Annual Report

for

P Capital Partners Transition Partner Fund Aktiebolag

559304-3150

Financial year

2022

Contents

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of P Capital Partners Transition Partner Fund Aktiebolag hereby present the annual report for the financial year 1 January 2022 - 31 December 2022.

OPERATIONS

P Capital Partners Transition Partner Fund Aktiebolag, which is a subsidiary of P Capital Partners AB (corp. id. 556930-7027), operates a corporate lending business. The company is an alternative investment fund within the meaning of the Swedish Alternative Investment Fund Managers Act (2013:561) and is managed by the parent company, P Capital Partners, which since 18 June 2014 holds a licence from the Swedish Financial Supervisory Authority for the management of alternative investment funds under the Alternative Investment Fund Managers Act (2013:561).

The business is focused on direct loans to businesses, listed bonds and other debt securities. The fund's base currency is Euro (EUR). Any investments made in other currencies are normally hedged to Euro.

The operations are funded with capital contributed by the owner and through issuing profit participating debentures to primarily institutional investors. The total funding commitments to the company were EUR 676.5 million on the reporting date. The funding commitments are utilized by the company by calling capital from the owners. At the end of the financial year a total of EUR 38.7 million have been called, representing 6 per cent of the total commitments.

The company has a sister company, P Capital Partners Transition Partner Fund Coinvest Aktiebolag. The companies co-invest and are collectively called P Capital Partners TPF ("PCP TPF"). The total funding commitments for PCP TPF are EUR 683.5 million.

The annual accounts are prepared in Swedish kronor with disclosure of the return on the profit participation debentures in Euro. Figures in parentheses refer to the previous year and unless otherwise stated, all amounts refer to thousands of Swedish kronor (or thousands of Euro).

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The company continued building the loan portfolio during the year and three new loans were added. A sister company was created, and parts of the assets were transferred to that company. At the end of the reporting period the portfolio consisted of four (one) loan and the value of the loan portfolio was EUR 39.2 (15) million.

During the year interest rates were hiked around the world to counteract the high inflation that arose as a result of the pandemic, the war in Ukraine and higher energy prices. This has major impact as both households, companies and the public sector has increase debt levels during the period of negative interest rates. So far the impact on the real economy has been fairly muted but the risks have increased significantly och risk appetite and company valuations have gone down. The impact on the company's borrowers from higher interest rates and a weaker economy has been minor.

RESULTS AND FINANCIAL POSITION

The net profit and loss for the financial year was SEK -8 (4) thousands and equity amounts to SEK 0.5 (0.5) million.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant company specific events have transpired after the end of the financial year.

OUTLOOK

The company's investments have performed according to objectives and the portfolio is expected to deliver a return in line with expectations.

OWNERSHIP

P Capital Partners Transition Partner Fund Aktiebolag with registered office in Stockholm is owned to 90.1% by P Capital Partners AB (450,500 shares of 500,000 shares) which is the parent company and the rest of the shares are owned by a company controlled by the investment team. P Capital Partners AB is a subsidiary to PCP Deka AB (corp. id 559327-2387) which present consolidated accounts for the entire group.

PROPOSED DISPOSITION OF EARNINGS

Group contributions of SEK 25 (0) thousands have been made to the parent company P Capital Partners AB. The Board of Directors believes that the reported equity after group contributions is adequate with regard to the equity requirements arising from the nature, scope and risks of the business. The proposed group contribution is therefore deemed defensible with regard to what is stated in Ch. 17 Section 3 paragraphs 2-3 of the Swedish Companies Act.

The Board proposes that the available funds be allocated as follows:

Non-restricted reserves	495,817
Profit for the year	-8,083
Total	487,734 SEK

The Board of Directors proposes that the available earnings be distributed as follows:

Dividend to shareholders	0
Carried forward	487,734
	487,734 SEK

MULTI-YEAR OVERVIEW ('000 SEK)	**2022**	**2021**
Net sales	58,857	13,602
Net income	-8	-4
Balance sheet total	440,116	155,608

The results of the operations during the financial year and the financial position at the end of the financial year are presented in the following income statement, balance sheet and additional disclosures.

INCOME STATEMENT

SEK('000)

	Note	1 Jan 2022- 31 Dec 2022	1 Mar 2021- 31 Dec 2021 (10 months)
Operating income			
Interest income and similar income	4	58,857	13,602
		58,857	**13,602**
Operating costs			
Interest expense and similar charges	4	-49,240	-4,940
Administrative expenses	3	-9,600	-8,666
		-58,840	**-13,606**
Operating profit		**17**	**-4**
Group contributions made		-25	0
Profit/loss before tax		**-8**	**-4**
Tax	5	0	0
Profit/loss for the year		**-8**	**-4**

BALANCE SHEET

SEK('000)

ASSETS	Note	31/12/2022	31/12/2021
Non-current assets			
Non-current financial assets	6	172,712	153,404
Total non-current assets		**172,712**	**153,404**
Current assets			
Current receivables			
Short term loans		263,151	0
Receivables from group companies		0	153
Other current receivables		0	1,278
Accrued expenses and deferred income		94	0
		263,245	**1,431**
Cash and cash equivalents		4,159	773
Total current assets		**267,404**	**2,204**
TOTAL ASSETS		**440,116**	**155,608**

BALANCE SHEET

SEK('000)

EQUITY AND LIABILITIES	Note	31/12/2022	31/12/2021
Equity			
Restricted equity			
Share capital (500,000 shares, quotient value of SEK 0.1)		50	50
		50	**50**
Non-restricted equity			
Retained earnings		496	475
Profit/loss for the year		-8	-4
		488	**471**
Total equity		**538**	**521**
Non-current liabilities			
Other non-current liabilities	7	436,623	145,113
Total non-current liabilities		**436,623**	**145,113**
Current liabilities			
Liabilities to credit institutions	8	0	8,630
Trade payables		92	32
Liabilities to group companies		2,552	438
Tax liabilities		0	540
Other liabilities		4	0
Accrued expenses and deferred income	9	307	334
Total current liabilities		**2,955**	**9,974**
TOTAL EQUITY AND LIABILITIES		**440,116**	**155,608**

STATEMENT OF CHANGES IN EQUITY

SEK('000)

	Share capital	Retained earnings	Profit/loss for the year	Total capital
Opening balance, 1 January 2021				
Profit/loss for the year			-4	-4
Total comprehensive income for the year			**-4**	**-4**
New share issue	50	475		525
Total transactions with shareholders	**50**	**475**		**525**
Closing balance, 31 December 2021	**50**	**475**	**-4**	**521**
Transfer of previous year's profit/loss		-4	4	0
Profit/loss and total comprehensive income for the year			-8	-8
Total comprehensive income for the year		-4	-4	-8
Shareholder contributions received*)		25		25
Total transactions with shareholders		**25**		**25**
Closing balance, 31 December 2022	**50**	**496**	**-8**	**538**

STATEMENT OF CASH FLOWS

SEK('000)	Note	1 Jan 2022- 31 Dec 2022	1 Mar 2021- 31 Dec 2021 (10 months)
	10		
Interest paid		-1,396	-925
Interest received		22,831	1,278
Paid administration costs		-9,600	-8,666
Cash flow from operations		**11,835**	**-8,313**
Change in current receivables		1,171	-764
Change in current liabilities		-649	1,049
Change in group recievables/liabilities		1,870	142
Increase of non-current financial assets		-273,534	-150,046
Decrease of long-term financial investments		1,537	0
Cash flow from operating activities		**-257,770**	**-157,932**
New share issue		0	525
Change in liabilities to credit institutions		-8,630	8,630
Increase in non-current liabilities		277,165	149,445
Cash flow from financing activities		**268,535**	**158,600**
Cash flow for the year		**10,765**	**668**
Cash and cash equivalents at beginning of year		**773**	**0**
Exchange rate difference, cash and cash equivalents		-7,379	105
Cash and cash equivalents at end of year		**4,159**	**773**

NOTES TO THE ACCOUNTS AND ACCOUNTING POLICIES
SEK('000)

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554), BFNAR 2012:1 Annual accounts and group accounting (K3) and the Alternative Investment Fund Managers Act (2013:561).

Receivables and liabilities in a currency which is not the reporting currency
Receivables and liabilities in foreign currency have been valued at closing rates and profits from currency movements are reported as part of interest income and similar income and losses from currency movements are reported as part of interest expenses and similar charges. The following exchange rates have been used in valuation of assets and liabilities:

EUR 11.1283 (10.2269); USD 10.4371 (9.0437); GBP 12.5811 (12.1790)

Financial instruments
The company's accounting of financial instruments follows chapter 12, which means accounting at fair value according to the Swedish Annual Accounts Act Ch. 4 14a-e§§.

Classification
The company classify financial assets and liabilities in the following categories: financial assets and liabilities held for trading, loans and account receivables and other financial liabilities. The classification is dependent on for which purpose the financial asset, or the financial liability is acquired. The company determines the classification of the financial assets at initial recognition.

Financial assets and liabilities held for trading
Financial assets and liabilities are classified in this category if they were acquired or arose with the intent to be sold or repurchased in the short-term. Financial assets and liabilities that are held for trading are valued at fair value through profit and loss. Assets in this category are classified as current assets if they are expected to be settled within twelve months and are otherwise classified as non-current assets. The company's derivatives which are not part of hedge accounting are classified in this category and are either a financial asset or a financial liability depending on if the fair value is positive or negative.

Loans and accounts receivables
Loans and accounts receivables are financial assets which are not derivatives and which have determined or determinable payments. Financial assets that are classified in this category are valued at amortized cost according to the effective interest method. Loans and accounts receivables are part of curret assets with the exception of items that have a maturity longer than twelve months, in which case they are classified as non-current assets.

Other financial liabilities
Other financial liabilites are financial liabilities that the company has not classified in the category financial liabilities held for trading. Fnancial liabilities in this category are valued at amortized cost using the effective interest method. Other financial liabilites are classified as long-term if they are expected to be settled more than twelve months after the reporting date, otherwise they are classified as short-term.

Accounting and valuation
Financial instruments are recognised in the balance sheet when the company becomes part in the contractual terms in relation to the instrument. All transactions are booked on the settlement day – the date the company purchased or sold the instrument. Financial assets and liabilities are initially recognized at fair value adjusted for transaction costs that are directly related to the acquisition. This is true for all financial assets and liabilities which are not recognized at fair value through profit and loss. Financial assets and liabilities that are valued at fair value through profit and loss are initially recognized at fair value, while related transaction costs are taken over the income statement.

Financial assets that are held for trading are valued at fair value with the value change accounted for in the profit and loss. Loans and accounts receivables are after the time of acquisition valued at amortized cost using the effective interest method, adjusted for any possible write downs. Receivables that are due within 12 months after the reporting date are not discounted as the effect from discounting is immaterial.

Other financial liabilities are after the time of acquisition valued at amortized cost according to the effective interest method. Liabilities that are due with 12 months after the reporting date are not discounted as the effect from discounting is immaterial. Financial liabilities are in the company primarily made up of profit participation debentures issued to the company's investors. The return is dependent on the underlying return of the company's assets. Positive return on the profit participation debentures is an interest expense for the company. Negative return on the profit participation debentures is an interest income for the company.

Financial assets are moved off the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the company has also transferred practically all risks and benefits which are associated with owning the asset. Financial liabilities are moved off the balance sheet when the contractual obligation has been fulfilled or expired.

On each reporting date, the company test if there are objective evidence that indicate that assets classified as loans or accounts receivables should be written down in value. At the end of each reporting period the company assess if there are objective evidence that there is a need for a write down of each financial asset. Objective evidence of the need for a write down is among other things indications that a borrower has significant financial difficulties, that payment of interest or principal repayments have stopped or are overdue, if it is probable that the borrower will default or enter administration or if there are observable data that indicate that a measurable decrease in expected future cash flows like changes in overdue debt or other economic circumstances that correlate with credit losses.

A write down is calculated as the difference between the assets book value and the present value of the company's best estimate of future cash flows discounted with the assets original effective interest rate. The book value of the asset is then written down is and the write down amount is shown in the income statement. On each reporting date the company will test if a write down is still fully or partly motivated. A previous write down is only returned if the reasons for the initial write down has changed.

Profit and loss due changes in fair value regarding the categories financial assets held for trading, are booked in the period when they occur.

A financial asset and a financial liability are netted and are accounted for using a net amount in the balance sheet only if legal netting rights are present and if a settlement of a net amount will be done or if a simultaneous sale of the purchase and settlement of the liability will be done.

To calculate the cash flow the direct method has been used.

Determination of fair value
To determine fair value, listed prices from active markets are used. An active market should have trading in similar instruments, there should in a normal situation exist both interest buyers and sellers and the price information should be widely available.

In the case when a financial instrument that is valued at fair value is not traded on an active marker, or when similar instruments or the individual parts of the instrument are not traded on an active market, the company will use a suitable valuation technique to determine the fair value, where for example currency forwards are valued based on how the fx rates have changed since the contract was initiated.

Regarding other assets and liabilities not carried at fair value, it is the company's best estimate that the carrying amount, of those financial assets and liabilities that are not carried at fair value, is essentially the same as fair value. For the loan portfolio as a whole there has been no change of underlying credit risk which would impact the carried amount, and which would indicate a significant difference with fair value.

Note 2 Financial risks

The company is exposed to interest rate risk, credit risk, currency risk and liquidity risk. The lenders bear the same risk as the shareholders of the company and the return is dependent on the outcome of the company's portfolio management activities. Profit and participation debentures have no guaranteed return or guaranteed right to repayment. The return is contingent on the realization of profits and is settled quarterly if the conditions for payment under the terms of the debentures have been met. Due to this structure, the company's risks, as described below, are minimized.

Interest rate risks and credit risks

The company has a limited risk exposure, as changes in interest rates normally do not have a significant impact. The interest paid to the company's lenders is dependent on the returns on the company's assets which means that if the value of assets were to decrease due to increasing interest rates, the liabilities would decrease as much and there would be no profit or loss for the company. The manager limits the interest rate risk in the loans by having variable interest income with an added margin. As a result, the interest margin remains unchanged over time. For longer fixed-rate loans, the interest rate can be swapped to 90 days to reduce the interest rate risk further, but this is not done currently. Each borrower's creditworthiness and the associated required return are assessed at the time of issuing the loan. The manager applies an internal risk and pricing model which takes into account factors such as the borrower's industry, market conditions, the borrower's profitability and debt level. Based on the model, the lowest interest rate and terms for each commitment are determined.

The credit quality of all loans is continuously monitored and each quarter an assessment for necessary credit reserves is made. Overall, the portfolio has developed according to expectations and the credit quality is deemed to generally be of good quality and the valuation of the loans as of the reporting date are deemed to be fair and there are no need for write downs.

The company's bond portfolio is exposed to interest rate risk, credit risk and in some cases also currency risk. As the focus of investments is on high-yield bonds, the price of the bonds is primarily influenced by credit risk but depending on if the interest rate is fixed or floating there can be some interest rate risk as well. The overall risk is assessed using the same model as for the loan portfolio.

To limit risks, the company has an internal limit on the size of any engagement, both in the loan and bond portfolios, compared to total investable funds.

The company's liability to credit institutions has floating interest rate and undrawn commitments from profit participation debenture holders are secured against the liability. When commitments have been fully drawn, the liability will have to be repaid.

Currency risks

If any investment is made in any currency besides EUR, the asset will generally be swapped into EUR using currency forwards to minimize currency risks as the base currency for fund investors is EUR. The currency forward contracts generally have maturities of three-month maturity, after which they are rolled into new contracts to hedge the investments. This means that realized gains and losses will arise on the hedging instruments while the underlying investment will have unrealized gains and losses. The currency impact on profit and loss from value changes on the underlying investment and the hedging instrument will cancel each other out. Changes in exchange rates therefore do not have a significant impact. It is the company's aim to hedge at least 90% of the market value of any asset not denominated in EUR. When looking at currency exposure from the company's accounting currency, which is SEK, it is also minimal as assets which are either in EUR or hedged to EUR are matched by a liability side also in EUR.

As of the balance sheet day the company had the following currency exposure with associated currency forwards for hedging purposes:

Currency exposure ('000)	Market value	Currency hedge to EUR	Exposure
Currency exposure - GBP	£596	-£1,021	-£425
Currency exposure - EUR assets	€ 38,847		€ 38,847
Currency exposure - EUR liabilities	-€ 39,496		-€ 39,496
Total currency exposure to total balance SEK	440,460		2%
Total currency exposure to total balance EUR	39,580		0%

The company has zero respectively two percent currency exposure in EUR respectively SEK compared to total assets in the company.

Liquidity risks

The company's liquidity risk consists partly in the possibility of realizing holdings in the loan and bond portfolios but also in the ability to repay borrowed funds. Both risks reflect each other. The company's assessment is that the overall liquidity risk is very low. The operations are funded through profit participation debentures and equity. Profit participation debentures are paid back as loans mature and liquidity flows in or as returns are realized. Repayment of the profit participation debentures can, according to the terms and conditions, only happen when funds are available.

The company's investments in direct loans and high-yield bonds may in certain cases result in difficulties to realize the holdings. As repayment of the profit participation debentures can't be initiated by the holders the overall liquidity risk is very low. The company has the right to raise short-term debt to increase flexibility further.

Note 3 Administrative expenses

In the financial year 2022, total fees of SEK 176 thousands were paid to Öhrlings PricewaterhouseCoopers AB, broken down by the following categories:

PwC:	2022	2021
Audit engagement	176	120
Tax advisory services	0	863
Total	176	983

Intra-group purchases and sales: Included in administrative expenses are management fees invoiced from the parent company P Capital Partners AB of SEK 4.2 million during 2022.

Average number of employees: The company had as in previous years no employees during the financial year.

Remuneration: Remuneration has been paid to staff in the parent company which manages the company's investments. Total fixed remuneration was during the year SEK 31.5 million variable remuneration was SEK 1.6 million MSEK which was divided by 7 employees.

Note 4 Interest income, interest expense and similar profit/loss items

Interest income and similar income	2022	2021
Interest income participation debentures	0	8,291
Interest income	24,318	1,278
Currency profits	33,189	4,032
Other financial income	1,350	0
Total	58,857	13,601
Interest expenses and similar charges		
Interest expenses participation debentures	-14,590	0
Interest expenses	-1,400	-925
Currency losses	-33,250	-4,015
Total	-49,240	-4,940

Note 5 Tax

	2022	2021
Reported profit before tax	-8	-4
Tax calculated at applicable rate (20.6%)	2	1
Tax effect from non-deductible expenses	-2	-1
Reported tax expense	0	0

Note 6 Non-current financial assets

	31/12/2022	31/12/2021
Loans	172,712	153,404
Total	172,712	153,404

Loans refer to direct loans to businesses. At the end of the financial year, the portfolio comprised one. The maturities will wary and are estimated from up to three years. Loans and accrued interest that are expected to be repaid within 12 months are part of current assets.

Note 7 Other non-current liabilities

Profit participation debentures

The holders of profit participation debentures have committed to provide funding of up to EUR 545 million. The funding can be called upon with at least 10 days' notice and 3 per cent has been drawn as of the reporting date.

The profit participation debentures that have been issued are entitled to profits from the first issue date 11 November 2021.

The change of the accounted for amortized cost of the by the company issued profit participation debentures is dependent on the underlying performance of the company's assets. No part of the performance of the profit participation debentures is guaranteed by the company and profit participation debenture holders bear the same risk as shareholders of the company with regards to invested capital, but shareholders have a greater responsibility for the business and a duty to distribute profits to profit participation debenture holders according to the contractual terms. Realized profits on the holdings in the portfolio after deduction of the period's costs are distributed quarterly.

Return, profit participation debentures

SEK	Maturity	31/12/2022 Nominal value	31/12/2022 Book value	31/12/2021 Nominal value	31/12/2021 Book value
Profit participation debentures	2021-2031	430,568	436,623	153,404	145,113
Unrealised gain			6,054		-8,291
Realised gain			0		0
Total accumulated income, profit participation debentures			6,054		-8,291

EUR	Maturity	31/12/2022 Nominal value	31/12/2022 Book value	31/12/2021 Nominal value	31/12/2021 Book value
Profit participation debentures	2021-2031	38,691	39,235	15,000	14,189
Unrealised gain			544		-811
Realised gain			0		0
Total accumulated income, profit participation debentures			544		-811

The profit participation debentures are not listed.

Note 8 Liabilities to credit institution

	31/12/2022	31/12/2021
Utilised subscription facility with SEB	0	8,630
Total	0	8,630

The company had an overdraft facility amounting to EUR 30 million at the end of the financial year.

Note 9 Accrued expenses and deferred income

	31/12/2022	31/12/2021
Audit engagement cost	208	120
Other accrued expenses	100	214
Total	308	334

Note 10 Statement of cash flows

The following changes have changed in financial liabilities from financing activities:

	31/12/2021
Opening balance	0
Cash flow	149,445
Non cash flow impact from currency changes	3,959
Non cash flow impact from value changes	0
Non cash flow impact from change in accrued interest	-8,291
Total liabilities in financing activities	145,113

Note 11 Contingent liabilities

	31/12/2022	31/12/2021
Funding commitments made to existing borrowers	632,251	248,886
Total	632,251	248,886

Note 12 Related party transactions

P Capital Partners Transition Partner Fund Aktiebolag is a subsidiary of P Capital Partners AB (556930-7027). The parent company performs services for the company and is paid a management fee based on invested capital where the fee is invoiced quarterly. The management fee is part of administrative expenses and during 2022 the fee was SEK 4.2 million.

During the financial year group contributions were made to the parent company of SEK 25 (0) thousands.

Note 13 Sustainability disclosure

Periodic disclosure in accordance with Article 11 of Regulation (EU) 2019/2088 (SFDR)

Product name: P Capital Partners Transition Partner Fund AB (the Fund)

Legal entity identifier: 2549008RHQMM9CKOAH25

<table>
<tr><td colspan="2">Did this financial product have a sustainable investment objective?</td></tr>
<tr><td>☐ Yes</td><td>☒ No</td></tr>
<tr><td>☐ It made sustainable investments with an environmental objective: __%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: _%</td><td>☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of _% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but did not make any sustainable investments</td></tr>
</table>

To what extent were the environmental and/ or social characteristics promoted by this financial product met?

The Fund's investment mandate is to provide debt financing to companies driving or enabling a transition to:
- a net-zero emissions economy, and/or
- a circular economy.

By doing so, the Fund promotes the following environmental characteristics:
1. Climate change mitigation;
2. Reduction in use of virgin materials; and
3. Protection of biodiversity.

The Fund's attainment of these characteristics is measured and monitored through the following sustainability indicators:
1. Estimated tons of CO2 emissions avoided;
2. Estimated tons of virgin material replaced;
3. Renewable energy capacity installed;
4. Activities negatively affecting biodiversity sensitive areas.

To measure the attainment of the environmental characteristics promoted by the Fund and calculate the sustainability indicators used, the following methodologies are considered:

1. CO_2 emissions avoided are defined
    i. With respect to investments in renewable energy generation, as the difference between the estimated average CO_2 emissions from the energy mix in the country where the asset is located and the estimated average emissions from the financed asset in a given year of operation.
    ii. With respect to investments in renewable fuels, as the CO_2 emission reduction resulting from the substitution of fossil fuels.
    iii. With respect to investments contributing to energy efficiency or reduced energy consumption, as the estimated CO_2 reduction achieved through the financed capital investment vs. the status quo.

2. Replaced virgin material is defined as the volume of material repurposed for further use.

3. Renewable energy capacity installed is defined as the capacity in megawatt (MW) of the renewable energy installations financed by the Fund.

4. Activities negatively affecting biodiversity sensitive areas, refers to the share of the Fund invested in companies
    i. with sites that are located in or near to biodiversity-sensitive areas, and
    ii. whose activities negatively affect those areas.

The indicators are calculated on data primarily provided by the Fund's investee companies. The Fund performs data checks, applies industry-standard methodologies and may use other equivalent data in its calculations. The regulation and standards of non-financial reporting, data quality, and accessibility is rapidly developing. Indicators may therefore be amended or added as and when superior data and/or methodologies become available. The Fund does not have a reference benchmark.

- ***How did the sustainability indicators perform?***

The fund was launched in 2021 and is still in its investment phase. As of the end 2022, the Fund had invested or committed to invest an aggregate amount of circa EUR 97 million across four investments. During the reporting period, 100% of the investments contributed to the attainment of one or more of the Fund's environmental characteristics:

1. Estimated tons of CO_2 emissions avoided:

   The Fund made three investments, corresponding to c.84% of the invested or committed capital of the fund, that are expected to contribute to avoided CO_2 emissions:
    - The Fund provided funding for the construction of a portfolio of photovoltaic plants in Poland expected to reach commercial operation date (COD) during 2023. Because the plants were still in construction during 2022, no CO_2 emissions were avoided during the period covered by this report. However, once commercially operational, the plants are expected to contribute to reducing the country's material reliance on fossil fuel for

its energy generation which is estimated to result in 26,750 tons of CO2 emissions avoided per year.

- The Fund provided construction financing for the refurbishment of an office property located in the United Kingdom. The refurbishment is expected to be completed in 2023 and will be conducted to a high design and energy efficiency standard and in accordance with the UK Green Building Council's Net Zero Carbon framework, significantly improving the environmental footprint of the building. Once the property is commercially operational, the property's energy intensity is expected to be reduced by c. 50% relative to the current building's design, corresponding to a reduction of c. 650 tons of CO2 per annum.
- The Fund made a commitment to support the expansion of the biogas production and liquefaction facilities of a leading European biogas producer. Biogas replaces fossil fuels for several uses, including in hard-to-decarbonize sectors such as transport, and as such it contributes to a reduction in emissions. As of the end of 2022 the loan was undrawn and therefore the Fund's commitment did not contribute to a reduction in emissions during the period covered by this report.

2. Estimated tons of virgin material replaced:

   The Fund provided funding, corresponding to c.15% of invested or committed capital of the Fund, for the construction and operation of a sorting facility in Ireland. The sorting facility contributes to a circular economy, allowing the replacement of circa 23,000 tonnes of virgin plastic material in 2022.

3. Renewable energy installed:

   As per the above, the Fund provided financing for the construction of a portfolio of photovoltaic plants in Poland. Because the plants were still in construction, no renewable energy capacity was operational during the period covered by this report. However, once the plants are commissioned, the capacity of the new renewable energy installations will equal to 37MW.

4. Activities negatively affecting biodiversity sensitive areas:

   0% of the Fund was invested in companies with sites of operation located in or near to biodiversity-sensitive areas.

This is the Fund's first periodic report and no comparison to the sustainability indicators from previous years is therefore available.

- ***…and compared to previous periods?***

  Not applicable as this is the fund's first regular report.

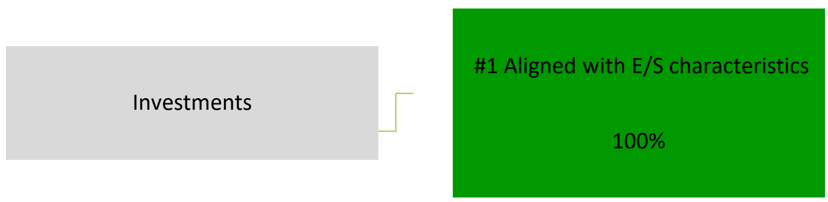
What were the top investments of this financial product?

Largest Investments	***Sector***	***% Assets***	***Country***
Anglo Scandinavian Estates 10 LLP	Real estate	c.32%	United Kingdom
Scandinavian Biogas	Renewable fuels	c.27%	Sweden
Alensys Invest 3	Renewable energy	c.25%	Poland
Limerick Polymer Production	Plastic recycling	c.15%	Ireland

What was the proportion of sustainability-related investments?

- ***What was the asset allocation?***

In 2022, 100% of the Fund's capital was invested in assets aligned with one or several of the environmental characteristics promoted by the Fund (#1 Aligned with E/S characteristics).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product

- ***In which economic sectors were the investments made?***

As of 31 December 2022, circa 32% of the capital deployed by the Fund was invested in real estate, c.27 % was invested in renewable fuels, c.25% in renewable energy and c.15% was invested in the recycling industry.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to make any sustainable investments within the meaning of the SFDR 2.17 or the EU Taxonomy Regulation. Nevertheless, the Fund may invest in EU Taxonomy-aligned economic activities over time.

During the reporting period, the Fund did not make any sustainable investments and did not take into account the EU criteria for environmentally sustainable economic activities during its investment process. Therefore, the Taxonomy-alignment of the Fund was 0%.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?***

  No

- ***What was the share of investments made in transitional and enabling activities?***

  Since the Taxonomy-alignment of the Fund was 0%, the share of investments in transitional and enabling activities was 0%.

What actions have been taken to meet the environmental and/ or social characteristics during the reference period?

Pre-investment, material aspects of each investment is evaluated on an industry and company level and the expected contribution for each investment is determined through investment specific Transition Contribution Metrics. For investments where the due diligence has identified areas of improvement, transitional company KPIs are defined to monitor progress in the intrinsic business operation of the investment towards sustainable/net positive operations.

Where deemed as needed, PCP Transition shall actively and systematically influence the company to e.g. formulate action plans with measurable targets, adopt and implement a policy, code of conduct, report relevant ESG related data or similar. As such, engagement is based on dialogue, monitoring processes and legal obligation of the borrower in relation to the loan agreement.

Above and beyond actions taken as part of the ordinary course of the investment process described above, no particular corrective actions were required during the reporting period.

What result did this financial product have compared with the reference value?

- ***How does the reference value differ from a broad market index?***

  There is no reference value for the fund.

- ***What result did this financial product have relating to sustainability indicators to determine the relevance of the reference value to environmental and social characteristics that are marketed?***

  The fund's results were 100% in line with the marketed characteristics.

- ***What result did this financial product have relative the reference value?***

  There is no reference value for the fund.

- ***What result did this financial product have relative to the broad market index?***

  There is no reference value for the fund.

Note 14 Proposed disposition of earnings

The Board proposes that the available funds be allocated as follows:

Non-restricted reserves	495,817
Profit for the year	-8,082
Total	487,735

The Board of Directors proposes that the available earnings be distributed as follows:

Dividend to shareholders	0
To be carried forward	487,735
Total	487,735

Stockholm as of the day of my digital signature

Anders Thelin
Chairman

Daniel Sachs
Chief Executive Officer

Christian Reiner

Åsa Hansdotter

Anna Ramel

Our auditor’s report was submitted as of the day of our digital signature

Öhrlings PricewaterhouseCoopers AB

Daniel Algotsson

Authorized Public Accountant and Auditor in Charge

Auditor’s report

Unofficial translation

To the general meeting of the shareholders of P Capital Partners Transition Partner Fund Aktiebolag, corporate identity number 559304-3150

Report on the annual accounts

Opinions

We have audited the annual accounts of P Capital Partners Transition Partner Fund Aktiebolag for the financial year of 2022 with exception of the sustainability information on pages 16-22.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of P Capital Partners Transition Partner Fund Aktiebolag as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for P Capital Partners Transition Partner Fund Aktiebolag.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of P Capital Partners Transition Partner Fund Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 16-22. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Director's and the Managing Director of P Capital Partners Transition Partner Fund Aktiebolag for the financial year of 2022 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of P Capital Partners Transition Partner Fund Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organization and the administration of the company’s affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors’ guidelines and instructions and among other matters take measures that are necessary to fulfill the company’s accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor’s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's opinion regarding the statutory sustainability information

The board is responsible for the sustainability information on pages 16–22 and that it is prepared in accordance with the Alternative Investment Funds Act.

Our review of the sustainability information for the company has taken place in accordance with FAR's statement RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability information has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

The sustainability information has been provided in the annual report

Stockholm 29 March 2023

Öhrlings PricewaterhouseCoopers AB

Daniel Algotsson
Authorized Public Accountant