

Long-term incentives and investment opportunities including an annual share plan and carried interest and co-investment schemes in all funds.

Total incentives approach, linked to individuals’ value contribution to the firm.

Cash compensation and benefits based on geography and in line with local practice.

Higher performance is rewarded with higher compensation – both through an individual performance multiplier on the annual bonus scheme (allowing for an increase of up to 2x target) and the ability to award additional shares for individuals who have extraordinary value add to the EQT Platform.

The ability to accelerate high performing individuals through the career structure.

Retention is managed by mapping out future career paths, as well as the right mix of long-term incentives.

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EQT AB Group has a performance driven organization focused on long-term value creation in line with its culture. Team and individual performance are important, therefore EQT rewards both. As performance is key to EQT’s success, higher performance is rewarded with higher compensation. All staff are encouraged to take ownership and contribute to EQT’s success and are rewarded for innovative ideas and collaboration.

EQT applies local salary grids for roles where there are many staff in similar positions. This protects a biased free and meritocratic equal pay program. A gender pay gap (see next page) still exists on overall level due to that EQT has more junior than senior women and also due to that EQT has a higher proportion women in countries with lower base salaries. In same country and at same seniority level there are no pay differences between the genders.

Furthermore, EQT links variable pay to ESG through having ESG-related target achievement as a basis for bonus pool size decision for teams, and on an individual basis as one criteria assessed for both bonus as well as share program outcome.

EQT follows market practice in the different countries where it operates, for benefits offered and work security practices. EQT’s employees have the right and opportunity to be unionized if they so wish. EQT supports the ILO core conventions and its principles, among them the freedom of association and right to collective bargaining. EQT has entered into collective bargaining agreements in France, Italy and Spain.

**Employee engagement and wellbeing**

EQT follows employee engagement and wellbeing with regular surveys using an advanced analytics tool. The insights gained through this tool help inform strategic priorities and enable managers to make better people-related decisions by tracking trends and maintaining anonymous, confidential conversations with employees.

Employees are EQT’s number one asset, EQT therefore invests both time and money to ensure long term sustainable performance. This is achieved by ensuring a safe and balanced work environment, providing monetary support for physical

activities, providing organized physical activities during work hours as well as during conferences and to enable a flexible work schedule. With regards to employee mental health, EQT takes a preventative and personalized approach with the ‘My Mental Wealth’ initiative, which provides all employees access to a digital coaching platform and online training to help them better understand their own mental health, better recognize early warning signs and better nurture mental wellbeing and build mental resilience. EQT also launched a series of workshops specific for managers to ensure they are prepared to know what to do, both day to day and when it matters most. Furthermore EQT has provided an emergency list of external organizations for every geography EQT has an office to ensure employees can reach out for professional and medical support when it is necessary. Addressing the societal stigma around mental health is top priority, therefore EQT continually encourages open conversation about looking after mental wellbeing at work.

**Detailed employee disclosures**

In principle, all employees are employed on a permanent basis and work full-time. Part-time is usually connected to parental leave and not an employment contract. A majority of activities performed are done by EQT employees.

EQT reports FTE with two measures, FTE+ which includes full-time equivalent employees and on-site consultants and FTE. For some of the measure the data is based on FTE headcount.

**Employee distribution**

Employees by category and gender	2020	2019	2018
<b>Total, end of reporting period</b>	710	665	567
<b>By category</b>			
Investment Advisory Professionals	284	254	230
Other	426	411	337
<b>By gender</b>			
Women, %	45	44	44
Men, %	55	56	56

Employees by region	2020	2019	2018
Asia-Pacific	59	46	41
Nordics	297	292	254
North America	71	69	58
UK	78	70	51
Rest of Europe	206	188	164

Employees by gender, age and seniority <sup>1)</sup> , %	2020	2019	2018
<b>Investment Advisory Professionals</b>	283	254	235
Women	21	16	15
Men	79	84	85
Under 30 years	31	28	29
30–50 years	64	67	67
Over 50 years	5	5	4
Partner <sup>2)</sup> , % women	3	2	4
Managing Director and Director, % women	14	13	13
Vice President and Associate, % women	32	24	22
<b>Other</b>	371	352	313
Women	63	65	72
Men	37	35	28
Under 30 years	24	22	27
30–50 years	69	70	67
Over 50 years	7	8	6

<sup>1)</sup> Table above excludes onsite consultants and is based on headcount.

<sup>2)</sup> Refers to Partners within the investment advisory organisation, not Partners in total (also see People section).

Employee metrics above refer to FTE+ unless otherwise stated and may not add up precisely due to rounding. For key employee metrics, also see People section.

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**New hires and turnover**

Employee hires, %	2020	2019	2018
<b>By gender</b>			
Women	46	41	57
Men	54	58	43
<b>By region</b>			
Asia-Pacific	17	6	9
Nordics	32	43	33
North America	8	11	14
UK	17	25	10
Other Europe	27	15	26
<b>By age group</b>			
Under 30 years	48	46	50
30–50 years	48	51	48
Over 50 years	5	4	2
<b>Employee turnover, %</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total</b>	10	12	11
<b>By gender</b>			
Women	14	14	15
Men	8	9	9
<b>By region</b>			
Asia-Pacific	15	13	13
Nordics	10	11	9
North America	12	12	17
UK	18	6	17
Other Europe	7	12	8
<b>By age group</b>			
Under 30 years	5	11	10
30–50 years	12	11	11
Over 50 years	16	8	15

**CEO pay ratio**

CEO to FTE	2020	2019	2018
CEO pay ratio <sup>1)</sup>	2.4	2.7	3.0

<sup>1)</sup> CEO total compensation to median FTE total compensation.

**Gender pay ratio**

Men to women <sup>2)</sup>	2020	2019	2018
Investment Advisory Professionals	1.5	1.4	1.3
Other	1.8	2.0	2.1


<sup>2)</sup> Average FTE total compensation, see previous page for an explanation.

**Parental leave**

Number of weeks	2020	2019	2018
Parental leave total number of weeks	877	753	611
Women % of total	74	86	79
Men % of total	26	14	21

**Sickness absence**

Reported sick leave	2020	2019	2018
Total sick leave as % of hours worked	0.3	0.8	0.5
Women % of total	82	79	98
Men % of total	18	21	2

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Employee metrics above refer to FTE+ unless otherwise stated and may not add up precisely due to rounding. For key employee metrics, also see People section.

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# Transparency & Accountability

For EQT, Transparency & Accountability are prerequisites for good business. During 2020, no material non-compliances have been identified or reported and work has been done to increase transparency towards stakeholders. This section contains information on additional policies, processes and disclosures on sustainability topics to build and uphold trust.

A cornerstone in building trust with EQT’s different stakeholders is through open communication and transparency. EQT wants its various stakeholders to be able to form a balanced and fair view of EQT and hence aims to provide them with correct, relevant and reliable information in a timely fashion. EQT openly publishes various policies and reports on its website, such as its Code of Business Conduct, EQT Responsible Investment & Ownership Policy, RI Transparency Reports, Climate Transparency Reports as well as other relevant sustainability information.

## Task Force on Climate-related Financial Disclosures (TCFD)

EQT does not yet issue a complete report in accordance with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) but this report includes to a certain degree information required by the TCFD. TCFD-related information is found under sections:

**Governance**-related disclosures in Sustainability management and performance (page 146)

**Strategy**-related disclosures in Sustainability risks (page 83) and Clean & Conscious (page 150)

**Risk management** disclosures in Sustainability risks (page 83) and Sustainability management and performance (page 146)

Disclosures on **metrics and targets** in Towards our targets (page 16), A cleaner and cooler tomorrow (page 65) and Clean & Conscious (pages 150-151).

EQT follows the development of the EU Sustainable Finance Action Plan and the EU Taxonomy carefully. More information can be found on the EQT website.

## Code of Business Conduct

EQT’s Code of Business Conduct (the “EQT Code”) describes the values, ethical principles and standards of the EQT way of conducting business. The EQT Code is intended to guide both EQT as a firm and its employees in performing tasks and decision making and demonstrates the standards by which EQT measures itself and wishes to be perceived by its different stakeholders, including portfolio companies. Aside from following the EQT Code and other policies, EQT strives to comply with all applicable laws and regulations in the countries where EQT conducts business.

## Conflicts of interest

One of EQT’s core responsibilities is to protect the interests of the investors in EQT funds. This responsibility includes ensuring appropriate systems and controls are in place to identify, disclose, prevent and manage any conflicts of interest that may arise.

EQT has a conflicts of interest committee in place, which is responsible for reviewing reported material conflicts of interest and advising on next steps following identification of a material conflict of interest on group level.

When a potential conflict is identified, the Fund Manager must disclose it during a board meeting and ensure the conflict is resolved fairly, within a reasonable timeframe and in the interest of the investors of the fund(s). To minimize a potential conflict, the Fund Manager or general partner may, among other things, decide to split the board, excuse certain individuals from the decision, review the deal allocation and size, and/or request evidence that the transaction will be conducted at arm’s length. Should the Fund Manager or general partner be unable to resolve a conflict on their own, it can be escalated to the EQT conflicts of interest committee. Furthermore, each EQT fund has

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its own Investors’ Committee to whom certain questions of conflict are presented for its review.

A conflict of interest can also arise when an EQT representative’s personal responsibilities, interests and/or relationships interfere with, or appear to interfere with, professional responsibilities, interests and/or relationships (including the interests of EQT and/or an EQT employee’s duties or respective role at EQT). In this respect, a framework of governance documentation and procedures, based on the operating environment, has been established for EQT to deal with the potential risks and events relevant to the handling of conflicts by EQT.

## Anti-bribery & corruption and anti-money laundering

EQT is committed in its effort to foster a culture of high business ethics and integrity.

EQT has an Anti-Bribery & Corruption compliance program that aims to prevent and detect bribery, corruption and related activities, reducing EQT’s risk of liability for improper conduct and ultimately to uphold trust. No policy or procedure, however well-designed, can guarantee detection and prevention of all corruption and bribery.

EQT also has an Anti-Money Laundering program, consisting of policies and procedures designed to prevent and detect money laundering and related activities. EQT reviews its Anti-Money Laundering and Countering of Financial Crime and Terrorist Financing strategies, goals and objectives on an ongoing basis.

All employees at EQT shall complete training on both Anti-Bribery & Corruption and Anti-Money Laundering to ensure they are aware of the risks, requirements and consequences. EQT manages its training in a two-year cycle, focusing on Anti-Bribery & Corruption and Anti-Money Laundering in alternate years. Some regions and countries receive training

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more often and/or in greater depth in line with local regulatory requirements. During 2020 all employees received Anti-Bribery & Corruption training in e-learning format. The training is mandatory for all employees including members of the executive committee and consultants. Failure to complete or pass the training will result in the issue being escalated to the manager of the relevant employee/consultant.

**Confirmed incidents of corruption and actions taken 2020**

During the reporting period there were no confirmed cases of corruption and no employees were dismissed or disciplined for corruption.

All employees received Anti-Bribery & Corruption training in e-learning format.

**Whistleblowing**

EQT nourishes an open and honest culture where all employees are encouraged to speak their mind and communicate if they have any concern regarding potential risk to themselves, their colleagues, EQT’s business or reputation, or to any other stakeholder. EQT expects that employees live by EQT’s ethical standards and blow the whistle if they experience anything within EQT that does not comply with laws, rules, regulations or internal policies. EQT provides an anonymous whistleblowing channel for employees and others.

**Responsible marketing**

Marketing of alternative investment funds, such as EQT funds, are generally subject to certain legal and regulatory restrictions in all key jurisdictions, the specifics of which vary by jurisdiction and investor type. EQT has a global, well-diversified fund investor base consisting of institutional and other sophisticated investors.

Any marketing of interests in an EQT fund will exclusively take place on a private placement basis to pre-targeted investors, and with proper consideration to the specific requirements that are relevant to a certain jurisdiction and/or fund investor. Consequently, EQT is currently not making any public offering of interests in the EQT funds and is subject to certain restrictions regarding public disclosures relating to funds in fundraising.

**Incidents of non-compliance concerning marketing communications 2020**

During the reporting period, no instances of non-compliance with regulations or voluntary codes concerning marketing activities resulting in fines or non-monetary sanctions from competent authorities were identified.

**Human rights**

EQT’s direct human rights risk is connected to its employees and if it would not fulfil its commitment with regards to diversity, inclusion and a harassment-free workplace. EQT complies with international conventions on human rights and its commitment is formalized in policies including the EQT Code of Business Conduct and the EQT Diversity & No-Harassment Guidelines. These guidelines outline EQT’s values and standards on diversity, inclusion and anti-harassment, and also provide information on its whistleblowing process. To protect the organization and to effectively help fight the spread of child sexual abuse, ultimately stop child sexual abuse, EQT has installed NetClean Proactive.

EQT’s main impact and risk in this area is however indirect, through supply chains and most importantly, EQT funds’ portfolio companies. EQT therefore aims to promote sound ethical standards within EQT funds’ portfolio companies. EQT’s ESG standards, as described in the Responsible Investment & Ownership Policy, include human and children’s rights aspects, and

portfolio companies are requested to confirm annually their adherence (not formally being a signatory) to the United Nations Global Compact Principles. All of the EQT funds’ portfolio companies that to date have completed EQT’s sustainability annual follow-up process for 2020 have confirmed their adherence to these Principles.

EQT’s service providers are screened against sanctions lists, using Refinitiv World-Check. Furthermore, in the UK, the Modern Slavery Statement outlines EQT’s approach to combating modern slavery.

**Information security and customer privacy**

EQT AB Group’s mission-critical infrastructure is cloud-based and critical vendors are compliant with the highest security standards in each area (ISO27001, SOC2 et al). Continuous anti-phishing testing campaigns (7 in 2020) and penetration testing is conducted to create internal awareness and ensure high resilience to cyber-attacks.

EQT values data privacy and applies data protection controls and frequent testing across the IT environment. Examples of such protection include proper segregation of duties and well-defined user access management by following the principle of least privilege access needed for one’s responsibilities.

**Substantiated complaints concerning breaches of customer privacy and losses of customer data 2020**

During the reporting period, no substantiated complaints regarding breaches of customer privacy and losses of customer data were identified.

**Tax**

EQT AB Group’s commitment to responsible investment and ownership, and to upholding stakeholder trust, extends to the way in which it manages its own direct tax affairs. The EQT tax

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strategy, applicable to EQT AB Group, is fully aligned with the EQT business strategy. Decision-making around tax is to be done in the light of EQT’s commercial objectives and long-term sustainable behavior.

It is EQT’s objective to always adhere to tax rules and regulations in all countries in which it operates and engage with tax authorities in multiple jurisdictions. In order to meet new requirements in an ever-changing tax environment, EQT has developed a Tax Policy outlining the way it seeks to manage taxes on all governance levels of EQT.

Tax developments are monitored by the Tax & Structuring team, supported by reputable tax advisors at central and local levels. This ensures that new tax rules and interpretations come into EQT’s focus and are dealt with in an efficient manner.

Tax plays an important role in EQT’s strategy to develop good companies into great sustainable companies, and includes considering the impact businesses have on the societies in which they operate. EQT acknowledges that although companies have a responsibility to manage all their costs, including taxes, taxation is one of the ways in which companies contribute to the development of the communities in which they operate.

EQT believes that unacceptable tax practices can erode trust for EQT and for portfolio companies of the EQT funds and in turn damage reputations and, in the long-term, the license to operate. Hence, EQT believes that aggressive and abusive tax practices are counterproductive to its long-term strategy.

EQT funds are established and maintained in a manner that meets operational efficiency, long-term sustainable requirements and commercial considerations for the EQT funds’ investors. EQT expects all investors in the EQT funds to be taxed on the returns and gains from the EQT funds in accordance with the tax legislation in the jurisdiction in which the fund investors reside.

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# Innovation & Partnership

For EQT, Innovation & Partnership means leveraging the power of digitalization, artificial intelligence and partnerships. EQT has continued to evaluate and contribute to various initiatives during the year. One such being the United Nations Development Programme-powered SDG Impact initiative, where EQT has contributed with feedback to the consultations as well as pilot-tested the impact practice standards in one of the

business lines. Another example is EQT’s participation in the Net Positive Nordics consortium led by The Upright Project, which provided interesting insights on how big data and AI modelling can assess the impacts from the EQT funds’ portfolio companies. The study highlighted the net positive profiles of some of the EQT funds, a strong signal in support of EQT’s thematic approach.

## Selected collaborations and memberships

### Collaborations – Industry and Financial System

- **Invest Europe** – Board member, chair for the Global Private Equity Platform, member of the Responsible Investment Roundtable.
- **DVCA** – Member, the Danish Venture Capital and Private Equity Association.
- **FVCA** – Member, the Finnish Venture Capital Association.
- **NVCA** – Member, the Norwegian Venture Capital & Private Equity Association.
- **SVCA** – Member, the Swedish Private Equity and Venture Capital Industry Association.
- **Stockholm School of Economics** – Sponsor to the J&M Wallenberg Chair in Innovative and Sustainable Business).
- **World Economic Forum** – Participant in the think tank on building an effective ESG ecosystem.
- **SDG Impact** – Participating with industry colleagues in the pilot evaluation of the United Nations Development Programme-powered SDG Impact initiative.

### Memberships

- **Principles for Responsible Investment’s (PRI)** – Signatory and part of the Corporate Reporting Reference Group, working towards a global, standardized and comparable reporting system.
- **FCLT Global initiative** – Member of non-profit organization FCLT Global, developing research and tools to encourage long-term investing.
- **BSR** – Member of BSR, a global non-profit business network and consultancy dedicated to sustainability.
- **Level 20** – Member of non-profit organisation Level 20, aligned around a common vision of improving gender diversity in the private equity industry. EQT has been an active promoter to the roll-out into the Nordics.
- **Out Investors** – Member of LGBT+ network Out Investors with the mission to make the direct investing industry more welcoming for LGBT+ individuals.

### Social investments and donation

- **EQT Foundation** – EQT Foundation drives the EQT AB Group’s global philanthropic efforts. The EQT Foundation aligns its efforts to EQT’s mindset of making a positive impact with everything it does and works to maintain a clear connection to EQT’s business model, purpose and vision. The independently operated EQT Foundation received around one percent of the shares in EQT AB’s IPO, a donation from certain Partners at EQT via SEP Holdings BV, securing recurring revenue streams for EQT Foundation and establishing a preliminary endowment.
- **Trine** – Since 2018, EQT has invested in off-grid solar companies with operations in developing economies utilizing TRINE’s sourcing expertise and crowdfunding platform.
- **Door Step School** – Door Step School is a non-profit organization providing educational support to children in the slums of Mumbai. Through yearly corporate donation from EQT and staff engagement, the Door Step School has become an integral part of the company culture. This was the first philanthropic initiative where the organization joined forces to make a positive impact.

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# Auditor’s Limited Assurance Report on EQT AB’s Sustainability Report and statement regarding the Statutory Sustainability Report

To EQT AB (publ)

## Introduction

We have been engaged by the Board of Directors of EQT AB (publ) to undertake a limited assurance engagement of EQT AB’s Sustainability Report for the year 2020. The company has defined the scopes of the Sustainability Report and the Statutory Sustainability Report on page 145 in this document.

## Responsibilities of the Board of Directors and the Group Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages 145 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that EQT AB has developed. This responsibility also includes the internal control relevant to the preparation of Sustainability Report that is free from material misstatements, whether due to fraud or error.

## Auditor’s responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR’s accounting standard RevR12 The auditor’s opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of EQT AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

## Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 23 March 2021  
KPMG AB

**Håkan Olsson Reising**  
Authorized Public Accountant

**Karin Sivertsson**  
Expert Member of FAR

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# The EQT AB share

Ordinary shares in EQT AB were listed on Nasdaq Stockholm on 24 September 2019 with an offering price at SEK 67.0. The total return, share price performance including reinvested dividends, for the ordinary EQT AB share in 2020 was 95%. The corresponding return since IPO was 218%.<sup>1)</sup>

## Share performance and trading

Since its listing on Nasdaq Stockholm on 24 September 2019 and up to the last day of trading on 30 December 2020, the EQT AB share (ticker: EQT) delivered a shareholder return of 214%. Nasdaq Stockholm PI exhibited a return of 24% over the same period. On the last day of trading on 30 December 2020, the share price closed at SEK 210.4, compared to the first trade on 2 January 2020 of SEK 109.2, equivalent to a share price increase of 92.7%.

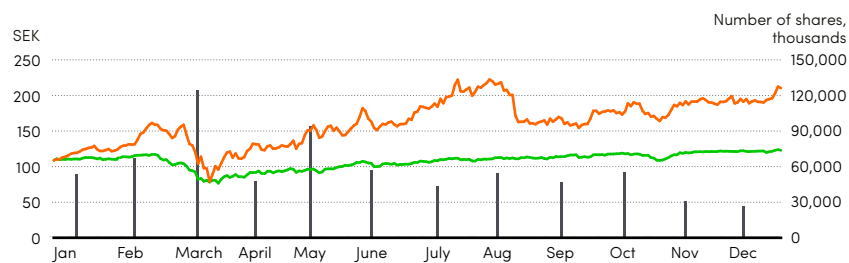
As of 31 December 2020 EQT AB has 952,983,900 ordinary shares listed on Nasdaq Stockholm. In addition to the ordinary shares,

8,663,490 class C shares, as part of the EQT Share Program, were outstanding as of 31 December 2020. As of the year end, the total amount of shares outstanding were 961,647,390 shares.

During 2020, 372 million EQT shares were traded on Nasdaq Stockholm, corresponding to a traded value of SEK 56.0 billion over the period. The traded volume on all venues combined amounted to 690 million shares, corresponding to a value of SEK 104.3 billion. On average, 2.7 million EQT shares were traded daily. The turnover ratio for ordinary EQT AB shares amounted to 67.9% in 2020.

<sup>1)</sup> As of 30 December 2020.

## Share price and trading



■ EQT ■ OMX Stockholm PI ■ Number of shares traded per month, thousands

Source: Bloomberg Finance L.P./Fidessa

## Ordinary share information and tickers

EQT	Nasdaq Stockholm
EQT SS Equity	Bloomberg
EQTAB.ST	Reuters
8700	Industry Classification Benchmark (ICB)
SE0012853455	ISIN code

## Share performance

Adj. EPS, basic (SEK) <sup>1)</sup>	3.5
EPS, basic (SEK) <sup>1)</sup>	3.0
Year open (SEK)	109.2
Year close (SEK)	210.4
Year low (SEK) <sup>2)</sup>	79.0
Year high (SEK) <sup>2)</sup>	222.4
Beta	1.5
Annualized volatility (%)	62.2
Turnover ratio (%) <sup>3)</sup>	67.9
Average daily volume	2,736,310
Quota value (SEK)	0.10
No. of shares outstanding (SEK)	961,647,390
Market capitalization <sup>4)</sup> (SEK million)	202,331

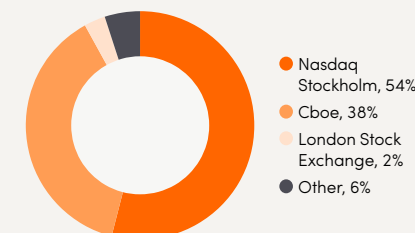
<sup>1)</sup> The adjusted metrics are alternative performance metrics for the EQT AB Group. For a full reconciliation please refer to Alternative Performance Measures (APM) on page 165. Using EUR/SEK rate as of year-end of 10.037.

<sup>2)</sup> In terms of closing price.

<sup>3)</sup> Measures share liquidity by setting the turnover value in relation to average market capitalization for the period.

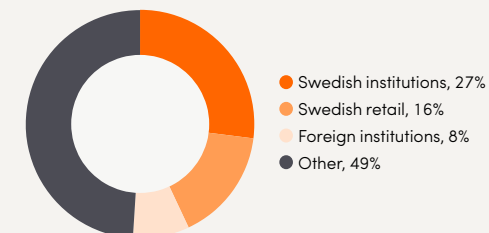
<sup>4)</sup> Based on the total number of outstanding ordinary shares and class C shares as of 31 December 2020.

## Trading per venue, 2020 (%)

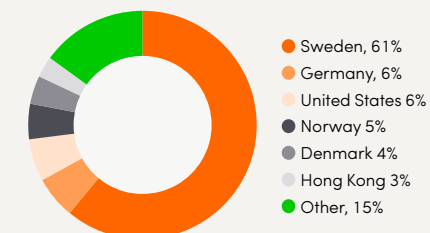


Source: Fidessa

## Shareholder distribution by owner type, as of 31 December 2020 (% of capital)



## Geographical shareholder distribution, as of 31 December 2020 (% of capital)



Source: Monitor

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## Top 25 largest shareholders in EQT

Shareholder	Number of ordinary shares	Number of class C shares	Share capital (%)	Votes (%)
Investor AB <sup>1)</sup>	174,288,016		18.1	18.3
Bark Partners AB <sup>2)</sup>	146,779,092		15.3	15.4
Lennart Blecher <sup>3)</sup>	32,448,395		3.4	3.4
Christian Sinding <sup>4)</sup>	31,241,385		3.2	3.3
Marcus Brennecke	31,192,436		3.2	3.3
Caspar Callerström	30,429,355		3.2	3.2
Fredrik Åttling	28,678,559		3.0	3.0
Morten Hummellose <sup>5)</sup>	26,693,904		2.8	2.8
Andreas Huber	25,003,371		2.6	2.6
Jan Ståhlberg	24,722,070		2.6	2.6
Stefan Glevén	21,975,157		2.3	2.3
Kristiaan Nieuwenburg	16,573,877		1.7	1.7
Anders Misund <sup>6)</sup>	15,432,100		1.6	1.6
Paul De Rome	13,773,124		1.4	1.4
Alecta Pension Insurance	13,172,000		1.4	1.4
Klumpen HB	12,904,000		1.3	1.4
Capital Group	12,266,602		1.3	1.3
Åsa Christina Riisberg	11,882,717		1.2	1.2
Stiffelsen EQT Foundation	9,529,840		1.0	1.0
Wellington Management	9,226,981		1.0	1.0
BlackRock	7,613,159		0.8	0.8
Handelsbanken Funds	6,723,702		0.7	0.7
AMF Pension & Funds	6,593,010		0.7	0.7
Government of Singapore (GIC)	6,335,135		0.7	0.7
Conni Jonsson <sup>7)</sup>	6,026,336		0.6	0.6
<b>Total top 25</b>	<b>721,504,323</b>		<b>75.0</b>	<b>75.6</b>
Others	231,479,577	8,663,490	25.0	24.4
<b>Total</b>	<b>952,983,900</b>	<b>8,663,490</b>	<b>100.0</b>	<b>100.0</b>
Shares owned by EQT		8,298,084	0.9	0.1

<sup>1)</sup> Investor AB holds shares indirectly.

<sup>2)</sup> Indirectly controlled by Conni Jonsson, Thomas Von Koch, Harry Klagsbrun and Per Franzén.

<sup>3)</sup> Lennart Blecher holds shares directly and indirectly.

<sup>4)</sup> Christian Sinding holds shares indirectly.

<sup>5)</sup> Morten Hummellose holds shares indirectly.

<sup>6)</sup> Anders Misund holds shares indirectly.

<sup>7)</sup> Conni Jonsson holds shares indirectly.

## Share capital development

Time	Event	Number of shares						Share capital (SEK)	
		Change in number of preference shares	Change in number of ordinary shares	Change in number of class C shares	Number of preference shares after the transaction	Number of ordinary shares after the transaction	Number of class C shares after the transaction	Change	Total
2017-03-08	Share issue <sup>1)</sup>	4,900	–	–	4,900	6,172,840	–	49.00	61,777.40
2018-03-02	Share issue <sup>1)</sup>	1,500	–	–	6,400	6,172,840	–	15.00	61,792.40
2019-01-18	Reduction of share capital <sup>2)</sup>	–200	–	–	6,200	6,172,840	–	–2.00	61,790.40
2019-01-25	Share issue <sup>3)</sup>	–	209,475	–	6,200	6,382,315	–	2,094.75	63,885.15
2019-01-25	Share issue <sup>4)</sup>	–	894,130	–	6,200	7,276,445	–	8,941.30	72,826.45
2019-01-25	Share issue <sup>5)</sup>	–	4,120,370	–	6,200	11,396,815	–	41,203.70	114,030.15
2019-04-23	Share issue <sup>6)</sup>	–	404,376	–	6,200	11,801,191	–	4,043.76	118,073.91
2019-04-30	Share issue <sup>7)</sup>	–	982,669	–	6,200	12,783,860	–	9,826.69	127,900.60
2019-06-30	– <sup>8)</sup>	–	–	–	6,200	12,783,860	–	–	127,900.60
2019-07-24	Share issue <sup>9)</sup>	–	879,630	–	6,200	13,663,490	–	8,796.30	136,696.90
2019-07-24	Reduction of share capital <sup>10)</sup>	–	–5,000,000	–	6,200	8,663,490	–	–50,000	86,696.90
2019-07-24	Bonus issue	–	–	–	6,200	8,663,490	–	43,348.45	130,045.35
2019-07-29	Reduction of share capital <sup>11)</sup>	–6,200	–	–	–	8,663,490	–	–93.00	129,952.35
2019-07-29	Bonus issue	–	–	–	–	8,663,490	–	86,504,974.65	86,634,900
2019-07-29	Split (1:100)	–	857,685,510	–	–	866,349,000	–	–	86,634,900
2019-09-24	New Share Issue in connection with the IPO	–	86,634,900	–	–	952,983,900	–	8,663,490.00	95,298,390
2019-11-14	Issue and Repurchase of class C shares for the EQT Share program	–	–	8,663,490	–	952,983,900	8,663,490	866,349	96,164,739

<sup>1)</sup> Paid in cash. The subscription price amounted to SEK 0.01 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 0.0001 per share.

<sup>2)</sup> The purpose of the reduction was for repayment of SEK 2 to shareholders.

<sup>3)</sup> Paid by way of set-off of receivable. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 12.25 per share.

<sup>4)</sup> Paid in cash. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 12.25 per share. Members of the executive management who have subscribed are Jussi Saarinen (20,994 shares), Anna Wahlström (10,497 shares) and Conni Jonsson through Qaribo Associates SA (75,364 shares).

<sup>5)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 2,611,674, corresponding to approximately SEK 0.63 per share and SEK 0.0063, adjusted for the split which was completed during 2019.

<sup>6)</sup> Paid in cash. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 12.25 per share.

<sup>7)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 1,337,372,122.29, corresponding to approximately SEK 1,360.96 per share, which, adjusted for the split which was completed during 2019, corresponds to SEK 13.61 per share.


<sup>8)</sup> EQT AB has drawn up unaudited condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2019. As of 30 June 2019, all of the shares in the company were fully paid for with a quota value of SEK 0.01.

<sup>9)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 335,095.22, which corresponds to SEK 0.38 per share and SEK 0.0038 per share, adjusted for the split which was completed during 2019.

<sup>10)</sup> The purpose of the reduction was repayment of SEK 50,000 to shareholders.

<sup>11)</sup> The annual shareholders' meeting on 27 June 2019 resolved on a reduction of the share capital whereby these preference shares were redeemed at quota value SEK 0.15 resulting in a SEK 93 transfer to the reserve fund.

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### Shareholding distribution

Holding	Number of ordinary shares	Number of class C shares	Capital (%)	Votes (%)
1–500	3,088,080	0	0.3	0.3
501–1,000	1,215,296	0	0.1	0.1
1,001–5,000	2,320,550	0	0.2	0.2
5,001–10,000	896,882	0	0.1	0.1
10,001–15,000	577,137	0	0.1	0.1
15,001–20,000	551,449	0	0.1	0.1
20,001–	944,334,506	8,663,490	99.1	99.1
<b>Total</b>	<b>952,983,900</b>	<b>8,663,490</b>	<b>100.0</b>	<b>100.0</b>

Source: Euroclear Sweden

### Ownership structure

As of 31 December 2020, EQT AB had 29,195 shareholders according to Euroclear Sweden. At the end of 2020, approximately 27 percent of the shares were held by Swedish institutions, 8 percent by foreign institutions and 16 percent were held by Swedish retail investors. As of 31 December 2020, the 25 largest shareholders held 75.0 percent of the capital and 75.6 percent of the votes in EQT AB. On 31 December 2020, Investor AB, through Investor Investments Holding AB was the largest shareholder in EQT AB, both in terms of capital and votes.

### Share capital

As of 31 December 2020, the share capital of EQT AB amounted to SEK 96,164,739, distributed over 961,647,390 shares, including the 8,663,490 class C shares issued during autumn 2019 as part of the implementation of the EQT Share Program.

### Dividend policy and distribution of company funds

The dividend policy of EQT is to “generate a steadily increasing annual dividend in absolute euro-denominated terms”. The policy is adopted by the Board of directors of EQT. The Board of directors proposes a dividend of SEK 2.40 per share in respect of the fiscal year of 2020, payable in 2021. The dividend will be paid in two installments, SEK 1.20 in June 2021 and SEK 1.20 in December 2021. Holders of ordinary shares and class C shares are equally entitled to dividend.

The dividend will be based on the number of shares outstanding at the date the dividend will be determined.

### Voting rights

Each ordinary share in EQT entitles the holder to one vote at the shareholders’ meetings and one class C share entitles the holder to one tenth vote at shareholders’ meetings. Each shareholder holds voting rights equal to the number of shares held by the shareholder in the company.

### Additional information

#### Analysts

For information regarding analysts covering EQT, please visit: [www.eqtgroup.com](http://www.eqtgroup.com)

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Phone +46 72 989 09 15

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# Alternative performance measures (APM)

To increase the understanding of the development of the operations and the financial position of EQT AB Group, EQT presents some alternative performance measures in addition to financial measures defined by IFRS. EQT believes these measures provide a better understanding of

the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS are useful information to investors combined with other measures that are calculated in accordance with IFRS. These alternative performance measures should not

be considered in isolation or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by EQT, may not be comparable to other similarly titled measures used by other companies.

Definition	Reason for use
<b>Adjusted total revenue</b>	
Total revenue adjusted for fair value step-up on acquired contractual right to carried interest from EQT VI, EQT VII and selected funds.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Total revenue adjusted for fair value step-up on acquired contractual right to carried interest from EQT VI, EQT VII and selected funds, implying that (i) revenue recognition from the date of the acquisition will be consistent with the valuation principles used for previously owned right to carried interest entitlements and (ii) closer correlation between recognized revenues from carried interest and investment income and expected cash to be received.
<b>Gross segment result</b>	
Total revenue adjusted for fair value step-up on acquired contractual rights to carried interest from EQT VI, EQT VII and selected funds less directly incurred expenses by business segment.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Gross segment result provides an overview of the direct contribution of each business segment.
<b>Gross segment margin</b>	
Gross segment result divided by Adjusted total revenues by business segment.	Gross segment margin provides an overview of the profitability by each business segment.
<b>EBITDA</b>	
EBIT excluding depreciation and amortization of property plant and equipment and intangible assets.	EBITDA provides an overview of the profitability of the operations.
<b>EBITDA margin, %</b>	
EBITDA divided by Total revenue.	EBITDA margin is a useful measure for showing the profitability of the operations relative to total revenue generated by the Group during the period.

Definition	Reason for use
<b>Adjusted EBITDA</b>	
EBITDA adjusted for items affecting comparability and revenue adjustments.  Items affecting comparability means items that are reported separately due to their character and amount. For a specification of items affecting comparability, see Note 4.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Adjusted EBITDA is a useful measure for showing profitability of the operations and increases the comparability between periods.
<b>Adjusted EBITDA margin, %</b>	
Adjusted EBITDA divided by Adjusted total revenue.	Adjusted EBITDA margin is a useful measure for showing the profitability of the operations and increases the comparability between periods, relative to total revenue generated by the Group during the period.
<b>Adjusted net income</b>	
Net income adjusted for items affecting comparability and revenue adjustments.  Items affecting comparability means items that are reported separately due to their character and amount, see Note 4.  Revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Adjusted net income is a useful measure for showing the profitability generated by the Group as this measure is adjusted for items affecting comparability between periods.
<b>Adjusted earnings per share</b>	
Adjusted net income in relation to average number of shares.	Adjusted earnings per share is a useful measure for showing the profitability per share generated by the Group as this measure is adjusted for items affecting comparability between periods.
<b>Financial net cash</b>	
Cash, cash equivalents and short-term loans receivable less short-term loans.	Financial net cash / (net debt) is used to assess the Group's financial position in terms of the possibility to make strategic investments, payment of dividend and fulfillment of financial commitments.

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## Adjusted total revenue

EUR m	2020	2019
Total revenue	708.7	563.9
Revenue adjustments	53.0	6.5
<b>Adjusted total revenue</b>	<b>761.6</b>	<b>570.3</b>

## Adjusted EBITDA / Adjusted net income

	2020	2019
<b>Net income</b>	<b>282.8</b>	<b>149.4</b>
Income taxes	28.3	11.8
Net financial income and expenses	-6.2	5.5
<b>Operating profit (EBIT)</b>	<b>304.9</b>	<b>166.8</b>
Depreciation and amortization	35.1	29.8
<b>EBITDA</b>	<b>340.0</b>	<b>196.6</b>
Revenue adjustments	53.0	6.5
Items affecting comparability	-7.8	59.4
<b>Adjusted EBITDA</b>	<b>385.3</b>	<b>262.4</b>
Depreciation and amortization	-35.1	-29.8
Net financial income and expenses	6.2	-5.5
Income taxes (including tax on adjustments)	-26.7	-25.4
<b>Adjusted net income</b>	<b>329.7</b>	<b>201.7</b>

## Adjusted earnings per share, basic

	2020	2019
Adjusted net income, EUR m	329.7	201.7
Average number of shares, basic	953,209,150	851,289,562
<b>Adjusted earnings per share, basic, EUR</b>	<b>0.346</b>	<b>0.238</b>

## Adjusted earnings per share, diluted

	2020	2019
Adjusted net income, EUR m	329.7	201.7
Average number of shares, diluted	953,619,051	851,748,997
<b>Adjusted earnings per share, diluted, EUR</b>	<b>0.346</b>	<b>0.238</b>

## Financial net cash / (Net debt)

EUR m	2020	2019
Cash and cash equivalents	878.0	908.5
Short term loan receivable <sup>1)</sup>	-	9.4
Interest-bearing liabilities – current	-	-9.4
<b>Financial net cash / (Net debt)</b>	<b>878.0</b>	<b>908.5</b>

<sup>1)</sup> Short term loan receivable is a subtotal of Other current assets.

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# Definitions

**AUM** Assets Under Management (“AUM”) represent the total assets and commitments from fund investors based on which EQT AB Group is entitled to receive management fees. All of the Group’s AUM is fee-generating.

**Active funds** Funds currently investing or with not yet realized investments.

**Average AUM** The average balance of AUM for the period, calculated on a quarterly basis.

**CAGR** Compound Annual Growth Rate.

**Carried interest** A share of profits that is received by the Carried Interest Participants through their holding in Special Limited Partners of EQT funds as variable consideration, fully dependent on the performance of the relevant EQT funds and such EQT funds’ underlying investments.

**Carried Interest Participants** Participants entitled to carried interest in EQT funds through the Special Limited Partner (SLP).

**Committed capital** The total amounts that fund investors agree to make available to a fund during a specified time period.

**Commitment period / Investment period** First phase of a fund lifecycle after fundraising, in which most of a fund’s committed capital is invested into portfolio companies. Management fees are normally based on committed capital during this period.

**Credit** Business segment comprised of EQT’s platform for credit investments comprised of Special Situations, Direct Lending and Senior Debt. Credit is reported as a discontinued operation.

**Current Gross MOIC (Multiple of Invested Capital)** A fund’s Gross MOIC based on the current total value and cost of its underlying investments.

**Effective management fee rate** Weighted average management fee rate for all EQT funds contributing to AUM in a specific period.

**EQT** Where used on its own, is an umbrella term and may refer interchangeably to the EQT AB Group, SEP Holdings Group and/or EQT funds, as the context requires.

**EQT AB Group or the Group** EQT AB and/or any one or more of its direct or indirect subsidiaries (excl. the EQT funds and their portfolio companies).

**EQT Advisors** The group of individuals who are not board members or officers of any member of the EQT AB Group and who provide knowledge and experience to EQT on a consultancy basis.

**EQT funds** From time to time, investment vehicles or other arrangements and any of their respective predecessor, in each case managed by a member of the EQT AB Group and/or SEP Holdings Group, as the context requires.

**EQT Network** The network of EQT Advisors which supports the General Partner and/or the Fund Managers of EQT funds.

**ESG** Environmental, social and governance.

**EUR** Euro.

**Exits** Cost amount of realized investments (Realized cost) from an EQT fund.

**Expected Gross MOIC** A fund’s expected Gross MOIC at termination, when a fund is fully realized, based on the estimated total value and cost of its underlying investments upon realization.

**FTE** The number of full-time equivalent personnel on EQT AB Group’s payroll.

**FTE+** The number of full-time equivalent personnel and contracted personnel working for EQT AB Group.

**Fund investor** An investor in an EQT fund.

**Fund Manager** The entity appointed to act as alternative investment fund manager for an EQT fund.

**Fund Management team** The general partner and/or managers of the EQT funds and/or the team engaged by the general partner and/or managers, responsible for managing and operating the EQT funds.

**Fund size** Total committed capital for a specific fund.

**General Partner** An entity directly or indirectly held by EQT AB acts as general partner of the limited partner constituting the EQT fund.

**Gross inflows** New commitments through fund-raising activities or increased investments in funds charging fees on net invested capital.

**Gross fund exits** Value of realized investments (Realized value) from an EQT fund.

**Gross MOIC** Total value of investments divided by total cost of investments.

**IFRS** International Financial Reporting Standards.

**Industry AUM** Total industry assets under management.

**Investment Advisory Professionals** Employees within the EQT AB Group that provides Investment Advisory services to the Fund Managers of the EQT funds.

**Investment level / % Invested** Measures the share of a fund’s total commitments that has been utilized. Calculated as the sum of (i) closed and/or signed investments, including announced public offers, (ii) any earn-outs and/or purchase price adjustments and (iii) less any expected syndication, as a percent of a fund’s Committed capital.

**Investments** Signed investments by an EQT fund.

**IPO** The initial public offering of EQT AB’s ordinary shares during autumn 2019.

**Key funds** Funds with commitments that represent more than 5 percent of total commitments in active funds, respectively, as well as EQT Infrastructure II.

**Limited Partner** Investors in EQT funds whose commitment and right to return is derived from the size of the investment.

**Net invested capital** Total cost of investments not yet realized (Remaining cost). Management fees are generally based on Net invested capital after the Commitment period / Investment period.

**Net IRR** Internal rate of return, after deductions for carried interest, fees and costs.

**Partners** Employees within the EQT AB Group primarily with the title “Partner” (including a few former Partners depending on the context) who are also shareholders in the company.

**Post-commitment period / Divestment period** Phase of a fund lifecycle after the Commitment period, in which most of a fund’s investments are realized. Management fees are normally based on the net invested capital during the period.

**Private Capital** Business segment comprised of business lines Private Equity, Ventures, Growth and Public Value.

**Real Assets** Business segment comprised of business lines Infrastructure and Real Estate.

**Realization (of investments)** Sale or write-off of investment made by an EQT fund.

**Realized value / (Realized cost)** Value (cost) of an investment, or parts of an investment, that at the time has been realized.

**Remaining value / (Remaining cost)** Value (cost) of an investment, or parts of an investment, currently owned by the EQT funds.

**SEK** Swedish krona.

**Shares** Unless otherwise stated, “shares” refer to ordinary shares in the Company.

**Start date** A fund’s start date is the earlier of the first closed investment or the date when management fees are charged from fund investors.

**Step-down** Step-downs in AUM generally resulting from the end of the investment period in an existing fund or when a subsequent fund starts to invest. Fees in a specific fund will normally be charged on net invested capital post step-down.

**Target Gross MOIC** Measure used in fundraising of an EQT fund as a fund’s target level of investment return based on Gross MOIC.

**USD** US Dollar.



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# AGM information

EQT AB invites shareholders to participate in the Annual Shareholders’ Meeting by postal voting and digital participation on Wednesday, 2 June 2021, at 14:00 CEST.

Shareholders who would like to attend the Annual Shareholders’ Meeting must (i) be recorded in the register of shareholders maintained by Euroclear on 25 May 2021 and (ii) notify EQT of their intention to attend the Annual Shareholders’ Meeting no later than 27 May 2021. Shareholders who choose to vote in advance shall give notice of participation by submitting their advance vote so that the advance vote is received by Computershare AB no later than 1 June 2021.

Shareholders can give their notice of participation:

- through the EQT website: [www.eqtgroup.com](http://www.eqtgroup.com)
- by mail to: Computershare AB, “EQT AGM 2021”, Box 5267, 102 46 Stockholm, Sweden, or
- by phone: +46 8 46 00 73 80

Notice convening the Annual Shareholders’ Meeting and proxy forms will be available on EQT’s website no later than four weeks prior to the Annual Shareholders’ Meeting, [www.eqtgroup.com](http://www.eqtgroup.com)

It will be possible for shareholders to participate and vote online. Details are provided in the notice.

## Financial calendar 2021

<b>2021</b>	
22 April	Quarterly Announcement January–March 2021
22 July	Half-year Report 2021
20 October	Quarterly Announcement July–September 2021
<b>2022</b>	
19 January	Year-end Report January–December 2021



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