



Annual Report
2020

Annual report

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Report of the Managing Board

Market and economic developments 2020

COVID-19 put a heavy toll on global economic activity

The year 2020 saw the worst global pandemic since the Spanish Flu of 1918. COVID-19, the first cases of which were reported by the Chinese authorities at the end of 2019, radiated rapidly around the world, causing more than 1.8 million deaths in 2020. Arguably, the death toll could have been even worse if governments had not imposed draconian measures to contain the spreading of the virus by enforcing social distancing and restricting domestic and international travel. Inevitably, however, these measures led to the shutdown of large parts of the economy and, as a result, a sharp contraction in output in many countries. Having fallen by 5% in Q1 (quarter-on-quarter, annualized), real economic activity in the United States dropped by another 31.4% in the second quarter. In the euro area, the economic damage caused by the pandemic was even more severe, with real output having contracted by 14.1% and 39.5% (quarter-on-quarter, annualized) in Q1 and Q2, respectively. In other major economies, the picture was materially the same.

As social distancing showed signs of bearing fruit, lockdowns were gradually lifted. Supported by huge fiscal stimulus policies in many countries, economic activity picked up quickly. The recovery was led by China, whose economy returned to positive economic growth already in the second quarter. The turnaround in China was followed by a robust recovery in other major economies. Between July and September, real GDP growth in the United States accelerated to 33.1% (quarter-on-quarter, annualized). As breathtaking as the speed of this recovery was, it was dwarfed by a 60.5% jump in economic activity in the euro area. In the United Kingdom, where the fall in output in the first half of the year had been even more severe than in the euro area, real GDP skyrocketed by 78% in Q3 (quarter-on-quarter, annualized).

Thus, the global recession caused by the pandemic was the shortest one in recent history. However, the rapid recovery in economic output flattened significantly toward the end of the year as governments re-introduced lockdowns and tightened restrictions such as face mask mandates and bans on large gatherings in response to a renewed surge in COVID-19 cases. With real output growth in the United States slowing to 4.1% in Q4, real GDP in 2020 as a whole fell

3.5% from its level in the previous year. In the euro area, real activity contracted by 2.4% between October and December, contributing to an annual decline in real GDP in 2020 by 6.8%. Thus, global output is expected to have fallen by substantially more than during the Global Financial Crisis when world real GDP (market exchange rates) fell by less than 2% in 2009.

V-shape recovery in risk asset prices

Initially, financial markets responded to the pandemic and the lockdown of large parts of the economy by a huge sell-off in risk assets. In the United States, the S&P 500 ended the first quarter around 20% below its level at the beginning of the year. In Europe, the EURO STOXX 50 lost around 24% between January and March. Meanwhile, high-yield spreads in the US market widened to almost 11% in late March, a tripling from their starting level in 2020. At the same time, a general flight to safety pushed 10-year US Treasuries to 54bps, down from 1.88% at the beginning of the year.

However, investors quickly switched back to risk-on as governments eased restrictions on social gatherings and announced aggressive fiscal policy measures. These measures took different forms, ranging from increased spending and tax cuts to support consumption amid a surge in unemployment to loans, equity injections and guarantees to aid businesses. In the United States, the total size of the fiscal package amounted to almost 15% of GDP in the first nine months of the year. In some European countries such as France, Germany, Italy and the United Kingdom, fiscal support was even larger.

Fiscal measures were buttressed by aggressive monetary easing, with major central banks, including the Federal Reserve, the European Central Bank, the Bank of Japan and the Bank of England indicating that they would keep interest rates at ultra-low levels and resort to quantitative easing to provide sufficient liquidity to ensure the orderly functioning of financial markets. As a result, benchmark yields remained very low throughout the year, with 10-year US Treasury yields staying below 1%.

As economic confidence improved, major stock market indices around the globe staged an impressive rally. While the S&P 500 ended the year 16.3% higher than at the beginning of 2020, European stocks, proxied by the EURO STOXX 50, were able to recoup a large part of their previous

losses, limiting the annual loss in the price index to 7%. Meanwhile, the MSCI World (Developed) Index rose 14.1% in 2020, moderately less than the 15.9% increase in the MSCI Emerging Markets Index. High-yield spreads largely mirrored developments in the equity markets, with spreads in the US high-yield market narrowing to 3.87%, just 27bps above their level at the beginning of the year.

Robust rebound of leveraged finance issuance

During the sell-off in risk assets in March, leverage finance markets essentially shutdown. However, as economic sentiment improved, investors' demand for high-yield bonds increased substantially, driving down yields. With the Federal Reserve backstopping financial markets, US companies were able to issue speculative-grade bonds totaling USD 441.1 billion in 2020, a 61% increase compared with the previous year. In Europe, issuers sold high-yield bonds totaling (the equivalent of) USD 97.4 billion, 17% more than in 2019. While demand for leveraged loans also recovered on both sides of the Atlantic during the second half of the year, this rebound was not sufficient to prevent the annual volume of issuance from falling short of its level in the previous year. In the US and European markets, leveraged loan issuance thus fell by around 20% to USD 393 billion and USD 74 billion, respectively. However, with high-yield issuance exceeding leveraged loan issuance for the first time since the Global Financial Crisis, total issuance of leveraged finance breached the USD 1 trillion mark for the first time since 2017.

M&A: a tale of two halves

Mergers and Acquisitions (M&A) were not immune to the pandemic either. Amid heightened macroeconomic uncertainty and increased valuation and funding risk, global M&A volume slowed rapidly in the first half of the year. Between January and June 2020, announced transactions totaled around USD 1.13 trillion, an almost 50% drop from their volume during the same period in 2019. However, as risk asset markets recovered on the back of improving economic news, M&A activity reaccelerated meaningfully. Thus, the second half of the year saw a global volume of USD 2.46 trillion.

Financial sponsors contributed significantly to the M&A rally. While the outbreak of the pandemic caused a sharp drop in leveraged buyout (LBO) volume in the first half of the year, deal activity regained traction as economic sentiment improved and funding and valuation risk receded. Between July and December, global LBO volume came in at USD 191 billion, 83% more than during the preceding six-month period. Thus, with financial-sponsor buy-side transactions in 2020 essentially unchanged from the previous year, the share

of LBOs in global M&A increased to 8.2%. North America was the most active deal region, accounting for 45% of global LBO volume in 2020. While Europe's share was 41%, Asia and emerging markets in other parts of the world accounted for the rest.

Fewer exits, but rising share of IPOs¹

Although buyout-backed exits regained momentum over the course of the year as well as the re-acceleration of M&A activity in the second half of the year, the number of divestments in 2020 fell short of the number of exits in the previous year. In total, 1,879 portfolio companies were exited, compared with 2,134 companies in 2019. However, total deal volume of those transactions for which deal values are available rose slightly to USD 465 billion. Trade sales remained the most important exit route, followed by sales to other General Partners (secondary buyouts). Globally, there were 118 initial public offerings (IPOs), a significant increase (+37%) from the previous year.

Robust commitments to private equity funds¹

Limited Partners (LPs) committed USD 448 billion to private equity funds (buyouts, growth capital, venture capital) in 2020. This amount was around 25% less than in the previous year as fewer funds were closed and their average fund size moderated. However, in interpreting this decline it is important to take several factors into account. First, 2019 was a record year for fundraising, with commitments totaling more than USD 600 billion. Second, 2020 saw the final close of only three mega buyout funds (USD 10 billion+), compared with seven in 2019. Finally, commitments to secondary funds jumped to USD 76 billion in 2020, more than tripling from 2019 setting a new annual record. Thus, the decline in commitments to private equity in 2020 appears to have remained within the normal range of annual fluctuations rather than reflecting investors' worries about the pandemic and its impact on growth, earnings and returns.

Further increase in unfunded commitments¹

Mirroring the deployment of capital and new commitments during the year, unfunded commitments to private equity funds (buyouts, growth, venture capital) stood at USD 1,317 billion at the end of 2020, a 10% increase from the previous year. While the dry powder of venture capital funds rose particularly rapidly (+22.6%), buyout funds accounted for the largest share of unfunded commitments to private equity funds (66%). Distressed debt funds operating in an adjacent segment to private equity also saw a meaningful increase in their ammunition in 2020 (+17.5%). By contrast, unfunded commitments to mezzanine funds declined somewhat.

¹ Source: Preqin Pro

Business overview

AlInvest pursues opportunities across the private equity spectrum, including large and middle market buyout, growth capital, distressed debt, venture capital and private subordinated debt. AlInvest invests globally throughout North America, Europe, Asia Pacific and emerging and other non-traditional markets. These investments generally fall within three investment strategies: Primary Fund Investments, Secondary Investments and Co-investments.

As of December 31, 2020, aggregate capital committed² to AlInvest since inception had grown to more than € 86.3 billion from 406 investors worldwide. We believe that this growth is a clear indication of the support we have received from our investors and is also a reflection of the increasing importance of private equity in developed economies, including many Asian economies.

AlInvest employed 116 full-time employees (FTE)³ as of December 31, 2020, and the male/female ratio of all employees is 52:48. AlInvest is committed to building a diverse work environment and shaping an inclusive culture for its staff, which we believe are essential to making good investment decisions and generating attractive results for our investors. AlInvest has made diversity, equity and inclusion (DE&I) a key priority for the global organization. Following the launch of our DE&I Framework in 2018, we set up a DE&I taskforce consisting of employees from various offices and departments within the firm in 2019. The DE&I taskforce focuses on how AlInvest can foster an environment of inclusiveness to drive better decision-making and assists in recruiting, motivating and retaining the most talented professionals.

The size and composition of the Board are based on the profile and strategy of the Company. The professional expertise, experience and various competences of the members of the Board should support this profile and strategy. AlInvest strives to have a balanced composition of the Board and will consider diversity including, where possible, age and gender, as one of the selection criteria when proposing new members for the Board in the future. As of September 17, 2020, the Board has been comprised of two female and two male members and was comprised of two female and three male members prior to this date.

Responsible investment

AlInvest believes that responsible investment (RI) and environmental, social and governance (ESG) matters can impact the performance of its investment portfolios and therefore should be given appropriate consideration in investment decision-making and portfolio management processes. To that effect, we have applied our RI standards since 2008 and integrated ESG into our investment selection and portfolio management processes as well as into our reporting to our investors. In addition, we developed specific approaches for climate change and diversity, equity and inclusion. AlInvest's objective is to create transparency and promote a structured RI approach in investment processes to facilitate the identification and consistent management of ESG risks and opportunities as well as allow for RI reporting.

AlInvest's RI strategy is overseen by the Operating Committee, and a dedicated Responsible Investment Officer is responsible for its development and integration. The investment teams are closely involved in the execution of this strategy and, together with the legal team, are responsible for ensuring that a fund's investments comply with the criteria which have been agreed upon with the limited partners in the fund. Every new investment is screened through AlInvest's RI due diligence process.

AlInvest has been a signatory to the Principles for Responsible Investment since 2009, which were developed by a group of leading institutional investors in conjunction with the United Nations.

² Total capital committed to AlInvest and its affiliates includes € 7.0 billion of investor mandates that are managed on behalf of investors by AlInvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than AlInvest or its affiliates (€ 6.7 billion was committed before the end of 2002 and € 0.2 billion was committed before AlInvest began managing such investments in 2013). In addition, € 1.1 billion of commitments to LP co-investment vehicles are included.

³ The total capital under management of the AlInvest group was managed by 172 FTE as per December 31, 2020 (including FTE associated with AlInvest US Holdings LLC).

Returns

The table below represents the development of the gross and net life-to-date internal rate of return (IRR) of investments made by AlInvest on behalf of all investors combined. The year 2020 ended with a 9.0% year-to-date net return including currency impact on the assets under management (14.2% excluding exchange rate adjustments).

The development of the gross and net life-to-date IRR⁴ over the past five years as per December 31, 2020

| End of year | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------|-------|-------|-------|-------|-------|
| Gross IRR | 12.6% | 13.0% | 13.2% | 13.2% | 13.3% |
| Net IRR | 11.8% | 12.2% | 12.3% | 12.4% | 12.5% |

Past performance is not indicative of future results or a guarantee of future returns. Return metrics are subject to change as a fund or investment portfolio matures.

New Commitments

The table below comprises all commitments received by AlInvest as of December 31, 2020, both cumulative and per annum.

AlInvest cumulative and annual commitments⁵ (€bn)

| Cumulative commitments | Up to 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Fund Investments | 39.7 | 40.5 | 41.5 | 42.2 | 43.7 |
| Secondary Investments | 13.4 | 14.6 | 15.4 | 15.9 | 23.8 |
| Co-investments | 9.1 | 11.6 | 12.3 | 13.5 | 13.9 |
| Mezzanine Investments | 3.7 | 3.8 | 3.8 | 3.8 | 3.8 |
| Direct Investments | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Total | 67.0 | 71.7 | 74.1 | 76.6 | 86.3 |

| Annual commitments | Up to 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|-------------|------------|------------|------------|------------|
| Fund Investments | 39.7 | 0.8 | 1.0 | 0.7 | 1.5 |
| Secondary Investments | 13.4 | 1.2 | 0.7 | 0.6 | 7.9 |
| Co-investments | 9.1 | 2.6 | 0.7 | 1.1 | 0.4 |
| Mezzanine Investments | 3.8 | 0.1 | 0.0 | 0.0 | 0.0 |
| Direct Investments | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 67.1 | 4.6 | 2.5 | 2.4 | 9.8 |

⁴ Performance information is based on the private equity and mezzanine primary fund investments, secondary investments and co-investments originated and made by AlInvest and its affiliates on behalf of its investors on a combined basis. Excluded from the performance information shown are a) investments that were not originated by AlInvest and b) Direct Investments, which was spun off from AlInvest in 2005, and c) LP co-investment vehicles.

Gross internal rate of return ("Gross IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on investment contributions, distributions and unrealized value before AlInvest management fees, expenses and carried interest, which will reduce returns and in the aggregate are expected to be substantial.

Net internal rate of return ("Net IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on investment contributions, distributions and unrealized value after AlInvest management fees, expenses and carried interest. To exclude the impact of FX, all non-Euro currency cash flows have been converted to EUR at the reporting period spot rate.

⁵ Total capital committed to AlInvest includes € 7.0 billion of investor mandates that are managed on behalf of investors by AlInvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than AlInvest or its affiliates (€ 6.7 billion was committed before the end of 2002 and € 0.2 billion was committed before AlInvest began managing such investments in 2013). In addition, € 1.1 billion of commitments to LP co-investment vehicles are included.

Risks

Risk management is fundamental to our business. AlpInvest insists on the highest standards of integrity and employs a rigorous risk management framework across all geographies and professional functions.

AlpInvest regularly assesses and addresses all material financial risks, business risks, event-driven risks, information risks and compliance risks applicable to its business. Each risk category has been defined and an assessment has been made of the likelihood of the risk occurring and the resulting impact if the risk event does occur. Control procedures have been put in place to help mitigate these risks. AlpInvest aims to mitigate and thus lower residual risk to the extent possible. None of the risks described below had a material impact on AlpInvest during 2020. The outbreak of the coronavirus (COVID-19) pandemic during 2020 has increased the investment performance risk of the Funds that AlpInvest manage in the short term. AlpInvest remains confident that its investment policy, which has been designed to diversify the portfolio across strategies, geographies and vintage years, will continue to be critical to maximize risk-adjusted returns under unusually high economic uncertainty. AlpInvest will continue to actively monitor the situation and assess the impact on the Company. AlpInvest's Risk Management function is reviewed annually, including the adequacy and effectiveness of control measures in place. No material changes to the control measures were made during 2020.

Financial risks

AlpInvest has limited exposure to financial assets. Cash is typically held in short-term deposits with reputable banks or with the parent company of AlpInvest, The Carlyle Group. With regard to the funding provided to the Company's main operating subsidiaries, foreign currency exposure will be hedged depending on exchange rate developments.

With regard to the foreign exchange movements related to investments, AlpInvest's allocation and cash management processes are designed to take currency effects into account and AlpInvest's FX Panel meets regularly to discuss foreign exchange exposure and whether hedging is required.

Further, AlpInvest regularly assesses and maintains appropriate levels of liquidity and solvency and has within the terms of the relevant mandates access to credit facilities and sufficient liquidity from its investors in order to fund its investments. Cash management control procedures include cash flow forecasting and monitoring of liquidity.

Business and event-driven risks

AlpInvest is dependent on funding from its investors, which are reputable pension funds, other reputable institutional investors, high-net-worth individuals and family offices. Investors can change their strategies regarding allocations to

the private equity asset class or decide to engage competing firms to manage their assets. A mitigating factor is that investment management agreements with our investors typically offer continuity to AlpInvest for a prolonged period of time. Also, we update our investors on a regular basis with detailed information concerning their portfolios and strive to ensure that our strategies remain aligned. In addition, we continue to diversify and expand our investor base.

AlpInvest is exposed to a range of operational risks that can arise from inadequate or failed systems, processes and people, as well as external factors that may affect them. To mitigate these risks, adequate segregation of duties and independent review procedures are in place. AlpInvest's Policies and Procedures Manual defines control measures to help assure integrity, reliability, availability and continuity of data and data processing. Business operations are monitored through management reports and review procedures.

Contractual and other obligations, investor expectations, and considerations of the growing number and complexity of investment management agreements, require adequate human resources with the appropriate level of expertise. Therefore, staffing is discussed regularly and AlpInvest focuses continuously on retaining staff by offering room for growth and competitive compensation. There is also the risk that senior management expertise may be lost. To create long-term alignment with AlpInvest, a significant proportion of their remuneration is based on long-term incentives.

AlpInvest's business processes may be disrupted due to our information technology infrastructure not meeting the demands of a changing environment. Security measures such as firewalls and access controls are present to protect confidential data. To enhance availability and maintenance of systems, IT service management has been outsourced to a third-party service provider. Their performance is monitored to ensure compliance with the applicable service level agreement.

AlpInvest may be negatively affected or disrupted by several factors, such as unenforceable contracts, lawsuits, adverse judgments, fraud and/or negative publicity. To help reduce this likelihood, we rigorously assess the companies in which we invest. Any indication of unethical practices is identified during the due diligence process or later through interaction with portfolio companies. Investing guidelines are stipulated in all of our mandates, while our legal department manages all contracts.

Controls around, and associated risks in, the investment process are addressed in the ISAE 3402 type II Report, which is audited by EY annually. An ISAE 3402 (previously SAS 70) Report for AlpInvest is available for the last 18 years.

Information risk

AlpInvest exchanges a significant amount of data with (prospective) investors and other constituents. Review and compliance approval procedures are in place to limit the risk that this

information is inaccurate or can be misinterpreted. In addition, AlInvest is continuously working on new and more efficient ways of reporting to meet the growing information needs from our investors.

Regulatory risk

AlInvest seeks to comply with all applicable legal, regulatory and other external requirements, as well as contractual agreements. Our in-house team of senior legal and tax professionals provides advice, reviews and negotiates documentation and helps us to meet our regulatory obligations. An external law firm monitors and updates AlInvest on relevant legal and regulatory developments.

AlInvest's business and global scope, as well as being part of Carlyle, subjects it to various regulatory regimes and requirements. Most significantly, AlInvest holds a license as an alternative investment fund manager under the Alternative Investment Fund Managers Directive (AIFMD) and a related license as an investment firm under the Markets in Financial Instruments Directive II (MiFID II) from the Netherlands Authority for the Financial Markets for the management of fund-of-funds and private equity investment products for professional investors. AlInvest is also registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 (the "Advisers Act"). AIFMD, MiFID II and the Advisers Act impose significant regulatory requirements on the firm and its personnel. Accordingly, AlInvest has adopted policies and procedures, including those covering transparency, remuneration, service providers, risk management, conflicts of interest and anti-money laundering, that are designed to ensure it and its personnel comply with its regulatory obligations, and AlInvest has dedicated compliance professionals who are responsible for supervising AlInvest's compliance program.

AIFMD investment manager remuneration

AlInvest has adopted a Remuneration Policy with respect to Remuneration of Identified Staff, which encompasses those individuals that are employed by AlInvest and whose professional

activities have an actual or potential significant impact on (a) AlInvest's results and balance sheet or (b) the performance of the Alternative Investment Funds (AIFs).

AlInvest typically offers fixed compensation and variable remuneration to Identified Staff, which both fall under the scope of this Policy.

Variable remuneration can consist of one or more of the following elements: carried interest, a discretionary annual cash payment based on individual performance and performance of AlInvest overall, and in addition, certain Identified Staff may receive RSUs. RSUs represent an unfunded, unsecured right of Identified Staff to receive Common Units issued by The Carlyle Group Inc. on the delivery date.

A more detailed overview of AlInvest's remuneration policy can be found in note 8.1 to the financial statements.

Operating performance AlInvest Partners B.V.

Revenue from management fees and carried interest increased 24% and 126%, respectively, in 2020 when compared to the prior year. The increase primarily relates to the increase in AlInvest's cumulative commitments as well as increased market performance. Although expenses increased as a result of increased personnel expenses, the higher Operating Result is mainly driven by the increase in revenues.

AlInvest employed 116 FTE at year end. The total capital under management of the AlInvest group was managed by 172 FTE as per December 31, 2020 compared to 173 the year before. Currently, we foresee total FTE to grow slightly during 2021 and envisage adding resources both to our investment teams to support the deployment of the capital we raised, as well as to our investor services team, to be able to continue to provide high-quality services to all our investors.

Changes in AlInvest's Board Composition

Non-executive Board member, Glenn Youngkin, stepped down from the Board on September 17, 2020. The Board would like to thank Mr. Youngkin for his valuable contribution to the Company.

Key figures for 2020

| (€m) | 2016 | 2017 | 2018 | 2019 | 2020 | CAGR 2016-2020 |
|---|--------|--------|--------|--------|--------|-------------------|
| Revenues | 144 | 162 | 166 | 137 | 231 | 13% |
| Operating result before taxation | 73 | 93 | 104 | 75 | 147 | 19% |
| Cumulative capital committed by AlInvest as at year end | 60,000 | 62,000 | 65,000 | 70,000 | 74,000 | 5.4% |
| Cumulative capital invested as at year end ⁶ | 54,000 | 58,000 | 62,000 | 66,000 | 70,000 | 6.7% |
| Total number of FTE as at year end ⁷ | 97 | 89 | 102 | 116 | 116 | 4.6% |

⁶ Cumulative capital committed by AlInvest and cumulative capital invested as at year end include € 6 billion of investments that are managed on behalf of its investors by AlInvest Partners B.V., but for which the investment decisions were made by parties other than AlInvest. In addition, € 0.3 billion of commitments made by LP co-investment vehicles (of which € 0.2 billion invested) are included.

⁷ The total capital under management of the AlInvest group was managed by 172 FTE as per December 31, 2020 (including FTE associated with AlInvest US Holdings LLC).

Outlook for 2021⁸

Financial markets ended 2020 on an optimistic note. With several vaccines against COVID-19 having become available, and governments and central banks having confirmed their continued fiscal and monetary support, global economic growth is generally projected to converge to its pre-COVID trajectory in 2021. However, important questions remain — most critically pertaining to the speed at which large parts of the population can be vaccinated and the degree to which the virus might mutate.

On the policy front, the huge stimulus package of the US' new administration, which could total USD 1.9 trillion, is expected to significantly accelerate the recovery. However, there is also concern about its potential inflationary impact, which has contributed to a meaningful increase in long-term interest rates. In Europe, several important elections will be held in 2021, including in Germany, Europe's largest economy. In the United Kingdom, it remains to be seen to what extent growth will be affected by Brexit. As far as monetary policy is concerned, a key question concerns how the Federal Reserve and the European Central Bank might respond to rising long-term interest rates amid higher inflation expectations. Finally, investors are looking for guidance in terms of international trade relations between the major economic blocs following the inauguration of President Biden in the United States.

These uncertainties should be seen against the backdrop of high valuations in asset markets, which could imply a heightened risk of market corrections if actual developments deviate from current growth expectations. But even if the recovery broadly followed what seems to have been priced in at the beginning of 2021, investors should be prepared for periods of increased market volatility. This is not necessarily bad news for long-term investors who are able to look through temporary market turbulences. Actual economic and financial market developments will influence the investment and divestment pace. Dislocations in public and private markets could bring about attractive investment opportunities as entry prices adjust downwards in risk-off periods. AlInvest remains confident that our highly disciplined investment approach and our experience over multiple cycles position us well to exploit such opportunities as they arise and ensure ongoing operations and success of AlInvest. Portfolio diversification across strategies, geographies and vintage years will continue to be critical to maximize risk-adjusted returns for our clients under unusually high economic uncertainty.

Proposed profit appropriation and dividend

An interim dividend has been declared on November 25, 2020. The Managing Board proposes to add the remaining profit in the amount of € 8.8 million to the general reserves of the Company. The final dividend proposed is equal to the interim dividend of € 22 million. No further dividend is proposed.

Amsterdam, June 25, 2021

The Board of Managing Directors

J.P. de Klerk, Chairman, Non-executive Board member
 R.B. Bagijn, Executive Board member
 E.K. Herberg, Executive Board member
 W.J. Moerel, Executive Board member

AlInvest Partners B.V.
 Jachthavenweg 118
 1081 KJ Amsterdam
 The Netherlands



⁸ This report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, contingencies, our dividend policy, our expectations regarding the impact of COVID-19, and other non-historical statements. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements, including but not limited to those described under the section entitled "Risk Factors" in our parent company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 12, 2020 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the SEC on April 30, 2020, as such factors may be updated from time to time in the periodic filings made by our parent company, The Carlyle Group Inc. (Nasdaq: CG), with the SEC and are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our parent company's filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law. This release does not constitute an offer for any fund or other investment product or service by AlInvest or any of its affiliates.

Consolidated financial statements

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Consolidated balance sheet

(before proposed profit appropriation)

| (€ thousands) | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Tangible fixed assets ^{4.1} | | |
| Other fixed assets | 561 | 400 |
| Financial fixed assets ^{4.2} | | |
| Investments in private equity funds | 37,202 | 92,005 |
| | 37,763 | 92,405 |
| Current assets | | |
| Accounts receivable | | |
| Receivables ^{4.3} | 3,486 | 11,915 |
| Receivables from group companies ^{4.4} | 1,114 | 54 |
| Receivables from related parties ^{4.4} | 23,307 | 21,508 |
| Corporate income tax receivables ^{4.5} | 1,402 | 2,410 |
| Deferred tax assets ^{4.6} | 2,111 | 2,130 |
| Prepayments and accrued income ^{4.7} | 7,675 | 6,720 |
| | 39,095 | 44,737 |
| Cash ^{4.8} | | |
| Cash | 53,496 | 38,624 |
| | 53,496 | 38,624 |
| Total assets | 130,354 | 175,766 |
| LIABILITIES AND EQUITY | | |
| Group equity | | |
| Equity attributable to shareholders of the parent company ^{4.9} | 13,594 | 23,669 |
| Equity attributable to other shareholders ^{4.10} | 53,163 | 104,522 |
| Provisions | | |
| Provision pension ^{4.11} | 8,270 | 6,212 |
| Provision leasehold improvements ^{4.11} | 298 | 293 |
| Provision fundraising expenses ^{4.11} | 215 | 478 |
| Current liabilities | | |
| Creditors | 293 | 594 |
| Payable to group companies ^{4.12} | 9,467 | 15,562 |
| Corporate income tax liabilities ^{4.13} | 18,758 | 6,115 |
| Other tax and social security payables ^{4.14} | 930 | 3,722 |
| Other short-term liabilities ^{4.15} | 25,366 | 14,599 |
| | 54,814 | 40,592 |
| Total liabilities and equity | 130,354 | 175,766 |

The reference numbers relate to the notes which form an integral part of the financial statements.

Consolidated income statement

| (€ thousands) | Jan 1 – Dec 31, 2020 | Jan 1 – Dec 31, 2019 |
|--|----------------------|----------------------|
| Net revenue^{5.1} | 230,808 | 136,588 |
| Total operating income | 230,808 | 136,588 |
| Personnel expenses ^{5.2} | 75,747 | 47,000 |
| Social security expenses ^{5.2} | 1,047 | 1,096 |
| Depreciation ^{5.3} | 304 | 448 |
| Administrative expenses ^{5.4} | 9,656 | 11,210 |
| Management fee expenses ^{5.5} | 3,903 | 2,315 |
| Total operating expenses | 90,657 | 62,069 |
| Operating profit/(loss) | 140,151 | 74,519 |
| Realized gains on investments in private equity funds ^{5.6} | 2,054 | 2,318 |
| Unrealized gains on investments in private equity funds ^{5.6} | 4,333 | 6,633 |
| Interest income ^{5.6} | 884 | 533 |
| Interest and other financial expense ^{5.7} | (246) | (155) |
| Total financial income and expense | 7,025 | 9,329 |
| Result before taxation | 147,176 | 83,848 |
| Corporate income tax ^{5.8} | (26,147) | (12,940) |
| Net result after tax | 121,029 | 70,908 |
| Share third parties ^{5.9} | (90,222) | (50,725) |
| Net result after tax and share third parties | 30,807 | 20,183 |

The reference numbers relate to the notes which form an integral part of the financial statements.

Consolidated cash flow statement

| (€ thousands) | Jan 1 – Dec 31, 2020 | Jan 1 – Dec 31, 2019 |
|---|----------------------|----------------------|
| Cash flow from operating activities | | |
| Net result after tax | 30,807 | 20,183 |
| Adjustments | | |
| Depreciation ^{4.1} | 304 | 448 |
| Realized result financial fixed assets ^{4.2} | (2,054) | (3,947) |
| Unrealized/realized result financial fixed assets ^{4.2} | (4,333) | (5,674) |
| Share third parties ^{4.10} | 90,222 | 50,725 |
| Pension and other long-term employee benefits ^{4.11} | 3,304 | 3,100 |
| RSU expenses | (605) | (706) |
| | 86,838 | 43,946 |
| Movements in working capital, long-term liabilities and provisions | | |
| Receivables | 5,642 | 6,139 |
| Current liabilities | 14,222 | 4,435 |
| Other provisions | (258) | (187) |
| Pension and other long-term employee benefits ^{4.11} | (1,246) | (2,923) |
| | 18,360 | 7,464 |
| Net cash from operating activities | 136,005 | 71,593 |
| Cash flow from investing activities | | |
| Additions to/investments in: | | |
| Tangible fixed assets ^{4.1} | (467) | (148) |
| Financial fixed assets ^{4.2} | (5,078) | (30,328) |
| Proceeds from/divestments of: | | |
| Financial fixed assets ^{4.2} | 4,568 | 2,992 |
| Net cash used in investing activities | (977) | (27,484) |
| Cash flow from financing activities | | |
| Dividend paid to shareholders of the parent company ^{7.7} | (40,000) | (28,693) |
| Contributions from non-controlling shareholders ^{4.10} | 4,487 | 32,364 |
| Dividends paid to third parties ^{4.10} | (84,310) | (57,370) |
| Net cash used in financing activities | (119,823) | (53,699) |
| Net cash flow | 15,205 | (9,591) |

Movements in cash deposits can be broken down as follows:

| (€ thousands) | 2020 | 2019 |
|-------------------------------|--------|---------|
| | Total | Total |
| Balance on January 1 | 38,624 | 48,752 |
| Movements during the year | 15,205 | (9,591) |
| Currency differences | (333) | (537) |
| Balance on December 31 | 53,496 | 38,624 |

Notes to the consolidated financial statements

General

Unless indicated otherwise, the notes refer to both the consolidated and company financial statements and all amounts are stated in thousands of euros.

Operations

AlpInvest Partners B.V. (the "Company") was incorporated on February 1, 2000, as NIB Capital Private Equity N.V. The Company primarily engages in private equity investment management and financing services, and invests, directly and indirectly, in private equity related instruments on behalf of its clients. This includes participating interests in private equity funds and other such strategic alliances that invest in private equity (both listed and unlisted), as well as public and private participations and interests in, and management of, companies of whatever nature, financing of third parties and performance of such activities as are related or conducive to those listed above.

The statutory seat of the Company is at Jachthavenweg 118, 1081 KJ Amsterdam, the Netherlands. The Company is registered with the Chamber of Commerce with establishment number 000006213448. The ultimate owner of AlpInvest Partners B.V. is The Carlyle Group L.P. ("The Carlyle Group") which is incorporated in Delaware, USA.

Group structure

The shares of the Company are owned by AP B.V., a company ultimately owned by The Carlyle Group.

Reference is made to note 7.3 of these statements for an overview of Group companies.

Consolidation

The consolidated financial statements comprise the financial data of AlpInvest Partners B.V. and all Group companies in which AlpInvest Partners B.V. exercises a controlling influence on management and financial policy ("Group companies"). In case financial instruments are held containing potential voting rights that can be exercised immediately, these are also taken into account. A "Special Purpose Entity" can also be a Group company. The investment entities of which the Company or one of its subsidiaries is only the General Partner or Director are not consolidated.

Four entities (ASF VI and ACF VII employee co-investment entities) are no longer consolidated by the Company due to a change in circumstances (no risk or benefits for The Carlyle Group or The Company). Therefore, per the 1st of January 2020, the four entities are excluded from the consolidated scope of AlpInvest Partners B.V. This control change did not lead to any financial gains or losses.

Companies are consolidated in full from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. Intercompany transactions, profits and losses and balances among Group companies are eliminated, unless these results are realized through transactions with third parties.

Since the company income statement is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Dutch Civil Code.

Share third parties are presented separately in the consolidated financial statements. They are deducted from the net result after tax. Minority interests are also part of the consolidated group equity presented as "Equity attributable to other shareholders".

Related parties

The investment entities managed by the Company or any of its Group companies are considered related parties. Directors and employees that have a significant influence over the reporting entity or are in a Financial Reporting Oversight Role and other shareholders of Group companies are also considered related parties.

All companies belonging to The Carlyle Group that are not consolidated by the Company and related parties of The Carlyle Group are also considered related parties of the Company. These consist of investment funds, employees and partners, external Directors and controlled portfolio companies of the investment funds.

All related party transactions have been executed at arm's length conditions. Related party transactions included in the financial statements consist of:

- Participating interests in investment entities by Group companies (notes 4.2 and 5.6);
- Revenue in the form of management fee and carried interest income received from investment entities and related receivables (notes 4.4 and 5.1);
- Certain cost/revenue paid respectively invoiced by the Company or any of its Group companies on behalf of the investment entities (note 4.7);
- Other shareholder interests in Group companies of which (former) employees, among which Directors of the Company, are the ultimate beneficial owners (notes 4.10 and 5.9);
- Management fees paid to an affiliated entity owned by The Carlyle Group (note 5.5).

The relevant amounts are disclosed in the indicated notes to the financial statements.

Notes to the cash flow statement

The cash flow statement is prepared based on the indirect method. Cash recognized in the cash flow statement consists of cash. Cash flows from Group companies with a different functional currency than the euro are included at the rate that is used for translation in the consolidated profit and loss account and balance sheet respectively. Exchange differences due to exchange rate fluctuations between December 31 of the previous financial year and December 31 of the reporting year are included on the respective line in the cash flow statement.

Interest paid and received, dividend received and cash flows related to corporate income tax are included in cash flow from operating activities.

Estimates

In applying the accounting policies and guidelines for preparing the financial statements, management applies several estimates and judgments that might be essential for the amounts disclosed in the financial statements. This relates mainly to the fair value of financial fixed assets and the estimated useful life of tangible fixed assets. The estimates also include the provision for leasehold improvement in AlplInvest Partners Ltd and the provisions for fundraising expenses and pensions. If necessary, for the purposes of providing appropriate insight, the nature of estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Correction of error

AlplInvest has, for its Dutch employees, entered into a pension contract with an insurance company. During the term of the contract, the company pays premiums, and the rights are fully

guaranteed by the insurance company. For the rights built up before 2019, a yearly guarantee fee continues to be due. Up to the annual report 2019, this amount paid over each year was expensed in the income statement of that year.

Further investigation of the pension agreements has revealed that, in accordance with RJ271, AlplInvest needs to make a provision for future guarantee fees resulting from the agreement with the insurance company for the pension rights built up before 2019. For the rights built up from 2019, no separate guarantee fee is due.

The effect on the equity attributable to shareholders of the parent company at year end 2019 is material. Since this material error was discovered after the financial statements of 2019 had been approved, it will be corrected retrospectively. The annual accounts 2020, including the comparable figures for 2019, have been drawn up as if the error was not made. As the provision should have been formed before January 1, 2019, the equity is recalculated on January 1, 2019, as if the error had not occurred. The difference between the equity at the beginning of the financial year 2019, before and after recalculation, is subsequently recognized as a direct change in the equity at the beginning of the financial year 2019. The impact is the same in the consolidated as well as the stand-alone balance sheet.

The negative effect on equity as at January 1, 2019 amounts to € 5,677K (€ 7,568K less 25% corporate income tax). The additional negative effect on equity over fiscal 2019 amounts to € 509K, resulting in a total adjustment of € 6,186K as per December 31, 2019. A complete overview of the effect on the financial position in the balance sheet and the consolidated income statement for the comparative 2019 figures is as follows:

| Balance sheet | | | Comparative figures 2019 in annual accounts 2020 |
|--|----------------------------------|----------------|--|
| (€ thousands) | Approved annual accounts 2019 | Correction | |
| Assets | | | |
| Corporate income tax receivables | 2,480 | 2,060 | 4,540 |
| Total assets | 2,480 | 2,060 | 4,540 |
| Liabilities and equity | | | |
| Provision pension | (2,035) | 8,247 | 6,212 |
| Total liabilities | (2,035) | 8,247 | 6,212 |
| Shareholders equity | | | |
| Other reserves | 4,480 | (5,677) | (1,197) |
| Profit for the year | 20,692 | (509) | 20,183 |
| Other equity components | 4,683 | - | 4,683 |
| Total equity attributable to shareholders of the parent company | 29,855 | (6,186) | 23,669 |

Income statement

| (€ thousands) | Approved annual accounts 2019 | Correction | Comparative figures 2019 in annual accounts 2020 |
|----------------------------------|-------------------------------|--------------|--|
| Personnel expenses | (46,321) | (679) | (47,000) |
| Corporate income tax receivables | (13,110) | 170 | (12,940) |
| Net results | 20,692 | (509) | 20,183 |

1. Accounting policies for the consolidated balance sheet

1.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code, the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board and the Dutch Financial Market supervisions (Wet op het Financieel toezicht).

The accounting policies for the company financial statements and the consolidated financial statements are the same.

Assets and liabilities are stated at the amounts at which they were acquired or incurred unless stated otherwise. The balance sheet and income statement include references to the notes.

The financial statements are denominated in euro.

1.2 Change in accounting policies

The accounting policies used are consistent with the previous year, with the exception of the accounting policy for pensions as explained in the paragraph Correction of error. The accounts are prepared on a going concern basis.

1.3 Tangible fixed assets

Tangible fixed assets are stated at historical cost plus additional direct expense or manufacturing price less straight-line depreciation based on estimated useful life. Any impairment at the balance sheet date is taken into account. For details on how to determine whether tangible fixed assets are impaired, please refer to note 1.5.

1.4 Financial fixed assets

Participating interests that enable the Company to exert significant influence are valued using the net asset value method. Changes in the net asset value of the participating interests are recognized in other financial income.

Net asset value is calculated using the policies applied in these financial statements. If the net asset value of a participating interest is negative,

the participating interest is carried at nil. However, if the Company can be held accountable for the debts of the participating interest, a provision is formed.

Investments in equity instruments of companies through which the Company does not exert significant influence are measured at fair market value with changes in fair value recognized in other financial income. The fair market value of the investments in private equity funds is determined quarterly. For fund investments, the fair value of the underlying investments is based on the most recent information available (typically previous quarter) from the general partners of the underlying partnerships, adjusted for the actual cash flows that occurred from the date of the reported net asset value to the date of the financial statements and the working capital of the underlying investment vehicles. The fair value for underlying direct and co-investments are based on the general partners' determination of the fair value based on the International Private Equity and Venture Capital Valuation Guidelines. This determination involves a significant degree of management judgment such as (but not limited to) current and projected operating performance, trading values on public exchanges for comparable securities and the financing terms currently available.

The fair market value of other investments in equity instruments is determined as the price that would be received in an orderly transaction between market participants at the measurement date.

Any increase or decrease in the carrying value of such an investment is charged to the income statement in the year to which it relates. The results for exits are determined by the difference between sales proceeds and the carrying value of the investments prior to the sale.

Loans are initially valued at fair value and subsequently carried at amortized cost based on the effective interest method.

1.5 Impairment of non-current assets

At each balance sheet date, the Company assesses and tests (if applicable) whether there are any indications of non-current assets being subject to impairment. An asset is subject to impairment if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the net realizable value and the value in use.

For financial assets, the Company assesses at each balance sheet date whether a financial

asset is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the profit and loss account for financial assets carried at amortized cost.

1.6 Receivables

Short-term receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is deemed uncollectible a provision is made, and subsequently, it is written off against this provision.

1.7 FX forward contracts

FX forward contracts are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The (un)realized movement is recognized through the income statement. Hedge accounting is not applied to these contracts.

1.8 Cash

Cash represents cash in hand, bank balances and call and short-term deposits. Negative balances at a bank in one currency are netted with positive balances in other currencies when it is legally enforceable, contractually agreed and settled on a net basis. Cash is stated at face value.

1.9 Group equity

Group equity is made up of share capital, reserve for currency exchange differences, legal reserve, other reserves and results for the year. The share capital recognized in the balance sheet has been issued and fully paid up. The legal reserve relates to the positive difference of fair value less cost price of participating interests in private equity funds which are accounted for at fair market value. The other reserves consist of the accumulated results realized in previous years.

1.10 Equity attributable to other shareholders

The equity attributable to other shareholders is stated at the amount of the net third party interest in the Group companies concerned.

1.11 Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned as at the balance sheet date. If the effect of the time value of money is material, the provision shall be measured at the present value, with exception of provision for deferred taxation. The provisions for leasehold improvements and fundraising expenses have not been discounted. The provision for pensions has been discounted based on the yields of high-quality corporate bonds at the valuation date with a term that matches that of the liabilities.

1.12 Pension obligations

Dutch pension plan

The characteristics of the pension plan operated by Alpinvest Partners B.V. are as follows:

- The basis for the defined benefit scheme is average pay;
- The salary in the defined benefit scheme is capped;
- Pensions and deferred pension rights of former employees and built-up pension rights of current employees can be increased yearly with a percentage to be determined by the employer;
- The pensions have been insured with an outside insurance company.

The Company has a guaranteed insurance contract. Up to 2019, the premiums were invested in a separate investment account. Alpinvest continues to pay a yearly guarantee fee for the rights built up before 2019. On January 1, 2019, the Company renewed the guaranteed insurance contract with the same pension conditions with the same insurance company. Under this contract, the amounts paid will no longer be invested in a separate investment account. The current contract expires December 31, 2023; the built-up rights remain insured afterwards and no further guarantee fee are due for the rights built up from 2019 onwards.

The conditions of the Dutch Pension Act are applicable to all pensions of Alpinvest Partners B.V. Alpinvest Partners B.V. pays premiums based on contractual requirements to the insurance company. Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are represented as liabilities.

No other assets need to be recognized.

A provision has been formed for the estimated guarantee fees that are due to the insurance company in the future.

Foreign pension plan

The pension plan operated outside the Netherlands is a defined contribution plan. Accounting policies applied are identical to the ones applied to the Dutch pension plan.

1.13 Foreign currencies

Functional currency

Items included in the financial statements of Group companies are measured using the currency of the primary economic environment in which the respective Group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Alpinvest Partners B.V.

Transactions, receivables and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Non-monetary assets and liabilities are recognized using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

Group companies

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expense are translated at average exchange rates during the financial year. Any resulting exchange differences are taken directly to the reserve for currency exchange differences within equity.

Arrangements and commitments not shown in the balance sheet

The company discloses the financial obligations, not disclosed in the balance sheet, multi-year financial obligations, such as those arising from long-term contracts. The nature, business purpose and the financial consequences of non-balance sheet arrangements are disclosed in the note 4.16.

2. Accounting policies for the consolidated income statement

2.1 General

Net result after tax represents the difference between income from investment management services and operating expenses and other charges for the year.

2.2 Net revenue

Net revenue comprises management fee and carried interest income. Most of the management fees are based on the lower of cost or fair market value of investments under management, except for more recent mandates where management fees are based on investor commitments. Carried interest is recognized as income if and when it is certain that the conditions applicable for earning such fees have been fully met, and the investors have received back their full investment, all expenses and a minimum contractual return.

Income is allocated to the period to which it relates.

2.3 Operating expenses

Expenses are allocated to the period to which they relate.

2.4 Personnel expenses

Short-term employee benefits

Salaries, wages and Social Security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pensions

The premiums payable for the financial year are charged to the result. The effect of the change in discount rate on the pension provision as well as the interest accrual on the provision are also taken to the income statement.

2.5 Depreciation charges

Fixed assets are depreciated based on cost plus additional direct expense or manufacturing price. Assets are depreciated according to the straight-line method based on the estimated useful life.

2.6 Taxes

Dutch fiscal practice rules determine domestic corporation tax, taking into account allowable deductions, charges and exemptions. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses.

AlpInvest Partners B.V. and some of its wholly owned subsidiaries form a fiscal unity for corporate income tax with AP B.V. and Alp Holdings Coöperatief U.A. since January 1, 2012.

2.7 Foreign currencies

Income and expenditure denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction date. Exchange differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are taken to the income statement.

2.8 Financial income and expense

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. Financial income includes income from investments in private equity funds.

3. Financial instruments and risk management

The financial instruments the Company uses are foreign exchange forward contracts to hedge foreign currency exposure and short-term deposits to improve the return on excess liquidity. All financial instruments are held to maturity.

3.1 Currency risk

AlpInvest Partners B.V. mainly operates in the European Union, the United States and Asia. The currency risk for AlpInvest Partners B.V. largely concerns future expenses in Hong Kong dollars as its revenues are mainly denominated in euros and US dollars.

AlpInvest Partners B.V. also incurs currency risk on the net investment in its foreign subsidiaries.

3.2 Interest rate risk

AlpInvest Partners B.V. incurs market risk in respect of interest on cash at banks and deposits. No financial derivatives for interest rate risk are contracted with regards to these funds.

3.3 Credit risk

Credit risk is considered to be limited as the creditworthiness of investors is considered high and many of our investors, especially pension funds, are monitored by the regulators.

The cash of AlpInvest Partners B.V. as at December 31, 2020 was held with one credit institution with a rating of A-1 for short-term credits and A for long-term credits (S&P rating). Given the on-demand nature of the liquidity held this is considered acceptable. The cash of AlpInvest Partners Ltd as at December 31, 2020 was held with one credit institution with a rating of A-1+ for short-term credits and AA- for long-term credits (S&P rating). All Group companies use reputable banks for their cash activities.

3.4 Liquidity risk

The Company has sufficient funds at its disposal in the form of cash for its current operations.

The investments in private equity funds represent illiquid investments.

3.5 Fair value risk

Investments in private equity funds (note 4.2) are subject to changes in fair value. Because most of the investments in private equity funds are held by entities of which the economic ownership is held by third parties (note 4.10), the actual exposure of the Company is very limited.

4. Notes to the consolidated balance sheet

4.1 Tangible fixed assets

| (€ thousands) | Computers and software | Furniture and other office equipment | Leasehold improvements | Total 2020 | Total 2019 |
|---|------------------------|--------------------------------------|------------------------|----------------|------------|
| Balance on January 1 | | | | | |
| Costs | 4,982 | 1,186 | 2,061 | 8,229 | 10,557 |
| Accumulated impairment and depreciation | (4,750) | (1,072) | (2,007) | (7,829) | (9,864) |
| Book value | 232 | 114 | 54 | 400 | 693 |
| Movements in the year | | | | | |
| Additions | 381 | 13 | 73 | 467 | 148 |
| Disposals | (59) | (87) | (147) | (293) | (2,514) |
| FX differences on cost and additions | (24) | (12) | (85) | (121) | 38 |
| Depreciation | (212) | (37) | (55) | (304) | (448) |
| Accumulated depreciation on disposals | 59 | 87 | 147 | 293 | 2,514 |
| FX on depreciation | 23 | 10 | 86 | 119 | (31) |
| | 168 | (26) | 19 | 161 | (293) |
| Balance on December 31 | | | | | |
| Costs | 5,280 | 1,100 | 1,902 | 8,282 | 8,229 |
| Accumulated impairment and depreciation | (4,880) | (1,012) | (1,829) | (7,721) | (7,829) |
| Book value | 400 | 88 | 73 | 561 | 400 |

Computers and software are depreciated over a period of 3 years, furniture and other office equipment are depreciated over a period of 5 years and leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

4.2 Financial fixed assets

| Investments in private equity funds | 2020 | 2019 |
|-------------------------------------|-----------------|---------|
| Balance on January 1 | 92,005 | 54,373 |
| Movements in the year | | |
| Investments | 5,078 | 30,328 |
| Distributions | (4,568) | (2,992) |
| Exchange differences | 137 | 675 |
| Deconsolidation | (61,837) | - |
| Changes in fair value | 6,387 | 9,621 |
| Subtotal | (54,803) | 37,632 |
| Balance on December 31 | 37,202 | 92,005 |

The investments in private equity funds represent interests in various funds, which are valued at fair market value. The investments in private equity funds held by the Company do not contain significant influence in any position held as per year end. Changes (realized and unrealized) in the fair market value of the investments in private equity funds are recognized through the income statement in (un) realized gains on the investments in PE. The increase in financial fixed assets is the result of contributions made to private equity funds and the revaluation of the investment in those funds based on the fair market value.

Four entities (ASF VI and ACF VII co-invest entities) were identified, no longer necessary to be consolidated by AlInvest Partners B.V. due to a change in circumstances (no risk or benefits from Carlyle Group or AlInvest Partners B.V.). Therefore, per the 1st of January, the four entities are excluded from the consolidated scope of AlInvest Partners B.V. The total deconsolidated amount is € 61.8 million.

4.3 Receivables

| | 2020 | 2019 |
|------------------------------|--------------|---------------|
| Carried interest receivables | 3,455 | 11,751 |
| Accounts receivable | 31 | 164 |
| Total | 3,486 | 11,915 |

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

4.4 Receivables from related parties

| | 2020 | 2019 |
|--|---------------|---------------|
| Group companies | | |
| Group companies | 1,114 | 54 |
| Total group companies | 1,114 | 54 |
| Related parties | | |
| Carried interest due from investment entities | 13,514 | 10,184 |
| Management fees due from investment entities | 1,717 | 8,300 |
| Other amounts recoverable from investment entities | 8,076 | 3,024 |
| Total related parties | 23,307 | 21,508 |

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

4.5 Corporate income tax receivables

| | 2020 | 2019 |
|--------------------------------|--------------|--------------|
| Current income tax receivables | 1,402 | 2,410 |
| Total | 1,402 | 2,410 |

Deferred income tax receivables relate to the provision for pension charges in AlInvest Partners B.V. and to temporary differences in depreciation of assets in AlInvest Partners Ltd for 2020.

4.6 Deferred tax assets

| | 2020 | 2019 |
|---------------------|--------------|--------------|
| Deferred tax assets | 2,111 | 2,130 |
| Total | 2,111 | 2,130 |

Deferred income tax receivables relate to the provision for pension charges in AlInvest Partners B.V. and to temporary differences in depreciation of assets in AlInvest Partners Ltd for 2020.

4.7 Prepayments and accrued income

| | 2020 | 2019 |
|--|--------------|--------------|
| Prepaid insurance fee | 241 | 332 |
| Deposits | 396 | 429 |
| Amounts prepaid on behalf of related parties | 5,487 | 4,907 |
| Other prepaid items | 1,551 | 1,052 |
| Total | 7,675 | 6,720 |

The fair value approximates the book value. The increase in prepayments is due to an increase of the amounts paid on behalf of private equity funds that the Company manages.

4.8 Cash

Cash is at the Company's free disposal. There are no deposits outstanding as per December 31, 2020.

4.9 Equity attributable to shareholders of the parent company

See notes to the company balance sheet.

4.10 Equity attributable to other shareholders

| | 2020 | 2019 |
|-------------------------------------|----------------|----------|
| Balance on January 1 | 104,522 | 78,526 |
| Movements in the year | | |
| Share in net profit | 90,222 | 50,725 |
| Exchange differences | (2,997) | 277 |
| Deconsolidation | (58,760) | - |
| Contributions by other shareholders | 4,487 | 32,364 |
| Dividend paid to other shareholders | (84,310) | (57,370) |
| Balance on December 31 | 53,163 | 104,522 |

Other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company.

4.11 Provisions

Pensions and provisions for other long-term employee benefits

AlInvest Partners B.V. has a defined benefit pension plan in effect. The following conditions were applicable as of December 31, 2020:

- The pension is calculated according to a defined benefit formula based on 1.875% x salary less an offset (average pay scheme);
- The scheme applies to all salaries up to € 112;
- The standard retirement age is 68.

Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are represented as liabilities.

The Company has a guaranteed insurance contract. Pensions and deferred pension rights of former employees and built-up pension rights of current employees can be increased yearly with a percentage to be determined by the employer. As at December 31, 2020, there were no outstanding obligations to finance any increases. The liability and provision relate only to AlInvest Partners B.V.

A provision has been formed for the future guarantee fees to be paid to the insurance company for the pension rights built up prior to 2019.

| | 2020 | 2019 |
|--|--------------|----------------|
| Balance on January 1 | 6,212 | (1,532) |
| Correction of error for future guarantee fees | - | 7,567 |
| Interest and change in discount rate | 487 | 979 |
| Premiums in income statement | 2,817 | 2,121 |
| Amounts paid to the insurance company in respect of the defined benefit scheme | (1,246) | (2,923) |
| Balance on December 31 | 8,270 | 6,212 |

The pension plan operated outside the Netherlands is a defined contribution plan and does not have any liabilities outstanding as at December 31 of the years under review.

| Provision leasehold improvements | 2020 | 2019 |
|----------------------------------|------------|------------|
| Balance on January 1 | 293 | 286 |
| Exchange differences | 5 | 7 |
| Balance on December 31 | 298 | 293 |

The provision relates to the estimated cost to reinstate a leased office premise back to its original condition at the end of the lease period (April 30, 2024). The provision is an estimate and based on a quote (HK\$ 2,828) from a construction company.

| Provision fundraising expenses | 2020 | 2019 |
|--------------------------------|------------|------------|
| Balance on January 1 | 478 | 672 |
| Movement for the year | (263) | (194) |
| Balance on December 31 | 215 | 478 |

The provision relates to fees payable to third parties in relation to mandates received from investors. The amount is based on the estimated management fees over a 10-year period times the contractually agreed fee over these management fees.

4.12 Payable to group companies

Payables are mainly to Carlyle Investment Management L.L.C. (€ 9,266).

4.13 Corporate income tax liabilities

| | 2020 | 2019 |
|-----------------------------|---------------|--------------|
| Current income tax payables | 18,758 | 6,115 |
| Total | 18,758 | 6,115 |

4.14 Other tax and social security payables

| | 2020 | 2019 |
|--------------|------------|--------------|
| VAT standard | 292 | 178 |
| Payroll tax | 638 | 3,544 |
| Total | 930 | 3,722 |

4.15 Other short-term liabilities

| | 2020 | 2019 |
|-------------------------|---------------|---------------|
| Personnel-related items | 22,366 | 11,848 |
| Holiday leave provision | 763 | 537 |
| Accrued expenses | 1,796 | 1,953 |
| Finders fees payable | 441 | 261 |
| Total | 25,366 | 14,599 |

Personnel-related items consist of a provision for bonus payments. All current liabilities fall due in less than one year.

4.16 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to € 1,977 (2019: € 2,026) per annum. The lease of the Amsterdam office expires on October 31, 2024. A new lease was signed in 2020 to extend the rent for the Hong Kong office. The contract starts May 1, 2020 and ends on April 30, 2023.

The monthly obligations for car leases amount to € 17 (2019: € 18). These contracts have an average remaining life of 15 months (2019: 25 months). The aggregate liability resulting from these contracts amounts to € 229 (2019: € 425).

The monthly obligations for copiers amount to € 3.5 (2019: € 3.5). The contract in Hong Kong has been extended to October 31, 2025. The contracts have an average remaining life of 41 months (2019: 37 months).

The ICT service contract is going to be terminated on March 31, 2021, instead of May 31, 2022. The monthly obligation amounts to € 54 (2019: € 61).

The monthly obligation for a video conferencing system amounts to € 5 (2019: € 5). The contracts have an average remaining life of 25 months (2019: 37 months).

Guarantees

Certain consolidated subsidiaries of AlInvest Partners B.V. are the guarantor of revolving credit facilities for certain funds managed by AlInvest Partners B.V. The exposure for the Company in relation to these guarantees is limited to the lesser of the total amount drawn under the credit facilities or the net asset value of the guarantor subsidiaries, which was approximately € 73 as of December 31, 2020. The outstanding balances are secured by uncalled capital commitments from the underlying funds, and the Partnership believes the likelihood of any material funding under these guarantees to be remote.

Liability as general partner

Reference is made to note 7.3.

Tax group liability

The Company forms a fiscal unity with a number of Group companies. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the group.

Carried interest arrangements

Under various mandates, the Company and some of its Group companies are entitled to receive carried interest if and when the investors have received proceeds equal to the aggregate amount of such investors' capital contributions in respect of investments made, plus an allocable share of fund expenses (including management fees) in relation to investments made on their behalf, plus a certain preferred return on the aggregate amount of capital invested.

The Company has an obligation to pay out virtually all carried interest received in the form of bonuses to (former) employees. Also, all carried interest received by Group companies forms part of the share in the profit of holders of equity instruments other than the shareholders of the Company. Hence, unrealized carried interest revenues for the Company are virtually equal to the amount to be paid in the future to the holders of the equity instruments. Also, timing of carried interest revenues and related expenses is uncertain and depends on actual future cash-flows and developments of the investments. The amount that would accrue as economic benefit to the Company in the hypothetical case that all investments would be liquidated effective December 31, 2020 at the fair market value amounts to € 1,511 after tax (2019: € 1,252).

5. Notes to the consolidated income statement

5.1 Net revenue

Net revenue mainly consists of management fees and carried interest income derived from investors in Europe, as well as in the United States and Asia.

| | 2020 | 2019 |
|---------------------------------------|----------------|----------------|
| Revenue from management fees | | |
| Management fees from related parties | 82,698 | 62,770 |
| Management fees from other parties | 11,387 | 13,246 |
| Total management fees | 94,085 | 76,016 |
| Revenue from carried interest | | |
| Carried interest from related parties | 88,358 | 39,410 |
| Carried interest from other parties | 48,365 | 21,162 |
| Total carried interest | 136,723 | 60,572 |
| Total revenue | 230,808 | 136,588 |

Carried interest received from registered Alternative Investment Funds (AIFs) included in the above amounts to € 31,585 (2019: € 21,783).

5.2 Personnel expenses and social security expenses

| | 2020 | 2019 |
|--|---------------|---------------|
| Salaries and wages (including bonuses) | 71,196 | 42,289 |
| Pension charges | 3,303 | 3,099 |
| Other personnel expenses | 1,248 | 1,612 |
| Social security expenses | 1,047 | 1,096 |
| Total personnel expenses and social security expenses | 76,794 | 48,096 |

In 2016, 2017, 2018 and 2019 several employees were awarded Units in The Carlyle Group to which vesting conditions apply (note 8). The expenses recognized (2020: € 1,195; 2019: € 1,835) reflect the degree to which the vesting period has expired, as well as the best estimate of the number of equity instruments that will ultimately vest. For the units that vested in 2019 and 2020 the actual cumulative expense has been taken into account. The vesting period expires on different dates up to August 1, 2022.

Compared to 2019, the higher salaries and wages (including bonuses) are mainly due to higher bonuses and carried interest.

5.3 Depreciation and amortization

| | 2020 | 2019 |
|-----------------------|------------|------|
| Tangible fixed assets | 304 | 448 |
| Total | 304 | 448 |

5.4 Administrative expenses

| | 2020 | 2019 |
|-------------------------------------|--------------|--------|
| Rent and office related expenses | 2,809 | 2,661 |
| ICT and communication expenses | 2,099 | 1,975 |
| Travel and related expenses | 1,014 | 1,469 |
| Audit of the financial statements* | 237 | 198 |
| Other audit procedures* | 166 | 167 |
| Tax services from audit firms* | 4 | 4 |
| Other advisory services | 1,532 | 1,753 |
| General and administrative expenses | 1,812 | 2,495 |
| Other expenses | (17) | 488 |
| Total | 9,656 | 11,210 |

*These fees relate to work performed on behalf of the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch Acronym: Wta), including their tax services and advisory groups. The applicable services were rendered by Ernst & Young Accountants LLP and other Ernst & Young network firms.

5.5 Management fee expenses

| | 2020 | 2019 |
|---|--------------|-------|
| Management fees paid to related parties | 3,903 | 2,315 |
| Total | 3,903 | 2,315 |

The management fees paid to related parties consist of the management fee paid to Carlyle Investment Management L.L.C. and other Carlyle Group companies. The management fee calculation is based on the actual expenses for the Company plus a mark-up.

5.6 Interest and other financial income

| | 2020 | 2019 |
|---|--------------|-------|
| Interest income | 141 | 196 |
| Realized gains on investment in private equity funds | 2,054 | 3,947 |
| Unrealized gains on investments in private equity funds | 4,333 | 5,674 |
| Other | 264 | - |
| Currency results | 479 | (333) |
| Total | 7,271 | 9,484 |

Income from investments in private equity funds comprises both realized and unrealized gains. The fair market value of the investments appreciated.

5.7 Interest and other financial expense

| | 2020 | 2019 |
|------------------|--------------|--------------|
| Interest expense | (246) | (155) |
| Total | (246) | (155) |

5.8 Corporate income tax

| | 2020 | 2019 |
|--|----------------|---------------|
| Net result according to the consolidated income statement for 2020 | 121,029 | 70,908 |
| Corporate income tax charged to income statement | (26,147) | (12,940) |
| Share third parties (non-taxable) | (41,969) | (33,079) |
| Net result before tax | 105,207 | 50,769 |
| Depreciation allowances (HK) | (182) | (76) |
| Non-deductible expenses (HK) | 147 | 164 |
| Non-deductible expenses (NL) | 1,214 | 1,761 |
| Taxable amount for 2020 | 106,386 | 52,618 |
| Amount subject to 16.5% rate in HK | 386 | 390 |
| Amount subject to 16.5% rate in NL (19% in 2019) | 326 | 392 |
| Amount subject to 25% rate | 25,493 | 12,246 |
| Total corporate tax income | 26,205 | 13,028 |
| Prior year tax adjustment | (31) | 76 |
| Deferred tax | (27) | (164) |
| Total tax | 26,147 | 12,940 |

The total tax charge for the year amounts to € 26,147 (2019: € 12,940), which to a large extent is related to Dutch fiscal entities. The overall effective tax rate in 2020 amounts to 17.8% (2019: 15.4%). The statutory tax rate in The Netherlands is 25% (2019: 25%). The difference between the effective tax rate and the statutory tax rate in 2020 is mainly due to the different applicable statutory rate for AlInvest Partners Ltd (16.5%), tax exemptions in some tax jurisdictions and non-deductible expenses which consist mostly of grants of RSUs in The Carlyle Group (note 5.2 and note 8).

5.9 Share third parties

| | 2020 | 2019 |
|---------------------|-----------------|-----------------|
| Share third parties | (90,222) | (50,725) |
| Total | (90,222) | (50,725) |

This amount represents the share in the profit of holders of Certificates of Shares or other equity instruments other than the Company in some of the entities that form part of the consolidation (see note 7.3). These entities receive carried interest and invest in private equity funds. These other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company and its subsidiaries.

6. Supplementary information consolidated financial statements

6.1 Employees

| | 2020 | 2019 |
|---|------|------|
| Average number of FTE — total | 97 | 96 |
| Average number of FTE — located outside The Netherlands | 16 | 15 |

Company financial statements

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Company balance sheet

(before proposed profit appropriation)

| (€ thousands) | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| ASSETS | | |
| Non-current assets | | |
| Tangible fixed assets ^{7.2} | | |
| Other fixed assets | 518 | 293 |
| Financial fixed assets ^{7.3} | | |
| Participation in group companies | 2,281 | 1,798 |
| | 2,799 | 2,091 |
| Current assets | | |
| Accounts receivable | | |
| Receivables | 1,303 | 12,484 |
| Receivables from group companies | 2,512 | 2,305 |
| Receivables from related parties | 10,595 | 5,158 |
| Corporate income tax receivables | 1,352 | 2,409 |
| Deferred tax assets | 2,107 | 2,060 |
| Prepayments and accrued income ^{7.5} | 7,025 | 6,100 |
| | 24,894 | 30,516 |
| Cash ^{7.6} | | |
| Cash | 32,008 | 27,851 |
| | 32,008 | 27,851 |
| Total assets | 59,701 | 60,458 |
| LIABILITIES AND EQUITY | | |
| Shareholder's equity^{7.7} | | |
| Share capital | 4,000 | 4,000 |
| Reserve for currency exchange differences | 217 | 495 |
| Other reserves | 428 | (1,197) |
| Interim distribution | (22,000) | - |
| Legal reserve | 142 | 188 |
| Profit for the year | 30,807 | 20,183 |
| Total shareholders' equity | 13,594 | 23,669 |
| Provisions | | |
| Provision fundraising expenses | 215 | 478 |
| Provision pension | 8,270 | 6,207 |
| Current liabilities | | |
| Creditors | 194 | 577 |
| Payable to group companies | 11,621 | 15,214 |
| Corporate income tax liabilities | 3,057 | - |
| Other tax and social security payables | 885 | 3,627 |
| Other short-term liabilities ^{7.8} | 21,865 | 10,686 |
| | 46,107 | 36,789 |
| Total liabilities and equity | 59,701 | 60,458 |

Company income statement

| (€ thousands) | 2020 | 2019 |
|--|---------------|--------|
| Income from participating interests after tax ^{7,3} | 1,836 | 1,655 |
| Other results after tax | 28,971 | 18,528 |
| Net profit | 30,807 | 20,183 |

7. Notes to the company balance sheet

7.1 General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code, the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board and the Dutch Financial Market supervisions (Wet op het Financieel toezicht).

The accounting policies for the company financial statements and the consolidated financial statements are the same. For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement in chapters 1 and 2.

Group companies are stated at net asset value in accordance with note 1.4 to the consolidated financial statements.

Correction of error

For the information on the correction of an error, reference is made to the general notes to the consolidated financial statements.

7.2 Tangible fixed assets

| (€ thousands) | Computers and software | Furniture and other office equipment | Leasehold improvements | Total 2020 | Total 2019 |
|---|------------------------|--------------------------------------|------------------------|----------------|------------|
| Balance on January 1 | | | | | |
| Costs | 4,672 | 1,036 | 966 | 6,674 | 9,052 |
| Accumulated impairment and depreciation | (4,476) | (947) | (958) | (6,381) | (8,632) |
| Book value | 196 | 89 | 8 | 293 | 420 |
| Movements in the year | | | | | |
| Additions | 379 | 10 | 45 | 434 | 136 |
| Disposals | - | (2) | - | (2) | (2,514) |
| Depreciation | (175) | (30) | (4) | (209) | (263) |
| Accumulated depreciation on disposals | - | 2 | - | 2 | 2,514 |
| | 204 | (20) | 40 | 225 | (127) |
| Balance on December 31 | | | | | |
| Costs | 5,051 | 1,044 | 1,011 | 7,106 | 6,674 |
| Accumulated impairment and depreciation | (4,651) | (975) | (962) | (6,588) | (6,381) |
| Book value | 400 | 69 | 49 | 518 | 293 |

Computers and software are depreciated over a period of 3 years, furniture and other office equipment are depreciated over a period of 5 years and leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

7.3 Financial fixed assets

| Group companies | 2020 | 2019 |
|---|----------------|---------|
| Balance on January 1 | 1,798 | 1,793 |
| Movements in the year | | |
| Equity movements | 139 | 239 |
| Divestments | - | (6) |
| Exchange differences | (278) | (131) |
| Income from participating interests after tax | 1,836 | 1,655 |
| Dividend paid | (1,324) | (1,688) |
| Other movements | 110 | (64) |
| Subtotal | 483 | 5 |
| Balance on December 31 | 2,281 | 1,798 |

All Group companies are considered to be going-concern.

The information for the Company is as follows:

| Name of company | Registered office | % ownership | Core activities |
|-------------------------|-------------------|-------------|----------------------------------|
| AlpInvest Partners B.V. | Amsterdam | NA | Advisory and management services |

As at December 31, 2020, AlpInvest Partners B.V. had the following Group companies:

| Name of company | Registered office | % ownership | Core activities |
|--|-------------------|-------------|---|
| AlpInvest Partners Ltd | Hong Kong | 100 | Advisory and management services |
| AlpInvest Partners Later Stage Co-Investments Custodian II B.V. | Amsterdam | 100 | Acts as custodian of AlpInvest Partners Later Stage Co-Investments II C.V. |
| AlpInvest Partners Later Stage Co-Investments Custodian IIA B.V. | Amsterdam | 100 | Acts as custodian of AlpInvest Partners Later Stage Co-Investments IIA C.V. |
| AlpInvest Partners Fund of Funds Custodian IIA B.V. | Amsterdam | 100 | Acts as custodian of AlpInvest Partners Fund of Funds IIA C.V. |
| Betacom XLII B.V. | Amsterdam | 100 | Acts as limited partner of AlpInvest Partners Later Stage Co-Investments II C.V. |
| Betacom XLV B.V.** | Amsterdam | 100 | Enters into and acts as general partner of limited partnerships which aim at making investments and acting as limited partner in limited partnerships |
| Betacom Beheer 2004 B.V.** | Amsterdam | 100 | Manages limited partnerships |
| AlpInvest Partners Direct Investments B.V.** | Amsterdam | 40.90* | Holding company |
| AlpInvest Partners Co-Investments B.V.** | Amsterdam | 0* | Holding company |

| Name of company | Registered office | % ownership | Core activities |
|---|-------------------|-------------|---|
| AlpInvest Partners Direct Secondary Investments B.V. | Amsterdam | 0* | Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to making investments and divestments in private equity funds |
| AlpInvest Partners Fund Investments B.V.** | Amsterdam | 0* | Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to the making of investments and divestments in private equity funds |
| AlpInvest Partners Later Stage Co-Investments Management II B.V.** | Amsterdam | 0* | Acts as general partner of AlpInvest Partners Later Stage Co-Investments II C.V. |
| AlpInvest Partners Later Stage Co-Investments Management IIA B.V.** | Amsterdam | 0* | Acts as general partner of AlpInvest Partners Later Stage Co-Investments IIA C.V. and holding and financing company |
| AlpInvest Partners Fund of Funds Management IIA B.V.** | Amsterdam | 0* | Acts as general partner of AlpInvest Partners Fund of Funds IIA C.V., holding and financing company |
| AlpInvest Partners European Mezzanine Investments B.V. | Amsterdam | 100* | Makes mezzanine investments and performs all direct and indirect activities in connection therewith |
| AlpInvest Partners US Mezzanine Investments B.V.** | Amsterdam | 0* | Makes investments in general and in particular investments and divestments in mezzanine funds, and everything ancillary thereto |
| AlpInvest Partners Direct Investments 2003 B.V.** | Amsterdam | 0* | Holding and financing company |
| AlpInvest Partners Fund Investments 2003 B.V.** | Amsterdam | 0* | Acts as advisor and intermediary of investors and in relation to the investment in funds in general and especially in relation to making investments in private equity funds |
| AlpInvest Partners 2003 B.V.** | Amsterdam | 0* | Holding and financing company |
| AlpInvest Partners Mezzanine Investments 2005/2006 B.V. | Amsterdam | 0* | Invests funds, including making investments and divestments in mezzanine funds and everything directly or indirectly related, as well as provides financial (advisory) services |
| AlpInvest Partners Fund Investments 2006 B.V.** | Amsterdam | 0* | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2006 B.V.** | Amsterdam | 0* | Holding and financing company |
| AlpInvest Partners Beheer 2006 B.V.** | Amsterdam | 100 | Incorporates, participates in (in any form), manages, supervises and/or finances enterprises, companies and partnerships |
| AlpInvest Partners Mezzanine Investments 2007/2009 B.V.** | Amsterdam | 0* | Holding and financing company |
| AlpInvest Partners Clean Technology Investments 2007–2009 B.V.** | Amsterdam | 100* | Acts as general partner of one or more limited partnerships and holding companies |
| AlpInvest Partners 2008 B.V.** | Amsterdam | 0* | Holding and participation company |
| AlpInvest Partners 2009 B.V.** | Amsterdam | 0* | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2009 B.V.** | Amsterdam | 0* | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|--|------------------------------|------------------------------------|---|
| AlpInvest Partners Clean Technology Investments 2010–2011 B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnerships and holding companies |
| AlpInvest Partners 2011 B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2011 B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2012 I B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| AlpInvest Partners 2012 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2012 I B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2012 II B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| AlpInvest Partners Mezzanine 2012–2014 B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| AlpInvest Mich B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| AlpInvest United B.V.** | Amsterdam | 100 | Acts as general partner for one or more limited partnership(s) |
| Oeral Investments B.V. | Amsterdam | 100 | Holding company |
| AP Private Equity Investments I B.V. | Amsterdam | 100 through Oeral Investments B.V. | Management and financing services |
| AP Private Equity Investments III B.V. | Amsterdam | 100 through Oeral Investments B.V. | Management and financing services |
| AMC 2012 Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AMC 2012 Holdings Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AlpInvest SF V B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| ASF V Co-Invest Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| ASF V Co-Invest Holdings Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AP H Secondaries B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP Account Management B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2013 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2013 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AMC 2013 Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AMC 2013 Holdings Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |

| Name of company | Registered office | % ownership | Core activities |
|--|------------------------------|--|---|
| AMC 2014 Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AMC 2014 Holdings Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AlpInvest Partners 2014 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2014 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2014 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2014 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Fondo B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest GGG B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP 2011–2014 SLP Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2011 LLC | Delaware | 60 of carry through AP 2011–2014 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2012 LLC | Delaware | 60 of carry through AP 2011–2014 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Sec V GP LLC | Delaware | 60 of carry through AP 2011–2014 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AP 2014–2016 SLP Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Acts as general partner of one or more limited partnership(s) |
| AlpInvest North Rush GP LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2014 LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| Direct Portfolio Management B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest SF VI B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest FCR Secondaries GP LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Secondaries VI Lux GP S.À r.l.** | Luxembourg | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Co-Investments 2015 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|---|------------------------------|--|---|
| AlpInvest Partners Co-Investments 2015 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2015 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Fund Investments 2015 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Secondaries Investments 2015 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Secondaries Investments 2015 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AMC 2015 Holding Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AMC 2015 Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Provides risk-bearing capital in any form to existing and new enterprises |
| AlpInvest Secondaries VI GP LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest GA B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Global Advantage GP, LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Access GP, LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest CI VII B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Co-Investment VII Lux GP S.À r.l. | Luxembourg | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest LIVE GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2016 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Co-Investments 2016 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Secondary Investments 2016 I B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Private Equity Program GP, LLC | Delaware | 60 of carry through AP 2014–2016 SLT Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest U.S. Co-Investment Access GP, LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AP Co-Invest 2016–2020 SLP Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Acts as general partner of one or more limited partnership(s) |
| ASP VI 2016–2020 SLP Ltd | Grand Cayman, Cayman Islands | 100 of management shares | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|--|-------------------|--|--|
| AlpInvest PEP GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2017 II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Co-Investments 2015 I SPV B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Co-Investments 2015 II SPV B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Mich SPV B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest LIVE GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest NPE GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partnership Fund GP S.à r.l.** | Luxembourg | 100 | The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations |
| AlpInvest NPE GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest NPE II GP, LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd Investments funded by TCG AP Investments Holdings Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Co-Investment VII GP, LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest NPE GP S.à r.l.** | Luxembourg | 100 | The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations |
| AlpInvest G GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest G GP S.à r.l.** | Luxembourg | 100 | The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations |
| AlpInvest Finance Street GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest FS GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest J GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|--|------------------------------|---|--|
| AlpInvest G Co-Investment GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest G Secondary GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest PSS GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest PSS GP, LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest C GP, LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest J GP, LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd and AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest MMBO Holdings GP, LLC | Delaware | 60 of carry through AP Primary 2017–2021 SLP LTD | Acts as general partner of one or more limited partnership(s) |
| AP Primary 2017–2021 SLP Ltd | Grand Cayman, Cayman Islands | 100 of management shares | The objects for which the company is established are unrestricted |
| AlpInvest KP GP S.à r.l.** | Luxembourg | 100 | The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations |
| AlpInvest Primary Non-US Co-Invest, LP | Grand Cayman, Cayman Islands | 100 through AlpInvest MMBO Holdings GP, LLC | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Primary US Co-Invest, LP | Grand Cayman, Cayman Islands | 100 through AlpInvest MMBO Holdings GP, LLC | Acts as general partner of one or more limited partnership(s) |
| AlpInvest M GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP M GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest P GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP P GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2018 II B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|---|-------------------|---|--|
| AlpInvest Access II GP, LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Secondary Investments 2018/2019 I B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP World Fund B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Investments B.V.** | Luxembourg | 100 | Acts as general partner of one or more limited partnership(s) (in the new Kapan Mandate) |
| AlpInvest Private Equity Program 2017 GP, LLC | Amsterdam | 60 of carry through ASP VI 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest FCR Secondaries II GP LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest North Rush II GP LLC | Delaware | 60 of carry through AP Co-Invest 2016–2020 SLP Ltd | Hold Co-Investments for the CIC II managed account |
| AlpInvest Mex I LLC | Delaware | 100 through AlpInvest Mex B.V. | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Mex II LLC | Delaware | 100 through AlpInvest Mex B.V. | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Mex B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) (GRIO Mandate) |
| AlpInvest Private Equity Program 2018 GP, LLC | Amsterdam | 60 of carry through ASP VI 2016–2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest GGG II GP, LLC | Amsterdam | 60 of carry through ASP VI 2016–2020 SLP Ltd and AP Co-Invest 2016–2020 SLP Ltd Investments funded by TCG AP Investments Holdings Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest GRIO GP, LLC | Delaware | 60 of carry through ASP VI 2016–2020 SLP Ltd and AP Primary 2017–2021 SLP Ltd | Separate vehicle for AlpInvest Partners BV balance sheet investment |
| AlpInvest GRIO GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|---|-------------------|--|--|
| AlpInvest SIG Fund GP LLC** | Delaware | 60 of carry through ASP VI 2016-2020 SLP Ltd&AP Co-Invest 2016-2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) (HL Mandate) |
| AlpInvest SIG GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2019 II B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest KP GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP INPRS SLP Ltd | Cayman Islands | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest HLI GP LLC | Delaware | 60 of carry through ASP VI 2016-2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest HLI GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Edison GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Edison GP, LLC | Delaware | 60 of carry through ASP VI 2016-2020 SLP Ltd | Acts as general partner of one or more limited partnership(s) |
| AlpInvest BSI B.V. | Amsterdam | 100 | Separate vehicle for AlpInvest Partners BV balance sheet investment |
| AlpInvest Secondaries VII Lux GP S.à r.l. | Luxembourg | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners 2020 II B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest ASR GP, LLC | Delaware | 60 of carry through AP Primary 2017-2021 SLP Ltd Investments funded by TCG AP Investments Holdings Ltd | Acts as general partner of one or more limited partnership(s) |
| ASP Thunderball B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Access II GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest GGG II B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AP Harvest GP B.V.** | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest SF VII B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| Alp Co-Invest VIII Lux S.à r.l. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Falcon SCF I GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest CI VIII B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

| Name of company | Registered office | % ownership | Core activities |
|---|-------------------|-------------|---|
| ALP L Global GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest PM GP B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |
| AlpInvest Partners Secondary Investments 2020–2021 I B.V. | Amsterdam | 100 | Acts as general partner of one or more limited partnership(s) |

* AlpInvest Partners B.V. controls and consolidates all these entities as it holds one priority share in each of the entities. Stichting Administratie Kantoor AlpInvest Partners holds 100% of the ordinary shares in these entities. AlpInvest Partners B.V. holds the indicated percentage of the certificates issued by Stichting Administratie Kantoor AlpInvest Partners.

** These companies act as General Partner of C.V.'s and hence are liable for the debts of these C.V.'s to the extent of the BV's own equity.

7.4 Forward contracts

AlpInvest Partners B.V. did not enter into any hedge contracts in 2019 and 2020. At December 31, 2020 and at December 31, 2019 no forward contracts were outstanding.

7.5 Prepayments and accrued income

| | 2020 | 2019 |
|--|--------------|--------------|
| Prepaid insurance fees | 59 | 145 |
| Amounts prepaid on behalf of related parties | 5,577 | 4,907 |
| Other prepaid items | 1,389 | 1,048 |
| Total | 7,025 | 6,100 |

The increase of prepayments is due to an increase of the amount paid on behalf of private equity funds that the Company manages.

7.6 Cash

Cash is at the Company's free disposal.

7.7 Shareholders' equity

Share capital

The Company's authorized capital at year end 2020 was € 20,000,000 divided into 20,000 ordinary shares of € 1,000 each. Issued share capital totals € 4,000,000, consisting of 4,000 ordinary shares with a nominal value of € 1,000 each. The issued shares are fully paid. (All figures in this paragraph are to the nearest euro.)

| Reserve for currency exchange differences | 2020 | 2019 |
|---|--------------|-------|
| Balance on January 1 | 495 | 626 |
| Movements in the year | (278) | (131) |
| Balance on December 31 | 217 | 495 |

This reserve relates to the revaluation of AlInvest Partners Ltd

| Legal reserve | 2020 | 2019 |
|---------------------------------------|-------------|------|
| Balance on January 1 | 188 | 95 |
| Released to/added from other reserves | (46) | 93 |
| Balance on December 31 | 142 | 188 |

This reserve relates to the positive difference of fair value less cost price of participations in private equity funds which are accounted for at fair market value.

| Other reserves | 2020 | 2019 |
|--|-----------------|----------|
| Balance on January 1 | (1,197) | 5,286 |
| Correction of error | - | (5,677) |
| Profit previous year | 20,183 | 28,686 |
| Dividend paid out | (18,000) | (28,693) |
| Other movements | (605) | (706) |
| Released from/(moved to) legal reserve | 47 | (93) |
| Balance on December 31 | 428 | (1,197) |

The amount of total eligible funds net of deductions ("toetsingsvermogen") after the pension correction (referring to the note of "Correction of error") in accordance with the requirements under the AIFMD amounts to € 11,314 (corrected for 2019: € 18,208). This amount consists of the shareholders' equity less the participation in group companies (€ 2,243).

Total capital required based on assets under management according to the AIFMD regulation as per December 31, 2020 amounted to € 4,093 (2019: € 3,900). The solvency requirement based on the fixed cost calculation amounted to € 7,042 (2019: € 6,501).

7.8 Other short-term liabilities

| | 2020 | 2019 |
|-------------------------|---------------|---------------|
| Personnel-related items | 19,720 | 8,660 |
| Accrued expenses | 1,487 | 1,764 |
| Finders fees payable | 657 | 262 |
| Total | 21,865 | 10,686 |

7.9 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to € 905 per annum (2019: € 900 per annum). The leases expire on October 31, 2024.

The monthly obligations for car leases amount to € 17 (2019: € 18). These contracts have an average remaining life of 15 months (2019: 25 months).

The monthly obligations for copiers amount to € 2 (2019: € 2). The contracts have an average remaining life of 24 months (2019: 36 months).

The monthly obligation for an ICT service contract amounts to € 54 (2019: € 61). The contracts will be terminated on the March 31, 2021.

The monthly obligation for a video conferencing system amounts to € 5 (2019: € 5). The contracts have an average remaining life of 25 months (2019: 37 months).

Guarantees

There are no outstanding guarantees on behalf of the Company.

Carried interest arrangements

Under various mandates, the Company and some of its Group companies are entitled to receive carried interest if and when the investors have received proceeds equal to the aggregate amount of such investors' capital contributions in respect of investments made, plus an allocable share of fund expenses (including management fees) in relation to investments made on their behalf, plus a certain preferred return on the aggregate amount of capital invested.

The Company has an obligation to pay out virtually all carried interest received in the form of bonuses to (former) employees. Also, all carried interest received by Group companies forms part of the share in the profit of holders of equity instruments other than the shareholders of the Company. Hence, unrealized carried interest revenues for the Company are virtually equal to the amount to be paid in the future to the holders of the equity instruments. Also, timing of carried interest revenues and related expenses is uncertain and depends on actual future cash-flows and developments of the investments. The amount that would accrue as economic benefit to the Company in the hypothetical case that all investments would be liquidated effective December 31, 2020 at the fair market value amounts to € 1,511 after tax (2019: € 1,252).

8. Supplementary information company financial statements

8.1 Remuneration policy

AlpInvest has adopted a Remuneration Policy with respect to Remuneration of Identified Staff (the "Policy"). AlpInvest's Supervisory Function is responsible for periodically testing the Policy and overseeing the implementation of the Policy. On an annual basis, the Supervisory Function reviews whether a) this Policy is properly functioning, taking into account the general principles set out in the Policy, and b) whether remuneration awarded to Identified Staff in the given year is in compliance with the Policy.

Scope of the policy

Identified Staff are those individuals that are employed by AlpInvest and whose professional activities have an actual or potential significant impact on:

- AlpInvest's results and balance sheet; or
- The performance of the AIFs and other funds under management.

AlpInvest has identified the following categories of its staff as Identified Staff:

- Senior Management;
- Managing Directors;
- Control Functions;
- Supervisory Function.

AlpInvest applies the Policy to all types of benefits or payments paid by AlpInvest and/or the AIFs to or for the benefit of Identified Staff, in exchange for professional services rendered by such Identified Staff (Remuneration).

Presently, AlpInvest awards the following types of Remuneration to Identified Staff, which fall under the scope of this Policy: a fixed component and a variable component. Payments or benefits that are part of a general, non-discretionary AlpInvest-wide policy and which pose no incentive, such as a pension scheme, are excluded from Remuneration.

Fixed component

The fixed component consists of a base salary. AlpInvest aims to achieve a proper balance between the fixed component and variable component, and to set the fixed component sufficiently high in order for the variable component to be able to decrease as a result of negative performance.

AlpInvest aims to set the fixed component sufficiently high to remunerate the professional services rendered by Identified Staff in line with the following:

- level of education;
- degree of seniority;
- level of expertise and skills required;
- market constraints and job experience;
- relevant business sector and region.

Variable component

The variable component consists of one or more of the following components:

Carried interest

Pay out of carried interest for the management of the relevant AIF is deferred until AlpInvest has returned all capital contributed by the investors of the AIF it manages and an amount of profits at an agreed upon hurdle rate (if any) to the investor of the AIF.

Carried interest entitlement is awarded at the initiation of the AIF (or when a risk taker is employed by AlpInvest or any of its affiliates thereafter, at such a later date), and is subject to vesting. Carried interest entitlement vests on a monthly basis, typically at a minimum during the investment period of the mandate. Carried interest will vest as long as the Risk Taker is employed by AlpInvest or any of its affiliates. Should the employment contract between the Risk Taker and AlpInvest or any of its affiliates terminate sooner than the term of the mandate, the Risk Taker will, depending on circumstances, forfeit (part of) the carried interest allocation.

Bonus

The Bonus consists of a discretionary annual cash payment and is designed to reward Identified Staff for individual performance and performance by AlpInvest overall. The Bonus of Control Functions is based on function-specific objectives (achievement of the objectives linked to their functions) and is independent of the performance of the business areas they control or AlpInvest-wide performance.

In addition, certain Identified Staff may receive Restricted Stock Units (RSU(s)). A RSU represents an unfunded, unsecured right of Identified Staff to receive a Common Unit issued by The Carlyle Group L.P. on the delivery date. RSU(s) vest in annual instalments and provide for long-term alignment between the interests of relevant Identified Staff and AlpInvest's investors. If the contract between the Risk Taker and AlpInvest or any of its affiliates ceases, the portion of the RSU award that has not yet vested will be cancelled immediately, and the Risk Taker forfeits all rights to such portion of the Award as of the date of such termination.

For a group of senior employees approximately 10% of the projected bonus may be held back and paid at a later date depending on AlpInvest's financial results, the respective Fund or Department's financial performance against budget and their individual performance. A 10% holdback may be paid via a grant of RSU(s) on or about February 1 of the following year.

Lastly, management may, at its discretion, grant promotion RSU(s) which fully vest over a three-and-a-half-year term. In such an instance, RSU(s) granted vest in thirds according to the following schedule: 1.5 years, 1 year and 1 year.

| | "Identified staff" ⁹ | All employees of AlInvest Partners B.V. |
|--|---------------------------------|--|
| Number of employees (average over 2020) | 30 | 102 |
| Remuneration | | |
| Total remuneration 2020 | 45,288 | 62,631 |
| Remuneration categories | | |
| Total fixed remuneration 2020 | 6,908 | 9,948 |
| Total variable remuneration (based on performance) 2020 ^{10, 11} | 38,380 | 52,683 |
| Carried interest | | |
| Total variable remuneration (AIF-related — carried interest) ¹² | 8,178 | 8,306 |

As required by section 1:120 of the Dutch act on the financial supervision ("Wet op het financieel toezicht"), please see below certain information regarding the remuneration of employees of AlInvest Partners B.V.

Related to and in 2020, 96 employees of AlInvest Partners B.V. received variable remuneration which included performance-based variable remuneration and/or variable remuneration from carried interest. The total amount of variable remuneration paid to employees amounted to € 52,683. 17 employees (not limited to AlInvest Partners B.V., but including its affiliates and subsidiaries), both active in operations as well as the investment side of the business, received total compensation of € 1 million or more (fixed remuneration plus variable remuneration, excluding carried interest).

Please note:

- All remuneration disclosed above is on an accrual basis except for the amount of RSU(s) which is based on the value at the award date in the current year (2020). See foot-note 11.
- USD amounts are converted to EUR (where applicable) at an average rate of 1.14.
- HKD amounts are converted to EUR (where applicable) at an average rate of 8.85.
- GBP amounts are converted to EUR (where applicable) at an average rate of 0.89.
- JPY amounts are converted to EUR (where applicable) at an average rate of 121.79.
- USD RSU amounts are converted to EUR at an average rate of 1.22.

⁹ Identified Staff includes employees located in Amsterdam (15 employees), Hong Kong (2 employees), New York (11 employees), Tokyo (1 employee) and London (1 employee), not just those employed by AlInvest Partners B.V.

¹⁰ Seventeen employees earned total compensation in 2020 in excess of EUR 1 million (excluding carried interest).

¹¹ Total variable remuneration includes 2020 RSU compensation. The RSU compensation is an awarded (confirmed) amount.

¹² The information included under "Carried Interest" is calculated specifically for each AIF.

8.2 Further information on Directors' remuneration

The remuneration of Directors of the Company included in the income statement amount to the following:

| | 2020 | 2019 |
|---|--------------|--------------|
| Salaries and wages | 882 | 1,010 |
| Bonuses | 4,532 | 3,056 |
| Pension charges | 594 | 263 |
| Other personnel expenses and social charges | 113 | 99 |
| Total | 6,121 | 4,428 |

Equity value accumulated due to carried interest distributions to which the Directors are entitled amounted to € 9,991 (2019: € 7,250). This is the Director's part of "Other shareholders" as presented in note 4.10 to the consolidated balance sheet and note 5.9 to the consolidated income statement.

Since 2011, Alpinvest Partners' management has agreed to make significant personal investments in the Company's private equity programs alongside its investors.

8.3 Profit appropriation

The articles of association stipulate that the general meeting of shareholders can decide to declare an interim dividend.

On May 26, 2020, the shareholders have declared a final dividend of € 18.0 million over 2019.

This dividend was paid out to the shareholders on the declaration date from the other reserves and has been recognized in the 2020 company balance sheet.

On November 25, 2020, the shareholders have declared an interim dividend of € 22.0 million over the first three quarter's profits of 2020. This dividend was paid out to the shareholders on the declaration date from the other reserves and has been recognized in the 2020 company balance sheet.

The Managing Board proposes to add the remaining profit in the amount of € 8.8 million to the general reserves of the Company. The final dividend proposed is equal to the interim dividend of € 22 million. No further dividend is proposed. This proposal has not been recognized in the 2020 company balance sheet.

8.4 Subsequent events

Despite the impact of the coronavirus (COVID-19) pandemic, Alpinvest remains confident that its highly disciplined investment approach and experience over multiple cycles position the company well to exploit such opportunities as they arise and ensure ongoing operations and success of Alpinvest. Portfolio diversification across strategies, geographies and vintage years will continue to be critical to maximize risk-adjusted returns for its clients under unusually high economic uncertainty.

Amsterdam, June 25, 2021

The Managing Board

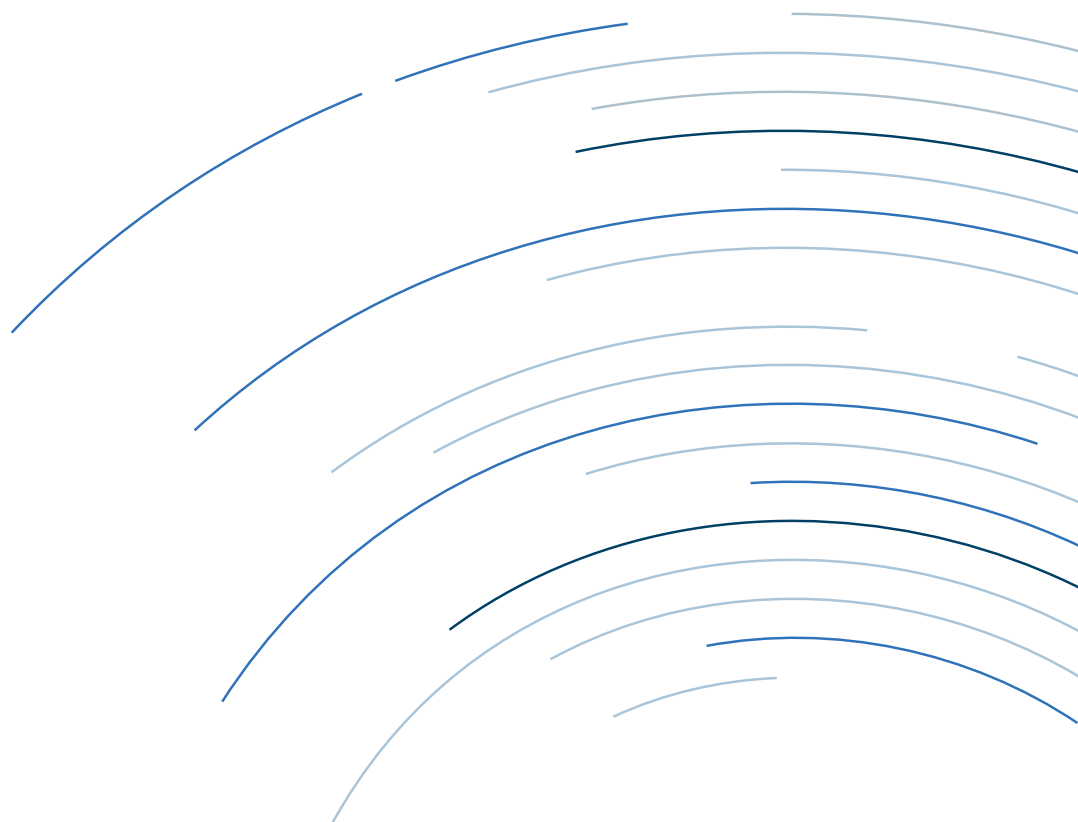
J.P. de Klerk, Chairman
R.B. Bagijn
E.K. Herberg
W.J. Moerel

Alpinvest Partners B.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands

Other information

Statutory appropriation of result

Article 17 of the articles of association stipulates that the general meeting of shareholders can decide to declare an (interim) dividend. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Managing Board. The Managing Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payments of its due debts.



Independent auditor's report

To: The Shareholders and the Managing Board of AlInvest Partners B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of AlInvest Partners B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AlInvest Partners B.V. as at December 31, 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at December 31, 2020
- The consolidated and company income statement for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of AlInvest Partners B.V. in accordance with the Wet toezicht accountant-organisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Managing Board's report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 25 June 2021
Ernst & Young Accountants LLP
signed by Qiuling Tsar

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