

# **EQT MID-MARKET CREDIT SV S.A.**

26A, BOULEVARD ROYAL, L-2449 LUXEMBOURG

RCS: LUXEMBOURG B 193 498

SHARE CAPITAL : EUR 374,975

## **INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

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## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**Company Update  
and Overview****GENERAL**

EQT Mid-Market Credit SV S.A. (the "Company") herewith submits its financial statements (the "Financial Statements") for the period from 1 January 2020 to 30 June 2020. The Interim Financial Statements have been prepared in accordance with IFRS as adopted by the European Union.

The Company has not carried out any activities in the field of research and development and does not have any branches.

On 1 April 2016, the Company held a final closing of subscriptions to the Notes, securing total commitments of EUR 525 million. The Company has committed to invest such commitments in EQT Senior Debt FCP-SIF – EQT Mid-Market Credit Fund (the "Sub-Fund"), a compartment of EQT Senior Debt FCP-SIF (the "Fund").

The Notes are listed on the Nordic Growth Market (NGM) in Stockholm, Sweden.

**SIGNIFICANT EVENTS**

The result for the period ended is shown in the Interim Statement of Comprehensive Income. The result mainly comprises of net gains from financial assets at fair value through profit and loss, net losses from financial liabilities at fair value through profit and loss, dividend income, financing costs and operating costs of the Company.

**COMPANY FUTURE DEVELOPMENT**

The Company expects to continue developing its activity of investing in the Sub-Fund with the proceeds obtained from the issuance of Notes.

**FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks as at 30 June 2020:

**MARKET RISK**

Market risk is the risk that changes in market prices will affect the value of the investments purchased by and Notes issued by the Company. Market risk could refer to both gains and losses and could include amongst others, price risk and interest rate risk, with the most important risk faced by the Notes issued by the Company being price risk. Nevertheless, changes in interest rates may reduce the Sub-Fund's return from floating-rate instruments or increase the cost of any borrowing. Furthermore, a default on a debt instrument that is held directly or indirectly by the Sub-Fund or a sudden and extreme increase in prevailing interest rates may cause a decline in the Sub-Fund's net asset value.

However, as any material fluctuations in the net asset value of the Sub-Fund are borne by the Noteholders, the Company itself does not consider price these market risks to be a significant economic risk.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**LIQUIDITY RISK**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its bank accounts on a regular basis to ensure there is sufficient liquidity.

Interest on and redemptions of Notes will only occur upon actual receipt of proceeds from the Sub-Fund. In addition, the Maturity Date of the Notes extends beyond the expected term of the Sub-Fund. Therefore, there is no material mismatch between financial assets and financial liabilities.

**CREDIT RISK**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

The Company's cash is held at the ING Luxembourg S.A., Nordea Bank AB (publ) and Barclays Bank PLC. ING Luxembourg S.A. is a reputable bank operating in Luxembourg under regulation and supervision of the Commission de Surveillance du Secteur Financier. Nordea Bank AB (publ) is a reputable bank registered in Sweden. It is authorized by the Sveriges Riksbank and regulated by the Finansinspektionen and the Sveriges Riksbank. Barclays Bank PLC is a reputable bank registered in England. It is authorized by the Bank of England Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Changes in the fair value of the Notes issued to the investors primarily reflect changes in the fair value of the investment in the Sub-Fund. The effect of the performance of the assets on the fair value of the liability is asset-specific performance risk, not credit risk.

**ANNUAL CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

**FINANCIAL REPORTING PROCESS**

The Board of Directors have established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Citco Fund Services (Luxembourg) S.A. (the "Administrator") to maintain the accounting records of the Company independently. The Administrator is contractually obliged to maintain proper books and records and to that end performs reconciliations of its records.

The internal controls procedures followed by the Administrator are in accordance with its own Type 2 Report, prepared in accordance with the guidelines contained in the United States Statement on Standards for Attestation Engagements ("SSAE") No. 16 and International Standard On Assurance Engagements ("ISAE") 3402 and its related amendments and interpretations. The Administrator is also contractually obliged to prepare the Annual Report including Interim Financial Statements for review and approval by the Board of Directors. The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

From time to time, the Board of Directors also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Board of Directors.

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FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

### CONTROL ACTIVITIES

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board of Directors judges to be significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the Interim Financial Statements and the related notes in the Company's Interim Financial Statements.

The Company is a "public-interest entity" within the meaning of Art.1 (20) a) of the Law of 23 July 2016 concerning the audit profession. The Board of Directors assesses that the Company's sole business is to act as issuer of asset-backed securities as defined in point (5) of Art.2 of Commission Regulation (EC) No. 809/2004. It is therefore exempted from the requirement to have an audit committee according to Art.53 (5) c) of the Audit Law. The Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order to perform on effective monitoring of the financial reporting process and monitoring of auditor independence.

### MONITORING

The Company's policies and the Board of Directors' instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence, KPIs report and regular meetings to ensure that all financial reporting information monitoring and oversight of the requirements are met in a complete and accurate manner.

Given the contractual obligation on the Administrator, the Board of Directors after its review and controls, has concluded that there is currently no need for the Company to have a separate internal audit function in order to perform effective internal control and risk management systems of the Company in relation to the financial reporting process.

### BOARD OF DIRECTORS

The Board of Directors of the Company during the period and to the date of signing are as follows:

Willem-Arnoud van Rooyen  
Quentin Lévêque  
Besar Muhameti

#### Quentin Lévêque

Director

#### Besar Muhameti

Director

For and on behalf of EQT Mid-Market Credit SV S.A.

Luxembourg, 31 August 2020

AS AT 30 JUNE 2019

EUR	Notes	30 June 2020	30 June 2019	31 December 2019
<b>Assets</b>				
Financial assets at fair value through profit or loss	2.3, 8	462,106,432	468,336,037	469,007,232
<b>Total non-current assets</b>		<b>462,106,432</b>	<b>468,336,037</b>	<b>469,007,232</b>
Other receivables	9, 10	75,237	897,418	70,310
Cash and cash equivalents	2.4, 9	1,062,230	780,932	815,068
<b>Total current assets</b>		<b>1,137,467</b>	<b>1,678,350</b>	<b>885,378</b>
<b>Total assets</b>		<b>463,243,899</b>	<b>470,014,387</b>	<b>469,892,610</b>
<b>Equity</b>				
Share capital	11.1	374,975	374,975	374,975
Special reserve	11.2	4,350,137	4,350,137	4,350,137
Legal reserve	11.3	37,498	37,498	37,498
Retained earnings	11.4	7,390,415	5,530,635	6,488,939
<b>Total equity</b>		<b>12,153,025</b>	<b>10,293,245</b>	<b>11,251,549</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	12	450,961,441	458,696,819	457,883,280
<b>Total non-current liabilities</b>		<b>450,961,441</b>	<b>458,696,819</b>	<b>457,883,280</b>
Trade and other payables	2.6, 13	129,433	1,024,323	757,781
<b>Total current liabilities</b>		<b>129,433</b>	<b>1,024,323</b>	<b>757,781</b>
<b>Total liabilities</b>		<b>451,090,874</b>	<b>459,721,142</b>	<b>458,641,061</b>
<b>Total equity and liabilities</b>		<b>463,243,899</b>	<b>470,014,387</b>	<b>469,892,610</b>

The accompanying notes form an integral part of these Interim Financial Statements.

**FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020**

EUR	Notes	1 January 2020 to 30 June 2020	1 January 2019 to 30 June 2019	Year to 31 December 2019
Net (loss)/gain from financial assets at fair value through profit or loss	2.3, 8	(6,900,800)	6,320,589	6,991,785
Net gain/(loss) from financial liabilities at fair value through profit or loss	12	6,921,839	(4,606,898)	(3,793,359)
Net foreign exchange gain/(loss)		463	(168)	(468)
Dividend income	2.8, 8	16,300,000	11,898,000	28,898,000
<b>Total revenue</b>		<b>16,321,502</b>	<b>13,611,523</b>	<b>32,095,958</b>
Administration fees		(16,957)	(16,457)	(33,364)
Audit fees		(62,138)	(22,912)	(42,070)
Legal and professional fees		(19,474)	(27,818)	(44,187)
Other expenses		(3,854)	(14,187)	(44,768)
<b>Total operating expenses</b>		<b>(102,423)</b>	<b>(81,374)</b>	<b>(164,389)</b>
<b>Operating profit before finance costs</b>		<b>16,219,079</b>	<b>13,530,149</b>	<b>31,931,569</b>
Financing costs	12	(16,005,268)	(11,687,547)	(28,441,137)
<b>Profit before tax</b>		<b>213,811</b>	<b>1,842,602</b>	<b>3,490,432</b>
Tax expenses	14	-	(4,025)	(5,886)
<b>Total comprehensive result for the period/year</b>		<b>213,811</b>	<b>1,838,577</b>	<b>3,484,546</b>

The accompanying notes form an integral part of these Interim Financial Statements.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

EUR	Notes	Share Capital	Special Reserve	Legal Reserve	Retained Earnings	Total Equity
<b>Shareholder's Equity</b>						
Balance as at 1 January 2019		374,975	3,422,107	37,498	3,692,058	7,526,638
Contribution of share capital	11.1	-	-	-	-	-
Contribution into special reserve	11.2	-	928,030	-	-	-
Legal reserve	11.3	-	-	-	-	-
Distribution		-	-	-	(687,665)	(687,665)
Total comprehensive result for the year		-	-	-	3,484,546	3,484,546
<b>Balance as at 31 December 2019</b>		<b>374,975</b>	<b>4,350,137</b>	<b>37,498</b>	<b>6,488,939</b>	<b>11,251,549</b>
Contribution of share capital	11.1	-	-	-	-	-
Contribution into special reserve	11.2	-	-	-	-	-
Legal reserve	11.3	-	-	-	-	-
Reversal of prior year distribution		-	-	-	687,665	687,665
Total comprehensive result for the period		-	-	-	213,811	213,811
<b>Balance as at 30 June 2020</b>		<b>374,975</b>	<b>4,350,137</b>	<b>37,498</b>	<b>7,390,415</b>	<b>12,153,025</b>

The accompanying notes form an integral part of these Interim Financial Statements.



**FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020**

EUR	Notes	1 January 2020 to 30 June 2020	1 January 2019 to 30 June 2019	Year to 31 December 2019
<b>Cash flows from operating activities</b>				
Total comprehensive result for the period/year		213,811	1,838,577	3,484,546
Adjustments for:				
- Net loss/(gain) from financial assets at fair value through profit or loss	8	6,900,800	(6,320,589)	(6,991,785)
- Net (gain)/loss from financial liabilities at fair value through profit or loss	12	(6,921,839)	4,606,898	3,793,359
- Dividend income		(16,300,000)	(11,898,000)	(28,898,000)
- Distribution		687,665	-	(687,665)
- Financing cost		16,005,268	11,687,547	28,441,137
- Tax expense		-	2,163	5,886
Changes in:				
- Trade and other payables		(628,348)	67,927	682,148
- Other receivables		(4,927)	36,823	(64,098)
Tax paid		-	(2,163)	(5,886)
<b>Net cash used in operating activities</b>		<b>(47,570)</b>	<b>(28,083)</b>	<b>(240,358)</b>
<b>Cash flows from investing activities</b>				
Acquisition of financial assets	8	-	(91,922,267)	(92,803,030)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(91,922,267)</b>	<b>(92,803,030)</b>
<b>Cash flows from financing activities</b>				
Proceeds from dividend income received		16,300,000	11,898,000	28,898,000
Interest paid		(16,005,268)	(11,687,547)	(28,441,137)
Proceeds from issuance of shares	11	-	-	928,030
Proceeds from issuance of financial liabilities	12	-	91,875,000	91,875,000
<b>Net cash generated from financing activities</b>		<b>294,732</b>	<b>92,085,453</b>	<b>93,259,893</b>
<b>Net increase in cash and cash equivalents</b>		<b>247,162</b>	<b>182,369</b>	<b>216,505</b>
Cash and cash equivalents as at beginning of the period/year		815,068	598,563	598,563
<b>Cash and cash equivalents as at end of period/year</b>		<b>1,062,230</b>	<b>780,932</b>	<b>815,068</b>

The accompanying notes form an integral part of these Interim Financial Statements.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**1. REPORTING ENTITY**

EQT Mid-Market Credit SV S.A. (the "Company") is a Luxembourg company incorporated on 6 January 2015, for an unlimited duration, in the form of société anonyme and qualifying as a securitisation company (société de titrisation) within the meaning of the Luxembourg law of 22 March 2004 on securitisation, as amended (the "Securitisation Law"). The Company shall be subject to and governed by the Securitisation Law and the laws in effect and especially by those of 10 August 1915 referring to commercial companies as amended from time to time. The Company is registered with the Luxembourg Business Register (formerly Registre de Commerce et des Sociétés) under number B193498. Its registered office is located at 26A, Boulevard Royal, L-2449, Luxembourg.

The purpose of the Company is to enter into one or more securitisation transactions within the meaning of the Securitisation Law. The Company may, in this context, acquire, dispose and invest in loans, stocks, bonds, debentures, obligations, notes, advances, shares, warrants and other securities. The Company may, within the limits of the Securitisation Law, and in favour of its creditors only, grant pledges, other guarantees or security interests of any kind to Luxembourg or foreign entities and enter into securities lending activity on an ancillary basis.

The Company primarily invests in EQT Senior Debt FCP-SIF – EQT Mid-Market Credit Fund (the "Sub-Fund"), a compartment of EQT Senior Debt FCP-SIF (the "Fund"), a specialized investment fund (fonds d'investissement spécialisé) organized as a multi-compartment common investment fund (fonds commun de placement à compartiments multiples) under the Luxembourg law of 13 February 2007 relating to specialized investment funds (the "2007 Law"), as well by its Issuing Document dated 29 March 2012, modified time to time, and by its Supplement Issuing Documents dated 2 April 2015. Furthermore qualifying as an alternative investment fund under the Luxembourg law of 12 July 2013 on alternative investment fund managers (the "AIFM Law").

The Company has authorized the creation and issue of the following classes of notes, subject to the Securitisation Law:

- (i) Class A4 notes (the "Class A4 Notes");
- (ii) Class B4 notes (the "Class B4 Notes");

(The Class A4 Notes and the Class B4 Notes are hereinafter referred to as the "Notes".)

Notes have been registered in the books of Euroclear Sweden AB ("Euroclear Sweden") acting as central depository. On 6 April 2016, the Company listed the Notes on the Official List of Nordic Growth Market NGM AB ("NGM") in Stockholm, Sweden. NGM is a regulated market for the purposes of Directive 2004/39/EC. The Notes are issued in dematerialized form. Neither the Notes nor the Company will be rated by any rating agency. The prospectus relating to the Notes dated 17 June 2015, as supplemented on 5 April 2016 ("Notes Prospectus") approved by the Swedish Financial Supervisory Authority (Finansinspektionen), as competent authority for the purpose of Directive 2003/71/EC, as amended amongst others by directive 2010/73/EC.

These Interim Financial Statements were approved for issue by the Board of Directors of the Company on 31 August 2020.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

The Interim Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The Company's financial year starts on the 1 January and ends on 31 December of each year. The Company prepares interim unaudited Financial Statements for the period 1 January to 30 June of each period/year and audited Financial Statements for the period 1 January to 31 December of each year. The Interim Financial Statements are presented in euro ("EUR"), which is the Company's functional currency.

The Interim Financial Statements have been prepared on the basis of the going concern assumption.

**Basis of measurement**

The Interim Financial Statements have been prepared on the historical cost basis excluding financial assets and financial liabilities.

**Statement of Comprehensive Income and Statement of Cash Flows**

The Company presents its Interim Statement of Comprehensive Income by nature of expense. The Company presents its Interim Statement of Cash Flows using the indirect method.

**New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2020**

There are no new standards, amendments to standards or interpretations effective after 1 January 2020, not yet adopted that would be expected to have a material impact to the Company.

**New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2020 and not early adopted**

There are currently no other new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Foreign currency translation**

Transactions in foreign currencies are translated into EUR at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into EUR at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into EUR at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss as net foreign exchange losses, except for those arising on financial instruments at fair value through profit or loss ("FVTPL"), which is recognized as a component of net gain from financial instruments at FVTPL.

**2.3 Financial assets and financial liabilities****Recognition and initial measurement**

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in profit or loss. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue (IFRS 9).

**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 Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company 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. The Company measures instruments quoted in an active market at a mid price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Company 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.

**Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**Investment in Carry Units**

The Company has subscribed for Class A4 Units, Class B4 Units and Carry Units in the Sub-fund, of which only the Carry Units participate in the carried interest mechanism detailed in the clause 26 of the Sub-Fund's Supplement Issuing Document.

Profits and losses in the Sub-Fund allocated as per clause 26 in the Supplement Issuing document:

- a. Firstly, 100% to the Unitholders of the Classes of Units, pro rata to the number of Units held in the relevant Classes, until such payments equal in aggregate their Capital Contributions.
- b. Secondly, 100% to the Unitholders of the Classes of Units, pro rata to the number of Units held in the relevant Classes, until cumulative distributions to such Unitholders represent a return of 5% per annum compounded annually on the Capital Contributions less Distributions made (the "Preferred Return").
- c. Thirdly, any further amounts apportioned amongst the Classes of Units that were issued in order to finance the Investment from which proceeds available to distribute have arisen, pro rata to the aggregate number of Units held in the relevant Classes and:
  - (i) 80% of amounts arising in connection with the Class A4 Units to the Unitholders of the Class A4 Units and 20% to the Carry Unitholders, pro rata to the number of Units held.
  - (ii) (A) 100% of amounts arising in connection with the Class B4 Units to the Carry Unitholders, pro rata to the number of Units held, until cumulative distributions equal 10% of the cumulative distributions made to the Carry Unitholders as a Preferred Return.  
And then, (B) 90% to the Unitholders of the Class B4 Units and 10% to the Carry Unitholders, pro rata to the number of Units held.

**2.4 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. The carrying amounts of cash and cash equivalents approximate their fair values.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Equity**

Class A Shares and Class B Shares of the Company are classified as equity, each of them having the same nominal value.

**2.6 Trade and other payables**

Trade and other payables are recognized at their nominal values and correspond to legal or contractual agreements.

Accruals in the Interim Financial Statements are classified as trade and other payables. The carrying amounts of trade and other payables approximate their fair values.

**2.7 Related party transactions**

Related party transactions includes payables and receivables resulting from transactions between the Company and its shareholders. In addition, the company's investment in carry units of the Sub-Fund and subsequent mark to market valuation interest forms part of the Interim Statement of Changes in Equity and accounted as re-allocation of profits of the Company between its shareholders under IAS 24.

**2.8 Dividend Income**

Dividend income on financial instruments measured at FVTPL are recognized on a cash basis within the Interim Statement of Comprehensive Income.

**3. FUNCTIONAL AND PRESENTATION CURRENCY**

The Interim Financial Statements are presented in EUR, which is the Company's functional currency. All financial information presented in EUR has been rounded to the nearest unit.

**4. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of Interim Financial Statements in conformity with IFRS as adopted by the EU requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The Company has adopted the accounting standards on Investment Entities amendments to IFRS 10, IFRS 12 and IAS 27) and the Board of Directors of the Company have concluded that the Company meets the criteria of an Investment Entity.

At the year end the Company invests in the Sub-Fund. Investments, including those effected via holding vehicles are valued at FVTPL.

Significant judgement has been involved in the assessment of the carried interest. The Board of Directors decided to account carried interest for financial assets through profit and loss. The decision was based mainly on the fact that the Company does not provide any services to the Sub-Fund. The Sub-Fund is managed by EQT Fund Management S.à r.l. (the "Management Company"). No service contracts exist between the Company and the Management Company. The Company holds 100% of the units issued by the Sub-Fund and considers the Sub-Fund as an investment.

Carried interest is calculated based on the mechanism disclosed in note 2.3 and assuming all portfolio investments of the Sub-Fund are sold at their values at the balance sheet date. The actual amount will depend on the cash realisation and valuation may change significantly in the next financial year. The fair valuation of the investment is itself a critical estimate.

**5. SEGMENTAL REPORTING**

Although the Company has two classes of shares and has authorized the issuance of four class of notes, it is organized and operates as one business and one investment segment as the principal focus is on mid-market debt investments, achieved via investment in the Sub-Fund.

Accordingly, all significant operating decisions are based upon analysis of the Company as a whole. Additionally, the Company's performance is evaluated on an overall basis. The Company's Board of Directors receives financial information prepared under IFRS and, as a result, the disclosure of separate segmental information is not required.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**6. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks as at 30 June 2020:

**Market Risk**

Market risk is the risk that changes in market prices will affect the value of the investments purchased by and Notes issued by the Company. Market risk could refer to both gains and losses and could include amongst others, price risk and interest rate risk, with the most important risk faced by the Notes issued by the Company being price risk. Nevertheless, changes in interest rates may reduce the Sub-Fund's return from floating-rate instruments or increase the cost of any borrowing. Furthermore, a default on a debt instrument that is held directly or indirectly by the Sub-Fund or a sudden and extreme increase in prevailing interest rates may cause a decline in the Sub-Fund's net asset value.

However, as any material fluctuations in the net asset value of the Sub-Fund are borne by the Noteholders, the Company itself does not consider price these market risks to be a significant economic risk.

**Currency Risk**

The Company invests in financial instruments and enters into transactions that are denominated in EUR. Consequently, the Company is not exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that will have an adverse effect on the fair value or future cash flows of the Company's financial assets or financial liabilities.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its bank accounts on a regular basis to ensure there is sufficient liquidity.

Interest on and redemptions of Notes will only occur upon actual receipt of proceeds from the Sub-Fund. In addition, the maturity date of the Notes extends beyond the expected term of the Sub-Fund. Therefore, there is no material mismatch between financial assets and financial liabilities.

**Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

The Company's cash is held at ING Luxembourg S.A., Nordea Bank AB (publ) and Barclays Bank PLC. ING Luxembourg SA is a reputable bank operating in Luxembourg under regulation and supervision of the Commission de Surveillance du Secteur Financier. Nordea Bank AB (publ) is a reputable bank registered in Sweden. It is authorized by the Sveriges Riksbank and regulated by the Finansinspektionen and the Sveriges Riksbank. Barclays Bank PLC is a reputable bank registered in England. It is authorized by the Bank of England Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Changes in the fair value of the Notes issued to the investors primarily reflect changes in the fair value of the investment in the Sub-Fund. The effect of the performance of the assets on the fair value of the liability is asset-specific performance risk, not credit risk.

**7. FAIR VALUE DISCLOSURES**

Estimates of fair value are based on the best information available to management as to conditions that existed as of the balance sheet date or adjusting events occurring after this date. Assets and liabilities recorded at fair value in the Interim Statement of Financial Position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities and are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. As at 30 June 2020 and 31 December 2019, there are no assets or liabilities carried at Level 1 fair value.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly (ie: prices) or indirectly (ie: derived from prices) observable for the asset or liability. As at 30 June 2020 and 31 December 2019, there are no assets or liabilities carried at Level 2 fair value.

Level 3 – Inputs are based on unobservable data and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. As at 30 June 2020, the assets carried at Level 3 fair value are the investment of EUR 462,106,432 (2019: EUR 469,007,232) in the Sub-Fund and the method that has been used for the fair value of the investment is the net asset value of the Sub-Fund as at 30 June 2020 (please refer to Note 8 for further details). The net asset value of the Sub-Fund is considered to be a significant unobservable input. As at 30 June 2020, financial liabilities amounting to EUR 450,961,441 (2019: EUR 457,883,280) have been classified as Level 3 (please refer to Note 12 for further details). As at 30 June 2020, should the net asset value of the Sub-Fund increase by 5%, or approximately EUR 23,105,322 the increase in financial assets would be partially offset by an increase in financial liabilities of EUR 22,874,268. The remaining EUR 231,053 is attributable to the shareholders of the Company. As at 31 December 2019, should the net asset value of the Sub-Fund increase by 5%, or approximately EUR 23,450,362 the increase in financial assets would be partially offset by an increase in financial liabilities of EUR 19,280,217. The remaining EUR 4,170,145 is attributable to the shareholders of the Company.

There were no transfers between the three levels during the year.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment	Currency	Number of Units	% Class of Units	Cost EUR 30 June 2020	Fair Value EUR 30 June 2020
Class A4 Units in the Sub-Fund	EUR	31,937.50	100	319,375,000	314,404,147
Class B4 Units in the Sub-Fund	EUR	14,000.00	100	140,000,000	136,581,895
Carry Units in the Sub-Fund	EUR	464.02	100	4,640,152	11,120,390
<b>Total</b>		<b>46,401.52</b>		<b>464,015,152</b>	<b>462,106,432</b>

Investment	Currency	Number of Units	% Class of Units	Cost EUR 30 June 2019	Fair Value EUR 30 June 2019
Class A4 Units in the Sub-Fund	EUR	31,937.50	100	319,375,000	319,464,218
Class B4 Units in the Sub-Fund	EUR	14,000.00	100	140,000,000	139,278,208
Carry Units in the Sub-Fund	EUR	464.02	100	4,640,152	9,593,611
<b>Total</b>		<b>46,401.52</b>		<b>464,015,152</b>	<b>468,336,037</b>

Investment	Currency	Number of Units	% Class of Units	Cost EUR 31 December 2019	Fair Value EUR 31 December 2019
Class A4 Units in the Sub-Fund	EUR	31,937.50	100	319,375,000	318,990,101
Class B4 Units in the Sub-Fund	EUR	14,000.00	100	140,000,000	138,947,552
Carry Units in the Sub-Fund	EUR	464.02	100	4,640,152	11,069,579
<b>Total</b>		<b>46,401.52</b>		<b>464,015,152</b>	<b>469,007,232</b>

EUR	Investment in Sub-Fund	Total
<b>Balances as at 1 January 2019</b>	<b>369,212,417</b>	<b>369,212,417</b>
Realized gain from financial instruments at FVTPL	-	-
Unrealized gain from financial instruments at FVTPL	6,991,785	6,991,785
Subscriptions	92,803,030	92,803,030
Redemptions	-	-
<b>Balances as at 31 December 2019</b>	<b>469,007,232</b>	<b>469,007,232</b>
Realized gain from financial instruments at FVTPL	-	-
Unrealized loss from financial instruments at FVTPL	(6,900,800)	(6,900,800)
Subscriptions	-	-
Redemptions	-	-
<b>Balances as at 30 June 2020</b>	<b>462,106,432</b>	<b>462,106,432</b>

The realized gain from the financial instruments at FVTPL represents the difference between the carrying amount of the financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealized gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

During the period, the Company made an additional investment of EUR nil (2019: EUR 92,803,030) in the Sub-Fund. As at 30 June 2020, the fair value of the Company's investment in the Sub-Fund was EUR nil (2019: EUR 469,007,232), resulting in a net loss from financial assets at fair value through profit or loss of EUR 6,900,800 (2019: net gain of EUR 6,991,785) being reflected in the Interim Statement of Comprehensive Income. During the period, the Company has received dividend income for a total amount of EUR 16,300,000 (2019: EUR 28,898,000).

The Sub-Fund is an unconsolidated structured entity fully owned by the Company. During the period, the Company did not provide financial support to the Sub-Fund and has no intention of providing financial or other support aside from its contractual commitment obligation as further detailed in Note 16. The investment in the Sub-Fund is closed-ended with no possibility of redemptions for a term of 7 years with the possibility of an extension of 2 years as further described in the Issuing Document.

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**9. FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

The financial assets not measured at FVTPL include cash and cash equivalent and other receivables. This is short-term financial assets whose carrying amounts approximate fair value, because of their short-term nature.

**10. OTHER RECEIVABLES**

Other receivables mainly comprise prepaid expenses.

**11. EQUITY****11.1 Share Capital**

The Company's issued share capital is EUR 374,975 (2019: EUR 374,975) consisting of 36,287,950 (2019: 36,287,950) Class A Shares having a nominal value of one EUR 0.01 each, and 1,209,598 (2019: 1,209,598) Class B Shares having a nominal value of EUR 0.01 each.

Class A Shares and Class B Shares have the same rights and are entitled a pro-rata allocation of profits (based on their contribution). The residual performance on Sub-Fund's Carry Units are attributable to the shareholders of the Company (see note 11.4).

**11.2 Special Reserve**

The Company has setup share class specific reserve accounts into which any premium paid on any share in addition to its nominal value as well as any share class specific capital contribution without the issuance of shares is transferred.

During the period, EUR nil (2019: EUR 928,030) was allocated to the Class B Share Special Reserve account, for a total amount of EUR 4,350,137 (2019: EUR 4,350,137) as at 30 June 2020.

**11.3 Legal Reserve**

From the annual net profits of the Company, five per cent (5%) shall be allocated to the legal reserve. This allocation shall cease to be mandatory as soon and as long as such reserve amounts to ten per cent (10%) of the share capital of the Company. As at 30 June 2020 the legal reserve is EUR 37,498 (2019: EUR 37,498).

During the period, no additional amount was allocated to the legal reserve (2019: nil).

**11.4 Retained earnings**

	1 January 2020 to 30 June 2020	1 January 2019 to 30 June 2019	1 January 2019 to 31 December 2019
<b>Retained earnings</b>	<b>7,390,415</b>	<b>5,530,635</b>	<b>6,488,939</b>
Balance as at the beginning of the period/year	6,488,939	3,692,058	3,692,058
Distribution to shareholders	-	-	(687,665)
Reversal of prior year distribution	687,665	-	-
Total comprehensive result for the period/year	213,811	1,838,577	3,484,546
<b>Balance as at the end of the period/year</b>	<b>7,390,415</b>	<b>5,530,635</b>	<b>6,488,939</b>

Proceeds from the Class A4 notes (see Note 12) are used to invest in Class A4 units in the Sub-Fund (see Note 8).

Proceeds from the Class B4 notes (see Note 12) are used to invest in Class B4 units in the Sub-Fund (see Note 8).

The Company's investment in Carry Units in the Sub-Fund (see Note 8) are not financed by notes but by the Shareholders of the Company. Consequently, any gain or loss on the Company's investment in the Carry Units in the Sub-Fund are not offset by a corresponding change in financial liabilities at fair value through profit or loss, i.e. the ultimate beneficiaries in the Carry Units of the Sub-Fund are the Shareholders of the Company, as outlined in section "Description of the underlying Transactions of the Sub-Fund" in the Notes Prospectus. The Sub-Fund has not paid any carried interest in 2020 (2019: nil).

## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

Non-current financial liabilities at fair value through profit or loss as at 30 June 2020 are analysed as follows:

Non-current financial liabilities	Number of notes 30 June 2020	Nominal Value EUR 30 June 2020	Fair Value EUR 30 June 2020
Class A4 Notes	2,555	319,375,000	314,387,044
Class B4 Notes	1,120	140,000,000	136,574,397
<b>Total</b>		<b>459,375,000</b>	<b>450,961,441</b>

Non-current financial liabilities at fair value through profit or loss as at 30 June 2019 are analysed as follows:

Non-current financial liabilities	Number of notes 30 June 2019	Nominal Value EUR 30 June 2019	Fair Value EUR 30 June 2019
Class A4 Notes	2,555	319,375,000	319,432,510
Class B4 Notes	1,120	140,000,000	139,264,309
<b>Total</b>		<b>459,375,000</b>	<b>458,696,819</b>

Non-current financial liabilities at fair value through profit or loss as at 31 December 2019 are analysed as follows:

Non-current financial liabilities	Number of notes 31 December 2019	Nominal Value EUR 31 December 2019	Fair Value EUR 31 December 2019
Class A4 Notes	2,555	319,375,000	318,952,299
Class B4 Notes	1,120	140,000,000	138,930,981
<b>Total</b>		<b>459,375,000</b>	<b>457,883,280</b>

EUR	Notes	Total
<b>Balances at 1 January 2019</b>	<b>362,214,921</b>	<b>362,214,921</b>
Net loss recognised through profit or loss	3,793,359	3,793,359
Issue	91,875,000	91,875,000
Redemptions	-	-
<b>Balances at 31 December 2019</b>	<b>457,883,280</b>	<b>457,883,280</b>
Net gain recognised through profit or loss	(6,921,839)	(6,921,839)
Issue	-	-
Redemptions	-	-
<b>Balances at 30 June 2020</b>	<b>450,961,441</b>	<b>450,961,441</b>

During the year, the Company paid interest on the Notes in the amount of EUR 16,005,268 (2019: EUR 28,441,137) (based on proceeds received from its investment in Class A4 and B4 Units in the Sub-Fund less ongoing expenses).

Upon issue, notes subscribed by the Company are registered in the books of Euroclear Sweden AB. Notes issued by the Company are listed on the Official List of NGM and admitted to trading on the regulated market of NGM.

The details of the interest, principal and maturity of the Notes are available in the Notes Prospectus which is publicly available on the Company's website (<http://www.eqtpartners.com>).

**13. TRADE AND OTHER PAYABLES**

Trade and other payables are mainly comprised of distribution payable, administration fees, audit fees and legal and professional fees payable.

**14. TAXATION**

The company is subject to general tax laws and regulations applicable to all commercial companies in Luxembourg. A securitization company's commitments to remunerate investors for issued bonds or shares and other creditors qualify as a deductible expense according to the Securitisation Law. No deferred tax is recognized during the period (2019: none).



## FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

**15. RELATED PARTY TRANSACTIONS**

Other than the transactions between the Company and the Sub-Fund and between the Company and its shareholders (refer to Note 11 and Note 13), the only related party transactions to be reported are directors fees which no amount has been paid during the period (2019: none).

**16. COMMITMENTS AND CONTINGENCIES**

As at 30 June 2020, investors have committed to invest in Class A4 and Class B4 Notes to be issued by the Company for a total amount of EUR 525,000,000.

As at 30 June 2020, Class A4 and Class B4 Notes for a total amount of EUR 459,375,000 had been issued (please refer to Note 12 for further details).

As at 30 June 2020, the total undrawn commitment from the Noteholders amounted to EUR 65,625,000.

As at 30 June 2020, the Company has committed to invest an aggregate amount of EUR 530,303,030 in the Sub-Fund.

As at 30 June 2020, the Company has undrawn commitment of EUR 146,098,878 in the Sub-Fund.

**17. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company's business. As further described in Note 6, there is no material mismatch between the Company's financial assets and its financial liabilities.

Under the Securitisation Law, the Company is not required to have a specific minimum capital. Consequently, the minimum share capital depends upon the legal form, which is EUR 31,000 for a société anonyme.

**18. MATERIAL AGREEMENTS**

On 30 June 2015, the Company entered into a side agreement (the "Side Agreement") with Barclays Bank PLC ("Barclays") relating to a EUR 50,000,000 revolving facility agreement (the "Facility Agreement") which was entered into by, among others, the Sub-Fund and Barclays. The Company (as debtor) is also party to a related pledge over commitments agreement dated 30 June 2015 between the Sub-Fund (as pledgor) and Barclays. Under the terms of the Side Agreement and the pledge over commitments agreement, the Company acknowledges that Barclays is granted by the Sub-Fund an assignment of the rights of the Sub-Fund to issue drawdown notices to the Company and the Company agrees to comply with any drawdown notice issued by Barclays to it, which Barclays would only be entitled to serve while an event of default is continuing under the Facility Agreement. On 30 June 2015, the Company also granted powers of attorney to Barclays, under the terms of which, while an event of default is continuing under the Facility Agreement, Barclays is entitled to issue notes and to take certain steps in operation of the a bank account of the Company in order to facilitate the repayment of amounts outstanding under the Facility Agreement.

On 14 June 2016, the Fund entered into an Amended and Restated Facility Agreement, pursuant to which, among other amendments, the termination date of the facility was extended to 30 June 2017 and the facility was increased to EUR 79,000,000. On 14 June 2016, the Company also entered into a confirmation agreement in respect of the Side Agreement, where it confirmed that the undertakings it gave under the Side Agreement shall continue to be given in respect of the Amended and Restated Facility Agreement.

On 28 June 2017, the termination date of the facility was extended to 30 June 2018.

On 21 June 2018, the termination date of the facility was extended to 30 June 2019 and total facility reduced to EUR 50,000,000.

On 27 June 2019, the termination date of the facility was extended to 30 June 2020 and the total facility reduced to EUR 38,000,000.

On 11 June 2020, the termination date of the facility was extended to 30 June 2021 and the total facility reduced to EUR 30,000,000.

**19. EMPLOYEES**

The Company had no employees during the period.

**20. SUBSEQUENT EVENTS**

The Board of Directors of the Company is of the opinion that there should be no adjusting events as a result of the Coronavirus outbreak. At present, whilst there is acknowledgment of potential future impact, EQT continues to monitor updates on an ongoing basis in relation to portfolio companies.

<b>Registered Office</b>	26A, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Board of Directors</b>	Besar Muhamedi (appointed on 24 August 2020) Boris Lemiegre (resigned on 1 April 2020) Maximilian Mehnert (resigned on 24 August 2020) Quentin Lévêque (appointed on 1 April 2020) Willem-Arnoud van Rooyen
<b>Administrator</b>	Citco Fund Services (Luxembourg) S.A. Carré Bonn, 20 rue de la Poste L-2346 Luxembourg Grand Duchy of Luxembourg
<b>Auditor</b>	KPMG Luxembourg, Société coopérative 39, Avenue John F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
<b>Issuer Agent</b>	Nordic Fixed Income AB (trading as Arctic Securities) Biblioteksgatan 8 111 46 Stockholm Sweden
<b>Registrar for the Notes</b>	Euroclear Sweden AB P.O. Box 191 101 23 Stockholm Sweden
<b>Legal Advisers</b>	Loyens & Loeff Luxembourg S.à r.l 18-20, rue Edward Steichen L-2540 Luxembourg Grand Duchy of Luxembourg  Mannheimer Swartling Norrländsgatan 21 SE-111 87 Stockholm Sweden