

IEQT



2020

QUARTERLY ANNOUNCEMENT

CEO COMMENT

"The pandemic is impacting every society and every business across the globe, and this calls for responsible and active ownership. EQT's portfolio companies are also affected, one way or the other, but given our thematic approach, the portfolio remains relatively robust. Furthermore, based on our experience from previous crises, the portfolio companies have prepared for a potential downturn and even though the magnitude of COVID-19 was unpredictable, having contingency plans in place is helping the companies respond faster.

The situation also impacts EQT AB - to which extent depends on timing, scope and when the markets stabilize. Given today's environment, fundraisings can take longer, exits are less likely and the overall investment activity is currently lower. Revenues are expected to be impacted as carry is dependent on exits and increases in unrealized values.

But the current conditions also present opportunities. One example is the recent investment in Schülke, a leading provider of hygiene and infection prevention solutions. The investment illustrates EQT's thematic approach and links to the United Nations Sustainable Development Goals, more specifically SDG #3 Good Health & Well-being.

I would also like to mention that the EQT Foundation made a donation to the COVID-19 Therapeutics Accelerator initiative which supports global research related to developing and scaling potential treatments. In addition, support is given to the Karolinska Institute in Sweden to accelerate the access to tests. When combining the initiatives taken also within the different portfolio companies as response to the crisis as well as among our staff, the impact is significant. A good example of how our mindset of making a positive impact with everything - even more so in tougher times - can look in reality.

With EQT AB's solid balance sheet and strong liquidity, and the precautions being taken, we are confident that both the portfolio companies and EQT AB will come out of the crisis even stronger."

Christian Sinding, CEO

Volatile market environment – thematic portfolio relatively stable in Q1

HIGHLIGHTS DURING THE FIRST QUARTER 2020

- Total investments by the EQT funds in the quarter amounting to EUR 1.8bn, of which EUR 0.6bn within Credit – A few thematic investments made in early 2020 including Deutsche Glasfaser in Germany and O2 Power in India by EQT Infrastructure IV
- Total gross fund exits in the quarter amounted to EUR 0.4bn, of which EUR 0.2bn within Credit – Current focus on developing existing portfolio companies further until market recovery
- EQT IX hard cap set at EUR 15.0bn, fundraising ongoing but expected to take longer due to COVID-19
- Expected value creation (Gross MOIC) remains “On plan” in key funds in Private Capital and Real Assets, while EQT Infrastructure III, as of March 31, 2020, continued to develop “Above plan”
- Fund performance in key funds supported by thematic investment strategy – average like-for-like value decrease during the quarter of approximately 5%
- VAT ruling announced by the Supreme Administrative Court of Sweden on January 27, 2020. Not expected to have material impact on EQT AB Group’s future results or its financial position
- EQT Infrastructure is exploring alternatives to raise additional capital, including preparations for EQT Infrastructure V
- We opened an office in Sydney to further strengthen the Asia-Pacific footprint
- We initiated a strategic review of business segment Credit, which is ongoing

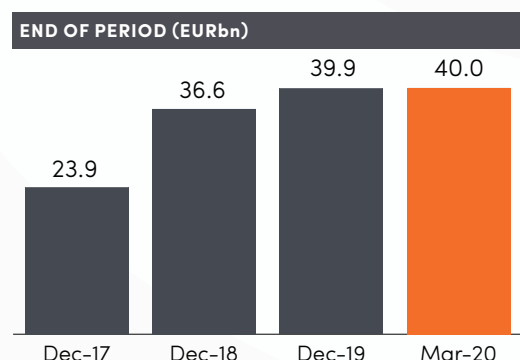
HIGHLIGHTS DURING THE LAST TWELVE MONTHS (COMPARED TO LTM ENDING MARCH 2019)

- Total fund investments of EUR 13.3bn (EUR 8.5bn), of which EUR 2.5bn (EUR 1.2bn) within Credit
- Investment level in key funds as of March 31, 2020: 70-75% in EQT VIII (35-40% as of March 31, 2019) and 70-75% in EQT Infrastructure IV (5-10% as of March 31, 2019)
- Total gross fund exits of EUR 7.8bn (EUR 5.0bn), of which EUR 1.1bn (EUR 1.0bn) within Credit
- Fee-generating AUM of EUR 40.0bn as of March 31, 2020 (EUR 40.8bn)
- Number of full-time equivalent employees and on-site consultants (FTE plus) amounted to 731 (611) at the end of the period, of which FTEs amounted to 675 (559)

EVENTS AFTER THE REPORTING PERIOD

- EQT VIII entered into exclusive negotiations to acquire Schülke, a leading provider of infection prevention solutions. Supporting UN’s SDG #3 Good Health and Well-being
- EQT Infrastructure IV, through a controlled entity, issued a notice with the intention to terminate the acquisition of Metlifecare due to adverse impact on the business from COVID-19
- Per Franzén, Co-Head Private Equity, was elected to the Executive Committee as of April 2020

FEE-GENERATING ASSETS UNDER MANAGEMENT (AUM)



INVESTMENT DATA AS OF APRIL 24, 2020

EQT VIII		EQT INFRASTRUCTURE IV	
Start date	May 2018	Start date	Nov 2018
Fund size	EUR 10.9bn	Fund size	EUR 9.1bn
Investments	15	Investments	10
Exits	0	Exits	0
% Invested	70-75%	% Invested	70-75%

Note: 14 investments have closed in EQT VIII and 8 in EQT Infrastructure IV.

Fee-generating assets under management (AUM)

DEVELOPMENT IN THE FIRST QUARTER 2020

AUM BY SEGMENT (EURbn)	Private Capital	Real Assets	Credit	Total
At December 31, 2019	22.0	14.0	3.9	39.9
Gross inflows	0.1	0.1	0.1	0.3
Step-downs	–	–	–	–
Exits	(0.3)	(0.0)	(0.0)	(0.3)
FX and other	(0.0)	0.1	–	0.1
At March 31, 2020	21.8	14.2	4.0	40.0
<i>Since December 31, 2019</i>	<i>-1.0%</i>	<i>1.3%</i>	<i>2.4%</i>	<i>0.1%</i>

DEVELOPMENT DURING THE LAST TWELVE MONTHS

AUM BY SEGMENT (EURbn)	Private Capital	Real Assets	Credit	Total
At March 31, 2019	22.6	14.8	3.4	40.8
Gross inflows	1.4	0.5	1.0	3.0
Step-downs	(0.3)	–	–	(0.3)
Exits	(2.0)	(1.2)	(0.3)	(3.5)
FX and other	(0.0)	0.1	(0.0)	0.1
At March 31, 2020	21.8	14.2	4.0	40.0
<i>Since March 31, 2019</i>	<i>-3.6%</i>	<i>-4.3%</i>	<i>19.2%</i>	<i>-2.0%</i>

Note: Any investment activity in above tables (part of gross inflows and/or exits) is included based on its impact on fee-generating AUM. Individual deals in a period are therefore included based on remaining or realized cost, timing of transaction closing and only in funds which are charging fees based on net invested capital.

Gross investment performance of key EQT funds

AS OF MARCH 31, 2020

(EURbn)	Start date	AUM	Committed capital	Cost of investments			Value of investments			Gross MOIC
				Total	Realized	Remaining	Total	Realized	Remaining	
Private Capital										
EQT VI	Jun-11	1.3	4.8	4.4	3.1	1.3	10.3	8.3	2.0	2.3x
EQT VII	Jul-15	5.0	6.9	6.1	1.1	5.0	9.7	2.8	6.9	1.6x
EQT VIII	May-18	10.9	10.9	7.6	–	7.6	8.6	–	8.6	1.1x
Real Assets										
EQT Infrastructure II	Oct-12	0.7	1.9	1.7	1.0	0.7	3.5	2.7	0.8	2.1x
EQT Infrastructure III	Nov-16	3.3	4.0	3.3	0.0	3.3	4.8	0.1	4.7	1.5x
EQT Infrastructure IV	Nov-18	9.2	9.1	4.9	–	4.9	4.9	–	4.9	1.0x
Other		9.6		11.0			13.2			
Total		40.0		39.0			55.1			

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

	Gross MOIC (March 31, 2019)	Gross MOIC (December 31, 2019)	Gross MOIC (March 31, 2020)	Expected Gross MOIC (March 31, 2020)
Private Capital				
EQT VI		2.3x	2.4x	2.3x
EQT VII		1.4x	1.8x	1.6x
EQT VIII		1.0x	1.1x	1.1x
Real Assets				
EQT Infrastructure II		2.0x	2.1x	2.1x
EQT Infrastructure III		1.3x	1.5x	1.5x
EQT Infrastructure IV		1.0x	1.1x	1.0x

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

AUM

Assets Under Management (“AUM”) represents the total committed capital from fund investors and net invested capital to which the EQT AB Group is entitled to receive management fees. All of the Group’s AUM is fee-generating

Active funds

Funds currently investing or with not yet realized investments

Credit

Business segment comprised of EQT’s platform for credit investments comprised of Special Situations, Direct Lending and Senior Debt

Committed capital

The total amounts that fund investors agree to make available to a fund during a specified time period

Commitment period / Investment period

First phase of a fund lifecycle after fundraising, in which most of a fund’s committed capital is invested into portfolio companies. Management fees are normally based on committed capital during this period

Current Gross MOIC

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

Investment level / % Invested

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

EQT

Where used on its own, is an umbrella term and may refer interchangeably to the EQT AB Group and/or EQT funds, as the context requires

EQT AB Group or the Group

EQT AB and/or any one or more of its direct or indirect subsidiaries (for the avoidance of doubt excluding the EQT funds and their portfolio companies)

Exits

Cost amount of realized investments (realized cost) from an EQT fund

Expected Gross MOIC

A fund’s expected Gross MOIC at termination, when a fund is fully realized, based on the estimated total value and cost of its underlying investments upon realization

FTE

The number of full-time equivalent personnel on EQT AB Group’s payroll

FTE plus

The number of full-time equivalent personnel and contracted personnel working for EQT AB Group

Fund size

Total committed capital for a specific fund

Gross inflows

New commitments through fundraising activities or increased investments in funds charging fees on net invested capital

Gross fund exits

Value of realized investments (realized value) from an EQT fund. Refers to signed realizations in a given period

Gross MOIC (Multiple of Invested Capital)

Total value of investments divided by total cost of investments

Investments

Investments by an EQT fund, measured at cost, net of any co-investments. Refers to signed investments in a given period

Key funds

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

Net invested capital

Total cost of investments not yet realized (remaining cost). Management fees are generally based on net invested capital after the commitment period / investment period

Post-commitment period / Divestment period

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

Private Capital

Business segment comprised of business lines Private Equity, Mid Market Asia, Ventures and Public Value

Real Assets

Business segment comprised of business lines Infrastructure and Real Estate

Realized value / (Realized cost)

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

Remaining value / (Remaining cost)

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

Start date

A fund’s start date is the earlier of the first 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

About EQT

EQT is a differentiated global investment organization with a 25-year track-record of consistent investment performance across multiple geographies, sectors and strategies. With strong values and a distinct corporate culture, EQT manages and advises funds and vehicles that invest across the world with the mission to generate attractive returns to the fund investors.

EQT's talent base and network allow it to pursue a thematic investment strategy and distinctive value creation approach, with the aim of future-proofing the companies which EQT invests in, creating superior returns to EQT's investors and making a positive impact with everything EQT does.

EQT has more than EUR 62 billion in raised capital since inception, currently around EUR 40 billion in assets under management across 19 active funds within three business segments – Private Capital, Real Assets and Credit. EQT is a thought leader within the private markets industry with deep expertise in responsible and long-term ownership, corporate governance, operational excellence, digitalization and sustainability. EQT has offices in 16 countries across Europe, Asia Pacific and North America with more than 700 employees.

The EQT AB group comprises EQT AB (publ) and its direct and indirect subsidiaries, which includes general partners and fund managers of EQT funds as well as entities advising EQT funds.

More info: www.eqtgroup.com
Follow EQT on Twitter and LinkedIn

Financial calendar

Annual Shareholders' Meeting 2020	8 June
Quarterly Announcement April–June 2020	16 July
Half-year Report 2020	20 August
Quarterly Announcement July–September 2020	21 October
Year-end Report January–December 2020	26 January, 2021

Auditor's review

This quarterly announcement has not been reviewed by EQT AB's auditors.

Christian Sinding

CEO

Contacts

Kim Henriksson

CFO

+46 8 506 55 300

kim.henriksson@eqtpartners.com

Nina Nornholm

Head of Communications

+46 70 855 03 56

nina.nornholm@eqtpartners.com