

**EQT**  
Annual and  
Sustainability  
Report 2021



**EQT**

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EQT

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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. EQT's sustainability reporting is found in the following chapters and pages: Reflections on 2021 and beyond (12), Future-proofing and making a positive impact (28-33), People (39-44), Climate and Environment (47-49), EQT AB Group and Financial model (66) and in the Sustainability notes (68-94). The Sustainability Report has been prepared in accordance with the GRI Standards: Core option and a GRI content index has been prepared. EQT's sustainability reporting further fulfills the requirement for a statutory sustainability report found in the Swedish Annual Accounts Act. The combination with Exeter was completed on 1 April 2021. In November 2021, EQT AB signed an agreement to acquire Life Sciences Partners. The transaction closed on 28 February 2022. This report is also available in Swedish. In the event of discrepancies, the Swedish original will supersede the English version. Data as of 31 December 2021, unless otherwise stated.

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# 01

## EQT – a purpose-driven organization

EQT is a purpose-driven global investment organization solely focused on active ownership strategies. With a Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. EQT has investment strategies covering all phases of a business' development, from start-up to maturity.

### 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

### 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.

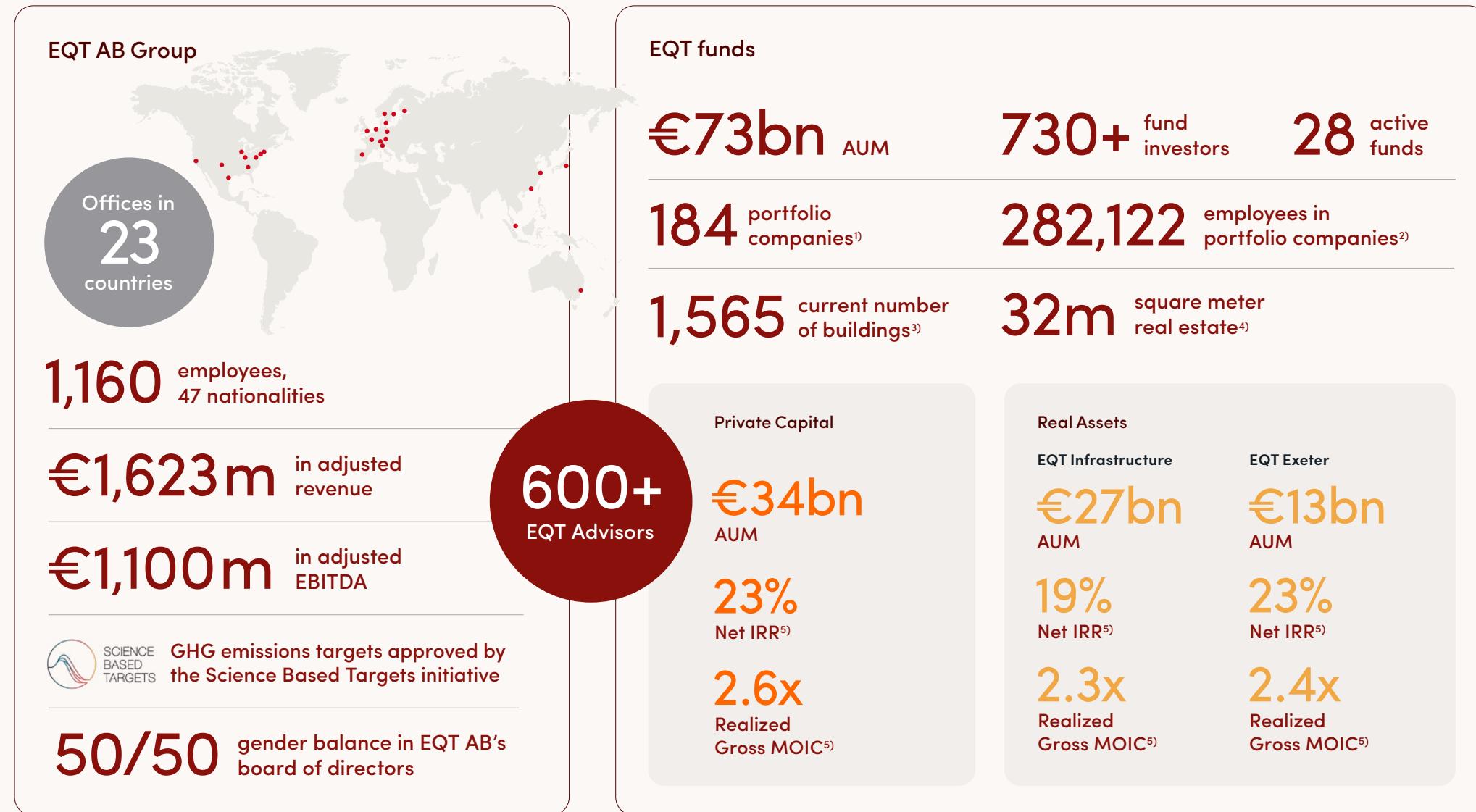
### Vision What we strive for

To be the most reputable investor and owner.

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# EQT facts



<sup>1)</sup> Of which 85 are investments by the EQT Ventures funds. Includes EQT Growth and EQT Public Value, excludes EQT Exeter.

<sup>2)</sup> Excludes portfolio companies in EQT Ventures, EQT Public Value and EQT Exeter.

<sup>3)</sup> Properties in EQT's business line EQT Exeter, including EQT Real Estate fund I and II.

<sup>4)</sup> Net leasable area.

<sup>5)</sup> Includes EQT funds raised prior to 2012, which are not managed by the EQT AB Group, excludes EQT Public Value.

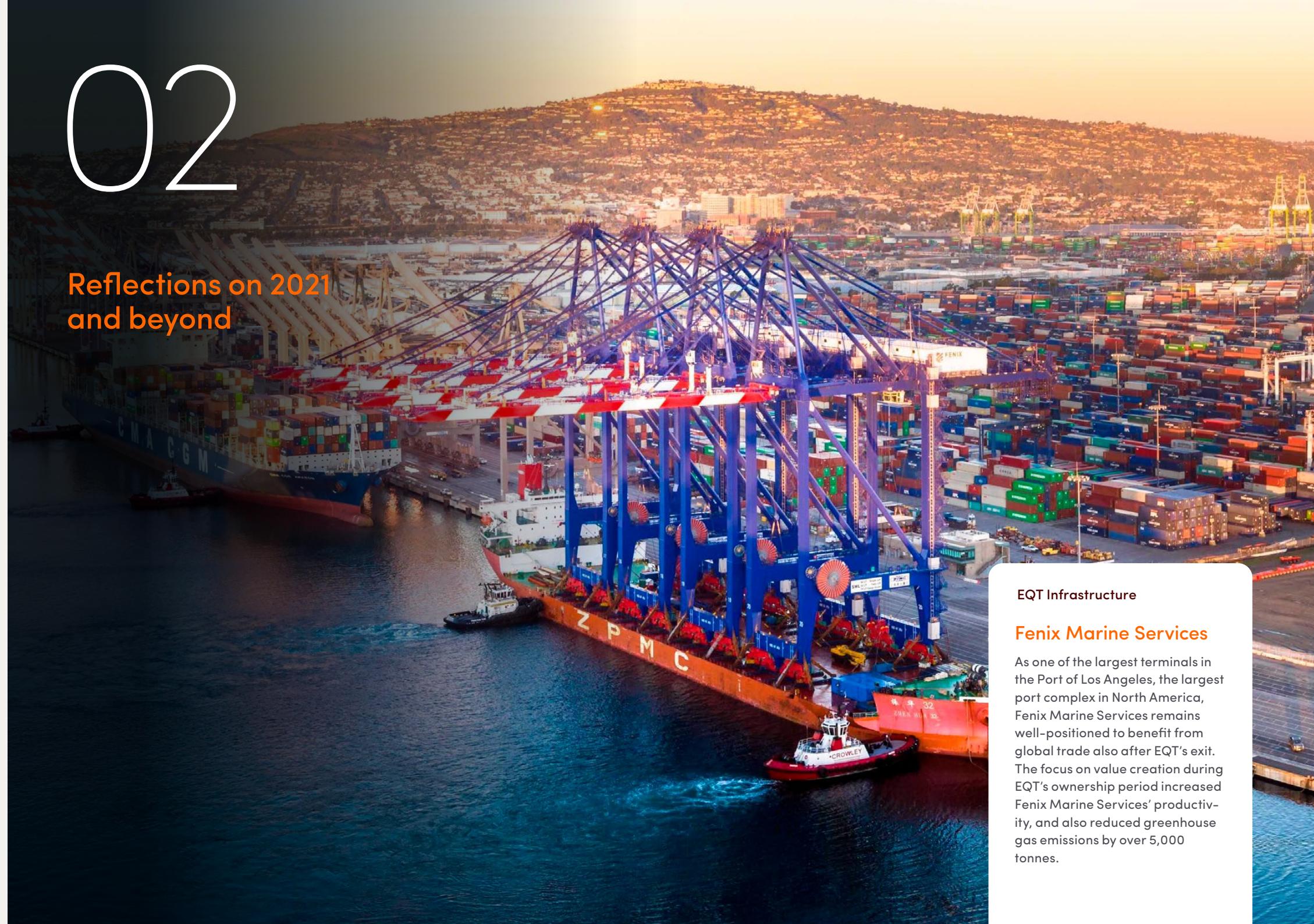
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# 02

## Reflections on 2021 and beyond



**EQT Infrastructure**

### Fenix Marine Services

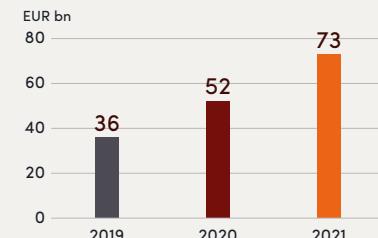
As one of the largest terminals in the Port of Los Angeles, the largest port complex in North America, Fenix Marine Services remains well-positioned to benefit from global trade also after EQT's exit. The focus on value creation during EQT's ownership period increased Fenix Marine Services' productivity, and also reduced greenhouse gas emissions by over 5,000 tonnes.

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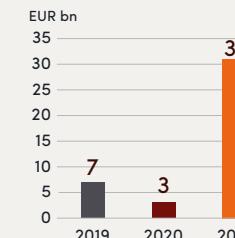
### Assets under management (AUM)



### Investments by EQT funds



### Gross EQT funds exits



### Fundraising

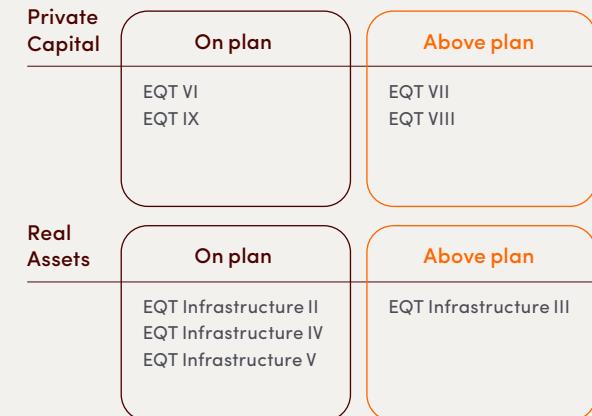
- AUM grew by EUR 21bn, up 40 percent to EUR 73bn.
- EQT Exeter contributed with AUM of EUR 9bn as of closing.

### EQT funds, investment and exit activity

Exit activity was strong in 2021, realizing EUR 31bn to deliver considerable proceeds to clients while allowing investment advisors to focus on value creation in more recent funds and investments.

### Value creation

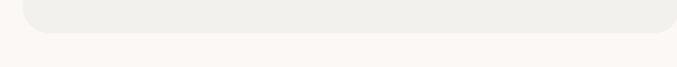
All key EQT funds are on or above plan to meet Gross MOIC targets.



# 2021 in brief

## Key events

- EQT joined forces with BPEA, creating a scaled active ownership platform in Asia.
- EQT joined forces with Exeter, creating a global leader in value-add real estate.
- EQT Infrastructure V, EQT IX and EQT Exeter Europe Logistics Value IV held final closes at EUR 15.7bn, EUR 15.6bn and EUR 2.1bn in AUM, respectively.
- EQT became the first private markets firm in the world to issue a sustainability-linked bond, raising EUR 500m.
- EQT AB's Annual Shareholders' Meeting elected Margo Cook and Marcus Wallenberg as new board members of EQT AB.
- EQT Future was launched, a longer-hold fund with impact at its core.
- EQT became the first private markets firm to get approved greenhouse gas emission reduction targets by the Science-Based Targets initiative.
- EQT strengthened its presence in APAC by opening offices and announcing senior hires in Japan and Korea.
- EQT entered into an agreement to join forces with LSP, strengthening EQT's position in healthcare.



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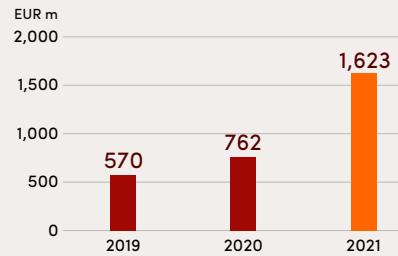
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# 2021 in brief continued

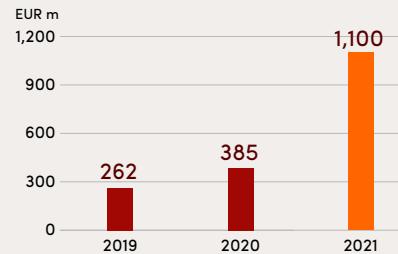
## Financials

### Total revenue<sup>1)</sup>



Increase in revenue primarily driven by management fees generated from EQT Infrastructure V and EQT IX, the addition of Exeter as well as carried interest.

### EBITDA<sup>1)</sup>



EBITDA margin increased from 51 percent in 2020 to 68 percent in 2021.

## People

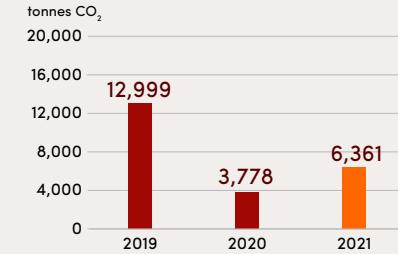
### Employees



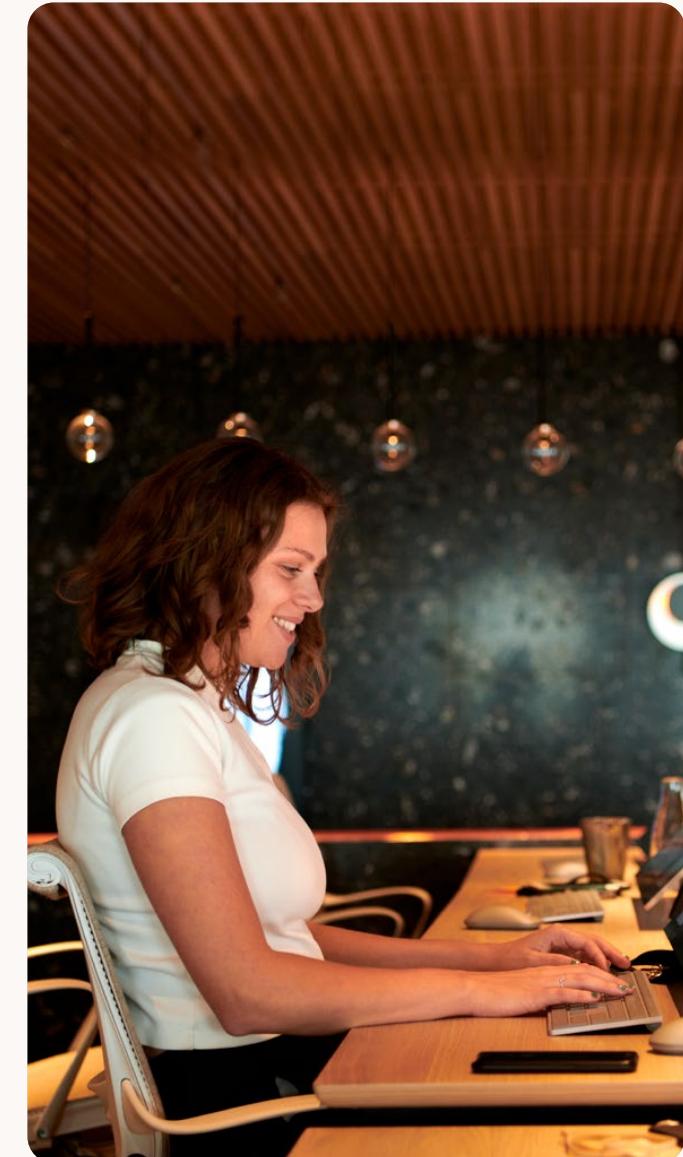
FTE+ grew by 450, of which EQT Exeter accounted for 300, with additional investments in talent across the platform to support EQT's future growth.

## Climate

### Greenhouse gas emissions<sup>2)</sup>



Greenhouse gas emissions remained low compared to the 2019 baseline. The uptake from 2020 was primarily due to increased number of employees and lessened business travel restrictions.



<sup>1)</sup> Adjusted figures.

<sup>2)</sup> EQT AB Group, emissions from own operations (Scope 1, 2 and 3 in metric tons). See Sustainability notes for emissions from the EQT funds' portfolio.

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## Letter from the Chairperson

# Our culture is our competitive advantage

EQT's business is all about making good companies better. At EQT, this goes beyond capital and IRR. We are here to do good, and doing good is good business. But this also serves our organization with a higher purpose. When strong companies build sustainable communities, we have potential to make a positive impact – on a global scale. This mission to do good, fills our organization with a purpose that strengthens our culture and it is very much in line with our values.

One of the most important factors in our business is measured when we sell a company – as the company should be in better shape than it was at acquisition. By future-proofing our investments and assets, EQT adds value to all its stakeholders by building sustainable companies that can prosper long after EQT's ownership.

This mindset is a key element in safeguarding our cultural identity. We need to attract the best talent, who can back the best companies, and generate the best returns. Over the years, we have put a lot of effort into fostering a culture that enables this and today, it is truly one of our competitive advantages. Retaining and strengthening EQT's culture is a strategic priority for the board as EQT continues to grow at a rapid pace.

To future-proof EQT as an attractive employer we have developed the EQT Academy to train, retain and develop our most important asset: our employees. It has proven to be an invaluable resource. We will continue to invest time and capital into the Academy to ensure that we are ahead in the battle of talent. To be successful, we want our talent to take our values and purpose to heart, and therefore we need to have a relentless focus on our culture.

On our mission to make a positive impact we need leaders who show the way. The Academy's role is to ensure that we help our staff fulfill their leadership potential, which we need to foster the next generation of leaders for our business. I envision the Academy to be like a think-tank, a place where we can discuss what we stand for, who we want to be in the future and



what we are committed to, both in terms of investment strategies and how we contribute to society.

We can only attract the best talent in the market if they know about EQT – who we are and what we stand for. As such, another strategic priority must be to continue to invest in and promoting our brand and continue to broadcast who we are, how we operate, our active ownership approach and how we responsibly contribute to society. This becomes increasingly important when expanding into new geographies and markets.

A key aspect of our positioning is being ahead of the curve. We have proven capable of this time and again. Sustainability, for example – investing with purpose – has been in EQT's DNA since inception and it has helped drive our industry-leading returns over the past three decades.

To be ahead of the curve is what led us to the IPO in 2019. The strategic imperative behind our listing was to allow the firm to continue to develop and grow. This was evidenced by the two important acquisitions we completed, respectively signed, last year. This would not have been possible had we not gone public.

In the beginning of 2021, we joined forces with Exeter to help accelerate EQT's growth ambitions in real estate. The combination has been transformative for us, strengthening our existing real estate business, and giving us a very successful global property investment platform.

In November 2021, EQT signed an agreement to acquire the venture capital investor Life Sciences Partners. The addition delivers new skills and insights in the Healthcare sector where we aim to become a world leader. With LSP, we are now able to invest in healthcare companies across all stages of their development, from early stage to maturity. Building a platform that can support companies over the entire life cycle has been successful for us in the technology space and I am confident it will deliver the same results in healthcare.

With the two acquisitions, we have further strengthened the EQT platform and made significant progress towards our goal of becoming a genuinely global player across our selected asset classes.

It has been an exciting year, and now we are looking forward to what the coming year will bring. As every year, we are aiming to remain as relevant and attractive as we can by leveraging our purpose-driven organization and thematic investment approach – to make a positive impact in everything we do.

And as always, everything can always be improved, everywhere, at all times.

**Conni Jonsson**  
Founder and Chairperson

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## Letter from the CEO

# With a transformational mindset

The world is changing fast. Innovation is continuously reshaping industries as new companies and sub-sectors emerge. In recent years, the pandemic, along with the availability of capital at record low rates, has further accelerated change. The way we work, live, recruit, inspire and motivate talent is evolving.

The global economy is facing higher energy prices, inflation and rising interest rates. At the same time, the world is challenged by the climate emergency, disease, inequality and increased geopolitical tensions.

Change can be disruptive, but, for the most part, it leads to the better, paving the way for new opportunities. Having the ability to understand global trends and enabling change is perhaps more important than ever. At EQT, that is exactly our mission.

We are approximately 1,200 employees globally, representing 47 nationalities. The portfolio companies employ over 280,000 people across more than 180 companies. Together, we have an opportunity to drive transformation not only across our portfolio companies, but across the industries and societies in which we operate, to make a positive impact at scale. This is what I and everyone at EQT work towards with respect, passion, and determination.

**“Change can be disruptive, but, for the most part, it leads to the better, paving the way for new opportunities.”**

### Standing with Ukraine

The scope of EQT's ecosystem also comes with responsibilities. In turbulent times, we are obliged to act as a responsible corporate citizen and to do what's in our power to make a positive impact in the societies we operate in. We are deeply saddened by the devastating situation taking place in Ukraine and will continue to do all we can to provide support for the portfolio companies and the people affected. While EQT funds do not own any companies headquartered in Ukraine or Russia, the EQT Executive Committee has recommended all portfolio companies to wind down operations and activities in Russia.

### A wide-angle lens and a microscope at once

EQT has many tools to help make informed decisions about how to pri-

oritize where our capital can make the greatest impact. Take technology, for example, where we invest across the economic life cycle of businesses, from start-up and early stage through EQT Ventures, through to the expansion phase via EQT Growth and on to maturity via our flagship funds. This broad sweep allows us to garner rich insights, data and knowledge about where technology is headed and important trends. It is like being able to see through a wide-angle lens and a microscope at once.

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Over the past year, we have added new knowledge to our platform, as we teamed up with Exeter and Life Sciences Partners (LSP). We have also expanded our investment strategies with the launches of EQT Growth, EQT Future, and more recently, EQT Active Core Infrastructure. The objective is clear – to make EQT an even better investor and owner, with an even stronger ability to deliver on our purpose and our mission – to generate superior returns for EQT's clients.

With EQT Exeter, we have established EQT as a global leader in value-add real estate, while further strengthening EQT's presence in the US. Building on an exceptional performance track record, we are continuing to expand EQT Exeter's footprint, including the recent addition of a real estate team in APAC.

The addition of LSP further strengthens EQT's position in healthcare, adding scientific expertise to make us an even better healthcare investor. With EQT Life Sciences, we are able to back healthcare businesses all the way from early stage, to mature, leading companies. We will continue to selectively evaluate opportunities to strengthen our business lines and geographic presence through acquisitions, always guided by EQT's values and strategy.

EQT Future, a longer-hold strategy designed to have market-shaping impact, is another exciting addition to our platform. It will push the impact agenda for all of EQT's funds, with a Mission Board, impact linked-

KPIs, and a new impact framework, allowing us to create new tools that will inspire and improve other EQT strategies and, ultimately, all of our portfolio companies.

#### Transformation – starting with EQT

When we identify an opportunity to improve, we start by applying it to EQT, before deploying our experience into the funds' portfolio companies. Our digital and sustainability transformation journeys are good examples of this.

We began EQT's digital transformation many years ago. We hired digital talent, built our proprietary data analytics system Motherbrain, and moved our digital infrastructure to a cloud-based platform. Digital transformation has since

become an integral part of EQT's value creation toolbox. We see the benefits of these investments today, having built a more resilient and scalable EQT, and we leverage digitalization to propel value creation across the funds' portfolio companies. The sustainability path we are on, is in many ways reminiscent of our digital transformation journey.

Over the past year, we have further accelerated our strategic focus on sustainable transformation. EQT's leadership in sustainability is a competitive advantage when sourcing new investments, it is an integral part of our value creation agenda and a key theme for many of our recent fund investments. For example, we are in the process of transitioning entire fleets of buses and passenger ferries across portfolio companies in the US and the

Nordics, respectively, to ensure they run on sustainable energy.

In 2021, EQT became the first private markets firm to set science-based targets, validated by the Science Based Targets initiative. The targets encompass EQT's own direct and indirect emissions as well as, more importantly, EQT's portfolio companies, which will have their own SBTs validated by 2030, ten years faster than required by SBTi.

Similarly, EQT became the first private markets firm to issue a sustainability-linked bond. EQT AB's Sustainability-Linked Financing Framework incentivizes change both at Group level and in the funds' portfolio companies in terms of greenhouse gas reductions and diversity. Today, EQT has a gender-balanced board, and we are working actively to improve board diversity across our funds' portfolio companies.

#### Guided by our purpose

EQT is growing rapidly. We recently took another step on EQT's strategic journey, announcing the combination with Baring Private Equity Asia (BPEA), creating a scaled active ownership platform in Asia. Following the combination, EQT will be local-with-locales in 25 countries, representing around 80 percent of global GDP, thereby creating a truly global platform poised to expand EQT's active ownership strategies across its core markets.

As we look ahead, we expect our industry to continue to benefit from a structural shift in allocations of capital towards the private markets. Investors are looking to private markets to

**"Over the past year, we delivered a record amount of realizations and returned capital to clients."**

**"We have established EQT as a global leader in value-add real estate and strengthened EQT's presence in the US."**

meet return requirements, with pension funds dependent on strong returns to meet future obligations. At the same time, our ownership model is able to support companies with a long-term approach to value creation. We can deploy capital and make the investments required to build great companies and ultimately create value for our clients. As a result, companies remain private for longer, and we extend EQT's ability to support companies across life cycles.

Over the past year, we delivered a record amount of realizations and returned capital to clients. As a result, the funds' have a young portfolio, invested in fantastic companies across resilient growth sectors. We remain focused on value creation in these existing investments, while seizing new opportunities that arise through our thematic investment approach.

Being guided by our purpose to future-proof companies and make a positive impact in everything we do will best equip EQT for what lies ahead. We set out to make a positive impact, whatever changes and challenges the future holds.

**Christian Sinding**  
CEO and Managing Partner

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# Towards our targets

**Strategic** – EQT's strategic ambition consists of six key pillars:

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

02 Generate superior risk-adjusted returns through thematic active ownership.

03 Solidify Europe, win North America and expand APAC.

04 Become the no. 1 global leader in Infrastructure, a global top 5 player in Private Capital and Real Estate.

05 Increase the scaling speed of EQT's operating platform.

06 Stay ahead on culture, talent management and leadership.

## 2021 - highlights

- EQT set science-based targets and issued a sustainability-linked bond.
- EQT launched EQT Future – a new strategy with impact at its core.

- EUR 21bn of thematic investments.
- Realizations of EUR 31bn, demonstrating EQT's ability to exit future-proofed companies.
- All key funds are performing on or above plan.

- EQT joined forces with BPEA, creating a scaled active ownership platform in Asia.
- EQT further strengthened its US footprint through the combination with Exeter.

- The combination with Exeter positioned EQT as a global leader in value-add real estate investing.

- EQT improved its organizational structure.
- Invested in digital efficiency and resilience.
- A new Investor Portal was launched to improve the customer journey.

- EQT continued to invest in talent, having increased FTE+ by 450 in 2021, of which 300 relate to EQT Exeter.
- EQT strengthened its talent management platform.
- EQT accelerated its Diversity, Equity and Inclusion initiatives.

## Reflections on the future

- Investments to meet societal challenges and decarbonization represent a thematic investment opportunity.
- In 2022 EQT will announce new sustainability ambitions for 2030.

- The Investment Advisory Professionals are proactively managing risks and potential macro-headwinds.
- EQT is accelerating its focus on sustainability and continues to focus on digitalization – both critical tools for value creation.

- EQT will continue to strengthen its strategies and global footprint through organic growth and selective acquisitions.
- EQT is launching a new longer-hold strategy within Infrastructure – EQT Active Core Infrastructure.
- EQT is in the process of raising EQT X, its latest flagship fund in Private Capital, with a target size of EUR 20bn.

- Over the medium term, EQT Central's costs are expected to grow at approximately half of the growth rate of assets under management.

- EQT will continue to develop the EQT Academy, an important tool in identifying and developing EQT's future leaders.
- The EQT Academy plays a key role in safeguarding EQT's culture.

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# Towards our targets

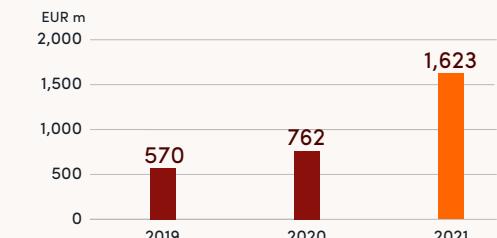
**Financial** – The EQT AB board of directors has adopted the following medium to long-term financial targets over a fund cycle:

## 01 Revenue growth

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

- The increase in revenue was primarily driven by management fees from EQT Infrastructure V and EQT IX, management fees from EQT Exeter and carried interest from EQT VIII.

### Revenue<sup>1)</sup>

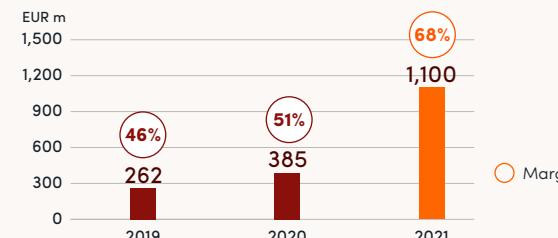


## 02 EBITDA margin

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

- EBITDA margin widened from 51 percent to 68 percent, due to higher management fees and higher carried interest and investment income.

### EBITDA / EBITDA margin<sup>1)</sup>

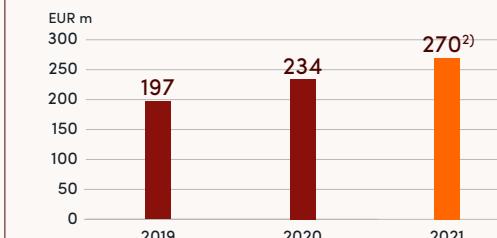


## 03 Dividend policy

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

- The EQT AB board of directors has proposed a dividend of SEK 2.80 per share, to be paid in two installments.

### Dividend



<sup>1)</sup> Adjusted figures.

<sup>2)</sup> The board has proposed a dividend of SEK 2.80 per share, corresponding to approximately EUR 270 million, using EUR/SEK rate 10.2503 as of 31 December 2021 and based on the total number of shares outstanding as of 31 December 2021.

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# Towards our targets

**Sustainability** – EQT's current sustainability ambitions and targets consist of:

## 01 Environmental

Clean & Conscious

Transform ways of operating in line with science.

## 02 Social

Diversity & Upskilling

Attract and nurture a diverse, world-class team and network.

## 03 Governance

Transparency & Accountability

Champion transparency to build trust.

### EQT's set science-based targets

- EQT's greenhouse gas emissions reduction targets were validated by the Science Based Targets initiative – encompassing EQT's operations' Scope 1, 2 and 3 as well as EQT funds' investments. The targets have set EQT on a path towards net zero.

[Read more about EQT's science-based targets in Climate and environment.](#)

### Renewable electricity secured in EQT AB Group's offices

- EQT AB Group has continued to source 100 percent renewable electricity.

### EQT supported the shift towards renewable electricity in EQT funds' portfolio companies

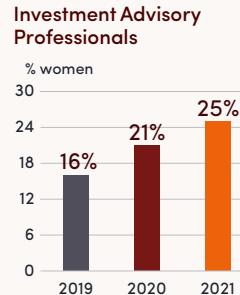
- More than 30 portfolio companies are participating in the 2021 procurement of Energy Attribute Certificates, whereof more than 20 companies are targeting 100% renewable electricity status.

### Climate risk management enhanced

- Enhanced alignment of EQT's risk management approach to the TCFD framework.

### Diversity, Equity and Inclusion work strengthened

- Increased focus beyond gender diversity. Engagement and education within diversity, equity and inclusion including targeted hiring efforts.
- Women representation among Investment Advisory Professionals continued to increase.



### Towards gender balance in portfolio companies' boards

- Average percentage of women appointed by EQT funds' as independent board members increased to 31 percent – long-term target of at least 40 percent announced.



[Read more about EQT's focus on Diversity, Equity and Inclusion in People.](#)

### Promoting and exercising transparency

- EQT joined the World Economic Forum's Stakeholder Capitalism Metrics community, committing to measuring and demonstrating its contribution to society by using a common core set of metrics and disclosures.
- Additional ESG data disclosed in the EQT Annual and Sustainability Report 2021, including greenhouse gas emissions and board gender diversity by key fund.

### Sustainability-linked bond to align incentives

- Completion of EQT AB's inaugural sustainability-linked bond, the first sustainability-linked note to be issued by a private markets firm where the bond's coupon rate is connected to predetermined sustainability performance targets.

[Read more about the tracking towards the EQT AB sustainability-linked bond targets in EQT AB Group and Financial model.](#)

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EQT

# 03

## Private markets



EQT Exeter

### Industrial portfolio sale

In one of the largest industrial real estate transactions in US history, EQT Exeter sold a portfolio of 328 quality supply chain and e-commerce facilities, assembled through over 100 transactions in three years. In this time, occupancy was raised from 55 percent to 95 percent. With its unique capabilities, EQT Exeter will continue to operate the assets going forward.

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# Private markets outlook

Private markets have experienced strong growth in recent years. The market is expected to grow further, supported by increased allocations, while companies remain private for longer.

## Increasing allocations to private markets

Factors such as low interest rates, strong investment returns, diversification and low correlation with public markets are driving an increase in allocations to the private markets. These structural dynamics are expected to sustain, supporting continued growth in private markets. In a survey by Preqin, 95 percent of investors stated that they expect to increase or maintain their allocations to private markets in the long term.

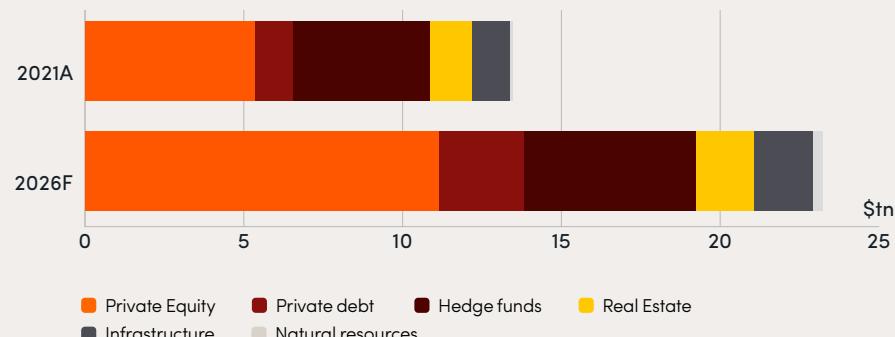
In 2021, assets under management (AUM) in alternative assets reached USD 13.3 trillion. Looking at the private markets in particular, which excludes hedge funds, AUM stood at USD 8.9 trillion. The industry is expected to grow at a CAGR of

approximately 15 percent until 2026 to reach USD 17.8 trillion. Within the asset classes, private equity and infrastructure are forecasted to grow at an even faster pace in the coming five years compared to the ten previous years. Real estate AUM is expected to grow to USD 1.8 trillion by 2026.<sup>1)</sup>

believes its approach to value creation, driven by transforming companies and assets through active ownership, could become relatively more important for investors as they seek to secure returns.

**Inflation and higher yields – search for returns continues**  
According to a survey by PEI, more than 90 percent of investors expect private equity to outperform their benchmarks in 2022. In that same survey, some 40 percent of investors believe that inflation could have a negative impact on performance going forward. Last year, that figure stood at just 6 percent. EQT

Alternative assets under management and forecast, 2021A–2026F<sup>1)</sup>



Source: Preqin, Private Equity International, BCG market study, EQT Analysis.

<sup>1)</sup> 2021 figure is annualized based on data to March. 2022–2026 are Preqin's forecasted figures.

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# EQT in the private markets

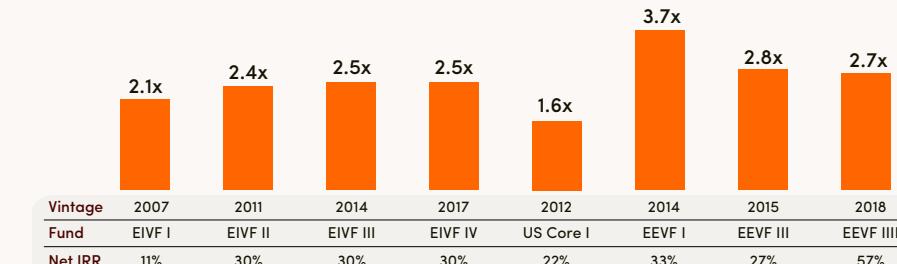
For almost three decades EQT has delivered consistent and attractive risk-adjusted returns across multiple geographies, sectors and strategies.

## A strong, consistent track record

EQT has nine business lines and invests within its two business segments, Private Capital and Real Assets. This demonstrates a diversified set of investment capabilities across multiple asset classes. EQT has a proven track record of delivering attractive risk-adjusted returns to clients in both of its business segments. Several EQT funds rank top decile or top quartile and have significantly outperformed public benchmarks.

## EQT Exeter: 15-years of proven performance

Gross MOIC across EQT Exeter's funds



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

Gross MOIC across EQT's Private Equity funds



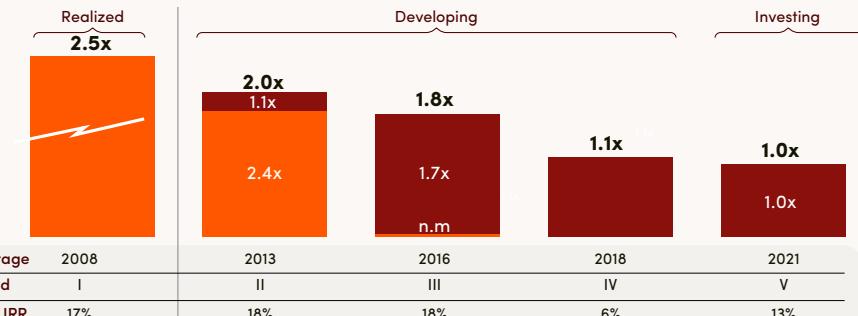
Realized Gross MOIC      Unrealized Gross MOIC

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

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

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

Gross MOIC across EQT's Infrastructure funds



Realized Gross MOIC      Unrealized Gross MOIC

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

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

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# EQT and its clients

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

## EQT's diversified client base

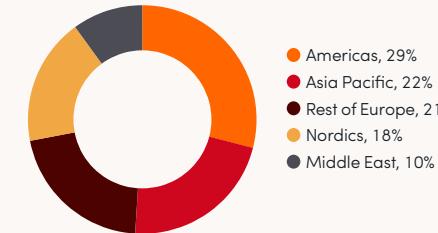
Since its inception, EQT funds have raised more than EUR 100 billion<sup>1)</sup>. The EQT client base has a low level of concentration and is well diversified across client types and geographies. Approximately 730 clients are invested in active EQT funds, as of 31 December 2021.

## Key highlights from fundraising

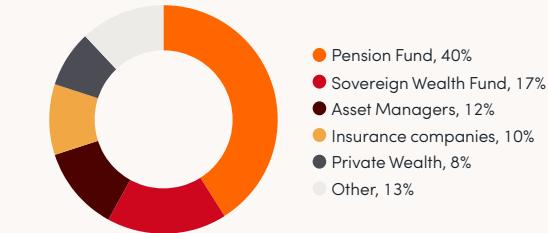
Despite the challenges posed by Covid-19 during the year, EQT raised approximately EUR 15 billion in fund commitments. In 2021 EQT Infrastructure V, EQT IX and EQT Exeter Europe Logistics Value IV held final closes at EUR 15.7 billion, EUR 15.6 billion and EUR 2.1 billion in commitments raised, respectively. Furthermore, EQT's clients deployed another EUR 10 billion of capital through 20 co-investment projects in 2021.

Read more about how the Client Relations and Capital Raising team builds and maintains relationships with EQT's clients in [Business overview](#).

## Commitments by fund investor geography



## Capital raised by client type



<sup>1)</sup> Including commitments to historical Exeter and current EQT Exeter funds.

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# Digital at the core of the client experience

In 2021, EQT placed digital at the core of the client experience by establishing a dedicated digital practice within Client Relations and Capital Raising.

Frida Nordström is leading Client Relations and Capital Raising's client-centric digital transformation. She has a background in business development and marketing in large corporations paired with extensive experience from the Silicon Valley tech scene.

## Why is EQT establishing a digital practice within Client Relations and Capital Raising?

There is almost no aspect of operational business development that is not, in some dimension, digital. We have evolved to a place where every part of EQT needs technology talent in the management team to ensure that we deliver value for EQT and its clients. A true "generalist of 2022" is also knowledgeable

within tech – there is no getting around that. It is great to see how we are strengthening all parts of the organization with these new generalists.

## What role does digital play in the client experience at EQT?

We want to deliver two main benefits, from a client perspective, by applying technology to our operations. Firstly, we want to free up time to have more strategic and inspiring conversations with our clients by automating repetitive and administrative processes. Ensuring that information and data is readily accessible is a hygiene factor for building strong and meaningful partnerships in a world of information abundance. Secondly, we want to provide an enjoyable experience when interacting

with EQT in our digital channels. To ensure we set the bar high enough in our digital channels, we benchmark our customer experience to best-in-class consumer brands.

## As a client, what improvements can you expect in 2022?

The EQT Investor Portal will have an overall usability and experience upgrade and it will be enhanced with new features for information access. These improvements include adding co-investment reporting to the platform. In addition, we are making operational interactions swifter and smoother for our clients via the Portal. It should be easy to invest with EQT, and we are constantly working to deliver on that promise.

**"There is an imagined barrier between tech and business: a lack of understanding. But, above anything, tech is logic, and unimagining that barrier is overdue."**



**Frida Nordström**  
Digital Director, Client Relations and Capital Raising

## What is the EQT Investor Portal?

Following the launch in 2020, the EQT Investor Portal is the primary tool for monitoring and managing investments in EQT's funds. The EQT Investor Portal offers:

- Secure messaging and information sharing capabilities
- Commitment overview in numbers and charts
- Fund performance data in numbers and charts
- Fund document library
- Fundraising materials for new funds
- Client support widget

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EQT

# 04

## Strategy



EQT Private Equity

**zooplus**

zooplus is a market leading online retailer for pet supplies in Europe, catering to over 8 million pet owners in 30 markets. EQT will aid zooplus' growth journey by strengthening the operational foundation through investments in technology, branding and by expanding product assortment, upgrading customer experience and improving digital marketing capabilities.

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# EQT's strategic ambition

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

## 01 Future-proof companies and have a positive impact with everything we do

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

## 02 Generate superior risk-adjusted returns through thematic active ownership

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

## 03 Solidify Europe, win North America and expand APAC

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

## 04 Become the no. 1 global leader in Infrastructure, a global top 5 player in Private Capital and Real Estate

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

## 05 Increase the scaling speed of EQT's operating platform

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

## 06 Stay ahead on culture, talent management and leadership

Continue to nurture and develop EQT's unique culture to attract, retain and develop the best individuals and promote exceptional leaders.

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<sup>1)</sup> EQT announced the acquisition of Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

<sup>2)</sup> On 2 March 2022, EQT launched EQT Active Core Infrastructure.

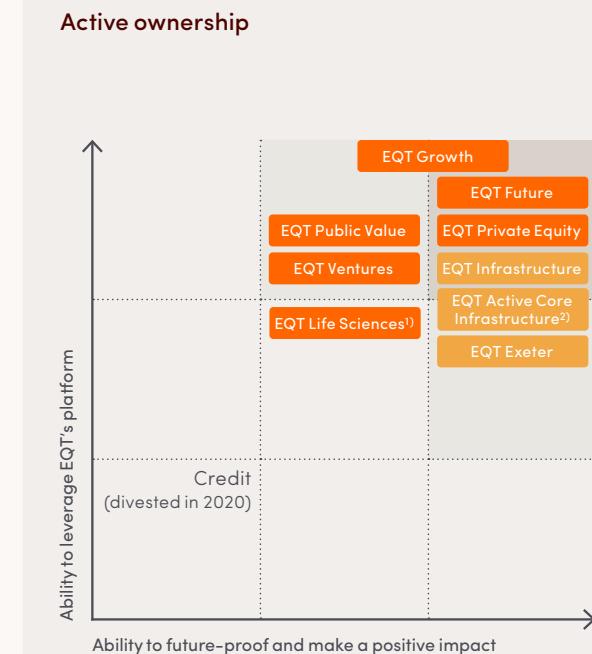
<sup>3)</sup> Includes EQT funds raised prior to 2012, which are not managed by the EQT AB Group, excludes EQT Public Value.

# Solely focused on active ownership

In its aim to make a positive impact and create strong risk-adjusted returns for EQT's fund investors EQT combines its purpose with its thematic investment approach.

## EQT's three key differentiators

EQT is solely focused on active ownership strategies where it can future-proof investments and make a positive impact, and at the same time, leverage the strengths and scalability of its platform.



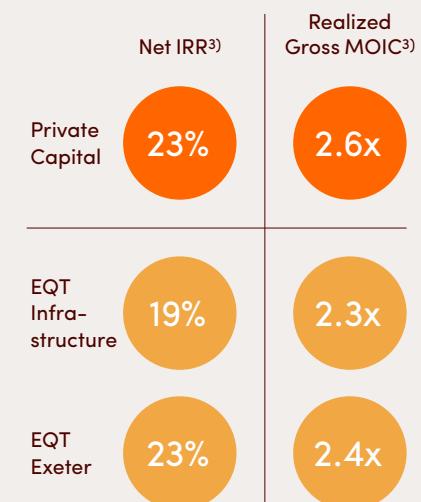
## Thematic approach

The EQT funds invest in companies and assets that are expected to benefit from strong macro trends and where EQT can be part of the solution to significant challenges of our time.

## Performance

The EQT funds have a strong track record of delivering exceptional returns for its clients.

### Fund performance



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

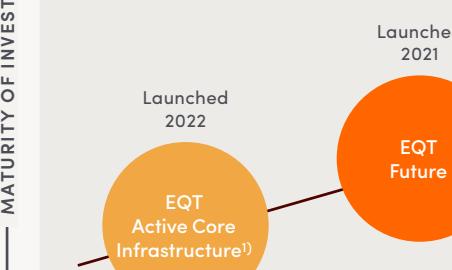
## Emerging strategies

The emerging strategies include more recently launched strategies, which EQT believes have significant long-term potential for growth and value creation.

Gross profit ~0–30%

€3bn

MATURITY OF INVESTMENT STRATEGY



Establish investment track record.

## 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.

Gross profit ~30–60%

€5bn

Launched 2016

€2bn  
EQT Growth

Launched 2021

€1bn  
EQT Ventures

Launched 2021

€2bn  
EQT Life Sciences<sup>2)</sup>

Launched 2021

€1bn  
EQT Exeter

Raise successor funds and scale strategy based on a strong track record.

## Leading strategies

The leading strategies deliver consistent and attractive returns and have a strong ability to future-proof and make a positive impact.

Gross profit up to 90%

€69bn

Launched 2016<sup>3)</sup>

€14bn  
EQT Exeter

Launched 2008

€26bn  
EQT Infrastructure

€29bn  
EQT Private Equity

Launched 1995

Continuously develop EQT's thematic investment approach and EQT Playbook.

TIME

● Private Capital    ● Real Assets

<sup>1)</sup> On 2 March 2022, EQT launched EQT Active Core Infrastructure.

<sup>2)</sup> EQT announced the acquisition of Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

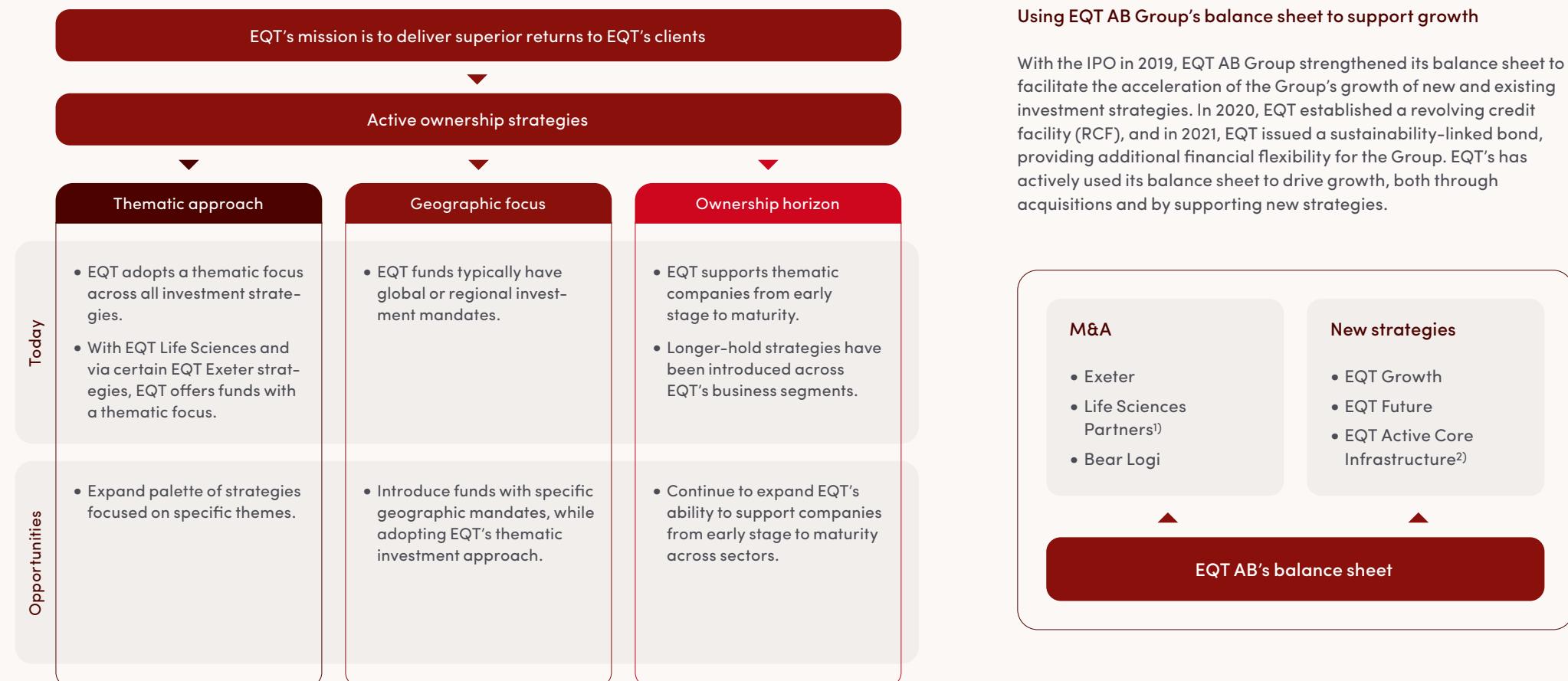
<sup>3)</sup> Exeter was founded in 2006 and acquired by EQT in 2021. EQT launched its business line Real Estate in 2016.

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# Expanding EQT's palette of active ownership strategies

EQT sees the potential to broaden its palette of active ownership strategies, always with a focus on delivering superior returns for its clients. Over time, EQT could expand its strategies with funds focused on specific investment themes, geographies or could also expand its ability to support companies from early stage to maturity.



<sup>1)</sup> EQT announced the acquisition of Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

<sup>2)</sup> On 2 March 2022, EQT launched EQT Active Core Infrastructure.

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# Strategies covering start-ups to mature leading businesses

EQT has investment strategies covering all phases of a business' development, from start-up to maturity. Mature, leading businesses benefit from understanding trends and themes relevant to the EQT funds' companies in Ventures and Growth. Simultaneously, 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.

The same mutual exchange is applicable for EQT's Investment Advisory Professionals. Learning about new thematic trends in fast-growing, technology-driven start-ups strengthens the Investment Advisory Professionals' ability to find mature companies that can benefit from trends seen in early stages.

## In practice

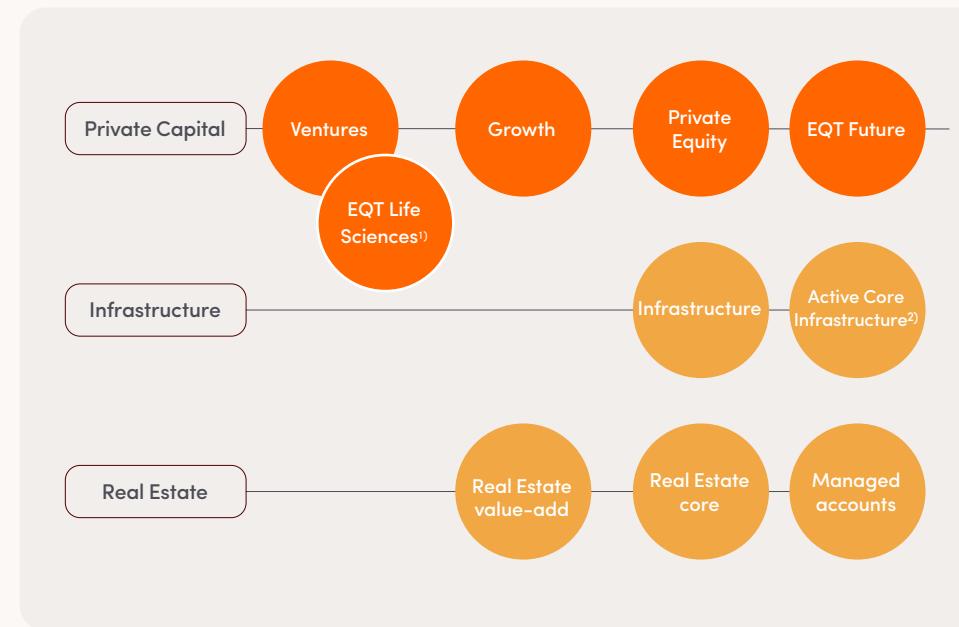
### EQT Life Sciences – healthcare expertise from start-up to maturity

In November 2021, EQT signed an agreement to join forces with Life Sciences Partners (LSP), a leading European life sciences venture capital firm. LSP brings a deep scientific knowledge base, which will enable thorough assessment of scientific risk and development of science-based companies. LSP's broad life sciences network is a great asset and is complementary to EQT's global healthcare advisory network. EQT's platform will support the new busi-

ness line EQT Life Sciences with fundraising support, in-house digitalization and sustainability capabilities. The integration of LSP into Private Capital will make EQT an even better and more innovative healthcare investor. With EQT Life Sciences, the scope has broadened for future potential deals.



## An ecosystem of strategies



<sup>1)</sup> EQT announced the acquisition of Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

<sup>2)</sup> On 2 March 2022, EQT launched EQT Active Core Infrastructure.

**"The life science industry is going through a phase of unprecedented innovation. With EQT Life Sciences, we will be able to participate in this growth opportunity and open up doors for attractive new investments in the space."**

**Michael Bauer**  
Partner and  
Co-Head of EQT's  
Global Healthcare  
sector team



**"With EQT Life Sciences, we will be able select, develop, and finance opportunities even better than before. We are convinced that joining forces is a win-win for our clients, our colleagues, the portfolio companies and the broader European life sciences ecosystem."**

**René Kuijten**  
Managing Partner  
at LSP, Partner and  
Head of EQT Life  
Sciences Advisory  
team



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# Creating a scaled active ownership platform in Asia with BPEA

In March 2022, EQT announced the combination with Baring Private Equity Asia (BPEA), a leading pan-Asian private markets firm. The combination with BPEA provides a step-change to EQT's presence in Asia, and positions EQT to execute on the structural growth opportunity in Asian private markets.

Asian private markets are expected to grow at almost twice the rate of global private markets and investors are set to materially increase their private markets allocations in the region.

With an exceptional cultural fit, a strong performance track record, aligned approach to thematic investing, and a commitment to accelerate digitalization and sustainability, the combination provides an opportunity to leverage the strengths of both organizations to create one of the leading players in active ownership in Asia.

Following the combination, EQT will be local-with-locals in 25 countries, representing around 80 percent of global GDP, thereby creating a truly global platform poised to expand EQT's active ownership strategies across its core markets.

The combined Asian Private Capital business will be rebranded as BPEA EQT Asia and will continue to be led by BPEA CEO Jean Eric Salata and BPEA's senior management team.

**"We are thrilled to embark on this journey with EQT and by the possibilities that this combination creates. It is a game-changer for both our firms and will accelerate our ability to deliver superior returns for our clients. The cultural fit between our two firms is remarkable and the strategic fit is very powerful."**

**Jean Eric Salata**  
CEO and Founder of BPEA



Note that the transaction was announced on 16 March 2022 and is therefore not included in any numbers or figures in this report.

<sup>1)</sup> BPEA's FTE+ as of 31 December 2021.

<sup>2)</sup> BPEA's office as of 31 December 2021.

<sup>3)</sup> Realized Gross MOIC since inception for Private Equity Funds (III – VII) as of December 31, 2021.

<sup>4)</sup> Net IRR since inception for Private Equity Funds (III – VII) as of December 31, 2021.

<sup>5)</sup> EQT's FTE+ based on a pro forma base which includes the acquisition of Bear Logi; BPEA's FTE+ figure as of December 31, 2021. BPEA employees outside of Asia not included.



## BPEA in short

18bn AUM 236 FTE+<sup>1)</sup> 10 Regional offices<sup>2)</sup>

2.6x Gross MOIC<sup>3)</sup> 17% Net IRR<sup>4)</sup>

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# EQT and Exeter – a successful partnership

In 2021, EQT joined forces with Exeter, one of the world's largest and best performing real estate investment managers, creating EQT Exeter.

## How has the collaboration progressed?

The combination created a global real estate investment platform, adding one of the best-performing real estate investment managers in the world to EQT's successful platform. The combination was an important milestone for both Exeter and EQT. In practice, it strengthened EQT's investor base in North America, while Exeter gained access to EQT's well-invested operating platform and expertise in the sustainability and digitalization area. Overall, the integration has been seamless, due to the alignment between our corporate cultures, with a deep commitment to performance, integrity and transparency towards fund investors.

## What is EQT Exeter's strategic focus?

EQT Exeter will focus on continuing to scale its existing strategies. We are one of the best-performing investment managers in the sector for over a decade and a half. We expect to continue as market-leaders due to our unique operating model, where we are local-with-locals with a leasing-focused investment strategy.

We will further drive the development of EQT Exeter's logistics & industrials business, scale the US life science & office and residential platforms, develop the existing European real estate platform and further strengthen the Asia-Pacific logistics & industrial business, to take advantage of similar thematic growth drivers in the region.

## In 2022, what is next for EQT Exeter?

We will continue to focus on sustainability and further integrate with EQT's sustainability resources. In 2021, 22 million square feet of newly constructed properties – part of our USD 6.8 billion industrial portfolio sale – was equipped with some of the newest renewable design features in the industry. In early 2022, we strengthened our sustainability expertise by appointing two

new Directors of Sustainability Innovation. Beth Ambrose and Matt Praske will be responsible for defining the strategic objectives to develop a market-leading ESG platform in real estate and executing on that strategy.

In line with EQT's overall strategic ambitions, we will also continue to expand in APAC, building on our existing strategies of acquiring and developing logistics properties in Tier 1 cities and logistic hubs. As a step towards achieving this ambition, we recently acquired Bear Logi, a value-add logistics investment manager focused on the Japanese and Korean markets. Together with EQT Exeter's China Logistics team, the Bear Logi team will create an EQT Exeter APAC Logistics platform.



## EQT Exeter's track record

23%

Net IRR

2.4x

Realized Gross MOIC

32m

Square meter real estate

1,565

Current number of buildings

700+

Real estate transactions

**"Our ability to be a solutions provider to corporations and a design developer are our differentiators."**

**Ward Fitzgerald**  
Partner and Head of EQT Exeter



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# Future-proofing EQT's platform

EQT continuously invests to future-proof its operations. EQT has three focus areas that the firm will prioritize in the near-term to ensure that EQT is prepared for future growth.

## 01 Attract, develop and retain the best talent globally

In the past few years, EQT has grown rapidly across strategies, sectors and geographies. To support its growth, EQT has focused on strengthening the investment advisory organization, Client Relations and Capital Raising, Technology, Sustainability, and other parts of EQT's operating platform.

Around 40 percent of EQT's 1,160 employees joined the platform during the Covid-19 pandemic. The Group has offices in 23 countries, and its 1,160 employees have 47 different nationalities.

One of EQT's six strategic objectives is to stay ahead on culture, talent management and leadership. EQT Academy plays an important part in being successful in this focus area and will be used as a tool to safeguard EQT's culture as it scales. As EQT continues to grow organically and through potential acquisitions, retaining EQT's culture will become even more critical. Diversity is also a top priority for EQT, and EQT will continue to broaden its focus within diversity, taking active steps to deliver inclusion.

Read more about how EQT is working to develop talent in [People](#).

## 02 Deliver high-quality experience across the client journey

EQT's primary tool for client-centric communication is the EQT Investor Portal. The portal has made it easier for EQT's clients to gain and access data and has simplified the fundraising process for clients. EQT will continue to invest in its client-centric approach. This includes strengthening Client Relations and Capital Raising, fund reporting, and developing EQT's client offering.

Read more about EQT's client-centric approach and the [Investor Portal](#) in [Private markets](#).

## 03 Ensure high-performing scalable growth

EQT will continue to develop its organizational structure to create a platform that can support and ensure scalable growth. Other aspects of ensuring that EQT stays ahead of the curve are data management, digital efficiency, effectiveness and resilience.

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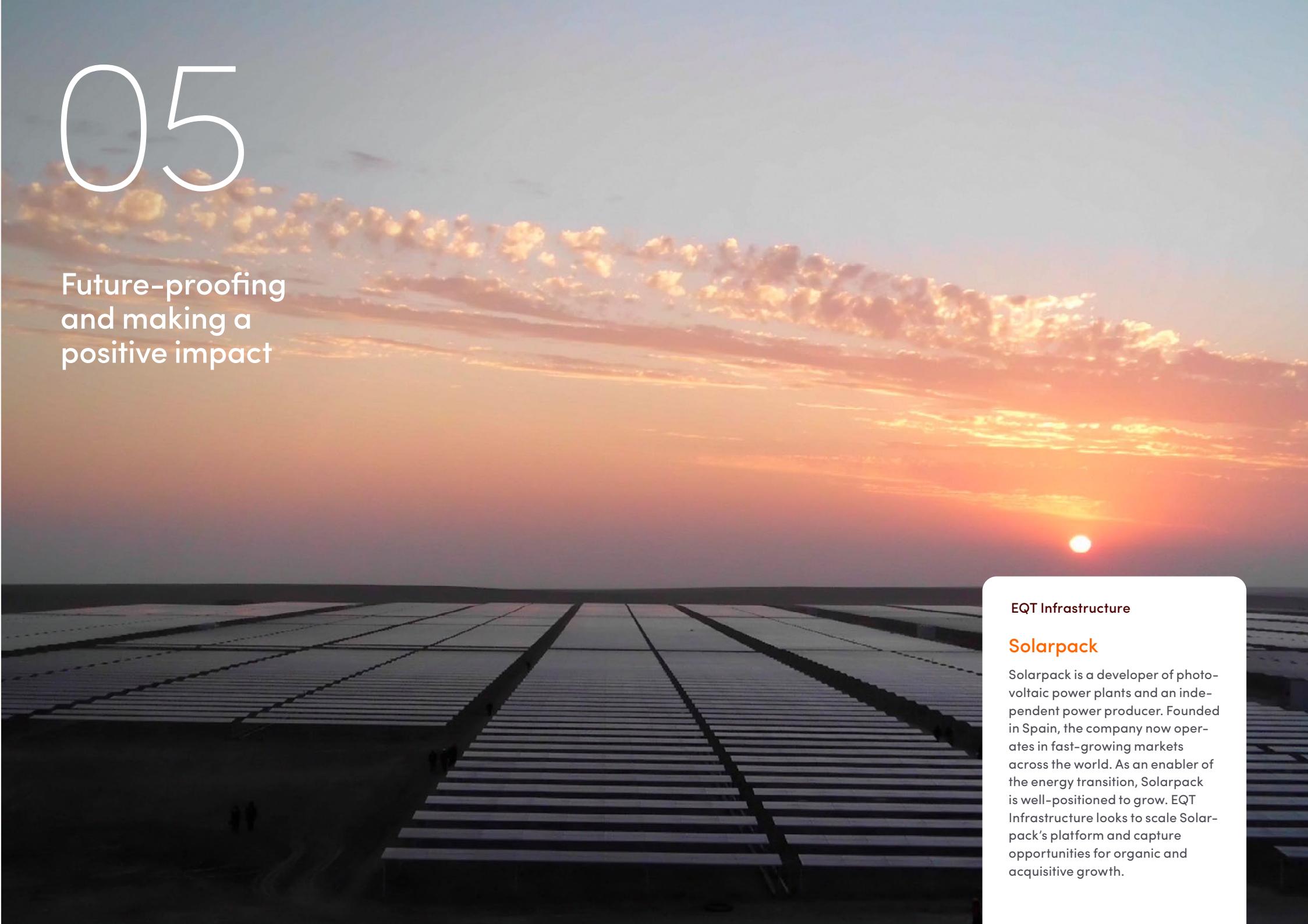
# 05

## Future-proofing and making a positive impact

### EQT Infrastructure

#### Solarpack

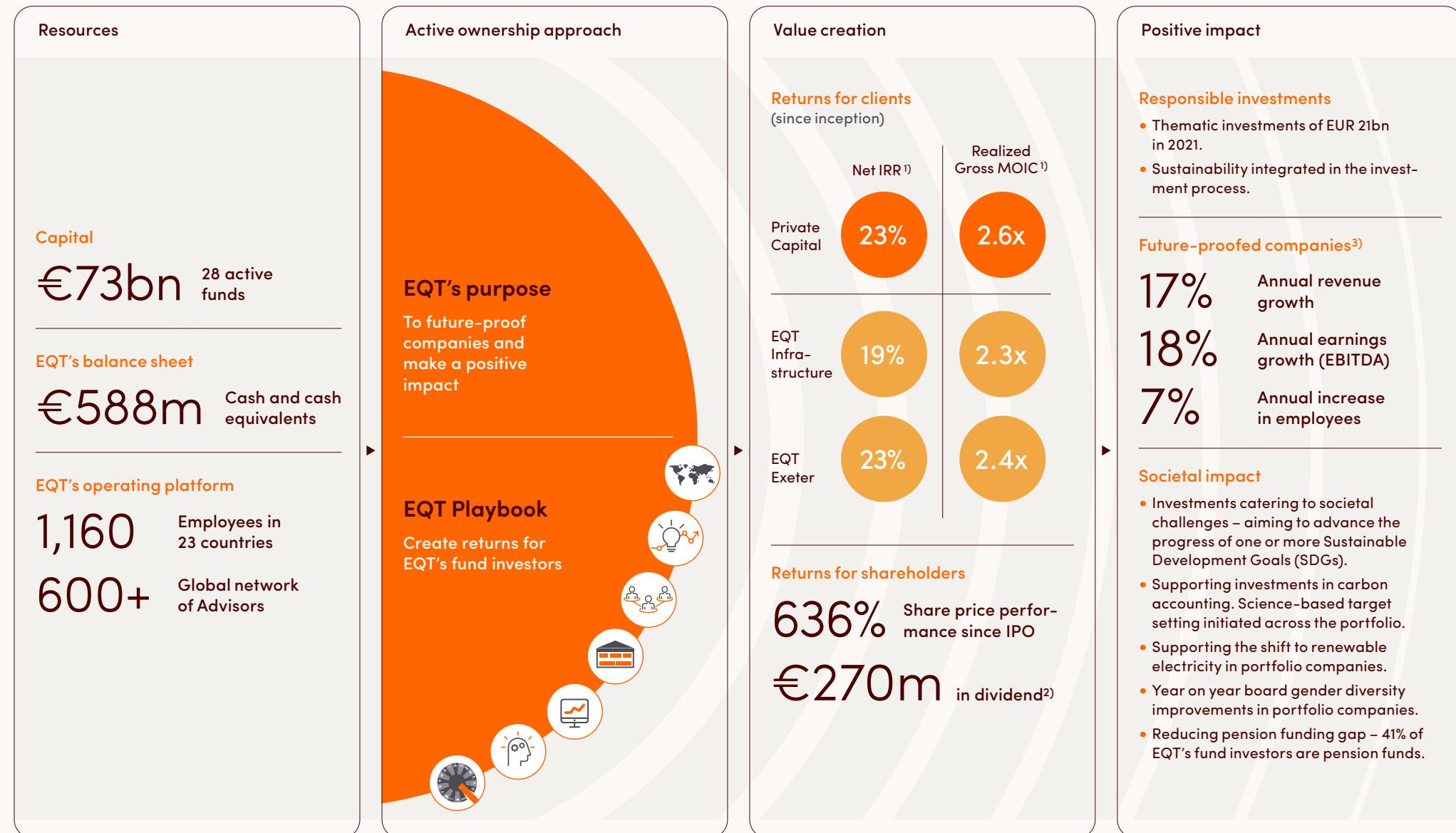
Solarpack is a developer of photovoltaic power plants and an independent power producer. Founded in Spain, the company now operates in fast-growing markets across the world. As an enabler of the energy transition, Solarpack is well-positioned to grow. EQT Infrastructure looks to scale Solarpack's platform and capture opportunities for organic and acquisitive growth.



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# Making a positive impact – our model



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

<sup>2)</sup> The board has proposed a dividend of SEK 2.80 per share, corresponding to approximately EUR 270 million, using EUR/SEK rate 10.2503 as of 31 December 2021 and based on the total number of shares outstanding as of 31 December 2021.

<sup>3)</sup> Reflects average annual development in EQT funds' portfolio companies since 2017. Includes both historical and active funds. Excludes funds in EQT Venture, EQT Public Value and EQT Exeter.

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# EQT Playbook

The EQT Playbook includes tools focused on driving growth and developing EQT funds' investments through digitalization, sustainability and operational excellence. The EQT Playbook is used across EQT's business lines and is a key element of EQT's active ownership model.

## Future-proofed investments

EQT funds invest in good companies and assets worldwide with a mission to help them develop into great and sustainable companies that can prosper, both under EQT funds' ownership and with future owners.

The investments develop through the implementation of strategies geared towards growth and operational excellence. Sales growth and margin expansion are

achieved through geographic expansion, new products, acquisitions and strategic re-orientation.

EQT has a track record of consistent and attractive returns across geographies, sectors and strategies. Over the years, EQT has, on average, grown the EQT funds' portfolio companies per year by:



<sup>1)</sup> Reflects average annual development in EQT funds' portfolio companies since 2017. Includes both historical and active funds. Excludes funds in EQT Venture, EQT Public Value and EQT Exeter.



## 1 Thematic and sector-based approach

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

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

Investing alongside macro trends with a thematic focus puts EQT in a position where we can be part of the solution to significant challenges of our time and where EQT's expertise can make a positive impact.

### Key themes

- Climate & Nature
- Health & Wellbeing
- Inclusion & Equality
- Resilience & Transparency
- Our Connected World
- The Modularization of technology
- Distributed ownership & Decentralization
- Urbanization
- Aging population

### Key sectors per business segment

#### Private Capital

- Healthcare
- Technology
- Services
- Industrial Tech

#### Real Assets

- Digital Infrastructure
- Energy & Environmental
- Social
- Transport & Logistics
- Life Sciences
- Residential & Self Storage

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## 2 Local-with-locals

EQT believes that local knowledge, local business relationships, local presence and access to local deal flow are all critical to securing a competitive edge in private markets. This approach has resulted in close, long-term relationships between EQT, private owners and companies. EQT's geographical presence in Europe, the Americas and APAC allows the investment organization to combine extensive local knowledge and cultural understanding with deep global sector expertise.



## 3 House of Value Creation

EQT applies an integrated framework of tools to support value creation and performance in EQT funds' portfolio companies. The framework includes value creation levers, such as revenue enhancements, management changes, pricing, cost improvements and more transformational levers such as strategic realignment and add-on acquisitions.

Shortly after acquisition, EQT supports the portfolio companies with the development of full potential plans to help them execute on set targets that the portfolio companies will be continuously evaluated against.

EQT carries out established periodic performance reviews, which provide an owner's forum for high-level and forward-looking discussions on value creation.



## 4 Governance model

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

The model is built upon clear roles and responsibilities for the management of the portfolio company, its board and the EQT AB Group. It is underpinned by a TROIKA forum consisting of the portfolio company's Chairperson (typically appointed from the EQT Network), a responsible advisory partner at EQT and the portfolio company's CEO. The TROIKA is a sparring partner to the CEO and keeps EQT well-informed of the performance in the portfolio company. This informal forum also creates a good relationship among the involved parties that helps to drive value creation in an aligned and effective way.



## 5 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 advisors in the EQT Network add operational and strategic expertise and 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 about the EQT Network in [People](#).

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## 6 Digitalization

Leveraging world-class industrial expertise has always been part of EQT's DNA and exploiting digital opportunities is critical for future-proofing the EQT funds' portfolio companies.

EQT aims to support the EQT funds' portfolio companies in driving digital transformation and developing them into digital leaders in their respective industries. To achieve this, EQT has made significant investments in its own digital teams, infrastructure and capabilities. 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 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.

[Read more about digitalization and Digital's mission in Business overview.](#)

### Motherbrain

Motherbrain was launched as a platform for EQT Ventures to be truly data-driven in finding the best tech startups to invest in. As thousands of 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 EQT 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 enables EQT to make faster and more substantiated decisions across fund strategies.

Motherbrain has sourced  
**14** investments to EQT Ventures

## 7 Sustainability

Sustainability is at the core of EQT's distinctive value creation approach, critical for future-proofing EQT funds' investments as well as staying successful and relevant for investors and society as a whole.

Responsible investment principles and ownership practices are an integral part of each investment and value creation phase. EQT strives to grow sustainable business solutions and instill sustainable practices in all investments, to capture opportunities, limit risks and ultimately accelerate positive impact as an investor and owner.

In EQT's House of Value Creation, sustainability is one of the tools supporting Investment Advisory Teams with the integration of sustainability considerations in their day-to-day work advising portfolio companies, for example on how to accelerate a green transformation.

EQT's has a growing, dedicated Sustainability Team working in close liaison with the Investment Advisory Teams, acting as a center of excellence and supporting the implementation of sustainability-related topics across the organization and in dialogue with key external stakeholders.

[Read more about EQT's sustainability teams and functions in Business overview.](#)



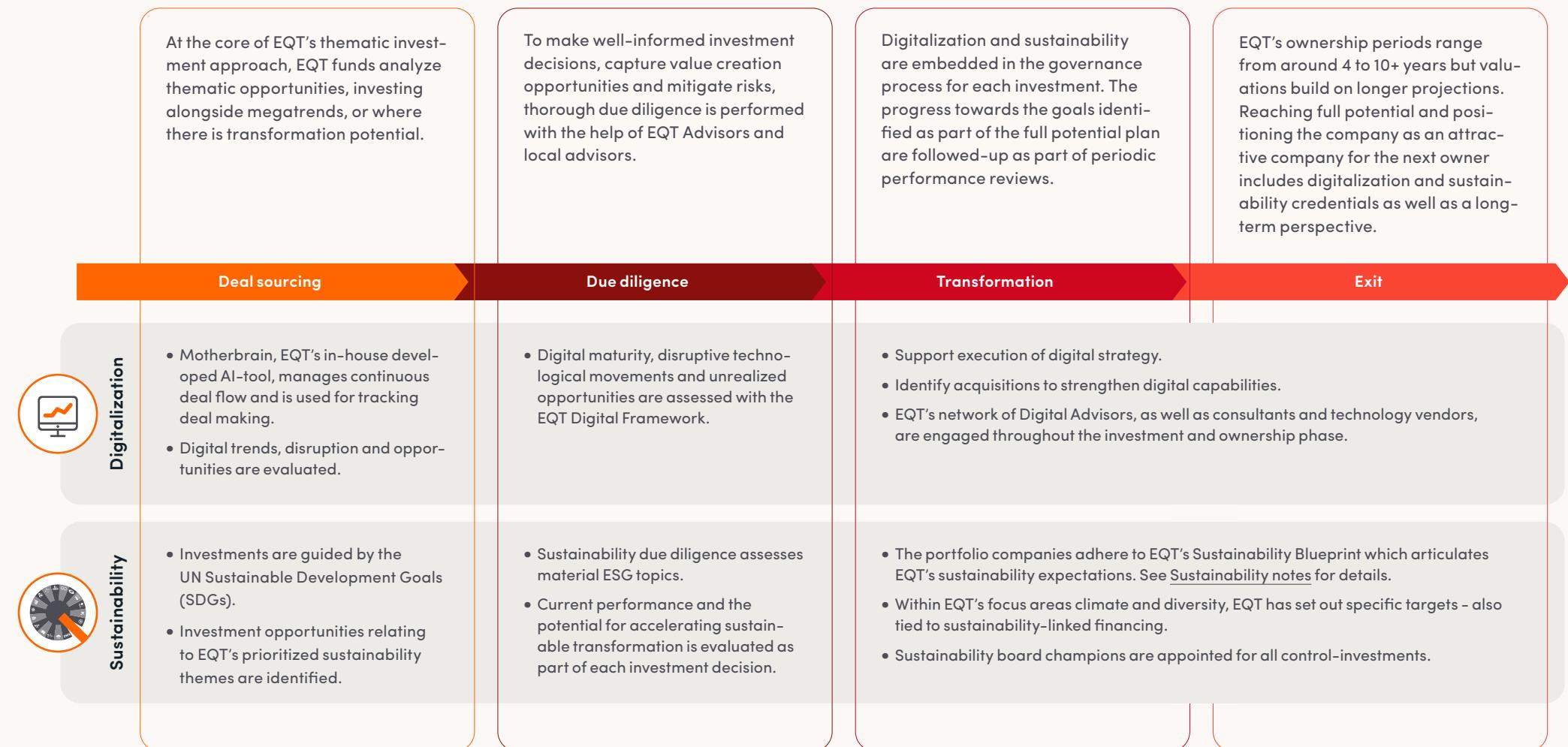
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# Sustainability and digitalization in the investment and ownership phase

Digitalization and sustainability are two levers that play an integral part in the investment process and in EQT's transformational agenda.



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# EQT Future – a lighthouse initiative

In 2021, EQT launched EQT Future – an impact-driven longer-hold strategy. EQT Future leverages EQT's active ownership model to support market-shaping positive impact. EQT Future is premised on the idea of accelerating sustainable transformation in mature, market-leading companies to drive impact and shift entire industries.

## EQT Future Impact Toolbox

EQT Future has an Impact Toolbox designed to integrate impact across every stage of the investment lifecycle. EQT Future is focused on applying best practices, ensuring external validation, and using targets and KPIs that are objective and clearly quantified – both at the asset and the portfolio level.

Every investment that EQT Future makes will have a clear impact thesis. The fund will deploy an Impact Acceleration Plan for all its portfolio companies to achieve the impact thesis, associated impact targets and ambitious portfolio-level sustainability targets. Namely, the portfolio targets are i) reduction of GHG emissions using science-based tar-

gets to meet the 1.5 degrees Celsius target, ii) improved employee wellbeing with eNPS (Net Promoter Score) to be industry top-quartile, iii) and increased gender diversity where progress will be tracked towards a 50 percent split within the top 20 percent of earners in each company.

Up to 20 percent of EQT Future's total carried interest will be linked to achieving the portfolio-level KPIs.

## An integrated part of the Private Capital platform

Being part of the Private Capital platform, EQT Future will leverage the processes EQT has refined over nearly three decades. The

advisory team will also have access to substantial incremental deal flow thanks to EQT's local-with-locals approach, active approach to governance and value creation, the EQT Network, in-house digitalization, sustainability resources and the full breadth and knowledge of the EQT platform.

## A lighthouse initiative

EQT Future is an important strategic initiative for EQT. EQT Future will be a lighthouse strategy that will raise the bar and guide EQT's purpose-driven investing efforts into the next stage.



**"By targeting larger, more established companies, EQT Future will seek downside protection and leverage the respective company's industry position to drive positive ripple effects."**

**Anders Misund**

Partner and Head of the EQT Future Advisory team



**"EQT Future is certainly one of the reasons I joined EQT. It is really important for us that this fund genuinely operates as a lighthouse, innovating and seeking to mainstream impact in the private equity industry, aiming to demonstrate that great financial returns can result from an impact-driven approach."**

**Sophie Walker**

Head of Sustainability for Private Capital

## Mission Board and Impact Advisors

EQT Future will benefit from the guidance and expertise of the Mission Board and the Impact Advisors. Their role is to provide competence, credibility and objectivity to the ambitions and strategic direction of EQT Future. The Mission Board and Impact Advisors will provide input and advice on the purpose and impact thesis of investments. Further, they will be a valuable point of access to their own network for EQT Future's investment advisory teams.



**Paul Polman,**  
Mission Board



**Jacob Wallenberg,**  
Mission Board



**Ho Ching,**  
Mission Board



**Naina Lal Kidwai,**  
Mission Board



**Svein Tore Holsether,**  
Mission Board



**Hedda Pahlson-Moller,**  
Impact Director



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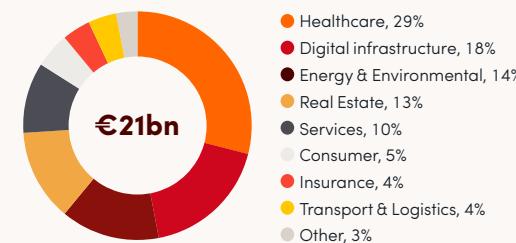
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# Overview of EQT funds' investments and realizations in 2021

**EQT applies a thematic and sector-based investment approach, investing in companies that have the potential to make a positive impact.**

**EUR 21 billion of investments signed in 2021, split by sectors**

Based on investment size



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 critical issues of our time and disrupt entire industries.

EQT has an opportunity to scale societal solutions and implement good practices

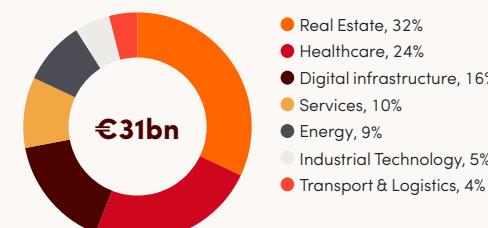
during the ownership phase to create leaders for tomorrow.

EQT has a differentiated sourcing approach, combining local-with-locais with sector expertise. In 2021, EQT announced thematic investments of EUR 21 billion.

**With a strong focus on realizations, EQT has a young portfolio, allowing investment advisory teams to focus on new investments and value creation in more recent funds.**

**EUR 31 billion of exits signed in 2021, split by sectors**

Based on investment size

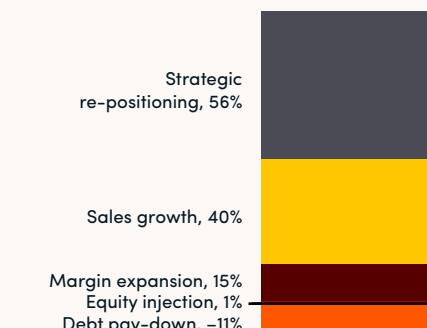


Exit activity has been strong throughout the year, realizing EUR 31 billion to deliver considerable proceeds to clients while reducing vintage risk and allowing investment advisory teams to focus on investments and value creation in more recent funds.

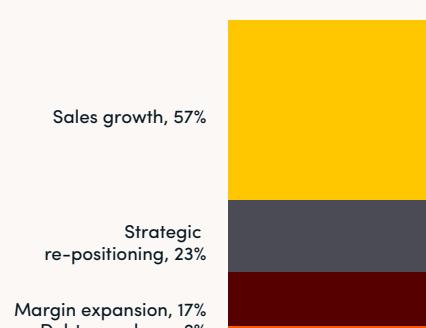
EQT's ability to realize companies at strong returns is a testimony of EQT's thematic approach and the effectiveness of the EQT value creation toolbox.

**EQT's approach to future-proofing is demonstrated in our sources of value creation, since inception**

**EQT Infrastructure<sup>1)</sup>**



**EQT Private Equity<sup>2)</sup>**



<sup>1)</sup> Calculated as a simple average based on each individual realized investment across the EQT Infrastructure funds as of December 2021, since inception. Investments that have been made from several funds have been calculated as one investment, based on the date of the first acquisition. The realized performance from any one fund may therefore differ and recipients should be aware that participating in any individual fund will have generated returns which may be lower than those presented across all EQT Infrastructure funds above.

<sup>2)</sup> Exited companies for all EQT Equity funds since inception, but not including companies that were exited at a Gross MOIC of <1.0x due to lack of meaningful growth. Excluding EFDO and VFS due to lack of meaningful growth.

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# EQT funds' investments 2021

EQT's business segment Private Capital uses a thematic approach combined with deep sector expertise, focused on leading non-cyclical companies.

Themes: Climate & Nature | Health & Wellbeing | Inclusion & Equality | Resilience & Transparency | Our Connected World | The Modularization of technology | Distributed ownership and Decentralization

## Examples of sectors and examples of sub-sectors

### Healthcare

- MedTech
- Life Science Tools/Dx
- Specialized Service Providers
- Specialty Pharma
- Pharma Services
- Healthcare IT

 Recipharm

 parexel.

 3shape ▶  
TRIOS Ready

 IVC EVIDENIA

 Cerba HealthCare

### Technology

- Software
- Fintech
- Consumer internet
- Digital Media & Content

 thinkproject

 idealista

 WORKWAVE

 zooplus

 Storable

 IFS

### Services

- Compliance Services
- Human Capital Management
- Financial Services
- Distribution and Network Services

 BEIJER REF

 cfc

 PROUnlimited

### Industrial Tech

- Clean Tech
- Food Tech
- Circular Economy & Sustainable Materials
- Automation / IoT
- Building Tech

 Oterra™

Recent investments

A closer look at recent investments

#### EQT fund | EQT IX

 Recipharm

**Investment** | Recipharm – a global pharma production company providing end-to-end development and manufacturing services to leading pharmaceutical and biotech companies.

**Thematic angle** | Recipharm is well positioned in a market supported by global trends such as healthcare demand-driven underlying volume growth, growth in development spend as well as a continued outsourcing trend.

**Value creation plan** | EQT promotes plans to drive efficiencies in the existing platform, as well as organically expand Recipharm's offer across the value chain by scaling existing offerings as well as entering into new segments.

#### EQT fund | EQT IX

 Oterra™

**Investment** | Oterra – a leading global developer and manufacturer of natural coloring ingredients for food and beverages.

**Thematic angle** | Increasing consumer awareness around health and the environment, the ongoing transition from synthetic components to natural ingredients, and a growing demand for sustainable and plant-based food.

**Value creation plan** | EQT supports plans to invest significantly in the company's organization and strengthen its digital infrastructure, sustainability capabilities and supply chain setup.

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# EQT funds' investments 2021 continued

EQT's business segment Real Assets focuses on capturing opportunities through sustainability focus areas, macro trends and relevant sector trends.

**EQT Infrastructure**

**Themes:** Environment & Climate | People & Society | Sustainable Growth & Equality

**Examples of sectors and examples of sub-sectors**

<b>Energy</b> <ul style="list-style-type: none"> <li>• Energy transition &amp; decarbonization</li> </ul> <div style="text-align: center; margin-top: 10px;">     </div>	<b>Environmental</b> <ul style="list-style-type: none"> <li>• Circular economy &amp; resource efficiency</li> </ul> <div style="text-align: center; margin-top: 10px;">   </div>	<b>Digital</b> <ul style="list-style-type: none"> <li>• Equitable, digital opportunities</li> </ul> <div style="text-align: center; margin-top: 10px;">     </div>	<b>Social infrastructure</b> <ul style="list-style-type: none"> <li>• Reliable, affordable access to basic utility &amp; social services</li> </ul> <div style="text-align: center; margin-top: 10px;">      </div>
<b>Transport &amp; Logistics</b> <ul style="list-style-type: none"> <li>• Accessible mobility solutions</li> <li>• Sustainable global trade</li> </ul> <div style="text-align: center; margin-top: 10px;">    </div>	<b>Industrial &amp; Logistics</b>	<b>Office &amp; Life Sciences</b>	<b>Residential</b>

**Recent investments**

**EQT fund** | EQT Infrastructure V

**Investment** | First Student – the largest student transportation service provider in North America, providing over 900 million student journeys a year to approximately 1,000 school districts.

**Thematic angle** | First Student plays a critical role in North America's transportation infrastructure; both businesses are market leaders, offering best-in-class safety, reliability, and service.

**Value creation plan** | EQT Infrastructure intends to invest in the electrification of First Student's fleet and accelerating the transition to renewable fuel sources in order to support passenger health and reduce environmental impact.

**EQT fund** | EQT Real Estate Fund II

**Investment** | Project Campus.

**Thematic angle** | Capturing the trend of urbanization, Project Campus focuses on taking advantage of demographic changes occurring across Europe, and Exeter's social impact approach to value creation.

**Value creation plan** | EQT Exeter and Group Moraval, a leading Spanish developer, have formed a joint venture to create a portfolio of high-quality, sustainable and affordable student accommodation facilities in Spain under the newly created "Nodis" brand. Nodis expects to embody strong values of dynamism, vitality and safety in its operations. As such, the residences will be equipped with state-of-the-art facilities, high-quality amenities and premium services, including but not limited to gyms, private lounges, living and gaming areas, libraries, work and study spaces, cinemas, parking, free high-speed internet and rooftop terraces.

**A closer look at recent investments**

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EQT

# EQT funds' realizations in 2021 continued

Exit activity was strong in 2021, with realizations of EUR 31bn, with considerable amounts of capital returned to EQT's clients.

## Examples of realizations

### EQT fund | EQT Infrastructure III

**Realization** | GETEC – one of Europe's leading sustainable energy service companies.

**Value creation** | GETEC embarked on a transformative journey, from a German and founder-focused business to a leading sustainable energy contracting solutions specialist of pan-European scale.

Significant achievements during ownership include developing a best-in-class sales function, optimizing GETEC's operations, digitalizing the plant portfolio and expanding its green solution offering.

In addition to delivering a strong organic growth track-record, GETEC has expanded through six large-scale M&A bolt-ons, establishing a strong foothold in Switzerland, Italy and the Netherlands.

GETEC has demonstrated its sustainability leadership through a comprehensive and well-substantiated net-zero roadmap through to 2045. Its achievements to date include tripling the share of revenues generated from renewable sources and saving more than 610,000 tons of CO<sub>2</sub> annually for its customers.



### EQT fund | EQT Exeter – Europe Value Venture Fund III

**Realization** | Unit 8 Sopwith Way, as part of its EUR 3.0 billion logistics portfolio sale – among the largest in European history.

**Value creation** | Unit 8 Sopwith Way, a logistics asset located in the UK was acquired by Exeter Europe Value Venture Fund III in 2018.

The value creation plan for the asset was to prepare it for a new tenant through building structure improvements, appearance and sustainability.

At entry the building held an Energy Performance Certificate rating of "E". As part of the multiple upgrades carried out, LED lights with daylight sensors were installed throughout the building, estimated to reduce the asset's operational carbon emissions by 66 tons each year. By December 2021, at the point of exit, an EPC "A" rating had been achieved, ensuring the building was running efficiently, with a lower carbon footprint, and future-proofed against the upcoming regulatory requirements in the UK.



### EQT fund | EQT Mid Market

**Realization** | ELEVATE – A leading global social compliance assessment and improvement service provider.

**Value creation** | ELEVATE's development is highly supported by the increased importance of sustainable value chains.

EQT Mid Market acquired a majority interest in ELEVATE in 2016 and over the past 6 years the company has grown into a global leader in its field, supporting over 450 corporate customers along global supply chains.

As part of EQT Mid Market's value creation plan, focus has been to establish critical sustainability capabilities including sustainability consulting and reporting to go beyond supply chain. Further developing the company's proprietary ESG data analytics platform EiQ to transform the business into a technology driven model, as well as the expansion in both service offerings as well as global footprint through four highly strategic add-on acquisitions.



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# 06

## People



EQT Exeter

### Minerva

Minerva is a joint venture to create quality care homes. It combines EQT Exeter's thematic focus on 'beds and sheds' in European cities with a social impact strategy. The first five sites are located in Northern Italy, an area characterized by short supply of care homes and an aging population. Operators managing the facilities will focus on sustainability and safety.

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# People – bringing EQT's values to life

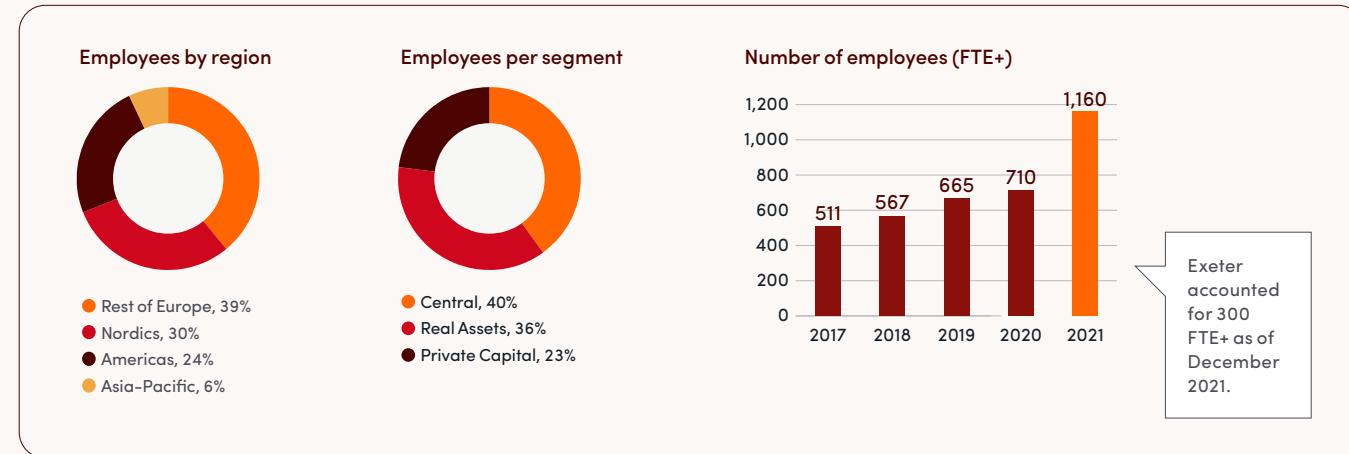
EQT is convinced that being a purpose-driven organization helps the Group attract and retain the best talent, this in turn is essential to ensure EQT's long-term success.

## Attracting talented individuals to EQT

People are EQT's most important asset. EQT strives to hire, develop, and retain the best individuals in terms of performance, respect, entrepreneurship and collaboration. EQT's core values function as a compass, internally as well as in interactions with external stakeholders. They define the corporate culture and are an integral part of the employee journey, daily operations, training, performance assessments and feedback.

## Building EQT for the future

2021 was yet another year of rapid growth. Through the addition of Exeter, 300 new employees joined EQT's platform and by the end of the year, EQT were 1,160 employees. In addition, EQT opened an office in Tokyo and is currently preparing to open an office in Seoul. EQT's values and culture are central elements in attracting and onboarding new talent.



## EQT's five core values form the foundation of our culture

### High performing

Giving people responsibility and freedom to act and base evaluation on performance – there is always room for improvement.

### Respectful

Acting with integrity and having respect for each other and external stakeholders in everything we do.

### Entrepreneurial

Being innovative, action-oriented and having a sense of urgency about driving change.

### Informal

Being non-hierarchical – everyone is encouraged and expected to speak their mind.

### Transparent

Being open and honest, with each other as well as with external stakeholders.

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EQT

### Digging deeper into purpose

Another focus area during the year has been EQT's purpose and what it can and will mean for the company in the future. As part of this work, workshops with the aim of exploring business opportunities relating to EQT's impact on society have been conducted across the firm. In this project, internally called "EQT's purpose journey", strategy development has been combined with personal development processes, to build strong and connected teams. The results from these workshops are now set in motion, providing employees with a clear purpose and creating great engagement across the firm.

### Developing EQT's operating platform

EQT's operating platform was another focus area over the year as EQT has explored new ways of working – to break down silos, explore processes end-to-end and instill scalable new approaches to ensure that our platform supports the company's strategic ambition in the best way possible.

### Managing talent in the pandemic

2021 has been another challenging year as the pandemic continued. The projects related to EQT's purpose journey, as well as the operating platform, have allowed us to connect virtually across geographies and functions. Additionally, EQT has continued to cross-staff our teams, with new joiners working with tenured EQT employees, to ensure we grow in a planned and controlled fashion, supporting each individual in their transition into EQT, as well as nurturing and retaining our culture while scaling.

On a personal level, employees have had to practice resilience and adaptation during the pandemic. EQT has supported its employees with a continued and targeted focus on mental and physical well-being. Through this approach, EQT has maintained employee health and safety and also long-term performance. Despite challenging times, EQT continued to see employees perform outstandingly and employee satisfaction remained high across the firm.

In 2021, EQT have seen a new level of collaboration, innovation and passion on the back of these initiatives. In 2022, we will continue to harvest the learnings and key development areas from the firm-wide and business line projects and implement them in the EQT Academy. The employee training offering on sustainability topics, transformation capabilities and leadership will be expanded.



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# Diversity, Equity and Inclusion for better decision-making and performance

EQT continues to focus on Diversity, Equity and Inclusion (DEI) based on the conviction that this leads to better decision-making and higher performance. EQT is and will continue to be an organization that grows and fosters an environment that values and respects differences.

## Applying an all-encompassing lens to diversity

EQT is a promoter of equal opportunity for all and believes that all dimensions of diversity are important to drive great results. EQT continues to broaden its focus within diversity, taking active steps to deliver inclusion with regards to ethnicities, socioeconomic backgrounds, sexual orientation, and national origins with an aim to become the inclusive employer of choice.

In 2021, EQT took meaningful steps beyond gender diversity by allowing teams to set their own DEI goals, specific to their particu-

lar needs and challenges in ensuring a diverse and high-performing team.

Some teams have set targets in relation to gender, others in relation to ethnicity or socio-economic background, taking into account the existing talent pool in each respective geography. Overall, ambitious steps forward have been taken this year with an unwavering commitment to continue this in 2022.

## EQT WIN – By women at EQT

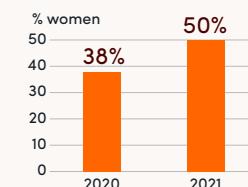
WIN is an initiative by women and for women within EQT. The purpose of WIN is to attract more women to EQT, increase retention of female employees and implement guidelines to develop EQT to become a more inclusive workplace. WIN also aims to accelerate women's careers through the support of a mentor, sharing of experiences and global networking. The mutual mentorship program has been well received among employees and delivers clear business benefits to EQT. As an example, junior women Investment Advisory Professionals rate EQT higher than their male peers in the periodic employee survey in engagement, environment, and strategy.



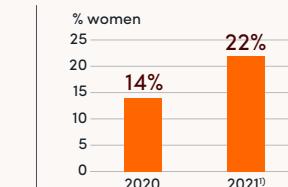
## A few examples of other achievements this year:

- Continued participation in 10,000 Black interns program, with confirmed intern cohort for summer 2022 increasing our future pipeline of diverse candidates.
- Engagement in programs to broaden our hiring of Investment Advisory Professionals with more diverse backgrounds.
- Mentoring in external programs focused on increasing social mobility.
- Employee survey questions broadened to help EQT understand the sentiment and perceptions of DEI within the organization.
- Application of tools and review of processes to make our language more inclusive.
- Expanding our Conscious Inclusion learning program to include inclusive language and how to actively discuss diversity.

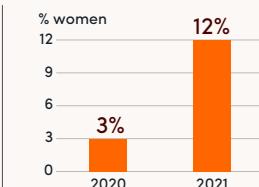
**EQT has actively and consistently focused on gender diversity with significant progress toward more gender-balanced teams. A few selected highlights of recent improvements are:**



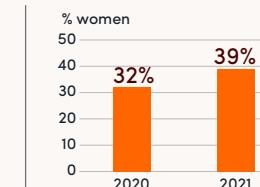
Reached gender-balance in the EQT AB board of directors.



Increased the women representation in the EQT Executive Committee.



Increased the percent women Partners in the Investment Advisory Teams.



Grew the percent women in the Associate and Vice President cohort across the Investment Advisory Professional group.

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EQT

# EQT's development framework and EQT Academy

EQT's development framework and the EQT Academy are integral parts of EQT's strategy to stay ahead on culture, manage talent, develop its leaders and promote its values.

## EQT's development framework

EQT's business model is reliant on high-performing individuals delivering their very best in all situations. In order to deliver on EQT's growth ambitions, focused on sustainability and digital transformation, new competencies and capabilities must continuously be developed. This includes the mindset, tools and techniques to create and foster high-performing teams across the organization, now and in the future. EQT develops its talent as they take on larger and more complex roles while also optimizing the onboarding process to grow a steady stream of proficient leaders who are ready to step up in all parts of the organization.

"Leading myself, people and the business" is a central part of the development framework. The EQT Academy plays an important part in this strategy but also includes other people-focused initiatives such as feedback, performance development, on-the-job training and stretch assignments as well as coaching and mentoring.



## EQT Academy

EQT Academy is an important tool for nurturing EQT's unique culture and values. It provides trainings for each career stage and function within the business. The EQT Academy provides a holistic approach to both professional and personal growth, offering training relating to technical, interpersonal- and leadership skills. The development strategy is based on the talent pipeline, intake and current talent pool to make sure the right training is offered at the right time.

The EQT Academy uses both a wide portfolio of external providers and internal resources to ensure each employee is challenged to be their very best and offered learning opportunities along with their career progression. Programs have been tailored to enable collaborative online learning while still keeping a personal and team-focused approach.

Throughout 2021, EQT continued to provide employees with training and even increased the amount of training delivered in prior years for those within the scope of the EQT Academy:

- All new employees were invited to participate in EQT's Introduction Days.
- Over 25% of EQT employees took part in one or more training across technical, interpersonal, managerial, communication and leadership. Additionally, a "Digital Productivity" training was provided to meet the challenges that some experience when working remotely.



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# The EQT Network – a differentiator in supporting change

The EQT Network is one of the tools in EQT's Playbook and central in EQT's active ownership approach. The advisors in the EQT Network add operational and strategic expertise as well as experience to the portfolio companies.

## EQT Network and its continuous development

The EQT Advisors in the Network are engaged throughout the investment process and join the portfolio company boards. But above all, they are disruptors, big thinkers and doers.

Most advisors are current or former business executives of major international companies, with vast experience in transformation and value creation, while others are founders or serial entrepreneurs.

To ensure that the EQT Network develops and that relevant knowledge and competencies are available, EQT continuously sources new EQT Advisors, connects them to the investment processes and evaluates their performance through an annual board appraisal process. As EQT grows and enters new markets, so does the EQT Network. The EQT Network has the same local-with-locals approach as the investment advisory organization, and will place an extra emphasis on rejuvenating and diversifying the Network of Advisors going forward. Out of EQT's top Senior Advisors, the proportion of women has increased from below 10 percent to 20 percent over the past two years, with today 31 percent women independent board members and 11% women portfolio company chairpersons.

## Governance model and board appraisal

With EQT's unique governance model and the concept of the TROIKA, EQT appoints board members to the portfolio companies. Typically, EQT appoints the Chairperson of the board from the EQT Network.

Further, EQT recently introduced the concept Sustainability Champions. EQT selects Sustainability Champions in portfolio companies' board of directors to safeguard that sustainability is on the top of the board's agenda. The Sustainability Champion, supported by the Sustainability team at EQT, is responsible for enhancing the integration of sustainability, helping define and monitor sustainability targets and facilitating the annual strategic board discussions on sustainability.

EQT has since many years back a system for board appraisals for the EQT funds' portfolio companies. The aim of the board appraisals is to:

- Check the "pulse" and gain insights on the work of the board.
- Determine the degree of alignment between the portfolio company's Chairperson and the responsible advisory partner at EQT.
- Provide feedback on the board processes and on the members of the TROIKA. Members are evaluated by each other and submit a self-evaluation.
- Identify improvement areas.

Read more about our local-with-locals approach in the [EQT Playbook](#).



Read more about our Governance model in the [EQT Playbook](#).



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## Key events in 2021

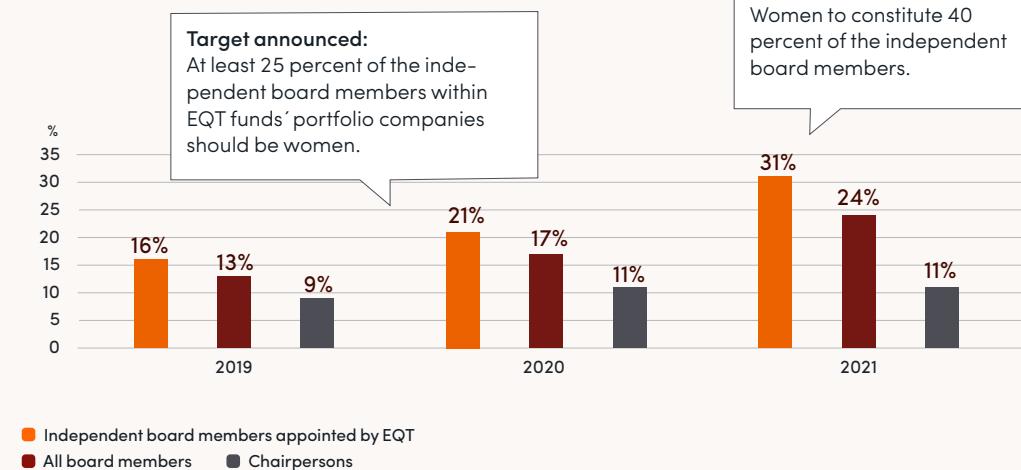
In late 2021, all Chairpersons from the EQT funds' portfolio companies were invited to the annual EQT Network Conference, to build skills and share experiences. The invitees discussed EQT's purpose and topics such as geopolitics, inflation, cyber security and sustainable transformation. The engagement around sustainability was later followed-up in the inaugural EQT Sustainable Transformation Chapter @ EQT Network, where portfolio company CEOs, sustainability board champions and sustainability leaders were invited to discuss climate and setting science-based targets.

## Towards gender-balanced boards

With a belief that different perspectives are key to drive performance and striving to have the best possible board compositions, EQT aims for gender balanced boards in the EQT funds' portfolio companies. To accelerate action, EQT set out a target in 2020 that 25 percent of all independent board members appointed by EQT should be women. EQT did not meet the target that same year, but reached and exceeded the target in 2021, with 31 percent of board members being women. In 2021, EQT announced a new target that women should constitute no less than 40 percent of the independent board members that are appointed in new control investments.

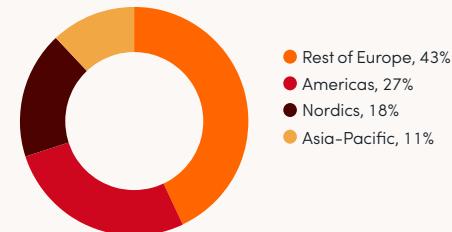
EQT is determined to do more to improve the diversity in the EQT Network, for example by using new and alternative search channels to reach a more diverse group of candidates.

## Board diversity across EQT funds' portfolio companies, share women



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

EQT Advisors by region



600+  
EQT Advisors

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## EQT Foundation

# Impact-first investor and impact engine

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 EQT's mission of making a positive impact with everything it does.

### Fueling learning and engagement

EQT Foundation is not a normal pro-bono hour setup, but an integrated part of the career development opportunities offered at EQT, available to all employees. In 2021, EQT Foundation scaled up its operations to reach EQTarians across the world with engagement opportunities relevant to their career development at EQT.

For every impact-first investment made by the EQT Foundation, EQT offers the impact entrepreneurs support from a pro-bono team of volunteers consisting of EQT employees. Ultimately, the support from EQT employees de-risk the enterprise for other investors –

crowding in more capital for vital innovations for a more inclusive and cleaner tomorrow.

For Investment Advisory Professionals, EQT Foundation provides a learning platform where they can practice the Partner role, get valuable transaction experience and collaborate with colleagues across the organization to help the entrepreneurs reach their impact goals.

### Guardian of EQT cultures and values

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.

## Activities 2021

In 2021, the EQT Foundation made four investment decisions to support impact entrepreneurs and was helped by about 100 volunteers from the EQT ecosystem. Additionally, the Foundation supported the Global Steering Group on Impact Investment and Rethinking Capital with grants to help accelerate the shift towards a global impact economy. EQT Foundation, represented by Cilia Holmes Indahl, was also appointed Expert Advisor to the G7's Impact Taskforce.

More on the Investments and grants of EQT Foundation can be found on [eqtfoundation.com](http://eqtfoundation.com).



### Made of Air

In 2021, EQT Foundation invested in Made of Air's seed round and crowded in additional investments from EQT Partners. Made of Air combines experience from the building industry with an ambition to turn one of our greatest challenges today, producing materials in the context of global warming, into their biggest resource. Their carbon-negative material is made from wood waste and bioplastic and can be used in everything from consumer goods and furniture to building facades.

Read more about Made of Air.

**"Made of Air has had an invaluable partner in the EQT Foundation. Since our fund-raise last year, we have had unique access to experts in the built environment, and first-hand knowledge of how real estate holders are future-proofing their businesses. These resources have accelerated Made of Air's market intelligence and created exciting opportunities for us."**

**Alison Dring**  
CEO & Co-founder



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EQT

# 07

## Climate and environment



### EQT Infrastructure

#### GETEC

GETEC's decentralized energy solutions save over 610,000 tons of CO<sub>2</sub> per year. Supported by EQT Infrastructure's investments in digital capabilities, sustainability initiatives and bolt-on acquisitions, GETEC embarked on a transformative journey during EQT Infrastructure III's ownership. At exit, GETEC was one of the leading specialists in energy contracting solutions of pan-European scale.

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# Future-proof ways of operating

EQT takes a holistic approach to tackling one of the most pressing issues of our time – climate change. This ranges from climate solution investing and transformation to tackling climate risks. The formalization and validation of EQT's science-based targets is a milestone on EQT's route towards net zero and will play a central part in its value creation approach going forward.

## Climate strategy

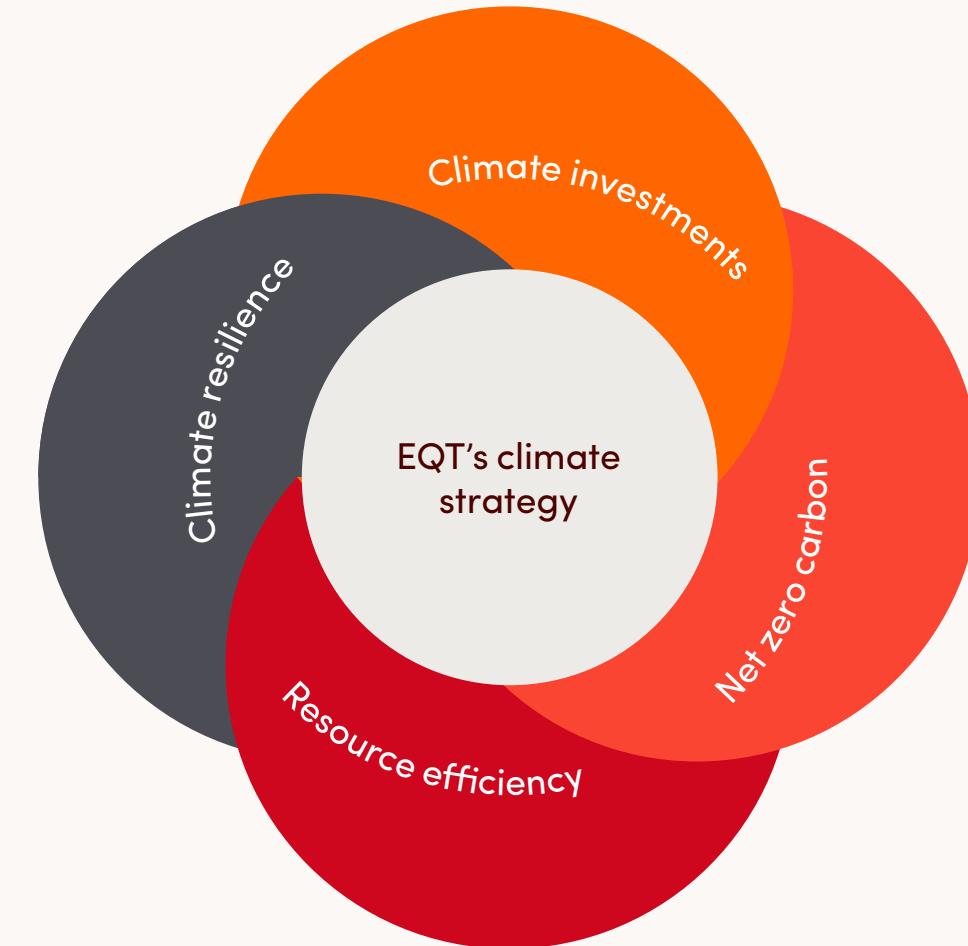
With the role EQT has in society, the challenge of combating climate change also presents an opportunity to be a part of the solution and as a financial actor contribute to a climate-positive economy. EQT's climate strategy is built on four pillars to holistically address the challenges and opportunities:

**Climate investments** EQT funds have a track record of investing in climate-related business models within themes such as decarbonization and circularity as well as transformational opportunities such as electrification. EQT supports technological advancements required to limit global warming across its platform.

**Net zero carbon** Becoming the first private markets firm to set science-based targets in 2021, was a key milestone in EQT's journey towards net zero by 2050. This flagship decarbonization initiative will accelerate the climate transition across all parts of the firm. EQT is also already supporting innovative carbon removal technology to offset the company's currently unavoidable emissions. For 2021, the offsets for EQT's own emissions were made via a portfolio of projects including biochar and mineralization, supplemented with more traditional avoided emissions credits.

**Resource efficiency** EQT also addresses climate from a broader resource perspective by defining the ambition around circular business models. This builds on the historical tracking of water usage and waste-to-landfill to assess exposures and drive improvements across the platform.

**Climate resilience** Recognizing the risks stemming from climate change, EQT has further strengthened the alignment of its risk management approach to the Task Force on Climate-Related Financial Disclosures (TCFD) framework, at group level and across the EQT funds.



Read more about EQT's climate approach and TCFD reporting in [Sustainability notes](#).

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## Aligning EQT's commitments with the 1.5° pathway

With an ambition to transform its operations in line with science, EQT's commitment to greenhouse gas (GHG) emissions reduction targets was formalized in 2021 when EQT's science-based targets (SBTs) were validated by the Science-Based Targets initiative (SBTi).

SBTs provide a common, globally acknowledged framework that supports companies in structuring target setting for emission reductions as well as providing pressure testing of decarbonization roadmaps.

The targets do not only encompass EQT's own operations but also EQT funds' portfolio investments' operations, as these form part of the Scope 3 category 'investments' and by extension the most material to reduce.

While the targets for EQT AB's organization are absolute reductions, the portfolio companies' targets follow the portfolio-coverage approach, and the real estate funds have

intensity targets. This is aligned with the EQT funds' ownership model – being an agent for low-carbon transformation also when the portfolio of investments and the assets under management grows.

## Future-proofing in practice

EQT's SBTs will be a central part of EQT's active ownership strategy and value creation toolbox across all investments, increasingly putting climate transformation and impact higher up in the investment screening, due diligence, and ownership period priorities.

The targets will be challenging to meet, but EQT is convinced that decarbonization needs to be at the core of future-proofing. In combination with acting on other climate-related risks, a proactive transition will make EQT's business model and ultimately the investments more resilient and attractive for the next owners.

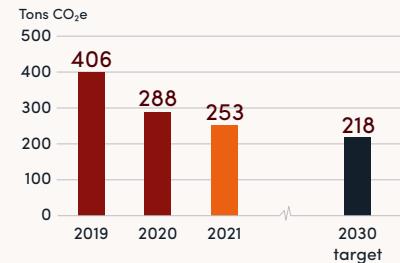
## Collaboration for change

As a step towards setting SBTs, trainings on the topic were provided to employees and later rolled out to EQT funds' portfolio companies, in the EQT Sustainable Transformation Chapter@EQT Network where executive teams and board members from 40 portfolio companies participated in the first trainings.

Working towards the reduction targets will be a learning process, with new innovation, collaboration and best practice evolving at the same time as companies, including EQT itself, find new ways of working. To inspire change in the industry, EQT has been supporting the SBTi in developing guidelines for the private equity industry and will continuously work with the SBTi to develop a net zero framework in the private equity industry. In 2021, EQT has also contributed to its industry associations in this topic, for example, EQT case studies was included in Invest Europe's climate guides. EQT also joined the Initiative Climat International (ICI) in 2021.

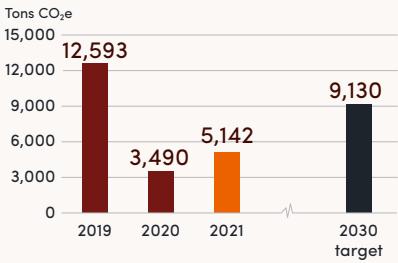
## EQT's science-based targets for 2030

### 1 Reducing EQT AB's Scope 1 and 2 emissions by 50 percent



- The GHG emissions from energy usage decreased due to energy mix and purchase of energy attribution certificates.

### 2 Reducing EQT AB's Scope 3 emissions from business travel by 30 percent



- The GHG emissions from business travel remained at low levels compared to the 2019 baseline, but increased from 2020 due to organic growth of employees and lessened travel restrictions.

### 3 Ensuring 100 percent of the EQT funds' portfolio companies<sup>1)</sup> will have their own SBTs validated by 2030, 40 percent by 2025

- At year end, five portfolio companies had submitted commitment letters to SBTi.
- During 2022, EQT expects to support around 40 portfolio companies in their implementation roadmap towards SBTi validated targets.

<sup>1)</sup> Excluding EQT Ventures.

See [Sustainability notes](#) for detailed GHG emissions data within EQT funds.

### 4 Reducing indirect emissions in the EQT Real Estate I and II funds by 55 percent per square meter floor area

- Starting in 2022, EQT aims to onboard EQT Exeter's assets to the science-based targets setting process and work to rebaseline the SBTs for the real estate assets.

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In practice

# Recent climate investments across EQT funds' strategies

~€10bn<sup>1)</sup>

Decarbonization and circularity are attractive themes for many of EQT's investment strategies. Close to EUR 10 billion have been invested into climate and environmental-related companies and assets.

## Private Capital

### EQT Ventures

#### Electrification



#### Einride

Working to electrify the trucking industry through electric and self-driven vehicles.

#### Heart Aerospace

Building a revolutionary electric aircraft certified for commercial flight by 2026.

#### Decarbonization



#### Verkor

Driving large-scale industrialization of low-carbon lithium ion-batteries to meet the growing demand for electric vehicles.

### EQT Growth

#### Circularity



#### Vinted

The largest online international C2C marketplace in Europe dedicated to second-hand fashion.

### EQT Private Equity

#### Chemical-free



#### Indesso

Southeast Asia's largest natural Flavor & Fragrance and Food & Wellness solutions producer.

#### Oterra

Benefiting from the ongoing transition from synthetic components to natural color ingredients, and a growing demand for sustainable and plant-based food.

#### Reducing energy usage



#### thinkproject

By providing software that helps companies improve delivery times, reduce waste and energy usage in the building sector, thinkproject contributes to cutting emissions in one of the key carbon emitting industries globally.

## Real Assets

### EQT Infrastructure

#### Renewable energy



#### Covanta Energy

The world's leading waste to energy company, providing an environmentally sustainable solution for waste disposal.

#### Cypress Creek

The largest solar energy platform in the United States, specializing in developing, owning and operating solar and storage assets.

### EQT Exeter

#### Reducing energy usage



#### EQT Exeter USD 6.8 billion industrial portfolio sale

22 million square feet of newly constructed properties equipped with reflective roof materials, clerestory natural light features, introducing pervious parking and trailer areas and onsite stormwater retention.

<sup>1)</sup> EUR 10 billion of climate and environmental-related investments. Includes investments across the EQT platform made since 2015, of which some examples are highlighted above.

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EQT

08

## Business overview



EQT Private Equity

**Indesso**

Indesso is Southeast Asia's largest natural Flavor & Fragrance ingredients and Food & Wellness solutions provider, serving over 2,000 customers across the world. Its products are used in food and beverage products, aromatherapy and fragrances. EQT Private Equity supports Indesso's ambition for growing its sustainable supply chain and continued research-driven product innovation.

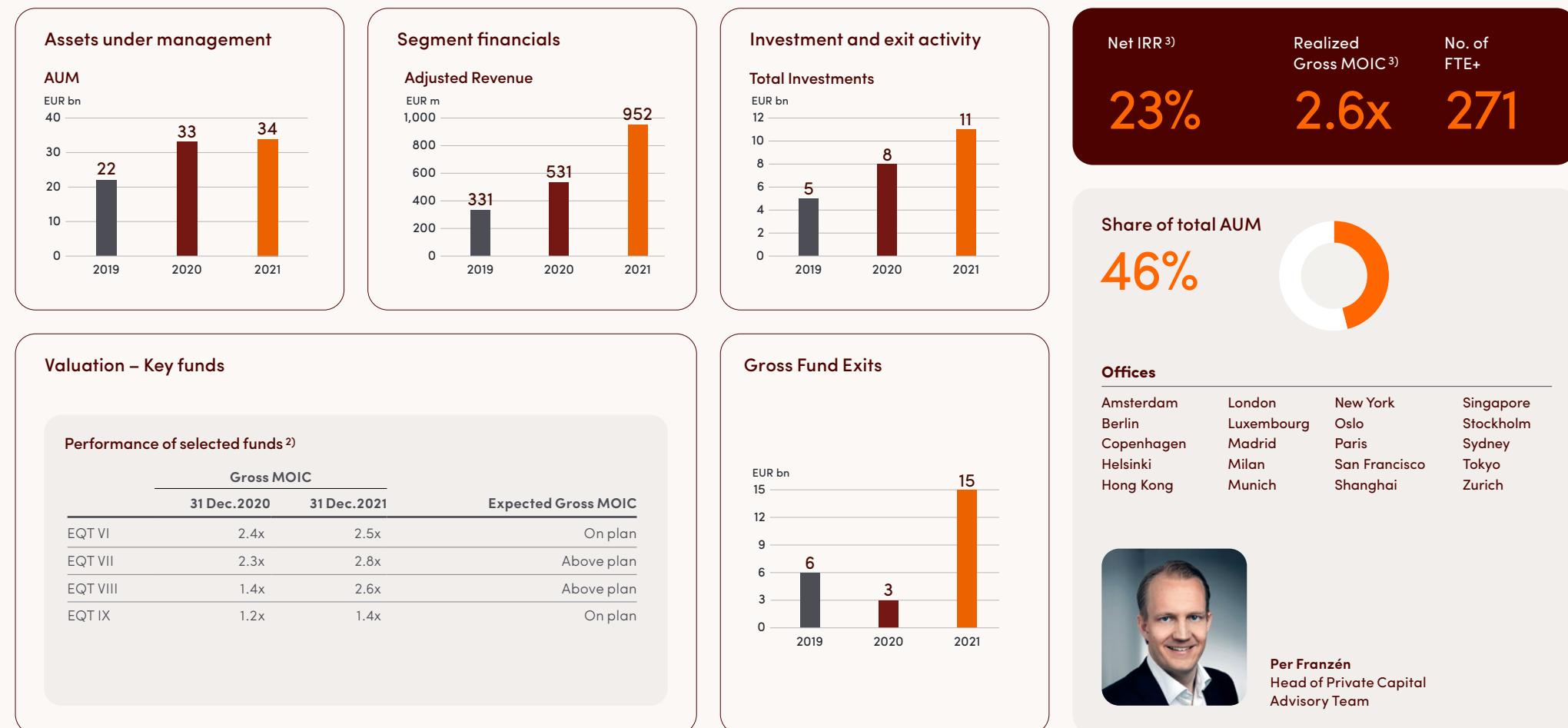
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# Private Capital

EQT has grown its Private Capital segment rapidly while achieving strong returns throughout its history. The EQT funds within Private Capital have delivered consistent and attractive returns independent of region, company size, exit route and investment source. Private Capital comprises six business lines: EQT Ventures, EQT Growth, EQT Private Equity, EQT Public Value, EQT Future and EQT Life Sciences<sup>1)</sup>.



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## EQT Private Equity

**Focus:** Large-cap and mid-cap investments

Investment range	€125m-1.5bn		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
57	145	€29bn	

The EQT Private Equity Advisory Team focuses on investments in sectors such as Healthcare, TMT, Services and Industrial Technology. With a strong sector-based approach, and by maintaining a local-with-locals presence, the team is uniquely positioned to analyze companies and the markets in which they operate, and to develop investment opportunities. The team's operational approach, combined with an ability to see what is "beyond the obvious" in terms of growth potential, industry consolidation or structural change, are key advantages when scanning investment opportunities and monitoring EQT funds' portfolio companies' development.

## EQT Public Value

**Focus:** Publicly-listed, mid-market companies in Northern Europe

Investment range	up to €5.0bn		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
12	14	€1bn	

The EQT Public Value's ambition is to be the leading European constructivist investor in the mid-cap space, creating sustainable long-term value through purpose-driven and thematic investments. The EQT Public Value strategy targets strong influence positions in Northern European mid-market companies within Services, Healthcare, TMT and Industrial Technology sectors, where EQT has significant experience and extensive networks.

## EQT Ventures

**Focus:** Fast-growing, technology-driven start-ups

Investment range	€2-50m		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
100	23	€1bn	

EQT Ventures seeks fast-growing, innovative and technology-driven companies across all industries in Europe and North America. The EQT Ventures funds aim to support great entrepreneurs throughout different stages of growth, providing access to capital, from late seed rounds all the way to growth rounds.

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

## EQT Future

New business line

**Focus:** Market leading companies with industry shaping impact potential

Investment range	€400m and above		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
1	7 <sup>2)</sup>	€1bn	

EQT Future, EQT's impact-driven longer-hold fund, applies EQT's proven ownership model to accelerate sustainable transformation of market-leading companies with industry shaping impact potential. Investments will be made in line with three key objectives (i) Planet – safeguard resources and protect our climate, (ii) People – improve mental and physical health, and (iii) Prosperity – create equality of opportunity.

## EQT Growth

**Focus:** Investing in Europe's technology champions at the point they are beginning to scale

Investment range	€50-200m		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
6	14	€2bn	

EQT Growth's mission is to unleash growth in Europe's technology champions, while being the most reputable investor and partner to founders and management teams. It does this by exploring growth opportunities at the point where companies are scaling, investing in a range of technology-enabled businesses across Europe. EQT Growth takes a thematic approach to identifying winners, broadly focusing on companies in four sectors: Enterprise Tech, Con/Prosumer Tech, Health Tech and Climate Tech.

## EQT Life Sciences

New business line<sup>1)</sup>

**Focus:** Innovative companies with strong scientific rationale across several life sciences strategies

Investment range	€10-60m		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
54	29	€2bn <sup>3)</sup>	

In November 2021 EQT signed an agreement to acquire LSP, Life Sciences Partners, a leading European life sciences venture capital firm. Now part of the Private Capital business segment, EQT Life Sciences will enhance EQT's ability to drive positive social impact in the healthcare industry and future-proof companies that can advance life science research through cutting edge technology.

<sup>1)</sup> EQT signed an agreement to acquire Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

<sup>2)</sup> No. of Investment Advisory Professionals for EQT Future are included in the No. of Investment Advisory Professionals for EQT Private Equity.

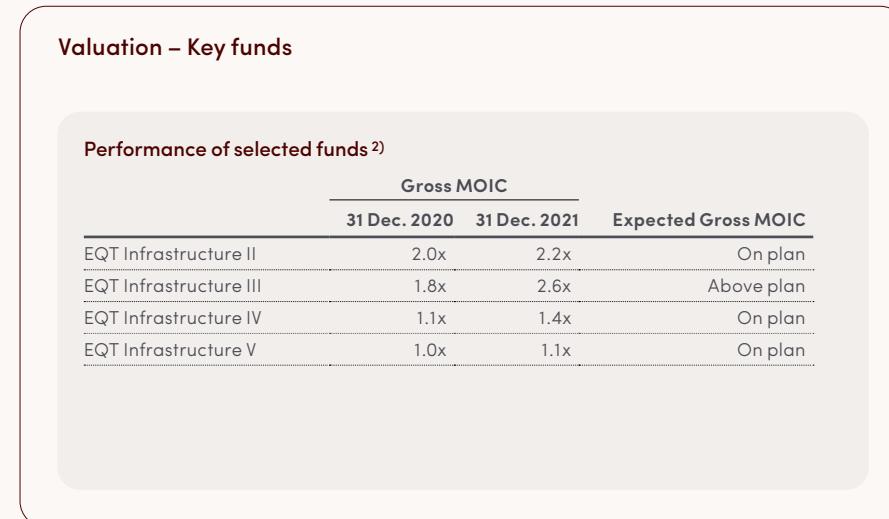
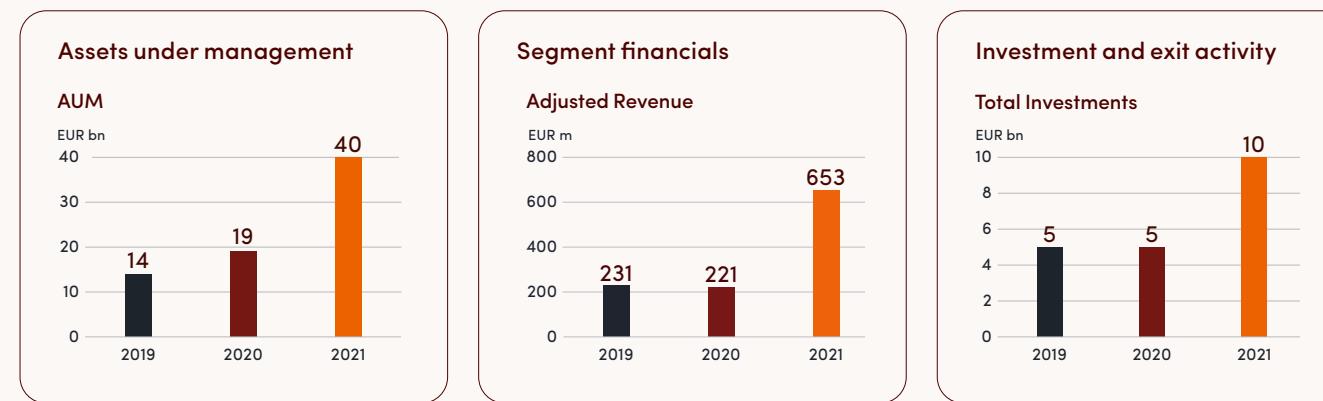
<sup>3)</sup> AUM for EQT Life Sciences is not included in EQT's total AUM as of 31 December 2021. The transaction closed on 28 February 2022.

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# Real Assets

Since its establishment in 2008, the Real Assets segment has grown to EUR 40 billion in AUM. Real Assets comprises three business lines: EQT Infrastructure, EQT Active Core Infrastructure<sup>1)</sup> and EQT Exeter. The funds pursue value-add infrastructure and real estate investments across Europe, North America and Asia Pacific.



## Share of total AUM

54%



## Offices EQT Infrastructure

Helsinki	Munich	Singapore
London	New York	Stockholm
Madrid	Oslo	Sydney
Milan	Paris	Tokyo

Zurich

## Offices EQT Exeter<sup>3)</sup>

Philadelphia	Atlanta	San Francisco	Houston
London	Dallas	Dusseldorf	Amsterdam
Luxembourg	Chicago	Madrid	Washington DC
Paris	Indianapolis	Milan	



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

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## EQT Infrastructure

**Focus:** Infrastructure businesses that provide essential services to society with potential for operational value creation

Investment range	<b>€500m-1.0bn</b>		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
25	87	€26bn	

The Infrastructure Advisory Team seeks to identify equity investments in infrastructure companies that provide an essential service to society, are recession resilient, have secure cash flows and ideally offer some inflation protection. The focus is on companies actively managing energy, transport & logistics, environmental, digital and social infrastructure.

Several types of opportunities are evaluated by the advisory team, including standalone operating infrastructure companies, infrastructure assets that have evolved into corporate orphans, and government privatizations. Ideal investment targets are operating companies in industries with regulated infrastructure, concession-based infrastructure, market-driven infrastructure or infrastructure-related services.

Net IRR <sup>1)</sup>	Realized Gross MOIC <sup>1)</sup>	No. of Investment Advisory Professionals
19%	2.3x	94

## EQT Active Core Infrastructure

New business line<sup>2)</sup>

**Focus:** Companies that provide essential services to society and offer a distinct risk-return proposition due to stable cash flows, low volatility, and lower-risk value creation profiles

Investment range	<b>€500m-1.0bn</b>		
No. of portfolio companies	No. of Investment Advisory Professionals	AUM	
N/A	7 <sup>3)</sup>	N/A	

Primarily focused on Europe and North America, the EQT Active Core Infrastructure fund will target companies that provide essential services to society and offer a distinct and attractive risk-return proposition based on stable cash yield generation, inflation protection, low volatility, and pursuit of longer-term value creation opportunities.

The EQT Active Core Infrastructure fund's deal selection will be based on a sustainability framework designed to deliver positive impact and mitigate the long-term risk of business model disruption in its portfolio. Investment opportunities will be sourced across three sustainability themes; (i) climate & environment; (ii) people & society; and (iii) sustainable growth & equality.

## EQT Exeter

**Focus:** Value-add and Core+ real estate investment opportunities

Investment range	<b>&lt;€30m</b>		
Current number of buildings	No. of Real Estate Professionals	AUM	
1,565	300	€14bn	

EQT Exeter was created through the combination of EQT's real estate business and Exeter Property Group in 2021. EQT Exeter is among the largest real estate investment managers in the world, focused on acquiring, developing and managing logistics/industrial, office, life science and residential properties. EQT Exeter is a hands-on operator with nearly 40 offices across North and South America, Europe and Asia. EQT Exeter combines local execution and global scope to deliver superior real estate solutions to tenants while providing investment partners with some of the industry's leading and most consistent value-add, core-plus and core returns, as proven against prominent global benchmarks.

Net IRR <sup>1)</sup>	Realized Gross MOIC <sup>1)</sup>	No. of Real Estate Professionals
23%	2.4x	300

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

<sup>2)</sup> EQT announced the launch of EQT Active Core Infrastructure on 2 March 2022, creating a new business line called EQT Active Core Infrastructure within EQT's business segment Real Assets.

<sup>3)</sup> No. of Investment Advisory Professionals for EQT Active Core Infrastructure are included in the No. of Investment Advisory Professionals for EQT Infrastructure.

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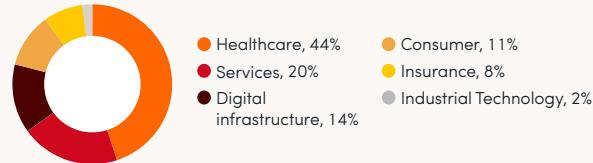
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# EQT's business segments in numbers

EQT has 28 active funds.

## Private Capital

### Private Capital's investments in 2021, by sectors



### Private Capital funds managed by the EQT AB Group 31 December 2021

Fund	Start year	Committed capital	Status
EQT VI	2011	EUR 4.8bn	Fully invested
EQT VII	2015	EUR 6.9bn	Fully invested
EQT VIII	2018	EUR 10.9bn	Fully invested
EQT IX	2020	EUR 15.5bn	Investing
EQT Mid Market	2013	EUR 1.1bn	Fully invested
EQT Mid Market US <sup>1)</sup>	2015	EUR 0.7bn	Fully invested
EQT Mid Market Europe	2016	EUR 1.6bn	Investing
EQT Mid Market Asia III	2016	EUR 0.7bn	Investing
EQT Ventures	2016	EUR 0.5bn	Fully invested
EQT Ventures II	2019	EUR 0.6bn	Investing
EQT Public Value	2018	EUR 1.1bn <sup>2)</sup>	Open-ended
EQT Growth	2021	EUR 1.5bn	Investing
EQT Future	2021	EUR 1.4bn <sup>3)</sup>	Investing

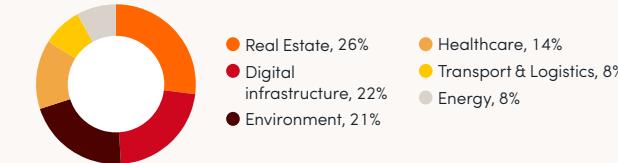
1) A discontinued strategy.

2) Fee generating AUM.

3) Invested capital.

## Real Assets

### Real Assets' investments in 2021, by sectors



### Real Assets funds managed by the EQT AB Group 31 December 2021

Fund	Start year	Committed capital	Status
EQT Infrastructure II	2012	EUR 1.9bn	Fully invested
EQT Infrastructure III	2016	EUR 4.0bn	Fully invested
EQT Infrastructure IV	2018	EUR 9.1bn	Fully invested
EQT Infrastructure V	2020	EUR 15.7bn	Investing
EQT Real Estate I	2016	EUR 0.4bn	Fully invested
EQT Real Estate II	2019	EUR 1.1bn	Investing
EQT US Industrial Fund V	2020	USD 2.0bn	Investing
EQT Exeter US Industrial Core II	2016	USD 0.6bn	Fully invested
EQT Exeter US Industrial Core III	2019	USD 1.3bn	Fully invested
EQT Exeter US Industrial Core IV	2021	USD 0.3bn	Investing
EQT Exeter Office/Life Science Fund I	2018	USD 0.1bn	Fully invested
EQT Exeter Office/Life Science Fund II	2021	USD 0.2bn	Investing
EQT Exeter Europe Industrial Fund IV	2021	USD 2.1bn	Investing
EQT Exeter Europe Core+ Fund I	2020	USD 1.0bn	Investing
EQT Exeter China Logistics Fund	2021	USD 0.1bn	Investing

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# EQT's operating platform

EQT is continuously working to future-proof and scale its operating platform. With the capacity to efficiently support the Group's growth ambitions across current and new geographies and strategies, EQT's operating platform is a critical part of EQT's strategy and a key source of competitive advantage and differentiation.

EQT's operating platform consists of Central Functions' Specialist teams, Client Relations and Capital Raising, Digital, Sustainability and Fund Operations.

The operating platform enables the Group to efficiently launch new funds, expand strategies and enter new geographies and markets. The operating platform allows the

investment advisory organization to draw on resources during the investment and ownership phase, to focus on advising on transactions and support in developing the investments.

In the Group's financial report, Central refers to items not allocated to the business segments.

## EQT's operating platform aims to:

- Raise capital.
- Provide cutting-edge digital tools and solutions.
- Drive sustainable transformation, on a firm and fund level.
- Attract and retain talent.
- Manage the legal, regulatory, and tax environment.
- Stakeholder relations and engagement with clients, shareholders, rating agencies and media etc.

## EQT's operating platform consists of:

Central Functions' Specialist teams	Client Relations and Capital Raising	Digital	Sustainability	Fund Operations
<p>Includes a variety of functions, such as:</p> <ul style="list-style-type: none"> <li>• Legal, Regulatory &amp; Compliance, Tax &amp; Structuring</li> <li>• HR</li> <li>• Business Development</li> <li>• Group Finance, Shareholder Relations</li> <li>• Communications</li> </ul>	<p>The overarching goal for Client Relations and Capital Raising is to support all of EQT's business lines and funds by building and maintaining strong client relationships. The team is responsible for coordinating and driving all fundraising and client-related activities.</p>	<p>Provides cutting-edge digital tools and solutions and supports EQT and the EQT funds' portfolio companies to ensure they become digital leaders in their respective sectors. Digital consists of:</p> <ul style="list-style-type: none"> <li>• EQT Technology</li> <li>• EQT Digital Business Development</li> <li>• Motherbrain</li> </ul>	<p>EQT's dedicated Sustainability team acts as a catalyst and facilitator. The role of the team is to disseminate knowledge into the organization, bring more diverse perspectives to the table and inspire action.</p>	<p>In charge of activities and affairs with regard to the EQT funds, i.e. investment decisions, actions and operations during ownership and exits.</p>

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# Central Functions' Specialist teams

EQT takes a systematic and structural approach to its operations with the aim to be best-in-class in terms of efficiency and performance. Central Functions' Specialist teams strive to develop and improve its operations in order to support the investment advisory organization.

## Legal, Regulatory & Compliance

Legal supports the organization with capital raising, transactions, and general corporate practices. Regulatory & Compliance is responsible for supporting and coordinating regulatory queries and fulfills the role of a compliance function for the Group. Tax & Structuring supports the Group with tax matters relating to the EQT funds, under the holding period and in realization, and the Group's overall tax compliance.

## HR

HR is a function with group wide, local, strategic as well as operational responsibilities. HR's mission is to safeguard EQT's future resource and competence needs by attracting, developing and retaining world class talent. To support all employees in reaching their full potential, HR ensures sound working conditions and provides paths for growth and development.

## Business Development

Business Development drives cross-functional operational improvement projects as well as evaluates potential M&A targets.

## Group Finance

Group Finance focuses on topics related to accounting and consolidation, business controlling, forecasting, cash management, strategic projects and internal and external reporting. The organization's ambition is to provide internal and external stakeholders with relevant, correct and timely advice and information. Finance's specialist teams include Shareholder Relations and Treasury.

## Communications

Communications supports the whole organization with value-add communication services, such as transaction communication, media relations and internal communication.

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# Client Relations and Capital Raising

**The Client Relations and Capital Raising team is responsible for coordinating and driving all fundraising and client service-related activities.**

The team serves a diversified, stable, and global client base through its local presence.

Over the past year, the team has grown significantly and currently consists of 86 professionals who support EQT's growth ambitions and serve the ever-growing client base.

The overarching goal for the Client Relations and Capital Raising team is to support all of EQT's business lines and funds by building and maintaining strong client relationships.

The team is also responsible for arranging EQT's client events, such as the Annual Investors' Meeting, New York Investor Day and Asia Pacific Investor Day.

## The capital strategy

EQT aims to retain and strengthen relationships with existing clients by delivering strong risk-adjusted returns, a continuous and consultative dialogue as well as high-quality services. As EQT expands its business, the Client Relations and Capital Raising team is constantly engaging with new clients to selectively partner with and broaden the client base further.

Given the breadth of EQT's platform, EQT can provide its clients – both existing and new – with products across all active ownership strategies. At present, around 40 percent of EQT's AUM comes from clients investing in only one business segment. As such, there is ample opportunity for growth and cross-selling with existing investors.

## The Client Relations and Capital Raising team is divided into two functions

**The Fund Formation and Project Management function** works on the coordination and execution of capital raising projects, including strategic analysis, client materials and due diligence support. The function also engages in preparation of client communication and events during the investment lifecycle.

**The Coverage function** is focused on building and maintaining long-term relationships with existing and prospective clients globally. The function includes dedicated specialist coverage representatives, in order to serve EQT's clients even better in products such as Real Estate and the strategically important private wealth management channel.



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# Digital

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.

## 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 process, from deal sourcing and due diligence to transformation and exit. EQT's Digital Framework provides the Fund Management team, supported by the Investment Advisory Teams, with a systematic approach and toolbox to support value creation and drive cross-portfolio initiatives.

The Digital Business Development team is global, and embedded within the Investment Advisory Teams. Team members have operational experience within digital growth and IT and are responsible for supporting the investment process and EQT funds' portfolio companies across all EQT geographies.

## EQT Technology

EQT believes in "the art of the possible" and therefore has a customer-centric approach in internalizing the possibilities of technology, as well as practicing what is preached to portfolio companies. This enables all EQT employees and differentiates EQT as a modern workplace, capable of attracting the next generation of talent.

EQT Technology focuses on enabling automation across the organization and next-generation investor services through our in-house developed EQT Investor Portal. As of 2022, EQT Technology is an independent part of EQT Digital, focusing on the EQT AB Group's mission-critical infrastructure.

### EQT Digital's mission

- Make EQT an ever smarter and more innovative investor.
- Future-proof EQT funds' portfolio companies and catalyze their pursuit of digital leadership in their respective industries and markets.
- Make EQT's customer experience and operations ever faster, more scalable and precise.
- Drive, as a recognized digital leader, transformation of the global investment ecosystem.

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# Sustainability

Sustainability aspects are integrated within various functions at EQT. To drive sustainable transformation, EQT has a sustainability team working on group level and within the business segments.

## Group Sustainability

On a group-level, EQT has a dedicated Sustainability team consisting of sustainability professionals acting as catalysts and facilitators of sustainable transformation. The role of the team is to drive EQT's sustainability strategy and transformation journey, incubate new ideas, implement platform-wide initiatives and tools as well as to engage with EQT's stakeholders. Over the past year, the team has grown significantly and new competencies have been added in support of new ambitions, with a focus on transformation and strengthening of the ESG data engine.

## Sustainability in EQT's business segments

In 2021, EQT has also hired dedicated sustainability professionals in the management group of the EQT AB Group's business segments, to further accelerate value creation and support Investment Advisory Teams and portfolio companies. The organization is further supported by a global network of Sustainability Ambassadors, Investment Advisory Professionals covering all business lines and sector teams. This broader network supports the integration of sustainability in investment and ownership and disseminates sustainability knowledge in day-to-day activities.

### EQT's holistic approach to sustainability

In practice, EQT drives its sustainability approach from two perspectives:

- Leading by example as a firm to promote positive systemic change.
- Accelerating action through EQT's responsible investment and ownership activities.

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# Fund Operations

**EQT Fund Operations is responsible for fund management, primarily based out of EQT's fund hub in Luxembourg. The single onshore hub was established in 2017 as a step in the onshore consolidation of EQT's Fund Management after EQT had decided in 2012 to domicile all its future funds onshore.**

An EQT fund generally has a General Partner and a Fund Manager with its own board and an Investment Advisory Committee. These act 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 of the fund and is 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 supports all Fund Management activities with a global team based in Stockholm with satellite offices in Asia and North America.

## Fund Operations consists of four main clusters

- Portfolio Management
- Fund Finance
- Clients, Structures & Governance
- Advisory Services



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# 09

## EQT AB Group and Financial model



### EQT Growth

#### Vinted

With over 50 million members, Vinted is Europe's largest online platform dedicated to second hand fashion, and benefits from trends such as the increasing consumer demand for sustainability and continued penetration of online channels. EQT Growth invested in Vinted in 2021 and will support Vinted's platform and technology investment, while leveraging EQT's in-house digital and tech expertise.

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# EQT AB Group – the listed entity



<sup>1)</sup> Data as of 31 December 2021. The SFSA is evaluating EQT's handling of information in connection with EQT's lock-up revision and partners' sale of shares in September 2021. EQT remains confident that EQT handled the information correctly and is assisting the SFSA in their review.

2) EQT signed an agreement to acquire Life Sciences Partners in November 2021. The transaction closed on 28 February 2022.

<sup>3)</sup> On 2 March 2022, EQT launched EQT Active Core Infrastructure.

4) Of which 85 are investments by the EQT Ventures funds. Includes EQT Growth and EQT Public Value. Excludes EQT Exeter.

<sup>5)</sup> Excludes portfolio companies in EQT Ventures, EQT Public Value and EQT Exeter.

<sup>6)</sup> Properties in EQT's business line EQT Exeter, including EQT Real Estate fund I and II.

7) Net leasable area

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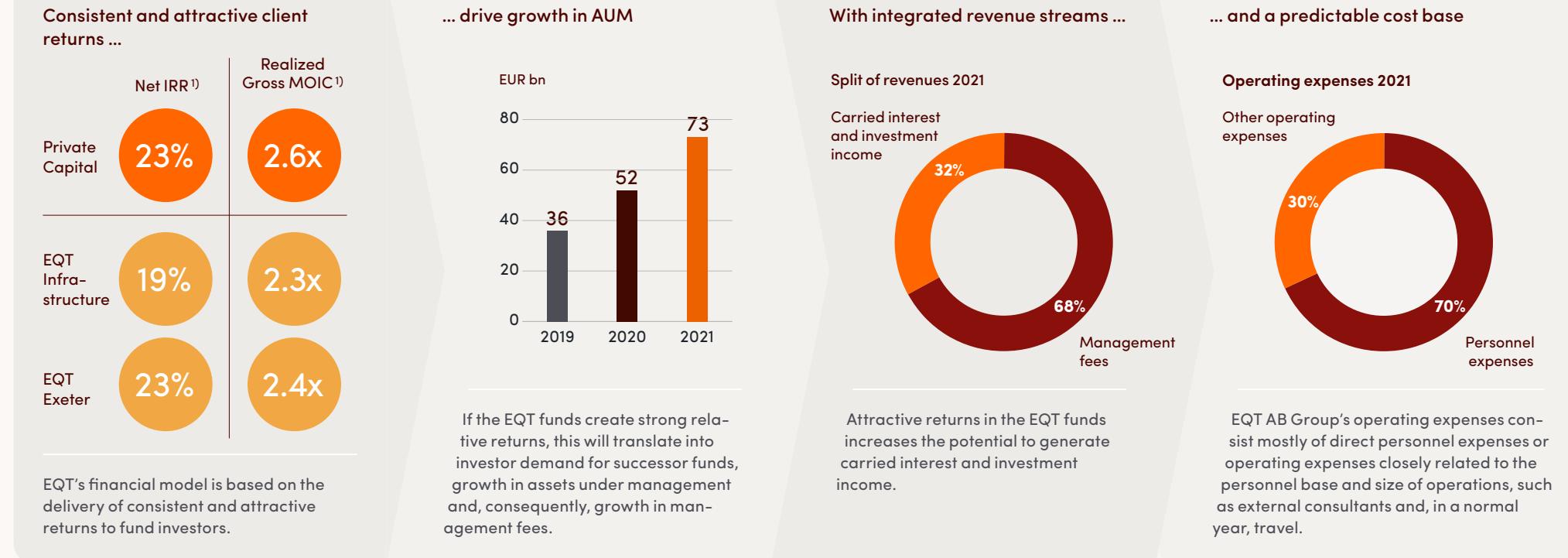
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# Financial model

**EQT AB Group's revenues consist of two integrated streams: management fees as well as carried interest and investment income.**

Strong investment performance by the EQT funds is the foundation for EQT's success, translated into growth in both revenue streams: management fees as well as carried interest and investment income. EQT AB Group receives management fees for the management and operation of the EQT funds, including

the provision of investment advisory services. The management fees are contractually recurring, normally calculated at a fixed percentage rate over the term of the fund, and paid semi-annually in advance.



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

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# Explaining management fees

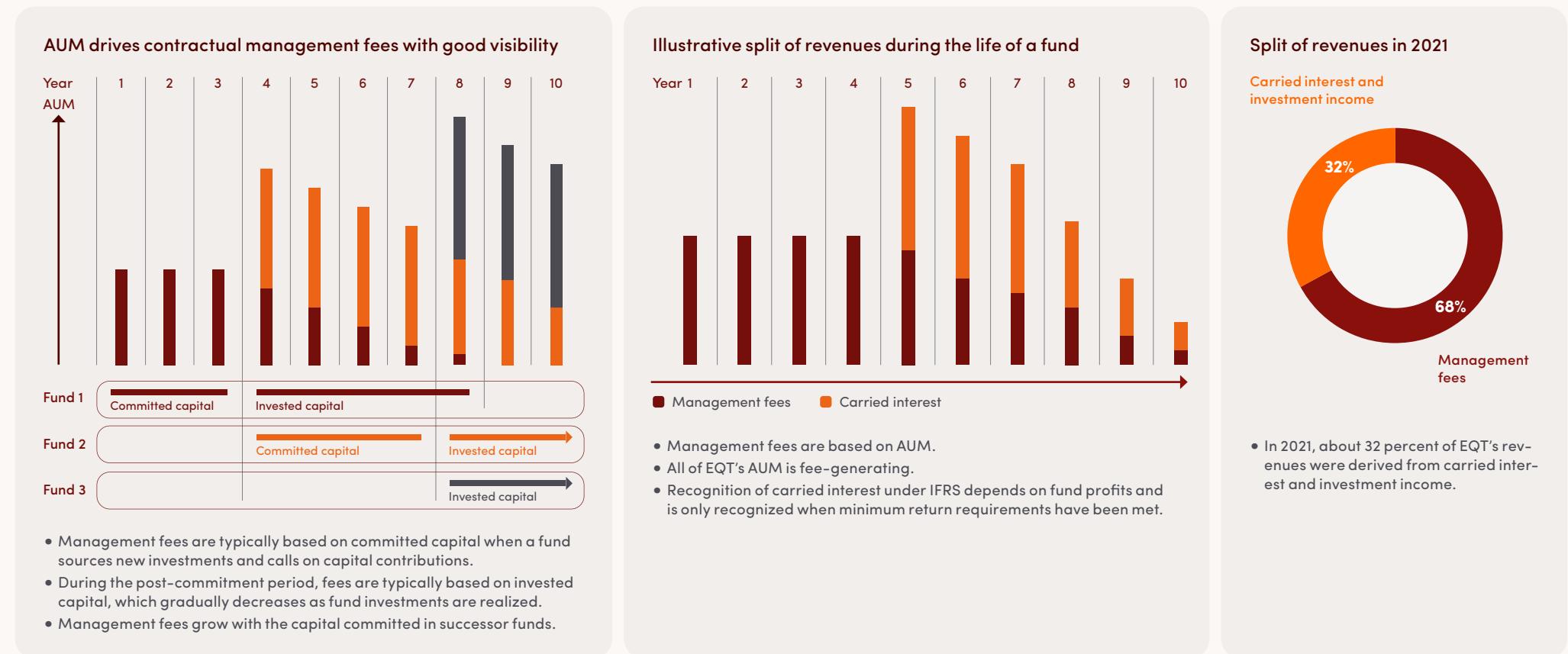
A typical EQT fund life can be divided into two phases, a commitment period and a post-commitment period. The commitment period for a fund represents the time when the relevant EQT fund sources investments and calls on capital contributions from the fund investors to finance the acquisition of the fund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

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

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

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

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



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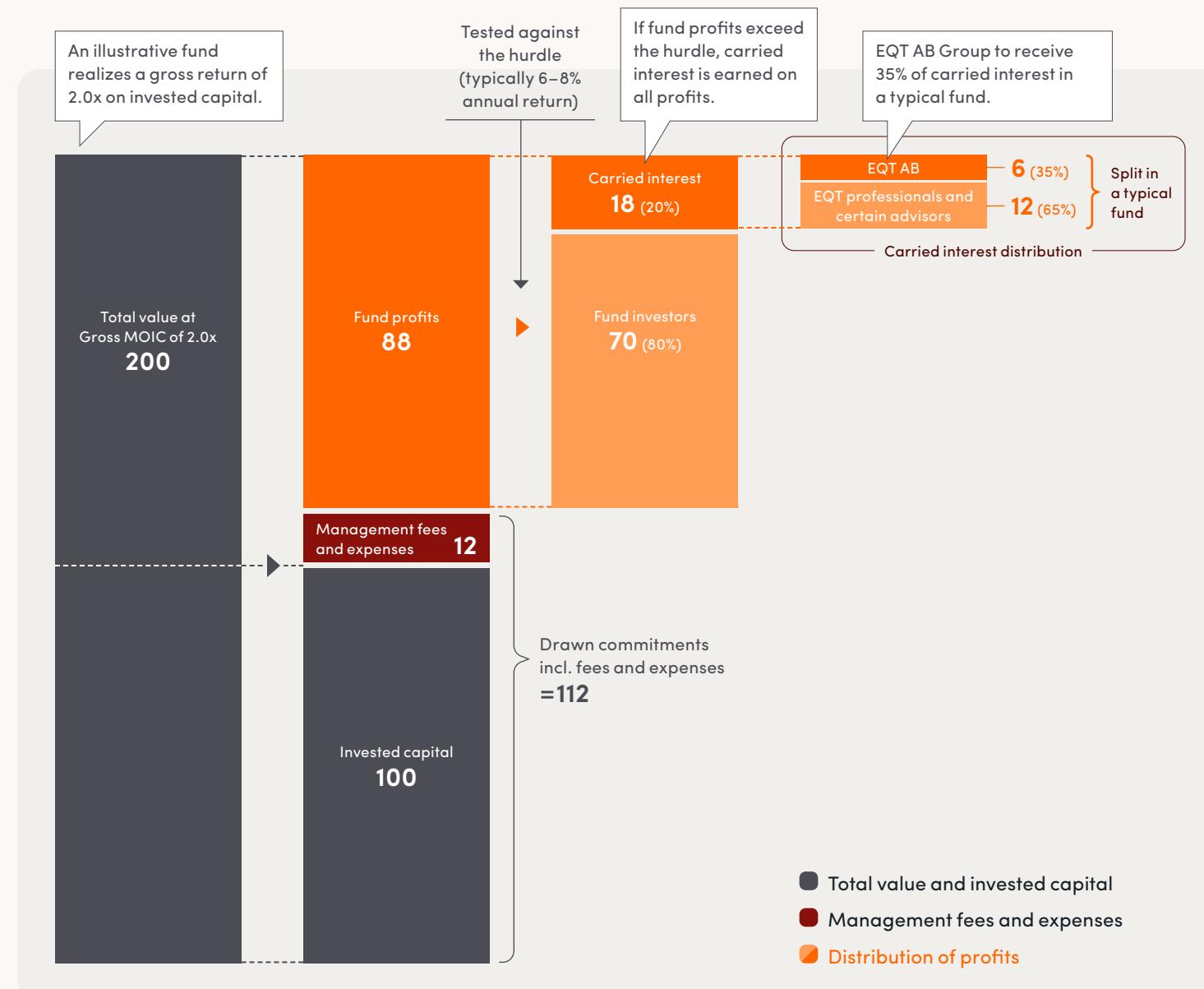
# Explaining carried interest

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

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

Subject to the relevant fund's 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 Recipients as of which EQT AB Group would normally be entitled to 35 percent of the carried interest.

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



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# EQT's sustainability-linked bond – incentivizing and accelerating action

Following successful establishments of ESG-linked credit facilities for EQT funds, EQT AB issued in 2021 a EUR 500 million sustainability-linked bond, becoming the first private markets firm globally to introduce this to the market.

In May 2021, EQT AB issued a EUR 500 million sustainability-linked bond (SLB). This was the first sustainability-linked note to be issued by a private equity firm, where the bond's coupon rate is linked to predetermined sustainability performance targets.

The bond underscores EQT's approach to sustainability as an integral part of the business model and enables EQT to connect sustainability to its funding cost and further incentivize its sustainability ambitions.

The chosen Key Performance Indicators for the bond are related to EQT's sustainability ambitions, such as setting science-based targets and accelerating gender diversity, both within the EQT AB Group and in the EQT funds' portfolio company boards.

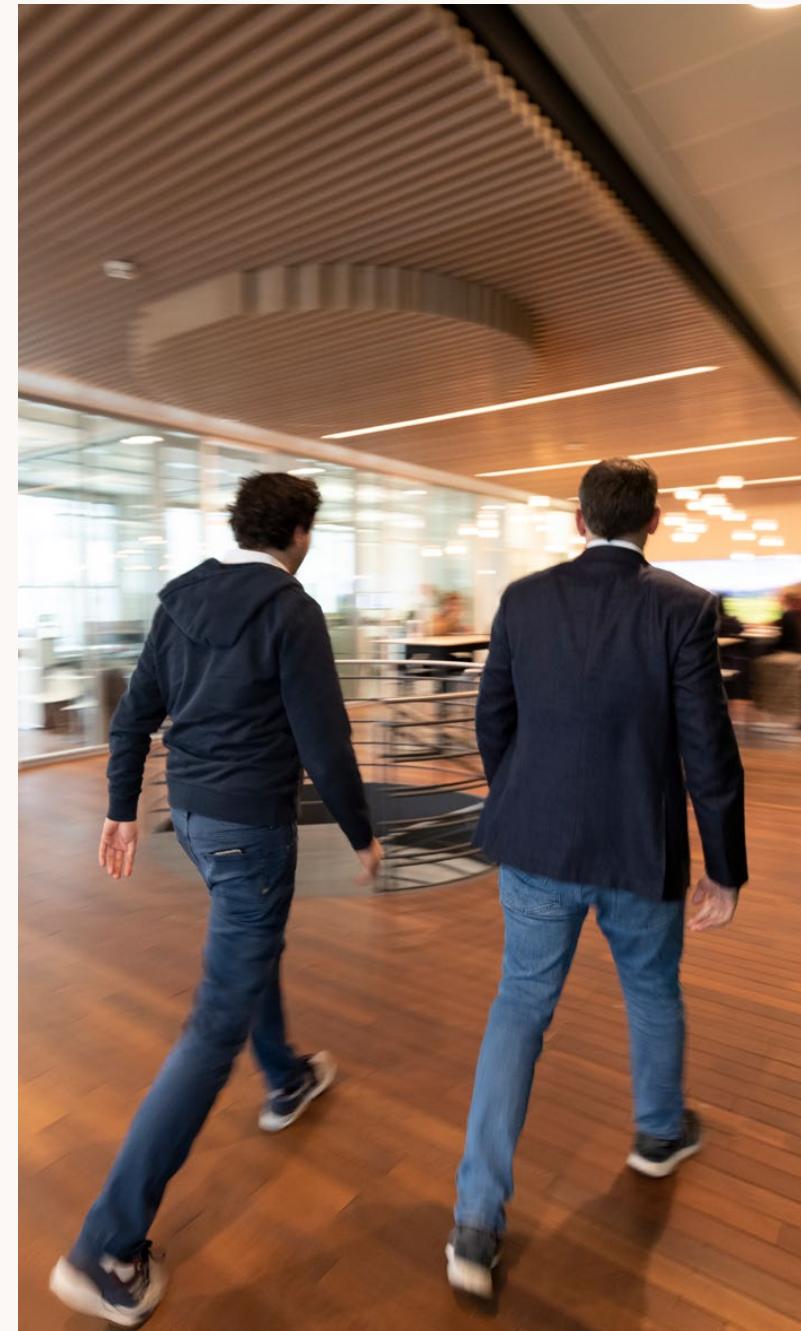
The ESG aspects of the bond have been structured to reflect EQT AB's Sustainability-Linked Financing Framework, which was established in accordance with the ICMA's sustainability-linked bond principles.

Key Performance Indicators (KPIs)	Sustainability Performance Target (SPT)	Target date	Status 2021
KPI 1: SBTi approved greenhouse gas emission reduction targets	SPT 1: Science-based targets approved	31 December 2023	Fulfilled
KPI 2a: Percentage of women Investment Advisory Professionals	SPT 2a: 28%	31 December 2026	25% <sup>1)</sup>
KPI 2b: Percentage of independent women board members appointed at EQT funds' portfolio companies	SPT 2b: 36%	31 December 2026	28% <sup>2)</sup>

<sup>1)</sup> Please see [Sustainability notes – Social](#), for more details.

<sup>2)</sup> As of 31 December 2021 only three portfolio companies were eligible for KPI2b. The number of eligible portfolio companies will increase over time as it covers certain newer funds and controlled portfolio companies owned more than one year.

For more information on the targets, please refer to EQT's Sustainability-linked financing framework on the EQT website.



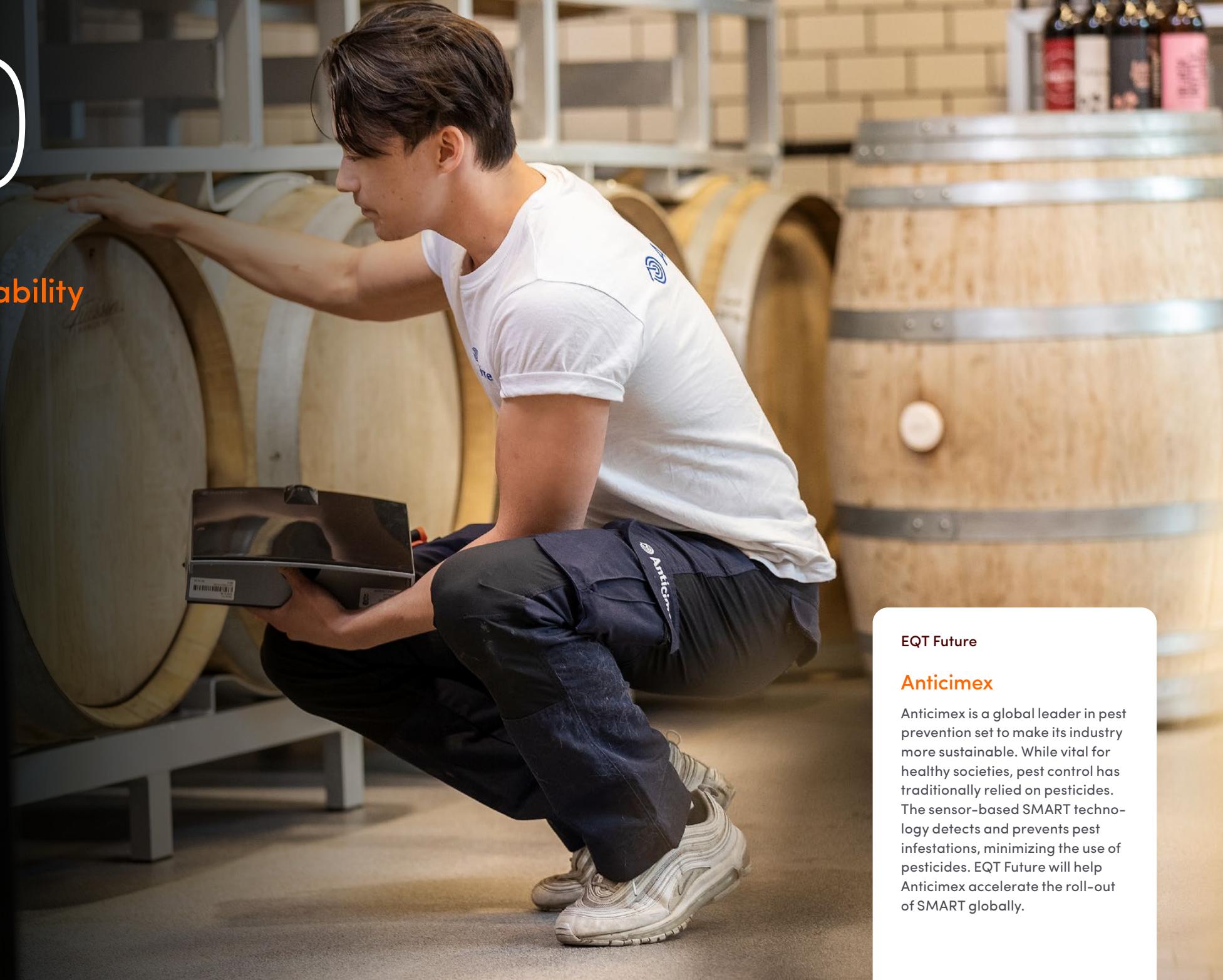
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## Sustainability notes



EQT Future

### Anticimex

Anticimex is a global leader in pest prevention set to make its industry more sustainable. While vital for healthy societies, pest control has traditionally relied on pesticides. The sensor-based SMART technology detects and prevents pest infestations, minimizing the use of pesticides. EQT Future will help Anticimex accelerate the roll-out of SMART globally.

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# Sustainability notes

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### Framework and scope

The content and topic boundaries related to EQT's sustainability reporting are based on EQT's materiality assessment and sustainability ambitions. For each focus area at least one GRI Standard disclosure and/or EQT disclosure is reported on. Deviations or comments are found in the GRI content index. Given the recent combination with Exeter, which closed in the second quarter of 2021, there are certain data points and processes that are not yet available or aligned.

EQT continues to assess other frameworks such as Nasdaq's ESG Guide, SASB and the Stakeholder Capitalism Metrics developed by the World Economic Forum's International Business Council (IBC). EQT formally supported the IBC's initiative in September 2021 and an index to these disclosures has been prepared.

The sustainability reporting has been assured by an external party. See Auditor's Limited Assurance Report on Sustainability Report and statement regarding the Statoxy Sustainability Report. The sustainability notes also contain descriptions of governance and management processes, policies and disclosures on topics often requested by stakeholders.

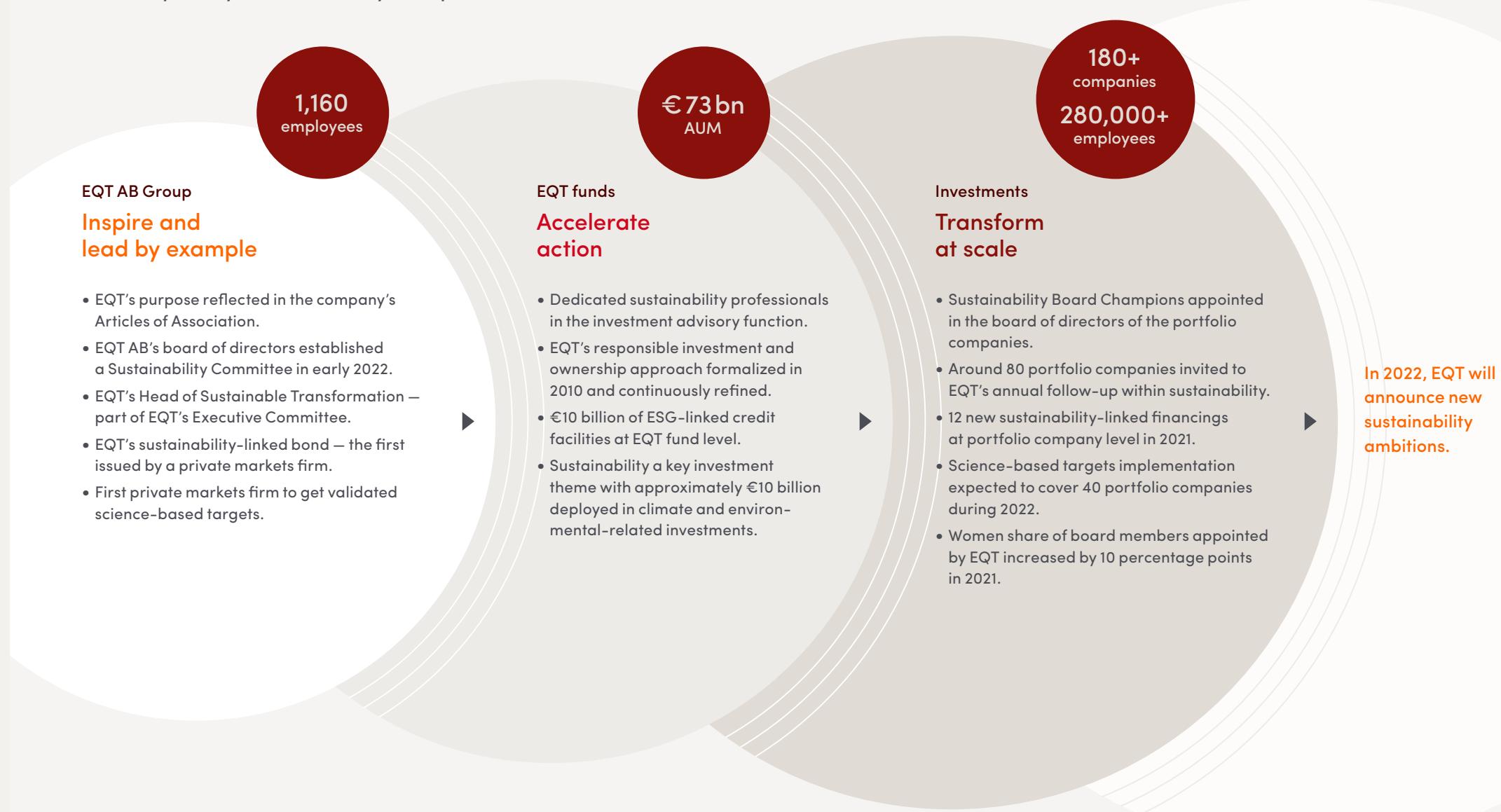
The direct scope of EQT's sustainability reporting is EQT AB Group. Indirect impacts from EQT's investment advisory activities and EQT funds are not included in the scope unless explicitly mentioned, such as part of EQT's responsible investment and ownership approach, and within the areas of climate and diversity (see the ■ mark in the table of contents above).

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# Sustainability transformation – today and tomorrow

EQT's sustainability focus is integrated on Group level and trickles down within the EQT funds to create a sustainable transformation at scale within the portfolio. The need to drive change, understand the disruptive dynamics and stay entrepreneurial are crucial for EQT's continued success.



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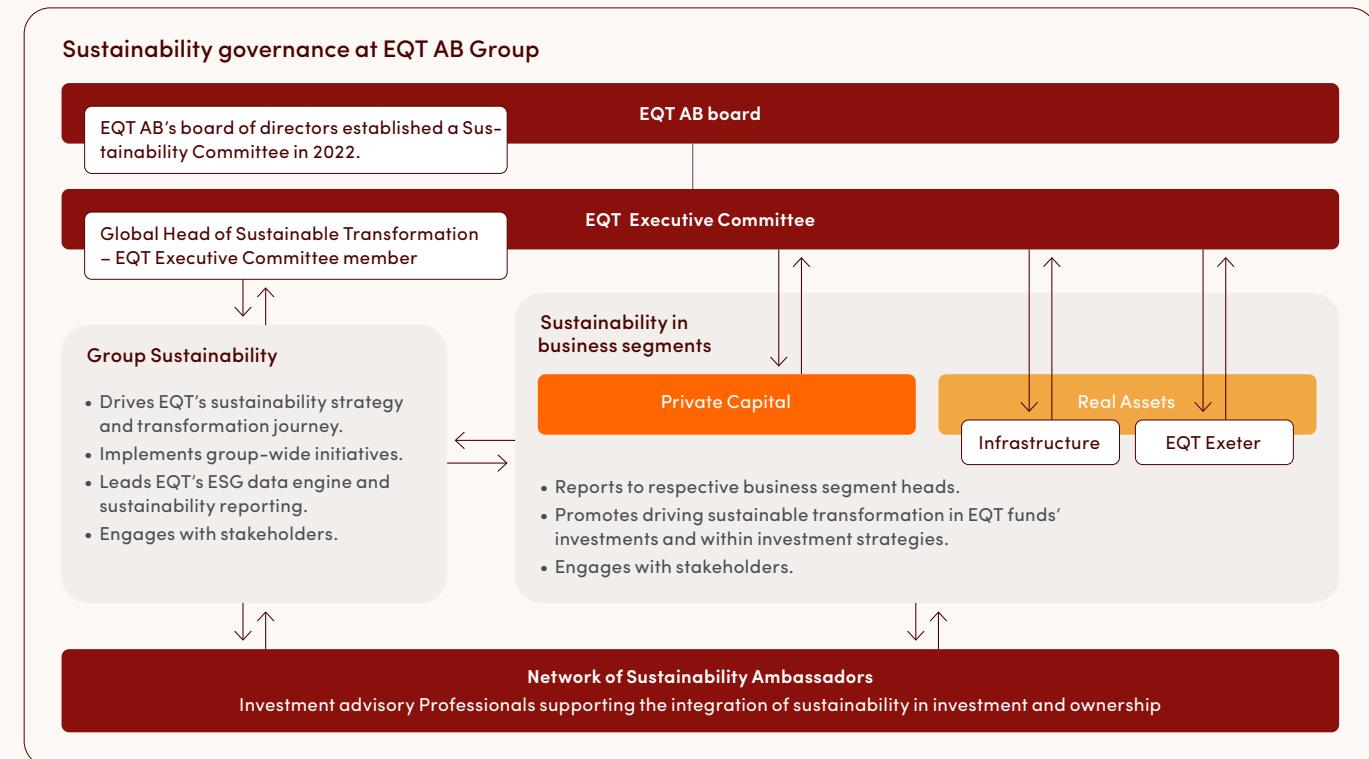
# Sustainability management and governance

EQT's long-term and strategic approach to sustainable business begins with a mindset that integrating ESG considerations will contribute to its goal to make a positive impact. By considering sustainability as an integral part of its business model, EQT and the EQT funds' portfolio companies can identify and capture value creation opportunities as well as mitigate risks. In doing so, EQT will drive change and play an active role in developing regenerative solutions needed for the future.

EQT AB'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 and all other circumstances or conditions which can be assumed to be of significance to EQT AB's shareholders. EQT continues to focus on and strengthen the engagement around sustainability. As part of that journey, the EQT AB board decided in early 2022 to establish a Sustainability Committee to the board.

Given EQT's integrated approach to sustainability, the internal responsibility for sustainability depends on the topic, however, the responsibility for EQT's direct sustainability activities lies with the Executive Committee. To drive the overall integration and implementation, EQT has a dedicated sustainability team led by the Global Head of Sustainable Transformation, who is also part of the Executive Committee. In 2021, the internal sustainability function was further strengthened with a new Head of Sustainability for the Private Capital segment. Similar roles for EQT Real Assets have joined or are joining during 2022.

EQT's concept of Sustainability Ambassadors, consisting of investment advisory professionals covering all investment strategies, continues to be an important function to ensure complete dissemination of sustainability knowledge.



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# Stakeholder engagement and materiality analysis

Close stakeholder engagement, business intelligence and analysis all contribute to EQT's assessment of key sustainability topics to monitor, disclose and strategize around.

## Stakeholder engagement

The table below shows some of EQT's key stakeholders, methods of engagement and examples of sustainability-related topics

discussed. Sustainability topics often form an integrated part of EQT's interactions with stakeholders but can also be the principal reason for a conversation.

In 2021, there has been a continued focus from stakeholders on climate-related topics and for fund clients in particular, the EU's new framework for sustainable finance been a frequent discussion topic. Diversity, equity and

inclusion also remained a key topic for stakeholders, where conversations increasingly moves beyond the previous focus on gender.

An important source for engagement with employees across the globe has been the "EQT Purpose Journey" where all Partners and management teams have met in workshops to identify how we can continue to accelerate sustainable transformation across our platform.

**Other key stakeholders include:**  
Future employees, owners and buyers, entrepreneurs, advisors and other business partners, industry associations, politicians and opinion builders, general public and media, regulatory bodies, academia, unions, research analysts and ESG rating agencies.

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

Employees	EQT Network	EQT AB shareholders	Debt providers	EQT funds' clients	EQT fund's portfolio companies	Other stakeholders
<p>Methods of engagement</p> <ul style="list-style-type: none"> <li>Recruitment</li> <li>Onboarding and ongoing dialogues</li> <li>EQT Academy</li> <li>Conferences and workshops</li> <li>Sustainability Network meetings</li> <li>Employee engagement surveys</li> <li>Bi-yearly development discussions</li> </ul> <p>Examples of topics discussed</p> <ul style="list-style-type: none"> <li>Opportunities to develop as employees and professionals</li> <li>Ability to contribute to the society – in line with our purpose</li> <li>Culture and values</li> <li>Diversity, equity and inclusion</li> </ul>	<p>• Involvement in due diligence, market screenings and value creation of portfolio companies</p> <ul style="list-style-type: none"> <li>Onboarding and ongoing dialogues, in roles as chairpersons and board members</li> <li>Network and sector conferences</li> </ul>	<ul style="list-style-type: none"> <li>Roadshows and conferences</li> <li>Shareholders' Meeting</li> <li>Financial reporting and other disclosures</li> <li>Regular shareholder relation dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing dialogues</li> <li>Establishment and follow-up of sustainability-linked financing</li> <li>Information requests</li> <li>Forums and conferences</li> </ul>	<ul style="list-style-type: none"> <li>Fundraising and ongoing dialogues</li> <li>Annual Investors' Meeting</li> <li>Investors' Committee meetings</li> <li>Information requests</li> </ul>	<ul style="list-style-type: none"> <li>Onboarding and ongoing dialogues</li> <li>CEO and CFO Conferences</li> <li>Sustainability workshops</li> <li>Sustainability annual follow-up</li> </ul>	<ul style="list-style-type: none"> <li>Public relations</li> <li>Media</li> <li>Information requests</li> <li>Activities and events in relation to students and universities</li> <li>Union negotiations</li> </ul>
	<ul style="list-style-type: none"> <li>Values and business ethics</li> <li>Corporate governance</li> <li>Sustainable transformation</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability as a tool for value creation</li> <li>Exposure to sustainability risks and opportunities</li> <li>Corporate governance</li> <li>ESG-related disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Risks and opportunities connected to environmental and societal challenges</li> <li>KPI performance</li> <li>Data integrity, assurance</li> </ul>	<ul style="list-style-type: none"> <li>Fund returns and long-term value creation</li> <li>Ability to deliver future-proof investments</li> <li>Communication and disclosure</li> <li>EU's sustainable finance framework</li> </ul>	<ul style="list-style-type: none"> <li>Support and ideas on how to improve performance in terms of sustainable solutions and practices</li> <li>EU's sustainable finance framework</li> <li>Science-based targets</li> </ul>	<ul style="list-style-type: none"> <li>Career development opportunities</li> <li>Sustainability performance</li> <li>Exposure to sustainability risks and opportunities</li> <li>Diversity, equity and inclusion</li> <li>Taxes</li> <li>EU's sustainable finance framework</li> </ul>

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## Materiality analysis

Material sustainability topics are those factors that have a direct or indirect impact on EQT's ability to create, preserve or erode economic, environmental and social value for the company, its stakeholders and society at large.

EQT's materiality analysis was conducted in 2019 based on stakeholder engagements, internal discussions, review of industry standards and best-practices, and an analysis of the United Nations Sustainable Development Goals (SDGs) at target level in relation to which global challenges EQT can contribute to, both as corporate and at scale in the role as investment advisors.

The outcome, together with our purpose, forms EQT's current priorities and ambitions for sustainability within three focus areas – Clean & Conscious, Diversity & Upskilling and Transparency & Accountability. Related targets have been set and are continuously revisited, please see [Reflections on 2021 and beyond](#) for current developments.

The materiality assessment is continuously refined and EQT has begun to revisit the topics and focus areas together with internal and external stakeholders to set new 2030 ambitions.

## Materiality analysis – EQT's sustainability ambitions

### Purpose:

### To future-proof companies and make a positive impact

### Long list of key topics

- Economic value generated and distributed
- Fund returns and long-term value creation
- Responsible investment and ownership

## UN sustainable Development Goals link



### Related sections

- Future-proofing and making a positive impact
- Sustainability notes - Purpose
- Corporate governance - Statement of Purpose

## Environmental:

### Clean & Conscious

*Transform ways of operating in line with science*

- Climate change
- Renewable energy transition
- Resource efficiency
- Travel habits



7.2 Increase global percentage of renewable energy  
7.3 Double the improvement in energy efficiency  
13.2 Integrate climate change measures into policies and planning

- Climate and environment
- Sustainability notes - Environmental disclosures and TCFD

## 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



4.7 Education for sustainable development and global citizenship  
5.5 Ensure full participation in leadership and decision-making

- People
- Sustainability notes - Social disclosures

## Governance:

### Transparency & Accountability

*Champion transparency to build trust*

- Values and business ethics
- Corporate governance
- Communication and disclosure
- Information security
- Customer privacy
- EU's sustainable finance framework
- Taxes



12.6 Encourage companies to adopt sustainable practices and sustainability reporting  
16.6 Develop effective, accountable and transparent institutions

- Business overview - EQT's Operating Platform
- Sustainability notes - Governance Disclosures, GRI content index, WEF Stakeholder Capitalism Metrics index
- Corporate governance

## Enablers:

### Innovation & Partnerships

*Leverage the power of digitalization/AI and partnerships*

- Data integrity
- Collaboration



9.5 Enhance research and upgrade industrial technologies  
17.6 Enhance the global partnership for sustainable development

- EQT AB Group and Financial Model - EQT's sustainability-linked bond
- Sustainability notes - Innovation & Partnerships

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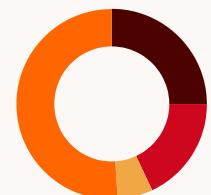
# Purpose: To future-proof companies and make a positive impact

EQT's Statement of Purpose articulates the company'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. EQT's two main ways to contribute to society are how EQT AB Group leads by example and how the EQT funds via their investment and ownership activities make a positive impact at scale.

## Economic value for society

EQT generates direct economic value for society through its business activities. In 2021, EQT AB Group distributed a total of EUR 797m between employees, suppliers and governments, whereas EUR 801m was retained or distributed to owners. Economic value generated and distributed for authorities is presented in accordance with EQT's financial reporting. See charts to the right for further breakdown of the period's tax costs.

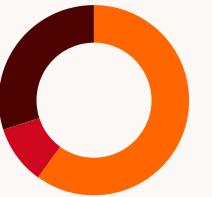
## Direct economic value generated and distributed



- Employees, EUR 393m
- Suppliers, EUR 289m
- Governments<sup>1)</sup>, EUR 114m
- Owners, EUR 801m

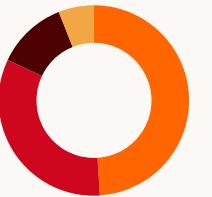
<sup>1)</sup> Corporate income taxes, social security charges and non-recoverable VAT. Corporate income tax refers to corporate current income tax, excluding deferred tax, reported during the reporting period. Please refer to the Financial statements chapter and notes 2 and 10 for more details.

## Reported taxes by type



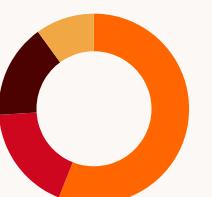
- Corporate income tax, EUR 67m
- Non-recoverable VAT, EUR 13m
- Social security, EUR 33m

## Reported taxes by region



- Europe (excl. Sweden), EUR 55m
- Sweden, EUR 37m
- Americas, EUR 14m
- APAC, EUR 7m

## Reported corporate income tax by region



- Europe (excl. Sweden), EUR 38m
- Sweden, EUR 12m
- Americas, EUR 11m
- APAC, EUR 7m

## EQT funds' 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' investments, the creation of innovation and jobs in its assets and the value created and distributed to clients.

For more information on how EQT funds aim to future-proof investments, see [Future proofing and making a positive impact](#) and [Climate and environment](#). EQT integrates responsible investment and ownership principles in all EQT funds' investments, for the benefit of clients, shareholders and the wider society.

An essential part of EQT's value creation, exercised through the governance model, is the appointment of the board members in the EQT funds' portfolio companies. This allows EQT to accelerate portfolio companies' positive societal impact, sustainability perfor-

mance and disclosure practices by setting clear expectations and providing strategic guidance.

EQT's Responsible Investment and Ownership Policy (RI&O Policy) describes EQT's commitment to sustainability in general and approach to address material sustainability aspects throughout the entire investment process. The RI&O Policy is aligned with key international conventions and standards, including the Ten Principles of the United Nations Global Compact.

Since the 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 2021.

## Application of the Responsible Investment and Ownership Policy 2021

**≥95 percent** of investment decisions were made with the support of a formally documented sustainability analysis.<sup>1)</sup>

**≥90 percent** of portfolio companies communicated a sustainability-related code, policy or similar guidelines.<sup>2)</sup>

**≥85 percent** of portfolio companies held an annual strategic board discussion on sustainability.<sup>2)</sup>

<sup>1)</sup> EQT Exeter investments have been excluded during 2021 as the merger with Exeter closed in April 2021 and integration of policies are currently ongoing.

<sup>2)</sup> Excludes portfolio companies owned by EQT funds less than 1 year and EQT Ventures' early stage investments.

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The annual performance of these KPIs has since 2013 been publicly reported. The historical performance has generally been above or close to 90 percent, with deviations from target (100 percent) being further examined. During 2021, the deviations from the policy mainly relate to smaller or non-control investments.

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.

### Expectations from the EQT Sustainability Blueprint

#### EQT Absolutes

##### Four actions to build a sound sustainability foundation.

- Confirm adherence to the United Nations Global Compact Principles.
- Communicate a sustainability-related code/policy or similar guidelines.
- Share material from the annual strategic board discussion on sustainability.
- Share the materiality assessment.

#### EQT Core KPIs

##### Six mandatory KPIs to foster and inspire sustainable value-creating behavior and measure progress.

- Ethics and anti-corruption training
- Diversity
- Employee engagement
- Greenhouse gas (GHG) emissions
- Water usage
- Waste to landfill

#### Portfolio company-specific KPIs

##### Minimum three KPIs designed to capture and manage market- and sector-specific opportunities and risks.

Examples include energy efficiency, health and safety, customer satisfaction and responsible supply chain.

EQT continuously strives to improve the depth and quality of the management and integration of sustainability aspects within the EQT funds' investments. Updates and refinements are systematically pursued to drive organizational integration, as well as to respond to industry and societal developments.

For example, the Sustainable Financial Disclosure Regulation (SFDR) requires additional disclosure of sustainability activities for funds that use ESG-language in their marketing with a focus on promoting action and measurability. The SFDR hence provides EQT with an opportunity to disclose how EQT funds work with sustainability. To date, EQT has classified all applicable funds in scope for reporting disclosures as 'promoting environmental and social characteristics' (so-called Article 8 funds) and to consider principal adverse impacts (so-called PAI) where this is material. This is in line with EQT's approach to sustainability, which focus on financial performance in parallel with the development of companies to make a positive impact on society and not cause environmental or social harm.

Although sustainability matters are an important and integrated part of their investment process and ownership model, the Exeter funds that were in fundraising or actively investing at the time of the acquisition were not considered to promote any specified environmental or social characteristics within the meaning of the SFDR. EQT Exeter will seek to ensure all applicable EQT Exeter funds, as EQT Real Estate II, meet at least SFDR Article 8 requirements. More information on the Sustainable Financial Disclosure Regulation can be found on EQT's website.

### Memberships and benchmarks

As a signatory to the **Principles for Responsible Investment (PRI)**, EQT received the highest possible score A+ for its RI Transparency Report 2020, for the reported modules within Strategy & Governance, Private Equity and Infrastructure<sup>1)</sup>.

EQT Real Estate I participated for a fourth time in **GRESB**, the global ESG benchmark for real assets, achieving year on year improvement and retained its Green Star in 2021. EQT Real Estate II is expected to participate during 2022.

<sup>1)</sup> Please see the PRI's assessment methodology and EQT's RI Transparency Report 2020 on EQT's website for further details, EQT has yet not received its assessment for its 2021 report.

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# Environmental

For many years, EQT has been measuring its climate impact, offsetting emissions that currently cannot be reduced and communicating and collaborating with different stakeholders to fuel action. EQT is addressing climate change in a holistic way, across all parts of the EQT ecosystem to limit negative climate impact and accelerate green business models.

## Science-based targets (SBT)

In October 2021, EQT became the first private markets firm to set targets, approved by the Science Based Targets initiative (SBTi). With this, EQT has formalized its greenhouse gas (GHG) emissions reduction targets in line with the 1.5° pathway described in the Paris Agreement.

Implementing the SBTs will become a central part of EQT's active ownership strategy and climate-related value creation across EQT fund's investments.

### EQT's science-based targets

Looking ahead to 2030, with 2019 as a base year, EQT is committing to:

- Reducing EQT AB's office energy consumption emissions by 50 percent.
- Reducing EQT AB's indirect emissions from business travel by 30 percent.
- Ensuring 40 percent of EQT Funds' private and listed equity portfolios companies<sup>1)</sup> by EUR invested capital will have set science-based targets by 2025 and 100 percent by 2030, 10 years faster than required by SBTi.
- Reducing indirect emissions in the EQT Real Estate I and II funds by 55 percent per square meter floor area.

<sup>1)</sup> Excluding EQT Ventures due to their investments being smaller than set thresholds as per SBTi's latest guidelines for venture capital.

The combination with Exeter, closed in April 2021, is considered material within the SBTi target setting and hence, the GHG emissions from their operations are reported separately as an inclusion will require rebaselining and target recalculation in line with the SBTi criteria. EQT expects to include the GHG emissions from EQT Exeter's operations and the EQT Exeter real estate funds in its SBTs within the next couple of years, at latest by 2025, as well as to continue to reinforce EQT AB Group's GHG emissions baseline to ensure best market practices are followed.

## EQT AB Group's climate impact

GHG emissions from EQT AB's own operations mainly relate to business travel and energy consumption in the offices. In 2021, EQT AB Group's absolute GHG emissions totaled 6,361 metric tons CO<sub>2</sub>e, an increase compared to 2020 but still low compared to 2019 levels. The increase mainly relates to more employees (including the Exeter combination) and more business travel following lifted travel restrictions.

One of the key initiatives to limit EQT AB's climate impact includes the launch of EQT's new EQT Global Business Travel Guidelines, focusing on smart and efficient traveling. To better track travel habits on a more frequent basis, EQT will in 2022 roll-out a new global credit card solution as well as a new global travel agency.

EQT AB Group annually offsets all GHG emissions that cannot be avoided or reduced, see next page for details.

## Resource-efficiency

EQT's operations and close to 1,200 employees are located in 23 countries around the globe and focus on services rather than production and thus have limited resource use. Sustainability disclosures related to water withdrawal, freshwater availability, hazardous waste and non-recyclable waste ratio are therefore not material topics for EQT to report on, but internal tracking and efforts to reduce consumption are conducted to the extent possible, with focus on larger offices and/or if there are regional issues.

For example, looking at areas with high or extremely high baseline water stress according to World Resource Institute's Aqueduct water risk atlas tool, there are around 15 EQT offices that are located in these areas (examples being: Los Angeles, Madrid and San Diego). The consumption in these offices is limited to regular office consumption. Based on actual consumption from EQT's largest office, the water consumption was in 2021 2,689 cubic meters, corresponding to 12 cubic meters by employee.

Within the EQT funds, water usage is one of the Core KPIs that companies with material consumption is encouraged to track, report and limit.

## Greenhouse gas emissions methodology

EQT's GHG emissions are calculated and reported in accordance with the GHG Protocol. For the EQT funds' investments, EQT is reporting total and weighted GHG emissions based on the EQT funds' economic ownerships in each portfolio company. EQT are monitoring the evolving standards for private equity such as the Partnership for Carbon Accounting Financials (PCAF) Standard.

EQT's baseline for GHG emissions was revised in the process of setting SBT in line with the SBTi guidance for the Private Equity sector. It includes at least 95 percent Scope1 & 2 emissions as required and 98 percent of the EQT funds' total investment and lending activities by invested capital. In addition, EQT included the most material non-investment Scope 3 emissions from Scope 3 Category 6 – Business travel (optional under the SBTi guidance). Previously reported Scope 3 emissions related to office consumables and waste were excluded from the baseline and will not form part of EQT's GHG emissions footprint going forward. The GHG emissions from office consumables was 514 ton CO<sub>2</sub>e, in 2020 and 760 in 2019 and waste was 4 tons CO<sub>2</sub>e in 2020 and 3 tons CO<sub>2</sub>e in 2019. Data collection to follow trends and for driving improvements in terms of resource efficiency will continue as applicable.

The data collection and assessments have been done together with the help of an external advisor. The data has been verified by an external auditor.

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## EQT AB Group climate data

### Greenhouse gas (GHG) emissions by source and scope (tons CO<sub>2</sub>e)

GHG emissions by source	2021	share of total	2021 excl. EQT Exeter <sup>1)</sup>	2020	2019	2030 science-based targets
						excl. EQT Exeter <sup>1)</sup>
Office energy consumption	269	4%	253	288	406	218
Business travel	6,092	96%	5,142	3,490	12,593	9,130
Air travel	5,462	86%	4,930	3,254	12,113	
Ground travel	359	6%	55	85	112	
Hotels	270	4%	157	151	368	
<b>Total – market based</b>	<b>6,361</b>	<b>100%</b>	<b>5,395</b>	<b>3,778</b>	<b>12,999</b>	
Intensity tons CO <sub>2</sub> e / average FTE	7			6	22	
Intensity tons CO <sub>2</sub> e / mEUR revenue	4			5	23	

<sup>1)</sup> Comparable to the 2030 SBT as EQT Exeter's operations not are included in the baseline.

GHG emissions by scope	2021	share of total	2021	2021 excl.	2019
			EQT Exeter	EQT Exeter	
Scope 1	88	1%	74	92	128
Scope 2 – market based	180	3%	179	196	277
Scope 2 – location based	533	-	417	375	398
Scope 3 (non-investment)	6,092	96%	5,142	3,490	12,593
<b>Total – market based</b>	<b>6,361</b>	<b>100%</b>	<b>5,395</b>	<b>3,778</b>	<b>12,999</b>
<b>Total – location based</b>	<b>6,714</b>	<b>-</b>	<b>5,634</b>	<b>3,957</b>	<b>13,119</b>

Under the Operational Control Approach, EQT AB Group's emissions are divided into three scopes with the following distribution:

#### Direct (Scope 1) GHG emissions

Emissions from stationary combustion (natural gas).

#### Indirect energy (Scope 2) GHG emissions

Emissions from the generation of purchased electricity and district heating/cooling for leased offices.

#### Other indirect (Scope 3) GHG emissions

Business travel are included in Scope 3 non-investment categories. Note that in 2021, the scope for business travel was further expanded, corresponding to additional 51 tons CO<sub>2</sub>e in 2019 and 32 tons CO<sub>2</sub>e in 2020 not included in the table above. For Scope 3 GHG emissions from EQT funds' investments (category 15, investments), please see next page.

EQT calculates and report GHG emissions in accordance with the GHG Protocol Corporate Standard. Activity data include, but are not limited to, purchase records, reports, and internal tracking controls. Where data has been unavailable – estimates have been made. Global warming potentials (GWP) for EQT's inventory are taken from the Intergovernmental Panel on Climate Change (IPCC) IPCC Fifth Assessment Report (AR5) using 100-year values. For direct emissions (Scope 1), fuel-specific emission factors for CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O are used for all sites worldwide using the DEFRA emission factor dataset. Databases used for Scope 2 emissions (dual reporting) include IEA (2021), Re-Diss, and DEFRA (2021). DEFRA (2021) is also the primary source for emission factors regarding scope 3 calculation and reporting. All GHG emissions are calculated in metric tons of pollutant and converted to metric tons of CO<sub>2</sub> equivalents (or "CO<sub>2</sub>e") using the global warming potentials of AR5. The results in the tables may not add up precisely to the totals due to rounding.

## Office energy consumption

Energy consumption (MWh)	2021	2020
Total consumption	3,110	2,360
Electricity	1,599	1,137
District heating	587	534
District cooling	441	236
Natural gas	483	453
Intensity kWh per sqm	135	128

## Share of renewable electricity

Electricity consumption (MWh)	2021	2020
Total	1,599	1,137
Electricity from renewable sources	1,596	1,036
Renewable electricity share	~100%	91%

#### Offsets

Since 2015 EQT has been offsetting GHG emissions from its operations that cannot be avoided or reduced. For the year 2021, EQT offset its GHG emissions through a portfolio with high exposure to frontier carbon removal projects such as biochar and mineralization, and supplemented with more traditional avoided emissions credits. EQT's offsets are in line with guidance presented by Oxford Principles for Net Zero Aligned Carbon Offsetting.

#### Energy Attribution Certificates

EQT AB offices use electricity from 100 percent renewable sources<sup>1)</sup>, partly as a result of EQT making an active decision to purchase Energy Attribute Certificates (EACs).

<sup>1)</sup> Excluding two offices in line with RE100 technical guidance on materiality threshold.

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## I EQT funds' investments climate impact

Recognizing that EQT's main impact on the climate is indirect, through the EQT funds, EQT is engaging actively with portfolio companies on this topic. As active investors and owners, EQT funds have a possibility and responsibility to accelerate climate change at a larger scale. The newly set SBTs will be a central part of EQT's active ownership strategy and climate-related value creation drivers across investments. Training and aware-

ness around SBTs were presented at the inaugural EQT Sustainable Transformation Chapter for members in the EQT Network, including portfolio companies' CEOs and Sustainability Board Champions.

Note that the EQT funds' sustainability data presented here is collected and calculated on a best effort basis, using a combination of a third party contractor data and data gathered directly from investments. While EQT cannot guarantee the

completeness of the data presented, sustainability data in general is expected to improve in quality as standardization develops. In the meantime, it is of vital importance for EQT to be transparent and not wait to report until data quality levels are reaching higher levels.

## EQT funds' climate data (Scope 3 – investments)

### Portfolio companies' GHG emissions by scope (tCO<sub>2</sub>e)

2020	Portfolio companies in scope <sup>1)</sup>	Scope 1	Scope 2 (market-based)	Intensity Scope 1 & 2 (tCO <sub>2</sub> e / EUR invested <sup>3)</sup>	
				Scope 1 & 2	Scope 3
<b>Total GHG emissions</b>					
<b>Total (absolutes)</b>	<b>73</b>	<b>2,100,802</b>	<b>711,451</b>	<b>2,812,254</b>	<b>14,995,168</b>
<b>GHG emissions attributed based on the funds' economic ownership</b>					
EQT VII	10	12,528	48,223	60,750	414,313
EQT VIII	15	25,736	30,433	56,169	2,691,046
EQT IX	7	926	4,018	4,944	80,072
EQT Infrastructure III	7	799,432	169,512	968,944	1,996,875
EQT Infrastructure IV	10	77,438	85,258	162,696	1,568,861
EQT Infrastructure V	5	27,459	15,904	43,363	267,790
Other <sup>2)</sup>	32	24,661	20,572	45,233	1,039,895
<b>Total (based on economic ownership)</b>	<b>73</b>	<b>968,180</b>	<b>373,919</b>	<b>1,342,100</b>	<b>8,058,853</b>
<i>Data quality share actuals<sup>4)</sup></i>		95%	93%	94%	

**2030 science-based targets: Ensuring 100 percent of EQT funds' private and listed equity portfolios by EUR invested capital to have set SBTs. Please see [Climate and Environment](#) for current status.**

EQT will update the SBT tracking as portfolio companies will start to have validated SBTs.

<sup>1)</sup> 2020 GHG emissions for active companies as of 31 December 2021 with data (83% of total), i.e. excluding companies divested during 2021. GHG emissions baselines are being collected for newly acquired companies. 2021 data is being finalized during Q2 2022.

<sup>2)</sup> Includes active companies from the following funds: EQT Mid Market Asia III, EQT Mid Market US, EQT Mid Market, EQT Growth, EQT Future Fund, EQT Public Value Fund and EQT Infrastructure/Private Equity funds with vintage 2015 or after.

<sup>3)</sup> The intensity is calculated by dividing the funds' GHG emissions by the investment cost of the unrealized portfolio (unrealized cost).

<sup>4)</sup> Where actual GHG emissions are not available, estimations have been made using revenue and industry average proxy data.

### EQT Real Estate funds GHG emissions intensity

	2020	2019 <sup>5)</sup>
	kgCO <sub>2</sub> e/sqm	kgCO <sub>2</sub> e/sqm
EQT Real Estate I	54	41
EQT Real Estate II	8	7
<b>Total</b>	<b>20</b>	<b>20</b>

**2030 science-based targets: Reducing indirect emissions in the EQT Real Estate I and II funds by 55 percent per square meter floor area from a 2019 baseline.**

Scope 1 & 2 GHG emissions are from landlord procured energy and Scope 3 emissions are from tenant procured energy.

<sup>5)</sup> 2019 baseline has been updated since the SBTi target validation and will be reflected as part of the rebaselining as EQT Exeter assets are included.

### EQT funds' renewable electricity sourcing initiative<sup>6)</sup>

	2021	2020
No. of portfolio companies participating in the renewable electricity tender	34	10
No. of portfolio companies with a 100% renewable electricity share objective	24 <sup>7)</sup>	7
<b>Total volume of renewable electricity secured (MWh)</b>	<b>349,103</b>	<b>131,874</b>

<sup>6)</sup> Companies participating in the EQT supported renewable electricity tendering process for EACs. Note that data from e.g. green tariffs or EACs procured by companies in own processes are not reflected.

<sup>7)</sup> 2021 data subject to updates due to procurement process and claims timing being finalized during the spring.

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# Task Force on Climate-related Financial Disclosures

EQT works to continuously implement and progress on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), addressing current and potential climate-related risks. The governance and risk-management around climate-related risks are embedded in the overall governance, both at the EQT AB and EQT funds' level. Since 2020, EQT's approach have been presented in its Transparency Report, which EQT prepares as a signatory to the Principles for Responsible Investment (PRI), as their indicators are modeled on the disclosure framework of the TCFD. During 2021, EQT has taking steps to further strengthen the alignment of its risk management approach to the TCFD framework.

The potential risks stemming from climate change are most material within the portfolios of EQT funds, hence an important element is to assess climate risk in the sourcing and due diligence phases, as well as managing and mitigating during ownership – focusing on ensuring that investments are future-proofed for both EQT and future owners.

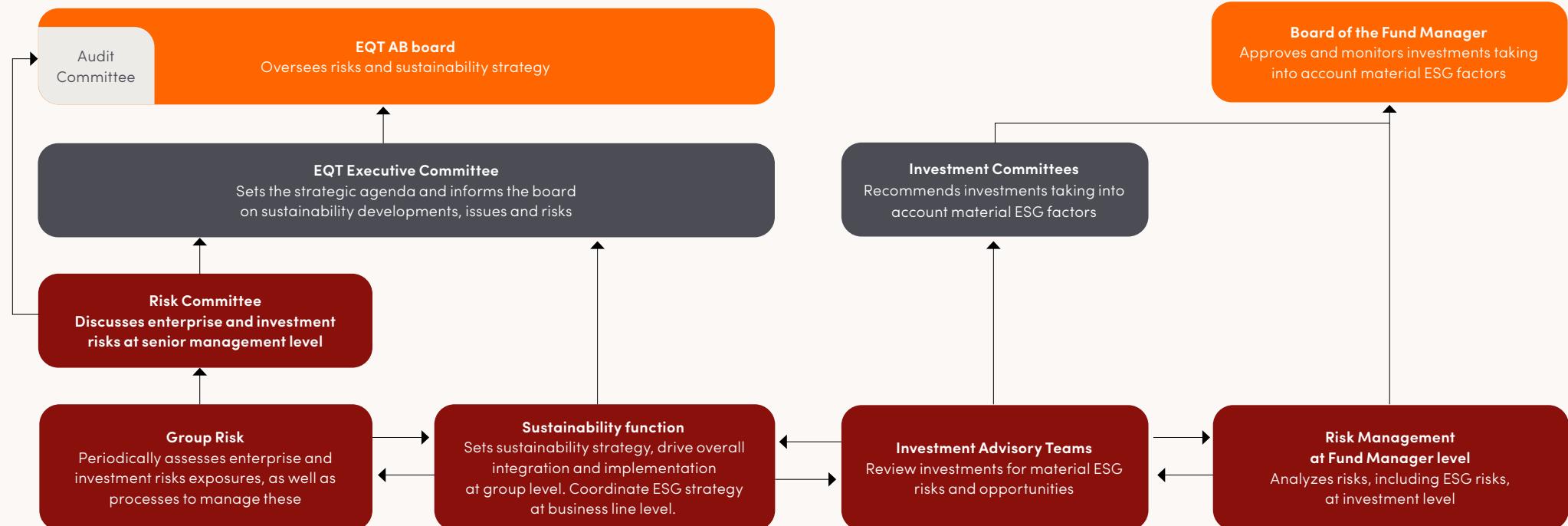
In early 2021, EQT combined with Exeter. Given the novelty of this acquisition, the governance and risk management for Exeter's operations and funds are yet not harmonized across the EQT AB Group and as such not included in the disclosures below. Work to enhance and harmonize relevant climate-related risk management processes into real estate investment decision-making is ongoing.

## Governance

EQT AB's board of directors has the ultimate responsibility for the strategic development of EQT's sustainability performance including climate risks. Please refer to the Sustainability management and governance section for further explanation.

The assessment, management and oversight of sustainability and ESG risks and opportunities, including climate-related risks and opportunities is taking place at several levels. This includes the investment advisory teams, the fund manager of EQT funds, the Group Risk function and the Executive Committee at EQT AB.

*The chart below is a simplified illustration showing sustainability risks governance schematically.*



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The Group Risk function is responsible for assessing risk management processes and reporting relevant risks and opportunities to the Audit Committee. A review of enterprise risks including applicable investment risk exposures is done annually within the Risk Committee and subsequently presented to the Executive Committee and Audit Committee.

Within the EQT funds, the Investment Advisory Teams, the board of the Fund Manager of the EQT funds, together with the Risk Management Function of the Fund Manager, are responsible for assessing and managing applicable ESG risks and opportunities. This is done during the due diligence process as well as part of the portfolio performance reviews, which are conducted periodically during ownership. Aggregate exposures, trends and the effectiveness of ESG risk management processes are discussed periodically between the Fund Manager's Risk Management Function and Group Risk.

### Strategy

EQT considers climate-related risks and opportunities in the strategy work for the Group and launching new initiatives. Please also refer to [Climate and environment](#) for concrete examples of ambitions and initiatives.

Below are examples of identified climate-related opportunities and risks. The identified opportunities and risks for the EQT funds span from short-term to mid/long-term as these are identified with a time horizon expanding from EQT funds' investment and ownership period (typically around 3-6 years, longer for long-hold funds), to future owners' perspective (another 3-6 years).

During 2022 and ahead, EQT aims to further explore scenario analysis for the portfolio to better understand the material hotspots and financially quantifying these.

### Climate-related opportunities

#### Strategies & products

Similar to EQT, investors in general are increasingly turning their attention to funds investing in companies and assets that have sophisticated principles and processes around ESG, to mitigate risks and capture opportunities. This trend offers an opportunity for EQT to tailor its product offering to meet an increasing client demand for more sustainable products (and more sustainable underlying investments). In September 2021,

EQT launched its first impact-driven fund, EQT Future, which will apply EQT's active ownership model to accelerate sustainable transformation of companies. One of the key objectives for EQT Future Fund is to safeguard resources and protect our planet.

### Value creation

ESG factors are increasingly considered by private market firms as key drivers of investment success. Understanding both the bigger picture and specific investment opportunities and risks related to ESG factors is becoming key to delivering sustainable value creation. EQT reviews potential investment targets for ESG risks and opportunities at the pre-acquisition stage and systematically includes ESG improvements into its value creation plan. SBTs and supporting a transition to renewable electricity are examples of how EQT believes it can future-proof investments, the latter which also is part of the targets of EQT funds' ESG-linked credit facilities that were launched in 2020. Over the past couple of years, EQT's thematic investment approach has also been showcased in several investments where electrification and reduction of GHG emissions is a key component of the value creation plans, see [Climate and environment](#) for examples.

### Operations

As EQT's SBTs include ambitious greenhouse gas emissions reduction targets for EQT's own offices and business travel, working towards reaching the targets do not only reduce the carbon footprint for all EQT offices but it will also help EQT future-proof its own operations and manage its costs and resources more efficiently. Through these targets, EQT also leads by example for the EQT funds' portfolio companies, as they are setting their own SBTs.

### Climate-related risks

#### Physical and transition risks at investment level

Physical climate risks such as risks arising due to extreme weather events and rising mean temperatures, and transition climate risks such as risks arising due to policy changes, changing customer behaviors and changing technology, arising at EQT funds' investments' level could, if realized, impact EQT Group's revenues in different ways. First, it would nega-

tively affect the revenues, costs and ultimately the valuation of those investments, which would result in lower investment income and carried interest for the Group. Second, a high exposure to climate-related risks in EQT funds might have an impact on EQT's ability to raise future funds, which in turn will lead to lower management fees.

#### Physical and transition risk at EQT Group level

EQT is not heavily reliant on physical assets and operations to conduct its activities and has robust business continuity plans and remote working arrangements to prevent potential climate-related disruptions. As such, EQT's direct exposure to physical climate risk is considered low. However, the EQT Group is exposed to transition risks coming from new environmental and sustainability-related regulatory requirements in the financial sector. Non-compliance with these rules could lead to additional costs but could also damage its reputation towards existing and prospective investors.

#### Reputational risks

If EQT would not be successful in executing its climate agenda within EQT funds' investments and at EQT Group level, it could hurt its reputation towards clients and the general public. Such risk could arise if EQT does not meet its SBTs or if it is exposed to companies, sectors, or real assets, having a detrimental impact on the climate.

#### Fundraising risks

EQT's failure to identify climate-related investment opportunities and client preferences towards sustainable products could hurt EQT's market share in the long run.

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## Risk Management

The management of portfolio risks and enterprise risks is conducted at different levels within the Group. At portfolio level, ESG risks are managed by the relevant investment advisory professionals with advice from the sustainability leads for each business line, and reviewed by the Fund Manager's Risk Management function. Aggregate exposures and trends are shared with the Group Risk function, whose role is to provide transparency to the board of EQT AB on material risks that could impact the EQT Group. At Group level, the Group Risk function also reviews internal processes and ownership to ensure risks, including ESG risks are adequately managed and followed up on.

## Integration of ESG risks into the overall risk management framework

EQT includes ESG risks, including climate-related risks, as part of its risk management process. In majority owned investments, this starts with an overall assessment of the likely risks associated with investments pursuant to the EQT funds' investment strategies and leading to specific investment proposals submitted to the investment committees. Throughout this entire process, relevant ESG risks are identified and assessed using the same process as is applied to other relevant risks affecting EQT's funds and investments (see paragraph below). ESG risks can either be considered as a set of risks on their own or have an impact on other risks and contribute significantly to these risks, such as market risks, liquidity risks or reputational risks.

## Identification and assessment of ESG related risks

Prior to any investment decision, the relevant investment advisory teams will identify the material risks, including ESG risks, associated with each proposed investment. As part of this due diligence process, the target company or asset's exposure to, management of, and performance on ESG issues and as applicable climate-related risks and mitigation measures are assessed and analyzed. This assessment forms part of the

overall investment proposal and each ESG risk which has been assessed as being material, will be presented, including information on potential impact in case of risk materialization, and identified mitigation actions. Identified ESG risks may impact the investment selection and may also lead to the abandonment of an investment opportunity.

## Management of ESG risks during the ownership period

During the ownership period, the monitoring of material ESG risks is part of the regular risk monitoring process. Through its active ownership approach, EQT engages with EQT funds' investments to improve their environmental performance and hence prepare them for market conditions where climate impact and transparency are increasingly valued. Investments are regularly assessed across a set of sustainability dimensions and KPIs, including greenhouse gas emissions. Should the investment perform below expectations, remedial measures are put in place to improve its sustainability profile. In addition to monitoring the risk exposure based on information collected, external data sources such as RepRisk, are taken into consideration during regular risk monitoring.

The formalized SBTs are a further commitment to decrease the exposure of the investments to climate risk, mainly transition risk. Going forward, EQT strives to constantly improve the ESG risk management and monitoring process. Currently a new framework is being developed to further improve the process of identification and materiality definition of ESG risks and to enhance risk exposure comparison across asset classes and business lines.

In line with its Statement of Purpose, EQT formulates its strategy in a way that ensures that it remains successful and relevant for stakeholders and society for the long-term. Whether it is through the launch of impact-driven strategies, sustainably transforming investments and/or launching firm-wide initiatives, such as science-based targets to drive systematic improvements, EQT continues to embed sustainability as an integral part of its fundraising activities and operating model.

## Metrics and targets

EQT has publicly reported on its greenhouse gas emissions from its own operations since 2015. Recognizing that EQT's main impact on the climate is indirect, through the EQT funds, EQT is engaging actively with portfolio companies and investments around this topic and requests greenhouse gas emission data on an annual basis.

EQT's main climate-related targets are its SBTs as well as a long-term commitment to accelerate portfolio companies' transition to renewable electricity. Please refer to section Environmental above for a comprehensive reporting of greenhouse gas emissions and status with regards to the renewable electricity transition. Within the EQT AB sustainability-linked bond as well as the ESG-linked finance facilities for certain funds, there are incentives linked to improved ESG-performance in relation to these targets. Furthermore, in the context of the recently launched EQT Future fund, a new concept has been introduced where a portion of the carried interest will be linked to achieving KPIs, including reduction of GHG emissions using the SBTs.

EQT is continuously striving to enhance its processes and disclosures within sustainability, including climate risks.

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## Social

It is the people who realize EQT's purpose to make a positive impact. Attracting and nurturing a diverse, world-class EQT team and network are crucial areas for EQT's performance and long-term success. Given the combination with Exeter, closed in the second quarter of 2021, all processes and policies are not harmonized across. For example, with regards to EQT Academy, compensation philosophy and employee engagement.

### Diversity, equity and inclusion

EQT believes in equal opportunities and that diverse teams drive better decisions and performance. For EQT, diversity means many dimensions of diversity such as gender, ethnicity, religion, age, nationality, sexual orientation, educational and socioeconomic background.

EQT's commitment to diversity, equality, inclusion and a harassment-free workplace is formalized in policies such as the EQT's Code of Ethics and the EQT Diversity & No-Harassment Guidelines. EQT has an established reporting process around these issues, which is open for the organization. Concerns can be addressed directly to line managers and HR or anonymously through EQT's employee engagement tool and the whistleblowing system. EQT addresses all perceived inappropriate behaviors and works proactively with training on the topic to increase knowledge and awareness for all employees.

To ensure EQT is a flexible and inclusive workplace for parents, EQT has developed Family Friendly Guidelines, a support and benefits package designed to enable parents to combine worklife, career and family. This includes parental leave in excess of legally required minimum and regardless of gender, parental leave planning toolkit and coaching, domestic service allowance (including childcare contributions), workstation at home, flexible work hours and working time reduction. To further drive change in this area, 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 (see [People](#) for more information).

EQT's commitment to diversity, equity and inclusion does not only concern its own organization. EQT aims to inspire change in the broader financial industry. One example is that EQT asks all key advisors when staffing teams working with EQT to ensure that there is at least 25 percent of the underrepresented gender. In doing so, EQT aims to create a ripple effect in the industry. EQT further collaborates with organizations such as Out Investors (an LGBT+ network, with the mission to make the direct investing industry more inclusive) and Level20 (an organization with a vision of improving gender diversity in the private equity industry). Furthermore, EQT engages with student organizations, gives lectures at universities and offers internship programs, often with a diversity, equity and inclusiveness angle to ensure a broader stakeholder group gets inspired to join the private markets industry.

### 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. Within the structured feedback process 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 exposure and learning opportunity, including the opportunity to work abroad for another team during a defined time period.

EQT AB Group is 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. All staff are encouraged to take ownership and contribute to EQT's success and are rewarded for innovative ideas and collaboration.

### EQT training statistics

To complement the daily development, EQT has an in-house EQT Academy delivering training both for onboarding purposes as well as for career progression and personal development (see [People](#) for details).

In 2021, the average trainings hours were approximately 20 hours/FTE and include trainings as part of the EQT Academy, compliance and sustainability-specific trainings and the EQT Purpose Journey.

Average education cost/FTE amounted in 2021 to EUR 3,336 excluding the Purpose Journey (EUR 1,608 in 2020).

Note that the above does not capture all training and development provided, such as on the job training and conferences, to mention a few.

### Compensation philosophy

- Fair and transparent total cash compensation, reviewed annually against a range of relevant, high quality benchmarks.
- Long-term incentives and investment opportunities including an annual share incentive plan and carried interest and co-investment schemes in all funds.
- Total incentives approach, linked to individuals' value contribution to the firm.
- Cash compensation and benefits based on geography and in line with local practice.
- Higher performance is rewarded with higher compensation through variable pay.
- The ability to accelerate high performing individuals through the career structure.
- Retention is managed by mapping out future career paths, as well as the right mix of long-term incentives.
- EQT links variable pay to ESG through having ESG-related target achievement as a basis for bonus pool size decision for teams.

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## Employee engagement and wellbeing

EQT follows employee engagement and wellbeing with regular surveys. The insights gained through these surveys help define strategic priorities and enable managers to make better people-related decisions by tracking trends and facilitating anonymous, confidential conversations with employees.

To ensure a safe and balanced work environment, EQT provides monetary support for, and organization of, physical activities and flexible work schedules.

Addressing the societal stigma around mental health is top priority at EQT. EQT encourages open conversation about looking after mental wellbeing at work. EQT takes a preventative and personalized approach to mental health through the 'My Mental Wealth' initiative, which provides employees access to a digital coaching platform and online training to nurture mental wellbeing and build mental resilience. Furthermore, EQT has 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.

Employee engagement score	2021 <sup>1)</sup>	2020	2019
Average employee engagement score	8.1	8.2	8.1

<sup>1)</sup> Data coverage is around 80 percent of total employees (excluding EQT Exeter).

## EQT AB Group employee data

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 full-time equivalent employees with two measures, FTE+ also includes FTEs and on-site consultants. For some of the measures below the data is based on headcount.

Employee count	2021	2020	2019
Employees (FTE+), numbers	1,160	710	665
Employees (FTE), numbers	1,059	653	606
Employees (Headcount), numbers	1,102	694	647
Temporary employees (FTE)	1%	1%	1%

## Employee distribution

Employees by category, gender and region	2021	2020	2019
<b>Total, end of reporting period</b>	<b>1,160</b>	<b>710</b>	<b>665</b>
<b>By category</b>			
Investment Advisory Professionals	293	284	254
Real Estate Professionals	300	224	186
Other	567	426	411
<b>By gender</b>			
Women	42%	45%	44%
Men	58%	55%	56%
<b>Employees by region</b>			
Americas	282	71	69
Asia-Pacific	74	59	46
Nordics	353	297	292
Rest of Europe	451	284	258
<b>Governance forums, share women</b>			
Board of directors	50%	38%	17%
Senior Executives	13%	14%	14%
Partners	14%	5%	3%
Senior leaders <sup>2)</sup>	25%	16%	20%

Employee distribution table above is based on FTE+.

<sup>2)</sup> Senior leaders are defined as members of key committees and forums, primarily consisting of business line and function heads.

Employees by gender, age and seniority	2021	2020	2019
Investment Advisory Professionals <sup>3)</sup>	300	292	264
Women <sup>4)</sup>	25%	21%	16%
Men	75%	79%	84%
Under 30 years	29%	31%	28%
30–50 years	66%	64%	67%
Over 50 years	5%	5%	5%
Partners <sup>5)</sup> , share women	12%	3%	4%
Managing Director and Director, share women	11%	14%	13%
Vice President and Associate, share women	39%	32%	24%
<b>Real Estate Professionals, total number</b>	<b>290</b>	<b>n.a.</b>	<b>n.a.</b>
Women	29%		
Men	71%		
Under 30 years	23%		
30–50 years	59%		
Over 50 years	18%		
<b>Other</b>	<b>512</b>	<b>402</b>	<b>383</b>
Women	63%	63%	67%
Men	37%	37%	33%
Under 30 years	23%	24%	22%
30–50 years	70%	69%	70%
Over 50 years	6%	7%	8%
<b>Other of which STEM<sup>6)</sup></b>	<b>43</b>		
Women	19%		
Men	81%		

Employee distribution table above is based on headcount.

<sup>3)</sup> Real Estate Professionals were included in this category 2019 and 2020.

<sup>4)</sup> Excluding Real Estate Professionals for 2020 and 2019 (as per the EQT's Sustainability-linked bond definition), the numbers are 21% resp. 15%.

<sup>5)</sup> Refers to Partners within the investment advisory organization only.

<sup>6)</sup> STEM stands for science, technology, engineering and mathematics workers, here classified as EQT Tech and Motherbrain.

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### New hires and turnover

Employee hires	2021	2020	2019
<b>Total number</b>	<b>313</b>	<b>117</b>	<b>128</b>
<b>By gender</b>			
Women	55%	46%	41%
Men	45%	54%	58%
<b>By region</b>			
Asia-Pacific	7%	17%	6%
Nordics	34%	32%	43%
Americas	15%	8%	11%
Rest of Europe	44%	44%	40%
<b>By age group</b>			
Under 30 years	46%	48%	46%
30–50 years	52%	48%	51%
Over 50 years	2%	5%	4%
<b>By category and gender</b>			
<b>Investment Advisory Professionals, total number new hires</b>	<b>60</b>	<b>46</b>	<b>47</b>
Investment Advisory Professionals, share of total new hires	19%	26%	26%
Woman, share of total Investment Advisory Professionals new hires	45%	39%	19%
<b>Real Estate Advisory Professionals, total number new hires</b>	<b>95</b>	<b>n.a.</b>	<b>n.a.</b>
Real Estate Advisory Professionals, share of total new hires	30%		
Woman, share of total Real Estate Advisory Professionals	43%		
<b>Other employees, total number</b>	<b>158</b>	<b>71</b>	<b>81</b>
Other employees, share of total new hires	50%	40%	44%
Woman, share of total other employees	66%	52%	54%

Employee turnover	2021	2020	2019
<b>Total</b>	<b>141</b>	<b>69</b>	<b>68</b>
<b>Turnover</b>	<b>13%</b>	<b>10%</b>	<b>12%</b>
<b>Undesired employee turnover<sup>1)</sup></b>	<b>1.6%</b>	<b>0.9%</b>	<b>1.3%</b>
<b>By gender</b>			
Women	44%	58%	56%
Men	56%	42%	44%
<b>By region</b>			
Asia-Pacific	7%	12%	9%
Nordics	31%	38%	42%
Americas	29%	12%	13%
Rest of Europe	32%	39%	36%
<b>By age group</b>			
Under 30 years	27%	13%	25%
30–50 years	65%	77%	70%
Over 50 years	9%	10%	5%
<b>By category</b>			
Investment Advisory Professionals	24	21	27
Real Estate Advisory Professionals	44	n.a.	n.a.
Other	73	48	41

<sup>1)</sup> Excludes EQT Exeter.

Table above and to the left is based on headcount.

### CEO pay ratio

CEO to FTE <sup>1,2)</sup>	2021	2020	2019
CEO pay ratio	2.6	2.4	2.7

<sup>2)</sup> CEO total compensation to median FTE total compensation.

### Gender pay ratio

Men to women <sup>1,3)</sup>	2021	2020	2019
Investment Advisory Professionals	1.2	1.5	1.4
Other	2.0	1.8	2.0

<sup>3)</sup> Average FTE total compensation.

Note that 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. In the same country and at the same seniority level there are no material pay differences between genders.

### Parental leave

Number of weeks <sup>1)</sup>	2021	2020	2019
Parental leave total number of weeks	1,112	877	753
Women share of total	64%	74%	86%
Men share of total	36%	26%	14%

### Sickness absence

Reported sick leave <sup>1)</sup>	2021	2020	2019
Total sick leave as % of hours worked	0.1	0.3	0.8
Women share of total	82%	82%	79%
Men share of total	18%	18%	21%

Note that there has been no fatality as a result of work-related injury during 2021.

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### EQT funds' board diversity

One of the assets in EQT's Playbook is the EQT Network, a global network of advisors that are engaged in the entire investment process and often join the boards of portfolio companies. To ensure that the network develops and that relevant competencies are available, EQT continuously sources new EQT Advisors.

As different perspectives are key for better decision-making and performance, EQT strives to have the best possible board compositions and aims for gender balanced boards in the EQT funds' portfolio companies, with a long-term goal of no less than 40 percent of the independent board members that are appointed in all new control investments to be women. To further drive action and accountability, interim targets have been included in ESG-linked credit facilities for funds as well as the EQT AB sustainability-linked bond.

### Board gender diversity across EQT funds' portfolio companies

Average share of women	2021	2020	2019
Independent board members appointed by EQT	31%	21%	16%
All board members	24%	17%	13%
Chairpersons	11%	11%	9%
No. of portfolio companies in scope	87	83	77

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

### Board gender diversity across EQT funds' portfolio companies, breakdown for selected funds

Average share of women 2021	Independent board members appointed by EQT	All board members	Chairpersons	No. of portfolio companies in scope
EQT VII	33%	23%	9%	13
EQT VIII	39%	26%	0%	17
EQT IX	54%	32%	36%	12
EQT Infrastructure III	25%	20%	14%	7
EQT Infrastructure IV	28%	22%	18%	11
EQT Infrastructure V	23%	21%	0%	12

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## Governance

Transparency and accountability are prerequisites for good business. A cornerstone in building trust with EQT's different stakeholders is communication and transparency. EQT wants its 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 Ethics, EQT Responsible Investment & Ownership.

### EQT policies and guidelines

EQT's direct sustainability activities are governed by the EQT Code of Ethics and other policies approved by the board of directors. EQT's indirect sustainability activities in the form of responsible investment and ownership are governed by the EQT Responsible Investment & Ownership (RI&O) Policy.

Given the recent combination with Exeter, completed in April 2021, the EQT Exeter entity is currently in the process of integrating applicable EQT guidelines and policies.

### Code of Ethics

EQT's Code of Ethics (the "Code") describes the values, ethical principles and standards of the EQT way of conducting business. The Code establishes expected behaviors, clarifies what is considered good business practices and ultimately strives to help EQT employees make better decisions. In particular, the Code emphasizes EQT's enduring commitment to sound business practices, zero tolerance for bribery and corruption, commitment to prevent money laundering and terrorist financing, and handling of conflicts of interest. The 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. The Code is reviewed and adopted by the EQT AB board of directors on an annual basis. Aside from following the Code and other policies, EQT always strives to comply with all applicable laws and regulations in the countries wherever EQT conducts business.

### Anti-bribery & corruption and anti-money laundering

EQT is committed to foster a culture of high business ethics and integrity.

EQT has an Anti-Bribery & Corruption compliance program that aims to prevent and detect bribery, corruption and related activities, reducing EQT's risk of liability for improper conduct and ultimately to uphold trust. Part of that compliance program

is procedures and guidelines that have been implemented to inform, instruct and guide employees and nourish an open and transparent culture in order to send a clear message from EQT management and highlight EQT's work against anti-bribery and corruption.

EQT also has an Anti-Money Laundering program, consisting of policies and procedures designed to prevent and detect money laundering and related activities. Part of that program is a set up to perform KYC (know your customer) on fund investors, Portfolio Companies and EQT entities. EQT reviews its Anti-Money Laundering (AML) and Countering of Financial Crime and Terrorist Financing (CTF) strategies, goals and objectives on an ongoing basis.

EQT is committed to combating financial crime and to implementing appropriate controls to mitigate the risk that investments made by alternative investment funds (AIFs) managed by the EQT alternative investment fund managers as well as investors investing into the AIFs are in breach of the AML/CTF Laws, namely for the purposes of money laundering, terrorism financing, bribery and fraud events.

All EQT employees must complete training on both Anti-Bribery & Corruption and Anti-Money Laundering when starting at EQT to ensure they are aware of the risks, requirements and consequences. These trainings are computer-based with exams provided by an external provider with a large catalogue of training material in order to meet the requirements in regions where EQT operates (including case studies and self assessment checks). Some regions and countries receive training more often and/or in greater depth in line with local regulatory requirements. EQT manages its training in a two-year cycle, focusing on Anti-Bribery & Corruption and Anti-Money Laundering in alternate years as a "refresher" for the EQT employees. 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.

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### Confirmed incidents of corruption and actions taken 2021

During the reporting period there were no confirmed cases of corruption or breach of business ethics and no employees were dismissed or disciplined for corruption.

All employees received Anti-Money Laundering training in e-learning format.

### 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.

A conflict of interest can arise in all levels of EQT's business. In this respect, a framework of governance documentation and procedures, based on the operating environment, has been established for EQT to deal with the potential risks and events relevant to the handling of conflicts by EQT.

### Human rights

EQT's direct human rights risk is mainly connected to its employees and if it would not fulfill its commitment with regards to diversity, equity, 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 Ethics and the EQT Diversity & No-Harassment Guidelines. These guidelines outline EQT's values and standards on diversity, equity, inclusion and anti-harassment, and also provide information on its whistleblowing process.

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. EQT supports the ILO (International Labour Organization) core conventions and its principles, among them the freedom of association and right to collective bargaining. In

France, Italy and Spain, EQT has entered into collective bargaining agreements, covering 5 percent of the total workforce.

To effectively help fight the spread of child sexual abuse, EQT has further implemented the software NetClean Proactive.

EQT's main impact and risk in this area is however indirect, through supply chains and most importantly, EQT funds' and their portfolio companies. EQT therefore aims to promote sound ethical standards within EQT funds' portfolio companies. EQT's ESG standards, as described in the Responsible Investment & Ownership Policy, include human and children's rights aspects, and portfolio companies are requested to confirm annually their adherence (not formally being a signatory) to the United Nations Global Compact Principles. All of the EQT funds' portfolio companies that to date have completed EQT's sustainability annual follow-up process for 2021 have confirmed their adherence to these Principles. In addition, EQT funds' portfolio companies are screened using RepRisk to monitor ESG incidents in the portfolio. The UN Global Compact principles are used by RepRisk as a way to identify incidents relating to e.g. human rights.

EQT's service providers are screened against sanctions lists, using Refinitiv World-Check. Furthermore, in the UK, the Modern Slavery Statement outlines EQT's approach to combating modern slavery.

From a capital sourcing perspective, EQT has a process in place to assess EQT funds' clients within human rights, democracy and sanctions, in addition to regular AML and KYC checks, based on externally provided data.

### Information security and customer privacy

EQT AB Group's mission-critical infrastructure is cloud-based and critical vendors are compliant with the highest security standards in each area (ISO27001, SOC2 et al). Continuous anti-phishing testing campaigns (four in 2021) are conducted as well as a yearly training session for all EQT staff.

From a cyber security perspective, EQT has implemented a governance-model with security champions in all relevant tech teams, security-by-design when developing solutions, continuous vendor security assessments, endpoint protection and an incident response process. An annual cyber security course training is conducted to create internal awareness and ensure high resilience to cyber-attacks. EQT has further implemented a set of oversight processes to make sure cyber

security at EQT is effective. This includes: general security controls on most critical systems, external penetration-testing performed annually, external security architecture review performed annually and quarterly reporting to the information security steering committee composed by members of the EQT Executive Committee with summaries being reported to the Group Risk function and thereafter to the Audit Committee.

During 2021, EQT upgraded its procurement process for security and sustainability aspects. The process is mandatory for any major software or application being introduced to the EQT environment. Finally, EQT also performs IT General Controls to major applications every six months, making sure that security and operational processes are met and performed in an effective manner.

EQT values data privacy and applies data protection controls and frequent testing across the IT environment. Examples of such protection include proper segregation of duties and well-defined user access management by following the principle of least privilege access needed for one's responsibilities. During 2021, EQT has also been strengthening its data privacy capability with more detailed guidelines and improved data protection controls. Data and customer privacy is paramount for EQT, therefore EQT's has established a Data Privacy team with a reporting line to a Data Privacy Steering Committee where it reports its strategy, plan, risks and controls effectiveness. Data privacy team is also subject to external reviews when deemed necessary.

### Substantiated complaints concerning breaches of customer privacy and losses of customer data 2021

During the reporting period, no substantiated complaints regarding breaches of customer privacy and losses of customer data were identified.

### Taxes

The EQT tax strategy, applicable to EQT AB Group, is aligned with EQT's business strategy. EQT's tax affairs shall be managed in light of EQT's commercial objectives and long-term sustainable behavior.

EQT recognizes that tax is at the core of our corporate responsibility and plays an important part in continuing to

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deliver exceptional value to the society as a whole and making a positive impact. By paying taxes companies contribute to societies in which they operate. EQT aims to take decisions regarding tax in compliance with applicable tax laws, tax treaties and relevant international guidance. EQT's fiduciary duty vis-à-vis our shareholders extends to managing our tax affairs in a responsible and sustainable way. Hence, EQT strives to protect our brand and reputation and does not engage in unacceptable tax practices that can erode our stakeholder trust and, in the long-term, our license to operate.

EQT conducts its tax affairs according to the following main principles:

- To maintain and operate our tax affairs in accordance with our established tax governance framework, including our Finance policy approved by the EQT AB board and our Tax Guidelines.
- To consider stakeholder opinion, reputational risk, commercial, financial, legal and regulatory factors alongside tax legislation in making decisions relating to tax. EQT uses a risk-based view addressing and managing tax risks and opportunities.
- To ensure that decisions regarding EQT's tax affairs are taken by well informed and trained professionals at the appropriate governance level, supported with documentation that evidences the judgments involved.
- To consult reputable external tax advisors to support the decision-making as and when appropriate.
- To seek to discharge tax compliance obligations, including reporting and paying taxes due in a timely, accurate, transparent and complete manner.
- To not take tax positions that are not supportable under full disclosure.
- To not engage in unacceptable tax practices such as transfer of value to low tax jurisdictions or using tax secrecy jurisdictions or tax havens for tax avoidance.
- To conduct and price our intercompany transactions in line with the arm's length principle and OECD's Transfer Pricing Guidelines.
- Strive to communicate honestly and transparently with all external and internal stakeholders on tax issues and deal with tax authorities in a respectful and professional way.

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.

### 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 generally 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.

EQT has dedicated Regulatory and Compliance personnel based in the US who are responsible for managing all FINRA/SEC filing requirements. EQT engages third party experts to support regulatory filing requirements in the US.

### Incidents of non-compliance concerning marketing communications 2021

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.

### Whistleblowing

EQT fosters 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. Consequently, EQT expects everyone to raise concerns regarding suspected unethical behaviors, misconducts and non-compliance with laws, regulations and policies. To this

end, EQT encourages employees to contact their manager, EQT's General Counsel, or Global Head of Regulatory and Compliance to seek advice or report concerns about unethical and lawful behavior and/or organizational integrity.

In addition, EQT provides an anonymous external whistleblowing service for employees and others provided by an external party. All cases reported through the external whistleblowing service are thoroughly investigated and addressed. Under no circumstances is retaliation against whistleblowers tolerated.

Finally, EQT has established and implemented effective and appropriate procedures for a reasonable and prompt handling of complaints received from fund investors.

### EU Taxonomy Statement

The EU Taxonomy aims to provide a common understanding of economic activities that make a substantial contribution to the EU's environmental goals. The first delegated act under the EU Taxonomy on climate objectives sets criteria for economic activities that contribute substantially to climate change mitigation and adaptation objectives. These economic activities can initially be found in 13 prioritized sectors. As EQT AB Group follows under NFRD (non-financial reporting directive), EQT is obliged to report its share of taxonomy-eligible activities covering financial year 2021.

EQT AB has reviewed the economic activities that are currently covered in the EU Taxonomy together with a third party expert and concluded that there is little to none of EQT AB's activities that can be assessed as taxonomy-eligible. The specific activities covered within the EU Taxonomy's financial and insurance sector currently only includes insurance activities.

The EQT alternative investment fund managers are classified as Financial Market Participants under the Sustainable Finance Disclosure Regulation and applicable funds will as such begin to report on investments' taxonomy-eligibility as part of the fund reporting to clients. As this new regulation develops, EQT will continue to assess which information that is interesting to aggregate and present as part of its public sustainability reporting to illustrate the EQT Funds performance in relation to the EU Taxonomy.

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- **Turnover:** EQT AB Group's revenues relate to management fees, carried interest and investment income. While sustainability is an integrated service in EQT's operating model, a share of Taxonomy-eligible activities cannot be directly derived from management fees. Carried interest and investment income relates to investments in EQT funds and are hence pure financial. Thus the share of eligible turnover is zero. Please refer to the Consolidated Income Statement on page 102 and Note 5 Revenue on page 114 for further details.
- **Capex:** EQT AB Group's Capex as defined by the EU Taxonomy relates to office leases, either for new offices or newly admitted contracts as well as leasehold improvements (see amount below). These amounts are not reported separately, but are part of Right-of-use assets and Additions in Note 12 on page 123. As pointed out by the EU commission in FAQ no 11 published in February 2022, purchases of output from Taxonomy-eligible economic activities of suppliers counts as eligible Capex regardless of that the reporting entity does not have a target activity that is eligible. This is true for EQT AB regarding the office leases and the leasehold improvements.
- **Opex:** EQT AB Groups does not take up any R&D costs and as offices are leased the only potential Opex relates to maintaining and repairing e.g. technology hardware, which is negligible.

	Total	Share of Taxonomy-eligible activities	Share of Taxonomy non-eligible activities
Turnover	EUR 1,596m	0%	100%
Capex	EUR 57m	100%	0%
Opex	Negligible, see explanation above.		

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## Innovation & Partnership

Leveraging the power of innovation and partnerships is a way for EQT to gain new insights and perspectives as well as to contribute to create change in its industry through various collaborations.

### Collaboration and partnerships

To promote sustainability in the ecosystem, EQT continues to be an active participant in industry associations, working groups and initiatives.

As an active member of Invest Europe and as member of their Responsible Investment Roundtable, EQT has for example been providing case studies to two of their climate guides that have been launched during the year – highlighting renewable electricity transition for portfolio companies and the setting of science-based targets.

To promote ESG data transparency and comparability, EQT has engaged in the ESG Data Convergence Project and the PRI Corporate Reporting Reference Group. EQT also joined the World Economic Forum's Stakeholder Capitalism Metrics community, committing to measuring and demonstrating EQT's contribution to society. The latter is another commitment in support of stakeholder capitalism, following EQT joining FCLTGlobal last year.

Please visit [EQT's website](#) for more information on current partnerships aiming to support the wider society including local communities, and to inspire change in the broader industry.

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# WEF Stakeholder Capitalism Metrics index

This is EQT's first time reporting World Economic Forum's Stakeholder Capitalism Metrics (core), an initiative EQT supported during 2021. The index below is provided with page references and/or comments. In instances where all disclosures are not currently available, a comment has been provided.

Theme	Metrics and Disclosures	Page	Comment	Theme	Metrics and Disclosures	Page	Comment
<b>Governance</b>							
Governing Purpose	<b>Setting purpose</b> The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	160		Ethical Behaviour	<b>Protected ethics advice and reporting mechanisms</b> A description of internal and external mechanisms for 1. Seeking advice about ethical and lawful behaviour and organizational integrity. 2. Reporting concerns about unethical or lawful behaviour and organizational integrity.	85-87	
<b>Risk and Opportunity Oversight</b>							
Quality of Governing Body	<b>Governance body composition</b> Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	162-163	The resumes of the EQT AB board members are found in the Corporate Governance Report, containing education background as well as current and previous assignments that indicate competencies.	Risk and Opportunity Oversight	<b>Integrating risk and opportunity into business process</b> Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	78-80, 149-154	
Stakeholder Engagement	<b>Material issues impacting stakeholders</b> A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	71-72		<b>Planet</b>			
Ethical Behaviour	<b>Anti-corruption</b> 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. (a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	85-86		Climate change	<b>Greenhouse Gas (GHG) emissions</b> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	76-77	

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Theme	Metrics and Disclosures	Page	Comment	Theme	Metrics and Disclosures	Page	Comment
<b>Planet</b>							
Climate change	<b>TCFD implementation</b> Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	47-49 73-80		Dignity and equality	<b>Wage level (%)</b> 1. Ratios of standard entry-level wage by gender compared to local minimum wage. 2. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO).	83	EQT does not currently measure ratios of standard entry-level wage compared to local minimum wages. Pay is based on thorough and objective benchmarks and our lowest compensation ranges are well above minimum wage levels and significantly above what is mandated by applicable federal, state, and local laws.
<b>People</b>							
Nature loss	<b>Land use and ecological sensitivity</b> Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).		EQT's offices are primarily located in urban, densely developed areas. As such EQT does not currently measure our impact on land use.	Dignity and equality	<b>Risk for incidents of child, forced or compulsory labour</b> An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk.	86	
Fresh water availability	<b>Water consumption and withdrawal in water-stressed areas</b> Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool.  Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	75		Health & well-being	<b>Health and Safety (%)</b> 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	82-83	
<b>People</b>							
Dignity and equality	<b>Diversity and inclusion (%)</b> Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity).	82		Skills for the future	<b>Training provided (#)</b> 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee.	81	
Dignity and equality	<b>Pay equality</b> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas.	83	EQT reports on CEO pay ratio, gender pay ratio and compensation philosophy.				

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Theme	Metrics and Disclosures	Page	Comment
<b>Prosperity</b>			
Employment and wealth generation	<b>Absolute number and rate of employment</b> 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	83	
Employment and wealth generation	<b>Economic Contribution</b> 1. Direct economic value generated and distributed (EVG&D) – on an accrual basis, covering the basic components for the organization's global operations, ideally split out by: a. Revenue b. Operating costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government f. Community investment  2. Financial assistance received from the government – Total monetary value of financial assistance received by the organization from any government during the reporting period.	73	EQT AB Group has not received any financial assistance from governments during the reporting period.
Wealth creation and employment	<b>Financial investment contribution disclosure</b> 1. Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the company's investment strategy. 2. Share buybacks + Dividend payments supported by narrative to describe the company's strategy for returns of capital to shareholders.	87-88, 172-174	EQT does not activate any R&D costs and as such does not report Capex (only as part of the EU Taxonomy's definition).
Innovation in better products and services	<b>Total R&amp;D expenses (\$)</b> Total costs related to research and development.		EQT does not activate any R&D costs.
Community and social vitality	<b>Total tax paid</b> The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	73	

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# Auditor's Limited Assurance Report on EQT AB's Sustainability Report and statement regarding the Statutory Sustainability Report

## To EQT AB (publ)

### Introduction

We have been engaged by the board of directors of EQT AB (publ) to undertake a limited assurance engagement of EQT AB's Sustainability Report for the year 2021. The company has defined the scopes of the Sustainability Report and the Statutory Sustainability Report on page 1 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 page 1 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 (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of EQT AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination

according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the board of directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

### Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the board of directors and the Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 25 March 2022  
KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

Karin Sivertsson  
Expert Member of FAR

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EQT

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## Financial statements



EQT Infrastructure

Icon Group

Icon is Asia Pacific's largest integrated cancer care provider and provides advanced radiotherapy and medical oncology treatments. EQT Infrastructure will leverage its significant expertise in social infrastructure and digitalization capabilities to support Icon's vision – to deliver the best care possible, to as many people as possible, as close to home as possible.

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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 2021 financial year.

## REVENUES AND NET INCOME

Revenues for the period increased to EUR 1,596.0m (EUR 708.7m). The increase in management fees was partly driven by management fees from Exeter contributing with EUR 133.7m and also management fees from EQT IX and EQT Infrastructure V. Carried interest and investment income amounted to EUR 510.3m compared to EUR 99.8m in 2020 mainly driven by EQT VII and EQT VIII. Adjusted revenues of EUR 1,623.3m (EUR 761.6m) are adjusted by removing the fair value adjustment of acquired contractual rights to carried interest.

Total operating expenses during the year amounted to EUR 625.9m (EUR 368.6m), driven by the combination with Exeter and build-out of the organization.

EBITDA increased to EUR 970.2m (EUR 340.0m) corresponding to a margin of 60.8% (48.0%) with Exeter contributing with EUR 85.6m. Adjusted EBITDA amounted to EUR 1,099.7m (EUR 385.3m) corresponding to a margin of 67.7% (50.6%).

Depreciation and amortization amounted to EUR 37.5m (EUR 35.1m), primarily related to facility lease agreements. Amortization of acquisition related intangible assets amounted to EUR 54.8m and relates to amortization of identified surplus values in relation to the acquisition of Exeter.

Net financial income and expenses amounted to EUR 0.0m (EUR 6.2m). This is primarily comprised of currency translation differences and interest expenses relating to the sustainability-linked bond issued by EQT AB in May 2021 as well as lease agreements according to IFRS 16.

Income taxes amounted to EUR 30.8m (EUR -28.3m) primarily driven by a deferred tax revenue relating to changes in local tax legislation.

Net income for the period from continuing operations increased to EUR 908.7m (EUR 282.8m) with Exeter contributing

EUR 61.6m. Adjustment items affecting net income, including tax effects, amounted to EUR 80.5m (EUR 46.9m). Adjusted net income

for the period from continuing operations was EUR 989.2m (EUR 329.7m).

Earnings per share for continued operations before and after dilution amounted to EUR 0.928 (EUR 0.297) and EUR 0.928 (EUR 0.297), respectively. Adjusted earnings per share for continued operations before and after dilution amounted to EUR 1.011 (EUR 0.346) and EUR 1.010 (EUR 0.346), respectively.

Adjustment items affecting EBITDA in 2021 amounted to EUR 129.5m and relates to an adjustment of revenues for fair value step-up on the, in April 2019, acquired contractual right to carried interest and an adjustment of the part of the consideration paid in shares subject to lock-up in relation to the acquisition of Exeter as well as transaction and integration costs as a result of the acquisitions of Exeter and LSP. 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. Adjustment items affecting EBITDA in 2020 amounted to EUR 45.2m and were primarily related 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.

## CASH FLOW AND FINANCIAL POSITION

Goodwill and Other intangible assets amounted to EUR 1,553.8m (EUR 25.4m). The increase of EUR 1,528.4m is driven by the acquisition of Exeter and the related purchase price allocation.

Property, plant and equipment amounted to EUR 147.3m (EUR 112.6m).

Financial investments increased by EUR 310.9m to EUR 477.9m (EUR 167.0m) primarily driven by increased investments from EQT AB Group into EQT funds.

Current assets amounted to EUR 1,531.9m (EUR 1,291.3m). 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.

Cash and cash equivalents at the end of the period amounted

to EUR 587.9m (EUR 878.0m). The decrease relates to the acquisition of Exeter and the part of the consideration paid in cash which has been partly offset by the issue of the bond. Net cash amounted to EUR 87.9m (EUR 878.0m in net cash).

Equity increased to EUR 2,942.8m (EUR 1,262.8m). 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 592.2m (EUR 74.5m). The increase relates to the issue of a EUR 500m sustainability-linked bond.

Current liabilities amounted to EUR 356.7m (EUR 285.3m). The increase is mainly explained by an increased bonus provisions as a result of an increased number of employees.

## EXPECTATIONS FOR 2022

EQT will continue fundraising activities for new fund generations within existing strategies. Fundraising is also underway for new business lines, including longer-hold strategies. Investments in EQT's platform across areas such as capital raising, sustainability and digital will continue, while the investment organization continues to expand. Work to integrate and grow recent acquisitions will continue, as applicable.

## PERSONNEL

Number of full-time equivalent employees (FTE), at year-end 2021, amounted to 1,059 (653). The increase is mainly driven by the acquisition of Exeter, and functions within Central to continue strengthen the EQT platform.

## SIGNIFICANT EVENTS DURING THE YEAR

### 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.

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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 further increased the EQT AB Group's financial flexibility and are used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. The bond is linked to ESG-related objectives, meaning that the interest rate of the bond is increased if the 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.

As of 10 November 2021, EQT announced the signing of an agreement to acquire LSP (Life Sciences Partners), a leading European life sciences venture capital firm with approximately EUR 2.2 billion of assets under management (AUM) and a team of 34 FTEs. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP will strengthen EQT's position as one of the leading and most active private markets investors in the healthcare sector. LSP is expected to generate approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. The transaction was closed in Q1 2022.

EQT IX held final close at its hard cap with EUR 15.6 billion of AUM. EQT Infrastructure V held final close at its hard cap with EUR 15.7 billion of AUM. EQT Exeter Europe Logistics Value IV held final close at its hard cap with EUR 2.1 billion in fee-generating commitments. EQT launched a new impact-driven longer-hold strategy – EQT Future.

In 2021 the target size for EQT Growth was set at EUR 2.0 billion as announced on 9 March 2021 and the fund started generating management fees during the end of the second quarter.

As of 7 September 2021, EQT AB announced that it had prolonged the EQT AB Partners' IPO share lock-up period, alongside a partial lock-up release, nearly doubling the lock-up duration, with extension to 2026, and to 2028 for the most senior EQT AB Partners. The EQT AB Partners committed to re-invest 50 percent of net proceeds from the lock-up release in EQT funds.

Due to changes in local tax legislation EQT AB Group has in 2021 recognized a deferred tax asset of EUR 102.2m. The deferred tax asset is expected to be fully utilized, over the income statement, by 2027. The recognition of the deferred tax, being accounting driven, is not expected to have any impact on the cash tax to be paid.

## 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. In relation to the 2020 grant, 348,106 class C shares were allotted to the participants in the beginning of 2021. Total expense during 2021 for the share-based program amounts to EUR 27.2m (EUR 18.9m).

## Related parties

No significant related party transactions have occurred during the period.

## EVENTS AFTER THE REPORTING PERIOD

The target fund sizes were set for EQT X (EUR 20.0 billion), EQT Active Core Infrastructure (EUR 5.0 billion) and EQT Ventures III (EUR 0.9 billion).

As of 28 February 2022 EQT acquired LSP ("Life Sciences Partners"), a leading European life sciences venture capital firm with approximately EUR 2.2 billion of assets under management (AUM) and a team of 34 FTEs. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP will strengthen EQT's position as one of the leading and most active private market investors in the healthcare sector. LSP is expected to generate approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. EQT acquired 100 percent of the LSP man-

agement company and 20 percent of the right to carried interest in selected LSP funds. In addition, EQT AB will be entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT policies. See Note 28.

As of 27 January 2022 EQT announced the closing of an agreement to acquire Bear Logi. Bear Logi, founded in Tokyo, Japan in 2009, is a value-add logistics investment manager with around 25 employees focused on acquisitions, development, construction and leasing, with extensive knowledge of the Japanese and Korean logistics markets. See Note 28.

As announced on 16 March 2022 EQT has signed an agreement on the combination with Baring Private Equity Asia ("BPEA"). BPEA has a strong performance and growth track-record and fits perfectly with EQT's culture and core values: high-performing, respectful, entrepreneurial, informal, and transparent. With 10 regional offices, BPEA also combines local execution with a Pan-Asian reach (236 FTE+ as of 2021), mirroring EQT's local-with-locals approach. BPEA brings 100+ new clients to EQT and adds EUR 17.7 billion in AUM. Total consideration is EUR 6.8 billion on a cash and debt free basis, of which approximately EUR 5.3 billion to be paid through the issue of 191.2 million new EQT AB ordinary shares (corresponding to a dilution of approximately 16 percent), plus EUR 1.5 billion in cash. EQT has cash and facilities in place to fund the cash consideration. In addition, EQT may review long-term financing options. The share consideration for BPEA's CEO Jean Eric Salata and other key members of BPEA's management will be subject to customary lock-up provisions, consistent with those of current senior EQT partners (10 percent released in September 2023, the remaining shares are then released in equal annual instalments of 20 percent per year in September 2024, September 2025, September 2026, September 2027 and September 2028), while also including a share forfeiture mechanism. Share consideration for Affiliated Managers Group, Inc. ("AMG"), which owns 15 percent of BPEA, will have 75 percent of the EQT shares released at closing and 25 percent subject to a lock-up period of 180 days on the basis of a customary lock-up agreement for an institutional investor. The transaction, which is subject to customary closing conditions, including anti-trust, regulatory approvals and certain BPEA fund investor consent approvals, as well as EQT majority shareholder approval at the Annual General Meeting in June 2022, granting the board of directors of EQT the authority to issue the consideration shares; major EQT shareholders representing in total more than 50 percent of EQT's share capital have irrevocably committed to vote in favour of the share issue authorization. The transaction is expected to close in the fourth quarter of 2022.

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## PARENT COMPANY

The parent company's profit before tax amounted to SEK 2,028.2m (SEK 1,159.1m). The increase is mainly explained by a timing effect of dividends from subsidiaries.

## THE SHARE

EQT AB's ordinary shares are listed on Nasdaq Stockholm in the Large Cap segment. As of 31 December 2021, there were 986,280,140 ordinary shares and 713,512 non-listed Class C shares outstanding. Ordinary shares carry 1 vote per share and Class C shares carry 0.1 vote per share. The quota value of the shares is SEK 0.1. See Note 15 for further information.

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

For information regarding changes in EQT's share capital and lock ups entered into, please refer to the heading "Events after the reporting period" and "Restrictions on transferability above".

## SUSTAINABILITY

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, EQT has elected to prepare the statutory sustainability report separately from the Board of directors' report. The scope of the statutory sustainability report is given on page 1.

## GUIDELINES FOR EXECUTIVE REMUNERATION

### (REMUNERATION POLICY)

Set forth below are the board's proposed guidelines for executive remuneration, to be adopted by the Annual Shareholders' Meeting 2022. The guidelines for executive remuneration approved by the Annual Shareholders' Meeting 2021 are presented in Note 7. During 2021, there were no deviations from the guidelines.

## GUIDELINES FOR EXECUTIVE REMUNERATION

The CEO, the deputy CEO and other members of the Executive Committee (executive management) fall within the provisions of these guidelines. To the extent a board member conducts work for EQT, in addition to the board work, consulting fees and other 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 2022. These

guidelines do not apply to any remuneration separately decided or approved by the shareholders' meeting.

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

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

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

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

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

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

## EQT SHARE PROGRAM

An incentive program, the EQT Share program, has been implemented in the EQT AB Group. The EQT Share program has been resolved by the shareholders' meeting and is therefore excluded from these guidelines. The program includes members of the Executive Committee in EQT AB. The performance criteria used to assess the outcome of the program are distinctly linked to the EQT AB Group's business strategy, sustainability, long-term interests and value growth for its shareholders. These performance criteria comprise financial targets, *inter alia*, revenue growth and EBITDA, and in addition thereto the general competitiveness as well as the individual meeting or exceeding EQT AB's highly set expectations on adding value to the EQT platform. The participants will invest a variable amount (financed by EQT) in C shares after a performance year, whereupon a three-year (approximately) holding period follows. For more information regarding the EQT Share program, including the criteria which the outcome depends on, please see EQT AB's remuneration report, available on [eqtgroup.com/shareholders](http://eqtgroup.com/shareholders) and <https://eqtgroup.com/shareholders#reports-and-pre>

sentations.

## 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 200 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, fund-raising, sustainability as well as organizational development. The individual performance is assessed versus agreed targets as well as meeting, exceeding or not meeting high set individual performance expectations for the individual in the current role.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee shall be responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other members of the Executive Committee, the CEO shall be responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by EQT AB.

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

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## Pension

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

## Other benefits

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

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

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

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

In the event of notice being given by the EQT AB Group, a notice period of nine months applies, while in the event of notice being given by the senior executive a period of notice of six months applies. The senior executives' employment terms also include a non-competition clause. If used, this entitles the employee to an additional compensation corresponding to a maximum of nine months' salary, however, reduced by any remuneration paid by a new employer. Base salary during the notice period and severance pay may not together exceed an amount corresponding to the base salary for eighteen months. 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

Compared to the guidelines previously adopted, the variable cash remuneration has been increased from no more than 100 percent of the annual base salary to no more than 200 percent of the annual base salary. The increase has been made in order for EQT to be able to attract and retain world class talent and be more closely aligned to the wider EQT remuneration philosophy.

## CORPORATE GOVERNANCE

EQT prepares its Corporate Governance Report as a separate document from the statutory annual report. Please see page 160.

## PROPOSAL FOR THE DISTRIBUTION OF NET INCOME

The board of directors proposes a dividend for 2021 of SEK 2.80 per share, to be paid out in equal installments in June and December 2022, respectively.

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

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

Share premium reserve	18,451,276,453
Profit brought forward	-655,669,257
Net income	2,014,693,067
<b>Total</b>	<b>19,810,300,262</b>

The board proposes that, following approval of the balance sheet of EQT AB for the financial year 2021, the annual shareholders' meeting should distribute the earnings as follows:

Dividend to shareholders:	
SEK 2.80 per share	2,763,582,226 <sup>1)</sup>
Retained earnings	17,046,718,036
<b>Total</b>	<b>19,810,300,262</b>

<sup>1)</sup> Based on the number of outstanding shares at December 31, 2021. The amount of the dividend may change due to issue of new shares up until each record date.

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

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# Consolidated income statement

1 January – 31 December

EUR m	Note	2021	2020
Management fees	5	1,085.7	608.9
Carried interest and investment income	5	510.3	99.8
<b>Total revenue</b>		<b>1 596.0</b>	<b>708.7</b>
Personnel expenses	7	–426.6	–251.6
Other operating expenses	6, 8	–199.3	–117.1
<b>Total operating expenses</b>		<b>–625.9</b>	<b>–368.6</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>		<b>970.2</b>	<b>340.0</b>
Depreciation and amortization	5, 11, 12	–37.5	–35.1
Amortization of acquisition related intangible assets	28	–54.8	–
<b>Operating profit (EBIT)</b>		<b>877.9</b>	<b>304.9</b>
Financial income		61.3	26.1
Financial expenses		–61.3	–19.9
<b>Net financial income and expenses</b>	9	<b>0.0</b>	<b>6.2</b>
<b>Profit before income tax</b>		<b>877.9</b>	<b>311.2</b>
Income taxes	10	30.8	–28.3
<b>Net income for the period from continuing operations</b>		<b>908.7</b>	<b>282.8</b>
Net income for the period from discontinued operations	27	0.7	96.5
<b>Net income</b>		<b>909.4</b>	<b>379.3</b>
<i>Attributable to:</i>			
Owners of the parent company		909.4	379.3
Non-controlling interests		–	–
		<b>909.4</b>	<b>379.3</b>
<i>Earnings per share, EUR</i>			
before dilution	26	0.929	0.398
of which continued operations		0.928	0.297
after dilution		0.929	0.398
of which continued operations		0.928	0.297
<i>Average number of shares</i>			
before dilution		978,676,908	953,209,150
after dilution		978,931,156	953,619,051

# Consolidated statement of comprehensive income

1 January – 31 December

EUR m	2021	2020
<b>Net income</b>	<b>909.4</b>	<b>379.3</b>
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to the income statement</i>		
Foreign operations – foreign currency translation differences net of tax	65.5	–6.1
<b>Other comprehensive income for the period</b>	<b>65.5</b>	<b>–6.1</b>
<b>Total comprehensive income for the period</b>	<b>975.0</b>	<b>373.2</b>
<i>Attributable to:</i>		
Owners of the parent company	975.0	373.2
Non-controlling interests	–	–
	<b>975.0</b>	<b>373.2</b>

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# Consolidated balance sheet

EUR m	Note	31.12.2021	31.12.2020	EUR m	Note	31.12.2021	31.12.2020
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Non-current assets</b>				<b>Equity</b>			
Goodwill	11	836.1	15.3	Share capital	15	9.4	9.1
Other intangible assets	11	717.8	10.1	Other paid in capital		1,763.9	837.4
Property, plant and equipment	12	147.3	112.6	Reserves		52.7	-12.8
Financial investments	19	477.9	167.0	Retained earnings including net income		1,116.8	429.0
Other financial assets	19	34.1	22.0	<b>Total equity attributable to owners of the parent company</b>		2,942.8	1,262.8
Other non-current asset	5	15.1	3.3	Non-controlling interest		-	-
Deferred tax assets	10	131.5	1.1	<b>Total equity</b>		2,942.8	1,262.8
<b>Total non-current assets</b>		<b>2,359.8</b>	<b>331.5</b>	<b>Liabilities</b>			
<b>Current assets</b>				<b>Non-current liabilities</b>			
Current tax assets		13.0	15.3	Interest-bearing liabilities	16, 20	496.1	-
Accounts receivable	19	0.0	3.4	Lease liabilities	16, 20	95.4	73.2
Other current assets	14	204.7	61.7	Deferred tax liabilities	10	0.7	1.4
Prepaid expenses and accrued income	5, 13	726.4	332.8	<b>Total non-current liabilities</b>		592.2	74.5
Cash and cash equivalents		587.9	878.0	<b>Current liabilities</b>			
<b>Total current assets</b>		<b>1,531.9</b>	<b>1,291.3</b>	Lease liabilities	16, 20	22.5	16.0
<b>TOTAL ASSETS</b>		<b>3,891.7</b>	<b>1,622.7</b>	Current tax liabilities		53.3	25.5
				Accounts payable	19	8.0	5.0
				Other liabilities	17	34.2	53.6
				Accrued expenses and prepaid income	5, 18	238.6	185.0
				<b>Total current liabilities</b>		356.7	285.3
				<b>Total liabilities</b>		948.9	359.9
				<b>TOTAL EQUITY AND LIABILITIES</b>		3,891.7	1,622.7

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# Consolidated statement of changes in equity

EUR m	Attributable to owners of the parent company						Attributable to owners of the parent company					
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity	Non-controlling interest	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity	Non-controlling interest
Opening balance at 1.1.2021	9.1	837.4	-12.8	429.0	1,262.8	-	9.1	837.4	-6.6	241.9	1,081.8	-
Total comprehensive income for the period												
Net income				909.4	909.4	909.4				379.3	379.3	379.3
Other comprehensive income for the period				65.5	65.5	65.5				-6.1	-6.1	-6.1
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>65.5</b>	<b>909.4</b>	<b>975.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6.1</b>	<b>379.3</b>	<b>373.2</b>	<b>-</b>
Transactions with owners of the parent company												
Dividends				-233.9	-233.9	-233.9				-196.8	-196.8	-196.8
Share issues	0.3	926.6			926.9	926.9						
Transaction cost (net of tax)		-0.2			-0.2	-0.2						
Share-based bonus				12.3	12.3	12.3				4.6	4.6	4.6
<b>Total transactions with owners of the parent company</b>	<b>0.3</b>	<b>926.4</b>	<b>-</b>	<b>-221.6</b>	<b>705.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-192.2</b>	<b>-192.2</b>	<b>-</b>
Closing balance at 31.12.2021	9.4	1,763.9	52.7	1,116.8	2,942.8	-	9.1	837.4	-12.8	429.0	1,262.8	-
Closing balance at 31.12.2020	9.1	837.4	-6.6	241.9	1,081.8	-	9.1	837.4	-12.8	429.0	1,081.8	-

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# Consolidated statement of cash flows

EUR m	Note	2021	2020	EUR m	Note	2021	2020
Cash flows operating activities	21			Cash flows financing activities			
Operating profit (EBIT), continued operations		877.9	304.9	Dividends paid		-233.9	-196.8
Operating profit (EBIT), discontinued operations incl transaction cost		-	-3.5	Repayment of borrowings		-256.7	-9.4
Adjustments:				Proceeds from borrowings		496.0	-
Depreciation and amortization		92.3	35.1	Investment in other non-current assets		-	9.4
Changes in fair value		-73.3	-16.1	Payment of lease liabilities		-17.5	-14.4
Foreign currency translation differences		8.0	-5.7	Interest paid		-8.0	-4.7
Other non-cash adjustments		73.3	10.6	Share issues		-0.2	-
Increase (-) / decrease (+) in accounts receivable and other receivables		-429.5	-130.6	Net cash from (+) / used in (-) financing activities		-20.3	-215.9
Increase (+) / decrease (-) in accounts payable and other payables		105.8	12.5	Net increase (+) / decrease (-) in cash and cash equivalents		-307.3	-23.6
Income taxes paid		-46.3	-35.4	Cash and cash equivalents at the beginning of the period		878.0	908.5
Net cash from operating activities		608.2	171.8	Foreign currency translation differences		17.2	8.2
Cash flows investing activities				Cash and cash equivalents discontinued operations	27	-	-15.2
Investment in intangible assets		-	-0.1	Cash and cash equivalents at the end of the period		587.9	878.0
Acquisition of property, plant and equipment		-11.5	-8.3				
Investment in financial investments		-488.2	-111.9				
Proceeds from disposals of financial investments		252.7	5.0				
Interest received		0.6	0.8				
Consideration paid net of acquired cash	28	-631.6	-				
Consideration received	27	-	136.5				
Investment in non-current assets		-17.3	-1.4				
Net cash from (+) / used in (-) investing activities		-895.2	20.6				

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# Notes

## Note 1 General information

EQT AB (publ), reg. no. 556849-4180, is a company domiciled in Stockholm, 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 2021. 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 25 March 2022. The consolidated financial statements are subject to approval by the annual shareholders' meeting on 1 June 2022.

### ACCOUNTING POLICIES

The accounting policies applied in these consolidated financial statements are the same as those applied in the annual report 2020.

A number of revised standards were also effective from 1 January 2021 but did not have any material effect on the EQT AB Group's consolidated financial statements.

### Basis of measurement

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

### Functional and presentation currency

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

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

### Classification

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

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

Preparation of financial statements requires the use of judgment and accounting estimates that affect the application of the EQT AB Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Revisions of estimates are recognized prospectively.

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

### STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

### BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

#### Subsidiaries and control

##### Control

Subsidiaries are entities controlled directly or indirectly by EQT AB. The EQT AB Group controls an entity when it is exposed to, or has rights to,

variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

From an IFRS 10 perspective EQT AB Group is considered an investment entity.

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

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Note 2 cont.

the control criterion in IFRS on link between power and return. Instead, EQT AB Group is considered to be an agent in relation to the fund investors, for accounting purposes and, accordingly the funds are not consolidated.

#### Purchase price allocation of consolidated entities

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

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

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

#### Transactions eliminated on consolidation

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

#### FOREIGN CURRENCY

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

historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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

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

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

From the date of classification as held for sale, assets and liabilities related to the disposal group are presented as a single current asset item and a single current liability item on the balance sheet, labelled "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". Comparative figures are not restated. At the time of classification of assets as held for sale, the assets are recognized at the lowest of their carrying amount and fair value less cost to sell. However, financial assets are exempted and are measured according to the accounting policies applicable to assets that are not classified as a holding for sale.

#### REVENUE

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

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

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

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

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

and variable profit sharing fully dependent on the performance of the relevant fund and the fund's underlying investments.

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

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

#### Management fees

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

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

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.

Typically 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:

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- 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 normally 30 to 50 percent. The discount applied is based on the assessed risk level for each fund. The discount applied is reviewed semi-annually.

Carried interest is normally 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, on a selective basis, 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 is capitalized as a non-current assets representing cost of obtaining contract.

The cost of obtaining the contracts is expected to be recovered over the fund commitment period. The benefit of the cost is primarily considered to be attributable to the period when the fund investments are carried out. Therefore, the useful life of the asset is the commitment period which is expected to be between three to six years. The asset is amortized on a straight-line basis.

#### LEASES

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

#### Measurement

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

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

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

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

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

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

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

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

#### 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.

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#### FINANCIAL INSTRUMENTS

The EQT AB Group's financial assets consist of financial investments, accounts receivable and other receivables and cash and cash equivalents. Financial liabilities comprise accounts payable, short and long-term interest-bearing liabilities and other financial liabilities. Cash and cash equivalents consist of on-demand deposits with credit institutions.

#### Recognition and initial measurement

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

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

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

##### Financial assets

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

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

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

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

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

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

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

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

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

Financial assets measured at FVPL currently include Financial investments.

##### Financial liabilities

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

#### Derecognition of financial assets and financial liabilities

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

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

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

#### Impairment of financial assets

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

The 12 month expected credit losses are the portion of the expected credit losses that result from default events that are possible within 12 months after the reporting date or a shorter period if the expected life

of the instrument is less than 12 months. If there is a significant increase in credit risk, a loss reserve is instead recognized to reflect the expected credit losses under the entire lifetime of the asset.

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

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

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

#### 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.

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## 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.

### Other intangible assets

Other intangible assets constitutes acquired customer contracts, investor relationships, licenses and trademarks and are accounted for at cost less accumulated amortization and any accumulated impairment losses.

### 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 intended use.

### Estimated useful life:

Investor relationships	15 year
Software	3 years
Trademark	5–8 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.

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## 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.

### Dividends

Dividends are recognized as a liability when the shareholders' meeting has approved the dividend.

## EMPLOYEE BENEFITS

### Short-term employee benefits

Short-term employee benefits are estimated and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the EQT AB Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

Defined contribution plans comprise the pension-plans in which the EQT AB Group's obligation is limited to the fees the EQT AB Group undertakes to pay. In that case, the size of the employee's pension depends on the fees paid by the EQT AB Group to the plan or to an insurance company and the return on capital invested. Consequently, it is the employee who carries the actuarial risk (the compensation will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected benefits). Obligations for contributions to defined contribution plans are expensed as the related service is provided.

### Defined benefit plans

Defined benefit plans are plans for post-employment benefits other than defined contribution plans, where the employer is obligated to pay future pensions to the retiree on a certain benefit level.

### Termination benefits

Termination benefits are expensed at the earliest of:

- When the EQTAB Group can no longer withdraw the offer of those benefits and
- When the EQTAB Group recognizes costs for a restructuring program including the terminations.

Benefits expected to be settled within 12 months of the reporting date are recognized as current liabilities. Benefits not expected to be settled within 12 months of the reporting date are recognized at present value as long-term liabilities.

### Share-based payments

A share incentive program with separate annual grants during five years starting with a first performance year in 2019 is recognized as an equity-settled share-based payment. In each tranche, participants may earn a bonus during an initial performance year, for the sole purpose of investing in class C shares in EQT AB following said performance year. The shares cannot be sold during the following three-year period. No vesting conditions apply during this period. The expense is for each tranche recognized over the initial performance year, with a corresponding amount recognized directly in equity. Expense for social security charges is recognized in an equivalent manner, with a corresponding entry as a liability.

## 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 EQTAB Group's accounting policies.

## IMPAIRMENT TEST OF GOODWILL

When calculating the recoverable amount of cash-generating units, several assumptions about future circumstances and estimates of parameters have been made. Changes to these assumptions and estimates could affect the carrying amount of goodwill (see Note 11). A declining growth rate and reduced operating margin would result in a lower recoverable amount. The reverse applies if the calculation of the recoverable amount is based on a higher growth rate or margin. Were future cash flows to be discounted at a higher rate of interest, the recoverable amount would be lower. Conversely, the recoverable amount would be higher with a lower discount rate. The impairment test for the period did not give rise to any impairment in respect of goodwill.

## 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 fair values of unrealized investments through discounts of normally 30 to 50 percent. The discount applied is based on the assessed risk level for each fund. The discount applied is reviewed semi- annually.

The carrying amount of the net contract asset related to carried interest at 31 December 2021 was EUR 472.9m (EUR 191.6m), 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

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Note 3 cont.

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 2021 was EUR 477.9m (EUR 167.0m), see Note 19.

#### NON-CONSOLIDATED SPECIAL ENTITIES

According to IFRS 10 Consolidation, an investor that has control over only specified and ring-fenced assets and liabilities within a legal entity, should, for consolidation purposes, treat portions of the entity as a deemed separate entity, a so called "silo". The silo concept means that the EQT AB Group only consolidates the silo and not the whole entity. The specified assets of one silo is not available to meet obligations of other parts of the legal entity. Each silo's assets are the only source of payment for specified obligations of the silo. Silos that are not directly or indirectly controlled by EQT AB are not considered to be subsidiaries and are accordingly not consolidated.

EQT AB is an indirect investor in each EQT fund, typically through separate entities, one separate entity for each EQT fund. These indirectly owned entities have different shareholders with different economic rights and responsibilities. In general, these entities have different share classes, one share class tracking carried interest related movements and one share class tracking management fee related movements. The management fee share class is 100 percent held by the EQT AB Group and consolidated in full. The carried interest related share class tracks investments and proceeds from the EQT AB Group's investments in the funds, via its holding in the Special Limited Partners, see Note 2 "Subsidiaries and control".

#### Note 4 Operating segments

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

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

The business segment Private Capital consists of the business lines EQT Ventures, EQT Growth, EQT Private Equity, EQT Public Value and EQT Future. The business segment Real Assets consists of 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 has been adjusted by removing the fair value adjustment of acquired contractual rights to carried interest. Accordingly, the acquired contractual right to carried interest reflects the sellers carrying amount adjusted to EQT AB Group's accounting policies, i.e. the accrued income excluding the fair value uplift made at the acquisition date in the consolidated accounts of EQT AB Group. The difference between the carrying amount and fair value of accrued carried interest is primarily due to the constraint requirements of IFRS 15 of variable performance-based income reflected through the application of the Group's prudent revenue recognition model for carried interest. Expenses directly incurred by each respective business segment are included in gross segment result, whereas items reported under Central

have not been allocated to any business segment. Central consists of the fund operations 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 consists of revenue adjustments (see above) as well as items affecting comparability. Items affecting comparability in 2020 relate 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 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 also include transaction costs relating to LSP as well as an adjustment relating to deferred tax recorded as a result of changes in local tax legislations.

#### 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.

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Note 4 cont.

January–December 2021 EUR m	Private Capital	Real Assets	Central	Total adjusted	Items affecting comparability	Revenue adjustment	IFRS reported
Total revenues	952.3	652.8	18.1	1,623.3		-27.2	1,596.0
Personnel expenses				-364.6	-62.0		-426.6
Other operating expenses				-159.0	-40.3		-199.3
<b>Total operating expenses</b>	<b>-157.1</b>	<b>-130.9</b>	<b>-235.6</b>	<b>-523.6</b>	<b>-102.3</b>	<b>-</b>	<b>-625.9</b>
<b>Gross segment result<sup>1)</sup> / EBITDA<sup>2)</sup></b>	<b>795.2</b>	<b>522.0</b>	<b>-217.5</b>	<b>1,099.7</b>	<b>-102.3</b>	<b>-27.2</b>	<b>970.2</b>
Margin, %	83.5%	80.0%		67.7%			60.8%
Depreciation and amortization				-37.5			-37.5
Amortization of acquisition related intangible assets				-	-54.8		-54.8
<b>EBIT</b>				<b>1,062.2</b>	<b>-157.1</b>	<b>-27.2</b>	<b>877.9</b>
Net financial income and expense				0.0			0.0
Income taxes				-73.0	103.8		30.8
<b>Net income for the period from continuing operations</b>				<b>989.2</b>	<b>-53.2</b>	<b>-27.2</b>	<b>908.7</b>
Net income for the period from discontinued operations				-	0.7		0.7
<b>Net income</b>				<b>989.2</b>	<b>-52.5</b>	<b>-27.2</b>	<b>909.4</b>

<sup>1)</sup> Gross segment result relate to the segments Private Capital and Real Assets.

<sup>2)</sup> EBITDA relates to Central, Total adjusted and IFRS reported.

January–December 2020 EUR m	Private Capital	Real Assets	Central	Total adjusted	Items affecting comparability	Revenue adjustment	IFRS reported
Total revenues	530.8	220.6	10.2	761.6		-53.0	708.7
Personnel expenses				-251.6			-251.6
Other operating expenses				-124.8	7.8		-117.1
<b>Total operating expenses</b>	<b>-125.2</b>	<b>-65.4</b>	<b>-185.8</b>	<b>-376.4</b>	<b>7.8</b>	<b>-</b>	<b>-368.6</b>
<b>Gross segment result<sup>1)</sup> / EBITDA<sup>2)</sup></b>	<b>405.6</b>	<b>155.2</b>	<b>-175.6</b>	<b>385.3</b>	<b>7.8</b>	<b>-53.0</b>	<b>340.0</b>
Margin, %	76.4%	70.4%		50.6%			48.0%
Depreciation and amortization				-35.1			-35.1
Amortization of acquisition related intangible assets				-			-
<b>EBIT</b>				<b>350.1</b>	<b>7.8</b>	<b>-53.0</b>	<b>304.9</b>
Net financial income and expense				6.2			6.2
Income taxes				-26.7	-1.7		-28.3
<b>Net income for the period from continuing operations</b>				<b>329.7</b>	<b>6.1</b>	<b>-53.0</b>	<b>282.8</b>
Net income for the period from discontinued operations				11.0	85.5		96.5
<b>Net income</b>				<b>340.7</b>	<b>91.6</b>	<b>-53.0</b>	<b>379.3</b>

<sup>1)</sup> Gross segment result relate to the segments Private Capital and Real Assets.

<sup>2)</sup> EBITDA relates to Central, Total adjusted and IFRS reported.

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## Note 5 Revenue

### MANAGEMENT FEES

The EQT AB Group earns management fees for fund management services, typically based on agreements over the life of each fund, generally with a term of 10–12 years. Management fee is a recurring revenue and the fees are predominately based on the committed capital during the commitment period and the cost of invested capital during the divestment period.

The management fee is payable half-yearly in advance and adjusted in the following half-year period should any triggering events occur. Examples of triggering events include launch of a successor fund, commencement of the divestment period/end of commitment period and multiple closings in funds in fundraising.

For further information of the EQT AB Group's management fee, see Note 2 "Management fees".

### CARRIED INTEREST

Carried interest is a share of profits that the EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund. Carried interest is either payable at the end of the life of the fund or paid as installments at the time of realization within each fund, or a combination thereof.

For further information of the EQT AB Group's carried interest, see Note 2 "Carried interest".

### INVESTMENT INCOME

Investment income consists primarily of changes in fair value of the EQT AB Group's underlying fund investments. Changes in fair value are recognized in the income statement. Capital gains on realized investments are normally distributed within 3–5 days of an exit.

### CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities are reported within Prepaid expenses and accrued income, see Note 13, and Accrued expenses and prepaid income, see Note 18.

Deferred income and accrued income are reported as contract assets and contract liabilities, respectively. The EQT AB Group presents contract assets and liabilities relating to carried interest and management fee separately. The contract asset and liability regarding management fee arise from timing differences between the time of generating the revenues and payment. The timing difference is mainly related to the beginning of the life of a fund, before the final close of a fund, or after the end of the commitment period of the fund.

### Specifications of changes in contract assets and contract liabilities related to carried interest

EUR m	2021		2020	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	191.6	-	119.6	-0.9
Revenue recognized during the period	437.0		83.7	0.9
Realization of carried interest	-155.8		-10.7	
Discontinued operations	-		-1.0	
Closing balance	472.9	-	191.6	-

### Specifications of changes in contract assets and contract liabilities related to management fee

EUR m	2021		2020	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	119.5	-32.0	28.1	-5.3
Transfers from contract assets recognized at the beginning of the period to receivables	-119.5		-28.1	
Revenue recognized that was included in the contract liability balance at the beginning of the period		32.0		5.3
Revenue recognized during the period not yet invoiced/not yet chargeable	33.6		119.5	
Payment in advance during the period for performance obligations not yet performed		-9.6		-32.0
Closing balance	33.6	-9.6	119.5	-32.0

### Cost of obtaining a contract

EUR m	2021		2020	
Opening balance		3.3		4.4
Additions		17.3		1.5
Depreciation		-5.5		-2.6
Total changes net		11.8		-1.1
Closing balance		15.1		3.3

### 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	2021		2020	
Administrative expenses <sup>1)</sup>		83.0		51.1
External services <sup>1)</sup>		93.8		51.6
IT expenses net of capitalization		22.5		14.4
<b>Total other operating expenses</b>	<b>199.3</b>		<b>117.1</b>	

<sup>1)</sup>Summary of items affecting comparability

In 2021 items affecting comparability of EUR 31.3m (external services) and EUR 8.9m (administrative expenses) relates to transaction and integration costs as a result of the acquisition of Exeter and LSP. 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.

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## Note 7 Employees, senior executives and board of directors

### GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES DURING 2021

At the annual shareholders' meeting held on 2 June 2021, 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 2021. These guidelines do not apply to any remuneration separately decided or approved by the shareholders' meeting.

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

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

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

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

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

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

#### EQT Share program

An incentive program, the EQT Share program, has been implemented in the EQT AB Group. The EQT Share program has been resolved by the shareholders' meeting and is therefore excluded from

these guidelines. The program includes members of the Executive Committee in EQT AB. The performance criteria used to assess the outcome of the program are distinctly linked to the EQT AB Group's business strategy, sustainability, long-term interests and value growth for its shareholders. These performance criteria comprise financial targets, inter alia, revenue growth and EBITDA and in addition thereto the general competitiveness as well as the individual meeting or exceeding EQT AB's highly set expectations on adding value to the EQT platform. The participants will invest a variable amount (financed by EQT) in C shares after a performance year, whereupon a three-year (approximately) holding period follows.

#### Type of remuneration, etc.

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

#### Fixed remuneration

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

#### Variable remuneration

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

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

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee shall be responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other members of the Executive Committee, the CEO shall be responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by EQT AB.

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

#### Pension

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

#### Other benefits

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

#### Termination of employment and terms for severance pay for the CEO

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

#### Termination of employment and terms for severance pay for senior executives

In the event of notice being given by the EQT AB Group, a notice period of nine months applies, while in the event of notice being given by the senior executive a period of notice of six months applies. The senior executives' employment terms also include a non-competition clause. If used, this entitles the employee to an additional compensation corresponding to a maximum of nine months' salary, however, reduced by any remuneration paid by a new employer. Base salary during the notice period and severance pay may not together exceed an amount corresponding to the base salary for 18 months. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

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**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. 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.

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

For future remuneration policy to be approved by the annual shareholders' meeting 2022, see the proposal in the Board of directors' report.

**Salary and remunerations to employees**

EUR m	2021	2020
Salaries, bonuses and remunerations	360.7	202.3
Pension expenses, defined contribution plans	10.4	8.8
Social security expenses	33.5	24.8
	404.5	235.9
Other personnel related expenses	22.1	15.6
Personnel expenses	426.6	251.6

	2021	whereof women	2020	whereof women
Sweden	244	49%	227	48%
USA	196	35%	68	40%
UK	103	45%	73	47%
Germany	84	36%	72	37%
Luxembourg	63	50%	37	39%
The Netherlands	27	59%	32	54%
China, Hong Kong	23	52%	25	43%
Singapore	22	41%	18	43%
France	20	41%	8	42%
Spain	19	34%	14	41%
Switzerland	18	46%	17	38%
Denmark	17	44%	17	42%
Australia	13	34%	4	22%
Italy	12	32%	8	30%
Norway	9	33%	10	39%
Finland	8	35%	9	41%
China, Shanghai	6	37%	6	34%
Japan	1	22%	-	-
Brazil	1	0%	-	-
Ireland	1	0%	-	-
Mexico	1	0%	-	-
Poland	1	38%	-	-
Austria	0	100%	-	-
Continued operations	888	43%	642	44%
Discontinued operations	-	-	29	30%
<b>Total</b>	<b>888</b>	<b>43%</b>	<b>671</b>	<b>43%</b>

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#### Board of directors and senior executives split by gender

Proportion of women	2021	2020
Board of directors (parent company)	50%	38%
Senior executives	13%	14%

The EQT AB Group's executive committee consisted of eight persons in 2021, from 1 April Ward Fitzgerald joined. The executive committee consisted of seven persons in 2020. For a few months in the middle of 2020, the executive committee consisted of eight persons. The senior executives are employed by different companies in the EQT AB Group.

#### REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

Fees and other remuneration to the members of the board of directors, including the chairperson, are resolved by the annual shareholders' meeting.

At the annual shareholders' meeting held on 2 June 2021, it was resolved that EUR 275,000 shall be paid to the chairperson of the board of directors and EUR 125,000 to each of the other board members who are not employed by the company. In addition, EUR 40,000 will be paid to the chairpersons of the audit committee and the remuneration committee, respectively, and remuneration to each of the other members of the relevant committees should be EUR 20,000 each. The members of the board of directors are not entitled to any benefits following termination of their assignments as directors of the board.

#### Salaries and other remunerations and pension expenses for the board of directors and senior executives

EUR m	2021	2020
Salaries, bonuses and remunerations (whereof bonuses)	4.9	5.6
Share-based program	0.3	0.3
Pension expenses	0.4	0.5
	5.7	6.3

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#### Salaries and other remunerations to senior executives and board of directors

2021 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 (Marcus Wallenberg)						
Remuneration from parent company	0.1	-	-	-	-	0.1
Remuneration from subsidiaries	-	-	-	-	-	-
Board member (Margo Cook)						
Remuneration from parent company	0.1	-	-	-	-	0.1
Remuneration from subsidiaries	-	-	-	-	-	-
Board member (Johan Forsslöf)						
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)						
Remuneration from parent company	0.1	-	-	-	-	0.1
Remuneration from subsidiaries	-	-	-	-	-	-
Board member (Edith Cooper) <sup>1)</sup>						
Remuneration from parent company	0.2	-	-	-	-	0.2
Remuneration from subsidiaries	-	-	-	-	-	-

2021 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total
Board member (Gordon Orr) <sup>1)</sup>						
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	-	0.2
Deputy CEO (Caspar Callerström)						
Remuneration from parent company	0.3	-	0.1	0.0	-	0.4
Remuneration from subsidiaries	-	-	-	-	-	-
Other senior executives						
(6 persons)						
Remuneration from parent company	0.5	0.4	0.1	0.0	0.3	1.4
Remuneration from subsidiaries	1.6	-	0.1	0.0	-	1.8
<b>Total</b>	<b>4.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.1</b>	<b>0.3</b>	<b>5.7</b>
<b>Remuneration from parent company</b>	<b>2.7</b>	<b>0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>3.6</b>
<b>Remuneration from subsidiaries</b>	<b>1.9</b>	<b>-</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>2.1</b>

<sup>1)</sup> Gordon Orr and Edith Cooper have during 2021 provided consultancy services to EQT in addition to their assignments as board members. Remuneration for such consultancy services are included in the column "Base salary, board fee". For further information, see Note 24.

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2020 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total	2020 EUR m	Base salary, board fee	Bonus	Pension expenses	Other benefits	Share- based program	Total
Chairperson of the board (Conni Jonsson)							Board member (Gordon Orr) <sup>1)</sup>						
Remuneration from parent company	0.3	–	–	–	–	0.3	Remuneration from parent company	0.2	–	–	–	–	0.2
Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.1	Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Peter Wallenberg Jr)							CEO (Christian Sinding)						
Remuneration from parent company	0.1	–	–	–	–	0.1	Remuneration from parent company	0.4	–	–	0.0	–	0.4
Remuneration from subsidiaries	–	–	–	–	–	–	Remuneration from subsidiaries	0.1	–	0.0	0.0	–	0.2
Board member (Finn Rausing)							Deputy CEO (Caspar Callerström)						
Remuneration from parent company	0.1	–	–	–	–	0.1	Remuneration from parent company	0.2	–	0.1	0.0	–	0.3
Remuneration from subsidiaries	–	–	–	–	–	–	Remuneration from subsidiaries	–	–	–	–	–	–
Board member (Johan Forssell)							Other senior executives						
Remuneration from parent company	0.1	–	–	–	–	0.1	(6 persons)						
Remuneration from subsidiaries	–	–	–	–	–	–	Remuneration from parent company	0.5	0.4	0.1	0.0	0.3	1.2
Board member (Diony Lebot)							Remuneration from subsidiaries	1.3	1.4	0.2	0.1	–	3.0
Remuneration from parent company	0.1	–	–	–	–	0.1	Total	3.8	1.8	0.5	0.1	0.3	6.4
Remuneration from subsidiaries	–	–	–	–	–	–	Remuneration from parent company	2.3	0.4	0.2	0.0	0.3	3.1
Board member (Nicola Kimm) <sup>1)</sup>							Remuneration from subsidiaries	1.5	1.4	0.3	0.1	–	3.3
Remuneration from parent company	0.1	–	–	–	–	0.1							
Remuneration from subsidiaries	–	–	–	–	–	–							
Board member (Edith Cooper) <sup>1)</sup>													
Remuneration from parent company	0.2	–	–	–	–	0.2							
Remuneration from subsidiaries	–	–	–	–	–	–							

<sup>1)</sup> Gordon Orr, Edith Cooper and Nicola Kimm have during 2020 provided consultancy services to EQT in addition to their assignments as board members. Remuneration for such consultancy services are included in the column "Base salary, board fee". For further information, see Note 24.

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#### 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 subsequent year. 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 2020 grant 348,106 class C shares were allotted to the participants in the beginning of 2021. Total expense including social charges recognized, for the third grant, as of year-end 2021 amounts to EUR 27.2m (EUR 18.9m). The amount excluding social charges EUR 23.7m (EUR 17.0m) will be settled in class C shares during 2022.

##### Other benefits

EQT AB Group offers all employees a variety of non-monetary benefits, such as occupational health service, health insurance, life insurance, employee fitness programs and sports contributions.

##### Certain investments by senior executives

Certain members of the board of EQT AB and senior executives of EQT AB Group, including the CEO of EQT AB, have invested in various carried interest and employee co-investment schemes related to the EQT funds. The returns (in the form of investment income and capital appreciation)

are fully dependent on the performance of the relevant fund and the fund's underlying investments.

##### Pension terms

The EQT AB Group has defined contribution plans that generally follows a specific table for level of contributions based on age and/or income level. Wherever possible, the contributions are only made on base salary up to locally set caps. Payments to these plans are made on a continuous basis according to the rules of each plan. The expenses for defined contribution plans in 2021 amounted to EUR 10.4m (EUR 8.8m).

The chairperson of the board, Conni Jonsson, has a defined benefit pension plan which has been secured through a trust. The defined benefit plan consists partly of a guaranteed amount corresponding to the accumulated amount of historical contributions and partly of a variable amount corresponding to the fair value of the trust's net assets in excess of the guaranteed amount. If the fair value of the trust's net assets is lower than the guaranteed amount EQT AB Group is obliged to contribute the difference. As of 31 December 2021, EQT AB Group's part of the fair value of the trust's net assets, converted to euro, amounted to EUR 4.1m (EUR 4.2m) and the guaranteed amount amounted to EUR 1.1m (EUR 1.4m). From January 2018 there have been no further contributions to the trust.

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## Note 8 Audit fees and expenses

EUR m	2021	2020
KPMG		
Audit services	1.7	1.7
Tax consultancy	0.0	0.1
Other services	0.1	0.3
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.

## Note 9 Financial income and expenses

EUR m	2021	2020
Interest income	0.6	0.7
Translation gains	60.7	25.5
Other financial income	0.0	0.0
<b>Financial income</b>	<b>61.3</b>	<b>26.1</b>
Interest expenses	-8.0	-4.7
Translation losses	-49.7	-14.9
Other financial expenses	-3.6	-0.3
<b>Financial expenses</b>	<b>-61.3</b>	<b>-19.9</b>
<b>Net financial income and expenses</b>	<b>0.0</b>	<b>6.2</b>

All interest income and expenses from financial assets and financial liabilities are measured at amortized cost.

## Note 10 Income taxes

EQT AB Group has operations in different jurisdictions. Each jurisdiction has its own tax legislation and regulations. Constant changes of the income tax rules and the interpretation of the legislation create exposures regarding income taxes. The complexity of rules related to income taxes in different jurisdictions and the accounting for these require management's involvement in judgments and estimates. These estimates might differ from the actual outcome.

EQT AB Group has documented guidelines, processes and controls for managing both income taxes and other taxes. Through these processes the Group ensures that tax risks are identified and mitigated through tax risk identification processes.

### Taxes recognized in the income statement

EUR m	2021	2020
Current tax expense (-)/tax income (+)		
Current tax expense / income for the year	-67.3	-23.1
Tax attributable to prior years	-6.8	1.1
	<b>-74.1</b>	<b>-22.0</b>
Deferred tax expense (-)/tax income (+)		
Deferred tax related to temporary differences	104.9	-6.3
	<b>104.9</b>	<b>-6.3</b>
<b>Total reported income tax</b>	<b>30.8</b>	<b>-28.3</b>

### Reconciliation of effective tax rate

EUR m	2021	2020
Profit before income tax	877.9	311.2
Tax at parent company's statutory rate 20.6% (21.4%)	-180.8	-66.6
Effect of:		
Foreign tax rates	-4.8	0.1
Non-deductible expenses	-3.9	-6.2
Non-recorded tax deductible expenses	18.8	-
Non-taxable income <sup>1)</sup>	209.2	41.3
Additional taxable income	-0.0	3.2
Tax attributable to prior years	-6.7	1.1
Other	-0.9	-1.2
<b>Reported effective tax</b>	<b>30.8</b>	<b>-28.3</b>

<sup>1)</sup> Non-taxable income includes income that is not subject to taxation and income/entities not recognized for tax purposes under the normal corporate income tax regime of the relevant jurisdiction, e.g. dividends and capital gains subject to local participation exemption regimes.

### Recognized deferred tax assets and liabilities

#### Change in deferred tax in temporary differences

EUR m	2021	2020
	Deferred tax asset	Deferred tax liability
Property, plant and equipment	1.6	0.4
Intangible assets <sup>1)</sup>	116.0	0.3
Other	1.9	0.0
Tax loss carry-forward	12.1	-
	<b>131.5</b>	<b>0.7</b>

<sup>1)</sup> Due to changes in local tax legislation EQT AB Group has in 2021 recognized a deferred tax asset of EUR 102.2m. The deferred tax asset is expected to be fully utilized, over the income statement, by 2027. As of the end of 2021, the deferred tax asset amounts to EUR 95.0m. The recognition of the deferred tax asset, being accounting driven and a result of temporary differences on group level, is not expected to have any impact on the cash tax to be paid.

EUR m	2020	2020
	Deferred tax asset	Deferred tax liability
Property, plant and equipment	0.9	0.5
Intangible assets	0.0	1.0
Other	0.3	0.0
Tax loss carry-forward	0.0	-
	<b>1.1</b>	<b>1.4</b>

The change in deferred tax in the balance sheet amounts to EUR 131.1m. The part of the change not recorded in the income statement predominantly relates to the acquisition of Exeter Property Group.

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## Note 11 Intangible assets

EUR m	Goodwill	Capitalized development costs	Intangible assets related to acquired businesses	Other intangible assets
Accumulated cost				
Opening balance 1.1.2021	15.3	12.1	-	109.6
Additions	791.7	-	745.6	0.0
Translation difference	29.1	-	27.6	-1.6
<b>Closing balance 31.12.2021</b>	<b>836.1</b>	<b>12.1</b>	<b>773.3</b>	<b>108.0</b>
Accumulated amortization and impairment				
Opening balance 1.1.2021	-	-12.1	-	-99.4
Amortization	-	-	-54.8	-8.4
Translation difference	-	-	-2.5	1.6
<b>Closing balance 31.12.2021</b>	<b>-</b>	<b>-12.1</b>	<b>-57.3</b>	<b>-106.2</b>
Carrying amount	836.1	-	716.0	1.8
Accumulated cost				
Opening balance 1.1.2020	14.7	11.6	-	106.1
Additions	-	-	-	0.3
Translation difference	0.6	0.5	-	3.2
<b>Closing balance 31.12.2020</b>	<b>15.3</b>	<b>12.1</b>	<b>-</b>	<b>109.6</b>
Accumulated amortization and impairment				
Opening balance 1.1.2020	-	-8.5	-	-87.0
Amortization	-	-3.1	-	-9.0
Translation difference	-	-0.5	-	-3.4
<b>Closing balance 31.12.2020</b>	<b>-</b>	<b>-12.1</b>	<b>-</b>	<b>-99.4</b>
Carrying amount	15.3	-	-	10.1

Other intangible assets includes acquired entitlement to management fee surplus in EQT VI GP with a carrying amount of EUR 1.4m (EUR 7.1m).

The Group's intangible assets arise primarily from acquired businesses and the acquisition of Exeter, see Note 28. These acquired intangible assets consist largely of goodwill but also trademark, contracts and investor relations. For information on amortization, see the accounting policies in Note 2.

### Goodwill

Goodwill is mainly attributable to the acquisition of Exeter, see Note 28, but also a small portion relating to the acquisition of EQT Partners AB, including subsidiaries, in 2007. 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 Real Asset segment and Private Capital segment respectively.

### Impairment test of units containing goodwill

The recoverable amount was based on its value in use. The value in use was determined by discounting the expected future cash flows generated from the continuing use of the operation's net operating assets. The following discount rates and long-term growth rates were used:

	31.12.2021	31.12.2020
Discount rate post-tax, %	8.0	8.0
Discount rate pre-tax, %	8.8	9.1
Annual cash flow growth beyond year 5, %	2.0	2.0

The discount rate used in the impairment test is the post-tax WACC, assuming no debt financing (i.e. equal to the cost of equity). The cost of equity has been calculated according to the Capital Asset Pricing Model (CAPM) and is based on the risk-free interest rate with addition of the market risk premium multiplied with the assumed beta value (based on beta values of similar quoted companies) and a size premium.

Cash flows were projected for a period of five years, assuming constant annual growth thereafter. The cash flow forecasts are based on the budget for the following year and the long term forecast for years two to five. The operating profit forecast was based on future outcomes taking into account past experiences. Terminal growth rate, assumed from year six and onwards, is applied to an assumed stable cash flow in year five.

The impairment test resulted in a value in use higher than the carrying amount with significant headroom. Management believes that any reasonable possible change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amounts.

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## Note 12 Property, plant and equipment

### Owned assets

EUR m	Equipment	Leasehold improvement
Acquisition cost		
Opening balance 1.1.2021	12.4	31.7
Additions	0.8	10.6
Disposals	-0.4	-1.7
Translation difference	0.4	1.1
<b>Closing balance 31.12.2021</b>	<b>13.2</b>	<b>41.6</b>
Depreciation		
Opening balance 1.1.2021	-8.3	-10.3
Depreciation	-1.2	-5.0
Disposals	0.4	1.7
Translation difference	-0.2	-0.4
<b>Closing balance 31.12.2021</b>	<b>-9.4</b>	<b>-14.0</b>
<b>Carrying amount</b>	<b>3.9</b>	<b>27.6</b>
Acquisition cost		
Opening balance 1.1.2020	11.6	27.6
Additions	2.0	8.4
Disposals	-0.9	-3.5
Translation difference	-0.3	-0.8
<b>Closing balance 31.12.2020</b>	<b>12.4</b>	<b>31.7</b>
Depreciation		
Opening balance 1.1.2020	-7.6	-7.7
Depreciation	-1.8	-3.8
Disposals	0.7	1.6
Translation difference	0.3	-0.4
<b>Closing balance 31.12.2020</b>	<b>-8.3</b>	<b>-10.3</b>
<b>Carrying amount</b>	<b>4.1</b>	<b>21.4</b>

### Right-of-use assets

EUR m	Office premises
Opening balance 1.1.2021	87.1
Depreciation	-17.4
Other changes, net	46.2
<b>Closing balance 31.12.2021</b>	<b>115.9</b>
Opening balance 1.1.2020	88.5
Depreciation	-14.8
Other changes, net	13.3
<b>Closing balance 31.12.2020</b>	<b>87.1</b>
<b>Total Property, plant and equipment</b>	
EUR m	2021 2020
Equipment	3.9 4.1
Leasehold improvement	27.6 21.4
Office premises	115.9 87.1
<b>Carrying amount</b>	<b>147.3 112.6</b>

## Note 13 Prepaid expenses and accrued income

EUR m	2021	2020
Licenses	3.6	2.0
Other prepaid expenses <sup>1)</sup>	203.8	8.3
Accrued income <sup>2)</sup>	519.0	322.6
<b>Total prepaid expenses and accrued income</b>	<b>726.4</b>	<b>332.8</b>

<sup>1)</sup> Whereof EUR 194.1 relates to 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, see Note 28.

<sup>2)</sup> Accrued income primarily comprises contract assets relating to revenue from contracts with clients, see Note 5.

## Note 14 Other current assets

EUR m	2021	2020
Expenses to be recharged	140.4	20.2
Drawdown receivable	40.2	4.3
Other receivables	24.1	37.2
<b>Total other current assets</b>	<b>204.7</b>	<b>61.7</b>

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## Note 15 Equity

### Shares

	2021	2020
Ordinary shares		
Issued per 1 January	952,983,900	952,983,900
Reduction of share capital	-	-
New share issues	33,296,240	-
Issued per 31 December – paid	986,280,140	952,983,900
Total numbers of C shares outstanding	713,512	365,406
<b>Total number of outstanding shares</b>	<b>986,993,652</b>	<b>953,349,306</b>

All ordinary shares carry one vote and class C shares carry 0.1 vote. The class C shares carry the same economic rights as ordinary shares.

During 2021, and in line with the EQT share program, 348,106 of the class C shares issued during 2019 has been allocated to participants in the program and is hence outstanding as of 31 December 2021. Total number of class C shares held by EQT at 31 December 2021 amounted to 7,949,978.

Since 24 September 2019, EQT's ordinary shares are listed on Nasdaq Stockholm Large Cap.

### RESTRICTIONS ON TRANSFERABILITY

All Partners who in total owned approximately 57 percent of the shares in EQT AB at the time of the listing in 2019 agreed, with certain exceptions, not to, without prior written consent from EQT AB, 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. These lock-up undertakings were to expire with respect to 25 percent in September 2022 and an additional 25 percent in September 2023, provided that the employment within the EQT AB Group had not been terminated by either party on said date.

EQT AB has hereafter (i) granted individual waivers from the lock-up undertakings with respect to EQT AB's shares for a limited number of individuals, primarily related to discontinued and divested business lines, and (ii) on 7 September 2021 resolved on, and implemented, a revision of the lock-up undertakings. Through the revision, the lock-up period under the lock-ups was prolonged, alongside a partial lock-up release by way of allowing for a total sale of shares corresponding to six percent of EQT AB's share capital as per 7 Sep-

tember 2021. Shares corresponding to an additional eight percent of EQT AB's share capital as per 7 September 2021 will be released in September 2023, and the remaining shares subject to lock-up will thereafter be released on an annual basis from September 2024 to 2026 and for the most senior Partners, to 2028. The Partners committed to re-invest 50 percent of the net proceeds from the lock-up release in September 2021 into EQT funds.

The shares issued by EQT AB as consideration to the sellers of Exeter in April 2021, corresponding to 3.3 percent of EQT AB's share capital as per 31 December 2021, are subject to lock-up undertakings in line with the lock-up undertakings entered into by Partners in connection with the listing. 25 percent will be released during Q4 2022, 25 percent during Q4 2023 and the remaining 50 percent during Q4 2024. The lock-up undertakings also include vesting conditions under a "leaver put option clause". These lock-up undertakings were not included in the lock-up revision described above.

The shares issued by EQT AB as consideration to the sellers of Life Science Partners in February 2022, corresponding to 0.8 percent of EQT AB's share capital as per 28 February 2022, are subject to customary lock-up terms, which will expire four years after the completion of the acquisition.

The shares within the share program constitute non-listed class C shares, with rights to receive dividends and with 0.1 vote, that will be held for three years before being converted into ordinary shares that can be traded.

Other than the above there are no restrictions on the transferability of the EQT AB shares due to statutory provisions, the articles of association or, as far as the Company is aware, any agreement.

### EQUITY MANAGEMENT

The EQT AB Group maintains a financial position that supports the confidence of investors, creditors and the market, and provides a basis for continued development of business operations, and that the long-term returns generated to the shareholders are satisfactory.

### DIVIDEND DISTRIBUTION TO THE OWNERS OF THE PARENT COMPANY

The board of directors proposes a dividend to the shareholders of SEK 2.80 per share for the fiscal year 2021. The dividend is proposed to be paid out in two equal installments, SEK 1.40 with record date 3 June 2022 and SEK 1.40 with record date 1 December 2022.

The board of directors of EQT AB has adopted a dividend policy which aims to generate a steadily increasing annual dividend in absolute euro-denominated terms.

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## Note 16 Interest bearing liabilities

For more information regarding the EQT AB Group's exposure to interest risks and foreign currency risks, in respect of interest-bearing liabilities, see Note 19.

EUR m	2021	2020
Non-current liabilities		
Lease liabilities <sup>1)</sup>	95.4	73.2
Bond loan <sup>2)</sup>	496.1	–
	591.5	73.2
Current liabilities		
Short-term loans	–	–
Loans from credit institutions	–	–
Current portion of lease liabilities <sup>1)</sup>	22.5	16.0
	22.5	16.0

<sup>1)</sup> Lease liabilities, for further information, see Note 20.

<sup>2)</sup> Bond loan, for further information, see Note 19.

## Note 17 Other liabilities

EUR m	2021	2020
Other current liabilities		
Drawdown	0.3	1.1
Other	33.9	52.5
	34.2	53.6

## Note 18 Accrued expenses and prepaid income

EUR m	2021	2020
Accrued personnel expenses	175.1	115.5
Accrued consultancy fees	23.8	21.4
Other accrued expenses	20.5	11.7
Prepaid income	19.2	36.4
	238.6	185.0

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 Finance Policy. 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 EQT AB Group's Treasury Guidelines.

The book value of financial assets represents the EQT AB Group's maximum exposure to credit risks. At 31 December 2021 financial assets amounted to EUR 1,823.5m (EUR 1,454.8m). The financial guarantees are further described below under heading Financial guarantees.

### Receivables and contract assets

The Group's exposure to credit risk from receivables and contract assets is defined by the characteristics of the individual counterparties, primarily consisting of EQT funds. Credit risks are reviewed on a regular basis and there are no significant credit risks identified as of the balance sheet date, nor have there been any during the reporting period.

The Group regularly review expected credit losses for receivables and contract assets, primarily based on historical losses. The Group has historically not suffered any material losses from receivables and contract assets and there are no receivables post due at the balance sheet date (none). The expected credit loss at the balance sheet date is therefore considered insignificant (insignificant).

### Cash and cash equivalents

The financial credit risk exposure mainly arises from cash deposits held on bank accounts. EQT AB Group's Treasury Guidelines stipulates which banks that are approved for cash deposits and relationships are closely monitored by the Group's Treasury department. The minimum official credit rating for a counterparty, in terms of deposits, is BBB (S&P, or S&P equivalent). As of 31 December 2021, the Group held cash and cash equivalents of EUR 587.9m (EUR 878.0m).

Expected credit losses are assessed on a regular basis primarily based on external credit ratings for the counterparties and information about historical losses. The EQT AB Group has historically not suffered any losses from cash and cash equivalents. As of 31 December 2021, the expected credit losses is considered insignificant and reflects the short maturities of the deposits and the credit quality of counterparties reflected in the external credit ratings (insignificant).

Distribution of cash and cash equivalents by credit rating of counterparties:

Credit rating	31.12.2021
A+	90%
A-	10%
BBB+	0%
<b>Total</b>	<b>100%</b>

Credit rating	31.12.2020
A+	98%
A-	0%
BBB+	2%
<b>Total</b>	<b>100%</b>

### Financial guarantees

The EQT AB Group has guaranteed to cover certain carried interest claw-back obligations related to the EQT VIII, EQT IX, EQT Growth, EQT Infrastructure IV and EQT Infrastructure V funds. Under the limited partnership agreement of each applicable fund vehicle, an assessment will be made at termination of the fund to determine if there has been an overpayment of carried interest to the Special Limited Partner (being the recipient of carried interest). Any overpayment of carried interest will in the first instance be satisfied by a return of amounts which are placed into escrow to cover a claw-back scenario. In the unlikely event that amounts held in escrow would be insufficient to cover the claw-back liability, then the guarantee may

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be called upon to cover the balance. At 31 December 2021, no carried interest had been generated, nor paid, from EQT IX, EQT Growth, EQT Infrastructure IV or EQT Infrastructure V (none). EQT VIII has generated and paid EUR 49.0m in carried interest (none). As of 31 December 2021, it is not estimated that EQT AB Group has any exposure related to these guarantees (none).

For the benefit of a working capital facility for a number of carry schemes, the EQT AB Group has issued a guarantee to the financial institution providing this facility. According to the terms of this guarantee, the EQT AB Group will pay to the lender the relative amount due under the facility agreement when a carry scheme is in default on debt repayment.

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 2021 amounts to EUR 136.7m (EUR 57.5m).

The amounts related to financial guarantees has not had any significant effect on the EQT AB Group's financial position at 31 December 2021 and has not affected the EQT AB Group's profit or loss for 2021.

#### 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 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 2021 the RCF was undrawn. 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 further increased the EQT AB Group's financial flexibility and are used for corporate purposes, supporting the EQT AB Group's growth initiatives and long-term strategy. Both the RCF and the bond are linked to ESG-re-

lated objectives, meaning that the interest rates of the bond and the RCF are increased if the targets are not achieved, and the interest rate of the RCF is lowered if the targets are met. 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. Cash and cash equivalents as of 31 December 2021 amounted to EUR 587.9m (EUR 878.0m).

Distribution of remaining contractual cash flows of the EQT AB Group's financial liabilities:

EUR m	Carrying amount 31.12.2021	Expected maturity			After 2023
		2022	2023	After 2023	
Interest-bearing liabilities	496.1	496.1	0.0	0.0	496.1
Accounts payable	8.0	8.0	8.0	–	–
Other liabilities	9.0	9.0	9.0	–	–
Accrued expenses	37.7	37.7	37.7	–	–
Leasing liabilities	117.9	125.4	24.7	22.1	78.6
Remaining commitments		602.6			
<b>Total</b>	<b>668.7</b>	<b>1,278.8</b>	<b>79.4</b>	<b>22.1</b>	<b>574.7</b>

EUR m	Carrying amount 31.12.2020	Expected maturity			After 2022
		2021	2022	After 2022	
Interest-bearing liabilities	–	–	–	–	–
Accounts payable	5.0	5.0	5.0	–	–
Other liabilities	31.3	31.3	31.3	–	–
Accrued expenses	30.3	30.3	30.3	–	–
Leasing liabilities	89.2	97.3	16.3	14.6	66.4
Remaining commitments		256.7			
<b>Total</b>	<b>155.9</b>	<b>420.7</b>	<b>83.0</b>	<b>14.6</b>	<b>66.4</b>

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.

At 31 December 2021, the EQT AB Group had remaining commitments to invest in multiple EQT funds and fund related vehicles of a total

amount of EUR 602.6m (EUR 256.7m). The commitments are called over time, normally between one to five years following the commitment. Commitments in 2021 increased due to higher fundraising activities compared to drawdowns during the year and were primarily related to EQT IX, EQT Infrastructure V, EQT Growth and EQT Future.

#### INTEREST RATE RISK

The EQT AB Group's interest rate risk, related to fluctuations in market interest rates with potential impact on the EQT AB Group's net financial income, is limited as the Group's only long-term interest-bearing debt as of 31 December 2021 is the sustainability-linked bond with a 10-year fixed coupon rate, subject to ESG-related objectives. Should the EQT AB Group be exposed to interest rate risk, the EQT AB Group Finance Policy allows for use of derivatives to manage the risk.

As of 31 December 2021 the EQT AB Group's interest rate risk mainly relates to negative interest rates paid on cash deposits, which normally do not exceed the National bank rate for the relevant currency. Changes in cash deposits interest rates will affect the Group's interest income. If all interest rates on cash deposits would increase by 25 basis points, the EQT AB Group's annual interest income would increase by EUR 1.5m (EUR 2.2m), assuming the same level of cash deposits as of the balance sheet date.

EQT AB Group is not exposed to significant cash flow risk due to changes of market interest rates in its lease liabilities, even if cash-flows are subject to index adjustments for certain contracts.

#### FOREIGN CURRENCY RISK

The Group's foreign currency risk relates to potential changes in exchange rates with impact on the Group's income statement and/or the value of its assets and liabilities.

The Group's income is primarily denominated in EUR and/or USD and its expenses are primarily denominated in EUR, GBP, SEK and USD. Expenses are also denominated in AUD, CHF, CNY, CZK, DKK, HKD, JPY, NOK, PLN and SGD. In most subsidiaries, the income and expenses are denominated in the same currency as the functional currency of the entity and does therefore not create any currency effects in the Group's income statement. The Group's presentation currency is EUR. Income and expenses denominated in EUR are therefore not directly affected by changes in exchange rates. However, when income and expenses arise in entities with a functional currency other than EUR, the Group's operating profits will be affected by changes in exchange rates in the period between initial recognition of revenue or expense and settlement.

The exposure to foreign currency risk is primarily related to the parent company, EQT AB, and the subsidiary EQT Partners AB, both with

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the functional currency SEK. The currency risk arises as the majority of the income in these entities is denominated in EUR and the expenses are in SEK. In 2021, EUR 234.7m (EUR 250.9m) of income in these two entities (85 percent of total income) were denominated in EUR.

In 2021, currency effects of EUR -7.3m (EUR -6.1m) 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 2021 would affect the value of those assets and the Group's income statement by approximately EUR +/-10.6m (holding all other factors constant) (EUR+/-3.7m). 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 2021 was EUR 65.5m (EUR -6.1m). The translation exposure is considered limited.

Generally, the exposure to foreign currency risk is not hedged. However, EQT AB Group's Finance 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 EQT AB Group Finance 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.

31.12.2021, EUR m	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
<b>Financial assets</b>				
Investments	477.9	0.0		477.9
Other long-term assets	20.5	13.6		34.1
Accounts receivable		0.0		0.0
Other current assets		204.7		204.7
Accrued income		519.0		519.0
Cash and cash equivalents		587.9		587.9
<b>Total financial assets</b>	<b>498.4</b>	<b>1,325.1</b>	<b>-</b>	<b>1,823.5</b>
<b>Financial liabilities</b>				
Interest-bearing liabilities			496.1	496.1
Accounts payable			8.0	8.0
Other liabilities			9.0	9.0
Accrued expenses			37.7	37.7
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>550.8</b>	<b>550.8</b>
31.12.2020, EUR m	Fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
<b>Financial assets</b>				
Investments	167.0	0.0		167.0
Other long-term assets	19.8	2.2		22.0
Accounts receivable		3.4		3.4
Other current assets		61.7		61.7
Accrued income		322.6		322.6
Cash and cash equivalents		878.0		878.0
<b>Total financial assets</b>	<b>186.8</b>	<b>1,268.0</b>	<b>-</b>	<b>1,454.8</b>
<b>Financial liabilities</b>				
Interest-bearing liabilities			-	-
Accounts payable			5.0	5.0
Other liabilities			31.3	31.3
Accrued expenses			30.3	30.3
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>66.6</b>	<b>66.6</b>

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During 2021 EQT AB issued a sustainability-linked bond (classified as an interest-bearing liability in the balance sheet) with a fixed coupon rate linked to ESG-related objectives. Fair value as of 31 December 2021 amounted to EUR 494.3m (carrying amount EUR 496.1m). For EQT AB Group's other 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 31 December 2021 was EUR 477.9m (EUR 167.0m) 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.

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 31 December 2021 amounted to EUR 20.5m (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	2021	2020
Opening balance	167.0	65.5
Net change in fair value	72.8	16.1
Acquisitions	2,6	–
Investments	488,2	92.7
Divestments	-252,7	-5.0
Discontinued operations	–	-2.2
<b>Closing balance</b>	<b>477,9</b>	<b>167.0</b>

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

#### 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 principles applied by the EQT AB Group are applied consistently from period-to-period, and only changed if deemed necessary to reflect a representative fair value.

EQT AB Group applies control processes to ensure that the fair value of the financial assets reported in the consolidated financial statements are in accordance with applicable accounting standards and determined on a reasonable basis. This include ensuring that the valuations are consistent with the IPEV Guidelines, where relevant, and ensure that the valuations are supported by underlying documentation.

The following valuation techniques are applied by the EQT AB Group to determine fair values of investments in line with IFRS 13.

#### Valuation based on earnings multiples

EQT AB Group applies earnings multiples to determine the fair value for investments with revenues, maintainable profits and/or maintainable positive cash flows. The earnings multiples applied are derived from multiples from a basket of publicly traded companies (a peer group) and multiples from comparable transactions. For this purpose, the EQT AB Group normally uses the EV/EBITDA multiple. If another earnings multiple is more suitable for a specific investment, it should be used instead, and the reason for doing so should be properly motivated and documented.

The multiples for publicly traded companies used by EQT AB Group should be from the date when the valuation is performed. Each individual company in the peer group is evaluated for every valuation date to determine if the company is appropriate from a financial, geographic and operational standpoint. In addition, assessments are made in order to determine whether there exist any additional companies appropriate to include in the peer group.

The multiples for comparable transactions should not be more than 18 months old. In cases where there are no comparable transactions at hand it is considered whether relevant to include a basket of comparable transactions from a wider definition of the industry in which the investment operates in. As investments may be realized through trade sale (majority basis) as well as through stock listing (minority basis), all transactions may be considered in the valuation, without applying a minority discount.

Earnings figures are adjusted for exceptional or non-recurring items, the impact of discontinued activities and acquisitions and forecast downturns in profits. The valuation process and all changes to the peer group, the comparable transactions and any earnings adjustments are documented and approved by EQT management.

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#### Valuation based on discounted cash flows

In the absence of significant revenues, profits or positive cash flows, methods such as the earnings multiple are generally inappropriate. The discounted cash flow technique (DCF) is flexible in the sense that it can be applied to any stream of cash flows or earnings. In the context of private equity valuation, this flexibility enables the valuation technique to be applied in situations that other techniques may be incapable of addressing.

Discounted cash flow techniques imply that expected cash flow amounts are discounted to a present value at a rate that represents the time value of money and reflects the risks of the specific instrument. The discount rate is based on current market conditions and the expected return from the investment.

#### Valuation based on quoted prices

Investments quoted on an active market are measured at the latest available quoted price for the individual asset on the measurement date. Blockage discounts that reflect the quantity of the investment held or any other discounts are not applied.

#### Unobservable inputs to valuation techniques

When measuring fair value, the EQT AB Group uses non-observable market inputs in its valuation techniques. Significant unobservable inputs include: EBITDA multiples (based on budgeted/forward-looking EBITDA and EBITDA multiples of comparable listed companies for an equivalent period), credit ratings, discount rates, capitalization rates, physical and geographic location of assets, price/book as well as price/earnings ratios and enterprise value/sales multiples. A significant portion of the investments is measured at EBITDA multiples. EBITDA multiples used show wide ranges.

#### SENSITIVITY ANALYSIS OF FAIR VALUES

From an EQT AB Group perspective, financial investments are normally measured at fair value applying the adjusted net asset values of the investment programs. A reasonable possible change of 10 percent in the adjusted net asset value would affect the fair value of the investments at 31 December 2021 with EUR 47.8m (EUR 16.7m). 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 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 percent in the size of future funds would not have a material impact on the fair value of the earn-out as of 31 December 2021. 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 is presented in Note 19.

### Amounts recognized in income statement

EUR m	2021	2020
Interest on lease liabilities	2.4	2.4
Depreciation on right-of-use assets	17.4	14.8
	19.8	17.1

EQT AB 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 2020–2021 is not significant.

### Amounts recognized in the statement of cash flows

EUR m	2021	2020
Total cash outflow for leases	19.9	16.8

### Right-of-use asset in the balance sheet

EUR m	2021	2020
Additions in the right-of-use asset	46.1	13.3

### Office premises leases

EQT AB Group leases office premises for its office space. The leases of office space typically run for a period of 3–10 years. Some leases of office premises contain extension options exercisable by the EQT AB Group up to 6 months before the end of the contract period. Where practicable, the EQT AB Group seeks to include extension options in the leases to provide operational flexibility. The extension options held are exercisable only by the EQT AB Group and not by the lessors. The EQT AB Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. This assessment is based on all relevant facts and circumstances that exist at the commencement date. EQT AB Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the EQT AB Group to make payments that relate to the property taxes levied on the lessor and is generally determined annually.

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## Note 21 Cash flow specifications

### Transactions that do not involve payments

EUR m	2021	2020
Acquisition of assets through lease	46.1	13.3

### Reconciliation of debts arising from financing activities

EUR m	Lease liabilities	Short-term loan	Interest-bearing liabilities <sup>1)</sup>	Total debt arising from financing activities
Opening balance 1.1.2021	89.2	–	–	89.2
Acquisition		256.7		256.7
Cash flows	–19.9	–256.7	496.0	219.4
Non-cash changes				
Accrued interest	2.4		0.1	2.5
New lease agreements	46.1		–	46.1
Translation differences	–		–	–
<b>Closing balance 31.12.2021</b>	<b>117.9</b>	<b>–</b>	<b>496.1</b>	<b>614.0</b>

EUR m	Lease liabilities	Short-term loan	Interest-bearing liabilities	Total debt arising from financing activities
Opening balance 1.1.2020	90.4	9.4	–	99.8
Cash flows	–16.8	–9.4		–26.1
Non-cash changes				
Accrued interest	2.4		2.2	
New lease agreements	13.3		13.3	
Translation differences	–		–	–
<b>Closing balance 31.12.2020</b>	<b>89.2</b>	<b>–</b>	<b>–</b>	<b>89.2</b>

<sup>1)</sup> Interest-bearing liabilities, for further information, see Note 19.

### Unutilized credit facilities

EUR m	2021	2020
Unutilized credit facilities	1,000.0	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 2021 (none).

## Note 23 Events after the reporting period

The target fund sizes were set for EQT X (EUR 20.0 billion), EQT Active Core Infrastructure (EUR 5.0 billion) and EQT Ventures III (EUR 0.9 billion).

As of 28 February 2022 EQT acquired LSP ("Life Sciences Partners"), a leading European life sciences venture capital firm with approximately EUR 2.2 billion of assets under management (AUM) and a team of 34 FTEs. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP will strengthen EQT's position as one of the leading and most active private market investors in the healthcare sector. LSP is expected to generate approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. EQT acquired 100 percent of the LSP management company and 20 percent of the right to carried interest in selected LSP funds. In addition, EQT AB will be entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT policies, see Note 28.

As of 27 January 2022 EQT announced the closing of an agreement to acquire Bear Logi. Bear Logi, founded in Tokyo, Japan in 2009, is a value-add logistics investment manager with around 25 employees focused on acquisitions, development, construction and leasing, with extensive knowledge of the Japanese and Korean logistics markets, see Note 28.

As announced on 16 March 2022 EQT has signed an agreement on the combination with Baring Private Equity Asia ("BPEA"). BPEA has a strong performance and growth track-record and fits perfectly with EQT's culture and core values: high-performing, respectful, entrepreneurial, informal, and transparent. With 10 regional offices, BPEA also combines local execution with a Pan-Asian reach (236 FTE+ as of 2021), mirroring EQT's local-with-locals approach. BPEA brings 100+ new clients to EQT and adds EUR 17.7 billion in AUM. Total consideration is EUR 6.8 billion on a cash and debt free basis, of which approximately EUR 5.3 billion to be paid through the issue of 191.2 million new EQT AB ordinary shares (corresponding to a dilution of approximately 16 percent), plus EUR 1.5 billion in cash. EQT has cash and facilities in

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Note 23 cont.

place to fund the cash consideration. In addition, EQT may review long-term financing options. The share consideration for BPEA's CEO Jean Eric Salata and other key members of BPEA's management will be subject to customary lock-up provisions, consistent with those of current senior EQT partners (10 percent released in September 2023, the remaining shares are then released in equal annual instalments of 20 percent per year in September 2024, September 2025, September 2026, September 2027 and September 2028), while also including a share forfeiture mechanism. Share consideration for Affiliated Managers Group, Inc. ("AMG"), which owns 15 percent of BPEA, will have 75 percent of the EQT shares released at closing and 25 percent subject to a lock-up period of 180 days on the basis of a customary lock-up agreement for an institutional investor. The transaction, which is subject to customary closing conditions, including anti-trust, regulatory approvals and certain BPEA fund investor consent approvals, as well as EQT majority shareholder approval at the Annual General Meeting in June 2022, granting the board of directors of EQT the authority to issue the consideration shares; major EQT shareholders representing in total more than 50 percent of EQT's share capital have irrevocably committed to vote in favour of the share issue authorization. The transaction is expected to close in the fourth quarter of 2022.

## 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 its 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
<b>Related parties</b>					
Board members and senior executives	2021	1.1	0.1	0.0	-
Board members and senior executives	2020	0.1	0.1	0.0	-

### Description of transactions

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 are entitled to an annual fixed retainer of EUR 35,000 each for the provision of these consultancy services. The consultancy agreements were initially entered into for a fixed period until 30 June 2020 but are automatically prolonged on a yearly basis in accordance with their terms. Both EQT AB and the respective consultant may terminate the consultancy agreements with one month's notice.

In addition to Gordon Orr's original assignment, he also provided consultancy services as an EQT Advisor to support the APAC Advisory Team during 2020. 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, the remaining EUR 12,500 was invoiced during the beginning of 2021.

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 2021 and 2020. The total amount of these transactions amounted to EUR 0.2m (EUR 0.1m).

During 2021, EQT AB Group has paid EUR 864,967 (amount converted from SEK) in pension to the chairperson of the board, Conn Jonsson. However, EQT AB Group has historically made contributions to a pension trust so in conjunction with the payment from EQT AB Group to Conn Jonsson, EQT AB Group also invoiced the corresponding amount to the pension trust. Thus, the payment of the pension is during 2021 cost neutral for EQT AB Group.

There has been no other significant transactions between EQT AB Group and its related parties during the period.

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## Note 25 Subsidiaries

### Group companies

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2021	31.12.2020
EQT Partners AB	Stockholm	556233-7229	100%	100%
EQT Partners Spain S.L.U.	Madrid	B01597822	100%	100%
EQT Partners Netherlands B.V.	Amsterdam	77321227	100%	100%
EQT Partners Denmark ApS	Copenhagen	41073381	100%	100%
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%	100%
EQT Partners Australia II Pty Ltd	Sydney	638488623	100%	100%
EQT Partners Japan K.K.	Tokyo	0104-01-158103	100%	–
EQT Partners GmbH	Munich	HRB 127746	100%	100%
EQT Partners Inc.	New York	4401345	100%	100%
EQT Partners BD LLC	New York	5789596	–	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 Partners S.R.L.	Milan	10552820960	100%	100%
EQT Partners SAS	Paris	85392898400014	100%	100%
EQT Exeter Advisors Sweden AB	Stockholm	559296-3507	100%	–
EQT Exeter Advisors Netherlands B.V.	Amsterdam	83321047	100%	–
EQT Exeter Advisors Spain S.L.	Madrid	B88285325	100%	–
Exeter French Advisor SAS	Paris	819960634	100%	–
EQT Exeter Advisors Germany GmbH	Düsseldorf	HRB 101640	100%	–
EQT Exeter Asia Pacific Ventures SPG LLC	Wilmington	4250923	100%	–
EQT Exeter Advisors Asia Pacific Pte. Limited	Singapore	202100784Z	100%	–
EQT Exeter Management advisors (Shanghai) Co Ltd	Shanghai	91310000	100%	–
EQT Exeter Advisors Austria GmbH	Vienna	FN551349H	100%	–
EQT Exeter Advisors Italy S.r.l.	Milan	11641590960	100%	–
EQT Exeter Advisors Poland Sp. z.o.o.	Warzaw	0000587835	100%	–
EQT Exeter Advisors UK Ltd	London	13306870	100%	–
EQT Exeter Advisors Ireland Limited	Dublin	653468	100%	–

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2021	31.12.2020
EQT Exeter Advisors Czech Republic spol. s r. o.	Prague	11889756	100%	–
Exeter UK Advisor LLP	London	OC396135	100%	–
Exeter Europe (UK) Ltd	London	09284690	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%	100%
EQT Holdings III AB	Stockholm	559289-1864	100%	–
EQT Holdings S.à r.l.	Luxembourg	B244018	100%	100%
EQT Growth (General Partner) S.à r.l.	Luxembourg	B249692	100%	100%
EQT Infrastructure V(GP) S.à r.l.	Luxembourg	B243962	100%	100%
EQT IX (General Partner) S.à r.l.	Luxembourg	B238938	100%	100%
EQT IX GP LLC	Dover	3167396	100%	100%
EQT Future (General Partner) S.à r.l.	Luxembourg	B252846	100%	–
EQT X (General Partner) S.à r.l.	Luxembourg	B255058	100%	–
EQT Ventures III (General Partner) S.à r.l.	Luxembourg	B258957	100%	–
EQT Active Core Infrastructure (General Partner) S.à r.l.	Luxembourg	B260249	100%	–
Exeter Europe GP LLC	Wilmington	5610896	100%	–
Exeter Europe LP	Wilmington	5610898	100%	–
Exeter Europe Value Venture III GPS.à r.l.	Luxembourg	B216344	100%	–
Exeter Europe Value Venture III Feeder GP S.à r.l.	Luxembourg	B220583	100%	–
Exeter Europe Industrial Core GP S.à r.l.	Luxembourg	B238532	100%	–
Exeter Europe Logistics Value Fund IV GPS.à r.l.	Luxembourg	B249708	100%	–
EPIP MF GPS.à r.l.	Luxembourg	B223215	100%	–
EPIP MF II GPS.à r.l.	Luxembourg	B237012	100%	–
EPIP II GPS.à r.l.	Luxembourg	B245662	100%	–
EGIP GPS.à r.l.	Luxembourg	B195412	100%	–
EGIP II GPS.à r.l.	Luxembourg	B191498	100%	–
EQT Exeter Holdings US Inc	Dover	5402675	100%	–
TA XII-B EPG-A Blocker Corp.	Wilmington	7134374	100%	–
TA XII-B EPG-B Blocker Corp.	Wilmington	7134379	100%	–
TA XII-B EPG-C Blocker Corp.	Wilmington	7134384	100%	–
Exeter Property Group LLC	Wilmington	4207665	100%	–

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			31.12.2021	31.12.2020
Exeter Big Box AM Platform LLC	Wilmington	5854337	100%	-
Exeter Big Box Asset Manager LLC	Wilmington	5854341	100%	-
Exeter Property Group II LLC	Wilmington	5758542	100%	-
Exeter FeeCo I LLC	Wilmington	6912131	100%	-
Exeter Property Group Advisors LLC	Wilmington	4214673	100%	-
Exeter Big Box Property Manager LLC	Wilmington	5854344	100%	-
Exeter Property Group Advisors II LP	Wilmington	5758350	100%	-
Exeter US Advisors LLC	Wilmington	5610899	100%	-
EQT Exeterfeeco Mexico S. de R. L. de C. V.	Mexico City	2018078689	100%	-
EQT Exeter Brazil Platform LLC	Wilmington	3065333	100%	-
EQT Exeter Brazil Ventures LLC	Wilmington	7961465	100%	-
EQT Exeter Brasil Investimentos Ltda.	São Paulo	3523622040-2	100%	-
Exeter China Ventures LLC	Wilmington	7713778	100%	-
EQT Exeter China Ventures Limited	Hong Kong	71631486	100%	-
EQT Investment Verwaltungs-GmbH	Munich	HRB 194327	100%	100%
EQT Netherlands Management B.V.	Amsterdam	60593733	100%	100%
EQT Fund Management S.à r.l.	Luxembourg	B167972	100%	100%
EQT Infrastructure II (GP) Limited	Edinburgh	SC416498	100%	100%
EQT Mid Market (GP) Limited	Edinburgh	SC436969	100%	100%
EQT VII Floss (General Partner) S.à r.l.	Luxembourg	B219445	100%	100%
EQT VII Limited	Edinburgh	SC493105	100%	100%
EQT VII Co-Investment (General Partner) S.à r.l.	Luxembourg	B217579	100%	100%
EQT Co-Investment (GP) S.à r.l.	Luxembourg	B209598	100%	100%
EQT VII International Holdings B.V.	Amsterdam	69473129	100%	100%
EQT VII Luxembourg (General Partner) S.à r.l.	Luxembourg	B214397	100%	100%
EQT VII Netherlands (General Partner) B.V.	Amsterdam	68608195	100%	100%
EQT Real Estate Limited	Edinburgh	SC504628	100%	100%
EQT Ventures (General Partner) S.à r.l.	Luxembourg	B196578	100%	100%
EQT Mid Market US (General Partner) Limited	Edinburgh	SC500973	100%	100%
EQT Mid Market Asia III (General Partner) Limited	Edinburgh	SC521109	100%	100%
EQT Mid Market Europe (General Partner) Limited	Edinburgh	SC521108	100%	100%
EQT Infrastructure III (General Partner) S.à r.l.	Luxembourg	B207225	100%	100%
EQT VIII (General Partner) S.à r.l.	Luxembourg	B215816	100%	100%
EQT Management S.à r.l.	Luxembourg	B145067	100%	100%
EQT Luxembourg Management S.à r.l.	Luxembourg	B217192	100%	100%
EEC Holding S.à r.l.	Luxembourg	B201525	100%	100%

Name	Registered office	Corporate reg. no	Percentage held	
			31.12.2021	31.12.2020
EQT RA Management S.à r.l.	Luxembourg	B240358	100%	100%
EQT Infrastructure II (GP) S.à r.l.	Luxembourg	B244690	100%	100%
EQT Infrastructure II GP C.V.	Amsterdam	78485266	100%	100%
EQT Mid Market (GP) S.à r.l.	Luxembourg	B244691	100%	100%
EQT Mid Market GP C.V.	Amsterdam	78485622	100%	100%
EQT Public Value (General Partner) S.à r.l.	Luxembourg	B225269	100%	100%
EQT Mid Market US (General Partner) S.à r.l.	Luxembourg	B243106	100%	100%
EQT Mid Market US GP C.V.	Amsterdam	78484804	100%	100%
EQT Mid Market Asia III (General Partner) S.à r.l.	Luxembourg	B243105	100%	100%
EQT Mid Market Asia III GP C.V.	Amsterdam	78484316	100%	100%
EQT Mid Market Europe (General Partner) S.à r.l.	Luxembourg	B243128	100%	100%
EQT Mid Market Europe GP C.V.	Amsterdam	78484030	100%	100%
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 Exeter Services Luxembourg S.à r.l.	Luxembourg	B229258	100%	-
EQT Management SG Pte. Ltd.	Singapore	2021226838H	100%	-
EQT Holdings B.V.	Amsterdam	54467861	100%	100%
EQT Holdings II B.V. Shareclass AS/ASE <sup>1</sup> )	Amsterdam	55502903	100%	100%
EQT Infrastructure II GP B.V.	Amsterdam	54468701	100%	100%
EQT Credit Holdings B.V. Shareclass AS/ASE <sup>1</sup> )	Amsterdam	55591701	100%	100%
EQT Holdings III B.V. Shareclass AS <sup>1</sup> )	Amsterdam	56497490	100%	100%
EQT Mid Market Immigration GP B.V.	Amsterdam	71283730	100%	100%
EQT Mid Market GP B.V.	Amsterdam	55314295	100%	100%
EQT Holdings PVF Coöperatief U.A.	Amsterdam	71843647	100%	100%
EQT Holdings VII B.V. Shareclass AS <sup>1</sup> )	Amsterdam	63039818	100%	100%
EQT VII (General Partner) LP	Edinburgh	SL019045	100%	100%
EQT Holdings Real Estate B.V. Shareclass AS <sup>1</sup> )	Amsterdam	63243687	100%	100%
EQT Real Estate I (General Partner) LP	Edinburgh	SL020800	100%	100%
EQT Holdings Ventures B.V. Shareclass AS <sup>1</sup> )	Amsterdam	63191334	100%	100%
EQT Ventures (GP) SCS	Luxembourg	B196905	100%	100%
EQT Holdings MMUS B.V. Shareclass AS <sup>1</sup> )	Amsterdam	63039729	100%	100%
EQT Mid Market US GP B.V.	Amsterdam	62863223	100%	100%
EQT Holdings Mid Market Asia III Coöperatief U.A.	Amsterdam	72183128	100%	100%
EQT Mid Market Asia III GP B.V.	Amsterdam	64683869	100%	100%
EQT Holdings MM Europe B.V. Shareclass AS <sup>1</sup> )	Amsterdam	65104153	100%	100%

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			31.12.2021	31.12.2020
EQT Mid Market Europe GP B.V.	Amsterdam	64683796	100%	100%
EQT Holdings Credit III B.V. Shareclass AS <sup>1)</sup>	Amsterdam	68321562	100%	100%
EQT Holdings Infrastructure III B.V. Shareclass AS <sup>1)</sup>	Amsterdam	66262844	100%	100%
EQT Infrastructure III (GP) SCS	Luxembourg	B207350	100%	100%
EQT Holdings VIII Coöperatief U.A.	Amsterdam	70951098	100%	100%
EQT VIII HB3 B.V.	Amsterdam	72340614	100%	100%
EQT VIII (GP) SCS	Luxembourg	B215860	100%	100%
EQT Holdings MM Credit II Coöperatief U.A.	Amsterdam	70991553	100%	100%
EQT Credit Solutions Holdings I Coöperatief U.A.	Amsterdam	70834954	100%	100%
EQT Holdings Infrastructure IV Coöperatief U.A.	Amsterdam	72203498	100%	100%
EQT Infrastructure IV (GP) SCS	Luxembourg	B225827	100%	100%
EQT Holdings Ventures II Coöperatief U.A.	Amsterdam	74791478	100%	100%
EQT Ventures II (GP) SCS	Luxembourg	B233027	100%	100%
EQT Holdings Real Estate II Coöperatief U.A.	Amsterdam	72225521	100%	100%
EQT Real Estate II (GP) SCS	Luxembourg	B226491	100%	100%
ECLO Credit Holding I AB	Stockholm	559212-8861	100%	100%
EQT HC I Holdings BV	Amsterdam	58187898	100%	100%
EQT HC II Holdings BV	Amsterdam	58188177	100%	100%
De Rome BV	Amsterdam	851792200	–	100%
Helmholtz Invest BV	Amsterdam	855118623	–	100%
White Mill Two AG	Wollerau	CHE-195.379.514	100%	100%

<sup>1)</sup> The EQT AB Group controls only specified and ring-fenced assets and liabilities within the legal entity (a silo), see Note 2 regarding non-consolidated special entities.

#### 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

From an IFRS 10 perspective EQT AB Group is considered an investment entity.

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.

#### Note 26 Earnings per share

EUR	2021	2020
Earnings per share, before dilution	0.929	0.398
– of which continued operations	0.928	0.297
Earnings per share, after diluted	0.929	0.398
– of which continued operations	0.928	0.297

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	2021	2020
Net income attributable to shareholders, basic	909.4	379.3
Net income attributable to shareholders, diluted	909.4	379.3

#### Weighted average number of shares, basic and diluted

Number of shares	2021	2020
Weighted average number of shares, basic	978,676,908	953,209,150
Number of dilutive class C shares	254,248	409,901
Weighted average number of shares, diluted	978,931,156	953,619,051

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## Note 27 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 June 18 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 measure the earn-out to fair value in the balance sheet, see Note 19. The fair value at 31 December 2021 amounted to EUR 20.5m (EUR 19.8). 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.

### Income statement for discontinued operations

EURm	2021	2020
<b>Total revenues</b>	-	30.4
Personnel expenses	-	-11.2
Other operating expenses	-	-6.2
<b>Total operating expenses</b>	-	-17.4
<b>EBITDA</b>	-	13.0
Margin, %	-	42.8%
Depreciation and amortization	-	-
<b>Operating profit (EBIT)</b>	-	13.0
Net financial income and expenses	-	-
Income taxes	-	-12.6
<b>Net income</b>	-	0.4
Capital gain	0.7	112.7
Transaction related costs	-	-16.6
<b>Net income for the period from discontinued operations</b>	0.7	96.5

### Earnings per share, discontinued operations, EUR

	2021	2020
Earnings per share, basic	0.000	0.101
Earnings per share, diluted	0.000	0.101

### Cash flow from discontinued operations

EURm	2021	2020
Operating cash flow	-	-8.9
Investing activities	-	-22.2
Financing activities	-	43.6
<b>Net cash flow for the period</b>	-	12.4

### Effect of disposal on the financial position of the Group

EURm	2021	2020
Financial investments	-	26.4
Current assets	-	6.9
Cash and cash equivalents	-	15.2
Total current liabilities	-	-5.0
<b>Total net assets</b>	-	43.6
Capital gain	-	112.7
<b>Purchase price received</b>	-	156.3
Whereof cash consideration	-	136.5
Whereof earn-out	-	19.8

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## Note 28 Business combination

### EXETER

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 primarily 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 1,560.4m, comprising new EQT AB shares EUR 927.0m (corresponding to 33,296,240 shares) and cash EUR 633.4m. Of the total consideration, EUR 248.6m 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 1,311.8m.

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 27.2m were expensed and are included in other operating expenses.

### Total consideration

EURm	
Shares issued, at fair value	927.0
Cash consideration	633.4
<b>Total consideration</b>	<b>1,560.4</b>
Employment linked consideration (shares issued, at fair value)	-248.6
<b>Purchase consideration for the business combination</b>	<b>1,311.8</b>

### 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	66.9
Existing contracts	259.2
Investor relationships	419.5
Right of use assets	1.9
Financial investments	2.6
Deferred tax asset	30.5
Receivables	13.7
Other current assets	11.3
Cash and cash equivalents	1.9
Interest bearing liabilities	-256.7
Lease liabilities	-1.9
Deferred tax liability – Intangibles	-6.6
Current liabilities	-22.3
<b>The fair values of the identifiable assets and liabilities</b>	<b>520.1</b>
Goodwill	791.7
<b>Purchase consideration for the business combination</b>	<b>1,311.8</b>

### Analysis of cash flows on acquisition

EURm	
Cash consideration (included in cash flows from investing activities)	-109.8
Deferred payment including fair value of earn-out	16.4
Net cash acquired (included in cash flows from investing activities)	0.5
Transaction costs of the acquisition (included in cash flows from operating activities)	-5.0
<b>Net cash flow on acquisition</b>	<b>-97.9</b>

The goodwill mainly comprises 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 22.5m. 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 133.7m of revenue and EUR 85.6m 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 1,625.1m and profit before tax from continuing operations for the Group would have been EUR 892.7m.

### LSP

As of 28 February 2022 EQT acquired LSP ("Life Sciences Partners"), a leading European life sciences venture capital firm with approximately EUR 2.2 billion of assets under management (AUM) and a team of 34 FTEs. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP will strengthen EQT's position as one of the leading and most active private market investors in the healthcare sector. LSP is expected to generate approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. EQT acquired 100 percent of the LSP management company and 20 percent of the right to carried interest in selected LSP funds. In addition, EQT AB will be entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT policies.

The total consideration is EUR 363.6m, comprising new EQT AB publicly traded shares EUR 228.3m (corresponding to 7.548384 million shares) and cash EUR 109.8m, a liability taken over of EUR 23.9m and a fair value of earn-out payments of EUR 1.6m. Of the total consideration, EUR 74.2m 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 resig-

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Note 28 cont.

nation or termination for cause, the person will need to return the unvested shares to EQT for nil consideration. The Leaver put option arrangement 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 employee expenses over the vesting period of 2-4 years. The purchase consideration for the business combination is EUR 289.4m.

The transaction was subject to customary closing conditions, including antitrust, regulatory and certain fund investor clearances. The transaction was closed in Q1 2022. Current transaction costs amounts to EUR 4.8m and is included in cash flow from operating activities.

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 320.90 per share.

#### Total consideration

##### EURm

Shares issued, at fair value	228.3
Cash consideration	109.8
Liability taken over	23.9
Fair value of cash based earn-out	1.6
<b>Total consideration</b>	<b>363.6</b>
Employment linked consideration (shares issued, at fair value)	-74.3
<b>Purchase consideration for the business combination</b>	<b>289.4</b>

#### 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
Investor contracts	131.3
Investor relationships	77.4
Trademark and trade name	0.0
Right of use assets	2.3
Tangible fixed assets	0.1
Deferred tax asset	0.0
Receivables	0.9
Other current assets	1.5
Cash and cash equivalents	0.5
Interest bearing liabilities	-4.5
Lease liabilities	-2.3
Deferred tax liability – Intangibles	-53.9
Current liabilities	-7.6
<b>The fair values of the identifiable assets and liabilities</b>	<b>145.8</b>
Goodwill	143.6
<b>Purchase consideration for the business combination</b>	<b>289.4</b>

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

The earn-out is conditional upon LSP's Dementia fund reaching a target level of capital raised. There is an additional earn-out which is included in the row Cash consideration in the table above, relating to LSP's LSP 7 fund capital raising, because the fund raising target had been met at the acquisition date.

The goodwill mainly comprises assembled work force, the opportunity to attract new investors and the platform to develop future business opportunities and funds. Goodwill is allocated entirely to the segment Private Capital.

Goodwill will not be tax deductible.

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.

#### BEAR LOGI

As of 27 January 2022 EQT announce the closing of an agreement to acquire Bear Logi. Bear Logi, founded in Tokyo, Japan in 2009, is a value-add logistics investment manager with around 25 employees focused on acquisitions, development, construction and leasing, with extensive knowledge of the Japanese and Korean logistics markets. To date, Bear Logi has invested capital based on single asset funding, and will as part of EQT Exeter create a fund-setup within logistics properties similar to EQT Exeter's existing structure in the US and Europe.

Bear Logi is estimated to generate approximately USD 1m in revenues during 2021. The transaction is not deemed to have a material impact on EQT AB's financial numbers and will not add any assets under management to EQT AB at closing.

Total upfront consideration amounts to USD 8.7m with a right to potential earn-out payments if certain revenue and fundraising targets are met. The earn-out payments are conditioned to continued employment at the date of vesting why this from an accounting perspective will be recorded as personnel expenses over the vesting period of 3-6 years.

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# Parent company income statement

1 January – 31 December

SEK m	Note	2021	2020
Net sales	2	1,304.5	1,221.2
Other operating income	3	3.9	–
<b>Total revenue</b>		<b>1,308.5</b>	<b>1,221.2</b>
Personnel expenses	5	–400.2	–369.4
Other external costs	6, 7	–787.0	–722.9
Other operating expenses	4	–	–24,3
Depreciation and amortization	12, 13	–9.3	–15.5
<b>Operating profit/loss</b>		<b>112.0</b>	<b>89.1</b>
Profit/loss from financial items			
Profit/loss from participation in subsidiaries	8	1,984.6	865.9
Interest income and similar profit/loss items	9	240.0	57.5
Interest expense and similar profit/loss items	10	–257.4	–30.9
<b>Profit/loss after financial items</b>		<b>2,079.2</b>	<b>981.6</b>
Group contribution		–51.0	177.5
<b>Profit/loss before tax</b>		<b>2,028.2</b>	<b>1,159.1</b>
Income taxes	11	–13.5	–99.5
<b>Net income</b>		<b>2,014.7</b>	<b>1,059.6</b>

Net income corresponds to total comprehensive income

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# Parent company balance sheet

SEK m	Note	31.12.2021	31.12.2020	SEK m	Note	31.12.2021	31.12.2020
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<i>Non-current assets</i>				<i>Equity</i>			
<i>    Intangible assets</i>				20			
Trademarks	12	–	–	<i>Restricted equity</i>			
		–	–	Share capital		99.5	96.2
						99.5	96.2
<i>    Property, plant and equipment</i>				<i>    Non-restricted equity</i>			
Leasehold improvements	13	54.8	61.8	Share premium reserve		18,451.3	8,983.8
Equipment	13	5.6	6.8	Profit or loss brought forward		–655.7	528.8
		60.5	68.6	Net income		2014.7	1,059.6
						19,810.3	10,572.2
<i>    Financial assets</i>						19,909.8	10,668.4
Participation in subsidiaries	14	22,659.5	9,520.1	<i>Non-current liabilities</i>			
Long-term loans, subsidiaries		5,547.9	–	<i>    Interest-bearing liabilities</i>		5,073.9	–
Other securities held as non-current assets	15	10.9	10.0			9,679.5	–
Other long-term receivables	17	5.4	5.3			14,753.4	–
		28,223.7	9,535.4	<i>    Current liabilities</i>			
<b>Total non-current assets</b>		<b>28,284.2</b>	<b>9,604.0</b>	Accounts payable		26.5	1.6
<i>Current assets</i>				Liabilities to subsidiaries		105.1	635.1
<i>    Current receivables</i>				Tax liabilities		–	3.9
Accounts receivable		12.0	14.6	Other liabilities		20.5	29.8
Receivables from subsidiaries		445.0	803.1	Accrued expenses and prepaid income		298.5	247.7
Current tax assets		62.2	–			450.5	918.1
Other receivables		33.5	123.9	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,113.6</b>	<b>11,586.5</b>
Prepaid expenses and accrued income	18	105.2	46.5				
		658.0	988.2				
<i>    Cash and bank</i>	19	6,171.5	994.3				
<b>Total current assets</b>		<b>6,829.5</b>	<b>1,982.4</b>				
<b>TOTAL ASSETS</b>		<b>35,113.6</b>	<b>11,586.5</b>				

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# Parent company statement of changes in equity

SEK m	Restricted equity		Non-restricted equity		Total equity
	Share capital <sup>1)</sup>	Share premium reserve	Retained earnings incl. profit for the year		
<b>Opening balance at 1.1.2021</b>	96.2	8,983.8	1,588.4	10,668.4	
Net income	–	–	2,014.7	2,014.7	
Transactions with owners					
Dividend	–	–	–2,368.8	–2,368.8	
Share issue	3.3	9,467.5	–	9,470.8	
Share-based bonus	–	–	124.7	124.7	
<b>Total</b>	3.3	9,467.5	–2,244.1	7,226.7	
<b>Closing balance at 31.12.2021</b>	99.5	18,451.3	1,359.0	19,909.8	

<sup>1)</sup> The share capital amounts to SEK 99,494,363.

SEK m	Restricted equity		Non-restricted equity		Total equity
	Share capital <sup>1)</sup>	Share premium reserve	Retained earnings incl. profit for the year		
<b>Opening balance at 1.1.2020</b>	96.2	8,983.8	2,583.9	11,663.9	
Net income	–	–	–	1,059.6	1,059.6
Transactions with owners					
Dividend	–	–	–	–2,097.4	–2,097.4
Share-based bonus	–	–	–	42.3	42.3
<b>Total</b>	–	–	–	–2,055.1	–2,055.1
<b>Closing balance at 31.12.2020</b>	96.2	8,983.8	1,588.4	10,668.4	

<sup>1)</sup> The share capital amounts to SEK 96,167,739.

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# Parent company statement of cash flows

	SEK m	2021	2020
<b>Cash flows from operating activities</b>			
Operating profit (EBIT)		112.0	89.1
<b>Adjustments:</b>			
Depreciation and amortization		9.3	15.5
Changes in accruals		60.2	50.6
Foreign currency exchange differences		-3.9	24.3
Other non-cash adjustments		12.4	5.8
Increase (-) /decrease (+) in account receivables and other receivables		-35.4	1,231.4
Increase (+) /decrease (-) in account payables and other payables		-573.0	-3,021.4
Dividends received		3,414.2	2,005.8
Income taxes paid		-79.6	0.3
<b>Net cash from operating activities</b>		<b>2,916.1</b>	<b>401.4</b>
<b>Cash flows from investing activities</b>			
Investment in subsidiaries/Group contributions paid		-384.9	-6,368.8
Investment in subsidiaries		-18.9	-0.3
Divestment of subsidiaries		-	477.2
Acquisition of property, plant and equipment		-1.2	-1.5
Investment in non current assets		-2.8	-
Divestment of non current assets		1.9	-2.8
Interest received		60.0	13.9
<b>Net cash from investing activities</b>		<b>-345.8</b>	<b>-5,882.3</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-2,368.8	-2,097.4
Proceeds from borrowings		4,925.7	-
Interest paid		-0.8	-30.9
<b>Net cash flows from financing activities</b>		<b>2,556.1</b>	<b>-2,128.2</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>5,126.4</b>	<b>-7,609.2</b>
Cash and cash equivalents at the beginning of the period		994.3	8,620.1
Foreign currency exchange differences on cash and cash equivalents		50.8	-16.6
<b>Cash and cash equivalents at the end of the period</b>		<b>6,171.5</b>	<b>994.3</b>

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# Notes to the Parent company financial statements

## Note 1 Accounting principles

### GENERAL INFORMATION

EQT AB, reg.no 556849-4180, is a Swedish registered limited company domiciled in Stockholm. The registered postal address is Box 16409, 103 27 Stockholm. The visiting address is Regeringsgatan 25, Stockholm.

The annual report and consolidated financial statements have been approved for issuance by the board of directors on 25 March 2022. 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 1 June 2022.

Amounts are presented in SEKm unless otherwise stated. The accounting policies are unchanged compared with the annual report 2021.

### STANDARDS ISSUED BUT NOT YET EFFECTIVE

Revised standards and interpretations issued by the IASB and the IFRS Interpretations Committee but not yet effective, are expected to have an immaterial impact on the Parent company's financial statements in the future periods of initial application.

### DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

#### Classification and presentation

The income statement and balance sheet of the Parent company are prepared in accordance with the schedules of the Annual Accounts Act, while the statement of income and other comprehensive income, the statement of changes in equity, and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

#### Discontinued operations

Non-current assets held for sale and discontinued operations are not reported separately in EQT AB's income statement and balance sheet as the company follows Annual Accounts Act's presentation form for income statement and balance sheet. EQT AB does not apply IFRS 5.

#### Subsidiaries

Shares in subsidiaries are recognized at cost. Transaction costs are included in the carrying amount of shares in subsidiaries. In the consolidated financial statements, transaction costs attributable to business combinations are recognized directly in the income statement as incurred.

Contingent considerations are measured based on the probability that the consideration will be paid. Any changes in the provision/receivable is added to/reduces the cost of the shares in subsidiaries. In the consolidated

financial statements, contingent considerations are measured at fair value and changes in fair value are recognized in the income statement.

Investments in certain foreign entities with different types of share classes and with ring-fenced assets and liabilities attributable to each type of class, are treated as separate units, so called silos, within each entity. Only the share classes attributable to silos that are controlled by EQT AB are recognized as shares in subsidiaries.

#### Functional and accounting currency

The Parent company does not apply the Group's principles for determining the functional currency. Instead, the Annual Accounts Act's rules on accounting currency are applied, which means that the Parent company has SEK as its accounting and reporting currency.

#### Anticipated dividends

Anticipated dividends from subsidiaries are recognized in cases where the Parent company alone has the right to decide the size of the dividend and the Parent company has decided on the size of the dividend before the Parent company has published its financial statements.

#### Tax

Unlike the consolidated financial statements, the Parent company recognizes untaxed reserves in the balance sheet without allocating it to equity and deferred tax liability. Similarly, no part of the appropriation is allocated to deferred tax expenses in the Parent company's income statement.

#### Leases

The Parent company does not apply IFRS 16 Leases. Instead, all lease contracts where EQT acts as a lessee, the lease payments are recognized as an expense according to the straight-line method over the lease term. Accordingly, no right of use assets nor lease liabilities are recognized in the balance sheet.

#### Research and development

In the Parent company, all development costs are recognized as expenses in the income statement as incurred. In the consolidated financial statements, development costs are capitalized when certain criterias are met.

#### Financial instruments

The Parent company has, in accordance with RFR 2, chosen not to apply IFRS 9 Financial Instruments for financial instruments, which means that

financial non-current assets are measured at cost or amortized cost less any impairment losses and financial current assets are measured according to the lower of cost or market.

However, some of the principles in IFRS 9 are applicable – such as impairment losses and credit losses, recognition/derecognition, and the effective interest method for interest income and expenses.

The cost of interest-bearing instruments is adjusted for the accrued difference between the amount that was initially paid, after addition/deduction of transaction costs, and the amount paid on maturity, i.e. the premium and discount respectively.

Impairment losses on financial assets measured at amortized cost are recognized in accordance with IFRS 9, in the same manner as the consolidated financial statements.

Impairment losses on investments in equity instruments are recognized if the fair value is less than the carrying amount.

#### Financial guarantees

The Parent company's issued financial guarantee contracts consist partly of guarantees in favor of subsidiaries. Financial guarantees require the company to reimburse the holder of a debt instrument for losses that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the contract.

The Parent company applies the allowed exemption to IFRS 9 as permitted by the Swedish Financial Reporting Board (RFR) for financial guarantees. The exemption relates to financial guarantee contracts issued in favor of, among others, subsidiaries. The Parent company recognizes financial guarantee contracts as provisions in the balance sheet when the company has a commitment for which it is probable that a payment will be required to settle the commitment.

#### Shareholders' contributions

Provided shareholders' contributions are recognized as an increase in the carrying amount of the shares/participation. Repaid shareholders' contributions are recognized as dividends followed by an impairment test of shares in subsidiaries.

#### Group contributions

Both group contributions received and paid are recognized as appropriations.

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## Note 2 Revenue

Revenue derives from contracts to provide services for other companies, mainly subsidiaries. The services relate to management and support functions and are considered to be interrelated and therefore constitute a single performance obligation that is fulfilled over time to the customer. The transaction price for the services is determined by a method based on the arm's length principle.

Revenue is recognized over time as the assignment is performed based on costs incurred and the fulfillment of the performance obligations.

The fee is invoiced on an ongoing basis based on a preliminary cost estimate with a final settlement at year end, payment is due within 10 days from invoicing.

## Note 3 Other operating income

	2021	2020
Foreign currency gains on operating receivables/liabilities	3.9	–
	3.9	–

## Note 4 Other operating expenses

	2021	2020
Foreign currency losses on operating receivables/liabilities	–	–24.3
	–	–24.3

## Note 5 Employees and personnel expenses

Average number of employees	2021	whereof women	2020	whereof women
Sweden	142	45%	133	50%

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

	2021		2020	
	Salaries and remunerations	Social security expenses	Salaries and remunerations	Social security expenses
(of which pension expenses)	254.6	117.2	234.6	99.2
		36.1		32.0

Remunerations to the company's CEO and other senior executives are presented in the Group's Note 7.

## Note 6 Audit fees and expenses

	2021	2020
KPMG		
Audit services	5.4	7.5
Other services	0.4	5.1

Audit services refer to the legally required examination of the annual report and the book-keeping, as well as the board of directors and the CEO's management and any other audit examinations or agreed-upon procedures determined by contract. This includes their work assignments which rest upon the company's auditor to conduct, and advising or other support justified by observations in the course of examination or execution of such other work assignments.

## Note 7 Operating leases

Lease contracts where the Company is the lessee

	2021	2020
Future minimum lease payments under non-cancellable operating leases	49.8	47.4
Within one year	193.6	185.0
Between one and five years	136.7	182.6
Later than five years	380.1	415.0
	2021	2020
Lease expenses recognized	31.3	26.4

Office rent is included in future lease expenses. The lease agreement has a lease term of 10 years. Part of the office rent is recharged to the subsidiaries EQT Partners AB and EQT Exeter Advisors Sweden AB and is therefore not recognized in the lease expenses during the year.

## Note 8 Profit/loss from participations in subsidiaries

	2021	2020
Capital gain on divested subsidiaries	–	273.1
Impairment of shares in subsidiaries	–936.5	–3,425.9
Dividends from subsidiaries	2,921.1	4,018.6
	1,984.6	865.9

In 2020, the EQT Group divested the Credit segment to Bridgepoint. As a result, EQT AB divested the subsidiaries EQT Credit UK Ltd, EQT Credit II (GP) Ltd, EQT Credit Investment Verwaltungs GmbH, EQT Credit Solutions GPS.à r.l, EQT Mid-Market Credit II (General Partner) S.à r.l, EQT Loan Fund (General Partner) S.à r.l, EQT Credit Opportunities III (GP) Ltd and EQT Mid-Market Credit SV SA, which generated a capital gain that is reported under profit/loss from participation in subsidiaries.

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### Note 9 Interest income and similar profit/loss items

	2021	2020
Interest income, subsidiaries	235.7	13.7
Interest income, other	0.0	1.2
Foreign currency gains	–	42.5
Other	4.3	0.0
	<b>240.0</b>	<b>57.5</b>

### Note 10 Interest expense and similar profit/loss items

	2021	2020
Interest expenses, subsidiaries	-86.5	-21.8
Interest expenses, other	-34.3	-9.1
Foreign currency losses	-136.5	–
	<b>-257.4</b>	<b>-30.9</b>

### Note 11 Income taxes

	2021	2020
Current tax expense	-10.9	-99.7
Tax attributable to prior years	-2.7	0.2
	<b>-13.5</b>	<b>-99.5</b>

### Reconciliation of effective tax rate

	2021	2020
Profit before tax	2,028.2	1,159.1
Tax at Parent company's statutory rate, 20.6% (21.4%)	-417.8	-248.0
Non-deductible expenses	-116.8	-771.5
Non-taxable income	523.7	919.8
Tax attributable to prior years	-2.7	0.2
<b>Reported effective tax</b>	<b>-13.5</b>	<b>-99.5</b>

### Note 12 Intangible assets

	Trademarks
Accumulated cost	
Opening balance 01.01.2021	0.8
Closing balance 31.12.2021	0.8
Accumulated amortization	
Opening balance 01.01.2021	-0.8
Closing balance 31.12.2021	-0.8
<b>Carrying amount at year-end 31.12.2021</b>	<b>–</b>
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
<b>Carrying amount at year-end 31.12.2020</b>	<b>–</b>

### Note 13 Property plant and equipment

	Leasehold improvements	Equipment	Total
Accumulated cost			
Opening balance 01.01.2021	81.3	11.8	93.1
Acquisitions	1.2	–	1.2
Closing balance 31.12.2021	82.5	11.8	94.3
Accumulated depreciation			
Opening balance 01.01.2021	-19.4	-5.0	-24.4
Depreciation	-8.2	-1.1	-9.3
Closing balance 31.12.2021	-27.6	-6.1	-33.7
<b>Carrying amount at year-end 31.12.2021</b>	<b>54.8</b>	<b>5.6</b>	<b>60.5</b>
Accumulated cost			
Opening balance 01.01.2020	79.8	11.8	91.6
Acquisitions	1.5	–	1.5
Closing balance 31.12.2020	81.3	11.8	93.1
Accumulated depreciation			
Opening balance 01.01.2020	-7.1	-2.0	-9.1
Depreciation	-12.3	-3.0	-15.3
Closing balance 31.12.2020	-19.4	-5.0	-24.4
<b>Carrying amount at year-end 31.12.2020</b>	<b>61.8</b>	<b>6.8</b>	<b>68.6</b>

Leasehold improvements relate to the headquarter office. Leasehold improvements also include art where depreciation does not take place.

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## Note 14 Participations in subsidiaries

	2021	2020
Accumulated cost		
Opening balance	13,034.2	12,034.9
Acquisitions	13,580.7	0.3
Divestment of subsidiaries	–	–199.3
Shareholders' contributions paid	495.2	1,203.2
Closing balance	27,110.1	13,039.0
Accumulated impairments		
Opening balance	–3,514.1	–93.6
Impairment	–936.5	–3,425.3
Closing balance	–4,450.6	–3,518.9
<b>Carrying amount at year-end</b>	<b>22,659.5</b>	<b>9,520.1</b>

### Specification of Participations in subsidiaries

Subsidiary / Corp. reg. no./ Registered office	Number of shares	Share in % <sup>1)</sup>	31.12.2021	31.12.2020
EQT Services (UK) Ltd. Reg. no. 07936651, London	725	100.0	24.3	24.5
EQT Holdings BV. Reg. no. 54467861, Amsterdam	1,800,000	100.0	2,697.7	3,472.8
EQT Investment Verwaltungs-GmbH. Reg. no. HRB 194327, Munich	25,000	100.0	7.3	3.7
EQT Infrastructure II (GP) Ltd. Reg. no. 416498, Edinburgh	100	100.0 <sup>2)</sup>	0.0	0.0
EQT Fund Management S.à r.l. Reg. no. B167.972, Luxembourg	1,627	100.0	185.0	185.0
EQT Mid Market (GP) Ltd. Reg. no. 436969, Edinburgh	100	100.0 <sup>2)</sup>	0.0	0.0
EQT Management S.à r.l. Reg. no. B 145067, Luxembourg	12,500	100.0	49.7	12.2
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	39.3	38.5
EQT Partners AB. Reg. no. 556233-7229, Stockholm	5,000	100.0	209.0	106.0
EQT VII Ltd. Reg. no. 493105, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Mid Market US (GP) Ltd. Reg. no. SC500973, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Real Estate Ltd. Reg. no. SC504628, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT Ventures (GP) S.à r.l. Reg. no. B 0196578, Luxembourg	12,500	100.0	0.1	0.1
EQT Infrastructure III (GP) S.à r.l. Reg. no. B 207225, Luxembourg	12,500	100.0	0.1	0.1
EQT Co-Investment (GP) S.à r.l. Reg. no. B 209598, Luxembourg	1,200,000	100.0	0.6	0.6
EQT Mid Market Asia III GP Ltd. Reg. no. SC521109, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0

### Specification of Participations in subsidiaries, forts.

Subsidiary / Corp. reg. no./ Registered office	Number of shares	Share in % <sup>1)</sup>	31.12.2021	31.12.2020
EQT Mid Market Europe GP Ltd. Reg. no. SC521108, Edinburgh	1	100.0 <sup>2)</sup>	0.0	0.0
EQT VII International Holdings BV. Reg. no. 69473129, Amsterdam	12,000	100.0	0.6	0.6
EQT VIII (GP) S.à r.l. Org. nr. B 215816, Luxembourg	12,000	100.0	0.1	0.1
EQT VII Co-Investment (GP) S.à r.l. Reg. no. B 217579, Luxembourg	12,000	100.0	0.1	0.1
EQT HC I Holdings BV. Reg. no. 852917247, Amsterdam	308,642	100.0	–	–
EQT HC II Holdings BV. Reg. no. 852917387, Amsterdam	308,642	100.0	–	–
De Rome BV. Reg. no. 851792200, Amsterdam	216,049	100.0	–	–
Helmholtz Invest BV. Reg. no. 855118623, Amsterdam	154,321	100.0	–	–
White Mill Two AG. Reg. no. CH-0203035230-6, Wollerau	308,642	100.0	–	–
ECLO Credit Holding I AB. Reg. no. 559212-8861, Stockholm	6,500	100.0	0.7	9.2
EQT Treasury AB. Reg. no. 559227-5647, Stockholm	6,500	100.0	7,715.4	5,651.8
EQT VII Floss (General Partner) S.à r.l. Reg.no. B219445, Luxembourg	12,000	100.0	0.4	0.4
EQT Exeter Holdings US Inc Reg. no. 5402675, Dover	100	100.0	11,654.8	–
EQT Exeter Advisors Sweden AB Reg. no. 559296-3507, Stockholm	25,000	100.0	59.9	–
EQT Management SG Pte. Ltd. Reg. no. 2021226838H, Singapore	1.0	100.0	0.0	–
			<b>22,659.5</b>	<b>9,520.1</b>

<sup>1)</sup> Referring to the owners' share of the capital, which is equivalent to the share of the votes for the total amount of shares.

<sup>2)</sup> The value amounts to 1 GBP each for these companies.

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## Note 15 Other securities held as non-current assets

	2021	2020
Accumulated cost		
Opening balance	10.0	14.2
Additional assets	2.8	–
Divestment	-1.9	-4.2
Closing balance	10.9	10.0
Carrying amount at year-end	10.9	10.0

## 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.

	2021	2020
Financial assets		
Long-term loans, subsidiaries	5,547.9	–
Other securities held as non-current assets	10.9	10.0
Other non-current receivables	5.4	5.3
Accounts receivables	12.0	14.6
Receivables from subsidiaries	445.0	803.1
Other receivables	33.5	123.9
Cash and bank	6,171.5	994.3
Total financial assets	12,226.2	1,951.2
Financial liabilities		
Interest-bearing liabilities	5,073.9	–
Long-term loans, subsidiaries	9,679.5	–
Accounts payable	26.5	1.6
Liabilities to subsidiaries	105.1	635.1
Other liabilities	20.5	29.8
Accrued expenses	175.0	145.0
Total financial liabilities	15,080.4	811.5

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

	2021	2020
Accumulated cost		
Opening balance	5.3	3.7
Additional receivables	–	1.6
Foreign currency gains	0.1	–
Carrying amount at the year-end	5.4	5.3

## Note 18 Prepaid expenses and accrued income

	2021	2020
Insurance	16.5	9.3
Pensions	0.8	1.0
Licenses	25.6	18.7
Prepaid Transaction cost	42.6	–
Other	19.7	17.5
	105.2	46.5

## Note 19 Revolving credit facility

In December 2020, EQT signed a five-year EUR 1 billion revolving credit facility (RCF). The RCF increases the financial flexibility of EQT and is 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 2021 the RCF was unused. The RCF also incorporates 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 is thus in line with EQT's overall approach of integrating sustainability throughout its activities, both on EQT AB Group level and within funds advised by EQT.

## Note 20 Number of shares and quota value

For further information regarding Number of shares and quota value, see the Group's Note 15 Equity.

## Note 21 Interest bearing liabilities

For further information regarding Interest bearing liabilities, see the Group's Note 16 Interest bearing liabilities.

## Note 22 Accrued expenses and prepaid income

	2021	2020
Accrued personnel expenses	123.5	102.7
Accrued consultancy fees	134.4	100.7
Other accrued expenses	40.6	44.3
	298.5	247.7

## Note 23 Pledged assets and contingent liabilities

As of 31 December 2021 the Parent company does not have any general guarantee commitments (SEK 0.0), pledged assets or contingent liabilities.

## Note 24 Related parties

Related parties	Year	Sales of services	Purchases of services	Receivables	Liabilities
Subsidiaries	2021	1,246.3	–	2,684.9	5,992.9
Subsidiaries	2020	1,201.2	1.7	4,005.7	803.1

## Note 25 Events after the reporting period

For disclosures regarding events after the reporting period, see the Group's Note 23.

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**PROPOSAL FOR THE DISTRIBUTION OF NET INCOME**

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

Share premium reserve	18,451,276,453
Profit brought forward	-655,669,257
Net income	2,014,693,067
<b>Total</b>	<b>19,810,300,262</b>

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

## Dividend to shareholders:

SEK2.80 per share	2,763,582,226 <sup>1)</sup>
Retained earnings	17,046,718,036
<b>Total</b>	<b>19,810,300,262</b>

<sup>1)</sup> Based on the number of outstanding shares at December 31, 2021. The amount of the dividend may change due to issue of new shares up until each record date.

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

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**EQT AB**  
Corp. id 556849-4180

The board and CEO assure that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with International Accounting Standards, stated in the regulation of the European Parliament and the Council of Ministers (EG) no 1606/2002 of 19 July 2002, concerning the application of international accounting standards. The Annual Report and the consolidated accounts give a true and fair view of the parent company as well as of the EQT AB Group's position and result. The Board of directors' report for the parent company and the EQT AB Group gives a true and fair view of the parent company's and Group's business development, position and result. It also describes the major risks and uncertainty factors facing the parent company and Group companies.

Stockholm 25 March 2022

Conni Jonsson  
Chairperson

Christian Sinding  
CEO

Edith Cooper

Johan Forssell

Nicola Kimm

Diony Lebot

Gordon Orr

Margo Cook

Marcus Wallenberg

The Annual Report and the consolidated accounts have been approved for publication by the board of directors and the Chief Executive Officer on **25 March 2022**. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be presented for adoption by the AGM on 1 June 2022.

Our audit report has been submitted  
KPMG AB

Håkan Olsson Reising  
Authorized public accountant

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# Managing risks

The EQT AB Group faces a variety of risks and uncertainties, which could materially affect its operations, reputation, financial position and/or earnings. Effective oversight and management of risks is an integral part of EQT's ability to deliver on its strategic objectives. EQT's ability to generate superior risk-adjusted returns for its funds' investors requires a full understanding of investment risks and opportunities as well as a disciplined approach to manage those throughout the investment and ownership phases.

The EQT AB Group performs an annual review of the principal risks facing the Group. On an annual basis, senior management reviews the list of risks to decide

whether any new risk should be incorporated into the Group risk map. These include risks that would threaten the company's business model, future performance, and reputation as well as those with a higher likelihood and greater impact on our strategic objectives. During the year integration risk was incorporated as a new principal risk. In addition, the risk team monitors and assesses emerging risks and discusses with management their current and potential impact on EQT's strategic objectives. High competition for thematic investment opportunities and the risk of rising interest rates are examples of new risks identified during the year.

Risk type	EQT's principal risks
External risks	Competitive environment in private markets Risk of rising interest rates Operational & financial disruptions related to adverse events
Strategic risks	Weak fund performance Inability to meet fundraising targets Challenges in attracting and retaining diverse talent Sustainability and ESG risks Integration risk and dilution of culture Failure to adequately scale the operating platform
Financial risks	Market, credit and liquidity risks

## Strategic Objectives

- 1 Future-proof companies and make a positive impact with everything we do.
- 2 Generate superior risk-adjusted returns through thematic active ownership.
- 3 Solidify Europe, win North America and expand APAC.
- 4 Become the no. 1 global leader in value-add Infrastructure, a global top 5 player in Private Capital and Real Estate.
- 5 Increase the scaling speed of EQT's Operating Platform.
- 6 Stay ahead on culture, talent management and leadership.

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## EXTERNAL RISKS

### Competitive environment in private markets

Corresponding strategic objective(s):   

#### Risk overview (FY 2021):

Potential impact of high competition for thematic investment opportunities:

- Fewer investment opportunities, affecting the funds' pace of deployment.
- Higher risk of overpaying for investments, impacting fund returns.

The private deal market showed high levels of activity throughout 2021, resulting in increased competition for high quality assets, particularly in the sectors that have benefited the most from the pandemic. This has pushed prices higher in certain industries, creating a favourable environment for exits.

Challenges in deploying capital at competitive prices could affect the EQT funds' performance in the long run.

#### Potential impact of a competitive fundraising environment:

- Reduced ability to raise capital for new funds
- Longer fundraising periods

Private equity fundraising was strong in 2021. With more funds on the market, competition between market participants has increased. These trends are expected to continue in the next year.

#### Risk management & mitigation:

EQT's active ownership model, which focuses on driving growth through sustainable transformation of portfolio companies, is the main value driver of the EQT funds' strategy, making the EQT funds' portfolio more resilient throughout the valuation cycle. A solid pipeline and a local-with-locals approach are other key mitigation tools to manage deal competition.

The EQT AB Group has developed a diverse product offering to differentiate itself from competitors; its multi-strategy platform enables fund investors to simplify their investment manager relationships by investing across multiple investment strategies with the same manager.

EQT has a diversified fund investor base, with more than 730 fund investors as of December 2021 and no fund investor accounting for more than 4 percent of AUM, excluding Investor AB.

## EXTERNAL RISKS

### Risk of rising interest rates

Corresponding strategic objective(s):   

#### Risk overview (FY 2021):

Potential impact:

- Reduced earnings growth and/or covenant risk in portfolio companies, affecting investment performance and their ability to refinance
- Changes in multiples and discount rates used for investment valuations, impacting fund returns.
- Reduced ability to exit investments or obtain favorable debt financing for potential acquisitions.

Continued supply chain disruptions, combined with rising geopolitical threats, have contributed to increased inflation expectations, which in turn might lead to further tightening of fiscal-monetary policies and higher interest rates in 2022. This could affect the EQT fund returns in the long run, specifically those that were deployed at the peak of the valuation cycle.

#### Risk management & mitigation:

By transforming and future-proofing portfolio companies, EQT's active ownership model and thematic investment approach mitigate the impact of rising rates on portfolio valuations.

Each new investment proposal includes an assessment of acquisition prices based on comparable deals as well as a forecast for exit multiples. In cases where valuations are at the high end of the cycle, a contraction of the exit multiple is built into the business plan.

At portfolio company debt level, interest rate risk is managed through the use of fixed-rate financing or hedging.

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## EXTERNAL RISKS

### Operational & financial disruptions related to adverse events

Corresponding strategic objective(s):  

#### Risk overview (FY 2021):

##### Potential impact:

- May impact EQT AB Group's reputation with clients, shareholders and partners.
- Large financial costs at EQT AB Group level
- Unforeseen financial consequences in underlying investments.

2021 has shown the resilience for the private equity industry, and the EQT portfolios to the Covid-19 pandemic. However, the recovery is uneven across sectors and the threats caused by the pandemic or new types of diseases have not disappeared.

Another source of future uncertainty arises from new political and legal developments in the US, Europe, Russia and China, specifically in relation to geopolitical confrontations, tax rules and government reviews of mergers & acquisitions.

Rapid digitalization in advanced economies together with rising geopolitical tensions, have led to new cyber threats. In response to this development, the EQT AB Group continues to review the adequacy and resilience of its technology infrastructure as the business grows.

#### Risk management & mitigation:

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 parties are mobilized. Central and local crisis management groups coordinate the response process to minimize disruptions and ensure the safety of EQT's personnel.

Thanks to their thematic investment approach, the EQT funds are less exposed to cyclical events and focus on investing in areas that will gain from the long-term structural trends. In addition, the EQT governance model enables the teams to work closely with portfolio companies and support them during times of crisis. Finally, a majority of portfolio companies have fixed-rate financing with borrower-friendly features, such as "covenant-light". The EQT AB Group continuously defines and implements the best cyber solutions for its environment and runs a threat detection and incident response program. It also provides periodic cyber security training to all employees and conducts phishing tests to increase awareness of the risks associated with phishing emails. At portfolio company level, the EQT Digital team is responsible for overseeing the monitoring of portfolio companies' cyber security posture, actively following on any identified risk and providing expert advice. In case of a cybersecurity breach, the team can support portfolio companies with deploying cybersecurity task forces.

## STRATEGIC RISKS

### Weak fund performance

Corresponding strategic objective(s):  

#### Risk overview (FY 2021):

##### Potential impact:

- Reduced carried interest and investment income received by the EQT AB Group.
- Reduced ability to raise future funds
- May damage EQT's brand, reputation and long-term prospects.

As the EQT funds experienced high deal activity on the investment and exit side, they are in a good position to benefit from a relatively young portfolio invested using the thematic investment approach, with few problem assets.

EQT continued to implement future-proofing measures in its funds' portfolio companies and combining this with strong market conditions, valuations developed well across all key funds.

We expect the performance of our funds to remain resilient in 2022. We see potential headwinds for the global economy related to factors such as higher energy prices, rising inflation and higher interest rates. We also experience strong competition for high-quality assets, resulting in high entry prices.

#### Risk management & mitigation:

EQT's people, performance culture and thematic investment approach are the backbone of fund performance.

As part of EQT's active ownership model, the EQT Playbook is a key driver of EQT funds' performance, driving growth through digitalization, sustainability and operational excellence. Strong governance rights ensure EQT's ability to support the execution of the business plan in the portfolio company.

All proposed investments go through a thorough due diligence and approval process during which all key aspects of the transactions, company and industry are discussed.

The portfolio companies' performance is monitored on an ongoing basis. The Portfolio Performance Review ("PPR") tracks the progress of each investment, identifying opportunities and warning signs early on and advising on the next steps.

In addition, size limits per investment ensure that each fund is not materially affected by the under-performance of a single investment.

Finally, the Global Investment Forum ("GIF") reviews overall performance and exposures across all funds in the EQT AB Group, to ensure consistency in the business lines' investment approach and drive performance in a disciplined manner.

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## STRATEGIC RISKS

### Inability to meet fundraising targets

Corresponding strategic objective(s):  

#### Risk overview (FY 2021):

##### Potential impact:

- Reduced revenues due to lower AUM.
- Reduced revenues due to lower management fees.

The EQT funds's ability to meet fundraising targets is dependent on supply and demand factors, historical and expected performance of the EQT funds and industry standard fee levels.

General growth in private markets and the EQT funds' performance have acted as a tailwind for EQT's fundraising activities.

Fundraising continued to see strong momentum with AUM exceeding €70bn at the end of the year. EQT was able to launch new asset classes and embed the EQT Exeter funds into the EQT fund-raising process. The rapid pace of deployment of the EQT IX and Infrastructure V funds has accelerated the timeline for the fundraising of their successor funds, which in turn will set the pace of fundraising activities for 2022.

#### Risk management & mitigation:

Fund performance is a key driver for EQT's ability to meet fundraising targets as well as the main risk mitigation.

Whilst EQT does not have control over external macro-economic factors, EQT's project-based fundraising processes and performance culture help minimize the risk of not meeting fundraising goals.

Improving the customer journey is another important aspect of EQT's approach to client relations. In the last few years, EQT invested in its Investor Portal to improve communication with the EQT funds' investors and address their increasing requests for transparency.

To ensure adequate resources are allocated to fundraising projects, the Capital Raising team maintains ongoing dialogue with the business lines and update the fundraising plan accordingly.

To take advantage of investment opportunities whilst a fund is being raised, the EQT funds also have the ability to request a loan or raise capital from EQT AB, thereby reducing their reliance on the fundraising schedule.

## STRATEGIC RISKS

### Challenges in attracting and retaining diverse talent

Corresponding strategic objective(s): 

#### Risk overview (FY 2021):

##### Potential impact:

- Insufficient resources to meet strategic objectives.
- Loss of talent, affecting the success of investment and fundraising activities.

EQT's personnel grew to 1,059 from 653 in 2021, both through hiring and acquisitions. Combined with remote working and travel restrictions, employee growth created new challenges for EQT's corporate culture. As offices progressively re-open and travel restrictions ease, EQT will continue to focus its efforts on reinforcing team cohesion throughout 2022.

As part of its ambition to create a more inclusive and gender-equal workplace, EQT continued to improve diversity at all levels within the investment profession. Like any major cultural shift, this rebalancing comes with challenges, especially in sectors and countries where the pool of women is limited. EQT will continue to work towards its diversity goals in 2022.

#### Risk management & mitigation:

The ability to attract, retain and develop talent is supported by several measures including e.g. a well-defined recruitment process, a competitive and long-term approach to compensation, and a focus on development opportunities through the semi-annual performance review, mentoring and training platform. The EQT Academy is an important tool for employee development and retention, which provides training for each career stage and function within the business, focusing on the skills relevant to each employee's development.

By investing in its culture and promoting its values, EQT is able to effectively strengthen employee engagement and increase performance. Staff engagement is monitored through the use of a dedicated tool which converts employee feedback into actionable insights.

EQT has increased its efforts in Diversity, Equality & Inclusion throughout the year by improving the availability & quality of diversity data, broadening traditional recruitment frameworks and creating an inclusive culture free of biases.

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## STRATEGIC RISKS

### Sustainability and ESG risks

Corresponding strategic objective(s): 

#### Risk overview (FY 2021):

##### Potential impact:

- Reduced investment performance and /or realization potential, impacting fund returns.
- Failure to execute on the sustainability agenda may damage EQT's brand, reputation and long-term prospects, including EQT's ability to raise future funds.
- EQT's failure to identify social- and climate-related investment and fundraising opportunities could hurt EQT's market share in the long run.

Throughout the year the EQT AB Group accelerated its sustainable transformation journey, strengthening its Sustainability team and setting more ambitious goals. In 2021, EQT issued a sustainability-linked bond, where the bond's coupon rate is connected to sustainability performance targets, including greenhouse gas emissions and board gender diversity. EQT also became the first private markets firm to set science-based targets, including greenhouse gas emission reduction targets in line with the Paris Agreement. Given the complexity of this transition, effective execution will be critical to the successful delivery of these goals.

#### Risk management & mitigation:

EQT's culture and mission to make a positive impact in everything it does are embedded in the funds' investment process. ESG risks are evaluated early in the investment process when conducting due diligence on target investments, where sustainability aspects are a key input in the investment decision process.

Portfolio companies are regularly assessed across a set of sustainability KPIs. EQT works to support the portfolio company in ensuring that remedial measures are put in place to improve its sustainability profile.

External data sources such as RepRisk are also used for the purpose of regular monitoring of ESG risk exposures.

The formalized Science-based targets are a further commitment to decrease the exposure of portfolio companies to sustainability risks, in particular climate transition risk.

As part of its efforts to promote and accelerate the sustainability agenda, EQT included the Global Head of Sustainable Transformation as a member of the EQT Executive Committee.

## STRATEGIC RISKS

### Integration risk and dilution of culture

Corresponding strategic objective(s): 

#### Risk overview (FY 2021):

##### Potential impact:

- Challenges in scaling the operating platform.
- May impact staff retention.

The EQT AB Group has a strong corporate culture based on core values. Acquisitions and expansion across different geographical areas and markets may lead to organizational and cultural challenges.

In 2021, the EQT AB Group acquired Exeter Property Group ("Exeter"). As EQT's first large acquisition, the combination of EQT and Exeter presented the Group with new challenges, including the risk of integration, which could ultimately affect employees' morale and lead to staff attrition. With the combination of the two companies well under way, we expect this risk to decrease in 2022.

#### Risk management & mitigation:

The EQT AB Group works to uphold EQT's corporate culture. Staff alignment with EQT's corporate values is embedded into the recruitment process, employee retention initiatives, training and corporate events and is continuously supported by management and HR.

The EQT Academy and the EQT Foundation are also important tools for nurturing EQT's culture and values, specifically when it comes to driving fund performance in a sustainable way.

Following the acquisition of Exeter, EQT chose a staged and inclusive approach to change management, with a focus on leaving EQT Exeter as much autonomy as possible whilst keeping sufficient oversight over its activities. EQT Exeter did not experience abnormal staff attrition following the acquisition.

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## STRATEGIC RISKS

### Failure to adequately scale the operating platform

Corresponding strategic objective(s): 

#### Risk overview (FY 2021):

##### Potential impact:

- Operational failures, which could lead to a deterioration of the EQT AB Group's reputation and/or compliance-related sanctions.
- Higher costs of doing business for the EQT AB Group.

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 whilst reducing the risk of errors and ensuring compliance with applicable rules and regulations.

As part of its day-to-day operations, the EQT AB Group processes large amounts of transactions and data, making it vulnerable to errors or delays in areas where processes are not standardized or fit for purpose.

The pace of investments and exits accelerated in 2021 as EQT took advantage of favourable M&A and financing markets to strike more deals. Combined with ongoing change activities, this environment put increased pressure on our operating platform and fund administrator.

#### Risk management & mitigation:

The EQT AB Group's Fund Management team and specialist 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, during the year the EQT AB Group launched a strategic initiative to improve the efficiency and scalability of critical business processes.

## FINANCIAL RISKS

### Market, credit and liquidity risks

Corresponding strategic objective(s): 

#### Risk overview (FY 2021):

##### Potential impact:

- Reduced earnings, if market fluctuations impact interest rates, currency exchange rates or the valuation of EQT AB Group's investments.
- Credit losses, in the event of a failure of a counterparty linked to receivables, contract assets, cash deposits, financial guarantees or derivative instruments with positive fair values.
- Default, if cash inflows from management fees are not sufficient to meet cash obligations.

Following the implementation of an ESG-linked Revolving Credit Facility in December 2020, EQT continued to take advantage of supportive markets to further EQT's growth. EQT AB issued a €500m sustainability-linked 10-year bond in May 2021. The bond was given an A-stable credit rating at issuance. As the bond has a fixed coupon rate, it would not be impacted by rising interest rates.

To support the launch of new strategies, EQT used its balance sheet to invest in certain assets and make loans to the EQT Growth and EQT Future funds, giving the Group more direct financial exposure to the fundraising success of those strategies. This trend is expected to continue, as it is a key part of EQT's strategic agenda.

#### Risk management & mitigation:

The EQT AB Group uses risk mitigation tools, such as minimum credit ratings, cash forecasting and liquidity facilities. See Note 19.

The Treasury department monitors and reports on those risk exposures on a periodic basis.

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# 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 2021. The annual accounts and consolidated accounts of the company are included on pages 96-154 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 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that,

based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Carried interest

See disclosure 5 and accounting principles on pages 107-108 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

As of 31 December 2021 the group reported carried interest of EUR 437.5 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 carries 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.

#### Response in the audit

Our audit procedures included, but were not limited to:

- We have reviewed the company's model for calculation of carried interest and obtained an understanding of the valuation process and key controls in this process.
- We have assessed the development of the funds underlying investments and the discounts to conclude whether these were performed in accordance with the prescribed method.
- We tested that the methodology and consistency applied in the valuation of the portfolio companies is in accordance with the International Private Equity and Venture Capital Valuation Guidelines.
- We assessed the relevance of multiples used against market multiples from relevant transactions or market data.
- We have involved an internal valuation- and accounting specialists to assess the current unrealized fund value by imposing discounts and also to evaluate the accuracy of the disclosures of carried interest in the annual accounts and consolidated accounts.

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**Other information than the annual accounts and consolidated accounts**  
 This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-94, 160-170 and 172-178. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The board of directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the board of directors and the Managing Director

The board of directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The board of directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the board of directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the board of director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the Managing Director.
- Conclude on the appropriateness of the board of directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report

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## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Auditor's audit of the administration and the proposed appropriations of profit or loss

#### 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 2021 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

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

#### Responsibilities of the board of directors and the Managing Director

The board of directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's

financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the board of directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the board of directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit

or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the board of directors' proposed appropriations of the company's profit or loss we examined the board of directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the board of directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for EQT AB for year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report: #3s/L7zWetQ9wtq4= has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of EQT AB in accordance with

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professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the board of directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are

relevant to the preparation of the Esef report by the board of directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the board of directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of EQT AB by the general meeting of the shareholders on the 2 June 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2012.

Stockholm 25 March 2022

KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

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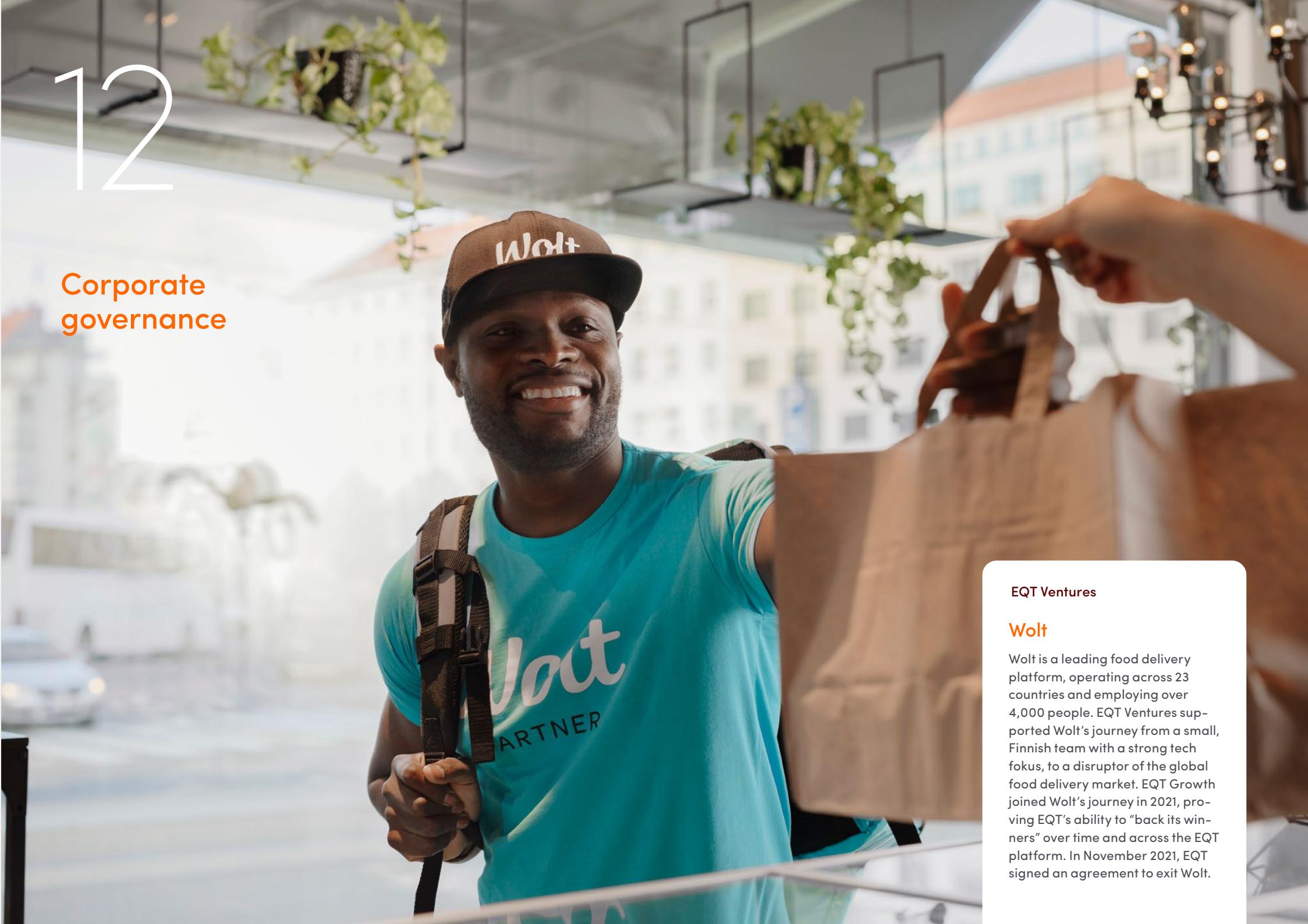
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EQT

# 12

## Corporate governance



### EQT Ventures

#### Wolt

Wolt is a leading food delivery platform, operating across 23 countries and employing over 4,000 people. EQT Ventures supported Wolt's journey from a small, Finnish team with a strong tech focus, to a disruptor of the global food delivery market. EQT Growth joined Wolt's journey in 2021, proving EQT's ability to "back its winners" over time and across the EQT platform. In November 2021, EQT signed an agreement to exit Wolt.

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EQT

# Corporate governance report

Corporate governance practices refer to the decision-making systems through which owners, directly or indirectly, govern a company. Good corporate governance is not only important for EQT AB's organization, it is also integrated in EQT's business model as it is part of the core of EQT's value creation strategy when advising and future-proofing the portfolio companies of the EQT funds.

EQT AB is a Swedish limited liability company governed by the Swedish Companies Act. As a listed company on Nasdaq Stockholm, EQT AB further adheres to the Swedish Code of Corporate Governance (the "Code"). The Code is published on [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se), where a description of the Swedish Corporate Governance model can be found.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how EQT AB has conducted its corporate governance activities during the financial year 2021.

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 2021.

The Corporate Governance Report has been reviewed by EQT AB's auditor, as presented on page 170.

## Statement of Purpose

### Purpose – why we exist:

"To future-proof companies and make a positive impact"

### Vision – what we strive for:

"To be the most reputable investor and owner"

### Mission – what we do and how:

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

EQT has an enduring commitment to responsible investment and has since inception had a multi-stakeholder approach, with the original concept from EQT's founding in 1994 of being "more than capital". This concept still embodies the fundamental mindset that defines EQT and our active ownership approach. With an entrepreneurial spirit and passion for future-proofing companies, EQT continues to further incorporate the long-term ownership philosophy of the Swedish Wallenberg family.

Today, EQT is a differentiated global investment organization with a 25-year history of responsibly investing in, owning and developing companies. With a Nordic heritage and a global mindset combined with well-grounded values and a deeply rooted culture, EQT funds have a track record of consistent and attractive returns across geographies, sectors and strategies. We do this by making a real difference: over the years, EQT has on average grown portfolio company revenues per year by 17 percent, EBITDA by 18 percent and number of employees by 7 percent, over the last five years.

Going forward, we will develop EQT with greater diversity in mind and consciously transition portfolio companies to use renewable energy, which will reduce greenhouse gas emissions. EQT is also committed to publish key ESG data and link incentive schemes to sustainability objectives.

As EQT has grown, our philosophy has been further ingrained into the EQT way of doing business. By taking an active role and working closely with management and the boards, EQT supports portfolio companies with hands-on governance and expertise, leveraged from both within the EQT platform and the global network of EQT Advisors. Providing both capital and competence constitutes the essence of EQT's active ownership approach and is difficult to replicate. It allows us not only to invest, but also to be part of the solution and make a positive impact that prevails during and after EQT funds' ownership period, all while creating attractive returns for EQT funds' investors.

Shouldering the role as an active owner is not done overnight. It requires trust from mul-

iple stakeholders and such trust is earned over time. At EQT, we have always been dependent on our license to operate to continue carrying out our mission. This has meant a continuous quest to gain and preserve confidence from a broad set of stakeholders such as portfolio companies' employees, fund investors, unions, the media, politicians – and since the public listing, also EQT AB's shareholders.

Finally, we have decided to align all investment decisions in support of achieving the United Nations Sustainable Development Goals (SDGs) as well as ownership actions to support the development of the portfolio companies in this direction – taking an active part in the world's "Full Potential Plan". Accordingly, EQT is committed to future-proofing companies and making a positive impact with everything we do. We believe this will ensure that EQT stays successful and relevant for its investors and society as a whole for the long-term.

**Conni Jonsson**  
Founder and Chairperson

**Margo Cook**  
Board Member

**Edith Cooper**  
Board Member

**Johan Forssell**  
Board Member

**Nicola Kimm**  
Board Member

**Diony Lebot**  
Board Member

**Gordon Orr**  
Board Member

**Marcus Wallenberg**  
Deputy Chairperson

**Christian Sinding**  
CEO and Managing Partner

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## AUTHORIZATIONS

At the Annual Shareholders' Meeting held on 2 June 2021, an authorization was granted to the board to, during the period until the Annual Shareholders' Meeting 2022, 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 2021'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 by way of set-off and/or 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 2022

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 2022 (the "AGM 2022") of EQT AB will take place on 1 June 2022 at 16:00 CEST. All documents related to the AGM 2022 will be published on EQT's website.

## SHARES

As of 31 December 2021, EQT AB had 51,750 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 were Investor Investments Holding Aktiebolag, an indirect subsidiary of Investor Aktiebolag, with 17.5 percent of the capital and 17.7 percent of the votes and Bark Partners AB, an entity owned by Conn Jonsson, Thomas von Koch, Harry Klagsbrun and Per Franzén, with 13.8 percent of the capital and 13.9 percent of the votes. For more information about the EQT AB share and its largest shareholders, see page 173. Information on EQT AB's shareholder structure is also 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 in accordance with the principles for appointment of the nomination committee, please refer to EQT's website.

The composition of the nomination committee meets the requirements concerning the independence of the nomination committee. All AGM documents related to the nomination committee will be published on EQT's website.

## Nomination committee for the AGM 2022

Members	Appointed by	% of the votes per 31 December 2021
Jacob Wallenberg (Chairperson)	Investor AB	17.7
Harry Klagsbrun	Bark Partners AB	13.9
Shireesh Vasupalli	Lennart Blecher	3.0
Hans Sterte	Alecta	1.3
Conn Jonsson	Chairperson of the board	0.1 <sup>1)</sup>

<sup>1)</sup> In total, Conn Jonsson holds 47,383,981 shares representing 4.8 percent of the votes and shares, whereof 794,072 shares representing 0.1 percent of the votes and shares are held through Qarlbo Associates SA, and the remainder of the shares are held through Bark Partners AB.

## AUDITOR

EQT AB's auditor shall review EQT AB's annual report and accounting, as well as the management of the board and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders' meeting.

Pursuant to EQT AB's articles of association, EQT AB shall have no less than one and no more than two auditors with no more than two deputy auditors. Since 2011, EQT AB's auditor is KPMG AB.

For details on remuneration to the auditors, see Note 8.

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# The board



**CONNI JONSSON**

Born 1960. Chairperson of the board since January 2012<sup>1)</sup>. Founder of EQT.

**Education:**

Bachelor of Science with majors in Economic Analysis and Accounting & Finance from Linköping University. Studies at the Management Development Program, Harvard Business School.

**Other current assignments:**

Board member of EQT Foundation, Bark Partners AB, Elins Hage AB, Pophouse Entertainment Group AB and Silver Life AB. Member of several Investment Committees within EQT – Equity, Real Assets and Public Value.

**Previous assignments:**

Chairperson of the board and board member of EQT Partners Aktiebolag.

**Shareholding in EQT AB<sup>2)</sup>:**

47,383,981 ordinary shares (indirectly).

**Independent of EQT AB and executive management:** No.

**Independent of major shareholders:** No.



**MARCUS WALLENBERG**

Born 1956. Deputy Chairperson since June 2021.

**Education:**

Bachelor of Science, Foreign Service, Georgetown University, Washington D.C USA.

**Other current assignments:**

Chairperson of the Board of SEB, Saab and FAM. Deputy Chairperson of Investor and the Knut and Alice Wallenberg Foundation. Board member of AstraZeneca. Chair of The Royal Academy of Engineering Sciences.

**Previous assignments:**

Chairperson of Electrolux, International Chamber of Commerce and LKAB. President and CEO of Investor. Board member of Stora Enso and Temasek Holding.

**Shareholding in EQT AB<sup>2)</sup>:** 25,000 shares (Indirectly)

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** No.



**MARGO COOK**

Born 1964. Board member since June 2021.

**Education:**

Executive MBA, Columbia Business School, Bachelor's, Finance, University of Rhode Island. Chartered Financial Analyst (CFA).

**Other current assignments:**

Chairperson of the board of University of Rhode Island Board of Trustees, Independent Director of Bridgewater Associates, Independent Board Chair of MerQube, Advisory Board Member of TIFIN and All Stars Project Board Member.

**Previous assignments:** President of Nuveen Advisory Services.

**Shareholding in EQT AB<sup>2)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.



**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 Amazon.com, Inc. and PepsiCo, Inc.

**Previous assignments:**

Executive Vice President and Global Head of Human Capital Management for Goldman Sachs.

**Shareholding in EQT AB<sup>2)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major shareholders:** Yes.

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## The board, continued



**JOHAN FORSELL**

Born 1971. Board member since August 2015.

**Education:**

Master of Science in Economics and Business Administration from Stockholm School of Economics.

**Other current assignments:**

CEO and board member of Investor AB. Board member of Atlas Copco AB, Epiroc AB, 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<sup>1)</sup>:** 3,000 shares

**Independent of EQT AB and executive management:** Yes.

**Independent of major share-holders:** 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 and Chief Sustainability Officer of HeidelbergCement and Board Member of Dunlop.

**Previous assignments:**

Chief Strategy & Sustainability Officer at Signify.

**Shareholding in EQT AB<sup>1)</sup>:**

7,380 shares (directly).

**Independent of EQT AB and executive management:** Yes.

**Independent of major share-holders:** Yes.



**DIONY LEBOT**

Born 1962. Board member since June 2020.

**Education:**

Masters in Finance and taxation from University Pantheon Sorbonne.

**Other current assignments:**

Deputy Chief Executive Officer of Société Générale, in charge of ESG policies, the group's financial services (ALD & SGF) and Insurance activities of the group.

**Previous assignments:** –

**Shareholding in EQT AB<sup>1)</sup>:** –

**Independent of EQT AB and executive management:** Yes.

**Independent of major share-holders:** Yes.



**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 and Meituan Ltd.

**Previous assignments:**

Partner and board member of McKinsey & Company.

**Shareholding in EQT AB<sup>1)</sup>:**

31,530 ordinary shares (directly).

**Independent of EQT AB and executive management:** Yes.

**Independent of major share-holders:** Yes.

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According to EQT AB's articles of association, the board members elected by the shareholders' meeting shall be no less than three and no more than ten without any deputy members.

Since the Annual Shareholders' Meeting held on 2 June 2021, the board of directors has consisted of eight members and no deputy members. All eight members elected at the annual shareholders' meeting 2020 were re-elected at the annual shareholders' meeting 2021, except for Peter Wallenberg JR and Finn Rausing who declined re-election. Two new board members, Marcus Wallenberg and Margo Cook, were elected at the annual shareholders' meeting 2021.

The composition of EQT AB's board meets the Code's requirements concerning independence. In the nomination committee work for the Annual Shareholders' Meeting 2022, 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 2021 evaluation. In addition, each board member completed a survey as part of the evaluation and the Chairperson of the board held individual conversations with each board member to discuss the results of the survey to gain a better understanding of the board's work during the year. As part of the annual evaluation process, the Chairperson reports the results to the nomination committee. The board continu-

ously 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.

#### Work of the board in 2021

During 2021, the board held 12 board meetings (excluding board meetings held per capsulam and by correspondence). The board members' attendance is shown in the table below. The General Counsel of EQT AB and the COO and deputy CEO of EQT AB, have been secretaries of board meetings. Prior to each meeting, the board members were provided with written information on the matters that were to be discussed. Furthermore, there have been board meetings where the board members have had the opportunity to discuss matters without representatives of EQT AB's management being present. The main focus areas for the board's work during 2021 have been EQT's strategic priorities, policy portfolio and governance.

Committee work is an important task performed by the board. For a description of the work conducted by the committees during 2021, see the summary below.

In addition to participating in meetings of the audit committee, EQT AB's auditor also attended a board meeting during which board members had the opportunity to pose questions to the auditor without representatives of EQT AB's management being present.

#### Board committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the board has formed an audit committee as well as a remuneration committee. The members of the committees are appointed at the inaugural board meeting and the committees' duties and decision-making authorities are regulated in annually approved committee instructions. The primary objective of the committees is to provide preparatory and administrative support to the board. The matters considered at committee meetings are recorded in minutes and reported at the following board meeting. Representatives from EQT AB's specialist functions typically participate in committee meetings.

#### Attendance at board meetings and board remuneration in 2021

Member	Attendance record, board and Committee meetings 2021			Remuneration resolved by the annual shareholders' meeting 2021 (EUR <sup>2</sup> )			Total <sup>2</sup>
	Board meetings <sup>1</sup>	AudCo meetings	RemCo meetings	Board Fee	Audit committee	Remuneration committee	
Conni Jonsson (Chairperson)	12/12	8/8	3/3	275	20	20	315
Marcus Wallenberg (Deputy Chairperson)	7/7	–	–	125	–	–	125
Margo Cook	7/7	–	1/1	125	–	20	145
Edith Cooper	11/12	–	3/3	125	–	40	165
Johan Forsslund	11/12	8/8	–	125	20	–	145
Nicola Kimm	12/12	–	–	125	–	–	125
Diony Lebot	8/12	8/8	–	125	–	20	145
Gordon Orr	12/12	8/8	–	125	40	–	165
Finn Rausing	4/5	–	–	–	–	–	–
Peter Wallenberg Jr	4/5	–	2/2	–	–	–	–
<b>Total</b>				<b>1,150</b>	<b>80</b>	<b>100</b>	<b>1,330</b>

<sup>1</sup> Per capsulam and by correspondence not included.

<sup>2</sup> The column "Total" does not include other remuneration received, please see Note 24.

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The audit committee shall perform the tasks set out in applicable EU rules, the Swedish Companies Act and, to the extent appropriate, the Code. The purpose and aim of the audit committee is to assist the board in fulfilling its responsibilities with respect to financial reporting, internal control and risk management and to increase the quality of the audit of EQT AB and the EQT AB Group, improve contacts between the board and EQT AB's auditor, increase the quality and improve the supervision 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, remuneration and other employment terms for EQT AB's executive management. The remuneration committee is also tasked with monitoring and evaluating programs for variable remuneration for the executive management, the application of the guidelines for remuneration to the executive management adopted by the annual shareholders' meeting as well as the current remuneration structures and remuneration levels in EQT AB.

#### Remuneration to the board

Board fees, including fees to the Chairperson of the board, are resolved by the shareholders' meeting. Detailed information about remuneration, pensions and other benefits for the board is set out in Note 7 and on EQT's website. The board members are not entitled to any benefits following termination of their assignments as members of the board. To the extent a board member conducts work for EQT, in addition to the board work, consulting fees and other compensation for such work may be paid.

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# The Executive Committee



## CHRISTIAN SINDING

Born 1972. CEO and Managing Partner since January 2019. Deputy Managing Partner 2015–2019. Employed by EQT since 1998.

### Education:

Bachelor of Science in Commerce with Distinction, University of Virginia.

### Other current assignments:

Board member of 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, Gambio AB, Vaasan&Vaasan Oy., Findus AB and Flexlink AB.

### Experience

Joined EQT Partners from AEA Investors Inc., a leading U.S. based private equity firm. Previously, Christian was a financial analyst with Bowles Hollowell Conner & Co. Christian has worked in the Stockholm-, Munich- and Copenhagen-offices of EQT Partners and opened the Oslo office in 2007. Christian was Head of Equity between 2011–2018.

### Shareholding in EQT AB<sup>1)</sup>:

28,120,000 ordinary shares (indirectly).



## CASPAR CALLERSTRÖM

Born 1973. Deputy CEO. Partner since 2004. COO since February 2016. Employed by EQT since 1996.

### Education:

Studies at Stockholm School of Economics with majors in Financial Economics and International Business.

### Other current assignments:

Chairperson of the board of EQT Partners AB. Board member of Krameria Industries AB, Harmerica Properties AB, Fastighetsaktiebolaget Wanda and Wanda Holding AB.

### Previous assignments:

Board member of Scandic Hotels Aktiebolag, Scandic Hotels Group AB, Scandic Hotels Holding AB, Balder Sunstorm AB, Brookite Real Estate 2 AB, Brookite Infrastructure 4 AB and Brookite Equity 8 AB. Deputy board member of Trill Capital AB.

### Experience:

Caspar joined EQT while completing his studies at the Stockholm School of Economics. From 2007 to 2013, Caspar was Head of EQT Equity in Stockholm.

### Shareholding in EQT AB<sup>1)</sup>:

27,400,000 ordinary shares (directly).



## 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 Aktiebolag, Volito Fastigheter Aktiebolag, Volito Industri Aktiebolag and Nordkap Holding AG. Chairperson of EQT Infrastructure Partners Investment Committee.

### Previous assignments:

Managing Director and Senior Banker in the investment bank of Unicredit/HypoVereinsbank, Munich. Managing Director at GE Commercial Finance, London. Various positions in the ABB Group, Zurich, such as General Counsel for the ABB Financial Services Group, President and Business Area Manager for ABB Structured Finance and ABB Equity Ventures.

### Shareholding in EQT AB<sup>1)</sup>:

29,203,556 ordinary shares (directly and indirectly).

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## The Executive Committee, continued



### PER FRANZÉN

Born 1976. Partner and Co-Head of EQT Private Equity Advisory Team. Employed by EQT since 2007.

#### Education:

M.Sc in Economics and Business Administration from the Stockholm School of Economics with exchange studies at the University of St Gallen in Switzerland.

#### Other current assignments:

Chairman of the Equity Partners Investment Committee. Board member of Anticimex, Independent Vetcare Limited, Bark Partners AB, Lago Invest, Lago Holding.

#### Previous assignments:

Board member of Eton AB, Industrial and Financial Systems, IFS Aktiebolag, Evidensia Djursjukvård AB and Automic.

#### Experience:

Per has worked in the Stockholm and Munich offices at EQT Partners and has been involved in a number of investments including IFS, Automic, SSP, Academic Media, Securitas Direct, IVC, Anticimex, Eton, Duni, Karo Pharma and Piab.

#### Shareholding in EQT AB<sup>1)</sup>:

27,596,291 ordinary shares (indirectly).



### WARD FITZGERALD

Born 1963. Partner and Head of EQT Exeter since April 2021.

#### Education:

MBA from Harvard Business School and BA in Business Administration from the University of Notre Dame.

#### Other current assignments:

Board member for Jefferson Hospital, The Ehlers Danlos Society, The Papal Foundation, The National Centre for Padre Pio, and the Business Advisory Council at the University of Notre Dame.

#### Previous assignments:

Chief Executive Officer and Senior Managing Principal of Exeter Property Group. Senior Management at Rouse/Liberty Property Trust. Board member of the Handmaids of the Sacred Heart, Fields Design and Development Committee Notre Dame Academy in Villanova, Real Estate Board for the Archdiocese of Philadelphia, the Board of Trustees and Hall of Fame for LaSalle College High School.

#### Experience:

Prior to Exeter, Ward began as a senior management team member with Rouse/Liberty Property Trust, a \$7B publicly traded office and industrial REIT, which he helped take public in 1994. Ward has held the position of Chief Executive Officer and Senior Managing Principal of Exeter Property Group since the founding of the firms in 2006.

#### Shareholding in EQT AB<sup>1)</sup>:

23,203,640 ordinary shares (with family).



### BAHARE HAGHSHENAS<sup>2)</sup>

Born 1979. Global Head of Sustainable Transformation.

#### Education:

BS. Social Science from Mid-University in Sweden and a mini MBA from University of Chicago Booth School of Business in the UK.

#### Other current assignments:

-

#### Previous assignments:

Partner at Deloitte and Executive Director of Acacia, Deloitte's Sustainability Innovation Hub.

#### Shareholding in EQT AB<sup>1)</sup>:

<sup>1)</sup> Shareholdings in EQT AB are stated as of 14 March 2022.

<sup>2)</sup> Bahare Haghshenas became a member of the EQT Executive Committee in January 2022.

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## The Executive Committee, continued



**KIM HENRIKSSON**  
Born 1968. CFO since October 2018.

**Education:**  
Master of Science in Economics from Hanken School of Economics.

**Other current assignments:**  
Board member of EQT Partners AB.

**Previous assignments:**  
Board member of Alvia Oyj and Nokkila Konsult & Förvaltnings Aktiebolag. Partner and board member of Access Partners Oy.

**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 subsequently, he was a Partner and Corporate Finance Advisor at Access Partners.

**Shareholding in EQT AB<sup>1)</sup>:**  
225,000 ordinary shares (directly) and 22,676 class C shares.



**MORTEN HUMMELMOSE**  
Born 1971. Partner since 2008 and Head of Client Relations and Capital Raising Advisory Team since January 2021. Employed by EQT since 2006.

**Education:**  
Morten holds a M.Sc. in Economics from the University of Copenhagen and a M.Sc. in Finance from the University of London.

**Other current assignments:**  
Board member of Pas Normal Studios and Chairperson of Human Rights Watch Copenhagen Circle of Friends.

**Previous assignments:**  
Chairman of EQT Partners Inc, Head of Private Equity US, Head of Private Equity Copenhagen, Board member at Focus Vision, Nordic Aviation Capital, Cast & Crew, ISS, DAKO, Færch Plast, KMD and Flying Tiger Copenhagen.

**Experience:**  
Prior to joining EQT Partners, Morten worked as a Director in the corporate finance department of Enskilda Securities (2001-2006) in Copenhagen. Prior to Enskilda Securities, Morten worked at Goldman Sachs International (1998-2001) in London and Aros Securities (1995-1998) (now Nordea) in Copenhagen.

**Shareholding in EQT AB<sup>1)</sup>:**  
21,110,627 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 Innnut AB.

**Previous assignments:** –  
**Experience:**  
Prior to joining EQT, Anna was CEO at Propell, a recruitment agency that she founded in 2004 together with Investor and Novare. Prior to that she worked as HR consultant for Investor's HR firm Novare.

**Shareholding in EQT AB<sup>1)</sup>:**  
433,335 ordinary shares (directly).

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The CEO is appointed by and subordinated to the board and is responsible for the everyday management and operations of EQT AB. The division of work between the board and the CEO is set out in the rules of procedure for the board and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information from executive management for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in EQT AB and consequently must ensure that the board receives adequate information for the board to be able to evaluate EQT AB's financial condition continuously, including results, liquidity and credit status.

Furthermore, the CEO must continuously keep the board informed of developments in EQT's operations, important business events, as well as environmental, social and governance issues and risks and all other events, circumstances or conditions which can be assumed to be of significance to EQT AB's shareholders.

EQT AB's executive management, Executive Committee, consisted of eight members during 2021. 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, Deputy Managing Partner (Lennart Blecher) and Partner and Head of EQT Exeter (Ward Fitzgerald). During 2022, Bahare Haghshenas was appointed as member of the Executive Committee. The Executive Committee meets on a regular basis, and the matters considered at the meetings are recorded in minutes. In 2021, the Executive Committee's work has mainly been focused on executing on EQT's strategic priorities to build the EQT platform and future-proof performance for the long-term.

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 man-

agement are described in Note 7. The remuneration report will be presented to the AGM 2022 in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board 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 efficient operations, reliable reporting and compliance with applicable laws and regulations. With respect to financial reporting, internal controls are intended to provide reasonable assurances regarding the reliability of external financial reporting as well as to ensure that external financial reporting is prepared in accordance with applicable laws and regulations, applicable accounting standards and other requirements for EQT AB as a company listed on a regulated market.

The process for the EQT AB Group's internal control is based on the Committee of Sponsoring Organizations of the Treadway Commission's guidelines on internal control ("COSO"). The process includes control environment, risk assessment, control activities, information as well as communication and monitoring. The control environment establishes the character and provides the discipline and structure for the other four integral components of internal control.

The board of EQT AB evaluates the need for a separate internal audit function on a yearly basis. EQT AB has not had a separate internal audit function as the regular internal assessments of internal controls was deemed to be sufficient as an oversight function.

#### Control environment

The internal control environment is built upon corporate values, which ensure the organization's commitment to integrity and holding individuals accountable for their responsibilities. The board is responsible for performing independent oversight of the development and execution of the EQT AB Group's internal control framework. The audit committee is responsible for the quality and supervision of the EQT AB Group's internal controls and risk management. A key aspect of the internal control environment is the organizational structure of the EQT AB Group, including its reporting lines, authorities and allocation of responsibilities established by the executive management. To ensure that EQT's values, ways of working and regulatory requirements are applied throughout the entire organization, the EQT AB Group has developed a number of policies, guidelines and instructions, including i.a. the Conflicts of Interest Policy, the Finance Policy, the Information Security and Data Privacy Policy, the Information and Trading Policy and the Responsible Investment & Ownership Policy. The process for managing these policies and allocating ownership and accountability is set out in the Governance Policy and the Governance Guideline. In addition to Group policies, the EQT AB Group has a Code of Ethics with mandatory principles regarding management and employee behavior.

#### 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. The Risk Committee reviews and discusses the risk framework and risk assessments on behalf of the Executive Committee.

Risk assessments are conducted continuously by way of interviews and internal reports. Conclusions drawn from con-

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ducted 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 operational risks relating to payments, cybersecurity and Asia operations 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 and control framework.

The EQT AB Group's risk function uses an audit & risk software to coordinate the self-assessments of internal controls, document issues, put in place remediation plans and track progress on those.

#### 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.

## Auditor's report on the corporate governance statement

To the general meeting of the shareholders in EQT AB, corporate identity number 556849-4180

#### ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the year 2021 on pages 160–170 and that it has been prepared in accordance with the Annual Accounts Act.

#### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 25 March 2022

KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

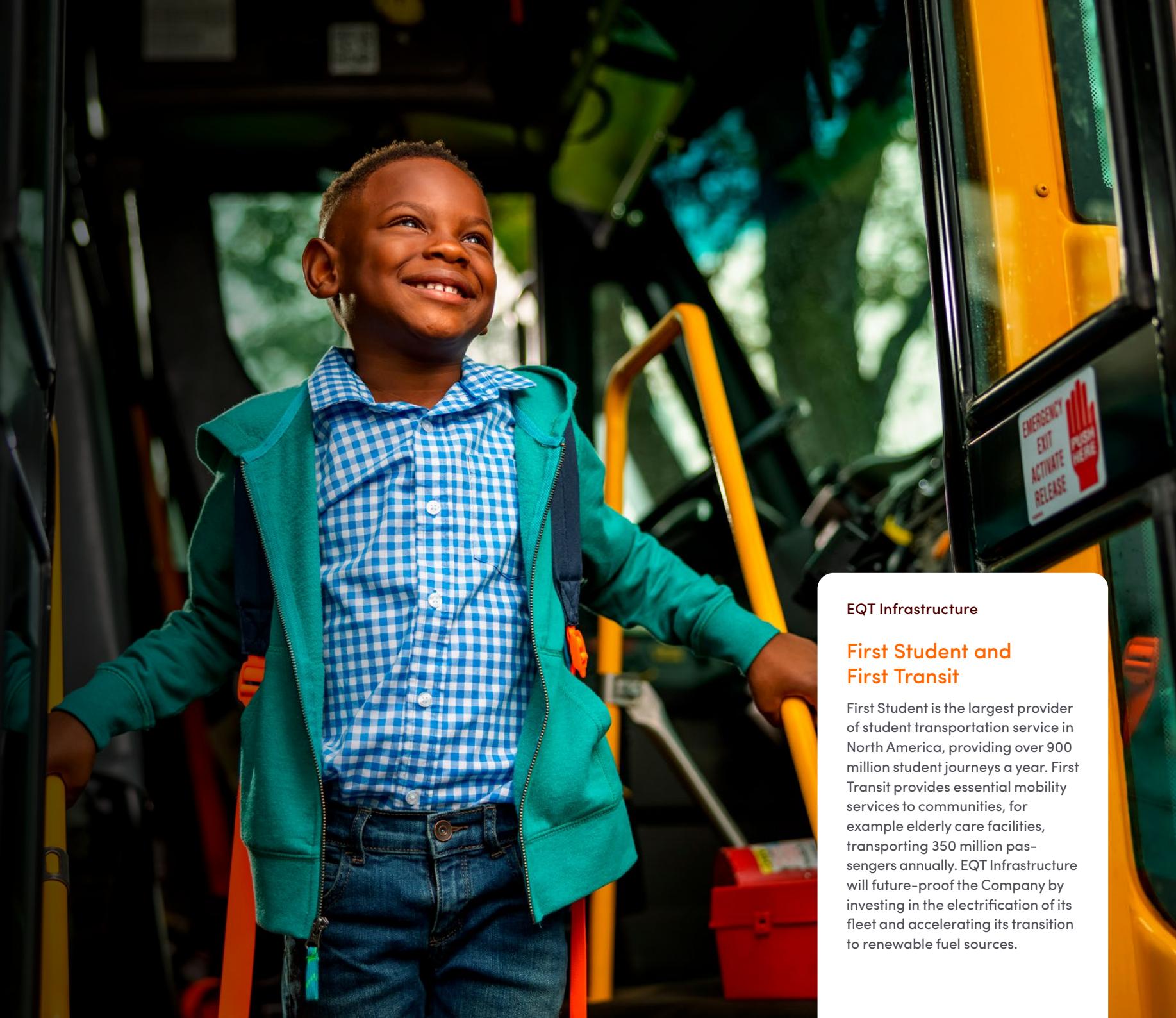
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## Additional information



### EQT Infrastructure

#### First Student and First Transit

First Student is the largest provider of student transportation service in North America, providing over 900 million student journeys a year. First Transit provides essential mobility services to communities, for example elderly care facilities, transporting 350 million passengers annually. EQT Infrastructure will future-proof the Company by investing in the electrification of its fleet and accelerating its transition to renewable fuel sources.

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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 2021 was 132%. The corresponding return since IPO was 650%.<sup>1)</sup>

## Share performance and trading

Since its listing on Nasdaq Stockholm on 24 September 2019 and up to the last day of trading on 30 December 2021, the EQT AB share (ticker: EQT) delivered a shareholder return of 650%. Nasdaq Stockholm PI exhibited a return of 52% over the same period. On the last day of trading on 30 December 2021, the share price closed at SEK 493, compared to the first trade on 4 January 2021 of SEK 214, equivalent to a share price increase of 132%.

As of 31 December 2021 EQT AB has 986,280,140 ordinary shares listed on Nasdaq Stockholm. In addition to the ordinary shares, 713,512 class C shares, as part of the EQT

Share Program, were outstanding as of 31 December 2021. As of the year end, the total amount of shares outstanding were 986,993,652 shares.

During 2021, 249 million EQT shares were traded on Nasdaq Stockholm, corresponding to a traded value of SEK 90.4 billion over the period. The traded volume on all venues combined amounted to 377 million shares, corresponding to a value of SEK 137.6 billion. On average, 1.5 million EQT shares were traded daily. The turnover ratio for ordinary EQT AB shares amounted to 15.5% in 2021. Partners' sale of shares during 2021 is included in volumes and traded value stated above.

## Share price and trading



<sup>1)</sup> As of 30 December 2021.

<sup>2)</sup> Normalized, factor 100.

<sup>3)</sup> Partners' sale of shares during September 2021 included.

Source: Bloomberg Finance L.P.

## Ordinary share information and tickers

EQT	Nasdaq Stockholm
EQT SS Equity	Bloomberg
EQTAB.ST	Reuters
8700	Industry Classification Benchmark (ICB)
SE0012853455	ISIN code

## Share performance

Adj. EPS, basic (SEK) <sup>1)</sup>	1.011
EPS, basic (SEK) <sup>1)</sup>	0.928
Year open (SEK)	213.5
Year close (SEK)	493.0
Year low (SEK) <sup>2)</sup>	205.9
Year high (SEK) <sup>2)</sup>	544.4
Beta	1.04
Annualized volatility (%)	41.6
Turnover ratio (%) <sup>3)</sup>	15.5%
Average daily volume	1,491,338
Quota value (SEK)	0.10
No. of ordinary shares outstanding	986,280,140
Market capitalization <sup>4)</sup> (SEK million)	490,507

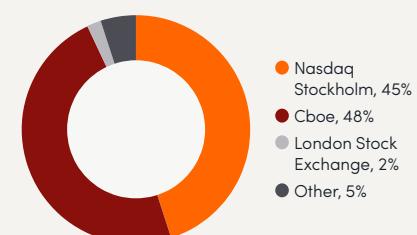
<sup>1)</sup> The adjusted metrics are alternative performance metrics for the EQT AB Group. For a full reconciliation please refer to Alternative Performance Measures (APM).

<sup>2)</sup> In terms of closing price.

<sup>3)</sup> Measures share liquidity by setting the turnover value in relation to average market capitalization for the period.

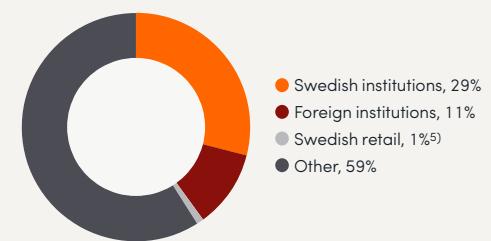
<sup>4)</sup> Based on the total number of issued ordinary shares and class C shares as of 31 December 2021.

## Trading per venue, 2021 (%)



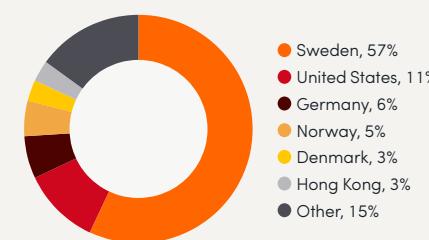
Source: Monitor

## Shareholder distribution by owner type, as of 31 December 2021 (% of capital)



<sup>5)</sup> Retail defined as shareholders owning less than 10,000 shares.

## Geographical shareholder distribution, as of 31 December 2021 (% of capital)



Source: Monitor

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## Top 25 largest shareholders in EQT

Shareholder	Number of ordinary shares	Number of class C shares	Share capital (%)	Votes (%)
Investor AB <sup>1)</sup>	174,288,016		17.5	17.7
Bark Partners AB <sup>2)</sup>	137,003,313		13.8	13.9
Marcus Brennecke	29,460,565		3.0	3.0
Lennart Blecher <sup>3)</sup>	29,203,556		2.9	3.0
Capital Group	28,300,584		2.8	2.9
Christian Sinding <sup>4)</sup>	28,120,000		2.8	2.8
Caspar Callerström	27,400,000		2.8	2.8
Fredrik Åttling	25,818,559		2.6	2.6
Edward Fitzgerald with family	23,203,640		2.3	2.4
Wallenberg Investments	22,766,801		2.3	2.3
Andreas Huber	22,503,034		2.3	2.3
Jan Ståhlberg	22,249,863		2.2	2.3
Morten Hummelmose <sup>5)</sup>	21,110,627		2.1	2.1
Stefan Glevén	19,777,642		2.0	2.0
Blackrock	18,337,571		1.8	1.9
Kristian Nieuwenburg	15,000,000		1.5	1.5
Anders Misund <sup>6)</sup>	13,888,890		1.4	1.4
Alecta Pension Insurance	12,762,000		1.3	1.3
Paul de Rome	12,395,812		1.2	1.3
Åsa Christina Riisberg	10,694,445		1.1	1.1
SEB Funds	9,655,708		1.0	1.0
Handelsbanken Funds	9,562,113		1.0	1.0
Stiftelsen EQT Foundation	9,529,840		1.0	1.0
Vanguard	8,571,642		0.9	0.9
Folksam	8,284,928		0.8	0.8
<b>Total top 25</b>	<b>739,889,149</b>		<b>74.4</b>	<b>75.0</b>
Others	246,390,991	8,663,490	25.6	25.0
<b>Total</b>	<b>986,280,140</b>	<b>8,663,490</b>	<b>100.0</b>	<b>100.0</b>
Shares owned by EQT		7,949,978	0.8	0.1

<sup>1)</sup> Investor AB holds shares indirectly.

<sup>2)</sup> Indirectly controlled by Conni Jonsson, Thomas Von Koch, Harry Klagsbrun and Per Franzén.

<sup>3)</sup> Lennart Blecher holds shares directly and indirectly.

<sup>4)</sup> Christian Sinding holds shares indirectly.

<sup>5)</sup> Morten Hummelmose holds shares indirectly.

<sup>6)</sup> Anders Misund holds shares indirectly.

## Share capital development

Time	Event	Number of shares					Share capital (SEK)	
		Change in number of preference shares	Change in number of ordinary shares	Change in number of class C shares	Number of preference shares after the transaction	Number of ordinary shares after the transaction	Number of class C shares after the transaction	Change
2017-03-08	Share issue <sup>1)</sup>	4,900	–	–	4,900	6,172,840	–	49.00 61,777.40
2018-03-02	Share issue <sup>1)</sup>	1,500	–	–	6,400	6,172,840	–	15.00 61,792.40
2019-01-18	Reduction of share capital <sup>[2)</sup>	–200	–	–	6,200	6,172,840	–	–2.00 61,790.40
2019-01-25	Share issue <sup>3)</sup>	–	209,475	–	6,200	6,382,315	–	2,094.75 63,885.15
2019-01-25	Share issue <sup>4)</sup>	–	894,130	–	6,200	7,276,445	–	8,941.30 72,826.45
2019-01-25	Share issue <sup>5)</sup>	–	4,120,370	–	6,200	11,396,815	–	41,203.70 114,030.15
2019-04-23	Share issue <sup>6)</sup>	–	404,376	–	6,200	11,801,191	–	4,043.76 118,073.91
2019-04-30	Share issue <sup>7)</sup>	–	982,669	–	6,200	12,783,860	–	9,826.69 127,900.60
2019-06-30	<sup>8)</sup>	–	–	–	6,200	12,783,860	–	– 127,900.60
2019-07-24	Share issue <sup>9)</sup>	–	879,630	–	6,200	13,663,490	–	8,796.30 136,696.90
2019-07-24	Reduction of share capital <sup>[10)</sup>	–	–5,000,000	–	6,200	8,663,490	–	–50,000 86,696.90
2019-07-24	Bonus issue	–	–	–	6,200	8,663,490	–	43,348.45 130,045.35
2019-07-29	Reduction of share capital <sup>[11)</sup>	–6,200	–	–	–	8,663,490	–	–93.00 129,952.35
2019-07-29	Bonus issue	–	–	–	–	8,663,490	–	86,504,974.65 86,634,900
2019-07-29	Split (1:100)	–	857,685,510	–	–	866,349,000	–	– 86,634,900
2019-09-24	New Share Issue in connection with the IPO	–	86,634,900	–	–	952,983,900	–	8,663,490.00 95,298,390
2019-11-14	Issue and Repurchase of class C shares for the EQT Share program	–	–	8,663,490	–	952,983,900	8,663,490	866,349 96,164,739
2021-04-08	Share Issue <sup>[12)</sup>	–	33,296,240	–	–	986,280,140	8,663,490	3,329,624 99,494,363

<sup>1)</sup> Paid in cash. The subscription price amounted to SEK 0.01 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 0.0001 per share.

<sup>2)</sup> The purpose of the reduction was for repayment of SEK 2 to shareholders.

<sup>3)</sup> Paid by way of set-off of receivable. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 1.25 per share.

<sup>4)</sup> Paid in cash. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 12.25 per share. Members of the executive management who have subscribed are Jussi Saarinen (20,994 shares), Anna Wahlström (10,497 shares) and Conni Jonsson through Qarlibo Associates SA (75,364 shares).

<sup>5)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 2,611,674, corresponding to approximately SEK 0.63 per share and SEK 0.0063, adjusted for the split which was completed during 2019.

<sup>6)</sup> Paid in cash. The subscription price amounted to SEK 1,225.19 per share which, adjusted for the split which was completed during 2019, corresponds to SEK 12.25 per share.

<sup>7)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 1,337,372,122.29, corresponding to approximately SEK 1,360.96 per share, which, adjusted for the split which was completed during 2019, corresponds to SEK 13.61 per share.

<sup>8)</sup> EQT AB has drawn up unaudited condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2019. As of 30 June 2019, all of the shares in the company were fully paid for with a quota value of SEK 0.01.

<sup>9)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 335,095.22, which corresponds to SEK 0.38 per share and SEK 0.0038 per share, adjusted for the split which was completed during 2019.

<sup>10)</sup> The purpose of the reduction was repayment of SEK 50,000 to shareholders.

<sup>11)</sup> The annual shareholders' meeting on 27 June 2019 resolved on a reduction of the share capital whereby these preference shares were redeemed at quota value SEK 0.15 resulting in a SEK 93 transfer to the reserve fund.

<sup>12)</sup> Paid in kind which was recorded in the company's balance sheet to SEK 6,785,107,787.20, corresponding to SEK 203.78 per share. The purpose of the share issue in kind was to ensure delivery of shares in accordance with the obligations set forth in the purchase agreements relating to the combination with Exeter Property Group.

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### Shareholding distribution

Holding	Number of ordinary shares	Number of class C shares	Capital (%)	Votes (%)
1–500	3,754,877	0	0.4	0.4
501–1,000	1,303,706	0	0.1	0.1
1,001–5,000	2,411,508	0	0.2	0.2
5,001–10,000	877,780	0	0.1	0.1
10,001–15,000	576,732	0	0.1	0.1
15,001–20,000	460,100	0	0.1	0.1
20,001–	976,895,437	8,663,490	99.1	99.1
<b>Total</b>	<b>986,280,140</b>	<b>8,663,490</b>	<b>100.0</b>	<b>100.0</b>

Source: Euroclear Sweden

### Voting rights

Each ordinary share in EQT entitles the holder to one vote at the shareholders' meetings and one class C share entitles the holder to one tenth vote at shareholders' meetings. Each shareholder holds voting rights equal to the number of shares held by the shareholder in the company.

### Shareholder contact:

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### Ownership structure

As of 31 December 2021, EQT AB had 51,750 shareholders according to Euroclear Sweden. At the end of 2021, approximately 29 percent of the shares were held by Swedish institutions, 11 percent by foreign institutions and 1 percent were held by Swedish retail investors. As of 31 December 2021, the 25 largest shareholders held 74.4 percent of the capital and 75.0 percent of the votes in EQT AB. On 31 December 2021, 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 2021, the share capital of EQT AB amounted to SEK 99,494,363, distributed over 994,943,630 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 2.80 per share in respect of the fiscal year of 2021, payable in 2022. The dividend will be paid in two installments, SEK 1.40 in June 2022 and SEK 1.40 in December 2022. 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.

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# Alternative performance measures (APM)

To increase the understanding of the development of the operations and the financial position of EQT AB Group, EQT presents some alternative performance measures in addition to financial measures defined by IFRS. EQT believes these measures provide a better understanding of

the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS are useful information to investors combined with other measures that are calculated in accordance with IFRS. These alternative performance measures should not

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

Definition	Reason for use	Definition	Reason for use
<b>Adjusted total revenue</b>  Total revenue adjusted for fair value step-up on acquired contractual right to carried interest from EQT VI, EQT VII and selected funds.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Total revenue adjusted for fair value step-up on acquired contractual right to carried interest from EQT VI, EQT VII and selected funds, implying that (i) revenue recognition from the date of the acquisition will be consistent with the valuation principles used for previously owned right to carried interest entitlements and (ii) closer correlation between recognized revenues from carried interest and investment income and expected cash to be received.	<b>Adjusted EBITDA</b>  EBITDA adjusted for items affecting comparability and revenue adjustments.  Items affecting comparability means items that are reported separately due to their character and amount. For a specification of items affecting comparability, see Note 4.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Adjusted EBITDA is a useful measure for showing profitability of the operations and increases the comparability between periods.
<b>Gross segment result</b>  Total revenue adjusted for fair value step-up on acquired contractual rights to carried interest from EQT VI, EQT VII and selected funds less directly incurred expenses by business segment.  For revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.	Gross segment result provides an overview of the direct contribution of each business segment.	<b>Adjusted EBITDA margin, %</b>  Adjusted EBITDA divided by Adjusted total revenue.	Adjusted EBITDA margin is a useful measure for showing the profitability of the operations and increases the comparability between periods, relative to total revenue generated by the Group during the period.
<b>Gross segment margin</b>  Gross segment result divided by Adjusted total revenues by business segment.	Gross segment margin provides an overview of the profitability by each business segment.	<b>Adjusted net income</b>  Net income adjusted for items affecting comparability and revenue adjustments.  Items affecting comparability means items that are reported separately due to their character and amount, see Note 4.	Adjusted net income is a useful measure for showing the profitability generated by the Group as this measure is adjusted for items affecting comparability between periods.
<b>EBITDA</b>  EBIT excluding depreciation and amortization of property plant and equipment and intangible assets and intangible assets and amortization of acquisition related intangible assets.	EBITDA provides an overview of the profitability of the operations.	<b>Revenue adjustments related to the accounting treatment of change of entitlement to revenue from EQT VI, EQT VII and selected funds, see Note 4.</b>	
<b>EBITDA margin, %</b>  EBITDA divided by Total revenue.	EBITDA margin is a useful measure for showing the profitability of the operations relative to total revenue generated by the Group during the period.	<b>Adjusted earnings per share</b>  Adjusted net income in relation to average number of shares.	Adjusted earnings per share is a useful measure for showing the profitability per share generated by the Group as this measure is adjusted for items affecting comparability between periods.
		<b>Financial net cash</b>  Cash, cash equivalents and short-term loans receivable less 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.

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## Adjusted total revenue

EUR m	2021	2020
Total revenue	1,596.0	708.7
Revenue adjustments	27.2	53.0
<b>Adjusted total revenue</b>	<b>1,623.3</b>	<b>761.6</b>

## Adjusted EBITDA / Adjusted net income

	2021	2020
Net income	908.7	282.8
Income taxes	-30.8	28.3
Net financial income and expenses	0.0	-6.2
<b>Operating profit (EBIT)</b>	<b>877.9</b>	<b>304.9</b>
Amortization of acquisition related intangible assets	54.8	-
Depreciation and amortization	37.5	35.1
<b>EBITDA</b>	<b>970.2</b>	<b>340.0</b>
Revenue adjustments	27.2	53.0
Items affecting comparability	102.3	-7.8
<b>Adjusted EBITDA</b>	<b>1,099.7</b>	<b>385.3</b>
Depreciation and amortization	-37.5	-35.1
Amortization of acquisition related intangible assets	-	-
Net financial income and expenses	0.0	6.2
Income taxes (including tax on adjustments)	-73.0	-26.7
<b>Adjusted net income</b>	<b>989.2</b>	<b>329.7</b>

## Adjusted earnings per share, basic

	2021	2020
Adjusted net income, EUR m	989.2	329.7
Average number of shares, basic	978,676,908	953,209,150
<b>Adjusted earnings per share, basic, EUR</b>	<b>1.011</b>	<b>0.346</b>

## Adjusted earnings per share, diluted

	2021	2020
Adjusted net income, EUR m	989.2	329.7
Average number of shares, diluted	978,931,156	953,619,051
<b>Adjusted earnings per share, diluted, EUR</b>	<b>1.010</b>	<b>0.346</b>

## Financial net cash / (Net debt)

EUR m	2021	2020
Cash and cash equivalents	587.9	878.0
Interest-bearing liabilities – non-current <sup>1)</sup>	-500.0	
<b>Financial net cash / (Net debt)</b>	<b>87.9</b>	<b>878.0</b>

<sup>1)</sup> Nominal amount.

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# Definitions

**Active funds** Funds currently investing or with not yet realized investments.

**AUM** Assets Under Management ("AUM") represent 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.

**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 indirect 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 (for the avoidance of doubt excluding 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. Refers to signed realizations in a given period.

**Gross MOIC** Total value of investments divided by total cost of investments.

**IFRS** International Financial Reporting Standards.

**Industry AUM** Total industry assets under management.

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

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

**Investments** Signed investments by an EQT fund.

**IPO** The initial public offering of EQT AB's ordinary shares during autumn 2019.

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

**Limited Partner** Investors in EQT funds whose commitment and right to return is derived from the size of the investment.

**Net invested capital** Total cost of investments not yet realized (remaining cost). Management fees are generally based on net invested capital after the commitment period / investment period.

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

**Partners** Employees within the EQT AB Group primarily with the title "Partner" (including a few former Partners depending on the context) who are also shareholders in the company.

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

**Private Capital** Business segment comprised of business lines EQT Private Equity, EQT Ventures, EQT Growth, EQT Public Value, EQT Future and EQT Life Sciences.

**Real Assets** Business segment comprised of business lines EQT Infrastructure, EQT Active Core Infrastructure and EQT Exeter.

**Realization (of investments)** Sale or write-off of investment made by an EQT fund.

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

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

**SEK** Swedish krona.

**Shares** Unless otherwise stated, "shares" refer to ordinary shares in the company.

**Special Limited Partner or SLP** A vehicle through which Carried Interest Participants indirectly invest into a fund structure and is entitled to receive carried interest.

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

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

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

**USD** US Dollar.

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# AGM-information

The Annual Shareholders' Meeting in EQT AB will be held on Wednesday, 1 June 2022, at 16:00 CEST. The notice convening the Annual Shareholders' Meeting and the other documents will be held available on EQT's website, [www.eqtgroup.com](http://www.eqtgroup.com).

## Financial calendar 2022

### 2022

26 April	Quarterly Announcement January–March 2022
1 June	Annual Shareholders' Meeting 2022
14 July	Half-year Report 2022
18 October	Quarterly Announcement July–September 2022



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