



Annual Report

2019



Annual report

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Report of the Managing Board

Market and economic developments 2019

Slower Global Growth Amid Trade Tensions

Global economic growth continued to lose steam in 2019 as trade tensions undermined business confidence. This slowdown was particularly visible in the manufacturing sector. By contrast, services, which are less exposed to external factors, remained comparatively robust. At the same time, high levels of employment and moderate wage gains in major economies supported consumption, cushioning the overall deceleration in global growth. In the United States, where real output had expanded at a rate of 2.9% in 2018, real GDP growth slowed to 2.3% in 2019. In the euro area, economic growth came in at 1.2%, down from 1.9% in 2018. In Germany, whose economy is particularly susceptible to external shocks, the slowdown was especially pronounced, flirting with a technical recession in the second and third quarters. Meanwhile, real output also slowed meaningfully in the United Kingdom where economic sentiment continued to be driven by huge uncertainties related to the terms under which the country would leave the European Union. Emerging economies were not immune to the slowdown in advanced countries. With its economy at the center of global trade tensions, Chinese real GDP growth decelerated to 6.1%, down from 6.8% in 2018.

Monetary policy back in easing mode

Against this background, major central banks decided to ease monetary policy. Over the course of the year, the Federal Reserve cut its main policy rate three times, lowering the upper bound of the federal funds rate from 2.5% to 1.75%. On the other side of the Atlantic, the European Central Bank reduced its deposit rate by 10bps to -50bps and announced a return to its asset purchase program. These measures were echoed by similar steps in several other countries, including major emerging markets, such as China, India, Brazil and Mexico, contributing to a general easing of financial conditions worldwide and helping stabilize growth expectations.

With the risk of a global recession perceived to be less prevalent thanks to a more expansionary monetary policy stance, the US yield curve steepened again in the second half of the year. In early September, the spread between 10-year yields and 2-year yields had become negative, which in previous cycles had foreshadowed a recession. However, as investors reconsidered macro risk amid lower policy rates and signs of lower trade

tensions, 10-year yields ended the year at 1.92%, 34bps above the yield on 2-year Treasuries.

Substantial valuation gains in risk markets

Despite the slowdown in global economic growth, equity markets around the world enjoyed substantial gains in 2019. While the S&P 500 index rose 28.9% during the year, the Euro Stoxx 50 index gained 24.8% (in euro terms). Although the FTSE 100 index increased comparatively more moderately, at the end of 2019 it was still 12.1% higher than a year earlier. Meanwhile, emerging markets stocks also increased appreciably, with Brazilian and Russian equities enjoying particularly large gains. While the sharp increase in global equity valuations raised concerns considering lower earnings growth, on a relative-value basis vis-à-vis bonds, the risk of a speculative bubble appeared less pronounced.

Leveraged finance issuance continued to moderate

In the US and European markets, leveraged finance issuance totaled US\$ 928 billion in 2019. This amount was around 6% lower than in 2018, marking the second consecutive annual decline since 2017. The fall in issuance was primarily driven by a significant loss of momentum in the US leveraged loan market, where investors' demand declined by 23% to around US\$ 480 billion. While European issuers in the leveraged loan market also issued less debt, the demand for high-yield bonds increased appreciably on both sides of the Atlantic (US: +62%; Europe: +9%). In the US high-yield market, spreads narrowed by 173bps over the course of the year as investors switched from risk-off to risk-on.

Robust M&A market

With global debt markets remaining liquid amid monetary policy easing, global M&A activity remained solid. Globally, announced deal volume totaled US\$ 4.058 trillion. Although this amount was somewhat lower than in 2018 (-1.7%), it dwarfed M&A activity in the two preceding years. Importantly, the trend towards larger deals continued. Financial sponsors increased their share in the global M&A market. In 2019, leveraged buyout ("LBO") deal volume came in at US\$ 283 billion, an 8% increase from the previous year. LBOs involving US targets represented 54% of global deal activity, essentially unchanged from the previous year. While the European LBO market increased its global share to 36% in 2019, Asia and the rest of the world absorbed relatively less buyout capital.

Less momentum on the exit side

In contrast to financial-sponsor buy-side transactions, exits lost considerable steam in 2019. Between January and December, around 1,700 buyout-backed divestments were reported, a 27% decline from the previous year. For those transactions for which transaction values are available, total deal volume amounted to US\$ 311 billion, 23% less than in 2018. While secondary buyouts held up reasonably well in terms of exit routes, initial public offerings ("IPOs") showed weakness, despite buoyant stock markets around the world.

Strong fundraising dynamics

As public markets registered solid gains in 2019, investors continued to show substantial interest in private investments. Overall, private equity funds (buyouts, venture capital, growth capital, mezzanine and distressed debt) absorbed around US\$ 544 billion, 11% more than in the previous year. Commitments to buyout funds were particularly buoyant, setting a new record at US\$ 337 billion. This was mainly due to a continued increase in the average size of buyout partnerships to more than US\$ 1.5 billion in 2019.

Further Increase in Unfunded Commitments

Although deal activity rose in 2019, private equity funds' dry powder continued to climb amid robust fundraising momentum. As far as unfunded commitments to buyout funds are concerned, those stood at around US\$ 760 billion at the end of 2019, an increase of US\$ 47 billion during the year. While dry powder of venture capital and growth capital also increased meaningfully, distressed debt funds and mezzanine partnerships registered year-on-year declines.

Business overview

Over the course of the last 20 years, AlInvest has become one of the largest private equity investors in the world and today 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, 2019, aggregate capital committed¹ to AlInvest since inception had grown to more than € 76.6 billion from 194 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')² as of December 31, 2019, and the male/female ratio of all employees is 54:46. 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 and inclusion (D&I) a key priority for the global organization. Following the launch of our D&I Framework in 2018, we set up a D&I taskforce consisting of employees from various offices and departments within the firm in 2019. The D&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 June 14, 2019, the Board has been comprised of two female and three male members.

Responsible investment

Since 2008, AlInvest has implemented a formal process to integrate Responsible Investment into its investment process and to promote Responsible Investment as an investment consideration, both within its investment selection process and more broadly among general partners. AlInvest's Responsible Investment 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 Responsible Investment due diligence process.

AlInvest is 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.

¹ 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 before the end of 2002 and € 0.2 billion was committed before AlInvest began managing such investments in 2013).

² The total capital under management of the AlInvest group was managed by 173 FTE as per December 31, 2019 (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 2019 ended with an 18.1% year-to-date net return including currency impact on the assets under management (16.9% excluding exchange rate adjustments).

The development of the gross and net life-to-date IRR³ over the past five years

as per December 31, 2019

End of year	2015	2016	2017	2018	2019
Gross IRR	12.7%	12.6%	13.0%	13.2%	13.2%
Net IRR	11.9%	11.8%	12.2%	12.3%	12.4%

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, 2019, both cumulative and per annum.

AlInvest cumulative and annual commitments⁴ (€bn)

Cumulative commitments	up to 2015	2016	2017	2018	2019
Fund Investments	39.2	39.7	40.5	41.5	42.2
Secondary Investments	10.2	13.4	14.6	15.4	15.9
Co-Investments	8.8	9.1	11.6	12.3	13.5
Mezzanine Investments	3.6	3.7	3.8	3.8	3.8
Direct Investments	1.1	1.1	1.1	1.1	1.1
Total	63.0	67.0	71.7	74.1	76.6

Annual commitments	up to 2015	2016	2017	2018	2019
Fund Investments	39.3	0.5	0.8	1.0	0.7
Secondary Investments	10.2	3.2	1.2	0.7	0.6
Co-Investments	8.8	0.2	2.6	0.7	1.1
Mezzanine Investments	3.6	0.1	0.1	0.0	0.0
Direct Investments	1.1	0.0	0.0	0.0	0.0
Total	63.0	4.0	4.6	2.5	2.4

³ 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.

⁴ Total capital committed to AlInvest includes € 7.0bn 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 (€ 6.7bn before the end of 2002 and € 0.2bn billion was committed before AlInvest began managing such investments in 2013).

Risks

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

AlInvest 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. AlInvest aims to mitigate and thus lower residual risk to the extent possible. None of the risks described below had a material impact on AlInvest during 2019, however the outbreak of the coronavirus (COVID-19) pandemic subsequent to year end may materially affect AlInvest in the near term. The current market conditions are likely to increase the investment performance risk of the funds that AlInvest manages in the short term, to a degree which is uncertain as of the date of issuing the financial statements. AlInvest remains confident that its investment policy, that 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. We will continue to actively monitor the situation and assess the impact on the Company. AlInvest'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 2019.

Financial risks

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

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

Further, AlInvest 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

AlInvest 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 AlInvest 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.

AlInvest 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. AlInvest'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 as well as investor expectations, also considering 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 AlInvest 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 AlInvest, a significant proportion of their remuneration is based on long-term incentives.

AlInvest'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.

AlInvest 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 report for AlInvest is available for the last 17 years.

Information risk

AlInvest 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.

Compliance 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"). Each of 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 DRUs. DRUs represent an unfunded, unsecured right of Identified Staff to receive Common Units issued by The Carlyle Group L.P. 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.

Revenues in 2019 were lower than last year. Whereas revenues from management fees were in line with last year, revenues from carried interest were significantly lower than in 2018. The lower Operating Result is a result of the decrease in revenues as operating expenses remained stable.

AlInvest employed 116 FTE at year end. The total capital under management of the AlInvest group was managed by 173 FTE as per December 31, 2019 compared to 157 the year before. Currently, we foresee total FTE to grow slightly during 2020 and envisage to add 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

As per June 14, 2019, Ruulke Bagijn, Head of Carlyle Investment Solutions, and Erica Herberg, Chief Financial Officer of Carlyle Investment Solutions, joined the AlInvest Board. Lauren Dillard stepped down from the Board on May 28, 2019. As per an amendment of the articles of association on July 19, 2019, a formal one-tier board for AlInvest Partners B.V. was created. Following the change, the non-executive Board members are Paul de Klerk and Glenn Youngkin, and the executive board members are Ruulke Bagijn, Erica Herberg and Wouter Moerel.

Key figures for 2019

(€m)	2015	2016	2017	2018	2019	CAGR 2015–2019
Revenues	114	144	162	166	137	5%
Operating result before taxation	48	73	93	104	75	12%
Cumulative capital committed by AlInvest as at year end	57,000	60,000	62,000	65,000	70,000	5.3%
Cumulative capital invested as at year end ⁵	51,000	54,000	58,000	62,000	66,000	6.7%
Total number of FTE as at year end ⁶	94	97	89	102	101	2%

⁵ 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, but for which the investment decisions were made by parties other than AlInvest.

⁶ The total capital under management of the AlInvest group was managed by 173 FTE as per December 31, 2019 (including FTE associated with AlInvest US Holdings LLC).

Outlook for 2020

While recession fears had ebbed towards the end of 2019, the global macroeconomic outlook darkened substantially in the first few months of the new year as the outbreak of the coronavirus caused major disruptions in supply chains and deep cuts in production and consumption around the globe. Economic indicators that were available at the end of March 2020 suggest that global output is likely to contract sharply in the first half of the year. Against this background, central banks have aggressively eased monetary policy, while governments have put in place huge fiscal programs to contain the economic damage. While it is impossible to predict the economic fallout from the coronavirus crisis, which is unprecedented in history, 2020 could see a deeper global recession than during the Global Financial Crisis (“GFC”). It is equally impossible to predict the timing and strength of the eventual recovery; however, it is clear that downside risks are substantial.

The rapid worsening of the economic outlook in the first quarter of 2020 has prompted investors to switch to risk-off. As a result, credit spreads have widened progressively, while equity markets have fallen faster than in any previous market correction, with market volatility having surged to levels last seen during the collapse of Lehman Brothers in the fall of 2008. Private equity markets are unlikely to be immune to the economic crisis

and the huge dislocations in global financial markets. To the extent that previous corrections, especially the GFC in 2008–2009, provide any guidance, we expect deal flow to ebb substantially in the foreseeable future as leveraged finance markets remain shut and valuations are subject to huge uncertainty. In an environment where exit markets are largely dysfunctional, portfolio companies are expected to be held for longer than initially envisaged. As a result, distributions are likely to decline. With private valuations following public valuations with a delay, Limited Partners (“LPs”) could find themselves temporarily over-exposed to private equity due to a denominator effect. Thus, some LPs might decide to liquidate parts of their private equity portfolios in the secondary market.

Dislocations in public and private markets could bring about attractive investment opportunities as entry prices in the primary and secondary markets adjust downwards. Historically, buyout funds that were raised in downcycles generated above-average returns. A similar pattern can be observed in the secondary market. 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. 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.

AlInvest's financial statements as of December 31, 2019 do not reflect the impact of the coronavirus (COVID-19) pandemic outbreak. The current market conditions are likely to impact the performance of AlInvest to an extent which cannot be reasonably estimated as at the date of issuing the financial statements. The Company is tracking COVID-19 developments and geopolitical actions and responses and AlInvest actively monitors the situation to assess the impact on the performance of the Company and the investment performance of the funds that AlInvest manages.

Proposed profit appropriation and dividend

We propose to distribute € 18 million from the other reserves as a dividend to the shareholders.

Amsterdam, May 26, 2020

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.M. Moerel, Executive Board member

G.A. Youngkin, Non-executive Board member

AlInvest Partners B.V.

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1081 KJ Amsterdam

The Netherlands



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Consolidated balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2019	December 31, 2018
ASSETS		
Fixed assets		
Tangible fixed assets ^{4.1}		
Other fixed assets	400	693
Financial fixed assets ^{4.2}		
Investments in private equity funds	92,005	54,373
	92,405	55,066
Current assets		
Accounts receivable		
Receivables ^{4.3}	11,915	14,751
Receivables from Group companies ^{4.4}	54	3,624
Receivables from related parties ^{4.4}	21,508	24,489
Corporate income tax receivables ^{4.5}	2,480	1,928
Pensions ^{4.6}	2,035	1,532
Prepayments and accrued income ^{4.7}	6,720	4,192
	44,712	50,516
Cash ^{4.8}		
Cash	38,624	48,752
	38,624	48,752
Total assets	175,741	154,334
LIABILITIES AND EQUITY		
Group equity		
Equity attributable to shareholders of the parent company ^{4.9}	29,856	38,693
Equity attributable to other shareholders ^{4.10}	104,522	78,526
Provisions		
Provision leasehold improvements ^{4.11}	293	286
Provision fundraising expenses ^{4.11}	478	672
Current liabilities		
Creditors	594	95
Payable to group companies ^{4.12}	15,562	13,404
Other tax and social security payables	3,722	2,786
Corporate income tax liabilities ^{4.13}	6,115	5,368
Other short-term liabilities ^{4.14}	14,599	14,503
	40,592	36,157
Total liabilities and equity	175,741	154,334

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

Consolidated income statement

(€ thousands)	Jan 1 – Dec 31, 2019	Jan 1 – Dec 31, 2018
Net revenue^{5.1}	136,588	165,697
Total operating income	136,588	165,697
Personnel expenses ^{5.2}	46,321	47,396
Social Security expenses ^{5.2}	1,096	960
Depreciation ^{5.3}	448	470
Administrative expenses ^{5.4}	11,210	10,854
Management fee expenses ^{5.5}	2,315	1,942
Total operating expenses	61,390	61,622
Operating profit/(loss)	75,198	104,076
Interest and other financial income ^{5.6}	9,484	4,174
Interest and other financial expense ^{5.7}	(155)	(146)
Total financial income and expense	9,329	4,028
Result before taxation	84,527	108,103
Corporate income tax ^{5.8}	(13,110)	(18,651)
Net result after tax	71,417	89,453
Share third parties ^{5.9}	(50,725)	(60,767)
Net result after tax and share third parties	20,692	28,686

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, 2019	Jan 1 – Dec 31, 2018
Cash flow from operating activities		
Net result after tax	20,692	28,686
Adjustments		
Depreciation ^{4.1}	448	476
Result on disposals ^{4.1}	-	(6)
Unrealized result financial fixed assets ^{4.2}	(9,621)	(4,113)
Share third parties ^{4.10}	50,725	60,767
Pension and other long-term employee benefits ^{4.6}	2,420	1,426
DRU expenses	(706)	(843)
	43,266	57,707
Movements in working capital, long-term liabilities and provisions		
Receivables	6,308	(23,950)
Current liabilities	4,435	5,149
Other provisions	(187)	(154)
Pension and other long-term employee benefits ^{4.6}	(2,923)	(1,910)
	7,633	(20,865)
Net cash from operating activities	71,591	65,528
Cash flow from investing activities		
Additions to/investments in:		
Tangible fixed assets ^{4.1}	(148)	(210)
Financial fixed assets ^{4.2}	(30,328)	(17,591)
Proceeds from/divestments of:		
Tangible fixed assets ^{4.1}	-	6
Financial fixed assets ^{4.2}	2,992	279
Net cash used in investing activities	(27,484)	(17,515)
Cash flow from financing activities		
Dividend paid to shareholders of the parent company ^{7.7}	(28,693)	(7,569)
Contributions from non-controlling shareholders ^{4.10}	32,364	20,023
Dividends paid to third parties ^{4.10}	(57,370)	(46,183)
Net cash used in financing activities	(53,699)	(33,729)
Net cash flow	(9,592)	14,284

Movements in cash deposits can be broken down as follows:

(€ thousands)	2019	2018
	Total	Total
Balance on January 1	48,752	34,444
Movements during the year	(9,592)	14,284
Currency differences	(537)	24
Balance on December 31	38,624	48,752

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.

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 in-

cluded 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.

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 AlInvest Partners Ltd and fundraising expenses. 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.

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 Supervisors (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 Comparison with the previous year

The accounting policies used are consistent with the previous year and 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 fixed assets

At each balance sheet date, the Company assesses and tests (if applicable) whether there are any indications of intangible and tangible fixed 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 result 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.

1.12 Pension obligations

Dutch pension plan

The characteristics of the pension plan operated by AlInvest Partners B.V. are:

- 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. On January 1, 2019, the Company renewed the guaranteed insurance contract with the same pension conditions with the same insurance company. Under the contract terms, the amounts paid will not be invested in a separate investment account.

The conditions of the Dutch Pension Act are applicable to all pensions of AlInvest Partners B.V. AlInvest 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.

There are no other existing obligations (other than premiums to be paid) to the insurance company or employees that need to be recognized. No other assets need to be recognized.

As all obligations fall due within one year the obligation is stated at nominal value.

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 AlInvest 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.

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.

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 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, 2019 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, 2019 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 2019	Total 2018
Balance on January 1					
Costs	7,193	1,331	2,033	10,557	10,928
Accumulated impairment and depreciation	(6,773)	(1,241)	(1,850)	(9,864)	(9,981)
Book value	420	90	183	693	947
Movements in the year					
Additions	74	73	1	148	210
Disposals	(2,293)	(221)	-	(2,514)	(644)
FX differences on cost and additions	8	3	27	38	63
Depreciation	(264)	(49)	(135)	(448)	(476)
Accumulated depreciation on disposals	2,293	221	-	2,514	644
FX on depreciation	(6)	(3)	(22)	(31)	(51)
	(188)	24	(130)	(293)	(253)
Balance on December 31					
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

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	2019	2018
Balance on January 1	54,373	31,733
Movements in the year		
Investments	30,328	17,591
Distributions	(2,992)	(279)
Exchange differences	675	1,215
Changes in fair value	9,621	4,113
	37,632	22,640
Balance on December 31	92,005	54,373

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 other financial income. 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.

4.3 Receivables

	2019	2018
Carried interest receivables	11,751	14,214
Accounts receivable	164	537
Total	11,915	14,751

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

	2019	2018
Group companies		
Group companies	54	3,624
Total	54	3,624
Related parties		
Carried interest due from investment entities	10,184	18,558
Management fees due from investment entities	8,300	4,861
Other amounts recoverable from investment entities	3,024	1,070
Total	21,508	24,489

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

	2019	2018
Current income tax receivables	2,410	1,850
Deferred income tax receivables	70	78
Total	2,480	1,928

Deferred income tax receivables relate to temporary differences in depreciation of assets in AlInvest Partners Ltd.

4.6 Liabilities for pensions and provisions for other long-term employee benefits

AlpInvest Partners B.V. has a defined benefit pension plan in effect. The following conditions were applicable as of December 31, 2019:

- 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 € 110;
- 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.

	2019	2018
Balance on January 1	(1,532)	(1,048)
Cost in income statement (including administration cost)	2,420	1,426
Amounts paid to the insurance company	(2,923)	(1,910)
Balance on December 31	(2,035)	(1,532)

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, 2019 there were no outstanding obligations to finance any increases. The liability and provision relate only to AlpInvest Partners B.V. 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 year under review.

4.7 Prepayments and accrued income

	2019	2018
Prepaid insurance fee	332	529
Deposits	429	384
Amounts prepaid on behalf of related parties	4,907	2,015
Other prepaid items	1,052	1,264
Total	6,720	4,192

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, 2019.

4.9 Equity attributable to shareholders of the parent company

See notes to the company balance sheet.

4.10 Equity attributable to other shareholders

	2019	2018
Balance on January 1	78,526	42,974
Movements in the year		
Share in net profit	50,725	60,767
Exchange differences	277	946
Contributions by other shareholders	32,364	20,023
Dividend paid to other shareholders	(57,370)	(46,183)
Balance on December 31	104,522	78,526

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

4.11 Provisions

Provision leasehold improvements	2019	2018
Balance on January 1	286	273
Exchange differences	7	13
Balance on December 31	293	286

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, 2020). The provision is an estimate and based on a quote (HK\$ 2,560) from a construction company.

Provision fundraising expenses	2019	2018
Balance on January 1	672	838
Movement for the year	(194)	(166)
Balance on December 31	478	672

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 AlInvest US Holdings L.L.C. (€ 10,190) and Carlyle Investment Management L.L.C. (€ 5,054).

4.13 Corporate income tax liabilities

	2019	2018
Current income tax payables	6,115	5,368
Total	6,115	5,368

4.14 Other short-term liabilities

	2019	2018
Personnel-related items	11,848	12,039
Holiday leave provision	537	441
Accrued expenses	1,953	1,666
Rent	-	169
Finders fees payable	261	188
Total	14,599	14,503

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

4.15 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations for Amsterdam office amount to € 900 (2018: € 879) per annum. The lease expires on October 31, 2024. Rental obligations for Hong Kong office amount to € 331 for four months (2018: € 968 per annum). The lease expires on April 30, 2020.

The monthly obligations for car leases amount to € 18 (2018: € 22). These contracts have an average remaining life of 25 months (2018: 28 months). The aggregate liability resulting from these contracts amounts to € 425 (2018: € 641).

The monthly obligations for copiers amount to € 3.5 (2018: € 3). The contracts have an average remaining life of 37 months (2018: 55 months).

The monthly obligation for an ICT service contract amounts to € 61 (2018: € 63). The contracts have an average remaining life of 29 months.

The monthly obligation for a video conferencing system amounts to € 5 (2018: € 5). The contracts have an average remaining life of 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 € 34 as of December 31, 2019. 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, 2019 at the fair market value amounts to € 1,252 after tax (2018: € 1,902).

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.

	2019	2018
Revenue from management fees		
Management fees from related parties	62,770	64,182
Management fees from other parties	13,246	16,623
Total management fees	76,016	80,805
Revenue from carried interest		
Carried interest from related parties	39,410	42,750
Carried interest from other parties	21,162	42,142
Total carried interest	60,572	84,892
Total revenue	136,588	165,697

Carried interest received from registered Alternative Investment Funds ("AIFs") included in the above amounts to € 21,783 (2018: € 24,054).

5.2 Personnel expenses and social security expenses

	2019	2018
Salaries and wages (including bonuses)	42,289	44,860
Pension charges	2,420	1,426
Other personnel expenses	1,612	1,110
Social security expenses	1,096	960
Total personnel expenses and social security expenses	47,417	48,356

In 2015, 2016, 2017 and 2018 a number of employees were awarded Units in The Carlyle Group to which vesting conditions apply (note 8). The expenses recognized (2019: € 1,835, 2018: € 2,310) 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 2018 and 2019 the actual cumulative expense has been taken into account. The vesting period expires on different dates up to August 1, 2022.

5.3 Depreciation and amortization

	2019	2018
Tangible fixed assets	448	476
Result on disposal of assets	–	(6)
Total	448	470

5.4 Administrative expenses

	2019	2018
Rent and office related expenses	2,661	2,466
ICT and communication expenses	1,975	1,682
Travel and related expenses	1,469	1,464
Audit of the financial statements*	198	196
Other audit procedures*	167	156
Tax services from audit firms*	4	4
Other advisory services	1,753	2,165
General and administrative expenses	2,495	2,055
Other expenses	488	666
Total	11,210	10,854

*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

	2019	2018
Management fees paid to related parties	2,315	1,942
Total	2,315	1,942

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

	2019	2018
Interest income	196	192
Income from investments in private equity funds	9,621	4,113
Currency results	(333)	(131)
Total	9,484	4,174

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

	2019	2018
Interest expense	(155)	(146)
Total	(155)	(146)

5.8 Corporate income tax

The total tax charge for the year amounts to € 13,110 (2018: € 18,651), which to a large extent is related to Dutch fiscal entities. The overall effective tax rate in 2019 amounts to 15.5% (2018: 17.7%). The statutory tax rate in The Netherlands is 25% (2018: 25%). The difference between the effective tax rate and the statutory tax rate in 2019 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 DRUs in The Carlyle Group (note 5.2 and note 8).

5.9 Share third parties

	2019	2018
Share third parties	(50,725)	(60,767)
Total	(50,725)	(60,767)

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. Employees

6.1 Employees

	2019	2018
Average number of FTE — total	96	98
Average number of FTE — located outside The Netherlands	15	14

Company financial statements

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Company balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2019	December 31, 2018
ASSETS		
Fixed assets		
Tangible fixed assets ^{7.2}		
Other fixed assets	293	420
Financial fixed assets ^{7.3}		
Participation in Group companies	1,798	1,793
	2,091	2,213
Current assets		
Accounts receivable		
Receivables	12,484	10,550
Receivables from group companies	2,305	11,448
Receivables from related parties	5,158	1,144
Corporate income tax receivables	2,409	359
Pensions	2,040	1,532
Prepayments and accrued income ^{7.5}	6,100	1,225
	30,496	26,258
Cash ^{7.6}		
Cash	27,851	37,297
	27,851	37,297
Total assets	60,438	65,768
LIABILITIES AND EQUITY		
Shareholder's equity^{7.7}		
Share capital	4,000	4,000
Reserve for currency exchange	496	626
Other reserves	4,480	5,286
Legal reserve	188	95
Profit for the year	20,692	28,686
Total shareholders' equity	29,856	38,693
Current liabilities		
Creditors	577	80
Payable to group companies	15,214	13,224
Other tax and social security payables	3,627	2,597
Other short-term liabilities ^{7.8}	11,164	11,174
	30,582	27,075
Total liabilities and equity	60,438	65,768

Company income statement

(€ thousands)	2019	2018
Income from participating interests after tax ^{7,3}	1,655	1,608
Other results after tax	19,037	27,078
Net profit	20,692	28,686

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.

7.2 Tangible fixed assets

(€ thousands)	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2019	Total 2018
Balance on January 1					
Costs	6,894	1,193	965	9,052	9,568
Accumulated impairment and depreciation	(6,549)	(1,129)	(954)	(8,632)	(8,978)
Book value	345	64	11	420	590
Movements in the year					
Additions	71	64	1	136	128
Disposals	(2,293)	(221)	-	(2,514)	(644)
Depreciation	(220)	(39)	(4)	(263)	(298)
Accumulated depreciation on disposals	2,293	221	-	2,514	644
	(149)	25	(3)	(127)	(170)
Balance on December 31					
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

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	2019	2018
Balance on January 1	1,793	2,136
Movements in the year		
Equity Movements	239	(85)
Divestments	(6)	(41)
Exchange differences	(131)	306
Income from participating interests after tax	1,655	1,608
Dividend paid	(1,688)	(2,246)
Other Movements	(64)	115
	5	(343)
Balance on December 31	1,798	1,793

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	N/A	Advisory and management services

As at December 31, 2019, 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.	Zeist	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 BV**	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 BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP Account Management BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 II BV**	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 BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Fondo BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest GGG BV**	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 BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest SF VI BV (Formerly known as AlpInvest EU FoF BV)**	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	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations

Name of company	Registered office	% ownership	Core activities
AlpInvest Partners Co-Investments 2015 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 II BV**	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 BV**	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 BV**	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	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest LIVE GP BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2016 II BV**	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)

Name of company	Registered office	% ownership	Core activities
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)
ASF VI Co-Investment (Non-U.S.), L.P.	Grand Cayman, Cayman Islands	100 through Alpinvest Secondaries VI GP LLC	Provides risk bearing capital in any form to existing and new enterprises
ASF VI Co-Investment, L.P.	Grand Cayman, Cayman Islands	100 through Alpinvest Secondaries VI GP LLC	Provides risk bearing capital in any form to existing and new enterprises
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)
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

Name of company	Registered office	% ownership	Core activities
ACF VII Employee Co-Investment (Non-US) L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest Co-Investment VII GP, LLC	To invest in and hold the underlying interests in the ACF VII Fund
ACF VII Employee Co-Investment, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest Co-Investment VII GP, LLC	To invest in and hold the underlying interests in the ACF VII Fund
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)
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 Sarl**	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

Name of company	Registered office	% ownership	Core activities
AlpInvest Primary Non-US Co-Invest, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	To invest in and hold the underlying interests in Fund
AlpInvest Primary US Co-Invest, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	To invest in and hold the underlying interests in Fund
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 BV	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 FC CREDIT GP, LLC	Delaware	100 through AlpInvest US Holdings, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest M CAPITAL FUND GP, LLC	Delaware	100 through AlpInvest US Holdings, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program GP II LLC	Delaware	100 through AlpInvest US Holdings, LLC	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)
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 Access II GP B.V.**	Amsterdam	100	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 BV	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program 2017 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 FCR SEC II GP LL	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	Acts as general partner of one or more limited partnership(s)
AlpInvest Mex I LLC	Delaware	100 through AlpInvest Mex B.V.	Acts as general partner of one or more limited partnership(s)

Name of company	Registered office	% ownership	Core activities
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)
AlpInvest Private Equity Program 2018 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 GGG II B.V.**	Amsterdam	100	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 GRIIO GP, LLC	Delaware	60 of carry Through ASP VI 2016–2020 SLP Ltd and AP Primary 2017–2021 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest GRIIO GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
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)
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

Name of company	Registered office	% ownership	Core activities
AlpInvest Secondaries VII Lux GP Sarl	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)
AIP Cars GP 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 CV's and hence are liable for the debts of these CV'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 2018 and 2019. At December 31, 2019 and at December 31, 2018 no forward contracts were outstanding.

7.5 Prepayments and accrued income

	2019	2018
Prepaid insurance fees	145	344
Amounts prepaid on behalf of related parties	4,907	2,015
Other prepaid items	1,048	881
Total	6,100	3,240

The increase of prepayments is due to the 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 2019 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	2019	2018
Balance on January 1	626	320
Movements in the year	(131)	306
Balance on December 31	495	626

This reserve relates to the revaluation of AlInvest Partners Ltd.

Legal reserve	2019	2018
Balance on January 1	95	13
Released to/added from other reserves	93	82
Balance on December 31	188	95

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	2019	2018
Balance on January 1	5,286	(19,197)
Profit previous year	28,686	32,977
Dividend paid out	(28,693)	(7,569)
Other movements	(706)	(843)
Released from/(moved to) legal reserve	(93)	(82)
Balance on December 31	4,480	5,286

The amount of total eligible funds net of deductions ("toetsingsvermogen") as reported to De Nederlandsche Bank in accordance with the requirements under the AIFMD amounts to € 23,885 (2018: to € 33,436). This amount consists of the shareholders' equity less the participation in group companies and unverified profit for the year (€ 4,290).

Total capital required based on assets under management according to the AIFMD regulation as per December 31, 2019 amounted to € 3,900 (2018: € 3,334). The solvency requirement based on the fixed cost calculation amounted to € 6,501 (2018: € 6,002).

7.8 Other short-term liabilities

	2019	2018
Personnel-related items	8,660	8,832
Accrued expenses	1,764	1,313
Finders fees payable	739	860
Accrued rent expense	-	169
Total	11,164	11,174

7.9 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to € 900 per annum (2018: € 879 per annum). The leases expire on October 31, 2024.

The monthly obligations for car leases amount to € 18 (2018: € 22). These contracts have an average remaining life of 25 months (2018: 28 months).

The monthly obligations for copiers amount to € 2 (2018: € 2). The contracts have an average remaining life of 36 months (2018: 48 months).

The monthly obligation for an ICT service contract amounts to € 61 (2018: € 63). The contracts have an average remaining life of 29 months.

The monthly obligation for a video conferencing system amounts to € 5 (2018: € 5). The contracts have an average remaining life of 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, 2019 at the fair market value amounts to € 1,252 after tax (2018: € 1,902).

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:

- 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 affiliated 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 Deferred Restricted Units ("DRU(s)"). A DRU represents an unfunded, unsecured right of Identified Staff to receive a Common Unit issued by The Carlyle Group L.P. on the delivery date. DRU(s) vest in annual installments 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 DRU 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 DRU(s) on or about February 1 of the following year.

Members of the Supervisory Function are only compensated (if any) with Remuneration consisting of a fixed component.

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

	"Identified staff" ⁴	All employees of AlInvest Partners B.V.
Number of Employees (Average over 2019) ³	23	97
Remuneration		
Total Remuneration 2019 ³	23,111	25,072
Remuneration categories		
Total fixed Remuneration 2019 ²	5,324	9,812
Total variable Remuneration (based on performance) 2019 ^{1,2,3}	17,786	15,260
Carried Interest		
Total variable Remuneration (AIF-related — carried interest) ⁵	8,573	6,786

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 2019, 95 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 € 37,043. 10 employees, 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). Please note:

- All remuneration disclosed above is on an accrual basis except for the amount of DRU(s) which is based on the value at the award date in the current year (2019). See Note 2 (page 48).
- USD amounts are converted to EUR (where applicable) at an average rate of 1.12.
- HKD amounts are converted to EUR (where applicable) at an average rate of 8.77.

1 Eight employees earned variable compensation in 2010 in excess of EUR 1 million (excluding carried interest).

2 Total variable remuneration includes 2019 DRU compensation. This includes (i) DRUs which were awarded and vested in August 2019, and (ii) DRUs which were awarded in February 2020. The DRU compensation is an awarded (confirmed) amount.

3 The remuneration disclosure does not include two members of the Managing Board that are on the payroll of The Carlyle Group.

4 Identified staff includes employees located in Amsterdam (12 employees), Hong Kong (2 employees) and New York (9 employees), not just those employed by AlInvest Partners B.V.

5 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:

	2019	2018
Salaries and wages	1,010	1,104
Bonuses	3,056	1,251
Pension charges	263	135
Other personnel expenses and social charges	99	107
Total	4,428	2,597

Equity value accumulated due to carried interest distributions to which the Directors are entitled amounted to € 7,250 (2018: € 6,113). 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 AlInvest 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 28, 2019 the shareholders have declared a final dividend of € 28.7 million over 2018.

This dividend was paid out to the shareholders on the declaration date from the other reserves and has been recognized in the 2019 company balance sheet.

The Managing Board proposes to pay out € 18 million from the other reserves as dividend to the shareholders. This proposal has not been recognized in the 2019 company balance sheet.

8.4 Subsequent events

A new lease was signed in 2020 to extend the rent for the Hong Kong office. The contract starts from May 1, 2020 and ends on April 30, 2023. The obligation is € 99,000 per month. The quote to the estimated cost to reinstate a leased office premise back to its original condition at the end of the lease period (April 30, 2023) is reassessed to HK\$ 2,828,000.

The outbreak of the coronavirus (COVID-19) pandemic subsequent to year end may materially affect AlInvest in the near term. The current market conditions are likely to increase the investment performance risk of the funds that AlInvest manages in the short term, to a degree which is uncertain as of the date of issuing the financial statements. AlInvest remains confident that its investment policy, that 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.

Amsterdam, May 26, 2020

The Managing Board

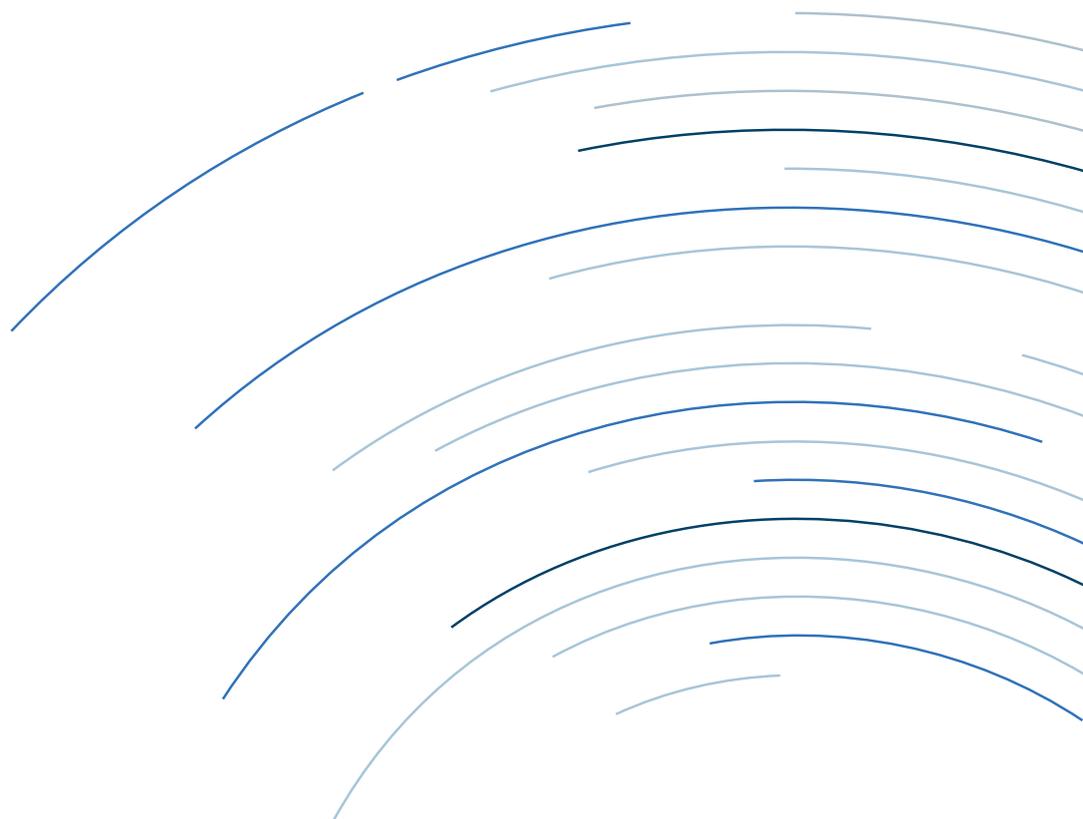
J.P. de Klerk
R.B. Bagijn
E.K. Herberg
W.M. Moerel
G.A. Youngkin

AlInvest 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 payment 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 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 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 31 December 2019, and of its result for 2019 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 31 December 2019
- The consolidated and company income statement for 2019
- 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 accountantsorganisaties (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.

Emphasis of matter relating to Corona developments

The developments surrounding the Corona (COVID-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty. The impact of these developments on AlInvest Partners B.V. is disclosed in the management board's report under the Risks section and the paragraph Outlook 2020 and in the notes to the financial statements in the disclosure on subsequent events on page 44. We draw attention to these disclosures.

Our opinion is not modified in respect of this matter.

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 management board's report
- Other information pursuant to 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 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 board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to 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 assignment 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 have detected all material errors and fraud.

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 e.g.:

- 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, 26 May 2020
Ernst & Young Accountants LLP
signed by Q. Tsar

