Q1 2021 Announcement

Thursday, 22nd April 2021

Opening Remarks

Olof Svensson

Head of Shareholder Relations, EQT

Welcome

Good morning and welcome to EQT's Q1 announcement. Today, I will be joined by Christian, Caspar and Kim for a brief presentation. We will spend about 20 minutes presenting, then Caspar, Kim and I will host a Q&A, which Christian will not be joining today.

As you all know, in line with EQT's long-term business model, our quarterly announcements only include key operating numbers, and we only publish full financial statements in our half-year reports.

As a reminder, in order to ask questions during the Q&A you need to be dialled in to the conference line.

With that, I will hand over to Christian.

Q1 Highlights

Christian Sinding

CEO and Managing Partner, EQT

Combination with Exeter and Preparations for New Initiatives

Q1 has been an eventful quarter for EQT. To mention a few highlights: we teamed up with Exeter, forming EQT Exeter, a global leader in value-add, thematic real estate investments, and we continued our preparations for new, upcoming initiatives, including EQT Growth and long term. In short, delivering on our strategy and our focus on active ownership investment areas where we can really futureproof companies and make a positive impact.

Q1 2021 in Brief

Strategic

Let us look at the quarter in a bit more detail. In addition to Exeter, which Caspar will cover later in the presentation, we set the target for EQT Growth at €2 billion. EQT Growth is a key piece in the private capital puzzle, and we can now support companies from start-up to maturity.

The preparations for potential long-hold strategies continues both for private capital and for infrastructure. In fact, Exeter already has funds that are longer term as part of their offering to their customers. More to come on that later in 2021.

Gazing towards Asia, we announced our Japan presence in January and are currently sharpening the overall Asia-Pacific strategy. More to come on that, as well, later in 2021.

Fundraising

Fundraising is progressing well, with EQT IX done now, in April, and EQT Infrastructure V is expected to be materially concluded in H1 2021. It is also expected to reach its hard cap at €15 billion.

Deal activity

Turning to deal activity, exit volumes were elevated during the quarter and investment activity continued at a really sound pace.

Value creation

Value creation continues to develop well and, in particular, EQT VII is now valued at a gross MOIC of 2.5x and we also expect that fund now to perform above plan. More on deal activity and value creation from Olof later in the presentation.

People and sustainability

When it comes to people, in February, we announced partner promotions. We welcomed 12 exceptional individuals to the EQT partnership. This is a diverse group of individuals representing different parts of the organisation as well as different geographies. The number of partners who are now women comprises 10% of the partner group, up from 3% before, so we are really making progress. We are also making progress at other levels of the firm, with 40% of associates now being female, but of course we still have a lot to do, both in our industry and in our firm, on broader diversity and inclusion.

I am also excited about our membership of FCLTGlobal. This is focusing capital on the long term, which we announced in March. This is a non-profit organisation with a mission to tackle short termism within the financial markets and to promote sustainable, long-term growth. For us, it is important to take part in the global conversation about the power of investing with purpose, investing for the long term and creating true value. Teaming up with FCLTGlobal is a key part of our ongoing purpose journey that we have talked a lot about.

Towards our targets

We continue to put our purpose into practice and setting ESG-related targets is an essential part of that. In our annual report that we have just published, you are going to find further details on our sustainability efforts, but let me highlight a few points. Last year, we set a diversity target to have women account for 65% of the investment advisory professionals hired and a majority of the teams accomplished this. Also, the share of women among independent directors appointed by EQT rose last year to 21% from 16% in 2019. Looking forward, we are setting a goal of having women constitute 40% of the independent board members who are appointed in all of our new control investments. Again, lots to do on diversity and inclusion.

In terms of our environmental targets, all our companies across the portfolio are accelerating their transition into renewable energy. Furthermore, the ESG-linked credit facilities we introduced last year are great examples, both at the fund level and at the EQT level and in a number of new portfolio companies; this is part of how we inspire and incentivise performance in this important area. In 2021, we are also sharpening our ambition further in order to set greenhouse gas emission targets in line with the Science Based Targets initiative and, overall, part of our compensation is linked to meeting our sustainability goals, as it was last year.

With Exeter, We Established a Leading Position in Real Estate

With Exeter, we took a major step forward on our growth ambition both within real estate and our path to expand EQT's presence in North America. We are thrilled to welcome

Ward Fitzgerald to the EQT Executive Committee and to have formally joined up with the full Exeter team to create EQT Exeter. With that, we have leading strategies across private equity, infrastructure and real estate and are becoming truly a global leader in all three.

As of Q1, Exeter has over 10 billion in AUM focused on thematic investments and has a really active value-add ownership approach that fits perfectly together with EQT.

Fundraising Cycles for Key Funds

We do get a lot of questions on fundraising cycles, so I would like to share a few perspectives on that again.

Private equity

As we noted before, the average commitment period in EQT's flagship funds has been about three years. In volatile markets it has taken longer; for example, it took about five years during the global financial crisis. In favourable markets some fund generations are on a slightly shorter cycle than three years, as we have seen recently. Now, EQT IX is 40-45% invested nine months after being activated. Given the current market environment and the pipeline we see, it is possible that EQT IX will be on a shorter cycle than three years. Having said that, you cannot really extrapolate the recent investment pace. Competition for thematic assets is high. We only invest when we have a real conviction that the investment will meet our return targets and, of course, performance really remains at the core, so we only do deals when we believe that we can really create long-term value.

Infrastructure

EQT Infrastructure V has also had a relatively high deployment pace and is now 20-25% invested.

Other initiatives

In terms of our other initiatives, EQT Growth first close is expected later this year but, as a first-time fund, that will continue its fundraising into 2022. As we continue to make progress, we are going to communicate more also on the long hold strategies and, later in H2, more on our Asia-Pacific strategies.

Towards the end of the year, we are going to start making preparations for EQT Ventures III and, in addition and in parallel, fundraising in EQT Exeter is progressing according to plan and Caspar will come back to this in a bit more detail.

We do remain laser focused on delivering performance in a responsible manner for our customers, that is really at the core of our model, and of course on building and strengthening the firm together with our superb team.

With that, I will hand over to Olof.

Fund Activity in Q1

Olof Svensson

Head of Shareholder Relations, EQT

Resilient Valuations – Key Funds

Thank you, Christian. Valuations across our key funds continued to develop well during Q1. As mentioned by Christian, EQT VII gross MOIC increased from 2.3 times at year end to 2.5 times following strong value creation and a series of announced exits. EQT VII is now considered to perform above plan. This means that we expect the fund to deliver a gross MOIC in excess of 2.5 times.

Infra III continues to develop above plan. All other key funds remain on plan.

EQT IX is valued at 1.1 times gross MOIC; that is down from 1.2 times at year-end 2020. As expected, the fund valuation has come down slightly as we added new investments marked at 1.0 times at entry.

As you know, we have previously referred to fewer than a handful of our portfolio companies having been structurally impacted by the pandemic. During the quarter, we exited one of those companies.

Elevated Exit Activity in Q1

Investments

Investment activity continued, with deals representing about €2.8 billion announced during the quarter compared to announced investments of about €5 billion in the fourth quarter. EQT IX is now 40-45% invested. EQT Infrastructure V is about 20-25% invested based on its expected size of €15 billion. Investments announced in Q1 were all in line with EQT's sector focus and thematic approach and included EQT IX's investment in Cerba HealthCare, the EQT Growth fund's investment in Epidemic Sound, and the investment in CYE by Mid Market Europe.

Exits

As market conditions remained robust during the quarter, we have continued to execute on the exit pipeline referred to in our year-end report. This resulted in announced exit volumes during the first quarter of €3.9 billion, which compared to €1.3 billion in Q4. If you look at exit activity on an LTM basis, volumes are broadly in line with last year's LTM rate. Exits announced in Q1 include IVC in EQT VII. Additionally, EQT VII sold Desotec and the Mid Market US fund realised holdings in Innovyze and Dorner. Looking ahead, we continue to expect a number of further exits this year and it may include certain material exits as well.

With that, I will hand over to Caspar.

EQT Exeter Combination

Caspar Callerström

Deputy CEO and COO, EQT

Combination with Exeter Completed

Overview

Thank you, Olof, and good morning, everyone. As you have seen, we closed the combination with Exeter in early April and, as Christian mentioned, Ward has now joined EQT's Executive Committee and is heading up the Real Estate platform. The combined Real Estate platform will operate under the new EQT Exeter brand, which you can see at the top-left of the slide.

Exeter Group financials 2020/Q1 2021

Exeter revenues were €112 million last year and EBITDA was €65 million, which was very much in line with our expectations, as communicated. As of Q1, Exeter's AUM was €9 billion and Exeter had about 230 FTEs.

EQT Exeter related financial disclosure

Exeter's contributions to EQT financials will be included as of closing, i.e. from 1 April, and will therefore have three months of contribution to our financials in the H1 report.

In terms of future financial reports, EQT Exeter financials will be integrated based on EQT's current reporting structure. EQT Exeter related disclosure, including AUM, will be aggregated in our Real Assets segment.

As previously communicated, Exeter has a number of ongoing fundraises and the fundraisings are developing well in line with our plan, with $5 billion of AUM expected to be added in 2021. We expect EQT Exeter to maintain at least this fundraising pace in 2022.

With that, I will hand over to Kim.

Assets Under Management

Kim Henriksson

CFO, EQT

Increase in AUM Reflects Closed Out Commitments in Infra V

Thank you, Caspar, and good morning, everyone. Let us have a look at the development in assets under management.

AUM increased by 12% during the quarter, mainly driven by the fundraising of Infra V, with the fund having reached its target size at first close. We expect Infra V to be materially concluded during the first half of this year and for the fund to reach approximately €15 billion in AUM. Fundraisings continue to develop well in line with plan and we had €6 billion of gross inflows from fundraisings primarily related to EQT IX and Infra V.

Note that after the quarter, i.e. today, the final close for EQT IX was announced with €15.6 billion in fee-generating AUM and the figures on this slide only reflect the 15.3 of closed out AUM as of 31 March. The additional inflow will then be reflected in the Q2 AUM numbers.

As a reminder, commitments that are closed out in 2021 will pay management fees from the time the fund was first activated and the so-called 'catch up fees' will then be booked in 2021.

As you know, the AUM based in older funds is reduced with the cost of investments as the funds exit their holdings, and please note that this is only reflected when the exits have closed, not when they are announced. Most of the exits that were announced here in Q1 are yet to close.

FTE+ Development

In line with what we stated and expected at year end, a meaningful number of new colleagues recruited in the latter part of 2020 joined EQT in Q1. The FTE+ count increased by 42 persons in Q1, from 710 to 752. New employees were added across the organisation, primarily within client relations and other parts of EQT Central, as well as in our new and upcoming strategies.

When we think about the remainder of 2021, we continue to expect a good increase in the number of employees. In addition to the approximately 100-person net additions we have had in previous years, we continue to expect to catch up from the hiring freeze that was in place during parts of 2020.

So far, in Q1, the recruitment pace has developed well, and we have a good number of new colleagues expected to join us also during Q2. In addition, as Caspar mentioned, Exeter adds another 233 persons to our total FTE+ count and we expect to also grow our EQT Exeter team over the coming years.

Other Updates

In terms of other updates, it is worth mentioning that as we have now closed the Exeter transaction, we may start reviewing our long-term financing options for EQT alongside the revolving credit facility that we put in place in Q4 last year.

Conclusion

To conclude, we continue to make progress on our strategic agenda and are now focused on making the most out of the combination with Exeter. Fundraising has progressed well, and preparations are ongoing for new initiatives. Market conditions have been strong with activity levels keeping a good pace, while valuations across our key funds are developing well.

Thank you for your time. We will now open up for questions.

Q&A

Jakob Brink (Nordea): Thank you and good morning, everyone. I have three questions, please. I will take them one at a time. On Exeter, I appreciate your comments and the five billion fundraising this year, but would it be possible to maybe make some comments about the more long-term strategic plans for Exeter, strategies, etc, within Exeter and then also maybe the fee model? Just so I am clear, should we expect the same fee model as in EQT, i.e. that the old funds are stepping down, etc? That is my first question.

Caspar Callerström: Maybe I can answer that, Jakob. In terms of the long-term strategy, it is quite similar to the long-term EQT strategy. That means that, in terms of products, they will continue with the products that they have, which is the industrial and logistics where they are very strong, and in office, and they might, over time, add another strategy into that. They will continue to develop, from a geographic point of view, together with EQT. There is no dramatic difference in overall strategy compared to EQT as a whole.

When it comes to fee model, it is a slightly different way of working, but the way it works in terms of step downs, etc, are similar. In addition, they have fees on NAV and, later, on invested capital, but they also have other fees. So our general guideline where the total fees generated are in a similar bracket as EQT as a whole is the sort of guideline we would like to stick to, without going too deep into all the data of how it works, because that becomes very nitty-great. You should think of it as mainly the rest of EQT in terms of NAV.

Jakob Brink: Okay, thank you. I have one more question on fee structure. I think I read that the new Growth fund of EQT has a somewhat different fee structure from the remaining part of EQT, is that correct? Why did you choose this, I guess, lower fee model than the rest of EQT?

Caspar Callerström: It is not Growth, it is the long-term strategies that we are currently evaluating, which are going to charge fees on invested rather than on committed capital. The main reason for that is basically because that is how the market looks like, in general. However, there is a natural reason for that, which is that in order for that fund not to compete with the main funds, the main funds will always have to say, 'No', before the long-hold strategies can invest. Then it becomes natural that if someone is already ahead of you in line, then you cannot really charge on committed but only on the invested money. That is the natural reason for why that is and that is how the market looks like, very much.

Jakob Brink: Thank you. The last question from my side. You have already touched upon the fundraising cycles and, obviously, the market is pretty hot right now with exits and new investments, not only for you but for everyone in the market, I guess. As Christian said, you are 40-45% invested in EQT IX. I remember we had the same discussion in November 2019, where you talked about the opening of fundraising of EQT IX and, back then, the comment was that you needed to start preparing probably shortly after Christmas 2020 in order to be ready whenever you reached the 80-85%. Why would that have changed now? I guess you cannot know if the pace will continue the same as we have seen in the past six, seven, eight months and, if it does, then I guess you would need to be ready with a new fund early next year, or am I missing something?

Caspar Callerström: It is always dangerous to extrapolate the current pace to the future, so I would be careful in doing that, but I agree. I mean, we are 40-45% invested and even with normal pacing it is not unlikely that we will initiate fundraising for EQT X during 2022. I think that is fair to say, but I also think it is good for you to know and understand that the investors or the clients really would like to see the development of the predecessor fund – in this case EQT IX – and that it is going according to plan before committing a lot of money to a new fund. So there is a need to not rush this too much, because then I think it will be more difficult to convince clients that everything is exactly what it should be.

Jakob Brink: Last time, in some of your predecessor funds and also within Infra, the deployment time was only two years. If that was the case, then it may be even slightly faster this time and it would be Q1/Q2 2022 when it reaches 80, 85%. Then I guess you would need to start preparing fundraising just around some of this year.

Caspar Callerström: I do not expect that. We announced the final close of that fund today, so we will not start preparing fundraising for the next fund this side of the year end. As I said, it is not unlikely that we will initiate fundraising for EQT X during next year.

Jakob Brink: Okay. Thanks a lot.

Bruce Hamilton (Morgan Stanley): Good morning, guys. A couple of questions from me. Firstly, just in terms of the timing on growth capital, I think Christian, last time, said that activating some time this year was likely for when we might start to see fees. I just wanted to check on that and also if you have any further colour on the possible size of the long-hold strategy.

Secondly, just trying to calibrate carry fees, you have made 2.9 billion of exits in Q1 versus 1.3 billion in Q4, so should we be looking at the second half for the carry number and assuming that, at the moment, we should be well up on that in the first half? Is there any way to think about that?

Finally, just in terms of the step down from exits that has not come out of AUM yet, I think that is based on the cost of the investment, so have you given us that number? I guess it is going to be quite a bit less than the 3.9 billion – just to double check. Thank you.

Caspar Callerström: I can take the Growth question and the long hold. What we have said is that we have launched the fundraising for Growth and, as you know, we have started to invest in a fund that formally does not exist, so we invest from the EQT balance sheet currently. So I would expect us to get that fund up and running. I would not want to name the exact timing, because we do not really know that, but it will be during this year, I would say, yes.

When it comes to long-hold strategies, we are still in the early stages of that investigation, so we do not know the exact timing and size of it yet. We hope to know a little bit more in a few months from now.

Kim Henriksson: On carry recognition, Bruce and others, you know the way we think about carry: that it is an integral part of the revenue model and that we are really looking at it over the term of the fund. Therefore, if a fund is expected to have 2.5 times MOIC at completion, it is reasonably easy to calculate what the carry will be over the life of the fund. It is challenging to say exactly what accounting period that carry will hit and we will not be providing detailed guidance on that, so I cannot say much else on that.

On the other question, you are right. It is based on the cost of the investment rather than the sale amount at the time.

Bruce Hamilton: Have you given us that number? Just to help us model.

Kim Henriksson: I do not have it off the top of my head.

Olof Svensson: Keep in mind that it is only exits that have closed. Therefore, out of that 3.9 billion, when they close during the year we will then deduct that number at cost, so that will probably be reported in the following quarters as the deals close.

Bruce Hamilton: Okay, thank you.

Arnaud Giblat (Exane BNP Paribas): Good morning. I have three questions, please. Firstly, can I ask about the full-time employees that you said grew quarter on quarter? Could you give us some colour on where the additions were made?

Secondly, obviously investing in pipeline matters a lot; could you give us a bit more colour as to how you are seeing things? Are you looking at a lot of deals? What investment prospects are you seeing?

Finally, you talked about Growth capital and that you have already made investments from the balance sheet to accelerate the Growth strategy. Could you maybe quantify the amount of balance sheet that is invested in Growth? Thank you.

Kim Henriksson: I will take the FTE and balance sheet questions. Your first question was about the employees and it is a diverse set of new colleagues that we have recruited, but if you single out any specific area, it would be within the capital-raising side; there are some more on the fund operation side; and then it is in the new initiatives that we have, where we have done both internal recruiting and needed to backfill and then external recruits, say, in Growth and in preparation for the long-hold funds.

The investment we have made, so far, from the balance sheet in the Growth strategy is in the region of €200 million.

Caspar Callerström: In general terms, when it comes to deal flow it is fair to say that deal flow is good across the board. It is also fair to say that that is normal in a strong market like this. Typically, good companies are for sale in good times. It is rarely that good companies are for sale in bad times, so you will have a good deal flow in good times. However, of course it is also quite competitive out there, with high prices, and we are very focused on sticking to our return requirements and not getting carried away. There is this balancing act of having very good and strong deal flow and, at the same time, not getting carried away. That is the balancing act that we are trying to keep.

Arnaud Giblat: To follow up on that, in that healthy deal flow you are talking about, do you see prospects to generate the returns you are after?

Caspar Callerström: Yes. The deals that we are doing, we are underwriting the same returns that we have in the past few years, so we have not compromised on our return requirements at all. Of course, if you take a longer perspective, if you compare now to 10 years ago, we still have the same return requirements, but the difference is maybe that today you have to work a little bit harder for your money and you have to really have a very good sense of how you are going to develop the company that you are buying in order to meet the same returns.

Arnaud Giblat: Okay, thank you.

Ermin Keric (Carnegie Investment Bank): Good morning and thanks for the presentation and taking the questions. The first one is: you write that 70% of commitments in EQT IX were from investors or LPs that are also on the predecessor fund. Could you say if that is by volume or number? Could that be an issue for EQT X in terms of doing it too frequently with new fundraisers that there is a capital constraint, or is it more just that LPs want to see some track record to be willing to commit capital that they have available?

Caspar Callerström: On the second question, I would say, in general terms, the vast majority of the investors, the customers that we have, it is not a constraint with one single GP like ourselves. Basically, it is not because they are going to cap the constraint, it is more they want to make sure that their money has been invested along the lines that we have said we are going to do and that the portfolios are looking good and healthy. It is always a little more tricky to make that judgement when you have a very new and fresh portfolio. Typically, you would want to see some maturity in that portfolio to make that judgement, so it is more of a feeling rather than a hard restriction.

In terms of the volume versus number, I do not have that figure, but a qualified guess is that, even if it is one or the other, they are typically quite closely connected, so I would not say it is a big difference either way.

Ermin Keric: Okay, thank you, that is very clear. In terms of the long-hold strategy, I am sorry if I have not understood it fully, but how will it work? Will there be a fund that you raise upfront and then you draw capital, or is it more like a mandate where you can just reinvest the money? How will it work?

Caspar Callerström: It is the same structure, in terms of funds, as in an equity fund, so you make a commitment to a fund. The way it works, just to be very clear, is that it is a commitment. We do not draw down any money when we raise any funds until we have made an investment. It is a pool of commitments; that is basically what a fund is and as you then start to invest, that is when you draw the capital from the investors in that fund. It is the same with any long-hold strategy, it is just that the fee calculation will be based on a different way.

Ermin Keric: Okay, thank you. The last question is on Infra III. If we look at the MOIC, that is above the typical threshold you mentioned for starting carry recognition. Should we think that Infra III will basically start contributing with carry as soon as it has done one to two exits, if it is still on the same MOIC as it is currently?

Kim Henriksson: Again, I would not like to give predictions about specific funds and their carry recognition, but our rule of thumb still holds, yes.

Ermin Keric: Perfect. Thank you, that is all from me.

Magnus Andersson (ABG Sundal Collier): Good morning. One question on EQT IX. I saw that you had the final close at 15.6 billion while your hard cap was 15. Just so that I understand, I thought the hard cap was a hard cap, but can it happen that you close it slightly higher if the demand is higher? Can you end up above your hard caps generally, if the demand is strong in the market?

Kim Henriksson: It does not have to do with that really. There are some technical reasons around why it is above the 15 billion. Certain parts of the capital raised is not counted towards the hard cap.

Magnus Andersson: Okay. Secondly, on performance, which has obviously been very strong, I am just wondering if it is possible to shed some light on how much you have done exits at good valuations and how much is unrealised valuations because multiples have generally gone up in the market?

Kim Henriksson: No.

Caspar Callerström: No, exactly. However, in general, what you can say is that the way the model works is realisations are, typically, more important than revaluations.

Magnus Andersson: So what we are seeing now is primarily a result of the strong exit activity during the quarter.

Kim Henriksson: Yes. They are part of the same. I mean, if you IPO a company, the rest of the company that we still hold will also get marked up.

Magnus Andersson: Finally, just on the operational platform, we have the updated numbers now for Exeter. Is it still around 150 employees you expect to add in the old EQT, excluding Exeter, during the year, roughly?

Kim Henriksson: As a round number that is a good hypothesis, yes.

Magnus Andersson: Related to employees, what is the most common reason for you to waive some lock ups? I saw you had some comments about that; that you had granted some waivers.

Olof Svensson: Yes, that is correct. You saw that the lock up waivers that were granted were less than 0.1% of the share capital, so it is very small and it is a bit similar to what we did in Q3. When there are very specific circumstances and we think it is the right thing to do, then we grant these exceptional waivers, but keep in mind it is nothing that would generate any net proceeds to any active partner. We will not comment on the specific individuals, but that is the essence of it really.

Magnus Andersson: Okay, thank you very much.

Gurjit Kambo (JP Morgan): Hi, good morning. Just a couple of questions from me. Firstly, in terms of the realisation environment, could you comment on where you are seeing most of those realisations coming from? Is it IPOs? Is it selling to other firms? Is it SPACs, for example?

Then can you just clarify, did you say for Exeter that we should think about asset raising, I know it is five billion for this year, but did you also say that for 2022 it should also be €5 billion?

The third one is on the outlook for asset raising this year. We have the rest of Infrastructure V coming, we have the Growth fund towards the end of the year and then you indicated Ventures III. Are there any other slightly larger funds we should be thinking about for 2021 asset raising? Thank you.

Caspar Callerström: I am not sure if I got all the questions there, but I can start with your question regarding Exeter and what I said in the presentation. Just to correct you, it was $5 billion, not euros that we said was going to be added during this year. Then I said in the presentation that we expect to continue with that pace into next year at least, and that is a pace that we think will continue.

On the realisation environment, if you look at it, right now, there is an environment where all the possible tracks are open, so you can IPO, both trade buyers as well as financially-oriented buyers are very much in the market and that is not always the case. The exit environment, right now, is very strong, but a little bit like I alluded to, it also means that the competition for new deals is very strong. That is the market that we are in, but I think we will see all routes during this year in terms of exit from the portfolio, given that this sustains.

Kim Henriksson: In terms of capital raisings and the list you mentioned, in addition, we have said that we are working on potential long-hold funds, but they will have a different structure of their AUM and thus the revenue comes into play; it will go up over time as we invest from that fund. So, in the beginning, it will not be a meaningful number and then, over time, it could grow to a meaningful number.

Gurjit Kambo: Okay, that is great, thanks very much.

Maths Liljedahl (SEB): Thank you and good morning. I think you have been through most here, but I have a question on the thematic long-hold strategy and how I should think about your other funds in relation to that. Could you move assets from, say, the previous EQT funds into the thematic in order to speed up exits? If you do not find the perfect exit strategy but you still like the company, could you then just move it into there and, therefore, we will have a shorter horizon of the other funds, or am I completely wrong in thinking that way?

Caspar Callerström: Could there be deals that go from an existing fund into a long-hold strategy? The answer to that is yes. Obviously, there will be different investors in those funds, so we cannot do any favours in either direction and, of course, when we do internal transactions like that there is very high scrutiny on that, everything is on arm's length terms. Also, typically, we do that in competition with the rest of the market in deals like that and, typically, even also with third party verification when it comes to valuations. So could we do those kinds of transactions? Yes. Will it affect the holding period for the other funds? I would say no. I would say the only time when we would do such a transaction is when that asset is going to be sold anyway and whether the long-hold strategy will pick it up or someone else, we will not know at that point in time.

Maths Liljedahl: Okay, thank you. That is all from me.

Jens Ehrenberg (Citi): Hi, good morning, guys. Thanks for taking my questions – just a few left from my side. The first one is on the exit activity. It clearly looks like you have managed to do quite a bit in the first quarter. I am curious how you see the environment and your exit activity there. Is this partly driven by stuff that did not happen last year or is this really the normalised environment that you now see? How much is left over from last year that was delayed and how much is the normalised environment?

The second question I have is on the flagship funds. Obviously, EQT IX and Infrastructure V are both very large by now, at around the 15 billion mark. How do you think about that going forward? I am not looking for specific guidance on the next fund but, more generally, do you see scope for them to increase even further or do you think that you have probably reached a plateau in terms of size there?

Lastly, after Exeter, how do you think about M&A going forward? Could you potentially still do something if an opportunity comes along within the next 12 months or so, or would you rule that out given that you are probably focusing on integrating Exeter at this stage? Thank you.

Caspar Callerström: I can take the first one in terms of if there is a spill over. It is difficult to say yes or no, but I would argue that in the second half of last year you saw that spill over, with very high deal activity in general terms. I would say, today, I do not think it is really spill over from last year. I would say it is more of the normal type of deal flow in this environment that we are in right now.

Kim Henriksson: In terms of M&A, we sold Credit last year, we did the Exeter transaction in the early part of this year and we are very focused on the collaboration with them and ensuring that becomes a success. I would not rule out any further M&A activity. We are constantly looking for ways of accelerating our growth, be it geographically or in certain product niches, but the focus is on other types of activities right now than M&A.

On scope to grow for the flagship funds, yes, there is still scope to grow, as you pointed out in your question. We do not want to give any numbers at this point and it is far too early, but we certainly do think that there is further scope to grow on the flagship funds side.

Jens Ehrenberg: Got it. That is helpful, thanks.

Hubert Lam (Bank of America): Hi, guys. Good morning. I have a couple of questions. Firstly, can you give us your thoughts on the impact of rising rates on both client and investment activity? Has it changed anything yet or at what point do you think it will start to impact?

A second question is can you give us your sensitivity on a higher US tax rate, particularly after the Exeter acquisition? For example, what would be the impact on your tax rate if the corporate rate in the US rises to 28%? Thank you.

Caspar Callerström: On long-term interest rates, I do not think we have seen any impact of that yet. If I speculate, because that is what it is, it is speculation, I would say that once you get to maybe around three, 4%, then maybe some of the investors will start to put a little bit more money back into bonds rather than to the lower-yielding products. If we were still in Credit, we would probably see some consequences there, but we are not, so I do not think we will. I would argue that, if you look at our product portfolio, there is a long way to go before we get impacted on higher rates in terms of investor appetite.

Olof Svensson: The only thing to add is, when you look at the exit activity, the higher rates could, in the short term, impact sentiment in the capital markets and potentially, therefore, the ability to do IPOs or sell downs as an exit mechanism. We will follow the market sentiment and see how things develop, but that would be the only additional point I would make to what Caspar said.

Kim Henriksson: On the US tax rate, we have modelled potential changes on that. From an overall EQT AB Group perspective, it does not really move the needle. It may increase our Group tax rate by some percentage point or so, but not more than that.

Hubert Lam: Great, thank you.

Ermin Keric: Just one quick follow up. On Exeter, I was just wondering, when you are seeing around the same pace next year in fundraising, if we look to their flagship funds, it looks like they raised new flagship funds both in the US and, currently, in Europe. So what is going to be the driver for that next step up next year? Is there a new strategy being launched or is it something else?

Caspar Callerström: No, I think it will be within existing strategies. If you compare Exeter to EQT, they have a broad product portfolio given their AUM, so to speak, so there will be more and continuous fundraising rather than a little bit chunky. I would expect when I say, 'continue with that pace', it will still be within the existing product flora, so to speak.

Ermin Keric: Okay, thank you, that is all.

Olof Svensson: Okay, thank you very much. Just to confirm one of the earlier questions, it is indeed by volume, the 70% of the commitments in EQT IX and, on a general note there, it is a large number of new investors who have joined us. It is, after all, a larger fund and we have several new, sizeable commitments from new investors that we are very excited about for the last fundraising there.

With that, we will wrap up. Thank you all very much for joining today and for the excellent questions, as always.

Kim Henriksson: Thank you so much.

Caspar Callerström: Thank you.

[END OF TRANSCRIPT]