

Remuneration report 2020

Introduction

This remuneration report provides an outline of how EQT AB's guidelines for executive remuneration, adopted by the annual shareholders' meeting 2020, have been implemented in 2020. The report also provides details on the remuneration of EQT AB's CEO and deputy CEO, as well as fees to board members not resolved upon by the annual shareholders' meeting 2020. In addition, the report contains a summary of EQT AB's outstanding share and share-price related incentive program, the EQT Share Program. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act is available in note 7 on p. 99-103 in the company's annual report for 2020.

Information on the work of the remuneration committee in 2020 is set out in the corporate governance report, which is available on p. 139-140 in the annual report 2020.

Remuneration to the board of directors resolved upon by the annual shareholders' meeting is not covered by this report. Such remuneration is resolved annually by the annual shareholders' meeting and disclosed in note 7 on p. 101 in the annual report 2020.

Key Developments 2020

EQT's overall performance in 2020

The CEO summarizes EQT AB's overall performance in his statement on p. 8-9 in the annual report 2020.

Overview of the application of the remuneration guidelines in 2020

Under EQT AB's remuneration guidelines, remuneration of executive management shall be on market terms and may consist of the following components: remuneration, variable cash remuneration, pension benefits and other benefits. The remuneration guidelines, adopted by the annual shareholders' meeting 2020, can be found on p. 99-100 in the annual report 2020. The auditor's report regarding whether EQT AB has complied with the guidelines is available on EQT AB's website, www.eqtgroup.com.

For 2020, EQT AB applied the remuneration guidelines in their determination of executive management pay outcomes and there were no deviations from the guidelines. Fixed remuneration was reviewed and found to be competitive and reflect responsibility. The majority of the executive management team members do not receive variable remuneration given their ownership stake in EQT AB being above 1.5%. For those in the executive management team that do receive variable remuneration, 2020 outcomes were in line with the assessment of EQT AB, business line and individual performance against the targets set at the beginning of the year.

In addition to remuneration covered by the remuneration guidelines, the annual shareholders' meeting 2019 resolved to implement the incentive program named "the EQT Share program" and the annual shareholders' meeting 2020 resolved on remuneration to the board of directors.

Total remuneration of the CEO and deputy CEO (EUR)

The table below sets out total remuneration paid to EQT AB's CEO and deputy CEO during 2020 and 2019.

Name of Director, (position)	Financial year	1 Fixed remuneration		2 Variable remuneratio		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Christian Sinding (CEO)	2020	529,835	11,583				33,213	574,631	100 / 0
	2019	540,357	9,605				20,636	570,597	100 / 0
Caspar Callerström (deputy CEO)	2020*	200,872	1,097				58,426	260,394	100 / 0
	2019	299,808	1,551				55,681	357,040	100 / 0

* Caspar Callerström has worked only part of the year in 2020.

Fees to board members not resolved upon by the annual shareholders' meeting 2020

Pursuant to a consultancy agreement with EQT AB, its board member Edith Cooper provides consultancy services as senior advisor to support EQT's administration of the EQT Network. Edith Cooper is entitled to an annual fixed retainer of EUR 35,000 for the provision of these consultancy services.

Pursuant to a consultancy agreement with EQT AB, its board member Gordon Orr provides, via Westchel Ltd, a company controlled and represented by Gordon Orr, consultancy services as senior advisor to support (i) EQT's administration of the EQT Network (the "Original Assignment") and (ii) the APAC Advisory Team (the "APAC Assignment"). Westchel Ltd is entitled to an annual fixed retainer of EUR 35,000 for the provision of the Original Assignment and a consulting fee of EUR 2,500 per day (in total 15 days during 2020, i.e. EUR 37,500 for 2020) where services have been performed, starting 1 June 2020, for the provision of the APAC Assignment.

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 has amounted to EUR 4,375.

Since 1 January 2019, Conni Jonsson has been employed on a part-time contract, 25 percent, in EQT AB's subsidiary EQT Partners AB. The employment relates solely to Conni Jonsson's work in investment committees. The compensation related to the employment amounted to EUR 92,403 during 2020.

In light of above, fees to board members not resolved upon by the annual shareholders' meeting 2020 has in total amounted to EUR 204,278 during 2020.

Share based remuneration

EQT Share Program

An incentive program, the EQT Share program, has been implemented in the EQT AB Group. The program includes members of the Executive Committee in EQT AB (however, as to date, not the CEO or deputy CEO). 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 an approximately three-year holding period follows. For more information regarding the EQT Share program, including the criteria which the outcome depends on, please see page 79 in the annual report.

Compliance with the remuneration guidelines and application of performance criteria

A prerequisite for the successful implementation of EQT AB's business strategy and safeguarding of its long-term interests, including its sustainability, is that EQT AB is able to attract and retain world class talent suitable for each role. To this end, it is necessary that EQT AB offers market competitive total compensation. EQT AB's remuneration guidelines enable EQT AB to offer the executive management a market competitive total compensation.

Total remuneration of the CEO and the deputy CEO during 2020 has complied with EQT AB's remuneration guidelines. The CEO and the deputy CEO have not been comprised by the EQT Bonus program, i.e. variable cash remuneration, nor the EQT Share program, as they own more than 1.5 percent of the shares of EQT AB, entailing that they are excluded from participating in these programs pursuant to EQT AB's remuneration guidelines. Therefore, they do not receive any remuneration that is based on performance conditions. The assessment is that due to the large ownership in EQT AB, there is already a strong long term value creation link ensuring fully aligned interests with EQT's fund investors in the EQT funds, EQT AB's shareholders as well as EQT's long term approach.

Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

During 2020, EQT AB has not deviated from the procedure for the implementation of the remuneration guidelines or derogated from the remuneration guidelines themselves.

Comparative information on the change of remuneration and company performance

Change of remuneration and company performance over the last two reported financial years

Annual change	2020	2019
Directors remuneration (EUR)		
Christian Sinding, CEO from 2019	574,631 (+1%)	570,597
Caspar Callerström, deputy CEO*	359,331 (+1%)	357,040
EQT AB's performance (mEUR)		
Adjusted Revenue	762** (+26%)	606
Adjusted EBITDA	385** (+51%)	275
Average remuneration in EUR on a full-time equivalent basis of employees		
All employees of EQT AB (excluding CEO and deputy CEO)	179,882 (-6%)	191,323

*Caspar Callerström has worked only part of the year in 2020. His remuneration is reported as full time equivalent for comparison reasons.

**Excluding business segment Credit