

Half-Year Report 2021

Healthy performance and expanding palette of active ownership strategies

Highlights for the period Jan-Jun 2021 (Jan-Jun 2020)

Financial

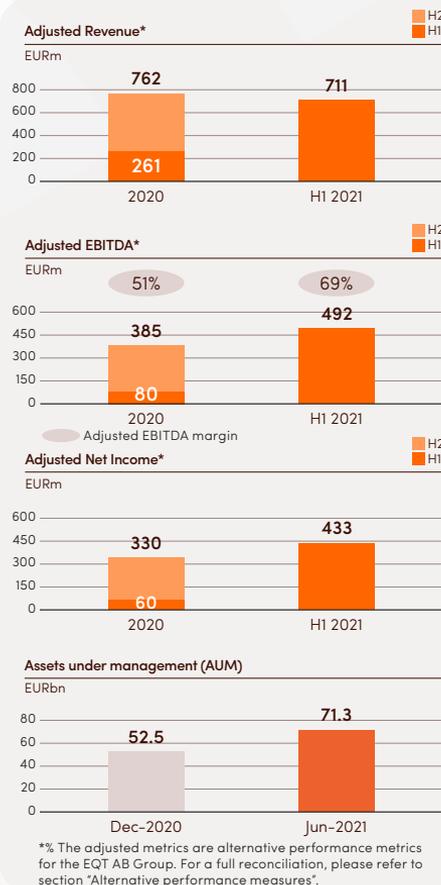
- Adjusted total revenue amounted to EUR 711m (EUR 261m), corresponding to an increase of 172% compared to H1 2020. Total revenue (according to IFRS) was EUR 709m (EUR 264m). The increase was driven by management fees (including so called retroactive fees) from EQT IX and EQT Infrastructure V, the combination with Exeter as well as an increase in carried interest and investment income
- Adjusted EBITDA amounted to EUR 492m (EUR 80m), corresponding to a margin of 69% (31%). EBITDA was EUR 437m (EUR 79m), corresponding to a margin of 62% (30%)
- Adjusted net income amounted to EUR 433m (EUR 60m). Net income (according to IFRS) was EUR 361m (EUR 59m)
- Reported basic earnings per share of EUR 0.372 (EUR 0.062). Diluted earnings per share of EUR 0.372 (EUR 0.062)
- Net debt amounted to EUR 113m

Strategic

- EQT completed the combination with Exeter Property Group, which is now integrated with EQT Real Estate under a joint EQT Exeter brand. The combination positions EQT among the largest value-add real estate investment managers in the world
- EQT Private Capital introduced a longer-hold impact at scale strategy, with Anticimex as its first investment
- EQT, as the first private equity firm in the world, issued a sustainability-linked bond, raising EUR 500m

Fundraising

- Assets under management (AUM) increased to EUR 71.3bn (EUR 36.5bn), primarily driven by the combination with Exeter with AUM of EUR 10.4bn and by EQT IX and EQT Infrastructure V with AUM of EUR 15.6bn and EUR 15.1bn respectively, as of 30 June 2021
- EQT set the target fund size for EQT Growth at EUR 2.0bn. Fundraising was initiated in Q2 and the fund started generating management fees at the end of the period
- Preparations for a longer-hold Infrastructure Core strategy in EQT's Real Asset segment as well as for EQT's new APAC strategy continued



Please note that all figures refer to continued operations, excluding Credit, unless stated otherwise. Exeter's contribution to financials are included as of time of closing, i.e. 1 April 2021.

Highlights for the period Jan-Jun 2021 (Jan-Jun 2020)

Investment and exit activity

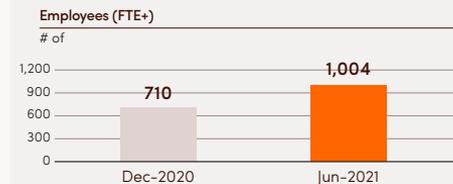
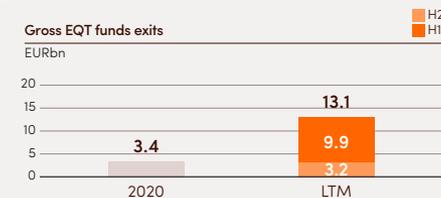
- Total investments by the EQT funds amounted to EUR 7.7bn (EUR 1.9bn)
- Total gross fund exits increased to EUR 9.9bn (EUR 0.2bn)
- Private Capital and Real Assets expect to continue to execute on a strong pipeline of potential investments and exits, should market conditions remain supportive

People & Sustainability

- The number of full-time equivalent employees and on-site consultants (FTE+) increased and amounted to 1,004 (699) at the end of the period, of which FTEs were 938 (651). Exeter accounted for 229 FTE+, of which FTEs were 222
- EQT strengthened its team by adding further sustainability expertise through senior appointments
- In order to future-proof EQT and be ready for the continued growth journey, investments in personnel across investment strategies and the central functions will increase

Events after the reporting period

- Investment and exit activity after the reporting period includes the investments in Parexel (EQT IX), Covanta Holding Corporation, Cypress Creek Renewables, Meine Radiologie Holding, Blikk Holding (EQT Infrastructure V) and the sale of Igenomix (EQT VIII), Fertin Pharma (EQT Mid Market Europe), Iver (EQT Mid Market Europe) and Unilode Aviation Solutions (EQT Infrastructure II)
- Investment level in key funds as of 22 July 2021 were 55-60% in EQT IX and 50-55% in EQT Infrastructure V
- EQT Exeter Europe Logistics Value Fund IV held final close at its hard cap with EUR 2.1bn in fee-generating commitments



Value creation

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

Healthy performance and expanding palette of active ownership strategies

EQT delivered healthy performance during the first six months of 2021 and made good progress in key strategic areas, all in alignment with our thematic and purpose-driven philosophy. We strengthened our market position and accelerated our wider societal ambitions. The combination with Exeter Property Group was completed, which positions EQT among the largest value-add real estate investment managers in the world. Furthermore, we continued to expand the palette of investment strategies, both within Private Capital and Real Assets, introducing longer-hold strategies to further align interests with value-driven investors and to enable impact at scale. EQT offers active ownership strategies to support businesses throughout all stages of a company's lifecycle.

In terms of deal activity, EQT continued to leverage favorable market conditions, its thematic approach and strong investment capacity. As a result, we increased the investment activity, but we had an even more notable rise in exits. Our fundraising efforts also developed well.

EQT is the first private equity firm in the world to issue a sustainability-linked bond. The bond will increase our flexibility and is yet another example

of how EQT integrates sustainability across our business. To ensure we continue to perform and deliver on our high ambitions within sustainability and ESG, we have strengthened our team with additional expertise and appointed Bahare Haghshenas to assume the overall responsibility for sustainability, as Global Head of Sustainable Transformation.

It's been a busy time for our staff. We continue to invest in talent and nurture our culture while adding people to support our growth journey.

Christian Sinding,
CEO and Managing Partner



Key metrics and ratios

Investment activity by the EQT funds

| EURbn | H1 2021 | H1 2020 | LTM | 2020 |
|------------------------------|---------|---------|------|------|
| Investments by the EQT funds | 7.7 | 1.9 | 17.9 | 12.1 |
| Gross fund exits | 9.9 | 0.2 | 13.1 | 3.4 |

Assets under management (AUM)

| EURbn | H1 2021 | H1 2020 | LTM | 2020 |
|---------------------------------|---------|---------|-------|-------|
| AUM (end of period) | 71.3 | 36.5 | 71.3 | 52.5 |
| Average AUM (during the period) | 60.8 | 36.1 | 51.0 | 41.5 |
| Effective management fee rate | 1.42% | 1.43% | 1.42% | 1.41% |

Employees

| # of | H1 2021 | H1 2020 |
|----------------------|---------|---------|
| FTE (end of period) | 938 | 651 |
| FTE+ (end of period) | 1,004 | 699 |

Key financials

| EURm | H1 2021 | H1 2020 | 2020 |
|---|---------|---------|------|
| Financials (adjusted)* | | | |
| Management fees | 539 | 265 | 609 |
| Adj. carried interest and investment income | 172 | -4 | 153 |
| Adj. total revenue | 711 | 261 | 762 |
| Adj. total revenue growth, % | 172% | -7% | 34% |
| Adj. total operating expenses | 219 | 181 | 376 |
| Adj. EBITDA | 492 | 80 | 385 |
| Adj. EBITDA margin, % | 69% | 31% | 51% |
| Adjusted net income | 433 | 60 | 330 |
| Financials (according to IFRS) | | | |
| Management fees | 539 | 265 | 609 |
| Carried interest and investment income | 170 | -1 | 100 |
| Total revenue | 709 | 264 | 709 |
| Total revenue growth, % | 169% | -5% | 26% |
| Total operating expenses | 272 | 186 | 369 |
| EBITDA | 437 | 79 | 340 |
| EBITDA margin, % | 62% | 30% | 48% |
| Net income | 361 | 59 | 283 |

The EQT AB share

| | H1 2021 | H1 2020 | 2020 |
|---|---------|---------|-------|
| Number of shares (m, end of period) | 987.0** | 953.3 | 953.3 |
| Number of shares (m, average) | 970.2 | 953.1 | 953.2 |
| Number of shares, diluted (m, average) | 970.4 | 953.6 | 953.6 |
| Adj. earnings per share, basic (EUR)* | 0.446 | 0.063 | 0.346 |
| Adj. earnings per share, diluted (EUR)* | 0.446 | 0.063 | 0.346 |
| Earnings per share, basic (EUR) | 0.372 | 0.062 | 0.297 |
| Earnings per share, diluted (EUR) | 0.372 | 0.062 | 0.297 |

*The adjusted metrics are alternative performance metrics for the EQT AB Group. For a full reconciliation, please refer to section "Alternative performance measures".

**The increase in the number of shares compared to end of period H1 2020 mainly relates to new shares issued in conjunction with the combination with Exeter. EQT issued 33.3 m shares to Exeter's selling shareholders corresponding to a dilution of approximately 3.4 percent.

Assets under management (AUM)

Development during the first half of 2021

| AUM by segment (EURbn) | Private Capital | Real Assets | Total |
|------------------------|-----------------|-------------|-------|
| At 31 December 2020 | 33.1 | 19.3 | 52.5 |
| Gross inflows* | 2.0 | 18.1 | 20.1 |
| Step-downs | (0.2) | (0.2) | (0.4) |
| Exits | (1.3) | (0.1) | (1.5) |
| FX and other | 0.3 | 0.3 | 0.5 |
| At 30 June 2021 | 33.9 | 37.4 | 71.3 |
| Since 31 December 2020 | 2.2% | 93.5% | 35.8% |

Development during the last twelve months

| AUM by segment (EURbn) | Private Capital | Real Assets | Total |
|------------------------|-----------------|-------------|-------|
| At 30 June 2020 | 22.0 | 14.4 | 36.5 |
| Gross inflows* | 18.0 | 27.5 | 45.5 |
| Step-downs | (3.6) | (3.9) | (7.5) |
| Exits | (2.7) | (0.8) | (3.4) |
| FX and other | 0.2 | 0.1 | 0.2 |
| At 30 June 2021 | 33.9 | 37.4 | 71.3 |
| Since 30 June 2020 | 53.9% | 158.9% | 95.5% |

Note: Any investment activity in the above tables (part of gross inflows or exits) is included based on its impact on AUM. Therefore, individual deals are included based on remaining or realized cost, timing of transaction closing, and only in funds that are changing fees based on net invested capital.

*Gross Inflow of EUR 9.0bn of Exeter's AUM as of closing.

Gross investment performance of key EQT funds

As of 30 June 2021

| EURbn | Start date | AUM | Committed Capital | Cost of investments | | | Value of investments | | | Gross MOIC |
|------------------------|------------|-------------|-------------------|---------------------|----------|-----------|----------------------|----------|-----------|------------|
| | | | | Total | Realized | Remaining | Total | Realized | Remaining | |
| Private Capital | | | | | | | | | | |
| EQT VI | Jun-11 | 1.2 | 4.8 | 4.5 | 3.3 | 1.2 | 11.0 | 8.8 | 2.3 | 2.5x |
| EQT VII | Jul-15 | 4.0 | 6.9 | 6.0 | 2.3 | 3.7 | 15.5 | 8.3 | 7.2 | 2.6x |
| EQT VIII | May-18 | 8.4 | 10.9 | 8.5 | 0.3 | 8.2 | 17.4 | 0.5 | 16.9 | 2.0x |
| EQT IX | Jul-20 | 15.6 | 15.6 | 6.5 | - | 6.5 | 7.6 | - | 7.6 | 1.2x |
| Real Assets | | | | | | | | | | |
| EQT Infrastructure II | Oct-12 | 0.4 | 1.9 | 1.7 | 1.3 | 0.4 | 3.6 | 3.0 | 0.6 | 2.1x |
| EQT Infrastructure III | Nov-16 | 3.5 | 4.0 | 3.5 | 0.0 | 3.5 | 6.8 | 0.1 | 6.7 | 2.0x |
| EQT Infrastructure IV | Nov-18 | 6.8 | 9.1 | 6.7 | - | 6.7 | 8.1 | - | 8.1 | 1.2x |
| EQT Infrastructure V | Aug-20 | 15.1 | 15.1 | 2.6 | - | 2.6 | 2.7 | - | 2.7 | 1.0x |
| Other | | 16.4 | | 11.5 | | | 22.4 | | | |
| Total | | 71.3 | | 51.5 | | | 95.0 | | | |

Note: Cost and value of investments reflect only closed transactions as per the reporting date.

| | Gross MOIC 30 Sep 2020 | Gross MOIC 31 Dec 2020 | Gross MOIC 31 Mar 2021 | Gross MOIC 30 Jun 2021 | Expected Gross MOIC 30 Jun 2021 |
|------------------------|------------------------|------------------------|------------------------|------------------------|---------------------------------|
| Private Capital | | | | | |
| EQT VI | 2.3x | 2.4x | 2.4x | 2.5x | On plan |
| EQT VII | 2.0x | 2.3x | 2.5x | 2.6x | Above plan |
| EQT VIII | 1.3x | 1.4x | 1.6x | 2.0x | On plan |
| EQT IX | 1.0x | 1.2x | 1.1x | 1.2x | On plan |
| Real Assets | | | | | |
| EQT Infrastructure II | 2.0x | 2.0x | 2.0x | 2.1x | On plan |
| EQT Infrastructure III | 1.6x | 1.8x | 1.9x | 2.0x | Above plan |
| EQT Infrastructure IV | 1.1x | 1.1x | 1.2x | 1.2x | On plan |
| EQT Infrastructure V | - | 1.0x | 1.0x | 1.0x | On plan |

Note: Data for current Gross MOIC reflect only closed investments and realizations. For Private Equity funds (part of segment Private Capital), "On Plan" refers to expected Gross MOIC between 2.0-2.5x. For Infrastructure funds (part of segment Real Assets), "On Plan" refers to expected Gross MOIC between 1.7-2.2x.

Private Capital

The business segment Private Capital consists of the business lines EQT Ventures, EQT Growth, EQT Private Equity and EQT Public Value

Comments on Jan-Jun 2021 (Jan-Jun 2020)

Investment and exit activity

Total investments made by the EQT funds in Private Capital amounted to EUR 5.0bn (EUR 1.0bn). Investments include Anticimex (Private Capital's longer-hold investment strategy), Cerba HealthCare, PRO Unlimited, IVC Evidensia (EQT IX), Epidemic Sound, Mollie (EQT Growth), CYE (EQT Mid Market Europe) and PT Indesso Primatama (EQT Mid Market Asia III). EQT Ventures remained active with several new portfolio companies including Lenus, Unmind and Origin.Bio. EQT Public Value fund continued to deploy capital in new, as of yet, undisclosed opportunities.

Total gross fund exits made by the EQT funds in Private Capital amounted to EUR 8.8bn (EUR 0.2bn). During H1 2021 exits include Aldevron (EQT VIII), Anticimex (EQT VI), IVC Evidensia (EQT VII), the IPO of SUSE (EQT VIII), Innovyze (EQT Mid Market US), Desotec (EQT VII) and Dornier (EQT Mid Market US).

Fundraising activity and AUM

AUM was EUR 33.9bn as of 30 June 2021, (EUR 22.0bn). The gross inflows of EUR 2.0bn during the first half of the year were primarily related to new commitments in EQT IX.

EQT Public Value continued to grow its AUM, supported by its strong performance track record. The target size for EQT Growth was set at EUR 2.0bn, fundraising was initiated and EQT Growth started generating management fees at the end of the period. In addition, EQT Mid Market Asia III ended its commitment period with its final investment during Q2 2021.

Value creation

EQT VI current Gross MOIC increased to 2.5x (2.4x), EQT VII current Gross MOIC to 2.6x (2.5x) and EQT VIII current Gross

MOIC to 2.0x (1.6x). EQT IX current Gross MOIC remained at 1.2x (1.2x).

Expected value creation (Gross MOIC) remains "On plan" in EQT VI, EQT VIII and EQT IX, which means an expected Gross MOIC between 2.0-2.5x. EQT VII continues to develop "Above plan", which means that expected gross MOIC is above 2.5x. EQT VIII is performing well but would only be characterized as "Above plan" if it were to perform persistently and materially above 2.5x expected Gross MOIC.

Employees

FTE+ at the end of the period amounted to 253 (238). The increase in FTE+ was primarily driven by recruitments in EQT Growth and the new APAC strategy.

Result for the segment

Adjusted revenue amounted to EUR 418m in H1 2021, corresponding to an increase of 179% compared to EUR 150m in H1 2020 driven by management fees and retroactive fees from EQT IX as well as carried interest recognized in EQT VII.

Gross segment result increased to EUR 346m (EUR 89m).

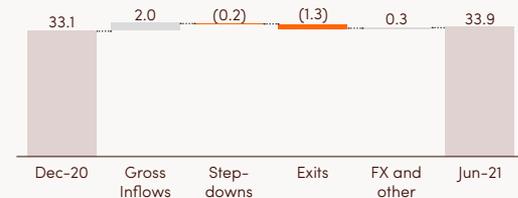
Key metrics

| EURbn | H1 2021 | H1 2020 | LTM | 2020 |
|------------------------------|---------|---------|------|------|
| Investments by the EQT funds | 5.0 | 1.0 | 11.1 | 7.1 |
| Gross fund exits | 8.8 | 0.2 | 11.7 | 3.1 |
| Adjusted revenue (EURm) | 418 | 150 | | 531 |
| Gross segment result (EURm) | 346 | 89 | | 406 |
| Margin (%) | 83% | 59% | | 76% |
| AUM (end of period) | 33.9 | 22.0 | 33.9 | 33.1 |
| Average AUM | 33.8 | 21.9 | 29.1 | 26.2 |
| FTE+ (# of, end of period) | 253 | 238 | | 244 |

Performance of selected funds

| | Gross MOIC | | Expected |
|----------|-------------|-------------|------------|
| | 31 Dec 2020 | 30 Jun 2021 | Gross MOIC |
| EQT VI | 2.4x | 2.5x | On plan |
| EQT VII | 2.3x | 2.6x | Above plan |
| EQT VIII | 1.4x | 2.0x | On plan |
| EQT IX | 1.2x | 1.2x | On plan |

AUM development (EURbn)



Real Assets

The business segment Real Assets consists of the business lines EQT Infrastructure and EQT Exeter

Comments on Jan-Jun 2021 (Jan-Jun 2020)

Investment and exit activity

Total investments made by the EQT funds in Real Assets amounted to EUR 2.7bn (EUR 0.9bn), of which EUR 0.5bn was attributable to Exeter. Investments include First Student and First Transit, Solarpack, Molslinjen, and Torghatten (EQT Infrastructure V). In addition, EQT Real Estate II launched a joint venture to deliver grade-A senior care home facilities in Northern Italy and a joint venture to provide student accommodations in Spain.

Total gross fund exits made by the EQT funds amounted to EUR 1.1bn (EUR 0.0bn), of which EUR 0.0bn was attributable to Exeter. Exits include the sale of Segra's Commercial Services business (EQT Infrastructure III).

Fundraising activity and AUM

AUM increased during the year to EUR 37.4bn (EUR 14.4bn). This was primarily driven by Exeter, contributing with EUR 10.4bn, as of 30 June and fundraising in EQT Infrastructure V, which had EUR 15.1bn in AUM at the end of the period. EQT expects to conclude active fundraising efforts for EQT Infrastructure V during H2 2021.

Value creation

EQT Infrastructure II current Gross MOIC increased to 2.1x (2.0x). EQT Infrastructure III current Gross MOIC increased to 2.0x (1.9x). EQT Infrastructure IV current Gross MOIC remained at 1.2x (1.2x). EQT Infrastructure V current Gross MOIC remained at 1.0x (1.0x).

Expected value creation (Gross MOIC) remains "On plan" in EQT Infrastructure II, EQT Infrastructure IV and EQT Infrastructure V, which means an expected Gross MOIC between 1.7x-2.2x. EQT Infrastructure III continues to develop "Above plan", which means that expected gross MOIC is above 2.2x.

Employees

FTE+ at the end of the period increased to 363 (122), mainly attributable to the combination with Exeter which constituted of 229 FTE+ as of 30 June 2021.

Result for the segment

Adjusted revenue amounted to EUR 281m, corresponding to an increase of 165% compared to EUR 106m in H1 2020. This was driven by management fees and retroactive fees from EQT Infrastructure V as well as the combination with Exeter.

Gross segment result increased to EUR 233m (EUR 73m).

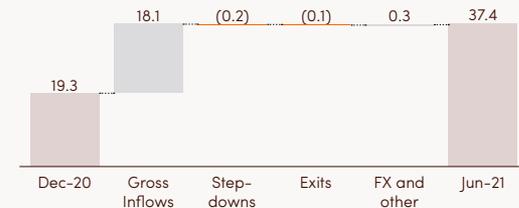
Key metrics

| EURbn | H1 2021 | H1 2020 | LTM | 2020 |
|------------------------------|---------|---------|------|------|
| Investments by the EQT funds | 2.7 | 0.9 | 6.6 | 5.0 |
| Gross fund exits | 1.1 | 0.0 | 1.4 | 0.3 |
| Adjusted revenue (EURm) | 281 | 106 | | 221 |
| Gross segment result (EURm) | 233 | 73 | | 155 |
| Margin (%) | 83% | 69% | | 70% |
| AUM (end of period) | 37.4 | 14.4 | 37.4 | 19.3 |
| Average AUM | 27.0 | 14.2 | 21.9 | 15.3 |
| FTE+ (# of, end of period) | 363 | 122 | | 129 |

Performance of selected funds

| | Gross MOIC | | Expected |
|------------------------|-------------|-------------|------------|
| | 31 Dec 2020 | 30 Jun 2021 | Gross MOIC |
| EQT Infrastructure II | 2.0x | 2.1x | On plan |
| EQT Infrastructure III | 1.7x | 2.0x | Above plan |
| EQT Infrastructure IV | 1.1x | 1.2x | On plan |
| EQT Infrastructure V | 1.0x | 1.0x | On plan |

AUM development (EURbn)



Central

Central consists of Management, Client Relations and Capital Raising, Fund Operations, EQT Digital and other specialist teams such as HR and finance

Comments on Jan-Jun 2021 (Jan-Jun 2020)

Employees

FTE+ at the end of the period increased to 387 (339). New hires were primarily within Fund Operations and EQT Digital. Following high activity levels throughout the organization and preparing for the next steps of EQT's growth journey, FTE+ will continue to increase in the coming quarters.

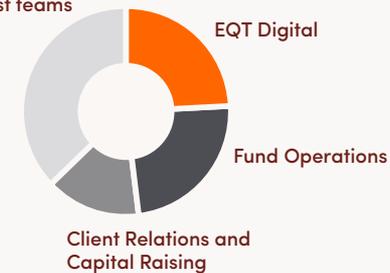
Result for Central

The result was due to an increased number of FTE+ driving both personnel expenses and other operating expenses along with accelerated strategic and operational projects. The increase reflects a continued high activity across the Group in 2021 and preparations for future growth.

Key metrics

| EURm | H1 2021 | H1 2020 | 2020 |
|-------------------------------|---------|---------|------|
| Gross segment result / EBITDA | -87 | -82 | -176 |
| FTE (# of, end of period) | 330 | 295 | 283 |
| FTE+ (# of, end of period) | 387 | 339 | 337 |

Specialist teams



Information on the consolidated income statement

Comments relate to the period Jan-Jun 2021 (Jan-Jun 2020).

Revenues for the period increased to EUR 709m (EUR 264m). The increase in management fees was partly driven by management fees from Exeter contributing with EUR 39m and also from the closed-out commitments in EQT IX and EQT Infrastructure V. Carried interest and investment income amounted to EUR 170m in H1 2021 compared to EUR -1m in H1 2020. Adjusted revenues of EUR 711m (EUR 261m) are adjusted by removing the fair value adjustment of acquired contractual rights to carried interest, see note 1.

Total operating expenses during the period amounted to EUR 272m (EUR 186m), driven by the combination with Exeter and build-out of the organization.

EBITDA increased to EUR 437m (EUR 79m) corresponding to a margin of 62% (30%) with Exeter contributing with EUR 25m. Adjusted EBITDA amounted to EUR 492m (EUR 80m) corresponding to a margin of 69% (31%).

Depreciation and amortization amounted to EUR 16m (EUR 17m), primarily related to facility lease agreements. Amortization of acquisition related intangible assets amounted to EUR 18m and relates to amortization of identified surplus values in relation to the acquisition of Exeter.

Net financial income and expenses amounted to EUR -6m (EUR 6m). This is primarily comprised of currency translation differences and interest expenses relating to the bond as well as lease agreements according to IFRS 16.

Income taxes amounted to EUR -36m (EUR -9m) primarily driven by an increased profit before tax.

Net income for the period from continuing operations increased to EUR 361m (EUR 59m) with Exeter contributing

EUR 24m. Adjustment items affecting net income, including tax effects, amounted to EUR 72m (EUR 1m). Adjusted net income for the period from continuing operations was EUR 433m (EUR 60m).

Earnings per share for continued operations before and after dilution amounted to EUR 0.372 (EUR 0.062) and EUR 0.372 (EUR 0.062), respectively. Adjusted earnings per share for continued operations before and after dilution amounted to EUR 0.446 (EUR 0.063) and EUR 0.446 (EUR 0.063), respectively.

Adjustment items affecting EBITDA in 2021 amounted to EUR 55m and relates to an adjustment of revenues for fair value step-up on the, in April 2019, acquired contractual right to carried interest (see note 1) as well as an adjustment of the part of the consideration paid in shares subject to lock-up in relation to the acquisition of Exeter and transaction and integration costs as a result of the acquisition. The part of the consideration paid in shares subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over the lock-up period, see note 6. Adjustment items affecting EBITDA in 2020 amounted to EUR 1m and were primarily related to adjustment to the fair value of the acquired right to carried interest, see note 1.

Financial position

Comments relate to 30 June 2021 (31 December 2020).

Goodwill and Other intangible assets amounted to EUR 1,517m (EUR 25m). The increase of EUR 1,491m is driven by the acquisition of Exeter and the related purchase price allocation, see note 6.

Property, plant and equipment amounted to EUR 109m (EUR 113m).

Financial investments increased by EUR 278m to EUR 445m (EUR 167m) primarily driven by increased investments from EQT AB Group into EQT funds as well as pre-fund investments as a result of the EQT Growth strategy.

Current assets amounted to EUR 1,082m (EUR 1,291m). The increase in prepaid expenses and accrued income was primarily driven by accrued income relating to recorded but not yet received carried interest as well as the part of the consideration paid in shares in relation to the acquisition of Exeter that was subject to lock-up and hence treated as a personnel expense from an accounting perspective and recorded as a prepayment over the lock-up period, see note 6. Cash and cash equivalents at the end of the period amounted to EUR 387m (EUR 878m). The decrease relates to the acquisition of Exeter and the part of the consideration paid in cash (see note 6) which has been partly offset by the issue of the bond. Net debt amounted to EUR 113m (EUR 878m in net cash).

Equity increased to EUR 2,301m (EUR 1,263m). The increase is due to the share issue resulting from the acquisition of Exeter and current year's net income.

Non-current liabilities amounted to EUR 566m (EUR 75m). The increase relates to the issue of a EUR 500m sustainability-linked bond, see further under Significant events during the period.

Current liabilities amounted to EUR 350m (EUR 285m). The increase is mainly explained by the unpaid part of the dividend.

Parent company

The parent company's profit before tax amounted to SEK 1,525m (SEK 16m). The increase is mainly explained by a timing effect of dividends from subsidiaries.

Significant events during the period

Significant events and transactions

As of 1 April 2021 EQT completed the combination with Exeter Property Group – a leading global real estate investment manager with EUR 9.0bn of AUM as of closing. EQT AB acquired 100 percent of the Exeter management company and 25 percent of the right to carried interest in selected existing Exeter funds (including Exeter US Industrial Value Fund V). In addition, EQT AB is entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT policies, see note 6 for further information.

On 14 May 2021, EQT AB issued a EUR 500m sustainability-linked bond with a maturity of 10 years. The annual coupon rate is 0.875 percent. The bond will further increase the EQT AB Group's financial flexibility and be used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. The bond is linked to ESG-related objectives, lowering the interest rates if targets are met, and increasing them if targets are not achieved. It underscores EQT's approach to sustainability as an integral part of the EQT AB Group's business model and the EQT funds' portfolio companies.

EQT IX held final close at its hard cap with EUR 15.6bn of AUM.

EQT Infrastructure V had EUR 15.1bn in AUM as of 30 June 2021.

During the first half of 2021 preparations intensified for EQT Growth. The target size for EQT Growth was set at EUR 2.0bn as announced on 9 March 2021 and the fund started generating management fees during the end of the period.

As for any organization, the COVID-19 development has brought uncertainty and disruption. Countries are gradually opening up as vaccinations are progressing. EQT continues

to monitor the situation carefully and the investment advisory teams are in close dialogue with respective portfolio companies. EQT's thematic investment strategy has continued to identify and execute attractive opportunities on the transaction side, and the portfolio value creation agenda is on track. Only a small number of the EQT funds' portfolio companies operate in the hardest-hit sectors.

Significant events after 30 June 2021

EQT Exeter Europe Logistics Value Fund IV held final close at its hard cap with EUR 2.1 bn in fee-generating commitments.

Transactions with related parties

No significant related party transactions have occurred during the period.

Pledged assets and contingent liabilities

There have been no significant changes in pledged assets and contingent liabilities compared to the latest annual report.

Risk management

The EQT AB Group is exposed to a number of business, strategic, legal, tax, operational and financial risks. The financial risks are related to factors such as credit, liquidity, interest, revaluation and foreign exchange risks, which could lead to financial losses if not managed properly. Financial risks are reported to the CFO on a regular basis to ensure they remain in line with the EQT AB Group's risk profile.

The EQT AB Group is also, as all organizations, exposed to the uncertainty and disruption as a result of COVID-19. See further under Significant events and transactions.

EQT AB

EQT AB (publ.), corp. id 556849-4180, is a company domiciled in Sweden. The visiting address of the Company's office is Regeringsgatan 25, 111 53 Stockholm, Sweden. The registered postal address is Box 16409, 103 27 Stockholm, Sweden. The interim consolidated financial statements for the six month period ended on 30 June 2021 and 2020 comprise EQT AB and its direct or indirect subsidiaries, together referred to as the "EQT AB Group".

Accounting policies

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable additional provisions of the Swedish Annual Accounts Act.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act chapter 9.

The accounting policies applied in these consolidated interim financial statements and the interim separate financial statements for the parent EQT AB are the same as those applied in the Annual Report 2020.

The effect of issued standards and interpretations issued by the IASB or the IFRS Interpretations Committee not yet effective is not expected to have any material effect on the Group.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

EQT AB's Financial Reports are published in English and Swedish. In the case of inconsistencies in the translation, the Swedish original version shall prevail.

Financial calendar

- Quarterly announcement
July–September 2021 20 October 2021
- Year-end report
January–December 2021 19 January 2022
- Quarterly announcement
January–March 2022 26 April 2022

This is information that EQT AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons, at 07:00 CEST on 22 July 2021.

Contacts

Kim Henriksson
CFO
+46 8 506 55 300
kim.henriksson@eqtpartners.com

Olof Svensson
Head of Shareholder Relations
+46 72 989 09 15
olof.svensson@eqtpartners.com

Nina Nornholm
Head of Communications
+46 70 855 03 56
nina.nornholm@eqtpartners.com

EQT AB

Corp. id 556849-4180

The Board and CEO declare that this interim report provides a true and fair overview of the Company's and the Group's operations, its financial position and performance, and describes material risks and uncertainties facing the Company and companies within the Group.



Stockholm, Sweden 22 July 2021
EQT AB (publ)

Conni Jonsson
Chairperson

Marcus Wallenberg
Deputy Chairperson

Margo Cook
Board member

Edith Cooper
Board member

Johan Forssell
Board member

Nicola Kimm
Board member

Diony Lebot
Board member

Gordon Orr
Board member

Christian Sinding
CEO

Independent auditor's report on review of interim financial information

To the Board of Directors of EQT AB (publ) corporate registration number 556849-4180

Introduction

We have reviewed the condensed interim financial information (interim report) of EQT AB (publ) as of 30 June 2021 and the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 22 July 2021

KPMG AB

Håkan Olsson Reising

Authorized Public Accountant

Consolidated income statement

The below table shows figures according to IFRS. For adjusted figures corresponding to the internal reporting please refer to note 1 and section "Alternative performance measures".

| EURm | Note | H1 2021 | H1 2020 |
|---|----------|-------------|-------------|
| Management fees | | 539 | 265 |
| Carried interest and investment income | | 170 | -1 |
| Total revenue | 1 | 709 | 264 |
| Personnel expenses | | -175 | -119 |
| Other operating expenses | | -97 | -67 |
| Total operating expenses | | -272 | -186 |
| Operating profit before depreciation and amortization (EBITDA) | | 437 | 79 |
| Depreciation and amortization | | -16 | -17 |
| Amortization of acquisition related intangible assets | 6 | -18 | - |
| Operating profit (EBIT) | 1 | 403 | 62 |
| Financial income | | 17 | 13 |
| Financial expenses | | -23 | -8 |
| Net financial income and expenses | | -6 | 6 |
| Profit before income tax | | 397 | 68 |
| Income taxes | | -36 | -9 |
| Net income for the period from continuing operations | | 361 | 59 |
| Net income for the period from discontinued operations | 5 | 0 | -12 |
| Net income | | 361 | 47 |
| <i>Attributable to:</i> | | | |
| Owners of the parent company | | 361 | 47 |
| Non-controlling interests | | - | - |
| <i>Earnings per share, EUR</i> | | | |
| before dilution | | 0.372 | 0.050 |
| - of which continued operations | | 0.372 | 0.062 |
| after dilution | | 0.372 | 0.050 |
| - of which continued operations | | 0.372 | 0.062 |
| <i>Average number of shares</i> | | | |
| before dilution | | 970,175,347 | 953,066,672 |
| after dilution | | 970,415,018 | 953,552,787 |

Consolidated statement of comprehensive income

| EURm | H1 2021 | H1 2020 |
|---|------------|-----------|
| Net income | 361 | 47 |
| Other comprehensive income | | |
| Items that are or may be reclassified subsequently to income statement | | |
| Foreign operations - foreign currency translation differences | -23 | -5 |
| Other comprehensive income for the period | -23 | -5 |
| Total comprehensive income for the period | 338 | 42 |
| <i>Attributable to:</i> | | |
| Owners of the parent company | 338 | 42 |
| Non-controlling interests | - | - |
| | 338 | 42 |

Consolidated balance sheet

| EURm | Note | H1 2021 | 2020 |
|-------------------------------------|------|--------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | | 794 | 15 |
| Other intangible assets | | 723 | 10 |
| Property, plant and equipment | | 109 | 113 |
| Financial investments | 3 | 445 | 167 |
| Other financial assets | | 31 | 22 |
| Other non-current assets | | 5 | 3 |
| Deferred tax assets | | 27 | 1 |
| Total non-current assets | | 2,134 | 331 |
| Current assets | | | |
| Current tax assets | | 11 | 15 |
| Accounts receivable | | 0 | 3 |
| Other current assets | | 91 | 62 |
| Prepaid expenses and accrued income | | 593 | 333 |
| Cash and cash equivalents | | 387 | 878 |
| Total current assets | | 1,082 | 1,291 |
| Total assets | | 3,217 | 1,623 |

| EURm | Note | H1 2021 | 2020 |
|--|------|--------------|--------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 9 | 9 |
| Other paid in capital | | 1,764 | 837 |
| Reserves | | -35 | -13 |
| Retained earnings including net income | | 563 | 429 |
| Total equity attributable to owners of the parent company | | 2,301 | 1,263 |
| Non-controlling interest | | - | - |
| Total equity | | 2,301 | 1,263 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Interest-bearing liabilities | | 494 | - |
| Lease liabilities | | 71 | 73 |
| Deferred tax liabilities | | 1 | 1 |
| Total non-current liabilities | | 566 | 75 |
| Current liabilities | | | |
| Lease liabilities | | 15 | 16 |
| Current tax liabilities | | 35 | 25 |
| Accounts payable | | 9 | 5 |
| Other liabilities | | 156 | 54 |
| Accrued expenses and deferred income | | 135 | 185 |
| Total current liabilities | | 350 | 285 |
| Total liabilities | | 915 | 360 |
| Total equity and liabilities | | 3,217 | 1,623 |

Consolidated statement of changes in equity

| EURm | Attributable to owners of the parent comp. | | | | | Non control- ling interest | Total equity |
|---|--|-----------------------|--------------------------|-------------------|--------------|-------------------------------|--------------|
| | Share capital | Other paid in capital | Transla- tion reserve | Retained earnings | Total equity | | |
| Opening balance at 1 January 2021 | 9 | 837 | -13 | 429 | 1,263 | - | 1,263 |
| Total comprehensive income for the period | | | | | | | |
| Net income | | | | 361 | 361 | | 361 |
| Other comprehensive income for the period | | | -23 | | -23 | | -23 |
| Total comprehensive income for the period | - | - | -23 | 361 | 338 | - | 338 |
| Transactions with owners of the parent company | | | | | | | |
| Dividends | | | | -234 | -234 | | -234 |
| Share issues | 0 | 927 | | | 927 | | 927 |
| Transaction cost (net of tax) | | -0 | | | -0 | | -0 |
| Share based bonus | | | | 7 | 7 | | 7 |
| Total transactions with owners of the parent company | 0 | 926 | - | 227 | 700 | - | 700 |
| Closing balance at 30 June 2021 | 9 | 1,764 | -35 | 563 | 2,301 | - | 2,301 |
| Opening balance at 1 January 2020 | 9 | 837 | -7 | 242 | 1,082 | - | 1,082 |
| Total comprehensive income for the period | | | | | | | |
| Net income | | | | 379 | 379 | | 379 |
| Other comprehensive income for the period | | | -6 | | -6 | | -6 |
| Total comprehensive income for the period | - | - | -6 | 379 | 373 | - | 373 |
| Transactions with owners of the parent company | | | | | | | |
| Dividends | | | | -197 | -197 | | -197 |
| Share based bonus | | | | 5 | 5 | | 5 |
| Total transactions with owners of the parent company | - | - | - | -192 | -192 | - | -192 |
| Closing balance at 31 December 2020 | 9 | 837 | -13 | 429 | 1,263 | - | 1,263 |

| EURm | Attributable to owners of the parent comp. | | | | | Non control- ling interest | Total equity |
|---|--|-----------------------|--------------------------|-------------------|--------------|-------------------------------|--------------|
| | Share capital | Other paid in capital | Transla- tion reserve | Retained earnings | Total equity | | |
| Opening balance at 1 January 2020 | 9 | 837 | -7 | 242 | 1,082 | - | 1,082 |
| Total comprehensive income for the period | | | | | | | |
| Net income | | | | 47 | 47 | | 47 |
| Other comprehensive income for the period | | | -5 | | -5 | | -5 |
| Total comprehensive income for the period | - | - | -5 | 47 | 42 | - | 42 |
| Transactions with owners of the parent company | | | | | | | |
| Dividends | | | | -197 | -197 | | -197 |
| Share based bonus | | | | 3 | 3 | | 3 |
| Total transactions with owners of the parent company | - | - | - | -193 | -193 | - | -193 |
| Closing balance at 30 June 2020 | 9 | 837 | -12 | 96 | 931 | - | 931 |

Consolidated statement of cash flows

| EURm | HI 2021 | HI 2020 |
|---|-------------|-------------|
| Cash flows operating activities | | |
| Operating profit (EBIT), continuing operations | 403 | 62 |
| Operating profit (EBIT), discontinuing operations | - | -11 |
| Adjustments: | | |
| Depreciation and amortization | 34 | 17 |
| Changes in fair value | -34 | 0 |
| Foreign currency exchange differences | -1 | 4 |
| Other non-cash adjustments | 7 | 3 |
| Increase (-) /decrease (+) in accounts receivable and other receivables | -88 | 42 |
| Increase (+) /decrease (-) in accounts payable and other payables | -19 | -34 |
| Income taxes paid | -24 | -9 |
| Net cash from operating activities | 276 | 75 |
| Cash flows investing activities | | |
| Investment in intangible assets | 0 | 0 |
| Acquisition of property, plant and equipment | -5 | -5 |
| Investment in financial investments | -254 | -41 |
| Proceeds from disposals of financial investments | 12 | 1 |
| Interest received | 0 | 0 |
| Consideration paid net of acquired cash | -630 | - |
| Investment in non current assets | -4 | 0 |
| Net cash from (+) / used in (-) investing activities | -879 | -45 |
| Cash flows financing activities | | |
| Dividends paid | -117 | -98 |
| Repayment of borrowings | -257 | -2 |
| Proceeds from borrowings | 496 | - |
| Investment in short term loan receivable | - | 2 |
| Payment of lease liabilities | -8 | -7 |
| Interest paid | -3 | -2 |
| Net cash from (+) / used in (-) financing activities | 111 | -107 |
| Net increase (+) / decrease (-) in cash and cash equivalents | -492 | -78 |
| Cash and cash equivalents at the beginning of the period | 878 | 909 |
| Translation differences | 2 | -11 |
| Less cash and cash equivalents discontinued operations | - | -16 |
| Cash and cash equivalents at the end of the period | 387 | 804 |

Parent company income statement

| SEKm | HI 2021 | HI 2020 |
|--|--------------|------------|
| Net sales | 746 | 538 |
| Other operating income | 2 | – |
| Total revenue | 748 | 538 |
| Personnel expenses | -179 | -170 |
| Other external expenses | -373 | -424 |
| Other operating expenses | – | -14 |
| Depreciation and amortization | -5 | -8 |
| Operating profit/loss | 191 | -78 |
| Profit/loss from shares in subsidiaries | 1,199 | 85 |
| Interest income and similar profit/loss items | 172 | 38 |
| Interest expense and similar profit/loss items | -37 | -29 |
| Profit/loss before tax | 1,525 | 16 |
| Income taxes | -70 | -23 |
| Net income | 1,455 | -7 |

Parent company balance sheet

| SEKm | H1 2021 | 2020 |
|---|---------------|---------------|
| ASSETS | | |
| Non-current assets | | |
| <i>Property, plant and equipment</i> | | |
| Leasehold improvements | 58 | 62 |
| Equipment | 6 | 7 |
| Total property, plant and equipment | 64 | 69 |
| <i>Financial assets</i> | | |
| Participation in subsidiaries | 22,790 | 9,520 |
| Other securities held as non-current assets | 11 | 10 |
| Deferred tax | - | - |
| Other long-term receivables | 5 | 5 |
| Total financial assets | 22,806 | 9,535 |
| Total non-current assets | 22,870 | 9,604 |
| Current assets | | |
| <i>Current receivables</i> | | |
| Accounts receivable | 34 | 15 |
| Receivables from subsidiaries | 11,678 | 803 |
| Current tax assets | - | - |
| Other receivables | 334 | 124 |
| Prepaid expenses and accrued income | 62 | 47 |
| Total current receivables | 12,108 | 988 |
| Cash and bank | 97 | 994 |
| Total current assets | 12,205 | 1,982 |
| Total assets | 35,075 | 11,586 |

| SEKm | H1 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| EQUITY AND LIABILITIES | | |
| <i>Restricted equity</i> | | |
| Share capital | 100 | 96 |
| Total restricted equity | 100 | 96 |
| <i>Non-restricted equity</i> | | |
| Share premium reserve | 18,451 | 8,984 |
| Profit or loss brought forward | -708 | 529 |
| Net income | 1,455 | 1,060 |
| Total non-restricted equity | 19,199 | 10,572 |
| Total equity | 19,299 | 10,668 |
| Non-current liabilities | | |
| Interest-bearing liabilities | 5,005 | - |
| Total non-current liabilities | 5,005 | - |
| Current liabilities | | |
| Accounts payable | 10 | 2 |
| Liabilities to subsidiaries | 9,193 | 635 |
| Current tax liabilities | 49 | 4 |
| Other liabilities | 1,210 | 30 |
| Accrued expenses and deferred income | 309 | 248 |
| Total current liabilities | 10,772 | 918 |
| Total liabilities | 15,777 | 918 |
| Total equity and liabilities | 35,075 | 11,586 |

Notes to the consolidated financial statements

Note 1 operating segments and disaggregation of revenue

The CEO of EQT AB Group has been identified as the chief operating decision maker. EQT AB Group is divided into operating segments based on how the CEO reviews and evaluates the operation. The operating segments correspond to the internal reporting used to assess performance and to allocate resources.

EQT's operations are divided into two business segments: Private Capital and Real Assets. The operations of both business segments consist of providing investment management services in the private investment markets. The investment management services comprise i.a. structuring and investment advice, investment management and monitoring as well as reporting and administrative services.

The business segment Private Capital consists of the business lines Private Equity, Ventures, Growth and Public Value. The business segment Real Assets consists of the business lines Infrastructure and EQT Exeter.

The CEO assesses the operating segments based on the line items presented below, primarily on revenue and Gross segment results. Segment revenues have been adjusted by removing the fair value adjustment of acquired contractual rights to carried interest. Accordingly, the acquired contractual right to carried interest reflects the sellers carrying amount adjusted to EQT AB Group's accounting policies, i.e. the accrued income excluding the fair value uplift made at the acquisition date in the consolidated accounts of EQT AB Group. The difference between the carrying amount and fair value of accrued carried interest is primarily due to the constraint requirements of IFRS 15 of variable performance-based income reflected through the application of the Group's prudent revenue recognition model for carried interest. Expenses directly incurred by each respective business segment are included in the 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 Digital 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 consist of revenue adjustments (see above) as well as items affecting comparability. Revenue adjustments as of H1 2020 include EUR 3m in carried interest and investment income from lower Gross MOIC's in carried interest generating funds in H1 2020 and EUR 5m in other operating expenses related to an adjustment of the fair value of the acquired right to carried interest in segment Private Capital, see also note 4. Items affecting comparability in

2021 relate to an adjustment of the part of the consideration paid in shares subject to lock-up in relation to the acquisition of Exeter and transaction and integration costs as well as amortization of identified surplus values in relation to the acquisition. The part of the consideration paid in shares being subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over the lock-up period, see note 6. Items affecting comparability in 2020 related to transaction cost relating to the sale of business segment Credit.

| H1 2021 EURm | Private Capital | Real Assets | Central | Total adjusted | Items affecting com- parab. | Revenue adjust- ment | IFRS reported |
|---|--------------------|----------------|---------|-------------------|--------------------------------------|----------------------------|------------------|
| Total revenue | 418 | 281 | 11 | 711 | | -2 | 709 |
| Personnel expenses | | | | -154 | -20 | | -175 |
| Other operating expenses | | | | -64 | -33 | | -97 |
| Total operating expenses | -72 | -49 | -98 | -219 | -53 | - | -272 |
| Gross segment result 1) / EBITDA 2) | 346 | 233 | -87 | 492 | -53 | -2 | 437 |
| Margin, % | 83% | 83% | | 69% | | | 62% |
| Depreciation and amortization | | | | -16 | | | -16 |
| Amortization of acquisition related intangible assets | | | | - | -18 | | -18 |
| EBIT | | | | 476 | -71 | -2 | 403 |
| Net financial income and expenses | | | | -6 | | | -6 |
| Income taxes | | | | -37 | 1 | | -36 |
| Net income for the period from continuing operations | | | | 433 | -69 | -2 | 361 |
| Net income for the period from discontinued operations | | | | - | 0 | | 0 |
| Net income | | | | 433 | -69 | -2 | 361 |

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

Notes to the consolidated financial statements

| H1 2020 EURm | Private Capital | Real Assets | Central | Total adjusted | Items affecting com- parab. | Revenue adjust- ment | IFRS reported |
|---|--------------------|----------------|---------|-------------------|--------------------------------------|----------------------------|------------------|
| Total revenue | 150 | 106 | 5 | 261 | | 3 | 264 |
| Personnel expenses | | | | -119 | | | -119 |
| Other operating expenses | | | | -62 | | -5 | -67 |
| Total operating expenses | -62 | -33 | -87 | -181 | | -5 | -186 |
| Gross segment result 1) / EBITDA 2) | 89 | 73 | -82 | 80 | | -1 | 79 |
| Margin, % | 59% | 69% | | 31% | | | 30% |
| Depreciation and amortization | | | | -17 | | | -17 |
| EBIT | | | | 63 | | -1 | 62 |
| Net financial income and expenses | | | | 6 | | | 6 |
| Income taxes | | | | -9 | | 0 | -9 |
| Net income for the period from continuing operations | | | | 60 | | -1 | 59 |
| Net income for the period from discontinued operations | | | | 6 | -17 | | -12 |
| Net income | | | | 66 | -17 | -1 | 47 |

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

Geographical areas

EQT AB Group's business of providing fund management services cannot reliably and fairly be reviewed by geographical areas. 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.

Note 2 commitments

EQT has commitments of future cash outflows based on signed agreements relating to committed amounts regarding financial investments. At 30 June 2021, the EQT AB Group had remaining commitments to invest in multiple EQT funds and fund related vehicles of a total amount of EUR 518m (EUR 257m). The commitments are called over time, normally between one to five years following the commitment.

Notes to the consolidated financial statements

Note 3 financial instruments and fair values

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.

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 measures investments in investment programs at fair value in the balance sheet. The fair value for these investments at 30 June 2021 was EUR 445m (EUR 167m) 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. There has not been any transfers between levels in the fair value hierarchy during the periods presented.

Level 3 fair values (financial investments)

The table below shows a reconciliation of level 3 fair values for financial investments.

| EURm | H1 2021 | 2020 |
|------------------------------|------------|------------|
| Opening balance | 167 | 66 |
| Net change in fair value | 34 | 16 |
| Acquisitions | 2 | - |
| Investments | 254 | 93 |
| Divestments | -12 | -5 |
| Classified as held for sale | - | -2 |
| Balance end of period | 445 | 167 |

Net change in fair value is included in "Carried interest and investment income" in the income statement.

Part of the purchase price in relation to the sale of business 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 measures the earn-out to fair value in the balance sheet. The fair value at 30 June 2021 amounted to EUR 20m (EUR 20m as of year-end) 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 sensitivity analysis

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% in the adjusted net asset value would affect the fair value of the investments at 30 June 2021 with EUR 45m (EUR 17m). 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 methodo-

logies and different unobservable inputs in the underlying investments of 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 concerning the 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% in the size of future funds would not have a material impact on the fair value of the earn-out as of 30 June 2021. The effect would be recognized in net income for the period from discontinued operations.

Disclosures of fair value of financial assets and financial liabilities recognized at cost

EQT AB Group's other financial instruments consist mainly of short-term receivables, accounts payable, deposits in commercial banks. The Group considers the carrying amounts of those financial instruments to be reasonable approximations of their fair values.

Note 4 other operating expenses

| EURm | H1 2021 | H1 2020 |
|-----------------------------------|------------|------------|
| Administrative expenses | -37 | -33 |
| External services 1) | -51 | -23 |
| IT expenses net of capitalization | -9 | -6 |
| Other operating expenses 1) | - | -5 |
| Other operating expenses | -97 | -67 |

1) In 2021 items affecting comparability of EUR 24m (external services) and EUR 9m (administrative expenses) relates to transaction and integration costs as a result of the acquisition of Exeter. In 2020 items affecting comparability of EUR 5m (other operating expenses) relates to an adjustment of the fair value of the acquired right to carried interest in segment Private Capital due to a decreased gross MOIC.

Notes to the consolidated financial statements

Note 5 discontinued operations

Background to divestment of Credit

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 and as communicated on 18 June 2020 a signed agreement with Bridgepoint was entered into. As communicated on 26 October 2020 the transaction was completed. 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 measures the earn-out to fair value in the balance sheet, see note 3. The fair value at 30 June 2021 amounted to EUR 20m (EUR 20m as of year-end). The change in fair value is included in capital gain. 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 30m and EBITDA amounted to EUR 13m.

Income statement for discontinued operations

| EURm | H1 2021 | H1 2020 |
|---|---------|---------|
| Total revenues | – | 18 |
| Personnel expenses | – | -7 |
| Other operating expenses | – | -4 |
| Total operating expenses | – | -11 |
| EBITDA | – | 7 |
| Margin, % | – | 37% |
| Depreciation and amortization | – | 0 |
| Operating profit (EBIT) | – | 7 |
| Net financial income and expenses | – | 0 |
| Income taxes | – | -1 |
| Net income | – | 6 |
| Capital gain | 0 | – |
| Transaction related costs | – | -17 |
| Net income for the period from discontinued operations | 0 | -12 |

Cash flow from discontinued operations

| EURm | H1 2021 | H1 2020 |
|-------------------------------------|---------|---------|
| Operating cash flow | – | -8 |
| Investing activities | – | -17 |
| Financing activities | – | 37 |
| Net cash flow for the period | – | 13 |

Notes to the consolidated financial statements

Note 6 business combination

As of 1 April 2021, EQT acquired 100 % of Exeter Property Group (Exeter). Exeter is a leading global real estate investment manager that operates in the attractive logistics/industrial space in the US and Europe. The company has a growing presence in US life science/suburban office and residential multi-family segments which is highly complementary to EQT's existing strength in European Real Estate. The transaction is part of EQT AB's strategic growth ambitions within real estate and creates a scaled thematic investment platform across North America and Europe. Despite EQT's high bar for strategic M&A, Exeter is one of the few opportunities that EQT has identified which clears and well surpasses it. With its value-creation-focused investment approach, one of the strongest track-records in value-add real estate globally, and importantly, a people-and-performance-centric culture, EQT and Exeter are all well-aligned. Further, the combination brings 60 new clients to the EQT platform. The total consideration is EUR 1,559m, comprising new EQT AB shares EUR 927m (corresponding to 33,296,240 shares) and cash EUR 632m. Of the total consideration, EUR 249m in shares to management are subject to vesting conditions under a "leaver put option clause", meaning that if the management person becomes a bad leaver, such as voluntary resignation or termination for cause, the person will need to return the unvested shares to EQT for nil consideration. The leaver put option arrangements have from an accounting perspective been separated from the business combination. The consideration has initially been accounted for as a prepayment and will be recorded as personnel expenses over the vesting period of 1-3 years. The purchase consideration for the business combination is EUR 1,310m.

The fair value of the shares is calculated with reference to the quoted price of the EQT shares at the date of acquisition, which was SEK 284.50 per share.

Transaction costs (including M&A insurance) of EUR 28m were expensed and are included in other operating expenses.

Total consideration

| EURm | |
|--|--------------|
| Shares issued, at fair value | 927 |
| Cash consideration | 632 |
| Total consideration | 1,559 |
| Employment linked consideration (Shares issued, at fair value) | -249 |
| Purchase consideration for the business combination | 1,310 |

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

| EURm | Fair value recognized on acquisition |
|---|--------------------------------------|
| Trademarks and trade names | 67 |
| Existing contracts | 259 |
| Investor relationships | 420 |
| Right of use assets | 2 |
| Financial investments | 2 |
| Deferred tax asset | 31 |
| Receivables | 14 |
| Other current assets | 12 |
| Cash and cash equivalents | 2 |
| Interest bearing liabilities | -257 |
| Lease liabilities | -2 |
| Deferred tax liability - Intangibles | -7 |
| Current liabilities | -22 |
| The fair values of the identifiable assets and liabilities | 520 |
| Goodwill | 790 |
| Purchase consideration for the business combination | 1,310 |

Analysis of cash flows on acquisition

| EURm | |
|---|-------------|
| Cash consideration (included in cash flows from investing activities) | -632 |
| Net cash acquired (included in cash flows from investing activities) | 2 |
| Transaction costs of the acquisition (included in cash flows from operating activities) | -28 |
| Net cash flow on acquisition | -658 |

The purchase price allocation is provisional subject to the completion of the transaction closing process.

The goodwill mainly relates to assembled work force and the value of the right to use the existing business as platform to start a number of new funds. Goodwill is allocated entirely to the segment Real Asset.

Trademarks and trade names relate to Exeter.

Goodwill and other PPA-related items are expected to be tax deductible except for an amount of EUR 23m. The deferred tax asset relates to the tax value of acquired carried interest.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

From the date of acquisition, Exeter contributed EUR 39m of revenue and EUR 25m to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been EUR 738m and profit before tax from continuing operations for the Group would have been EUR 412m.

Notes to the consolidated financial statements

| Measure | 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 1. | 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 1. | 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. |

Alternative performance measures (APM)

To increase the understanding of the development of the operations and the financial position of EQT AB Group, EQT presents some alternative performance measures in addition to financial measures defined by IFRS. EQT believes these measures provide a better understanding of the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS are useful information to investors combined with other measures that are calculated in accordance with IFRS.

These alternative performance measures should not be considered in isolation or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by EQT, may not be comparable to other similarly titled measures used by other companies.

Notes to the consolidated financial statements

| Measure | Definition | Reason for use |
|-----------------------------|--|---|
| Adjusted EBITDA | <p>EBITDA adjusted for items affecting comparability and revenue adjustments.</p> <p>Items affecting comparability means items that are reported separately due to their character and amount. For a specification of items affecting comparability, see note 1.</p> <p>For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see note 1.</p> | Adjusted EBITDA is a useful measure for showing profitability of the operations and increases the comparability between periods. |
| Adjusted EBITDA margin, % | Adjusted EBITDA divided by Adjusted total revenue. | Adjusted EBITDA margin is a useful measure for showing the profitability of the operations and increases the comparability between periods, relative to total revenue generated by the Group during the period. |
| Adjusted net income | <p>Net income adjusted for items affecting comparability and revenue adjustments.</p> <p>Items affecting comparability means items that are reported separately due to their character and amount, see note 1.</p> <p>Revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see note 1.</p> | Adjusted net income is a useful measure for showing the profitability generated by the Group as this measure is adjusted for items affecting comparability between periods. |
| Adjusted earnings per share | Adjusted net income in relation to average number of shares. | Adjusted earnings per share is a useful measure for showing the profitability per share generated by the Group as this measure is adjusted for items affecting comparability between periods. |
| Financial net cash | Cash, cash equivalents and short-term loan receivable less interest-bearing liabilities (current and non current). | Financial net cash / (net debt) is used to assess the Group's financial position in terms of the possibility to make strategic investments, payment of dividend and fulfillment of financial commitments. |

Notes to the consolidated financial statements

Adjusted total revenue

| EURm | HI 2021 | HI 2020 |
|-------------------------------|------------|------------|
| Total revenue | 709 | 264 |
| Revenue adjustments | 2 | -3 |
| Adjusted total revenue | 711 | 261 |

Adjusted EBITDA / Adjusted net income / Adjusted EPS

| EURm | HI 2021 | HI 2020 |
|--|------------|-----------|
| Net income for the period from continuing operations | 361 | 59 |
| Income taxes | 36 | 9 |
| Net financial income and expenses | 6 | -6 |
| Operating profit (EBIT) | 403 | 62 |
| Amortization of acquisition related intangible assets | 18 | - |
| Depreciation and amortization | 16 | 17 |
| EBITDA | 437 | 79 |
| Revenue adjustments | 2 | 1 |
| Items affecting comparability | 53 | - |
| Adjusted EBITDA | 492 | 80 |
| Depreciation and amortization | -16 | -17 |
| Net financial income and expenses | -6 | 6 |
| Income taxes (including tax on adjustments) | -37 | -9 |
| Adjusted net income for the period from continuing operations | 433 | 60 |

Adjusted earnings per share, basic

| EURm | HI 2021 | HI 2020 |
|--|--------------|--------------|
| Adjusted net income, EURm | 433 | 60 |
| Average number of shares, basic | 970,175,347 | 953,066,672 |
| Adjusted earnings per share, basic, EUR | 0.446 | 0.063 |

Adjusted earnings per share, diluted

| EURm | HI 2021 | HI 2020 |
|--|--------------|--------------|
| Adjusted net income, EURm | 433 | 60 |
| Average number of shares, diluted | 970,415,018 | 953,552,787 |
| Adjusted earnings per share, diluted, EUR | 0.446 | 0.063 |

Financial net cash / (Net debt)

| EURm | HI 2021 | HI 2020 | 2020 |
|---|-------------|------------|------------|
| Cash and cash equivalents | 387 | 804 | 878 |
| Short term loan receivable 1) | - | 8 | - |
| Interest-bearing liabilities - current | - | -8 | - |
| Interest-bearing liabilities - non-current 2) | -500 | - | - |
| Financial net cash / (Net debt) | -113 | 804 | 878 |

1) Short term loan receivable is a subtotal of Other current assets.

2) Nominal amount.

Definitions

AUM

Assets Under Management ("AUM") represents the total committed capital from fund investors and net invested capital to which the 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.

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.

Current Gross MOIC (Multiple of Invested Capital)

A fund's Gross MOIC based on the current total value and cost of its underlying investments.

Investment level / % Invested

Measures the share of a fund's total commitments that has been utilized. Calculated as the sum of (i) closed and/or signed investments, including announced public offers, (ii) any earn-outs and/or purchase price adjustments and (iii) less any expected syndication, as a % of a fund's committed capital.

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 (for the avoidance of doubt excluding the EQT funds and their portfolio companies).

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 size

Total committed capital for a specific fund.

Gross inflows

New commitments through fundraising 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. Refers to signed realizations in a given period.

Gross MOIC

Total value of investments divided by total cost of investments.

Investments

Signed investments by an EQT fund.

Key funds

Funds with commitments that represent more than 5% of total commitments in active funds, respectively, as well as EQT Infrastructure II.

Net invested capital

Total cost of investments not yet realized (remaining cost). Management fees are generally based on net invested capital

after the commitment period / investment period.

Post-commitment period / Divestment period

Phase of a fund lifecycle after the commitment period, in which most of a fund's investments are realized. Management fees are normally based on the net invested capital during the period.

Private Capital

Business segment comprised of business lines Private Equity, Ventures, Growth and Public Value.

Real Assets

Business segment comprised of business lines Infrastructure and EQT Exter.

Realized value / (Realized cost)

Value (cost) of an investment, or parts of an investment, that at the time has been realized.

Remaining value / (Remaining cost)

Value (cost) of an investment, or parts of an investment, currently owned by the EQT funds.

Start date

A fund's start date is the earlier of the first investment or the date when management fees are charged from fund investors.

Step-down

Step-downs in AUM generally resulting from the end of the investment period in an existing fund or when a subsequent fund starts to invest. Fees in a specific fund will normally be charged on net invested capital post step-down.

Target Gross MOIC

Measure used in fundraising of an EQT fund as a fund's target level of investment return based on Gross MOIC.

About EQT

EQT is a purpose-driven global investment organization focused on active ownership strategies. With a Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. Uniquely, EQT is the only large private markets firm in the world with investment strategies covering all phases of a business' development, from start-up to maturity. EQT today has approximately EUR 71 billion in assets under management across 27 active funds within two business segments – Private Capital and Real Assets.

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 manages and advises funds and vehicles that invest across the world with the mission to future-proof companies, generate attractive returns and make a positive impact with everything EQT does.

The EQT AB Group comprises EQT AB (publ) and its direct and indirect subsidiaries, which include general partners and fund managers of EQT funds as well as entities advising EQT funds. EQT has offices in 24 countries across Europe, Asia-Pacific and the Americas and has more than 1,000 employees.

More info: www.eqtgroup.com

Follow EQT on LinkedIn, Twitter, YouTube and Instagram

Our values What we stand for

High performing
Respectful
Entrepreneurial
Informal
Transparent

Purpose Why we exist

To future-proof companies and make a positive impact.

Vision What we strive for

To be the most reputable investor and owner.

Mission What we do and how

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