

## Year-End Report 2022

# Resilience through active ownership and thematic focus

## Highlights for the period Jan-Dec 2022 (Jan-Dec 2021)

### Financial

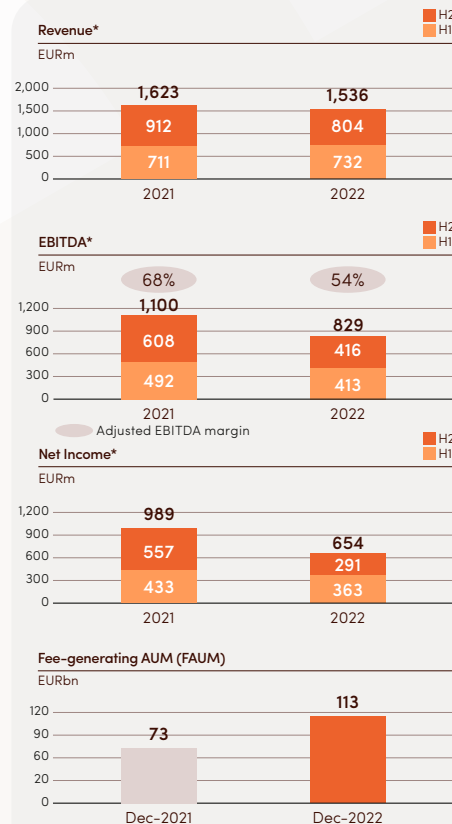
- Adjusted total revenue amounted to EUR 1,536m (EUR 1,623m). Management fees increased by 22%, which was offset by a decrease in carried interest. Adjusted total revenue decreased by 5%. Total revenues (according to IFRS) were EUR 1,497m (EUR 1,596m)
- Adjusted EBITDA amounted to EUR 829m (EUR 1,100m), corresponding to a margin of 54% (68%). EBITDA (according to IFRS) was EUR 506m (EUR 970m), corresponding to a margin of 34% (61%). The margin decrease in 2022 was primarily driven by lower carried interest
- Adjusted net income amounted to EUR 654m (EUR 989m). Net income (according to IFRS) was EUR 176m (EUR 909m)
- Adjusted basic earnings per share amounted to EUR 0.634 (EUR 1.011). Adjusted diluted earnings per share amounted to EUR 0.634 (EUR 1.010). Reported basic earnings per share amounted to EUR 0.171 (EUR 0.928). Reported diluted earnings per share amounted to EUR 0.171 (EUR 0.928)
- Financial net debt amounted to EUR 1,355m (EUR 88m in net cash), reflecting the financing of the BPEA cash consideration. Available liquidity includes cash and cash equivalents of EUR 645m, an undrawn RCF of EUR 1.5bn and ~EUR 1bn of management fees to be received in early 2023

### Strategic

- EQT completed the combination with BPEA, a leading private markets firm in Asia, creating a scaled and diversified global leader in active ownership strategies
- EQT completed the acquisitions of Life Sciences Partners (LSP), a leading European life sciences venture capital firm; Bear Logi, a value-add logistics team focused on the Japanese and Korean markets; and Redwood Capital Group, a US-based residential value-add and core plus investment manager

### Fundraising

- FAUM increased to EUR 113bn (EUR 73bn), primarily driven by the combination with BPEA with FAUM of EUR 22bn at the time of closing, and by closed-out commitments in EQT X which were partially offset by 9bn of step-downs primarily related to EQT IX and EQT Infrastructure V. Total AUM\* was EUR 210bn
- BPEA EQT held its final close of BPEA VIII at hard cap of USD 10.5bn in fee-generating commitments (USD 11.2bn in total commitments), making it one of the largest ever private equity funds raised by an Asia-based private equity firm
- EQT set the target fund size for EQT Infrastructure VI at EUR 20bn. The fund was activated in December 2022, with EUR 2.8bn raised by year-end 2022. The majority of fundraising is expected to be concluded in 2023
- EQT launched fundraising for EQT X (with a target fund size of EUR 20bn). Fundraising is expected to be concluded in 2023, with EUR 15.4bn raised by year-end 2022, and a further ~EUR 1bn committed to date in 2023
- EQT Growth had its final close at EUR 2.2bn, representing the largest first time growth fund in Europe ever, and EQT Ventures III had its final close at EUR 1.0bn, making it Europe's largest venture capital fund committed to early-stage tech startups
- Fundraising was initiated for EQT Active Core Infrastructure, with a target fund size of EUR 5.0bn. Fundraising continued for EQT Future
- Fundraising was initiated for EQT Exeter US Industrial Value VI, with a target fund size of USD 4.0bn and EQT Exeter EU Industrial Core II, with a target fund size of EUR 2.5bn. EQT Exeter Industrial Core-Plus Fund IV had its final close at USD 3.0bn, exceeding its target size of USD 2.5bn



\* Total AUM is defined as the sum of fee-generating AUM, value appreciation of investments and fair market value of non-fee-generating co-investments as well as remaining commitments in active funds and committed capital yet to be fee-generating.

Note: The closing of the combination with BPEA occurred on 18 October 2022. BPEA's contribution to 2022 financials relates to the period after closing.

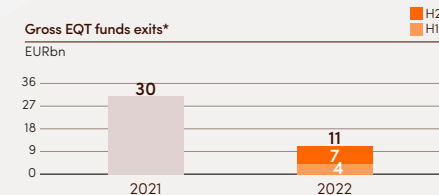
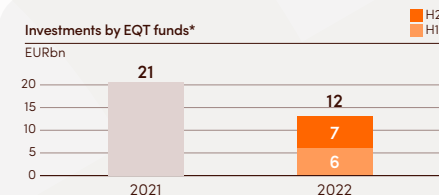
## Highlights for the period Jan-Dec 2022 (Jan-Dec 2021)

### Investment and exit activity\*

- Total investments by the EQT funds decreased to EUR 12bn (EUR 21bn)
- Notable investments during the year include Envirotainer, United Talent Agency, Billtrust (EQT X), SPT Labtech, Recipharm's add-ons Arranta Bio and Vibalogics (EQT IX), InstaVolt, Stockland Retirement Living (EQT Infrastructure V) and Madison Energy Investments (EQT Infrastructure VI)
- Total gross fund exits during the year amounted to EUR 11bn (EUR 30bn)
- Signed exits include Facile.it, IFS and WorkWave (EQT VIII), EUR 2bn of exits in EQT Exeter (various funds), Saur (EQT Infrastructure III) and Bushu Pharmaceuticals (BPEA V)

### Investment performance

- All key funds continued to perform On plan or Above plan
- As of closing, BPEA VIII and BPEA VII were classified as key funds from the Group's perspective. The target returns for these funds are the same as for EQT's key funds within the Private Capital business segment, where "On plan" refers to expected Gross MOIC between 2.0-2.5x. BPEA VII is performing Above plan and BPEA VIII is performing On plan
- During the year, fund valuations were generally supported by strong operational performance among portfolio companies, and certain exits above fund valuations, offset by lower public market valuation references



### Investment performance

	On plan	Above plan
<b>Private Capital</b>	EQT IX BPEA VIII EQT X	EQT VII EQT VIII BPEA VII
<b>Real Assets</b>	EQT Infrastructure II EQT Infrastructure IV EQT Infrastructure V EQT Infrastructure VI	EQT Infrastructure III

\*Includes both closed and signed transactions, if not otherwise mentioned

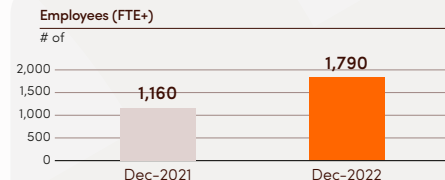
## Highlights for the period Jan-Dec 2022 (Jan-Dec 2021)

### People and future-proofing

- The number of full-time equivalent employees and on-site consultants (FTE+) increased and amounted to 1,790 (1,160) at the end of the period, of which 1,669 (1,059) were FTEs. Approximately half of the FTE growth was from business combinations. EQT has reduced the pace of hiring and is currently only making selective hires to secure growth in focus areas such as Private Wealth, and the regions North America and Asia
- EQT established a Sustainability Committee, marking the first Board-level commitment to sustainability in the private markets industry
- Bahare Haghshenas (Global Head of Sustainable Transformation), Christina Drews (Chief Operating Officer), Jean Eric Salata (Head of BPEA EQT and Chairperson of EQT Asia), Gustav Segerberg (Head of Business Development), and Ricardo Reyes (Global Head of Communications and External Affairs) joined the Executive Committee. Suzanne Donohoe (Chief Commercial Officer) was also appointed to the Executive Committee, and started in January 2023. Caspar Callerström (Deputy CEO) and Morten Hummelose (Head of CR) stepped down from the Executive Committee, and will remain committed to EQT through advisory roles and the EQT Foundation
- EQT issued a total of EUR 1.5bn of sustainability-linked bonds
- EQT was included in the MSCI ESG Leaders Index and the Dow Jones Sustainability Indices
- As per the agreements entered into as part of EQT's combination with Exeter, lock-ups on 7m shares expired. Any sale of the shares is subject to coordination by EQT, together with other previously released but not sold shares

### Events after the reporting period

- Investment levels in key funds as of 18 January 2023 were 10–15% in EQT X based on target fund size, 15–20% for BPEA VIII and 0–5% in EQT Infrastructure VI based on target fund size
- The Board proposes a dividend per share of SEK 3.00 (SEK 2.80), to be paid in two installments, SEK 1.50 (SEK 1.40) in June 2023 and SEK 1.50 (SEK 1.40) in December 2023



## Resilience through active ownership and thematic focus

**EQT concluded 2022 – a transformative year – as a global leader in active ownership. We relentlessly continue to future-proof our expanding platform, while navigating macroeconomic and geopolitical uncertainty.**

EQT's distinctive investment approach has served us well since inception and continued to guide us throughout 2022. It is built upon the belief, shared with our clients, that delivering exceptional returns goes hand-in-hand with creating a positive impact. This guides our thematic investment strategies and value-creation plans, ensuring that the companies and assets we invest in are sustainable and valuable for the long-term. For example, we plan to increase investment in areas such as waste management, renewable energy, and circularity.

2022 was a transformative year for EQT's global platform as we concluded the combination with BPEA as well as the acquisitions of LSP, Redwood and Bear Logi. Consequently, we have substantially strengthened our presence in Asia, broadened our investment advisory team within Life Science, and increased our reach within Real Estate. In parallel, we have introduced new investment strategies and strengthened existing ones, meaning that we today invest globally in opportunities and companies that range from startups to mature market leaders.

Over the past year, we strengthened the Group Executive Committee, reflecting EQT's diverse global footprint, adding competencies in EQT's core growth areas, while increasing focus on optimizing EQT's global platform.

Having grown our teams in recent years to support fundraising and our recently launched strategies, we decided to reduce the pace of hiring, focusing on specific growth areas only. With a well-invested platform, and a more uncertain market environment, we maintain a strict cost focus while optimizing operations.

Despite macroeconomic challenges including rising inflation and interest rates, the energy crisis, and the ongoing war in Ukraine, EQT's portfolio has remained resilient. Our portfolio of companies and assets demonstrated solid revenue growth across the Private Equity and Infrastructure key funds, apart

from a few pockets of underperformance. Fund valuations remain stable, with all key funds "On plan" or "Above plan". That said, we remain vigilant and continue to maintain readiness for a prolonged deterioration in market conditions.

As markets remain volatile, we proactively work to support our portfolio companies and to future-proof performance. Leveraging our experiences from previous downturns, we have implemented measures throughout the year to reduce cost, manage supply chain challenges, strengthen cyber security, but also invest and gain market share, pursue acquisitions, become more efficient, drive digital transformations and thereby continuously drive value creation.

Meanwhile, current conditions continue to dampen the transaction market and challenge the fundraising environment. As a result, deal activity is substantially slower compared to last year, fundraising is becoming more challenging, and will take longer, even for flagship funds, and ownership periods are expected to be extended. Nevertheless, EQT completed substantial fundraisings during 2022 and is well positioned to deploy capital also during these uncertain market conditions. Furthermore, a meaningful number of exits were executed when favorable market conditions prevailed.

We will continue working to stay ahead of the curve, assessing and preparing for the next cycle. We believe EQT is in a strong position to tackle the challenging market environment. With a young portfolio, global scale, and substantial volumes of "dry powder" to deploy, we will selectively pursue both exits and thematic investments in all markets. Above all, EQT will continue to create our own opportunities – maximizing returns and making a positive impact is the core of what we do.

Christian Sinding,  
CEO and Managing Partner



# Key metrics and ratios

## Investment activity by the EQT funds

EURbn	H2 2022	H2 2021	2022	2021
Investments by the EQT funds	6.6	13.3	12.3	20.6
Gross fund exits	6.8	20.1	11.1	30.2

## Fee-generating assets under management (FAUM)

EURbn	H2 2022	H2 2021	2022	2021
FAUM (end of period)	112.5	73.4	112.5	73.4
Average FAUM (during the period)	94.0	71.7	86.5	65.2
Effective management fee rate	1.48%	1.42%	1.48%	1.42%

## Employees

# of	2022	2021
FTE (end of period)	1,669	1,059
FTE+ (end of period)	1,790	1,160

## Key financials

EURm	H2 2022	H2 2021	2022	2021
<b>Financials (adjusted)*</b>				
Management fees	759	547	1,328	1,086
Adj. carried interest and investment income	45	365	208	537
Adj. total revenue	804	912	1,536	1,623
Adj. total revenue growth, %	(12%)	82%	(5%)	113%
Adj. total operating expenses	387	305	707	524
Adj. EBITDA	416	608	829	1,100
Adj. EBITDA margin, %	52%	67%	54%	68%
Adjusted net income	291	557	654	989
<b>Financials (according to IFRS)</b>				
Management fees	759	547	1,328	1,086
Carried interest and investment income	6	340	169	510
Total revenue	765	888	1,497	1,596
Total revenue growth, %	(14%)	100%	(6%)	125%
Total operating expenses	590	354	991	626
EBITDA	174	533	506	970
EBITDA margin, %	23%	60%	34%	61%
Net income	(58)	548	176	909

## The EQT AB share

	H2 2022	H2 2021	2022	2021
Number of shares (m, end of period)	1,186.1**	987.0**	1,186.1**	987.0**
Number of shares (m, average)	1,071.2	987.0	1,032.0	978.7
Number of shares, diluted (m, average)	1,071.8	987.2	1,032.6	978.9
Adj. earnings per share, basic (EUR)*	0.272	0.564	0.634	1.011
Adj. earnings per share, diluted (EUR)*	0.272	0.564	0.634	1.010
Earnings per share, basic (EUR)	(0.054)	0.555	0.171	0.928
Earnings per share, diluted (EUR)	(0.054)	0.555	0.171	0.928

\*The adjusted metrics are alternative performance metrics for the EQT AB Group. For a full reconciliation, please refer to section "Alternative performance measures (APM)".

\*\*The increase in the number of shares compared to end of 2021 mainly relates to new shares issued in conjunction with the combination with LSP and BPEA. EQT AB issued 7.5m shares to LSP's selling shareholders and 191.2m shares to BPEA's selling shareholders.

# Fee-generating assets under management (FAUM)

## Development during the second half of 2022

FAUM by segment (EURbn)	Private Capital	Real Assets	Total
At 30 June 2022	36.8	40.3	77.1
Gross inflows*	37.0	12.8	49.8
Step-downs	(2.0)	(7.3)	(9.3)
Exits	(1.1)	(1.1)	(2.3)
FX and other	(2.3)	(0.4)	(2.7)
At 31 December 2022	68.3	44.3	112.5
Since 30 June 2022	85%	10%	46%

## Development during the financial year 2022

FAUM by segment (EURbn)	Private Capital	Real Assets	Total
At 31 December 2021	33.9	39.5	73.4
Gross inflows*	40.8	14.4	55.2
Step-downs	(2.0)	(7.3)	(9.3)
Exits	(2.3)	(3.3)	(5.6)
FX and other	(2.1)	1.0	(1.2)
At 31 December 2022	68.3	44.3	112.5
Since 31 December 2021	101%	12%	53%

Note: Any investment activity in the above tables (part of gross inflows or exits) is included based on its impact on FAUM. Therefore, individual deals are included based on remaining or realized cost, timing of transaction closing, and only in funds that are changing fees based on net invested capital.

\*Gross inflow of EUR 22bn of BPEA's FAUM as of closing.

# Gross investment performance of key EQT funds

## As of 31 December 2022

EURbn	Start date	FAUM	Committed Capital	Invested capital			Value of investments			Gross MOIC
				Total	Realized	Remaining	Total	Realized	Remaining	
Private Capital										
EQT VII	Jul-15	2.7	6.9	5.9	3.3	2.6	15.6	10.7	4.9	2.6x
EQT VIII	May-18	7.5	10.9	9.2	1.9	7.3	21.3	5.9	15.4	2.3x
BPEA VII	Jul-18	4.7	5.9	5.5	2.2	3.3	10.7	3.3	7.4	2.0x
EQT IX	Jul-20	13.9	15.6	13.7	0.1	13.6	18.3	0.1	18.2	1.3x
BPEA VIII	Sep-21	9.8	9.8	1.5	-	1.5	1.7	-	1.7	1.2x
EQT X	Jul-22	15.4	15.4	2.8	-	2.8	2.7	-	2.7	1.0x
Other Private Capital		14.3		21.0			39.6			
Real Assets										
EQT Infrastructure II	Oct-12	0.3	1.9	1.7	1.4	0.3	3.6	3.4	0.2	2.1x
EQT Infrastructure III	Nov-16	1.3	4.0	3.5	2.2	1.3	9.6	6.7	2.9	2.7x
EQT Infrastructure IV	Nov-18	6.8	9.1	7.2	0.5	6.7	10.7	0.6	10.0	1.5x
EQT Infrastructure V	Aug-20	10.8	15.7	10.6	-	10.6	12.3	-	12.3	1.2x
EQT Infrastructure VI	Dec-22	2.8	2.8	-	-	-	-	-	-	1.0x
Other Real Assets		22.3		16.9			28.5			
Total		112.5		99.5			174.7			

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

	Gross MOIC 31 Dec 2021	Gross MOIC 31 Mar 2022	Gross MOIC 30 Jun 2022	Gross MOIC 30 Sep 2022	Gross MOIC 31 Dec 2022	Expected Gross MOIC 31 Dec 2022
<b>Private Capital</b>						
EQT VII	2.8x	2.8x	2.7x	2.7x	2.6x	Above plan
EQT VIII	2.6x	2.6x	2.4x	2.3x	2.3x	Above plan
BPEA VII	2.0x	1.9x	1.8x	1.8x	2.0x	Above Plan
EQT IX	1.4x	1.4x	1.4x	1.4x	1.3x	On plan
BPEA VIII	-	1.0x	1.0x	1.1x	1.2x	On plan
EQT X	-	-	-	1.0x	1.0x	On plan
<b>Real Assets</b>						
EQT Infrastructure II	2.2x	2.2x	2.1x	2.1x	2.1x	On plan
EQT Infrastructure III	2.7x	2.7x	2.7x	2.7x	2.7x	Above plan
EQT Infrastructure IV	1.4x	1.5x	1.5x	1.5x	1.5x	On plan
EQT Infrastructure V	1.0x	1.1x	1.1x	1.1x	1.2x	On plan
EQT Infrastructure VI	-	-	-	-	1.0x	On plan

Note: Data for current Gross MOIC reflect 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 EQT Real Assets), "On plan" refers to expected Gross MOIC between 1.7-2.2x.

# Private Capital

The business segment Private Capital consists of the business lines EQT Ventures, EQT Life Sciences, EQT Growth, EQT Private Equity, BPEA EQT, EQT Public Value and EQT Future

Comments on Jan-Dec 2022 (Jan-Dec 2021)

## Investment and exit activity

Total investments made by the EQT funds in Private Capital amounted to EUR 6bn (EUR 11bn). Investments include Envirotainer, United Talent Agency, Billtrust (EQT X), SPT Lab-tech, Recipharm's add-ons Arranta Bio and Vibalogics (EQT IX), SNFL and IFG (EQT Future) and Ardoq (EQT Growth).

Total gross fund exits made by the EQT funds in Private Capital amounted to EUR 6bn (EUR 14bn). Exits during 2022 include Facile.it, IFS and WorkWave (EQT VIII), Forsta (EQT Mid Market US), Elevate and Touhula (EQT Mid Market), GPA Global (EQT Mid Market Asia III), Risk Methods (EQT Ventures I) and Bushu Pharmaceuticals (BPEA V).

## Fundraising activity and FAUM

FAUM was EUR 68bn as of 31 December 2022 (EUR 34bn). Gross inflows of EUR 41bn were primarily related to new commitments in EQT X and the combination with BPEA.

Fundraising for EQT X and EQT Future continued during the period. EQT Growth and EQT Ventures III closed their respective fundraisings during the second half of the year.

## Value creation

Gross MOIC for key funds within Private Capital remained flat or slightly down during the period. EQT VII current Gross MOIC decreased to 2.6x (2.8x), EQT VIII current Gross MOIC decreased to 2.3x (2.6x) and EQT IX current Gross MOIC decreased to 1.3x (1.4x). EQT X and BPEA VIII was 1.0x and 1.2x Gross MOIC respectively.

Expected value creation (Gross MOIC) remains "On plan" in EQT VI, EQT IX, EQT X and BPEA VIII, defined as an expected Gross MOIC between 2.0-2.5x. EQT VII, EQT VIII and BPEA VII are developing "Above plan", which means expected Gross MOIC above 2.5x.

## Employees

FTE+ at the end of the period amounted to 482 (271). The increase in FTE+ was primarily driven by the combinations with BPEA and LSP, contributing ~160 FTE+.

## Result for the segment

Adjusted revenue amounted to EUR 747m in 2022, corresponding to a decrease of 22% compared to EUR 952m in 2021. The decrease relates to lower carried interest during the period from EQT VII and EQT VIII.

Gross segment result decreased to EUR 529m (EUR 795m).

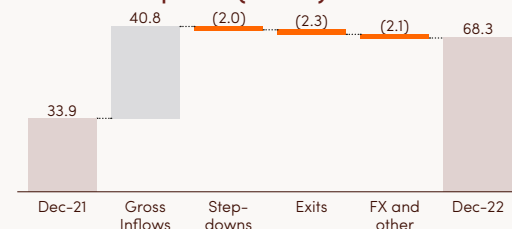
## Key metrics

EURbn	H2 2022	H2 2021	2022	2021
Investments by the EQT funds	3.4	5.6	6.4	10.6
Gross fund exits	3.1	5.4	5.8	14.4
Adjusted revenue (EURm)	473	534	747	952
Gross segment result (EURm)	348	450	529	795
Margin (%)	73%	84%	71%	84%
FAUM (end of period)	68.3	33.9	68.3	33.9
Average FAUM	51.6	33.5	45.0	33.6
FTE+ (# of, end of period)	482	271	482	271

## Performance of selected funds

	Gross MOIC		Expected
	31 Dec 2021	31 Dec 2022	Gross MOIC
EQT VII	2.8x	2.6x	Above plan
EQT VIII	2.6x	2.3x	Above plan
BPEA VII	2.0x	2.0x	Above plan
EQT IX	1.4x	1.3x	On plan
BPEA VIII	-	1.2x	On plan
EQT X	-	1.0x	On plan

## FAUM development (EURbn)





# Real Assets

The business segment Real Assets consists of the business lines EQT Value-Add Infrastructure, EQT Active Core Infrastructure and EQT Exeter

## Comments on Jan-Dec 2022 (Jan-Dec 2021)

### Investment and exit activity

Total investments made by the EQT funds in Real Assets amounted to EUR 6bn (EUR 10bn). Investments include Insta-Volt, Stockland Retirement Living, Trescal (EQT Infrastructure V) and Madison Energy Investments (EQT Infrastructure VI).

Total gross fund exits made by the EQT funds amounted to EUR 5bn (EUR 16bn). Exits within EQT Infrastructure include the sale of First Transit (EQT Infrastructure V) and Saur (EQT Infrastructure III and IV).

### Fundraising activity and FAUM

FAUM increased during the year to EUR 44bn (EUR 40bn). This was primarily driven by SMAs in EQT Exeter and closed out commitments in Exeter Industrial Core Fund III and Exeter Office Value Fund II.

Fundraising was concluded for EQT Exeter Industrial Core-Plus Fund IV with USD 3.0bn in fee-generating commitments, exceeding target size of USD 2.5bn. Fundraising was initiated for EQT Exeter US Industrial Value VI, with target fund size of USD 4.0bn and EQT Exeter EU Industrial Core Plus II, with target fund size of EUR 2.5bn. Fundraising was initiated and continued for EQT Active Core Infrastructure and EQT Infrastructure VI.

### Value creation

EQT Infrastructure II current Gross MOIC decreased slightly to 2.1x (2.2x), EQT Infrastructure III current Gross MOIC remained at 2.7x (2.7x) and EQT Infrastructure IV current Gross MOIC increased to 1.5x (1.4x). EQT Infrastructure V increased its Gross MOIC to 1.2x (1.0).

Expected value creation (Gross MOIC) remains "On plan" in EQT Infrastructure II, EQT Infrastructure IV and EQT Infrastructure V, which means an expected Gross MOIC between 1.7x-2.2x. EQT Infrastructure III continues to develop "Above plan", which is defined as an expected gross MOIC above

2.2x.

In late December 2022, EQT Infrastructure VI was activated upon the signing of its first acquisition, and was hence included in the list of key funds. Gross MOIC remained at 1.0x.

### Employees

FTE+ at the end of the period increased to 605 (421). The increase in FTE+ was primarily driven by hiring and acquisitions in EQT Exeter. Bear Logi, Redwood Capital Group and the Real Estate team from BPEA accounted for ~90 FTE+ in total.

### Result for the segment

Adjusted revenue amounted to EUR 779m, corresponding to an increase of 19% compared to EUR 653m in 2021. Carried interest recognized during the period primarily relates to EQT Infrastructure III.

Gross segment result increased to EUR 572m (EUR 522m).

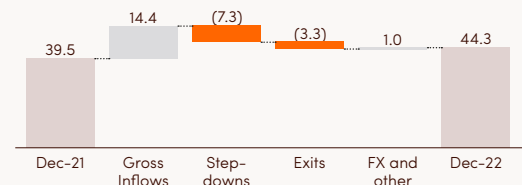
## Key metrics

EURbn	H2 2022	H2 2021	2022	2021
Investments by the EQT funds	3.2	7.7	5.9	10.0
Gross fund exits	3.7	14.7	5.3	15.9
Adjusted revenue (EURm)	328	371	779	653
Gross segment result (EURm)	214	289	572	522
Margin (%)	65%	78%	73%	80%
FAUM (end of period)	44.3	39.5	44.3	39.5
Average FAUM	42.4	38.1	41.5	31.6
FTE+ (# of, end of period)	605	421	605	421

## Performance of selected funds

	Gross MOIC		Expected
	31 Dec 2021	31 Dec 2022	Gross MOIC
EQT Infrastructure II	2.2x	2.1x	On plan
EQT Infrastructure III	2.7x	2.7x	Above plan
EQT Infrastructure IV	1.4x	1.5x	On plan
EQT Infrastructure V	1.0x	1.2x	On plan
EQT Infrastructure VI	-	1.0x	On plan

## FAUM development (EURbn)



# Central

Central consists of EQT AB Group Management, Client Relations and Capital Raising, Fund Operations, Digital, and Specialist teams such as HR and Finance

## Comments on Jan-Dec 2022 (Jan-Dec 2021)

### Employees

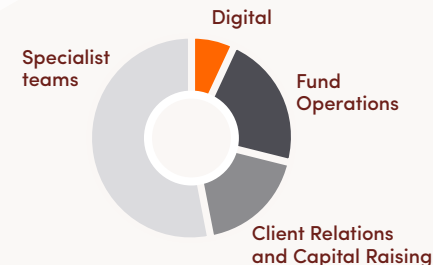
FTE+ at the end of the period increased to 703 (468), of which BPEA contributed with more than 50 FTE+. New hires were primarily within Client Relations and Capital Raising. Hiring efforts slowed down during the second half of the year, according to plan. Hiring within Central is expected to be limited in 2023.

### Result for Central

The result reflects an increased number of FTE+ driving both personnel expenses and other operating expenses together with accelerated strategic and operational projects. The increase in FTE+ reflects EQT's ambition to solidify its scalable and global operating platform prepared for future growth.

## Key metrics

EURm	H2 2022	H2 2021	2022	2021
Gross segment result / EBITDA	-145	-131	-271	-217
FTE (# of, end of period)	600	379	600	379
FTE+ (# of, end of period)	703	468	703	468



## Information on the consolidated income statement

2022 EURm	Total adjusted	Adjust- ment items	IFRS reported
Management fee	1,328		1,328
Carried interest and investment income	208	-39	169
<b>Total revenue</b>	<b>1,536</b>	<b>-39</b>	<b>1,497</b>
Personnel expenses	-492	-10	-501
Acquisition related personnel expenses	-	-201	-201
Other operating expenses	-215	-73	-289
<b>Total operating expenses</b>	<b>-707</b>	<b>-284</b>	<b>-991</b>
<b>EBITDA</b>	<b>829</b>	<b>-323</b>	<b>506</b>
Margin, %	54%		34%
Depreciation and amortization	-44		-44
Amortization of acquisition related intangible assets	-	-154	-154
<b>EBIT</b>	<b>786</b>	<b>-477</b>	<b>309</b>
Net financial income and expenses	-46		-46
Income taxes	-86	-1	-87
<b>Net income for the period from continuing operations</b>	<b>654</b>	<b>-478</b>	<b>176</b>
Net income for the period from discontinued operations	-	0	0
<b>Net income</b>	<b>654</b>	<b>-478</b>	<b>176</b>

Comments relate to the period Jan-Dec 2022 (Jan-Dec 2021)

Revenues for the period amounted to EUR 1,497m (EUR 1,596m). Carried interest and investment income amounted to EUR 169m compared to EUR 510m in 2021 and mainly relates to EQT Infrastructure III. Adjusted revenues of EUR 1,536m (EUR 1,623m) are adjusted by removing the fair value adjustment of acquired contractual rights to carried interest, see Note 1.

2021 EURm	Total adjusted	Adjust- ment items	IFRS reported
Management fee	1,086		1,086
Carried interest and investment income	537	-27	510
<b>Total revenue</b>	<b>1,623</b>	<b>-27</b>	<b>1,596</b>
Personnel expenses	-365		-365
Acquisition related personnel expenses	-	-62	-62
Other operating expenses	-159	-40	-199
<b>Total operating expenses</b>	<b>-524</b>	<b>-102</b>	<b>-626</b>
<b>EBITDA</b>	<b>1,100</b>	<b>-130</b>	<b>970</b>
Margin, %	68%		61%
Depreciation and amortization	-37		-37
Amortization of acquisition related intangible assets	-	-55	-55
<b>EBIT</b>	<b>1,062</b>	<b>-184</b>	<b>878</b>
Net financial income and expenses	0		0
Income taxes	-73	104	31
<b>Net income for the period from continuing operations</b>	<b>989</b>	<b>-80</b>	<b>909</b>
Net income for the period from discontinued operations	-	1	1
<b>Net income</b>	<b>989</b>	<b>-80</b>	<b>909</b>

Total operating expenses during the year amounted to EUR 991m (EUR 626m), the increase is mainly driven by the build-out of the organization as well as transaction, integration and personnel expenses as a result of performed acquisitions, see Note 7.

EBITDA amounted to EUR 506m (EUR 970m) corresponding to a margin of 34% (61%). Adjusted EBITDA amounted to EUR 829m (EUR 1,100m) corresponding to a margin of 54% (68%).

Depreciation and amortization amounted to EUR 44m (EUR 37m), primarily related to facility lease agreements. Amortization of acquisition related intangible assets amounted to EUR 154m (EUR 55m) and relates to amortization of identified surplus values, see Note 7.

Net financial income and expenses amounted to EUR -46m (EUR 0m). This is primarily comprised of currency translation differences and interest expenses relating to the sustainability-linked bonds issued by EQT AB in April 2022 and May 2021 as well as lease agreements according to IFRS 16.

Income taxes amounted to EUR -87m (EUR 31m). Income taxes in 2021 were primarily driven by a deferred tax income relating to changes in local tax legislation.

Net income for the period from continuing operations amounted to EUR 176m (EUR 909m). Adjustment items affecting net income, including tax effects, amounted to EUR 478m (EUR 80m). Adjusted net income for the period from continuing operations amounted to EUR 654m (EUR 989m).

Earnings per share for continuing operations before and after dilution amounted to EUR 0.171 (EUR 0.928) and EUR 0.171 (EUR 0.928), respectively. Adjusted earnings per share for continuing operations before and after dilution amounted to EUR 0.634 (EUR 1.011) and EUR 0.634 (EUR 1.010), respectively.

Adjustment items affecting EBITDA in 2022 amounted to EUR 323m and mainly relates to an adjustment of revenues for fair value step-up on acquired contractual right to carried interest, see Note 1, as well as an adjustment of the part of the considerations paid subject to lock-up as well as transaction and integration costs as a result of performed acquisitions. The part of the considerations paid subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over

the lock-up period, see Note 7. Adjustment items affecting EBITDA in 2021 amounted to EUR 130m and relates to an adjustment of revenues for fair value step-up on acquired contractual right to carried interest (see Note 1) as well as an adjustment of the part of the consideration paid subject to lock-up in relation to the acquisition of Exeter and transaction and integration costs as a result of the acquisition. The part of the consideration paid in shares subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over the lock-up period, see Note 7. Items affecting comparability in 2021 also include transaction costs relating to LSP as well as an adjustment relating to deferred tax recorded as a result of changes in local tax legislations.

## Financial position

Comments relate to 31 Dec 2022 (31 Dec 2021)

Goodwill and Other intangible assets amounted to EUR 5,797m (EUR 1,554m). The increase of EUR 4,243m is primarily driven by performed acquisitions and the related purchase price allocation, see Note 7.

Property, plant and equipment amounted to EUR 171m (EUR 147m).

Financial investments increased by EUR 191m to EUR 668m (EUR 478m) primarily driven by increased investments from EQT AB Group into EQT funds.

Current assets amounted to EUR 2,801m (EUR 1,532m). The increase was primarily driven by the part of the consideration paid that was subject to lock-up and hence treated as a personnel expense from an accounting perspective and recorded as a prepayment over the lock-up period, see Note 7. The increase is also driven by an increase in accrued

but not yet paid carried interest mainly due to performed acquisitions, see Note 3.

Cash and cash equivalents at the end of the period amounted to EUR 645m (EUR 588m). Net debt amounted to EUR 1,355m (EUR 88m in net cash).

Equity increased to EUR 6,399m (EUR 2,943m). The increase is due to the share issue resulting from performed acquisitions and current year's net income.

Non-current liabilities amounted to EUR 2,523m (EUR 592m). The increase relates primarily to the issue of EUR 1,500m of sustainability-linked bonds, see further under Significant events during the year.

Current liabilities amounted to EUR 681m (EUR 357m). The increase is mainly explained by the balances received in conjunction with performed acquisitions, see Note 7.

## Parent company

The parent company's profit before tax amounted to SEK 2,742m (SEK 2,028m). The increase is mainly explained by a timing effect of dividends from subsidiaries.

## Significant events during the year

### Significant events and transactions

As of 27 January 2022 EQT completed the acquisition of Bear Logi. Bear Logi, founded in Tokyo, Japan in 2009, is a value-add logistics investment manager focused on acquisitions, development, construction and leasing, with extensive knowledge of the Japanese and Korean logistics markets, with around 25 employees by the time of closing. See Note 7.

As of 28 February 2022 EQT completed the acquisition of Life Sciences Partners (LSP), a leading European life sciences

venture capital firm with, by the time of closing, approximately EUR 2.2bn of fee-generating assets under management (FAUM) and a team of 34 employees. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP strengthens EQT's position as one of the leading and most active private market investors in the healthcare sector. LSP generated approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. EQT acquired 100 percent of the LSP management company and 20 percent of the right to carried interest in selected LSP funds. In addition, EQT AB will be entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT practice. See Note 7.

As of 10 June 2022 EQT completed the acquisition of Redwood Capital Group (RCG), a residential core plus and value-add investment manager headquartered in Chicago, Illinois, USA. RCG was founded in 2007 and is deeply experienced in all operating areas, including acquisition, asset management, construction management and property management. RCG has successfully executed 79 multifamily investments in high-growth US markets, including 48 realized investments that achieved in excess of 2x equity returns across more than 22,000 units. Investments comprise deal-by-deal joint ventures on behalf of multiple institutional clients, including global fund sponsors, insurance companies and family offices. See Note 7.

As of 18 October 2022 EQT completed the acquisition of Baring Private Equity Asia (BPEA), a leading private market investment firm in Asia with approximately EUR 22bn of FAUM at the time of closing. Operating since 1997, BPEA has built a

platform with deep sector-based expertise and a value-driven active ownership approach. It invests in mid to large-cap companies in Asia, mainly focused on Private Equity, but also Real Estate and more recently Growth. BPEA combines local execution with a Pan-Asian reach, mirroring EQT's local-with-locals approach. See Note 7.

On 6 April 2022 EQT AB issued a EUR 750m sustainability-linked bond maturing in 2028 and a EUR 750m sustainability-linked bond maturing in 2032 (the "SLBs"). The SLBs have a coupon of 2.375 percent per annum for the bond maturing in 2028 and 2.875 percent per annum for the bond maturing in 2032. EQT has used the net proceeds of the SLBs, together with the issue of ordinary shares and cash, to fund the consideration and transaction expenses in connection with the combination of BPEA. The SLBs are subject to separate step-ups in their respective interest rates if the sustainability performance target is not met. The SLBs' thus reinforces EQT's approach of having sustainability as an integral part of the business model of both the EQT AB Group and the EQT funds' portfolio companies.

EQT launched fundraising for EQT X, with a target size of EUR 20.0bn. Fundraising is expected to be concluded in 2023. EQT set the target fund size for EQT Infrastructure VI at EUR 20.0bn. The majority of the fundraising for EQT Infrastructure VI is expected to be concluded in 2023. BPEA EQT held its final close of BPEA VIII at a hard cap of USD 10.5bn in fee-generating commitments (USD 11.2bn in total commitments). Fundraising was initiated for EQT Active Core Infrastructure, with a target fund size of EUR 5.0bn. EQT Growth had its final close at EUR 2.2bn. EQT Ventures III had its final close at EUR 1.0bn.

## Significant events after 31 December 2022

No significant events have occurred after 31 December 2022.

## Transactions with related parties

No significant related party transactions have occurred during the period.

## Pledged assets and contingent liabilities

There have been no significant changes in pledged assets and contingent liabilities compared to the latest annual report.

## Risk management

The EQT AB Group is exposed to a number of business, strategic, legal, tax, operational and financial risks. The financial risks are related to factors such as credit, liquidity, interest, revaluation and foreign exchange risks, which could lead to financial losses if not managed properly. Financial risks are reported to the CFO on a regular basis to ensure they remain in line with the EQT AB Group's risk profile.

Despite macroeconomic challenges including rising inflation and interest rates, the energy crisis, and the ongoing war in Ukraine, EQT's portfolio has remained resilient. Current conditions although continue to dampen the transaction market and challenge the fundraising environment. As a result, deal activity is substantially slower compared to last year, fundraising is becoming more challenging and ownership periods are expected to be extended. With a young portfolio, global scale and substantial volumes of "dry powder" to deploy we believe that EQT is in a strong position to tackle the challenging market environment.

## EQT AB

EQT AB (publ), corp. id 556849-4180, is a company domiciled in Sweden. The visiting address of the Company's office is Regeringsgatan 25, 111 53 Stockholm, Sweden. The registered postal address is Box 16409, 103 27 Stockholm, Sweden. The interim consolidated financial statements for the full year ended on 31 December 2022 and 2021 comprise EQT AB and its direct and indirect subsidiaries, together referred to as the "EQT AB Group".

## Accounting policies

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable additional provisions of the Swedish Annual Accounts Act.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act chapter 9.

The accounting policies applied in these consolidated interim financial statements and the interim separate financial statements for the parent EQT AB are the same as those applied in the Annual Report 2021.

The effect of issued standards and interpretations issued by the IASB or the IFRS Interpretations Committee not yet effective is not expected to have any material effect on the Group.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

EQT AB's Financial Reports are published in English and Swedish. In the case of inconsistencies in the translation, the Swedish original version shall prevail.

## Financial calendar

■ Annual report 2022	30 March 2023
■ Quarterly announcement January–March 2023	20 April 2023
■ Annual shareholders' meeting 2023, Stockholm	30 May 2023
■ Half-year report January–June 2023	14 July 2023
■ Quarterly announcement July–September 2023	17 October 2023

This is information that EQT AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out to the right, at 07:00 CET on 18 January 2023.

## Proposed dividends

The Board proposes a dividend to the shareholders of SEK 3.00 per share for fiscal year 2022. The dividend is proposed to be paid out in two installments, SEK 1.50 with record date 1 June 2023 and SEK 1.50 with record date 30 November 2023.

## Contacts

**Kim Henriksson**  
CFO  
+46 8 506 55 300  
kim.henriksson@eqtpartners.com

**Olof Svensson**  
Head of Shareholder Relations  
+46 72 989 09 15  
olof.svensson@eqtpartners.com

**Rickard Buch**  
Managing Director, Communications  
+46 72 989 09 11  
rickard.buch@eqtpartners.com

## Auditors Review

This year-end report has not been reviewed by EQT's auditors.

## Signature

Stockholm, 18 January 2023

Christian Sinding  
CEO

## Consolidated income statement

The below table shows figures according to IFRS. For adjusted figures corresponding to the internal reporting please refer to Note 1 and section "Alternative performance measures (APM)".

EURm	Note	H2 2022	H2 2021	2022	2021
Management fees		759	547	1,328	1,086
Carried interest and investment income	3,4	6	340	169	510
<b>Total revenue</b>	<b>1</b>	<b>765</b>	<b>888</b>	<b>1,497</b>	<b>1,596</b>
Personnel expenses		-281	-210	-501	-365
Acquisition related personnel expenses		-141	-42	-201	-62
Other operating expenses		-168	-102	-289	-199
<b>Total operating expenses</b>		<b>-590</b>	<b>-354</b>	<b>-991</b>	<b>-626</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>		<b>174</b>	<b>533</b>	<b>506</b>	<b>970</b>
Depreciation and amortization		-24	-21	-44	-37
Amortization of acquisition related intangible assets		-108	-37	-154	-55
<b>Operating profit (EBIT)</b>	<b>1</b>	<b>42</b>	<b>475</b>	<b>309</b>	<b>878</b>
Net financial income and expenses		-42	6	-46	0
<b>Profit before income tax</b>		<b>0</b>	<b>481</b>	<b>263</b>	<b>878</b>
Income taxes		-58	67	-87	31
<b>Net income for the period from continuing operations</b>		<b>-58</b>	<b>548</b>	<b>176</b>	<b>909</b>
Net income for the period from discontinued operations	6	-	0	0	1
<b>Net income</b>		<b>-58</b>	<b>548</b>	<b>176</b>	<b>909</b>
Attributable to:					
Owners of the parent company		-58	548	176	909
Non-controlling interests		-	-	-	-
Earnings per share, EUR					
before dilution		-0.054	0.556	0.171	0.929
- of which continued operations		-0.054	0.555	0.171	0.928
after dilution		-0.054	0.555	0.171	0.929
- of which continued operations		-0.054	0.555	0.171	0.928
Average number of shares					
before dilution		1,071,198,573	986,993,652	1,031,955,891	978,676,908
after dilution		1,071,837,164	987,247,900	1,032,594,481	978,931,156

## Consolidated statement of comprehensive income

EURm	H2 2022	H2 2021	2022	2021
<b>Net income</b>	<b>-58</b>	<b>548</b>	<b>176</b>	<b>909</b>
Other comprehensive income				
<b>Items that are or may be reclassified subsequently to income statement</b>				
Foreign operations - foreign currency translation differences net of tax	-416	88	-273	66
<b>Other comprehensive income for the period</b>	<b>-416</b>	<b>88</b>	<b>-273</b>	<b>66</b>
<b>Total comprehensive income for the period</b>	<b>-474</b>	<b>636</b>	<b>-97</b>	<b>975</b>
Attributable to:				
Owners of the parent company	-474	636	-97	975
Non-controlling interests	-	-	-	-
	<b>-474</b>	<b>636</b>	<b>-97</b>	<b>975</b>

## Consolidated balance sheet

EURm	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		2,172	836
Other intangible assets		3,625	718
Property, plant and equipment		171	147
Financial investments	4	668	478
Other financial assets		40	34
Other non-current assets		15	15
Deferred tax assets		110	132
<b>Total non-current assets</b>		<b>6,802</b>	<b>2,360</b>
<b>Current assets</b>			
Current tax assets		29	13
Accounts receivable and other current assets		350	205
Accrued but yet not paid carried interest	3	915	473
Acquisition related prepaid personnel expenses		791	194
Other prepaid expenses and accrued income		70	59
Cash and cash equivalents		645	588
<b>Total current assets</b>		<b>2,801</b>	<b>1,532</b>
<b>Total assets</b>		<b>9,603</b>	<b>3,892</b>

EURm	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		11	9
Other paid in capital		5,593	1,764
Reserves		-220	53
Retained earnings including net income		1,015	1,117
<b>Total equity attributable to owners of the parent company</b>		<b>6,399</b>	<b>2,943</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>6,399</b>	<b>2,943</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities		2,017	496
Lease liabilities		100	95
Deferred tax liabilities		405	1
<b>Total non-current liabilities</b>		<b>2,523</b>	<b>592</b>
<b>Current liabilities</b>			
Lease liabilities		31	22
Current tax liabilities		40	53
Accounts payable		16	8
Other liabilities		95	34
Accrued expenses and deferred income		499	239
<b>Total current liabilities</b>		<b>681</b>	<b>357</b>
<b>Total liabilities</b>		<b>3,204</b>	<b>949</b>
<b>Total equity and liabilities</b>		<b>9,603</b>	<b>3,892</b>



## Consolidated statement of changes in equity

EURm	Attributable to owners of the parent comp.					Non control- ling interest	Total equity
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity		
Opening balance at 1 January 2022	9	1,764	53	1,117	2,943	–	2,943
Total comprehensive income for the period							
Net income				176	176		176
Other comprehensive income for the period			-273		-273		-273
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>-273</b>	<b>176</b>	<b>-97</b>	<b>–</b>	<b>-97</b>
Transactions with owners of the parent company							
Dividends				-291	-291		-291
Share issues	2	3,829			3,831		3,831
Transaction cost (net of tax)		-0			-0		-0
Share based bonus				13	13		13
<b>Total transactions with owners of the parent company</b>	<b>2</b>	<b>3,829</b>	<b>–</b>	<b>-278</b>	<b>3,553</b>	<b>–</b>	<b>3,553</b>
<b>Closing balance at 31 December 2022</b>	<b>11</b>	<b>5,593</b>	<b>-220</b>	<b>1,015</b>	<b>6,399</b>	<b>–</b>	<b>6,399</b>

EURm	Attributable to owners of the parent comp.					Non control- ling interest	Total equity
	Share capital	Other paid in capital	Translation reserve	Retained earnings	Total equity		
Opening balance at 1 January 2021	9	837	-13	429	1,263	–	1,263
Total comprehensive income for the period							
Net income				909	909		909
Other comprehensive income for the period			66		66		66
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>66</b>	<b>909</b>	<b>975</b>	<b>–</b>	<b>975</b>
Transactions with owners of the parent company							
Dividends				-234	-234		-234
Share issues	0	927			927		927
Transaction cost (net of tax)		-0			-0		-0
Share based bonus				12	12		12
<b>Total transactions with owners of the parent company</b>	<b>0</b>	<b>926</b>	<b>–</b>	<b>-222</b>	<b>705</b>	<b>–</b>	<b>705</b>
<b>Closing balance at 31 December 2021</b>	<b>9</b>	<b>1,764</b>	<b>53</b>	<b>1,117</b>	<b>2,943</b>	<b>–</b>	<b>2,943</b>

## Consolidated statement of cash flows

EURm	Note	2022	2021
<b>Cash flows operating activities</b>			
Operating profit (EBIT), continuing operations		309	878
Operating profit (EBIT), discontinuing operations		-	-
Adjustments:			
Depreciation and amortization		197	92
Changes in fair value		-6	-73
Foreign currency exchange differences		-14	8
Other non-cash adjustments		213	73
Recorded, yet not paid carried interest	3	-163	-437
Paid carried interest	3	190	156
Increase (-) / decrease (+) in accounts receivable and other receivables		-97	-148
Increase (+) / decrease (-) in accounts payable and other payables		18	106
Income taxes paid		-99	-46
<b>Net cash from operating activities</b>		<b>549</b>	<b>608</b>
<b>Cash flows investing activities</b>			
Investment in intangible assets		0	-
Acquisition of property, plant and equipment		-31	-11
Investment in financial investments	4	-87	-488
Proceeds from disposals of financial investments		26	253
Interest received		7	1
Consideration paid net of acquired cash	7	-1,456	-632
Investment in other non-current assets		-7	-17
<b>Net cash from (+) / used in (-) investing activities</b>		<b>-1,548</b>	<b>-895</b>
<b>Cash flows financing activities</b>			
Dividends paid		-291	-234
Repayment of borrowings		-24	-257
Proceeds from borrowings		1,483	496
Payment of lease liabilities		-14	-17
Interest paid		-9	-8
Share issue		-0	-0
<b>Net cash from (+) / used in (-) financing activities</b>		<b>1,145</b>	<b>-20</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>		<b>147</b>	<b>-307</b>
Cash and cash equivalents at the beginning of the period		588	878
Foreign currency translation differences		-90	17
<b>Cash and cash equivalents at the end of the period</b>		<b>645</b>	<b>588</b>

## Parent company income statement

SEKm	H2 2022	H2 2021	2022	2021
Net sales	832	559	1,679	1,305
Other operating income	21	2	24	4
<b>Total revenue</b>	<b>853</b>	<b>560</b>	<b>1,703</b>	<b>1,308</b>
Personnel expenses	-249	-221	-506	-400
Other external expenses	-869	-414	-1,296	-787
Other operating expenses	-	-	-	-
Depreciation and amortization	-4	-4	-9	-9
<b>Operating profit/loss</b>	<b>-270</b>	<b>-79</b>	<b>-108</b>	<b>112</b>
Profit/loss from shares in subsidiaries	951	786	4,022	1,985
Interest income and similar profit/loss items	222	68	351	240
Interest expense and similar profit/loss items	-1,943	-220	-2,676	-257
<b>Profit/loss after financial items</b>	<b>-1,040</b>	<b>554</b>	<b>1,588</b>	<b>2,079</b>
Group contribution	1,154	-51	1,154	-51
<b>Profit/loss before tax</b>	<b>114</b>	<b>503</b>	<b>2,742</b>	<b>2,028</b>
Income taxes	-89	56	0	-14
<b>Net income</b>	<b>23</b>	<b>560</b>	<b>2,742</b>	<b>2,015</b>

## Parent company balance sheet

SEKm	2022	2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		
Leasehold improvements	54	55
Equipment	5	6
<b>Total property, plant and equipment</b>	<b>59</b>	<b>60</b>
<b>Financial assets</b>		
Participation in subsidiaries	83,038	22,660
Long-term loans, subsidiaries	6,181	5,548
Other securities held as non-current assets	14	11
Other long-term receivables	5	5
<b>Total financial assets</b>	<b>89,237</b>	<b>28,224</b>
<b>Total non-current assets</b>	<b>89,296</b>	<b>28,284</b>
<b>Current assets</b>		
Current receivables		
Accounts receivable	23	12
Receivables from subsidiaries	6,910	6,536
Current tax assets	58	62
Other receivables	393	34
Prepaid expenses and accrued income	106	105
<b>Total current receivables</b>	<b>7,490</b>	<b>6,749</b>
Cash and bank	84	80
<b>Total current assets</b>	<b>7,574</b>	<b>6,829</b>
<b>Total assets</b>	<b>96,870</b>	<b>35,114</b>

SEKm	2022	2021
<b>EQUITY AND LIABILITIES</b>		
<b>Restricted equity</b>		
Share capital	119	99
<b>Total restricted equity</b>	<b>119</b>	<b>99</b>
<b>Non-restricted equity</b>		
Share premium reserve	60,488	18,451
Profit or loss brought forward	-1,556	-656
Net income	2,742	2,015
<b>Total non-restricted equity</b>	<b>61,674</b>	<b>19,810</b>
<b>Total equity</b>	<b>61,793</b>	<b>19,910</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	22,451	5,074
Long-term loans, subsidiaries	11,059	9,679
<b>Total non-current liabilities</b>	<b>33,510</b>	<b>14,753</b>
<b>Current liabilities</b>		
Accounts payable	30	26
Liabilities to subsidiaries	761	105
Current tax liabilities	-	-
Other liabilities	252	20
Accrued expenses and deferred income	524	298
<b>Total current liabilities</b>	<b>1,567</b>	<b>450</b>
<b>Total liabilities</b>	<b>35,077</b>	<b>15,204</b>
<b>Total equity and liabilities</b>	<b>96,870</b>	<b>35,114</b>

# Notes to the consolidated financial statements

## Note 1 operating segments and disaggregation of revenue

The CEO of EQT AB Group has been identified as the chief operating decision maker. EQT AB Group is divided into operating segments based on how the CEO reviews and evaluates the operation. The operating segments correspond to the internal reporting used to assess performance and to allocate resources.

EQT's operations are divided into two business segments: Private Capital and Real Assets. The operations of both business segments consist of providing investment management services in the private investment markets. The investment management services comprise i.a. structuring and investment advice, investment management and monitoring as well as reporting and administrative services.

The business segment Private Capital consists of the business lines EQT Ventures, EQT Life Sciences, EQT Growth, EQT Private Equity, BPEA EQT, EQT Public Value and EQT Future. The business segment Real Assets consists of the business lines EQT Value-Add Infrastructure, EQT Active Core Infrastructure and EQT Exeter.

The CEO assesses the operating segments based on the line items presented below, primarily on revenue and Gross segment results. Segment revenues have been adjusted by removing the fair value adjustment of acquired contractual rights to carried interest. Accordingly, the acquired contractual right to carried interest reflects the sellers carrying amount adjusted to EQT AB Group's accounting policies, i.e. the accrued income excluding the fair value uplift made at the acquisition date in the consolidated accounts of EQT AB Group. The difference between the carrying amount and fair value of accrued carried interest is primarily due to the constraint requirements of IFRS 15 of variable performance-based income reflected through the application of the Group's prudent revenue recognition model for carried interest. Expenses directly incurred by each respective business

segment are included in the Gross segment result, whereas items reported under Central have not been allocated to any business segment. Central consists of the fund operations organization as well as EQT AB Group management, client relations and capital raising, EQT Digital and other specialist functions such as HR and finance. Central revenue arises from services provided to fund managers of EQT funds raised before 2012, as well as to certain other non-consolidated entities.

Reconciliations consist of revenue adjustments (see above) as well as items affecting comparability. Items affecting comparability in 2021 relate to an adjustment of the part of the consideration paid in shares subject to lock-up in relation to the acquisition of Exeter and transaction and integration costs as well as amortization of identified surplus values in

relation to the acquisition. The part of the consideration paid in shares being subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over the lock-up period, see Note 7. Items affecting comparability in 2021 also include transaction costs relating to LSP as well as an adjustment relating to deferred tax recorded as a result of changes in local tax legislations. Items affecting comparability in 2022 mainly relates to an adjustment of the part of the considerations subject to lock-up and transaction and integration costs as well as amortization of identified surplus values in relation to performed acquisitions. The part of the considerations subject to lock-up is treated as a personnel expense from an accounting perspective and recorded in the income statement over the lock-up period.

H2 2022 EURm	Private Capital	Real Assets	Central	Total adju- sted	Items affecting com- parab.	Revenue adjust- ment	IFRS reported
<b>Total revenue</b>	473	328	3	804		-39	765
Personnel expenses				-271	-10		-281
Acquisition related personnel expenses				-	-141		-141
Other operating expenses				-116	-51		-168
<b>Total operating expenses</b>	-126	-114	-147	-387	-203	-	-590
<b>Gross segment result 1) / EBITDA 2)</b>	348	214	-145	416	-203	-39	174
Margin, %	73%	65%					23%
Depreciation and amortization				-24			-24
Amortization of acquisition related intangible assets				-	-108		-108
<b>EBIT</b>				393	-311	-39	42
Net financial income and expenses				-42			-42
Income taxes				-60	1		-58
<b>Net income for the period from continuing operations</b>				291	-310	-39	-58
Net income for the period from discontinued operations				-			-
<b>Net income</b>				291	-310	-39	-58

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

## Notes to the consolidated financial statements

H2 2021 EURm	Private Capital	Real Assets	Central	Total adju- sted	Items affecting com- parab.	Revenue adjust- ment	IFRS reported
<b>Total revenue</b>	534	371	7	912		-25	888
Personnel expenses				-210			-210
Acquisition related personnel expenses				-	-42		-42
Other operating expenses				-95	-8		-102
<b>Total operating expenses</b>	-85	-83	-137	-305	-49	-	-354
<b>Gross segment result 1) / EBITDA 2)</b>	450	289	-131	608	-49	-25	533
Margin, %	84%	78%		67%			60%
Depreciation and amortization				-21			-21
Amortization of acquisition related intangible assets				-	-37		-37
<b>EBIT</b>				587	-86	-25	475
Net financial income and expenses				6			6
Income taxes				-36	103		67
<b>Net income for the period from continuing operations</b>				557	16	-25	548
Net income for the period from discontinued operations				-	0		0
<b>Net income</b>				557	17	-25	548

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

2022 EURm	Private Capital	Real Assets	Central	Total adju- sted	Items affecting com- parab.	Revenue adjust- ment	IFRS reported
<b>Total revenue</b>	747	779	10	1,536		-39	1,497
Personnel expenses				-492	-10		-501
Acquisition related personnel expenses				-	-201		-201
Other operating expenses				-215	-73		-289
<b>Total operating expenses</b>	-218	-207	-281	-707	-284	-	-991
<b>Gross segment result 1) / EBITDA 2)</b>	529	572	-271	829	-284	-39	506
Margin, %	71%	73%		54%			34%
Depreciation and amortization				-44			-44
Amortization of acquisition related intangible assets				-	-154		-154
<b>EBIT</b>				786	-438	-39	309
Net financial income and expenses				-46			-46
Income taxes				-86	-1		-87
<b>Net income for the period from continuing operations</b>				654	-439	-39	176
Net income for the period from discontinued operations				-	0		0
<b>Net income</b>				654	-439	-39	176

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

# Notes to the consolidated financial statements

2022 EURm	Private Capital	Real Assets	Central	Total adju- sted	Items affecting com- parab.	Revenue adjust- ment	IFRS reported
<b>Total revenue</b>	952	653	18	1,623		-27	1,596
Personnel expenses				-365			-365
Acquisition related personnel expenses				-	-62		-62
Other operating expenses				-159	-40		-199
<b>Total operating expenses</b>	-157	-131	-236	-524	-102	-	-626
<b>Gross segment result 1) / EBITDA 2)</b>	795	522	-217	1,100	-102	-27	970
Margin, %	84%	80%		68%			61%
Depreciation and amortization				-37			-37
Amortization of acquisition related intangible assets				-	-55		-55
<b>EBIT</b>				1,062	-157	-27	878
Net financial income and expenses				0			0
Income taxes				-73	104		31
<b>Net income for the period from continuing operations</b>				989	-53	-27	909
Net income for the period from discontinued operations				-	1		1
<b>Net income</b>				989	-53	-27	909

1) Gross segment result relates to the segments Private Capital and Real Assets.

2) EBITDA relates to Central, Total adjusted and IFRS reported.

## Geographical areas

EQT AB Group's business of providing fund management services cannot reliably and fairly be reviewed by geographical areas. EQT AB Group's fund investors may often be located in multiple jurisdictions and the funds through which the fund investors invest are located in a few centers where fund management services are provided, principally Luxembourg.

## Note 2 commitments

EQT has commitments of future cash outflows based on signed agreements relating to committed amounts regarding financial investments. At 31 December 2022, the EQT AB Group had remaining commitments to invest in multiple EQT funds and fund related vehicles of a total amount of EUR 1,057m (EUR 603m). The commitments are called over time, normally between one to five years following the commitment.

## Note 3 carried interest

Carried interest is a share of profits that the EQT AB Group receives through its holdings in the Special Limited Partners as variable consideration fully dependent on the performance of the relevant fund. Carried interest is either payable at the end of the life of the fund or paid as installments at the time of realization within each fund, or a combination thereof.

EURm	2022		2021	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Opening balance	473	-	192	-
Revenue recognized during the period	163	-	437	-
Realization of carried interest	-190		-156	
Acquisition of entitlement	513		-	
Translation differences	-43	-	-	-
<b>Closing balance</b>	<b>915</b>	<b>-</b>	<b>473</b>	<b>-</b>

# Notes to the consolidated financial statements

## Note 4 financial instruments and fair values

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.

EQT AB Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs – other than quoted prices included within level 1 – that are observable for assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3)

EQT AB Group measures investments in investment programs at fair value in the balance sheet. The fair value for these investments at 31 December 2022 was EUR 668m (EUR 478m) and is calculated using inputs that are not based on observable market data and are therefore classified as level 3 in the fair value hierarchy. There has not been any transfers between levels in the fair value hierarchy during the periods presented.

## Level 3 fair values (financial investments)

The table below shows a reconciliation of level 3 fair values for financial investments.

EURm	2022	2021
Opening balance	478	167
Net change in fair value	6	73
Acquisitions	124	3
Investments	87	488
Divestments	-26	-253
<b>Balance end of period</b>	<b>668</b>	<b>478</b>

Net change in fair value is included in "Carried interest and investment income" in the income statement as investment income.

Part of the purchase price in relation to the sale of business segment Credit was variable and dependent on the size of future funds. Depending on the size of the future funds the variable compensation (earn-out) can range between EUR 0 and EUR 50m. EQT AB Group measures the earn-out to fair value in the balance sheet. The fair value at 31 December 2022 amounted to EUR 21m (EUR 21m) and is calculated using inputs that are not based on observable market data and are therefore classified as level 3 in the fair value hierarchy. A change in the fair value will be included in "net income for the period from discontinued operations" in the income statement.

## Level 3 sensitivity analysis

From an EQT AB Group perspective, financial investments are normally measured at fair value applying the adjusted net asset values of the investment programs. A reasonable possible change of 10 percent in the adjusted net asset value would affect the fair value of the investments at 31 December 2022 with EUR 67m (EUR 48m). The effect would be recognized in the income statement.

Although the EQT AB Group believes that its estimates of

fair values are appropriate, the use of different methodologies and different unobservable inputs in the underlying investments of investment programs could lead to different measurements of fair value. Due to the number of unobservable input factors used in the valuation of the investment programs' direct investments and their broad range, in particular concerning the earnings multiples, a sensitivity analysis on these underlying unobservable input factors does not result in meaningful outcomes.

As part of the discontinued operations related to Credit, a reasonable possible change of 10 percent in the size of future funds would not have a material impact on the fair value of the earn-out as of 31 December 2022. The effect would be recognized in net income for the period from discontinued operations.

## Disclosures of fair value of financial assets and financial liabilities recognized at cost

During the year EQT AB has issued sustainability-linked bonds (classified as an interest-bearing liability in the balance sheet) with a fixed coupon rate linked to ESG-related objectives. Fair value as of 31 December 2022 amounts to EUR 1,650m (carrying amount: EUR 2,000m). EQT AB Group's other financial instruments consist mainly of short-term receivables, accounts payable, deposits in commercial banks. The Group considers the carrying amounts of those financial instruments to be reasonable approximations of their fair values.



# Notes to the consolidated financial statements

## Note 5 other operating expenses

EURm	H2 2022	H2 2021	2022	2021
Contracted consultants	-9	-9	-21	-15
External services 1)	-85	-47	-145	-102
IT expenses and Office expenses	-25	-19	-43	-33
Administrative expenses 1)	-49	-27	-81	-49
<b>Other operating expenses</b>	<b>-168</b>	<b>-102</b>	<b>-289</b>	<b>-199</b>

1) In 2022 items affecting comparability of EUR 61m (External services) and EUR 12m (Administrative expenses) relates to transaction and integration costs as a result of performed acquisitions.

In 2021 items affecting comparability of EUR 31m (External services), EUR 8m (Administrative expenses) and EUR 1m (IT Expenses and Office expenses) relates to transaction and integration costs as a result of the acquisition of Exeter.

## Note 6 discontinued operations

### Background to divestment of Credit

As announced in EQT's quarterly announcement on 23 January 2020, EQT initiated a review of strategic options for the business segment Credit. Following the review it was decided to divest the business segment Credit and as communicated on 18 June 2020 a signed agreement with Bridgepoint was entered into. As communicated on 26 October 2020, the transaction was completed. Part of the purchase price is variable and dependent on the size of future funds. Depending on the size of the future funds the variable compensation (earn-out) can range between EUR 0 and EUR 50m. EQT AB Group measures the earn-out to fair value in the balance sheet, see Note 3. The fair value at 31 December 2022 amounted to EUR 21m (EUR 21m). The change in fair value is included in capital gain. The business segment Credit is reported as a discontinued operations together with the capital gain and costs relating to the transaction.

## Note 7 business combinations

### Bear Logi

As of 27 January 2022 EQT completed the acquisition of Bear Logi. Bear Logi, founded in Tokyo, Japan in 2009, is a value-add logistics investment manager focused on acquisitions, development, construction and leasing, with extensive knowledge of the Japanese and Korean logistics markets, with around 25 employees by the time of closing. To date, Bear Logi has invested capital based on single asset funding, and will as part of EQT Exeter create a fund-setup within logistics properties similar to EQT Exeter's existing structure in the US and Europe.

Bear Logi generated approximately USD 1m in revenues during 2021. The transaction is not deemed to have a material impact on EQT AB's financial numbers and did not add any fee-generating assets under management to EQT AB at closing.

Total upfront consideration amounts to USD 8.7m with a right to potential earn-out payments if certain revenue and fundraising targets are met. The earn-out payments are conditioned to continued employment at the date of vesting why this from an accounting perspective will be recorded as personnel expenses over the vesting period of 3-6 years.

Total transaction costs amounted to EUR 1m whereof EUR 0m are included in other operating expenses as of 2022.

### LSP

As of 28 February 2022 EQT completed the acquisition of Life Sciences Partners (LSP), a leading European life sciences venture capital firm with, by the time of closing, approximately EUR 2.2bn of fee-generating assets under management (FAUM) and a team of 34 employees. LSP, headquartered in Amsterdam, the Netherlands, is a venture capital firm that invests in innovative companies with strong scientific and clinical rationale across several life sciences strategies. It was founded in 1998 and is today one of Europe's largest and most experienced life sciences investment firms. LSP strengthens EQT's position as one of the leading and most active private market investors in

the healthcare sector. LSP generated approximately EUR 37m in revenues and approximately EUR 24m in EBITDA (excluding carried interest) during 2021. EQT acquired 100 percent of the LSP management company and 20 percent of the right to carried interest in selected LSP funds. In addition, EQT AB will be entitled to 35 percent of the carried interest of future funds, which is in line with existing EQT practice.

The total consideration was EUR 366m, comprising new EQT AB publicly traded shares EUR 228m (corresponding to 7,548,384 shares) and cash EUR 112m, a liability taken over of EUR 24m and potential earn-out of EUR 2m. Of the total consideration, EUR 74m in shares to management are subject to vesting conditions under a "Leaver put option clause", meaning that if the management person becomes a bad leaver, such as voluntary resignation or termination for cause, the person will need to return the unvested shares to EQT for nil consideration. The Leaver put option arrangement have from an accounting perspective been separated from the business combination. The consideration has initially been accounted for as a pre-payment and will be recorded as employee expenses over the vesting period of 2-4 years. The purchase consideration for the business combination is EUR 292m.

The transaction was subject to customary closing conditions, including antitrust, regulatory and certain fund investor clearances.

The fair value of the shares is calculated with reference to the quoted price of the EQT AB shares at the date of acquisition, which was SEK 320.90 per share.

Total transaction costs (including M&A insurance) amounted to EUR 5m whereof EUR 0m are included in other operating expenses as of 2022.

# Notes to the consolidated financial statements

## Total consideration

EURm	
Shares issued, at fair value	228
Cash consideration	112
Liability taken over	24
Fair value of cash based earn-out	2
<b>Total consideration</b>	<b>366</b>
Employment linked consideration (Shares issued, at fair value)	-74
<b>Purchase consideration for the business combination</b>	<b>292</b>

## Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

EURm	Fair value recognized on acquisition
Investor contracts	131
Investor relationships	77
Trademark and trade name	0
Right of use assets	3
Tangible fixed assets	0
Deferred tax asset	0
Receivables	1
Other current assets	2
Cash and cash equivalents	3
Interest bearing liabilities	-5
Lease liabilities	-3
Deferred tax liability - Intangibles	-54
Current liabilities	-8
<b>The fair values of the identifiable assets and liabilities</b>	<b>148</b>
Goodwill	144
<b>Purchase consideration for the business combination</b>	<b>292</b>

## Analysis of cash flows on acquisition

EURm	
Cash consideration (included in cash flows from investing activities)	-112
Deferred payment (included in cash flows from investing activities)	16
Net cash acquired (included in cash flows from investing activities)	3
Transaction costs of the acquisition (included in cash flows from operating activities)	-5
<b>Net cash flow on acquisition</b>	<b>-98</b>

The purchase price allocation is provisional subject to the completion of the transaction closing process with the seller.

The earn-out is conditional upon LSP's Dementia fund reaching a target level of capital raised. There is an additional earn-out which is included in the row Cash consideration, relating to LSP's LSP 7 fund capital raising, because the fund raising target had been met at the acquisition date.

The goodwill mainly comprises assembled work force, the opportunity to attract new investors and the platform to develop future business opportunities and funds. Goodwill is allocated entirely to the segment Private Capital.

Goodwill will not be tax deductible.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

From the date of acquisition, LSP contributed EUR 41m of revenue and EUR 28m to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been EUR 1,506m and profit before tax from continuing operations for the Group would have been EUR 269m.

## RCG

As of 10 June 2022 EQT completed the acquisition of Redwood Capital Group (RCG), a residential core plus and value-add investment manager headquartered in Chicago, Illinois, USA. RCG was founded in 2007 and is deeply experienced in all operating areas, including acquisition, asset management, construction management and property management. RCG has successfully executed 79 multifamily investments in high-growth US markets, including 48 realized investments that achieved in excess of 2x equity returns across more than 22,000 units. Investments comprise deal-by-deal joint ventures on behalf of multiple institutional clients, including global fund sponsors, insurance companies and family offices.

22 employees joined EQT Exeter as of closing and RCG is estimated to generate below USD 10m in revenues during 2022. The transaction is not deemed to have a material impact on EQT AB's financial numbers and did not add any fee-generating assets under management to EQT AB at closing.

Total upfront cash consideration amounted to USD 34m with a right to potential earn-out payments if certain fundraising targets are met.

Total transaction costs amounted to EUR 2m whereof EUR 2m are included in other operating expenses as of 2022.

## BPEA

As of 18 October 2022 EQT completed the acquisition of Baring Private Equity Asia (BPEA), a leading private market investment firm in Asia with approximately EUR 22bn of FAUM at the time of closing. Operating since 1997, BPEA has built a platform with deep sector-based expertise and a value-driven active ownership approach. It invests in mid to large-cap companies in Asia, mainly focused on Private Equity, but also Real Estate and more recently Growth. With 10 regional offi-

# Notes to the consolidated financial statements

ces, BPEA combines local execution with a Pan-Asian reach, mirroring EQT's local-with-locals approach.

The combination represents a step-change in EQT's global reach with immediate Pan-Asian presence at scale and with its thematic investment approach, supporting companies from early stage to maturity, EQT will continue to scale and expand its range of strategies across its European, North American, and Asian core markets and deliver for its clients.

EQT acquired 100% of the BPEA management company, the BPEA general partner entities which control the BPEA funds, and the right to carried interest in selected existing funds (including 25% in BPEA VI and 35% in BPEA VII). EQT will invest in and be entitled to 35% of the carried interest in all future funds, starting with BPEA VIII, in line with existing EQT practice.

The total consideration was EUR 5,053m, comprising new EQT AB shares EUR 3,603m (corresponding to 191,200,000 shares) and cash EUR 1,450m. Of the total consideration, EUR 766m in shares to management are subject to vesting conditions under a "Leaver put option clause", meaning that if the management person becomes a bad leaver, such as voluntary resignation or termination for cause, the person will need to return the unvested shares to EQT for nil consideration. The Leaver put option arrangement has from an accounting perspective been separated from the business combination. The consideration has initially been accounted for as a prepayment and will be recorded as personnel expenses over the vesting period of 1-4 years. The purchase consideration for the business combination is EUR 4,287m.

The fair value of the shares is calculated with reference to the quoted price of the EQT shares at the date of acquisition, which was SEK 207.30 per share.

Transaction costs (including M&A insurance) of EUR 57m were expensed and are included in other operating expenses during 2022.

## Total consideration

EURm	
Share issued, at fair value	3,603
Cash consideration	1,450
<b>Total consideration</b>	<b>5,053</b>
Employment linked consideration (shares issued, at fair value)	-766
<b>Purchase consideration for the business combination</b>	<b>4,287</b>

## Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	Fair value recognized on acquisition
Investor contracts	1,854
Investor relationships	1,075
Trademark and trade name	137
Contingent carried interest	513
Right of use assets	28
Tangible fixed assets	3
Financial investments	123
Cash and cash equivalents	126
Other receivables	65
Deposits, prepayments	2
Deferred tax liability - Intangibles	-391
Deferred liabilities	-104
Lease liabilities, short and long term	-28
Current liabilities	-195
<b>The fair values of the identifiable assets and liabilities</b>	<b>3,209</b>
Goodwill	1,078
<b>Purchase consideration for the business combination</b>	<b>4,287</b>

## Analysis of cash flows on acquisition

Total cash consideration (related to cash flows from investing activities)	-1,450
Net cash acquired (included in cash flows from investing activities)	126
Transaction costs of the acquisition (included in cash flows from operating activities)	-57
Transaction costs attributable to issuance of shares (included in cash flow from financing activities)	-0
<b>Net cash flow on acquisition</b>	<b>-1,380</b>

The purchase price allocation is provisional subject to the completion of the transaction closing process with the seller.

Trademarks and trade names relate to BPEA.

The goodwill mainly comprises assembled work force, the opportunity to attract new investors and the platform to develop future business opportunities and funds. Goodwill is allocated entirely to the segments Private Capital and Real Assets.

Goodwill will not be tax deductible.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

From the date of acquisition, BPEA contributed EUR 79m of revenue, EUR 56m of EBITDA and EUR 54m to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been EUR 1,800m, EBITDA would have been EUR 712m and profit before tax from continuing operations for the Group would have been EUR 462m.

From the date of acquisition, BPEA contributed EUR 118m of adjusted revenue, EUR 95m of adjusted EBITDA and EUR 93m to adjusted profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, adjusted revenue from continuing operations would have been EUR 1,864m, adjusted EBITDA

## Notes to the consolidated financial statements

would have been EUR 1,060m and profit before tax from continuing operations for the Group would have been EUR 965m.

### EXETER

As of 1 April 2021 EQT completed the acquisition of 100% of Exeter Property Group (Exeter). Exeter is a leading global real estate investment manager that operates in the attractive logistics/industrial space primarily in the US and Europe. The company has a growing presence in US life science/suburban office and residential multi-family segments which is highly complementary to EQT's existing strength in European Real Estate. The transaction was part of EQT AB's strategic growth ambitions within real estate and created a scaled thematic investment platform across North America and Europe. With its value-creation-focused investment approach, one of the strongest track-records in value-add real estate globally, and importantly, a people-and-performance-centric culture, EQT and Exeter are all well-aligned. Further, the combination brought 60 new clients to the EQT platform. The total consideration was EUR 1,560m, comprising new EQT AB shares EUR 927m (corresponding to 33,296,240 shares) and cash EUR 633m. Of the total consideration, EUR 249m in shares to management are subject to vesting conditions under a "leaver put option clause", meaning that if the management person becomes a bad leaver, such as voluntary resignation or termination for cause, the person will need to return the unvested shares to EQT for nil consideration. The leaver put option arrangements have from an accounting perspective been separated from the business combination. The consideration was initially accounted for as a prepayment and will be recorded as personnel expenses over the vesting period of 1-3 years. The purchase consideration for the business combination was EUR 1,312m.

The fair value of the shares is calculated with reference to the quoted price of the EQT AB shares at the date of acquisition, which was SEK 284.50 per share.

Transaction costs (including M&A insurance) of EUR 27m were expensed and included in other operating expenses during 2021.

### Total consideration

EURm	
Shares issued, at fair value	927
Cash consideration	633
<b>Total consideration</b>	<b>1,560</b>
Employment linked consideration (shares issued, at fair value)	-249
<b>Purchase consideration for the business combination</b>	<b>1,312</b>

### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

EURm	Fair value recognized on acquisition
Trademarks and trade names	67
Existing contracts	259
Investor relationships	420
Right of use assets	2
Financial investments	3
Deferred tax asset	31
Receivables	14
Other current assets	11
Cash and cash equivalents	2
Interest bearing liabilities	-257
Lease liabilities	-2
Deferred tax liability - Intangibles	-7
Current liabilities	-22
<b>The fair values of the identifiable assets and liabilities</b>	<b>520</b>
Goodwill	792
<b>Purchase consideration for the business combination</b>	<b>1,312</b>

### Analysis of cash flows on acquisition

EURm	
Cash consideration (included in cash flows from investing activities)	-633
Net cash acquired (included in cash flows from investing activities)	2
Transaction costs of the acquisition (included in cash flows from operating activities)	-27
<b>Net cash flow on acquisition</b>	<b>-659</b>

The goodwill mainly comprises assembled work force and the value of the right to use the existing business as platform to start a number of new funds. Goodwill is allocated entirely to the segment Real Asset.

Trademarks and trade names relate to Exeter.

Goodwill and other PPA-related items are expected to be tax deductible except for an amount of EUR 23m. The deferred tax asset relates to the tax value of acquired carried interest.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

During 2021 Exeter contributed EUR 134m of revenue and EUR 86m to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of 2021, revenue from continuing operations would have been EUR 1,625m and profit before tax from continuing operations for the Group would have been EUR 893m during 2021.

## Notes to the consolidated financial statements

Measure	Definition	Reason for use
Adjusted total revenue	Total revenue adjusted for fair value step-up on acquired contractual right to carried interest. For revenue adjustments related to the accounting treatment of change of entitlement to revenue, see Note 1.	Total revenue adjusted for fair value step-up on acquired contractual right to carried interest, implying that (i) revenue recognition from the date of the acquisition will be consistent with the valuation principles used for previously owned right to carried interest entitlements and (ii) closer correlation between recognized revenues from carried interest and investment income and expected cash to be received.
Gross segment result	Total revenue adjusted for fair value step-up on acquired contractual rights to carried interest less directly incurred expenses by business segment. For revenue adjustments related to the accounting treatment of change of entitlement to revenue, see Note 1.	Gross segment result provides an overview of the direct contribution of each business segment.
Gross segment margin	Gross segment result divided by Adjusted total revenues by business segment.	Gross segment margin provides an overview of the profitability by each business segment.
EBITDA	EBIT excluding depreciation and amortization of property plant and equipment and intangible assets and amortization of acquisition related intangible assets.	EBITDA provides an overview of the profitability of the operations.
EBITDA margin, %	EBITDA divided by Total revenue.	EBITDA margin is a useful measure for showing the profitability of the operations relative to total revenue generated by the Group during the period.

### Alternative performance measures (APM)

To increase the understanding of the development of the operations and the financial position of EQT AB Group, EQT presents some alternative performance measures in addition to financial measures defined by IFRS. EQT believes these measures provide a better understanding of the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS are useful information to investors combined with other measures that are calculated in accordance with IFRS.

These alternative performance measures should not be considered in isolation or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by EQT, may not be comparable to other similarly titled measures used by other companies.

## Notes to the consolidated financial statements

Measure	Definition	Reason for use
Adjusted EBITDA	EBITDA adjusted for items affecting comparability and revenue adjustments. Items affecting comparability means items that are reported separately due to their character and amount. For a specification of items affecting comparability, see note 1. For revenue adjustments related to the accounting treatment of change of entitlement to revenue, see Note 1.	Adjusted EBITDA is a useful measure for showing profitability of the operations and increases the comparability between periods.
Adjusted EBITDA margin, %	Adjusted EBITDA divided by Adjusted total revenue.	Adjusted EBITDA margin is a useful measure for showing the profitability of the operations and increases the comparability between periods, relative to total revenue generated by the Group during the period.
Adjusted net income	Net income adjusted for items affecting comparability and revenue adjustments. Items affecting comparability means items that are reported separately due to their character and amount, see note 1. Revenue adjustments related to the accounting treatment of change of entitlement to revenue, see Note 1.	Adjusted net income is a useful measure for showing the profitability generated by the Group as this measure is adjusted for items affecting comparability between periods.
Adjusted earnings per share	Adjusted net income in relation to average number of shares.	Adjusted earnings per share is a useful measure for showing the profitability per share generated by the Group as this measure is adjusted for items affecting comparability between periods.
Financial net cash	Cash, cash equivalents and short-term loan receivable less interest-bearing liabilities (current and non current).	Financial net cash / (net debt) is used to assess the Group's financial position in terms of the possibility to make strategic investments, payment of dividend and fulfillment of financial commitments.

# Notes to the consolidated financial statements

## Adjusted total revenue

EURm	H2 2022	H2 2021	2022	2021
Total revenue	765	888	1,497	1,596
Revenue adjustments	39	25	39	27
<b>Adjusted total revenue</b>	<b>804</b>	<b>912</b>	<b>1,536</b>	<b>1,623</b>

## Adjusted EBITDA / Adjusted net income / Adjusted EPS

EURm	H2 2022	H2 2021	2022	2021
<b>Net income for the period from continuing operations</b>	<b>-58</b>	<b>548</b>	<b>176</b>	<b>909</b>
Income taxes	58	-67	87	-31
Net financial income and expenses	42	-6	46	-0
<b>Operating profit (EBIT)</b>	<b>42</b>	<b>475</b>	<b>309</b>	<b>878</b>
Amortization of acquisition related intangible assets	108	37	154	55
Depreciation and amortization	24	21	44	37
<b>EBITDA</b>	<b>174</b>	<b>533</b>	<b>506</b>	<b>970</b>
Revenue adjustments	39	25	39	27
Items affecting comparability	203	49	284	102
<b>Adjusted EBITDA</b>	<b>416</b>	<b>608</b>	<b>829</b>	<b>1,100</b>
Depreciation and amortization	-24	-21	-44	-37
Net financial income and expenses	-42	6	-46	0
Income taxes (including tax on adjustments)	-60	-36	-86	-73
<b>Adjusted net income for the period from continuing operations</b>	<b>291</b>	<b>557</b>	<b>654</b>	<b>989</b>

## Adjusted earnings per share, basic

EURm	H2 2022	H2 2021	2022	2021
Adjusted net income, EURm	291	557	654	989
Average number of shares, basic	1,071,198,573	986,993,652	1,031,955,891	978,676,908
<b>Adjusted earnings per share, basic, EUR</b>	<b>0.272</b>	<b>0.564</b>	<b>0.634</b>	<b>1.011</b>

## Adjusted earnings per share, diluted

EURm	H2 2022	H2 2021	2022	2021
Adjusted net income, EURm	291	557	654	989
Average number of shares, diluted	1,071,837,164	987,247,900	1,032,594,481	978,931,156
<b>Adjusted earnings per share, diluted, EUR</b>	<b>0.272</b>	<b>0.564</b>	<b>0.634</b>	<b>1.010</b>

## Financial net cash / (Net debt)

EURm	2022	2021
Cash and cash equivalents	645	588
Interest-bearing liabilities - non-current 1)	-2,000	-500
<b>Financial net cash / (Net debt)</b>	<b>-1,355</b>	<b>88</b>

1) Nominal amount.

# Definitions

## Active funds

Funds currently investing or with not yet realized investments.

## 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.

## 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 (Multiple of Invested Capital)

A fund's Gross MOIC based on the current total value and invested capital.

## Effective management fee rate

Weighted average management fee rate for all EQT funds contributing to AUM in a specific period.

## EQT

Where used on its own, is an umbrella term and may refer interchangeably to the EQT AB Group, SEP Holdings 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 invested capital upon realization.

## FAUM

Fee-generating Assets Under Management ("FAUM") represents the total assets and commitments from fund investors based on which the EQT AB Group is entitled to receive management fees

## Final close

The date determined for each fund upon which admissions to the fund by investors are last accepted by the fund manager.

## FTE

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

## FTE+

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

Total value of investments divided by total invested capital.

## Invested capital

Committed capital that fund investors have invested in a fund.

## 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.

## Investments

Signed investments by an EQT fund.

## 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

Invested capital 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 EQT Ventures, EQT Life Sciences, EQT Growth, EQT Private Equity, BPEA EQT, EQT Public Value and EQT Future.

## Real Assets

Business segment comprised of business lines EQT Value-Add Infrastructure, EQT Active Core Infrastructure and EQT Exeter.

## 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 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.

## Total AUM

Total Assets Under Management ("Total AUM") represents the sum of (i) FAUM, (ii) value appreciation (depreciation) of investments in funds on which FAUM is calculated upon, (iii) fair market value of non-fee-generating co-investments as well as (iv) committed but undrawn capital from fund investors on which EQT AB Group is not currently entitled to receive management fees but that, following investment, would be fee generating



# 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. EQT today has EUR 113 billion in fee-generating assets under management, within two business segments – Private Capital and Real Assets.

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 24 countries across Europe, Asia and the Americas and has close to 1,800 employees.

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

Follow EQT on LinkedIn, Twitter, YouTube and Instagram

## Our values What we stand for

High performing  
Respectful  
Entrepreneurial  
Informal  
Transparent

## Purpose Why we exist

To future-proof companies and make a positive impact.

## Vision What we strive for

To be the most reputable investor and owner.

## Mission What we do and how

With the best talent and network around the world, EQT uses a thematic investment strategy and distinctive value creation approach to future-proof companies, creating superior returns to EQT's investors and making a positive impact with everything we do.