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EQT
Annual and Sustainability Report 2020



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.

01

EQT – a purpose-driven organization



Purpose
Why we exist

To future-proof companies and make a positive impact.

Our values
What we stand for

High performing
Respectful
Entrepreneurial
Informal
Transparent

Miss
What we d

With the best talent and netv
uses a thematic investment st
creation approach to future-
superior returns to EQT's inve
impact with eve

EQT facts

EQT is a purpose-driven global investment organization solely focused on active ownership stra
a global mindset, EQT has a track record of almost three decades of delivering consistent and at
geographies, sectors and strategies. Uniquely, EQT is the only large private markets firm in the v
covering all phases of a business' development, from start-up to maturity.

EQT AB Group



700+
employees
>40 nationalities

€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[2)]

1%
owned by EQT Foundation

500+
EQT Advisors

[1)] Office in Tokyo announced 2021, included throughout the report.
[2)] See Additional sustainability disclosures for more details.

EQT funds

€52 bn
assets under management (AUM)

500
fund investors

17
active funds

175,1
employees in port

Private Capital
Ventures, Growth, Private Equity, Public Value

€33 bn AUM

22%
Net IRR[5)]

2.5x
Realised gross MOIC[5)]

[3)] Of which 67 are investments by the EQT Ventures funds.
[4)] Excludes portfolio companies in Ventures and Real Estate.
[5)] Includes EQT funds raised prior to 2012, which are not manag

02

Reflections on 2020 and beyond



2020 in brief

Key events



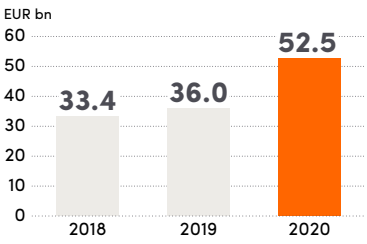
- EQT AB adopted its Statement of Purpose, establishing EQT's purpose, vision and mission.
- EQT joined forces with Exeter, creating a global leader in value-add real estate.
- EQT is solely focused on active ownership strategies following the divestment of Credit.
- EQT joined the Science Based Targets 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

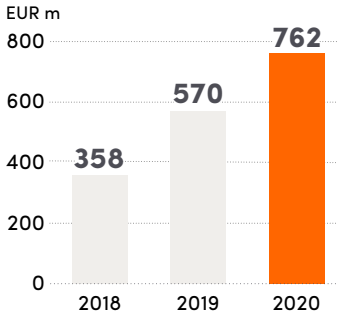
All key EQT funds are on or above plan to meet Gross MOIC targets.

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

2020 in brief continued

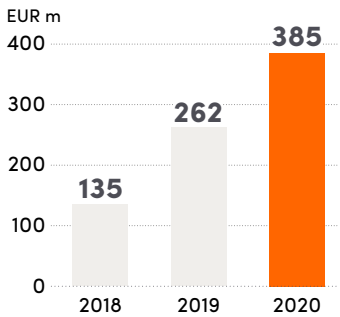
Financials

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.

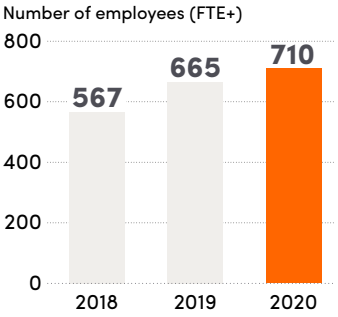
Adjusted EBITDA



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

People

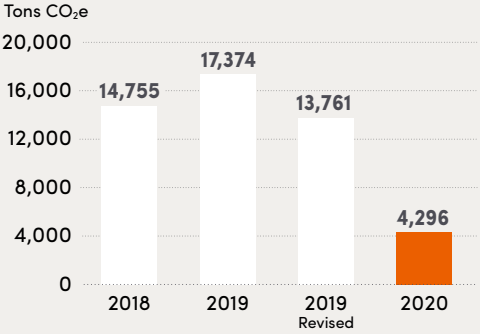
Employees



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

Sustainability

Greenhouse gas emissions [1)]



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

[1)] EQT AB Group, emissions from own operations. See Additional Sustainability Disclosures for details of the updated methodology.



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

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Founder a

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



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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.

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Towards our targets

Strategic targets

Our strategic ambition consists of six key pillars:

1

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

- 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.

Reflections on the future

- EQT's purpose journey involving EQT AB, EQT funds, their portfolio companies and beyond will accelerate in 2021.

2

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

- EUR 12.9 billion of thematic investments by EQT funds in 2020.
- All key EQT funds are on or above plan to meet Gross MOIC targets.

- A handful of EQT funds' portfolio companies have been severely affected by the Covid-19 pandemic.
- EQT Investment Advisory Professionals remain focused on downside risks.

3

Stay ahead on culture, talent management and leadership.

- Continued growth of EQT AB Group with 117 new joiners in 2020, low undesired attrition of 1% and maintained high employee engagement.
- EQT Academy fully digitalized to ensure onboarding and training continuity, new courses added to cover conscious inclusion and virtual transformation.

- EQT's strong culture and tech maturity allow for alternative ways to recruit, onboard and develop top talents across the globe.

4

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

- 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.

- Central's costs are expected to grow at approximately half of the growth in assets under management over the medium-term.

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[1] 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.

Towards our targets

Financial targets

The EQT AB board of directors has adopted the following medium- to long-term financial tar

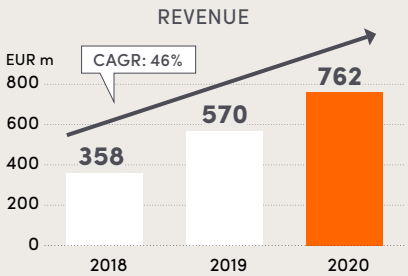
1

Revenue growth

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

34%
(2019: 59%)

REVENUE



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.[1)]

[1)] Source: Preqin.

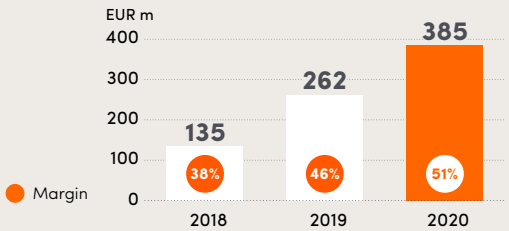
2

Adjusted EBITDA margin

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

51%
(2019: 46%)

EBITDA/EBITDA margin



- 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%.

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[2)] Approxi
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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.

EQT AB

100%

(2019: 100%)

- EQT AB Group has continued to source renewable electricity in its offices, partly via Energy Attribution Certificates.[1)]

Portfolio companies

31

- At the year end, 31 portfolio companies, representing 20,000 sites across 50 countries, began to have their energy usage assessed and 19 started to evaluate renewable energy alternatives.

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.

[1)] See Additional sustainability disclosures for more details.

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.

EQT AB

54%

- Share of Investment Advisory Professionals recruited during 2020 that were women.[2)]

Portfolio companies

21%

(2019: 16%)

- Average share of independent board members appointed by EQT that were women.

- 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.

[2)] The corresponding share of Investment Advisory Professionals that joined during 2020 being women is 39% (19% in 2019).

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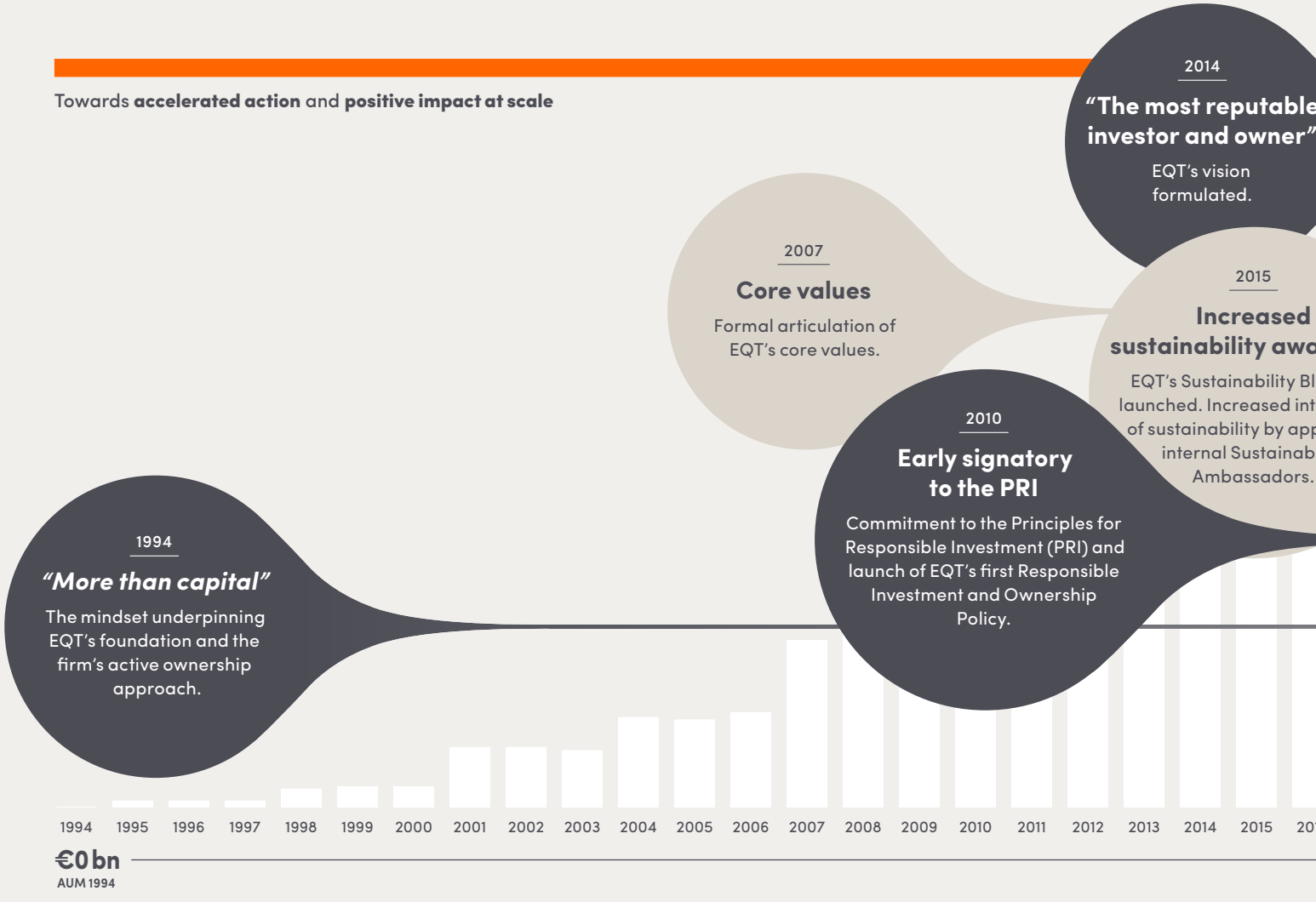
Our company



EQT's purpose journey

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

Towards **accelerated action** and **positive impact at scale**



Making a positive impact – our model

Resources

Capital

€52bn

- 17 active funds

EQT AB balance sheet

€878m Cash and cash equivalents

EQT Platform

- 700+ employees in 17 countries.
- Global network of advisors.



Competence

- Specialist teams within digitalization and sustainability.

Active-ownership approach

EQT Playbook

- Create returns for EQT's fund investors

EQT's strategic agenda

- To future-proof companies and make a positive impact

Value creation

Returns for fund investors

(since inception)

Private Capital[1)]

- 22% Net IRR
- 2.5x Realized Gross MOIC

Real Assets[1)]

- 15% Net IRR
- 2.4x Realized Gross MOIC

Returns for shareholders

- 214% Share price performance since IPO
- €230m in dividend[2)]

[1)] Includes EQT funds raised prior to 2012 which are not managed by the EQT AB Group, excludes Public Value.
[2)] 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.

In practice

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 fullfilment 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 catalyst of change, moving the entire financial community to stimu more sustainable businesses

Therése Lennehag Head of Sustainability





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's shareholders own EQT AB.

Any dividends from EQT AB is paid to all of its shareholders.

EQT AB Group

INVESTMENT ADVISORY

EQT's Investment Advisory Professionals are organized by business segments and investment strategies:

PRIVATE CAPITAL
Ventures
Growth
Private Equity
Public Value

REAL ASSETS
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 AB Group manages, advises and invests in the EQT funds ...

... and is allocated management fees and a share of profits.

EQT funds

€52 bn
AUM

17
Active funds

- Approximately 50
currently invested
- EQT's Capital Raisi
Relations Advisory
the fund manager
continuously with f

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

EQT Network

Advisory services and support

In addition to its employees, EQT AB Group engages a network of approximately 500 EQT Advisors to support the Investment Advisory Teams and the portfolio companies.

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

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

04

Private markets



Private market

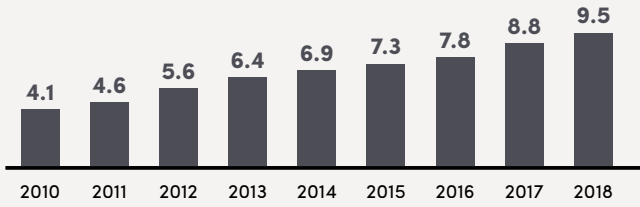
Private markets have experienced rapid growth in recent years. The market is expected to grow further, supporting increased allocations to alternative assets and increasing assets under management.

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.

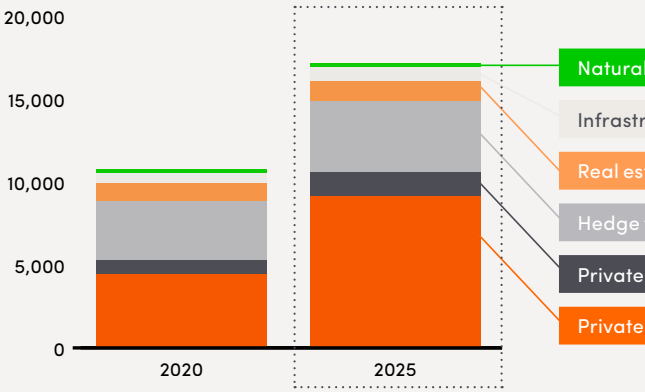
Alternative assets have experienced strong growth over the last decade, from USD 4.1 trillion in assets under management in 2010 to USD 10.7 trillion in 2020. All asset classes within alternative assets are expected to grow in the coming years, with private equity poised to more than double assets under management between 2020 and 2025.[1)] In a survey by Preqin, 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.

Alternative Assets under Management[2)]
USD trillion



Alternative Assets under Management, 2020 vs. 2025[2)]
USD billion



[2)] 2020 figure is annualised based on data to October. 2021–2025 are Preqin's foreca

[1)] Preqin, 2020. 2020 figure is annualized based on data until October. 2021–2025 are Preqin's forecasted figures.

EQT in the private markets

EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple ge EQT is the second largest Private Equity and Infrastructure Manager on a global level in terms of active funds. Wi largest Manager in the world by active funds. With Exeter, EQT will be top four globally in active ownership strate and Real Estate. EQT's leading strategies in Private Equity and in Infrastructure have consistently outperformed p

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.

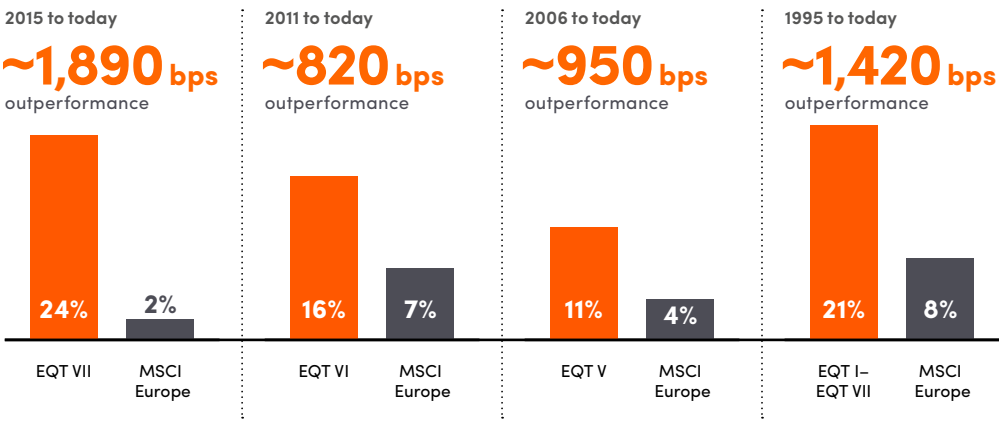
EQT continuously invests in building strong fund investor relationships and aims to remain a relevant and long-term partner for its fund investors by pursuing compelling investment opportunities, by launching successor funds to its existing strategies and by launching new investment strategies. EQT is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

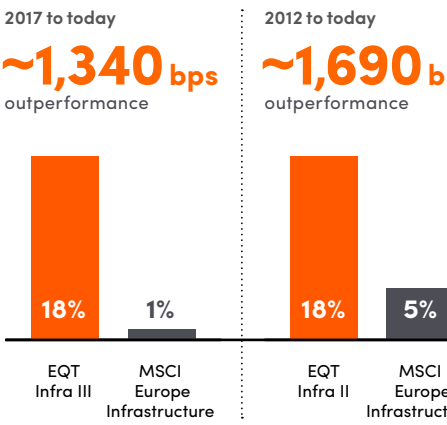
Fund investor breakdown

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 i years, affi tion. The ir comprising agement (from fund Nordics ar Investors i team supp Capital Ro 52 profess

Annual bps of outperformance of EQT Private Equity to MSCI Europe



Annual bps of outperformance of EQT In



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. Accor 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 o 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 i 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 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.

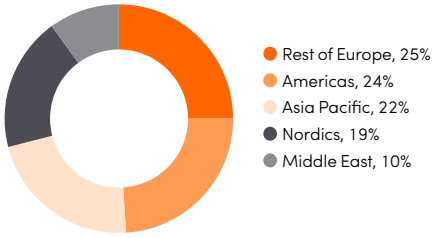
Source: Preqin, Lit. search, EQT analysis; per January 2021; active defined as funds currently investing, based on full fund size at close. Excludes open-ended Infrastructure funds.

Private markets

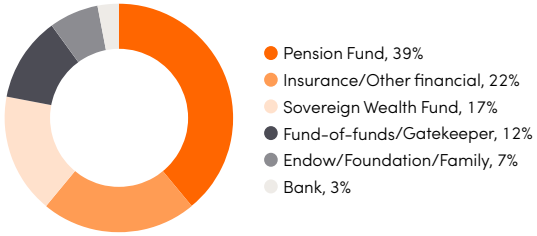
As the investment management industry develops, so do the needs and expectations of EQT funds' investors. This includes co-investment opportunities, strategic partnerships, and single-asset transactions, which all continue to be a complementary part of EQT's offering. Looking ahead on future channels 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[1] worldwide, yet less than 15 percent of this wealth is invested in alternative investment classes.[2] 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.

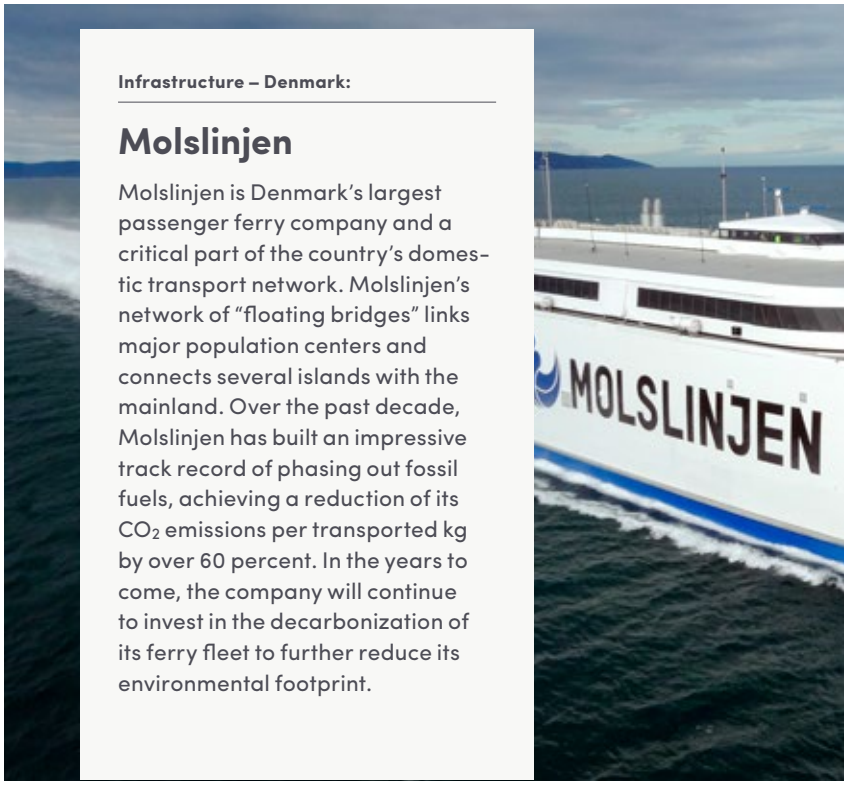
[1] Defined as high net worth individual wealth.
[2] According to Capgemini's 2020 World Wealth report.

AUM by fund investor geography



AUM by fund investor type

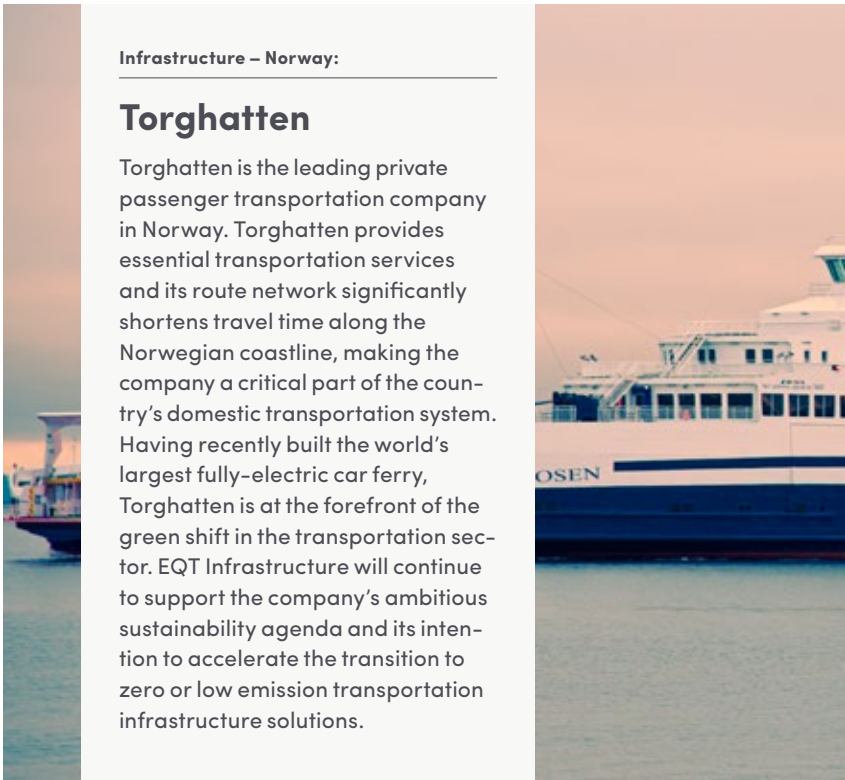




Infrastructure – Denmark:

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_2 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.

In practice

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 Hummelmose 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 fund-raising 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 perfor-mance 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 devel-opment for the investment management industry. This spurs the development of stronger governance, more focused



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.



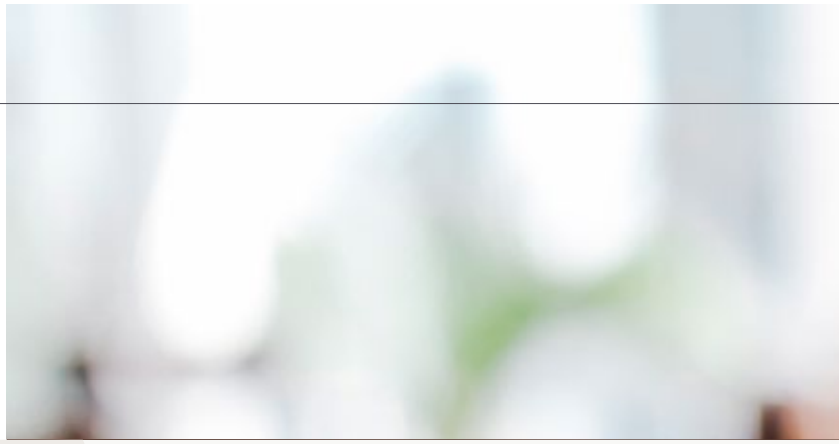
05

Strategy and financial model

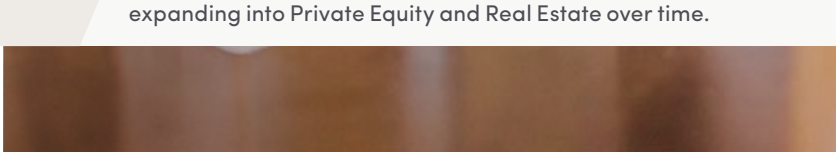


Strategy

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 pro business practices. Future-proofing starts with the Group itself, in or EQT continues to deliver exceptional value over the long-term for its fund investors and society as a whole.
2	**Create superior risk-adjusted returns through purpose-driven investments.**	Deliver consistent, attractive returns. Generating superior risk-adjus 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 attr 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 equippe continues to grow. This will enable existing strategies to scale effecti 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 positi while future-proofing new strategies and growing them into new co
6	**Solidify Europe, win North America and expand APAC.**	Maintain EQT's position as a European leader in private markets inve expansion. "Win North America" by further expanding in Private Equ Real Estate. Expand in Asia-Pacific by focusing on the Infrastructure expanding into Private Equity and Real Estate over time.



EQT is a global leader in active ownership str

EQT has established six investment strategies (business lines), organized into two business segments – Private Ca EQT is solely focused on active ownership strategies where EQT can future-proof companies and make a positive 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[1].

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.

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[1] Defined as

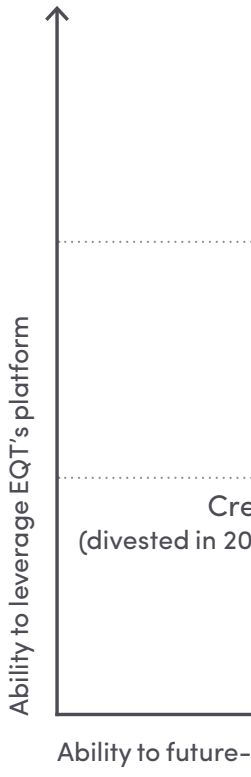
Private Capital

Ventures	Growth	Private Equity	Public Value
€1.0 bn AUM	N/A	€31.3 bn AUM	€0.8 bn AUM
2 active funds	N/A	8 active funds	1 active fund

Real Assets

Infrastructure	Real Estate	Exeter
€18.1 bn AUM	€1.2 bn AUM	€8.3 bn AUM
4 active funds	2 active funds	12 active funds

EQT Real Estate and Exeter are joining forces to create EQT Exeter.



With consistent and attractive returns, EQT can scale its stra

Emerging strategies

The Emerging Strategies include more recently launched strategies which EQT belives 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.

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[1] AUM per 31 D

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

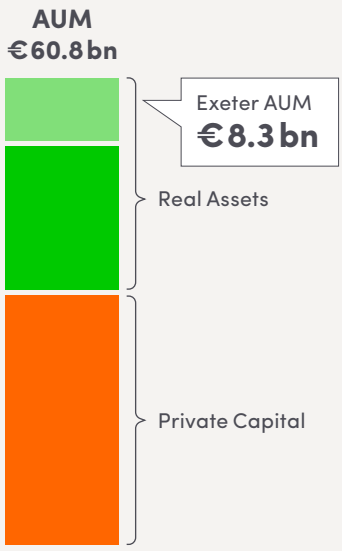
With the combination with Exeter announced in January 2021, EQT took a major leap forward in delivering on its strategic ambition in Real Estate as well as its plan to grow EQT's presence in North America.

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.[1)] 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.

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

With Exeter, EQT has €60.8 bn in AUM focused on active ownership strategies





Exeter facts

FTEs

~230

AUM by geography

North America
€6.3 bn

Europe
€2.0 bn

Track-record

Net IRR since inception[1)]
21%

Gross MOIC sin
2.3x

1) 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.

2) 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.

EQT is continuously developing its global ecosystem of str

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.

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.

In practice

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 Broch

Partner EQT Growth Advisory Team, Lo

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.

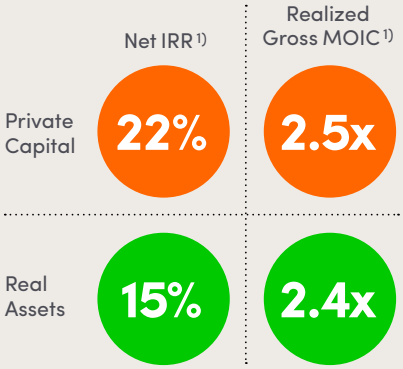
How can EQT Growth benefit from the EQT platform?
– We will make great use of EQT's capabilities in digitalization and sustainabilit as both areas are critical parts of our value creation agenda. The EQT Networ will help us identify new investment opportunities, and Motherbrain, EQT's proprietary in-house artificial intelligence (AI) system, will play a crucial role in identifying trends and sourcing potential investment opportunities.

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

Financial model

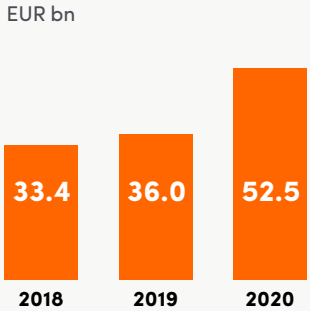
EQT AB Group's revenues consist of two integrated streams: management fees as well as carried interest and inve
performance by the EQT funds is the foundation for our success, translated into growth in both revenue streams.
fees for the management and operation of the EQT funds, including the provision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

Consistent and attractive client returns ...



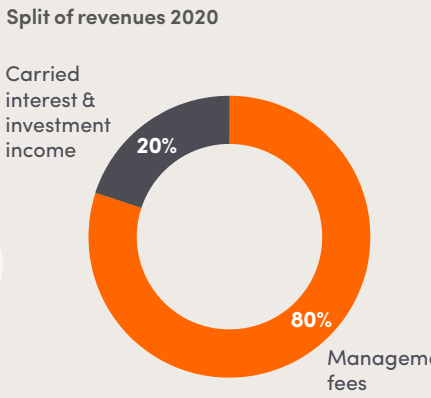
EQT's financial model is based on the delivery of consistent and attractive returns to fund investors.

... drive growth in AUM



If the EQT funds create strong relative returns, there is likely to be investor demand for successor funds, growth in assets under management and, consequently, growth in management fees.

With integrated revenue streams ...



Attractive returns in the EQT funds also support the potential to generate carried interest and investment income.

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

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.

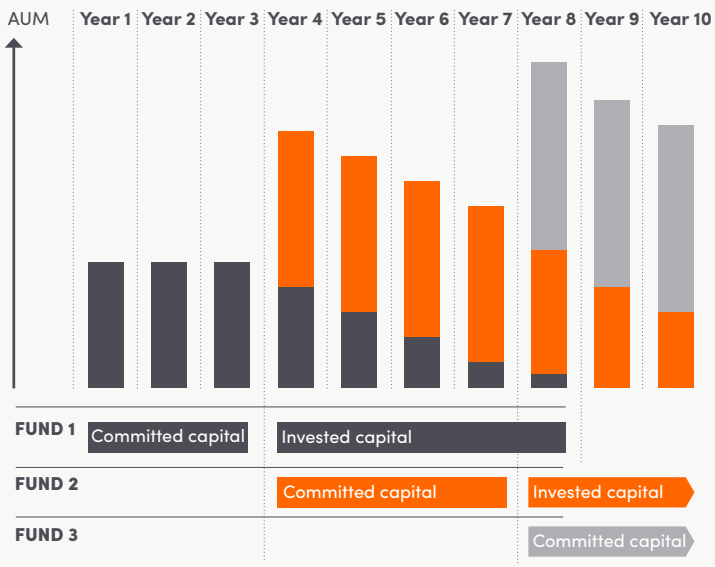
An EQT fund normally enters the post-commitment period at the end of a set period of time or once approximately 80–90 percent of total commitments are invested and a successor fund is activated. During the post-commitment period, management fees are normally calculated on the invested capital. As an 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.

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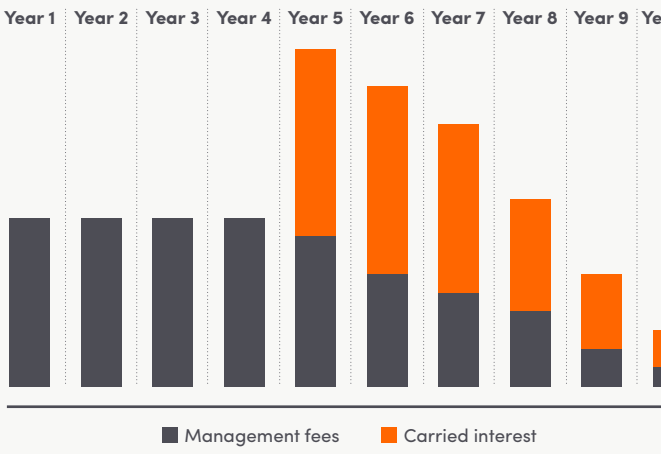
EQT AB
profits, so

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 an
  is only recognized when minimum return requirements have been me

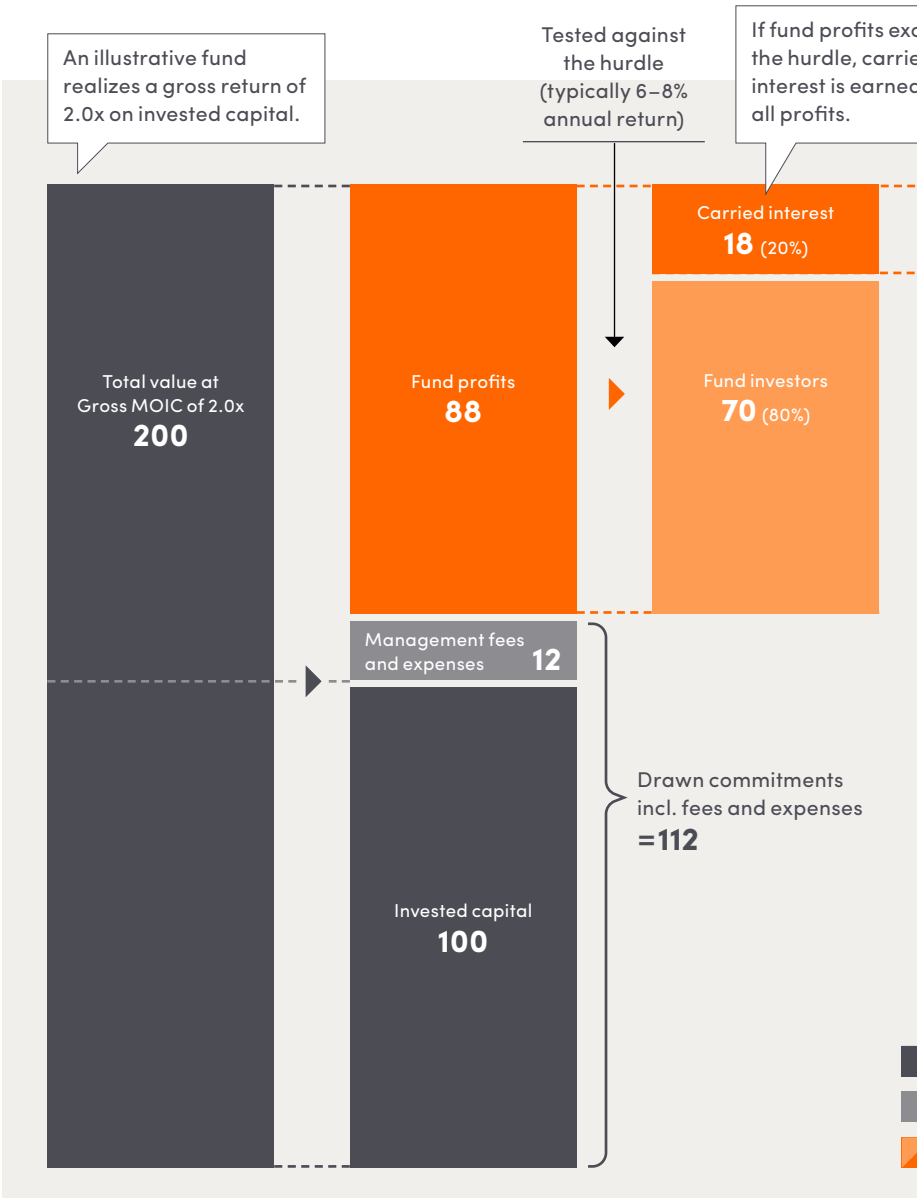
Explaining carried interest

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.



06

People



Positive impact driven by people, culture and values

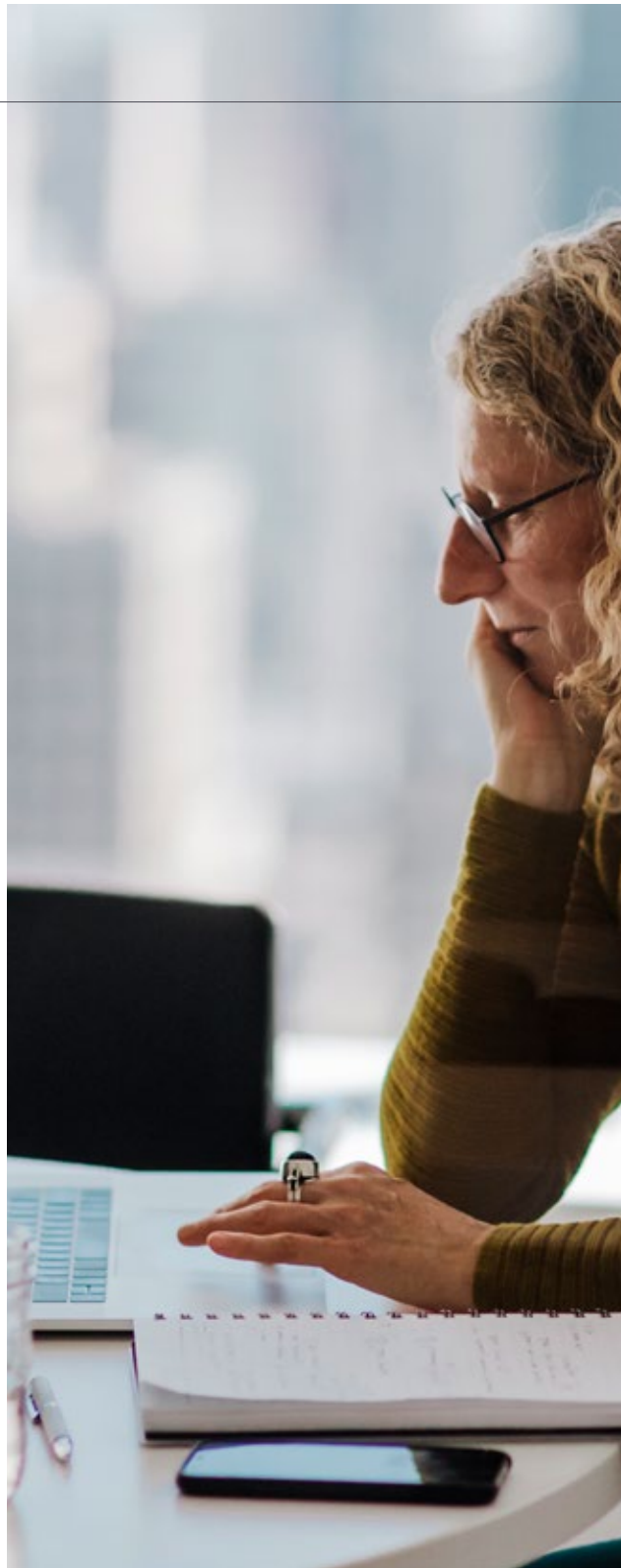
EQT is convinced that purpose-driven organizations attract and retain the best talent. People are at the core of EQT's purpose to make a positive impact and ensure the company's long-term success.

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



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.

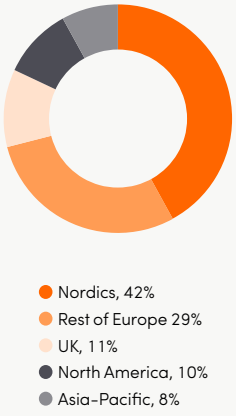
Covid-19 affected communities in many ways. EQT took proactive steps to equip employees with training and tools to nurture their physical and mental wellbeing during the pandemic. The main initiative for the latter was the launch of the "My Mental Wealth" which consists of a range of digital trainings, 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

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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[1)], women, %	16	20
Employee engagement score	8.2	8.1

Employees per region



[1)] 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.



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 a

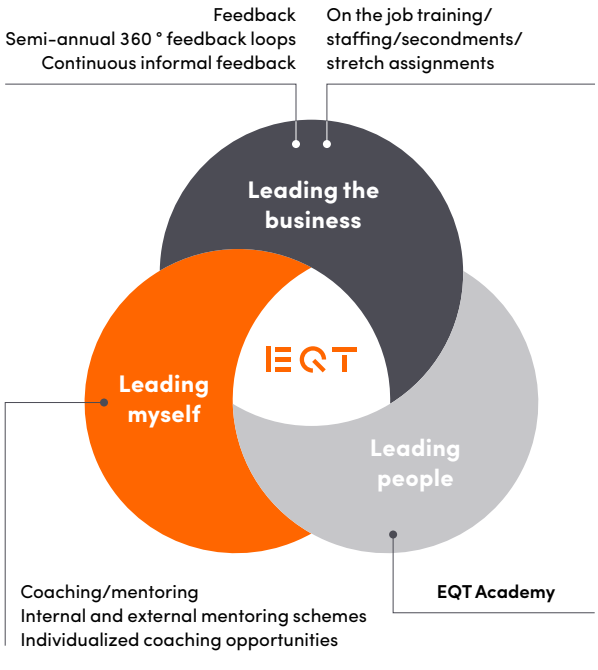
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EQT's development framework and EQT Acad

EQT's development framework and EQT Academy are integral parts of EQT's strategy to stay ahead on culture, t
leadership. Everything we do is governed by our core values: Respectful, Entrepreneurial, High performing, Tran

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:

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

- 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.

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.

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07

Business overview



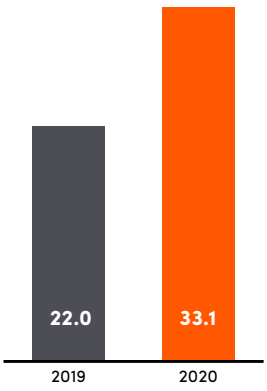
Private Capital

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.

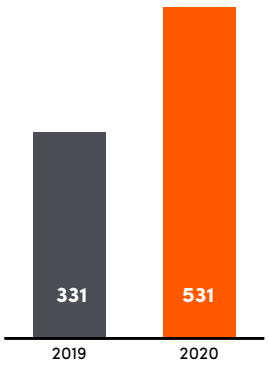
AUM (EUR bn)



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.

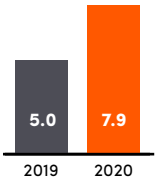
Adjusted Revenue (EUR m)



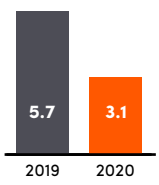
Investment and exit activity

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.

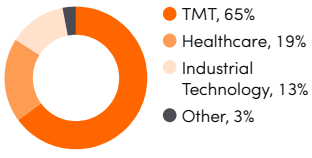
Total Investments (EUR bn)



Gross Fund Exits (EUR bn)



Investments by sector 2020



Valuation – Key funds

All key funds in Private Capital developed on plan.

Performance of selected funds[1)]

	Gross MOIC		
	31 Dec. 2019	31 Dec. 2020	Expected Gross MOIC
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

[1)] 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.

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[1)]	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[2)]	Open-ended

[1)] A discountinued strategy.

[2)] 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

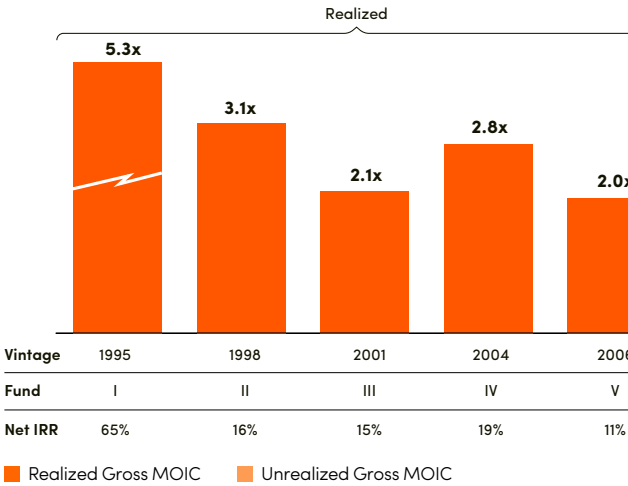
No. of investments:
70

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

Strong investment performance in Private Equity[1) 2)]

Gross MOIC across EQT's Private Equity funds



[1)] Note that EQT I, EQT II, EQT III, EQT IV and EQT V are not managed by the EQT AB G however, it is included due to the change of entitlement for revenue from EQT VI.

[2)] Realized funds include funds in which all portfolio companies have been divested,

Ventures

Focus:

Investment range **€1–40 million**

No. of investments:	No. of investment advisors:	AUM:
65+	20+	€1.0 bn

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:
5+	N/A

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.

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Focus:

Quality
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No. of investme

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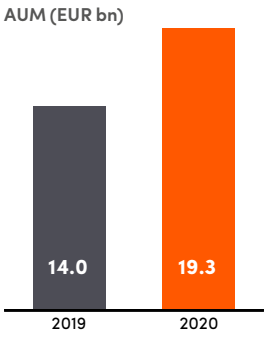
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Real Assets

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.

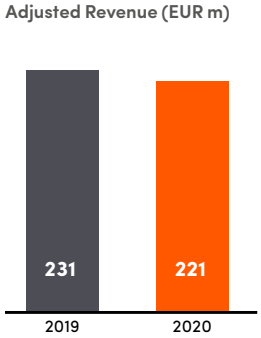
Assets Under Management (AUM)

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.



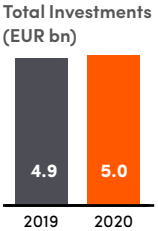
Segment financials

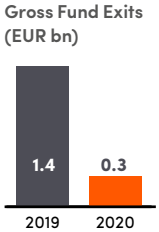
Adjusted revenue for the Real Assets business segment decreased by five percent to EUR 221 million compared to 2019 due to a step-down in the AUM base for EQT Infrastructure IV as EQT Infrastructure V was activated. The business segment had 129 FTE+ at year-end, across 11 countries.

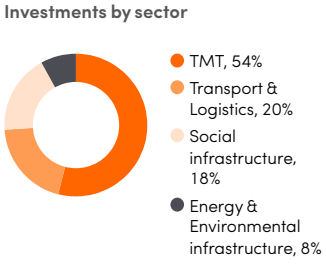


Investment and exit activity

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).







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[1)]

	Gross MOIC		
	31 Dec. 2019	31 Dec. 2020	Expected Gross MOIC
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

1) 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.

Real Assets in numbers

EQT Real Assets funds managed by the EQT AB Group as of 31 December 2020

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

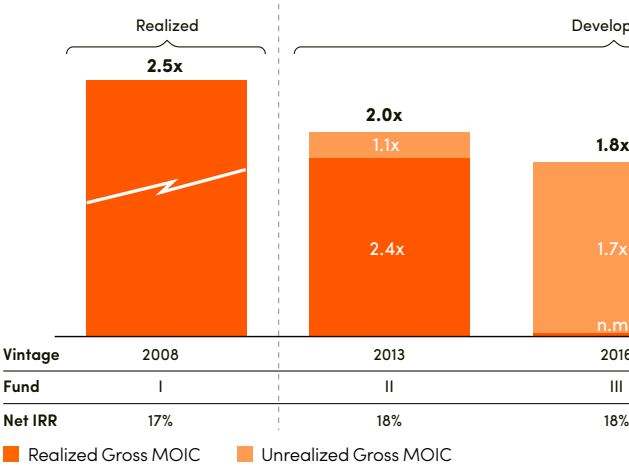
No. of investments:
15+

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

Strong investment performance in Infrastructure[1) 2)]

Gross MOIC across EQT's Infrastructure funds



1) EQT Infrastructure I is not managed by the EQT AB Group.
2) Realized funds include funds in which all portfolio companies have been divested,

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[1)]

Focus: Investment range	No. of investments:
<€30m	550+

At its core, Exeter acquires, develops and m
superior real estate solutions for its tenants
returns for its investors.

Exeter is a leading investment manage
in the US and Europe, with a growing pres
residential multi-family segments, which
strength in European real estate.

Founded in 2006, Exeter has built its bu
grated operator approach. With 37 local
with a global reach, mirroring EQT's local

EQT Exeter will be part of EQT Real Ass
operate under a joint EQT Exeter brand fo
Estate business line will be integrated into

[1)] Combination with Exeter expected to be completed in th



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Central

EQT's operating platform is a critical part of the strategy and a key source of competitive advantage and different to create a future-proof and scalable operating platform, with the capacity to efficiently support the Group's grow 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.

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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	• Public Value • Growth	Brand and fundraising capabilities key for early success
Scaling strategies	• Ventures • Real Estate	Several and larger funds drive profitability
Leading strategies	• EQT Exeter • Private Equity • Infrastructure	Significant operating leverage in all processes

Scaling EQT's operating platform

In practice

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.

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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.



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.



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

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 sourcin

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.

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.



08

EQT Play-book and investment activity



EQT Playbook

The EQT Playbook is a key element of EQT's active ownership model and includes tools focused on driving growth
folio companies through digitalization, sustainability and operational excellence. The EQT Playbook is used acros
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[1)]

7%

Revenue growth[1)]

12%

EBITDA growth[1)]

13%

1

Thematic and sector-based

EQT applies a thematic mindset in deal s
EQT targets high-quality companies with
attractive industries with secular growth

The thematic approach is combined w
sectors, EQT sources investment opportu
prospects for future growth and operatio

Investing alongside macro trends puts
solution to significant challenges of our ti
tise can make a change. Applying the the
to make a positive impact while exercisin
sectors are regularly reviewed.

Key themes

Key themes

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

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- Hea
- Tech
- Tech
- Indu

[1)] 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.

2



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.

3



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.

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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.

6

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.

7

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.

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Integrating sustainability into investment and ownership

RESPONSIBLE INVESTMENT | **RESPON**

Deal sourcing	Due diligence	Transfo
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 of EQT fu panies in sustaina level and sustaina both in te practice ship peri

EQT funds' transactions 2020

EQT applies a thematic and sector-based investment approach in deal sourcing across sectors and strategies. In
EQT funds invest in companies that deliver a positive impact or have the potential to make a positive impact throu
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
Base



Private Capital

TMT

RIMES TECHNOLOGIES

RIMES

EQT Mid Market Europe
Investment

UNITED KINGDOM

FREEPIK

freepik

EQT Mid Market Europe
Investment

SPAIN

WAYSTAR - E-SOLUTION

WAYSTAR

EQT VIII
Add-on investment

UNITED STATES

SUSE – RANCHER LABS

SUSE

EQT VIII
Add-on investmentt

UNITED STATES

IFS

EQT VIII, EQT IX
Investment

EQT VII
Exit

SWEDEN

IDEALISTA

idealista.com

EQT IX
Investment

SPAIN

TIA TECHNOLOGY

tia

EQT Mid Market
Exit

DENMARK

THINKPROJECT

thinkproject

EQT IX
Investment

GERMANY

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

Services

APLEONA

EQT VII
Exit

GERMANY

BEIJER REF

EQT IX
Investment

SWEDEN

Industrial Technology

ALTUS INTERVENTION

EQT VI
Exit

NORWAY

CHR. HANSEN NATURAL COLORS

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.

Real Assets

Telecom

DEUTSCHE GLASFASER

Deutsche Glasfaser

EQT Infrastructure IV and EQT Infrastructure V
Investment

GERMANY

EDGECONNEX

edgeconnex®

EQT Infrastructure IV
Investment

UNITED STATES

FIBERKLAAR

Fiberklaar

EQT Infrastructure V
Investment

BELGIUM

Social

METLIFECARE

Metlifecare

EQT Infrastructure IV
Investment

NEW ZEALAND

Transports & Logistics

HECTOR RAIL GROUP

HECTORRAIL

EQT Infrastructure II
Exit

SWEDEN

MOLSLINJEN

MOLSLINJEN

EQT Infrastructure V
Investment

DENMARK

TORGHATTEN ASA

TORGHATTEN

EQT Infrastructure V
Investment

NORWAY

Energy

02 POWER

POWER

EQT Infrastructure IV
Investment

INDIA

Real Estate

SATURN

SATURN

EQT Real Estate II
Investment
Real Estate

UNITED KINGDOM

TRIDECA

Real Estate I
Exit
Real Estate

FRANCE

Thematic investing

In practice

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.

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

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

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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.

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

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

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Sustaina-bility



Ambitions, progress and plans

EQT's focus and ambitions related to Environmental, Social and Governance (ESG) matters have been set based o Sustainable Development Goals and engagement with EQT's stakeholders. EQT subsequently formulated its susta Clean & Conscious, Diversity & Upskilling and Transparency & Accountability. Furthermore, Innovation & Partnersh in achieving the targets and ambitions. In 2020, important steps were taken to further strengthen the foundation f

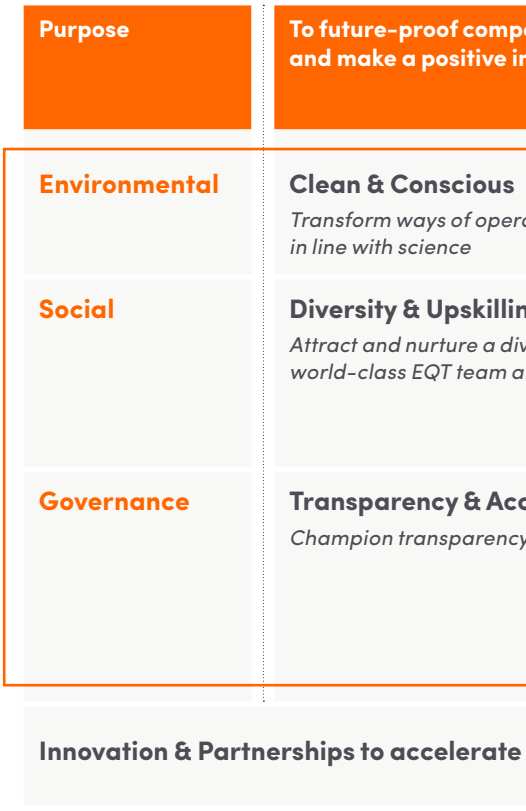
By considering sustainability as an integral part of its business model, EQT and the EQT funds' portfolio companies can identify and capture value creation opportunities as well as mitigate risks. In doing so, EQT will drive change and play an active role in developing regenerative solutions needed for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



EQT's ESG-framework – our Sustainbility Ambitions – consists of thre
To read more about progress on the specific sustainability targets se
Additional sustainability disclosures are found in section Additional in

A cleaner and cooler tomorrow

The science is clear that climate change has and will continue to shape our societies and business on a fundamen resource scarcity, value chain disruptions and carbon pricing are all factors that need to be addressed globally. A the risks and structural changes stemming from climate change. Given the role EQT plays in society and its active of combating climate change also presents an opportunity to be a part of the solution and contribute to a climate

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.

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.

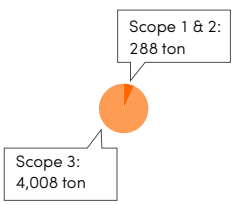
Integrating a climate solution mindset throughout the investment process opens up new opportunities and angles. Several investments made during 2020 had electrification and the reduction of greenhouse gas emissions as key investment themes, such as ferry operator Molslinjen, building technology company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



Greenhouse gas emissions – own operations compared to EQT funds

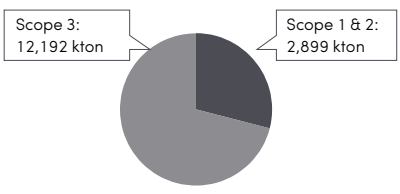
EQT AB Group

4,296 ton CO_2e



EQT funds' portfolio companies[1)]

15,091 kton CO_2e



Average portfolio company
196 kton CO_2e
Scope 1 & 2: 38 kton
Scope 3: 158 kton

Median portfolio company
34 kton CO_2e
Scope 1 & 2: 4 kton
Scope 3: 30 kton

[1)] 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.

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 s
across the organization and fostering an environment that values and respects differences contribute to the futu

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.



In practice

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.

"We have now start
to broaden the div
lens more actively
ensure we become
truly inclusive work
and that we achiev
the business benef
of having a diverse
workforce."

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

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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.



In practice

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 valu

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

The investment in Certara is an exam of EQT's thematic approach and our pur pose to make a positive impact. Certara main societal contribution is to accelera medicines to patients using proprietary biosimulation software and technology t transform traditional drug discovery an development. During EQT VII's ownership the focus was on professionalizing the bu ness and accelerating growth via invest- ments in next-generation science and te nology. Since 2014, Certara's biosimulati customers have received over 90% of all new drug approvals by the U.S. Food and Drug Administration. Inspired by its

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 furnance 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_2 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 fut transports on v

In December 2020, EQT Infrastructure V agreed to acquire Molslinjen, Denmark' largest passenger ferry company and a critical part of the country's transporta- tion infrastructure. Its network of "floati bridges" links Denmark's major popula- tion centers and connects several impor ant islands with the mainland. Molslinje thereby contributes to Denmark's local and regional economic activity and soci development.

Over the past decade, Molslinjen has built an impressive track record of phas ing out fossil fuels, achieving a reductio of its CO_2 emissions per transported kg l over 60 percent. In the years to come, th company will continue to invest in the decarbonization of its ferry fleet to fur- ther reduce its environmental footprint. As part of our commitment to a renew- able energy transition, EQT will support Molslinjen in introducing electric ferries on selected routes and in pursuing solu- tions involving other renewable fuel sources for larger vessels.

EQT believes that the next develop- ment phase of Molslinjen will be define by an ambitious sustainability agenda

10

Investing in EQT



EQT investment case

EQT AB is listed on Nasdaq Stockholm. The EQT AB Group manages, advises and invests in the EQT funds. EQT's r
ment fees from the EQT funds as well as a share of profits, consisting of investment income and carried interest, v
in the EQT funds. With strong returns for its clients, EQT can grow assets under management and management fe

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

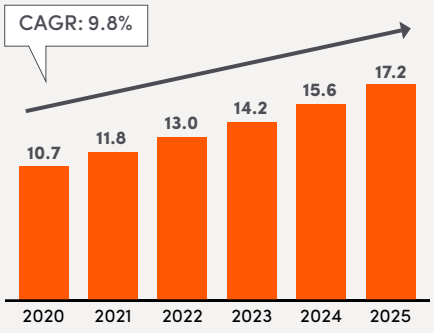
With the best talent and network around the world, EQT uses a thematic investment strategy and distinctive value creation approach to future-proof companies, creating superior returns for EQT's investors and making a positive impact with everything we do.

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 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[1)]

2.5x
Realised Gross MOIC[1)]

Real Assets

15%
NET IRR[1)]

2.4x
Realised Gross MOIC[1)]

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

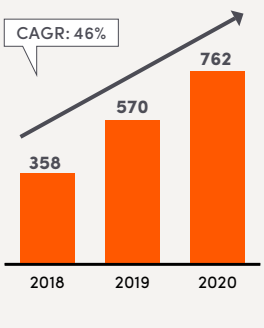
EQT Real Assets

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

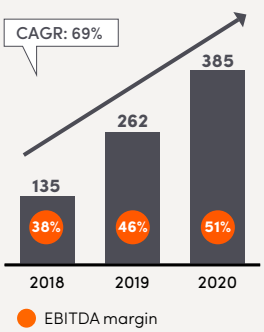
EQT's business is growing and profitable with recurring revenues

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.

Revenues



EBITDA



EBITDA margin

[1)] Includes EQT funds raised prior to 2012 which are not managed by the EQT AB Group, excludes Public Value.

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Financial statements



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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.
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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.

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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.

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/.

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

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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.

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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 coul affect the carried interest and investment income received by the EQT AB Group and could damag EQT's brand and reputation and long-term prospects.

Business risks

Market conditions and changed trends in private markets

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.

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.

Risk management

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.

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[1)] of AUM, which provides diversification and less dependency on single investors.

[1)] Excluding Investor AB

Business risks

Inability to meet fundraising targets

The development of the EQT AB Group's AUM is primarily dependent on the EQT AB Group's abilit to raise new funds and deliver attractive returns t fund investors.

Even if AUM grows as expected, the management fees may decline in percentage terms, due to supp and demand factors, historical and expected performance of the EQT funds and industry standard fee levels.

Unsuccessful execution of new business initiativ

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.

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.

Business risks

Event risk

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.

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.

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.

Risk management

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.

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.

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.

Strategic risks

Dilution of culture and Nordic heritage

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 challenge

Challenges in attracting and retaining the right talent

The EQT AB Group's ability to recruit, retain and motivate employees is dependent on EQT's abilit to maintain a positive brand and reputation, uphold its corporate culture as well as to offer attractive compensation arrangements.

Brand and reputation

EQT's brand and reputation are important in the competition for investors in, and investment oppo tunities for, the EQT funds. If EQT's brand and rep utation were to deteriorate, the EQT AB Group's ability to attract and retain talent and raise funds would be adversely affected.

Sustainability risks

The EQT funds invest in portfolio companies acro various countries and sectors with different sus- tainability profiles. These companies may engag in actions with negative societal impact, which could reflect badly on the EQT AB Group's brand, reputation and/or lead to financial losses.

Operational & compliance risks

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.

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.

Risk management

The EQT AB Group's Fund Management team and support functions are responsible for developing and maintaining robust policies & 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 & Compliance team performs ongoing compliance monitoring to ensure obligations and regulatory requirements are followed with no exception.

When outsourcing key operational activities, the EQT AB Group contracts with reputable vendors and has procedures in place to monitor service levels.

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.

Financial risks

Market, credit and liquidity risks

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).

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.

Liquidity risk may arise in relation to the operation of certain EQT entities, where cash inflows from management fees are not sufficient to meet cash obligations.

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
Total revenue		**708.7**	**563.9**
Personnel expenses	7	–251.6	–216.3
Other operating expenses	6, 8	–117.1	–151.0
Total operating expenses		**–368.6**	**–367.3**
Operating profit before depreciation and amortization (EBITDA)		**340.0**	**196.6**
Depreciation and amortization	5, 11, 12	–35.1	–29.8
Operating profit (EBIT)		**304.9**	**166.8**
Financial income		26.1	2.6
Financial expenses		–19.9	–8.1
Net financial income and expenses	9	**6.2**	**–5.5**
Profit before income tax		**311.2**	**161.3**
Income taxes	10	–28.3	–11.8
Net income for the period from continuing operations		**282.8**	**149.4**
Net income for the period from discontinued operations	27	96.5	10.2
Net income		**379.3**	**159.6**
Attributable to:			
Owners of the parent company		379.3	159.6
Non-controlling interests		–	–
		379.3	**159.6**
Earnings per share, EUR	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
Average number of shares			
before dilution		953,209,150	851,289,562
after dilution		953,619,051	851,748,997

Consolidated of comprehen

1 January – 31 December

EUR m
Net income
Other comprehensive income
Items that are or may be reclassified subsequently
Foreign operations – foreign currency translation d
Other comprehensive income for the period
Total comprehensive income for the period
Attributable to:
Owners of the parent company
Non-controlling interests

Consolidated balance sheet

EUR m	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
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
Total non-current assets		**331.5**	**235.7**
Current assets			
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
Total current assets		**1,291.3**	**1,193.2**
TOTAL ASSETS		**1,622.7**	**1,428.9**

EUR m
EQUITY AND LIABILITIES
Equity
Share capital
Other paid in capital
Reserves
Retained earnings including net income
Total equity attributable to owners of the parent co
Non-controlling interest
Total equity
Liabilities
Non-current liabilities
Lease liabilities
Deferred tax liabilities
Total non-current liabilities
Current liabilities
Interest-bearing liabilities
Lease liabilities
Current tax liabilities
Accounts payable
Other liabilities
Accrued expenses and prepaid income
Total current liabilities
Total liabilities
TOTAL EQUITY AND LIABILITIES

Consolidated statement of changes in equity

EUR m	Attributable to owners of the parent company						
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity	Non-controlling interest	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 own		
	Share capital	Other paid in capital	Tr
Opening balance at 1.1.2019	**0.0**	**227.8**	
Total comprehensive income for the period			
Net income			
Other comprehensive income for the period			
Total comprehensive income for the period	**–**	**–**	
Transactions with owners of the parent company			
Dividends			
Share issues	0.9	714.8	
Transaction cost (net of tax)		–12.1	
Bonus issue	8.2		
Share-based bonus			
Purchase of own shares and/or participations		–93.1	
Acquisition of minority			
Total transactions with owners of the parent company	**9.1**	**609.6**	
Closing balance at 31.12.2019	**9.1**	**837.4**	

Consolidated statement of cash flows

EUR m	Note	2020	2019
Cash flows operating activities	21		
Operating profit (EBIT), continued operations		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
Net cash from operating activities		**171.8**	**243.7**
Cash flows investing activities			
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
Net cash from (+) / used in (–) investing activities		**20.6**	**–43.8**

EUR m
Cash flows financing activities
Dividends paid
Repayment of borrowings
Investment in short term loan receivable
Payment of lease liabilities
Interest paid
Share issues
Purchase of own shares and/or participations
Net cash from (+) / used in (–) financing activities
Net increase (+) / decrease (–) in cash and cash eq
Cash and cash equivalents at the beginning of the p
Translation differences
Cash and cash equivalents discontinued operations
Cash and cash equivalents at the end of the period

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,

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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 (silo). 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

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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.

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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.

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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
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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
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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.

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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	Ce
Total revenues	530.8	220.6	
Personnel expenses			
Other operating expenses			
Total operating expenses	**–125.2**	**–65.4**	**–**
Gross segment result[1] / EBITDA[2]	**405.6**	**155.2**	**–**
Margin, %	*76.4%*	*70.4%*	
Depreciation and amortization			
EBIT			
Net financial income and expense			
Income taxes			
Net income for the period from continuing operations			
Net income for the period from discontinued operations			
Net income			

[1] Gross segment result relate to the segments Private Capital and Real Assets.
[2] EBITDA relates to Central, Total adjusted and IFRS reported.

January–December 2019 EUR m	Private Capital	Real Assets	Ce
Total revenues	330.7	231.5	
Personnel expenses			
Other operating expenses			
Total operating expenses	**–123.6**	**–54.3**	**–**
Gross segment result[1] / EBITDA[2]	**207.1**	**177.2**	**–**
Margin, %	*62.6%*	*76.6%*	
Depreciation and amortization			
EBIT			
Net financial income and expense			
Income taxes			
Net income for the period from continuing operations			
Net income for the period from discontinued operations			
Net income			

[1] Gross segment result relate to the segments Private Capital and Real Assets.
[2] EBITDA relates to Central, Total adjusted and IFRS reported.

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

	2020		2019	
EUR m	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		–	
Closing balance	**191.6**	**–**	**119.6**	**–0.9**

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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[1)]	51.1	94.3
External services[1)]	51.6	47.3
IT expenses net of capitalization	14.4	9.4
Total other operating expenses	**117.1**	**151.0**

[1)] **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.

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.

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

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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
	235.9	**200.7**
Other personnel related expenses	15.6	15.6
Personnel expenses	**251.6**	**216.3**

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	**642**	**44%**	**559**	**44%**
Discontinued operations	**29**	**30%**	**37**	**33%**
Total	**671**	**43%**	**596**	**43%**

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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
Chairperson of the board (Conni Jonsson)						
Remuneration from parent company	0.3	–	–	–	–	0.3
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
Board member (Peter Wallenberg Jr)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Finn Rausing)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Johan Forssell)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Diony Lebot)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Nicola Kimm) [1]						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Edith Cooper)[1]						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–

2020 EUR m	Base sala board f
Board member (Gordon Orr)[1]	
Remuneration from parent company	
Remuneration from subsidiaries	
CEO (Christian Sinding)	
Remuneration from parent company	
Remuneration from subsidiaries	
Deputy CEO (Caspar Callerström)	
Remuneration from parent company	
Remuneration from subsidiaries	
Other senior executives	
(6 persons)	
Remuneration from parent company	
Remuneration from subsidiaries	
Total	
Remuneration from parent company	
Remuneration from subsidiaries	

[1] Gordon Orr, Edith Cooper and Nicola Kimm have during 202 board members. Remuneration for such consultancy service see Note 24.

Note 7 cont.

2019 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share-based program	Total
Chairperson of the board (Conni Jonsson)						
Remuneration from parent company	0.3	–	–	–	–	0.3
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
Board member (Peter Wallenberg Jr)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Finn Rausing)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Johan Forssell)						
Remuneration from parent company	0.1	–	–	–	–	0.1
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Edith Cooper)[1)]						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Gordon Orr)[1)]						
Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	–	–	–	–	–	–
CEO (Christian Sinding)						
Remuneration from parent company	0.4	–	–	–	–	0.4
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1
Deputy CEO (Caspar Callerström)						
Remuneration from parent company	0.3	–	0.1	0.0	–	0.3
Remuneration from subsidiaries	0.0	–	–	–	–	0.0
Other senior executives (5 persons)						
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
Total	**3.5**	**1.7**	**0.4**	**0.2**	**1.2**	**7.0**
Remuneration from parent company	**2.3**	**0.7**	**0.2**	**0.0**	**1.2**	**4.3**
Remuneration from subsidiaries	**1.3**	**1.0**	**0.2**	**0.2**	**–**	**2.7**

[1)] 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.

Note 7 cont.

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

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Note 8 Audit fees and expenses

EUR m	2020	2019
KPMG		
Audit services	1.7	1.1
Tax consultancy	0.1	0.1
Other services	0.3	3.5
Other auditors		
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
Financial income	**26.1**	**2.6**
Interest expenses	–4.7	–4.0
Translation losses	–14.9	–3.8
Other financial expenses	–0.3	–0.4
Financial expenses	**–19.9**	**–8.1**
Net financial income and expenses	**6.2**	**–5.5**

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
Current tax expenses (–)/tax income (+)		
Current tax expenses / income for the year	–23.1	–19.4
Tax attributable to prior years	1.1	2.5
	–22.0	**–16.9**
Deferred tax expenses (–)/tax income (+)		
Deferred tax related to temporary differences	–6.3	5.1
	–6.3	**5.1**
Total reported income tax	**–28.3**	**–11.8**

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[1)]	41.3	22.9
Additional taxable income[2)]	3.2	1.7
Tax attributable to prior years	1.1	2.5
Other	–1.2	–0.4
Reported effective tax	**–28.3**	**–11.8**

[1)] 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.

[2)] Additional taxable income in accordance with tax clearances and advance pricing agreements issued by local tax authorities.

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Note 11 Intangible assets

EUR m	Goodwill	Capitalized development costs	Other intangible assets
Accumulated cost			
Opening balance 1.1.2020	14.7	11.6	106.1
Additions	–	–	0.3
Translation difference	0.6	0.5	3.2
Closing balance 31.12.2020	**15.3**	**12.1**	**109.6**
Accumulated amortization and impairment			
Opening balance 1.1.2020	–	–8.5	–87.0
Amortization	–	–3.1	–9.0
Translation difference	–	–0.5	–3.4
Closing balance 31.12.2020	**–**	**–12.1**	**–99.4**
Carrying amount	**15.3**	**–**	**10.1**
Accumulated cost			
Opening balance 1.1.2019	14.9	10.3	89.7
Additions	–	1.5	17.0
Translation difference	–0.2	–0.1	–0.6
Closing balance 31.12.2019	**14.7**	**11.6**	**106.1**
Accumulated amortization and impairment			
Opening balance 1.1.2019	–	–4.7	–80.7
Amortization	–	–3.7	–7.5
Translation difference	–	0.0	1.2
Closing balance 31.12.2019	**–**	**–8.5**	**–87.0**
Carrying amount	**14.7**	**3.1**	**19.1**

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
Carrying amount	**10.1**	**22.2**

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.

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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
Closing balance 31.12.2020	**12.4**	**31.7**
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
Closing balance 31.12.2020	**–8.3**	**–10.3**
Carrying amount	**4.1**	**21.4**
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
Closing balance 31.12.2019	**11.6**	**27.6**
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
Closing balance 31.12.2019	**–7.6**	**–7.7**
Carrying amount	**4.1**	**19.9**

Right-of-use assets

EUR m	Office premises
Opening balance 1.1.2020	88.5
Depreciation	–14.8
Other changes, net	13.3
Closing balance 31.12.2020	**87.1**
Opening balance 1.1.2019	45.5
Depreciation	–11.8
Other changes, net	54.8
Closing balance 31.12.2019	**88.5**

Total Property, plant and equipment

EUR m	2020	2019
Equipment	4.1	4.1
Leasehold improvement	21.4	19.9
Office premises	87.1	88.5
Carrying amount	**112.6**	**112.5**

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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
Issued per 31 December – paid	**952,983,900**	**952,983,900**
Total numbers of C shares outstanding	**365,406**	**–**
Preference shares		
Issued per 1 January	–	6,200
Redemption	–	–6,200
Issued per 31 December – paid	**–**	**–**

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 where 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

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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
Non-current liabilities		
Lease liabilities[1)]	73.2	75.9
Loans from credit institutions	–	–
	73.2	**75.9**
Current liabilities		
Short-term loans	–	9.4
Loans from credit institutions	–	–
Current portion of lease liabilities[1)]	16.0	14.4
	16.0	**23.9**

[1)] Lease liabilities, for further information, see Note 20.

Note 17 Other liabilities

EUR m	2020	2019
Other current liabilities		
Drawdown	1.1	5.5
Other[1)]	52.5	68.8
	53.6	**74.3**

[1)] 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
	185.0	**139.6**

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).

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Note 19 cont.

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:

	Carrying amount		Expected maturity		
EUR m	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			
Total	**155.9**	**420.7**	**83.0**	**14.6**	**66.4**

	Carrying amount		Expected maturity		
EUR m	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			
Total	**206.8**	**285.9**	**130.9**	**23.2**	**61.2**

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

Note 19 cont.

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	Finan at amo
Financial assets		
Investments	167.0	
Other long-term assets	19.8	
Accounts receivable		
Other current assets		
Accrued income		
Cash and cash equivalents		
Total financial assets	**186.8**	
Financial liabilities		
Interest-bearing liabilities		
Accounts payable		
Other liabilities		
Accrued expenses		
Total financial liabilities	**–**	

31 December 2019, EUR m	Fair value through profit or loss	Finan at amo
Financial assets		
Investments	65.5	
Other long-term assets		
Accounts receivable		
Other current assets		
Accrued income		
Cash and cash equivalents		
Total financial assets	**65.5**	
Financial liabilities		
Interest-bearing liabilities		
Accounts payable		
Other liabilities		
Accrued expenses		
Total financial liabilities	**–**	

Note 19 cont.

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	–
Closing balance	**167.0**	**65.5**

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).

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Note 19 cont.

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

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	–		–
Closing balance 31.12.2020	**89.2**	**–**	**89.2**

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	–		–
Closing balance 31.12.2019	**90.4**	**9.4**	**99.8**

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.

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.

Note 25 Subsidiaries

Group companies

Name	Registered office	Corporate reg. no	Percentage held 31.12.2020	Percentage held 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
EQT Investment Verwaltungs-GmbH
EQT Netherlands Management B.V.
EQT Loan Fund (General Partner) S.à r.l.
EQT Fund Management S.à r.l.
EQT Infrastructure II (GP) Limited
EQT Credit II (GP) Limited
EQT Mid Market (GP) Limited
EQT VII Floss (General Partner) S.à r.l.
EQT VII Limited
EQT VII Co-Investment (General Partner) S.à r.l.
EQT Co-Investment (GP) S.à r.l.
EQT VII International Holdings B.V.
EQT VII Luxembourg (General Partner) S.à r.l.
EQT VII Netherlands (General Partner) B.V.
EQT Real Estate Limited
EQT Ventures (General Partner) S.à r.l.
EQT Mid Market US (General Partner) Limited
EQT Mid Market Asia III (General Partner) Limited
EQT Mid Market Europe (General Partner) Limited
EQT Credit Opportunities III (GP) Limited
EQT Infrastructure III (General Partner) S.à r.l.
EQT VIII (General Partner) S.à r.l.
EQT Mid-Market Credit II (General Partner) S.à r.l.
EQT Credit Solutions(General Partner) S.à r.l.
EQT Management S.à r.l.
EQT Luxembourg Management S.à r.l.
EEC Holding S.à r.l.
EQT RA Management S.à r.l.
EQT Infrastructure II (GP) S.à r.l.
EQT Infrastructure II GP C.V.
EQT Mid Market (GP) S.à r.l.
EQT Mid Market GP C.V.
EQT Public Value (General Partner) S.à r.l.
EQT Mid Market US (General Partner) S.à r.l.

Note 25 cont.

Name	Registered office	Corporate reg. no	Percentage held 31.12.2020	Percentage held 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[1)]	Amsterdam	55502903	100%	100%
EQT Infrastructure II GP B.V.	Amsterdam	54468701	100%	100%
EQT Credit Holdings B.V. Shareclass AS/ASE[1)]	Amsterdam	55591701	100%	100%
EQT Credit II GP LP	Edinburgh	SL011031	0%	100%
EQT Holdings III B.V. Shareclass AS[1)]	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[1)]	Amsterdam	63039818	100%	100%
EQT VII (General Partner) LP	Edinburgh	SL019045	100%	100%
EQT Holdings Real Estate B.V. Shareclass AS[1)]	Amsterdam	63243687	100%	100%
EQT Real Estate I (General Partner) LP	Edinburgh	SL020800	100%	100%
EQT Holdings Ventures B.V. Shareclass AS[1)]	Amsterdam	63191334	100%	100%
EQT Ventures (GP) SCS	Luxembourg	B196905	100%	100%
EQT Holdings MMUS B.V. Shareclass AS[1)]	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[1)]	Amsterdam	65104153	100%	100%
EQT Mid Market Europe GP B.V.	Amsterdam	64683796	100%	100%
EQT Holdings Credit III B.V. Shareclass AS[1)]	Amsterdam	68321562	100%	100%
EQT Credit Opportunities III GP LP	Edinburgh	SL024416	0%	100%
EQT Holdings Infrastructure III B.V. Shareclass AS[1)]	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%
EQT VIII (GP) SCS				
EQT Holdings MM Credit II Coöperatief U.A.				
EQT Mid-Market Credit II (GP) SCS				
EQT Credit Solutions Holdings I Coöperatief U.A.				
EQT AD Customised Credit (GP) SCS				
EQT BOCPIF Credit Solutions (GP) SCS				
EQT Empire Credit Solutions (GP) SCS				
EQT Holdings Infrastructure IV Coöperatief U.A.				
EQT Infrastructure IV (GP) SCS				
EQT Holdings Ventures II Coöperatief U.A.				
EQT Ventures II (GP) SCS				
EQT Holdings Real Estate II Coöperatief U.A.				
EQT Real Estate II (GP) SCS				
ECLO Credit Holding I AB				
ECLO Credit Investments I S.à r.l.				
EQT Credit UK Limited				
EQT HC I Holdings BV				
EQT HC II Holdings BV				
De Rome BV				
Helmholtz Invest BV				
White Mill Two AG				

[1)] The EQT AB Group controls only specified and ring-fenced non-consolidated special entities.

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

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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
Total revenues	**30.4**	**35.8**
Personnel expenses	–11.2	–14.1
Other operating expenses	–6.2	–10.1
Total operating expenses	**–17.4**	**–24.2**
EBITDA	**13.0**	**11.6**
Margin, %	*42.8%*	*32.4%*
Depreciation and amortization	–	–
Operating profit (EBIT)	**13.0**	**11.6**
Net financial income and expenses	–	–
Income taxes	–12.6	–1.4
Net income	**0.4**	**10.2**
Capital gain	112.7	–
Transaction related costs	–16.6	–
Net income for the period from discontinued operations	**96.5**	**10.2**

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
Net cash flow for the period	**12.4**	**–5.5**

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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
Total revenue		**1,221.2**	**905.8**
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
Operating profit/loss		**89.1**	**20.3**
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
Profit/loss after financial items		**981,6**	**1,732.4**
Group contribution		177.5	–129.8
Profit/loss before tax		**1,159.1**	**1,602.6**
Income taxes	11	–99.5	39.5
Net income		**1,059.6**	**1,642.1**

Net income corresponds to total comprehensive income

Parent company balance sheet

SEK m	Note	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Intangible assets			
Trademarks	12	–	0.2
		–	**0.2**
Property, plant and equipment			
Leasehold improvements	13	61.8	72.6
Equipment	13	6.8	9.8
		68.6	**82.4**
Financial assets			
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
		9,535.4	**12,041.8**
Total non-current assets		**9,604.0**	**12,124.4**
Current assets			
Current receivables			
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
		988.2	**3,137.9**
Cash and bank	**19**	**994.3**	**8,620.1**
Total current assets		**1,982.4**	**11,757.9**
TOTAL ASSETS		**11,586.5**	**23,882.3**

SEK m
EQUITY AND LIABILITIES
Equity
Restricted equity
Share capital
Non-restricted equity
Share premium reserve
Profit or loss brought forward
Net income
Current liabilities
Accounts payable
Liabilities to subsidiaries
Tax liabilities
Other liabilities
Accrued expenses and prepaid income
TOTAL EQUITY AND LIABILITIES

Parent company statement of changes in equ

SEK m	Restricted equity: Share capital[1)]	Non-restricted equity: Share premium reserve	Non-restricted equity: Retained earnings incl. profit for the year	Total equity
Opening balance at 1.1.2020	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
Total	**96.2**	**8,983.8**	**–2,055.1**	**–2,055.1**
Closing balance at 31.12.2020	**96.2**	**8,983.8**	**1,588.4**	**10,668.4**

[1)] The share capital amounts to SEK 96,167,739.

SEK m	Res: Sh capi
Opening balance at 1.1.2019	
Net income	
Transactions with owners	
Dividend	
Share issues	
Transaction costs (net of tax)	
Bonus issue	8
Share-based bonus	
Purchase of own shares	–
Total	**9**
Closing balance at 31.12.2019	**9**

[1)] The share capital amounts to SEK 96,167,739.

Parent company statement of cash flows

SEK m	2020	2019
Cash flows from operating activities		
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
Net cash from operating activities	**379.9**	**2,257.6**
Cash flows from investing activities		
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
Net cash from investing activities	**–5,877.4**	**–592.6**
Cash flows from financing activities		
Share issues	–	6,145.1
Repurchase of own shares	–	–867.0
Dividends paid	–2,097.4	–317.3
Interest paid	–30,9	–42.2
Net cash flows from financing activities	**–2,128.2**	**4,918.6**
Net increase/decrease in cash and cash equivalents	**–7,625.8**	**6,583.7**
Cash and cash equivalents at the beginning of the period	8,620.1	2,036.4
Cash and cash equivalents at the end of the period	**994.3**	**8,620.1**

Notes to the Parent company financial statem

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

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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[1)]	5.1	37.2

[1)] 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

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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
	57.5	**86.6**

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
	–30.9	**–202.5**

Note 11 Income taxes

	2020	2019
Current tax expenses	–99.7	41.3
Tax attributable to prior years	0.2	–1.8
	–99.5	**39.5**

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		**–99.5**		**39.5**

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**

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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
Carrying amount at year-end	**9,520.1**	**11,941.3**

Specification of Participations in subsidiaries

Subsidiary / Corp. reg. no./ Registered office	Number of shares	Share in %[1]	2020-12-31 Carrying amount	2019-12-31 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[2]	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[2]	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[2]	0.0	0.0
EQT Mid Market US (GP) Ltd. Reg. no. SC500973, Edinburgh	1	100.0[2]	0.0	0.0
EQT Real Estate Ltd. Reg. no. SC504628, Edinburgh	1	100.0[2]	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, f

Subsidiary / Corp. reg. no./ Registered office
EQT Co-Investment (GP) S.à r.l. Reg. no. B 209598,
EQT Loan Fund (GP) S.à r.l. Org. nr. B 210931, Luxe
EQT Mid Market Asia III GP Ltd. Reg. no. SC521109,
EQT Mid Market Europe GP Ltd. Reg. no. SC521108
EQT VII International Holdings BV. Reg. no. 694731 Amsterdam
EQT VIII (GP) S.à r.l. Org. nr. B 215816, Luxembourg
EQT VII Co-Investment (GP) S.à r.l. Reg. no. B 2175 Luxembourg
EQT Mid-Market Credit II (General Partner) S.à r.l. Org. nr. B212991, Luxembourg
EQT Credit Solutions GP Sarl. Reg. no. B217695, Lu
EQT HC I Holdings BV. Reg. no. 852917247, Amster
EQT HC II Holdings BV. Reg. no. 852917387, Amste
De Rome BV. Org. nr. 851792200, Amsterdam
Helmholtz Invest BV. Reg. no. 855118623, Amsterd
White Mill Two AG. Reg. no. CH-0203035230-6, Sw
ECLO Credit Holding I AB. Reg. no. 559212-8861, S
EQT Treasury AB. Reg. no. 559227-5647, Stockholm
EQT Credit Opportunities III (GP) Limited. Reg. no. S
EQT Credit UK Limited. Reg. no. 12164465, England
EQT VII Floss (General Partner) S.à r.l. Reg.no. B219 Luxembourg

[1] Referring to the owners' share of the capital, which is equiv
[2] The value amounts to 1 GBP each for these companies.

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	–
Closing balance	**10.0**	**14.2**
Carrying amount at year-end	**10.0**	**14.2**

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
Financial assets		
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
Total financial assets	**1,951.2**	**11,725.7**
Financial liabilities		
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
Total financial liabilities	**811.5**	**12,131.0**

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
Carrying amount at the year-end	**5.3**	**3.7**

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
	46.5	**36.9**

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.

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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
Total	**10,572,177,807**

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[1)]
Retained earnings	8,284,139,473
Total	**10,572,177,807**

[1)] 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.

Signatures of the Board of Directors and the CEO

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 Intern 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 the consolidated accounts give a true and fair view of the parent company as well as of the EQT AB Group's posi and result. The Board of Directors' report for the parent company and the EQT AB Group gives a true and fair vi the parent company's and Group's business development, position and result. It also describes the major risks a 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 Director the Chief Executive Officer on **23 March 2021**. The consolidated income statement and balance sheet and the p 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

Auditor's report

To the general meeting of the shareholders of EQT AB, corp. id 556849-4180

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,

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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
As of 31 December 2020 the group reported carried interest of EUR 83.4 million. 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. 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.	Our audit procedures included, but were not limite • We have reviewed the company´s model for cal of the valuation process and key controls in this p • We have assessed the development of the funds whether these were performed in accordance w • We tested that the methodology and consistency accordance with the International Private Equity • We assessed the relevance of multiples used ag data, • We have involved an internal valuations-and ac values by imposing discounts and also to evalua annual accounts and consolidated accounts.

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
- Evaluate
- Obtain s

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.

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Stockholm 23 March 2021

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

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Additional information



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, 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 strategy and distinctive value cre superior returns to EQT's investor

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 schem 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 bot within the EQT platform and the global networ 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 fund ownership period, all while creating attractive returns for EQT funds' investors.

Conni Jonsson
Founder and Chairperson

Edith Cooper
Board Member

Johan Forssell
Board Member

Nicola Kimm
Board Member

Diony Lebot
Board Member

Gordon O
Board Mem

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:

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Jacob Waller (Chairperso
Harry Klagsb
Kine Burøy-C
Magnus Billi
Conni Jonsso

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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.

The Board



CONNI JONSSON

Born 1960. Chairperson of the Board since January 2012[2]. 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[1]:
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[1]: –

Independent of EQT AB and executive management: Yes.

Independent of major shareholders: Yes.



JOHAN FORSSELL

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, Wärtsilä 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[1]: –

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[1]:
7,380 ordinary shares (directly).

Independent of EQT AB and executive management: Yes.

Independent of major shareholders: Yes.



DIONY LE

Born 1962. B
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[1] Shareholdings in EQT AB are stated as of 31 December 2020.

[2] 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.

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[1]:
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[1]: –

Independent of EQT AB and executive management: Yes.

Independent of major shareholders: Yes.



PETER WALLENBERG JR

Born 1959. Board member since July 2014.

Education:
International Bachaloria, 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[1]: –

Independent of EQT AB and executive management: Yes.

Independent of major shareholders: No.

[1] Shareholdings in EQT AB are stated as of 31 December 2020.

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 survery within the evulation 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

	Attendance record, Board and Committee meetings 2020			Remuneration resolved by the annual shareholders' meeting 2020 (EURk)			
Member	Board meetings[1)]	AudCo meetings	RemCo meetings	Board Fee	Audit committee	Remuneration committee	Total
Conni 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[2)]
Edith Cooper	12/12	–	2/2	125	–	40	200[3)]
Nicola Kimm	7/7	–	–	125	–	–	129[4)]
Diony Lebot	7/7	4/4	–	125	–	20	145
Total				**900**	**80**	**100**	**1,442**

1) Per capsulam and by correspondence not included.

2) 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.

3) The total remuneration includes EUR 35,000 for consultancy work, please see further Note 24.

4) The total remuneration includes EUR 4,375 for consultancy work, please see further Note 24.

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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.

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 Vidsjaa 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[1]:
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. Chair-person 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[1]:
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 majo 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, Wand Holding AB.

Previous assignments:
Board member of Scandic Hotels Aktiebolag, Scandi 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 th Stockholm School of Economics. From 2007 to 2013, Caspar was Head of EQT Equity in Stockholm.

Shareholding in EQT AB[1]:
30,429,355 ordinary shares (directly).

[1] Shareholdings in EQT AB are stated as of 31 December 2020.

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[1]:
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[1]:
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 togethe with Investor and Novare. Prior to that she worked as HR consultant for Investor's HR firm Novare.

Shareholding in EQT AB[1]:
577,335 ordinary shares (directly).

[1] Shareholdings in EQT AB are stated as of 31 December 2020.

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 Hummelmose) 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.

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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.

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Additional sustainability disclosures

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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 m
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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 E
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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 & Bu
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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.

Key stakeholders, methods of engagement and sustainability-related topics discussed

	Employees	EQT Network	EQT AB shareholders	Debt providers	EQT funds' investors
Methods of engagement	• Recruitment • Onboarding and ongoing dialogues • EQT Academy • Conferences and workshops • Sustainability Network forums/calls • Employee engagement surveys • Promotions • Bi yearly development discussions	• Involvement in due diligence, market screenings and value creation of portfolio companies • Onboarding and ongoing dialogues, in roles as Chairpersons /Board Members • Network and sector conferences	• Roadshows and conferences • Shareholders' Meeting • Financial reporting and other disclosures • Regular shareholder relation dialogues	• Ongoing dialogues • ESG-linked credit facilities • Information requests • Forums and conferences	• Fundraising and ongoing dialogues • Annual Investors' Meeting • Investors' Committee meetings • Information requests
Example of sustainability-related topics discussed	• Opportunities to develop as employees and professionals • Ability to contribute to the society – in line with our purpose • Culture and values • Diversity and inclusion	• Values and business ethics • Corporate governance • Tools for sustainability assessment	• Sustainability as a tool for value creation • Exposure to sustainability risks and opportunities • Corporate governance • ESG-related disclosure	• Risks and opportunities connected to environmental and societal challenges • Performance on KPIs related to governance, renewable energy and gender diversity • Data integrity, assurance	• Fund returns and long-term value creation • Ability to deliver future-proof investments • Communication and disclosure • EU Sustainable Finance regulations

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	Long list of key topics	Su
Purpose: **To future-proof companies and make a positive impact**	• Fund returns and long-term value creation • Responsible investment and ownership	
Environmental: **Clean & Conscious** *Transform ways of operating in line with science*	• Travel habits • Procurement practices • Resource efficiency	
Social: **Diversity & Upskilling** *Attract and nurture a diverse, world-class EQT team and Network*	• Diversity and inclusion • Talent acquisition • Training and development • Compensation and benefits • Employee engagement and wellbeing	
Governance: **Transparency & Accountability** *Champion transparency to build trust*	• Values and business ethics • Corporate governance • Communication and disclosure • Information security • Customer privacy • Sustainable finance regulations • Tax	
Enablers: **Innovation & Partnerships** *Leverage the power of digitalization/AI and partnerships*	• Access to ESG data • Data integrity • Collaboration	

To future-proof companies and make a positi

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.



- Employees EUR 227m
- Suppliers EUR 152m
- Payments to governments[1] EUR 59m
- Owners EUR 465m

[1] Tax, societal security charges and non-deductible VAT.

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.[1]

≥85 percent of portfolio companies held an annual strategic board discussion on sustainability.[1]

[1] 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 afffected 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 seperately.

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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 greenhouse 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 accomodation.

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_2e, 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.

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Greenhouse gas (GHG) emissions by source and scope

GHG emissions by source	2020	2020 share of total	2019 revised[1)]	2019	2018
Energy consumption	**288**	**7%**	**406**	**255**	**240**
Business travel	**3,490**	**81%**	**12,593**	**16,979**	**14,403**
Air travel	3,254	76%	12,113	16 623	14,131
Ground travel	85	2%	112	87	74
Hotels	151	3%	368	269	198
Office consumables	**514**	**12%**	**760**	**138**	**129**
Waste	**4**	**0%**	**3**	**2**	**2**
Total – Market based	**4,296**	**100%**	**13,761**	**17,374**	**14,775**

GHG emissions by scope	2020	2020 share of total (market based)	2019 revised[1)]	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
Total – Market based	**4,296**	**100%**	**13,761**	**17,374**	**14,798**
Total – Location based	**4,475**		**13,882**	**17,374**	**14,798**

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.

[1)] 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_2e 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.

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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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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.

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New hires and turnover

Employee hires, %	2020	2019	2018
By gender			
Women	46	41	57
Men	54	58	43
By region			
Asia-Pacific	17	6	9
Nordics	32	43	33
North America	8	11	14
UK	17	25	10
Other Europe	27	15	26
By age group			
Under 30 years	48	46	50
30–50 years	48	51	48
Over 50 years	5	4	2

Employee turnover, %	2020	2019	2018
Total	10	12	11
By gender			
Women	14	14	15
Men	8	9	9
By region			
Asia-Pacific	15	13	13
Nordics	10	11	9
North America	12	12	17
UK	18	6	17
Other Europe	7	12	8
By age group			
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[1)]	2.4	2.7	3.0

[1)] CEO total compensation to median FTE total compensation.

Gender pay ratio

Men to women[2)]	2020	2019	2018
Investment Advisory Professionals	1.5	1.4	1.3
Other	1.8	2.0	2.1

[2)] 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

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.

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 transparancy 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 founds 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 wherever 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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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

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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.

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

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GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	151	
305-2	Indirect (Scope 2) GHG emissions	151	
305-3	Other indirect (Scope 3) GHG emissions	151	
305-4	GHG emissions intensity	65, 151	
Diversity & Upskilling			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	6, 15, 37, 154	
401-3	Parental leave	154	EQT reports number of weeks of parental leave, per gender and on information in our Family Friendly Guidelines.
GRI 403: Occupational Health and Safety 2018			
403-10	Work-related ill health	154	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	37, 39, 152-153	EQT reports on information about the EQT Academy and average education cost per employee.
404-3	Percentage of employees receiving regular performance and career development reviews	39, 152	The structured 360-degree feedback secures that all employees are offered regular performance and career development reviews.
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	6, 36-38, 137-142, 153	
405-2	Ratio of basic salary and remuneration of women to men	153-154	

Specific GRI Disclosures	
Transparency & Accountability	
GRI 205: Anti-corruption 2016	
205-2	Communication and training about anti-c policies and procedures
GRI 207: Tax 2019	
207-1	Approach to tax
207-2	Tax governance, control, and risk manage
GRI 417: Marketing and Labeling 2016	
417-3	Incidents of non-compliance concerning r communications
GRI 418: Customer Privacy 2016	
418-1	Substantiated complaints concerning bre customer privacy and losses of customer d
Innovation & Partnerships	
EQT-2	Selected collaborations

Auditor's Limited Assurance Report on EQT A Sustainability Report and statement regardin 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.

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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%.[1)]

Share performance and trading

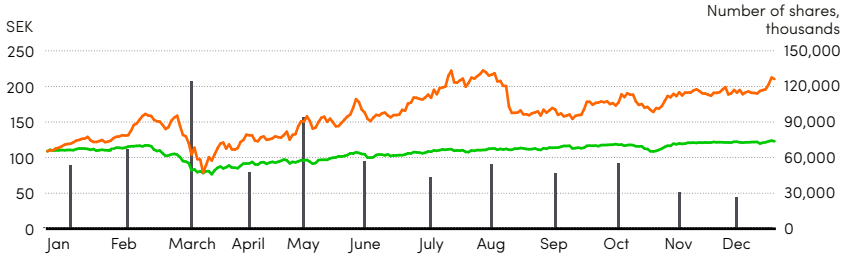
Since its listing on Nasdaq Stockholm on 24 September 2019 and up to the last day of trading on 30 December 2020, the EQT AB share (ticker: EQT) delivered a shareholder return of 214%. Nasdaq Stockholm PI exhibited a return of 24% over the same period. On the last day of trading on 30 December 2020, 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.

1) As of 30 December 2020.

Share price and trading



Source: Bloomberg Finance L.P./Fidessa

Ordinary share information and tickers

EQT	Nasdaq Stockh
EQT SS Equity	Bloom
EQTAB.ST	Reu
8700	Industry Classifica Benchmark (
SE0012853455	ISIN c

Share performance

Adj. EPS, basic (SEK)[1)]	
EPS, basic (SEK)[1)]	
Year open (SEK)	1
Year close (SEK)	2
Year low (SEK)[2)]	
Year high (SEK)[2)]	2
Beta	
Annualized volatility (%)	
Turnover ratio (%)[3)]	
Average daily volume	2,736
Quota value (SEK)	
No. of shares outstanding (SEK)	961,647
Market capitalization[4)] (SEK million)	202

1) The adjusted metrics are alternative performance for the EQT AB Group. For a full reconciliation pleas to Alternative Performance Measures (APM) on pa Using EUR/SEK rate as of year-end of 10.037.
2) In terms of closing price.
3) Measures share liquidity by setting the turnover va relation to average market capitalization for the p
4) Based on the total number of outstanding ordinary and class C shares as of 31 december 2020.

Top 25 largest shareholders in EQT

Shareholder	Number of ordinary shares	Number of class C shares	Share capital (%)	Votes (%)
Investor AB[1)]	174,288,016		18.1	18.3
Bark Partners AB[2)]	146,779,092		15.3	15.4
Lennart Blecher[3)]	32,448,395		3.4	3.4
Christian Sinding[4)]	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 Hummelmose[5)]	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[6)]	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
Stiftelsen 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[7)]	6,026,336		0.6	0.6
Total top 25	**721,504,323**		**75.0**	**75.6**
Others	231,479,577	8,663,490	25.0	24.4
Total	**952,983,900**	**8,663,490**	**100.0**	**100.0**
Shares owned by EQT		8,298,084	0.9	0.1

1) Investor AB holds shares indirectly.
2) Indirectly controlled by Conni Jonsson, Thomas Von Koch, Harry Klagsbrun and Per Franzén.
3) Lennart Blecher holds shares directly and indirectly.
4) Christian Sinding holds shares indirectly.
5) Morten Hummelmose holds shares indirectly.
6) Anders Misund holds shares indirectly.
7) Conni Jonsson holds shares indirectly.

Share capital development

Time	Event	Change in number of preference shares	Change in number of ordinary shares	Change in number of class C shares	Number of share: Num pref s af trans
2017-03-08	Share issue[1)]	4,900	–	–	
2018-03-02	Share issue[1)]	1,500	–	–	
2019-01-18	Reduction of share capital[2)]	–200	–	–	
2019-01-25	Share issue[3)]	–	209,475	–	
2019-01-25	Share issue[4)]	–	894,130	–	
2019-01-25	Share issue[5)]	–	4,120,370	–	
2019-04-23	Share issue[6)]	–	404,376	–	
2019-04-30	Share issue[7)]	–	982,669	–	
2019-06-30	–[8)]	–	–	–	
2019-07-24	Share issue[9)]	–	879,630	–	
2019-07-24	Reduction of share capital[10)]	–	–5,000,000	–	
2019-07-24	Bonus issue	–	–	–	
2019-07-29	Reduction of share capital[11)]	–6,200	–	–	
2019-07-29	Bonus issue	–	–	–	
2019-07-29	Split (1:100)	–	857,685,510	–	
2019-09-24	New Share Issue in connection with the IPO	–	86,634,900	–	
2019-11-14	Issue and Repurchase of class C shares for the EQT Share program	–	–	8,663,490	

1) 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.
2) The purpose of the reduction was for repayment of SEK 2 to shareholders.
3) 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.
4) 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 Qarlbo Associates SA (75,364 shares).
5) 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.
6) 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.
7) Paid in SEK 1,3 which, SEK 13
8) EQT AB statem 2019, c SEK 0.0
9) Paid in SEK 33 per sha
10) The pu
11) The an of the s value S

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
Total	**952,983,900**	**8,663,490**	**100.0**	**100.0**

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 share holders' meetings and one class C share entitles the holder to one tent 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

Shareholder contact:

OLOF SVENSSON
Head of Shareholder Relations
Phone +46 72 989 09 15
shareholderrelations@eqtpartners.com

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 consider
derived in a
by EQT, ma
other comp

Definition	Reason for use
Adjusted total revenue	
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.
Gross segment result	
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.
Gross segment margin	
Gross segment result divided by Adjusted total revenues by business segment.	Gross segment margin provides an overview of the profitability by each business segment.
EBITDA	
EBIT excluding depreciation and amortization of property plant and equipment and intangible assets.	EBITDA provides an overview of the profitability of the operations.
EBITDA margin, %	
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
Adjusted EBITDA
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 margin, %
Adjusted EBITDA divided by Adjusted total revenue.
Adjusted net income
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 earnings per share
Adjusted net income in relation to average number of shares.
Financial net cash
Cash, cash equivalents and short-term loans receivable less short-term loans.

Alternative performance measures

Adjusted total revenue

EUR m	2020	2019
Total revenue	708.7	563.9
Revenue adjustments	53.0	6.5
Adjusted total revenue	**761.6**	**570.3**

Adjusted EBITDA / Adjusted net income

	2020	2019
Net income	**282.8**	**149.4**
Income taxes	28.3	11.8
Net financial income and expenses	–6.2	5.5
Operating profit (EBIT)	**304.9**	**166.8**
Depreciation and amortization	35.1	29.8
EBITDA	**340.0**	**196.6**
Revenue adjustments	53.0	6.5
Items affecting comparability	–7.8	59.4
Adjusted EBITDA	**385.3**	**262.4**
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
Adjusted net income	**329.7**	**201.7**

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
Adjusted earnings per share, basic, EUR	**0.346**	**0.238**

Adjusted earnings per share, diluted

Adjusted net income, EUR m	
Average number of shares, diluted	
Adjusted earnings per share, diluted, EUR	

Financial net cash / (Net debt)

EUR m	
Cash and cash equivalents	
Short term loan receivable[1)]	
Interest-bearing liabilities – current	
Financial net cash / (Net debt)	

[1)] Short term loan receivable is a subtotal of Other current

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 Employee within the EQT AB Group that provides Investment Advisory services to the Fund Managers of the EQT funds.

Investment level / % Invested Measures the sh 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) earn-outs and/or purchase price adjustments and (less any expected syndication, as a percent of a fun 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 represen 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 no yet realized (Remaining cost). Management fees ar generally based on Net invested capital after the Commitment period / Investment period.

Net IRR Internal rate of return, after deductions fo carried interest, fees and costs.

Partners Employees within the EQT AB Group pri-marily with the title "Partner" (including a few forme Partners depending on the context) who are also shareholders in the company.

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
- 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

It will be possible for shareholders to participate and vote online. Details are provided in the notice.

Financial calendar 2021

2021	
22 April	Quarterly Announcement January–March 2021
22 July	Half-year Report 2021
20 October	Quarterly Announcement July–September 2021
2022	
19 January	Year-end Report January–December 2021



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REGISTRATION NUMBER: 556849-4180

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