

## PRESS RELEASE

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### **EQT combines with BPEA to capture growth opportunities in Asia**

**EQT AB (“EQT”) has today completed its combination with Baring Private Equity Asia (“BPEA”). This brings together one of the world’s largest<sup>1</sup> private markets firms, EQT, with the third largest in Asia<sup>2</sup>, BPEA, creating a global leader in active ownership strategies.**

The combination delivers on EQT’s strategic ambition to expand its presence in Asia, a market that is expected to outgrow global private markets<sup>3</sup> and EQT believes will be a key contributor to EQT delivering strong long-term returns for its clients. It brings together BPEA’s strong track record and extensive experience of investing across Asia with EQT’s expertise in areas such as sustainability and digitalization. EQT will be “local-with-locals” in countries representing 80 percent of global GDP, enabling it to better leverage insights on a global scale and execute on a broader range of investments, while attracting some of the best talent.

*“Asia is home to more than half of the world’s population and predicted to generate over 40 percent of global GDP within ten years – as a result, it’s expected that the growth of the Asian private market will accelerate at nearly double the pace of global markets through 2025,” said Christian Sinding, CEO and Managing Partner of EQT. “As a combined firm, we offer local experience and global capabilities – underlined by shared values – that puts EQT in an even stronger position to capture the opportunity through our leading investment strategies across private equity, infrastructure and real estate.”*

#### **BPEA EQT private capital: an enhanced platform**

BPEA EQT combines the private equity teams from BPEA and EQT Asia, with teams based in Beijing, Hong Kong, Mumbai, Seoul, Shanghai, Singapore, Sydney and Tokyo. It builds on 25 years of success in which it has invested in companies such as Hexaware Technologies, Virtusa, and Nord Anglia Education. Prior to completion, BPEA held the final close of the Baring Asia Private Equity Fund VIII at USD 11.2 billion<sup>4</sup>, making it one of the largest private equity funds ever raised in Asia. BPEA’s success is reflected through its 2.4x gross fully and partially realized MOIC since inception<sup>5</sup>.

Jean Eric Salata, Chairman of EQT Asia, Head of BPEA EQT and member of EQT’s Executive Committee, commented: *“To succeed in a diverse region like Asia requires strong local relationships as well as global sector and operational capabilities. The combined BPEA EQT platform gives us exactly this, with teams on the ground in eight cities, a thematic investment strategy underpinned by global sector teams, and an active ownership approach driven by deep global networks of industrial advisors and digital capabilities. By joining forces with EQT, we believe we are strengthening our competitive position and ratcheting up our ability to continue delivering strong returns for our clients.”*

#### **EQT Exeter doubles down on Asia**

EQT’s real estate division, EQT Exeter, is bolstered by the integration of BPEA’s regional Asian real estate business, BPEA Real Estate. The business will continue to operate as one global platform, while benefiting from enhanced talent, skills, knowledge, and capabilities in Asia. It will expand its investments in logistics, office, multi-family, and life sciences, in parallel with EQT Exeter’s global geo-sector specialist strategy.

Ward Fitzgerald, Partner and Head of EQT Exeter, said: *“This combination is the third leg of global expansion for EQT Exeter. With EQT Exeter’s existing expertise, we are now completing the puzzle to create a major player in sheds, beds and meds. The opportunity in Asia is vast and we look forward to bringing our operating model to the region with the aim to enhance returns for our investors.”*

Mark Fogle, who now leads the EQT Exeter business in Asia, added: *“Ward and team have built an amazing business in North America and Europe, and we are truly excited about the new partnership. The combined platform provides an enhanced ability to be local in all our investment decisions, which has been a core strength of ours and which we believe is critical to succeeding in Asia.”*

#### **Key transaction details**

- Following the signing of a definitive agreement to acquire BPEA (the “Transaction”), as announced on 16 March 2022, the Transaction was completed on 18 October 2022
- BPEA and EQT’s Private Equity teams in Asia have combined to form BPEA EQT, and EQT Exeter has integrated BPEA’s Real Estate business. EQT Infrastructure continues to operate globally, while benefiting from BPEA’s pan-regional presence and networks
- EQT acquires 100% of the BPEA management company, the BPEA general partner entities which control selected BPEA funds, and the right to carried interest in selected existing funds (including 25% in BPEA Fund VI and 35% in BPEA Fund VII). EQT will invest in and be entitled to 35% of the carried interest in future BPEA EQT funds, starting with BPEA Fund VIII, in line with existing EQT policies
- The transaction consideration consists of 191.2mn new EQT ordinary shares (corresponding to a dilution of approximately 16%), plus EUR 1.6bn in cash<sup>6</sup>
- The cash consideration and transaction expenses related to the combination are funded by cash and the net proceeds from a EUR 1.5bn sustainability-linked bond issuance in April 2022
- BPEA has, as of 30 September 2022, EUR 22.1bn in fee-generating assets under management and 225 employees

#### **Notes**

<sup>1</sup> Source: PEI 300 2022

<sup>2</sup> By AUM, excluding international private markets peers with presence in Asia

<sup>3</sup> 1.8x AUM growth in private markets in Asia vs global expected between 2020 - 2025, Source: Preqin

<sup>4</sup> USD 11.2 billion in total commitments, with USD 10.5 billion in fee-paying assets under management

<sup>5</sup> As of June 30, 2022. Since inception is defined as the timing of creation of the independent firm (from Fund III and onwards)

<sup>6</sup> Corresponding to USD 1.6 billion

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#### **About EQT**

*EQT is a purpose-driven global investment organization focused on active ownership strategies. With a Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. EQT has investment strategies covering all phases of a business’ development, from start-up to maturity. As of 30 June 2022, EQT had EUR 77 billion in assets under management within two business segments – Private Capital and Real Assets and BPEA had EUR 20 billion in assets under management.*

*With its roots in the Wallenberg family’s entrepreneurial mindset and philosophy of long-term ownership, EQT is guided by a set of strong values and a distinct corporate culture. EQT manages and advises funds and vehicles that invest across the world with the mission to future-proof companies, generate attractive returns and make a positive impact with everything EQT does.*



*The EQT AB Group comprises EQT AB (publ) and its direct and indirect subsidiaries, which include general partners and fund managers of EQT funds as well as entities advising EQT funds. EQT has offices in 23 countries across Europe, Asia-Pacific and the Americas and has close to 1,500 employees.*

More info: [www.eqtgroup.com](http://www.eqtgroup.com)

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