



Annual Report

2021



Annual report

01 Report of the Managing Board

10 Consolidated financial statements

- 11 Consolidated balance sheet
 - 12 Consolidated income statement
 - 13 Consolidated cash flow statement
 - 14 Notes to the consolidated financial statements
 - 16 1. Accounting policies for the consolidated balance sheet
 - 18 2. Accounting policies for the consolidated income statement
 - 19 3. Financial instruments and risk management
 - 20 4. Notes to the consolidated balance sheet
 - 26 5. Notes to the consolidated income statement
 - 29 6. Supplementary information consolidated financial statements
-

30 Company financial statements

- 31 Company balance sheet
 - 32 Company income statement
 - 33 7. Notes to the company balance sheet
 - 46 8. Supplementary information company financial statements
-

49 Other information

50 Independent auditor's report

Report of the Managing Board

Market and economic developments 2021

Continued recovery and growing inflation pressures

The global economy continued to recover in 2021 as vaccines against COVID-19 became available and social distancing measures were lifted. In the United States, real GDP rose 5.7%¹ in the first three quarters compared with the same period in 2020. While real GDP in the euro area increased by 5.1%¹ (year-on-year) between January and September, real output expanded by 9.8%¹ in China. In most countries, economic activity reached or even exceeded its pre-pandemic level by Q3 2021, and as the recovery gained traction, unemployment declined meaningfully. In the Organisation for Economic Co-operation and Development (“OECD”), the rate of unemployment averaged 5.7%² in October 2021, down from its 8.8%³ cyclical peak in April 2020.

The recovery lost some momentum towards the end of the year amidst persisting supply bottlenecks, labor shortages in some sectors, rising input costs and the continued effects of the pandemic, with new variants of the virus forcing some countries to reintroduce containment measures. Led by sharp price increases for food, energy, and durable goods where supply chain disruptions were most concentrated, inflation proved to be more persistent than anticipated. In the United States, inflation—measured by the Personal Consumption Expenditures Price Index (“PCE”)—reached 6.4% in November 2021, the highest rate in more than six decades.⁴ The core PCE, which excludes the more volatile items such as energy and food, came in at 5.3%, another multi-decade record.⁵ In the euro area, the situation was essentially the same, with consumer price inflation—measured by Harmonized Index of Consumer Prices (“HICP”)—having risen to 4.9% in November 2021,⁶ the highest rate since the introduction of the common currency.

The emergence of new virus variants, strong pent-up demand exacerbating continued supply-chain problems, and higher-than-expected inflation confronted central banks with an important policy dilemma. While persistent inflation would typically have called for monetary tightening to contain inflation expectations and a possible price/wage spiral, a rapid exit from quantitative easing and rate hikes could have run the risk of choking off a still-fragile economic recovery. The policy response differed significantly across major economies.

Recognizing that inflation was likely to be more permanent than thought initially, the US Federal Reserve announced the completion of its quantitative easing program by the middle of 2022 and prepared markets for a gradual increase in interest rates. By contrast, the European Central Bank (“ECB”) decided to remain on hold, arguing that, in their view, inflation was likely to fall in 2022. Meanwhile, the Bank of England raised its main policy rate by 25bps in December 2021 as inflation reached a 10-year high of 5.1%.⁷

Low benchmark yields despite rising inflation

The response of risk-free interest rates to the continued recovery in economic growth and growing inflation pressures amid supply-demand imbalances was relatively muted. In the United States, 10-year Treasury yields rose by around 80bps to 1.74%⁸ in the first quarter but then declined again as macroeconomic uncertainty increased, ending the year at 1.52%.⁹ With inflation rising, inflation-indexed 10-year Treasuries continued to trade in negative territory throughout the year, hovering around minus 1% for most of the time. While European long-term interest rates remained low too,¹⁰ they fluctuated considerably over the year as investors adjusted their monetary policy expectations amid news about inflation. Several national benchmark yields, including 10-year German Bund yields, remained in negative territory,¹¹ although most of them ended the year higher than at the beginning of 2021.

Significant gains in equity valuations

While global equity markets had already posted substantial gains in 2020, valuations continued to rise in many key markets in 2021. The S&P 500 index rose 28.8%,¹² ending the year close to a record high. European stocks, measured by the Euro Stoxx 50 index, performed well too, registering a gain of approximately 21%.¹³ Although Japan’s Nikkei 225 index increased by a comparatively more moderate degree, gaining 4.9%¹⁴ was still meaningful amid significant macroeconomic uncertainty. The picture was more mixed in emerging markets, with the MSCI Emerging Markets index losing around 5% in 2021.¹⁵

The substantial valuation gains in major markets, especially in US equities, raised concerns about possible misalignments with fundamentals, with the S&P 500’s price-earnings ratio ending the year around 25% above its 25-year average.¹⁶ Other indicators, such as the cyclically adjusted

price-earnings ratio, painted a similar picture. However, on a relative value basis the risk of a significant over-valuation appeared less pronounced. With risk-free assets remaining expensive, the excess earnings yield—defined as the difference between the cyclically-adjusted earnings yield and real bond yields—continued to hover around its historical average.

Record issuance in leveraged finance

With investors in risk-on mode for most of 2021, demand for higher-yielding assets remained strong. In the US and European leveraged loan markets, investors absorbed assets totaling approximately USD 943 billion,¹⁷ the largest amount on record. Additionally, US issuers sold high-yield bonds to investors totaling USD 612 billion.¹⁸ All told, leveraged finance issuance in 2021 amounted to more than USD 1.55 trillion, an increase of 54% compared with the previous year, setting a new annual record.¹⁹

Mirroring strong investor demand for speculative-grade assets, spreads remained tight. In the US high-yield market, spreads ended the year at 3.10%, 76bps less than at the end of 2020.²⁰ In absolute terms, US high-yield bond yields stood at 4.35%²¹ at the end of 2021, unchanged from their level a year earlier. In the European high-yield market, yields fell in the first half of the year, before returning to their end-2020 level of around 2.80%.²²

M&A boom continued unabated²³

Liquid market conditions in the leveraged finance markets allowed issuers to continue to chip away at the maturity wall by refinancing existing debt. However, a substantial share of issuance was used to finance new transactions. Globally, announced mergers and acquisitions (“M&A”) totaled USD 5.88 trillion, a 67%-increase from the previous year to an all-time high. The continued M&A boom was broad-based in terms of regional contributions. Almost half of the global amount (USD 2.87 trillion) was due to transactions involving targets in North America, an increase of 88% on a year-on-year basis. M&A deals involving targets in Europe represented approximately 23% of global transactions (USD 1.34 trillion), implying an increase by 51% compared with the previous year. Meanwhile, M&A volume in Asia rose by 38% to USD 1.33 trillion, adding another 23% to global M&A activity.

Meaningful contributions by financial sponsors²⁴

Financial sponsors contributed meaningfully to the M&A boom in 2021. Between January and December, General Partners (“GPs”) announced leveraged buyout (“LBO”) transactions totalling around USD 586 billion worldwide, a more than doubling from the previous year to the highest level since the previous buyout boom in 2006–2007. The substantial growth in global buyout volume was driven both by a significant rise in announced transactions (+29%) and a considerable increase in the average deal size, with no fewer than seven announced transactions having a deal value of more than USD 10 billion. Buyout activity was particularly buoyant in the North American market where deal

volume came in at USD 331 billion, an increase of 147% compared with the previous year. However, European and Asian deal activity gained significant momentum too, with year-on-year increases of 67% and 87% to USD 202 billion and USD 48 billion, respectively. The substantial increase in LBO volume was particularly remarkable as purchase price multiples continued to rise amid strong competition for corporate assets.

Exits mirroring buyout activity

As much as high entry prices represented an important challenge for financial sponsors to identify attractive investment opportunities, they helped fuel divestments of existing assets. Globally, 3,093 buyout-backed companies were exited in 2021, over 1,000 more than in the previous year.²⁵ These companies were valued at slightly more than USD 870 billion, up from USD 517 billion for portfolio companies that were exited in 2020.²⁶ Of the portfolio companies that were sold in 2021, almost 1,200 were exited via a trade sale to a strategic buyer.²⁷ However, almost as many companies were divested through a secondary buyout. Importantly, more than 7% of portfolio companies that were divested in 2021 were exited via an initial public offering (“IPO”).²⁸ In absolute terms (224), this was the largest number on record, contributing to a global IPO boom that saw nearly 2,200 public liquidity events worldwide, with proceeds totalling USD 412 billion.²⁹

Robust fundraising

With contributions and distributions accelerating in 2021, Limited Partners (“LPs”) committed more capital to private equity funds. In their final close, funds investing in buyout, growth capital and turnaround transactions raised USD 471 billion, over 20% more than in the previous year.³⁰ Additionally, LPs committed USD 184 billion to venture capital partnerships, a record amount. Overall, funds focusing on investment opportunities in North America absorbed USD 394 billion, or around 61% of global commitments.³¹ While Europe-focused partnerships accounted for approximately 21% of global fundraising, Asia-focused funds added another 14%.³²

Slower increase in dry powder³³

The brisk investment pace in 2021 caused unfunded commitments to private equity funds to grow at a slower pace than in previous years. In fact, dry powder held by buyout funds decreased in 2021, the first time since 2012. However, with VC and growth capital fundraising continuing to outpace the deployment of capital, the overall amount of unfunded commitments rose by approximately 8%, the smallest increase since 2015.

Business overview

AlpInvest pursues opportunities across the private equity spectrum, including large and middle market buyout, growth capital, distressed debt, venture capital and private subordinated debt. AlpInvest 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, 2021, aggregate capital committed³⁴ to AlpInvest since inception had grown to more than €94.8 billion from 446 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.

AlpInvest employed 114 full-time employees ("FTE")³⁵ as of December 31, 2021, and the male/female ratio of all employees is 51:49. AlpInvest 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.

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. AlpInvest strives to have a balanced composition of the Board, and will consider diversity, including age and gender where possible, as one of the selection criteria when proposing new members for the Board in the future. As of December 31, 2021, the Board comprises two female Directors and one male Director.

Responsible investment

AlpInvest first developed its Responsible Investments ("RI") Standards in 2008 and has integrated RI into its investment analysis, decision-making and portfolio management processes.

AlpInvest's approach focuses on the integration of environmental, social and governance ("ESG") considerations when making and monitoring investments. Every new investment is screened through AlpInvest's RI due diligence process which assists the investment teams in assessing ESG factors of an investment, including review of the General Partner's RI standards, the integration of RI into its core processes and its RI reporting standards. Beginning in 2020, specific reference has been given to climate change and diversity equity and inclusion ("DE&I"). When material ESG risks in a potential investment opportunity are identified, these are further investigated and included in the investment thesis as appropriate. There is also the option to enhance ESG monitoring of the investment or address the situation with the GP directly. In the cases where the RI risks are concluded to be too high, AlpInvest will not invest in the opportunity. AlpInvest also is part of the ESG Data Convergence Project, a LP and GP partnership to standardize ESG reporting for portfolio companies.³⁶

AlpInvest recognizes that climate-related risks and opportunities can impact its investment portfolios and has committed to the Task Force on Climate-related Financial Disclosure ("TCFD") reporting as part of the climate change framework adopted in 2020. The time frame, scope and potential impact of climate-related risks and opportunities differ across the investment portfolio. To further understand the impact of climate change on the portfolio and how GPs approach climate change risks, AlpInvest includes specific questions on climate change in its RI due diligence process.

AlpInvest is making DE&I a key priority for the global organization. A DE&I taskforce was set up in 2018 which focuses on how AlpInvest can foster an environment of inclusiveness to drive better decision-making and assists in recruiting, motivating and retaining the most talented professionals. AlpInvest was one of the founding signatories of ILPA's Diversity in Action initiative that launched in 2020.³⁷ Further, the diligence process includes a dedicated section on DE&I.

AlpInvest seeks to drive ESG innovation and progress in the private equity industry. In 2021, AlpInvest secured an ESG-linked syndicated subscription facility linked for its AlpInvest Co-Investment Fund VIII, which is believed to be the first of its kind for a Private Equity co-investment fund. The facility's KPIs cover AlpInvest's responsible investment practices in the investment process, engagement activity and transparency.

AlpInvest's RI strategy is overseen by its Operating Committee, and a dedicated RI officer is responsible for its development and integration.

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 (Gross IRR 14.2% and Net IRR 13.4% as of December 31, 2021). The year 2021 ended with a 29.9% year-to-date net return including currency impact on the assets under management (31.9% excluding exchange rate adjustments).

The development of the gross and net life-to-date IRR³⁸ over the past five years

as per December 31, 2021

End of year	2017	2018	2019	2020	2021
Gross IRR	13.0%	13.2%	13.2%	13.3%	14.2%
Net IRR	12.2%	12.3%	12.4%	12.5%	13.4%

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. Gross returns do not reflect fees, expenses or performance-based compensation.

New Commitments

The table below comprises all commitments received by AlInvest as of December 31, 2021, both cumulative and per annum.

AlInvest cumulative and annual commitments³⁹

(€billion)

Cumulative commitments	Up to 2017	2018	2019	2020	2021
Fund investments	40.5	41.5	42.2	43.7	46.3
Secondary investments	14.6	15.4	15.9	23.8	25.1
Co-investments	11.6	12.3	13.5	13.9	18.5
Mezzanine investments	3.8	3.8	3.8	3.8	3.8
Direct investments	1.1	1.1	1.1	1.1	1.1
Total	71.7	74.1	76.6	86.3	94.8

Annual commitments	Up to 2017	2018	2019	2020	2021
Fund investments	40.5	1.0	0.7	1.5	2.6
Secondary investments	14.6	0.7	0.6	7.9	1.3
Co-investments	11.6	0.7	1.1	0.4	4.6
Mezzanine investments	3.8	0.0	0.0	0.0	0.0
Direct investments	1.1	0.0	0.0	0.0	0.0
Total	71.7	2.5	2.4	9.8	8.4

Risks

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

AlplInvest regularly assesses and addresses all material financial risks, business risks, event-driven risks (including the impact of COVID-19 and the Russian invasion of Ukraine on general economic activity and financial markets), 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. AlplInvest aims to mitigate and thus lower residual risk to the extent possible through its investment policy, which has been designed to diversify the portfolio across strategies, industries, geographies and vintage years. None of the risks described below had a material impact on AlplInvest during 2021. AlplInvest'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 2021.

Financial risks

AlplInvest has limited exposure to financial assets. Cash is typically held in short-term deposits with reputable banks or with the parent company of AlplInvest, 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, AlplInvest's allocation and cash management processes are designed to take currency effects into account, and AlplInvest's FX Panel meets regularly to discuss foreign exchange exposure and whether hedging is required.

Further, AlplInvest regularly assesses and maintains appropriate levels of liquidity and solvency. As of the end of June 2021, AlplInvest self-reported to the Dutch Central Bank (DCB) a deficit of the minimal capital requirements over the end of the second quarter of 2021. This deficit was the result of a combination of events impacting the regulatory capital levels, which are to be considered one-off extraordinary occurrences of a technical accounting nature and are not related to negative operational cash flow developments. The deficit was resolved in September 2021. The DCB acknowledged the measures taken to resolve the deficit, and AlplInvest has not been informed of any further measures in relation to this issue.

AlplInvest 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

AlplInvest 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 AlplInvest 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.

AlplInvest 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. AlplInvest'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 and 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 AlplInvest 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 AlplInvest, a significant proportion of their remuneration is based on long-term incentives.

AlplInvest's business processes may be disrupted or incur losses due to our information technology ("IT") infrastructure not meeting the demands of a changing environment. Until March 31, 2021, IT service management was outsourced to a third-party service provider. AlplInvest monitored these services to ensure compliance with the service level agreement in place. From April 1, 2021, the AlplInvest IT environment was consolidated into The Carlyle Group Inc.'s IT environment. As a result, all systems and IT services are managed and monitored by The Carlyle Group Inc. on AlplInvest's behalf. Controls, including policies, are in place at AlplInvest to support the critical business functions necessary to ensure that investment management can continue without any break in service, quality or consistency. These controls focus on three main areas: human resources, information availability and disaster recovery. A cybersecurity assessment is performed annually by an independent party. The appropriate actions have been taken to mitigate any risks identified.

AlplInvest 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 is available for each of the last 19 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.

Regulatory risk

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

AlInvest's business and global scope, as well as being part of The Carlyle Group, 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 US Securities and Exchange Commission under the Investment Advisers Act of 1940 (the "Advisers Act"). The AIFMD, MiFID II and the Advisers Act each 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. AlInvest's Board is responsible for periodically testing the Policy and overseeing the implementation of the Policy. On an annual basis, the Board reviews whether a) the 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.

As a result of a review of the Policy (the "2021 Policy Review"), changes in the Policy were implemented in 2021.

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

- AlInvest's results and balance sheet; or
- The performance of the Alternative Investment Fund ("AIF(s)") and other funds under management.

From 2021, AlInvest has identified the following categories of its staff as Identified Staff:

- Risk Takers (which includes members of the Board, the Investment Committee and Operating Committee); and
- Control Functions.

The definition of Identified Staff changed as a result of the 2021 Policy Review. In prior years, Identified Staff included Senior Management, all worldwide Managing Directors, Control Functions and the Supervisory Function. The number of Identified Staff has therefore reduced when compared to prior year(s).

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 carried interest and/or a discretionary annual cash payment based on individual performance and performance of AlInvest overall. In addition, certain Identified Staff may receive RSUs. RSUs represent an unfunded, unsecured right of Identified Staff to receive restricted stock awards of The Carlyle Group Inc. on the delivery date.

A more detailed overview of AlInvest's remuneration policy can be found in note 8.1 to the financial statements.⁴⁰

Operating performance of AlInvest Partners B.V.

Revenue from management fees and carried interest increased 35% and 9%, respectively, in 2021 when compared to the prior year. The increase primarily relates to the increase in AlInvest's cumulative commitments as well as increased market performance. The increase in the Operating Result is mainly driven by the increase in revenues as well as a decrease in personnel expenses.

AlInvest employed 114 FTE at year end. The total capital under management of the AlInvest group was managed by 181 FTE as per December 31, 2021, compared to 172 the year before.⁴¹ Currently, we foresee total FTE to grow during 2022 and envisage adding resources both to our investment teams to support the deployment of the capital we raised, and to our investor services team, to be able to continue to provide high-quality services to all our investors.

Changes in AlInvest's board composition

Non-executive Board Member and Chairman, Paul de Klerk, retired from the Board on June 30, 2021. The Board would like to thank Mr. de Klerk for his valuable contribution to the Company.

Key figures for 2021

(€million)	2017	2018	2019	2020	2021	CAGR 2017-2021
Revenues	162	166	137	231	276	14%
Operating result before taxation	93	104	75	147	209	22%
Cumulative capital committed by AlInvest as at year end	62,000	65,000	70,000	74,000	81,000	6.9%
Cumulative capital invested as at year end ⁴²	58,000	62,000	66,000	70,000	77,000	7.3%
Total number of FTE as at year end ⁴³	89	102	116	112	114	8.2%

Outlook for 2022⁴⁴

2021 was an exceptional year in which long standing records were broken across various areas, including IPO and M&A activity, leveraged finance issuance and buyout-backed exits. Equity valuations in several major markets reached new heights, while spreads remained tight amid low benchmark yields. However, as the global economy entered 2022, market volatility increased materially amid heightened macroeconomic uncertainty and substantial geopolitical risks. Inflation continues to rise, fueling rate hike expectations, and with Russia's invasion of Ukraine and the introduction of comprehensive sanctions by Western countries resulting in a surge in energy and food prices, the risk of global stagflation increased materially. In this environment, equity valuations retreated significantly, while the VIX index, a closely observed fear gauge, climbed to levels last seen in November 2020.⁴⁵ On the debt side, US high-yield bond spreads widened to 4% by mid-March 2022, the highest level in approximately 15 months.⁴⁶ Meanwhile, global M&A activity moderated significantly amid increased valuation uncertainty and higher financing costs.⁴⁷

Consequently, global economic growth in 2022 could be considerably slower than previously thought, and with the macroeconomic outlook being clouded with extraordinary uncertainty, investors should be prepared for a volatile investment environment. This is not necessarily bad news for long-term investors who are able to look past temporary market turbulences. Actual economic and financial market developments will influence the investment and divestment pace. Dislocations in public and private markets could bring about attractive investment opportunities as entry prices adjust downwards in risk-off periods. AlInvest remains confident that our highly disciplined investment approach and our experience over multiple cycles position us well to exploit such opportunities as they arise. We believe that portfolio diversification across strategies, geographies and vintage years will continue to be critical to maximize risk-adjusted returns for our clients under unusually high economic uncertainty.

Proposed profit appropriation and dividend

We propose to distribute €470 million from the other reserves as a dividend to the shareholders.

Amsterdam, May 24, 2022

The Board of Managing Directors

R.B. Bagijn, Executive Board Chair
E.K. Herberg, Executive Board Member
W.J. Moerel, Executive Board Member

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- ³² Preqin, Historical Fundraising (pro.preqin.com) (Accessed on January 12, 2022)
- ³³ Preqin, Dry Powder by Strategy (pro.preqin.com) (Accessed on January 4, 2022)
- ³⁴ Total capital committed to Alpinvest and its affiliates includes €7.8 billion of investor mandates that are managed on behalf of investors by Alpinvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than Alpinvest or its affiliates (€6.7 billion before the end of 2002 and €0.2 billion was committed in 2013, and €0.9 billion was committed in 2021). In addition, €1.7 billion of commitments to LP co-investment vehicles are included.
- ³⁵ The total capital under management of the Alpinvest group was managed by 181 FTE as per December 31, 2021 (including FTE associated with Alpinvest US Holdings LLC, Alpinvest Partners Ltd and CECF Advisers, LLP).
- ³⁶ Institutional Limited Partners Association (ilpa.org/ilpa_esg_roadmap/esg_data_convergence_project/) (Accessed April 6, 2022)
- ³⁷ Institutional Limited Partners Association (https://ilpa.org/ilpa_diversityinaction-signatories/) (Accessed April 6, 2022)
- ³⁸ Performance information is based on the private equity and mezzanine primary fund investments, secondary investments and co-investments originated and made by Alpinvest 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 Alpinvest and b) Direct Investments, which was spun off from Alpinvest 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 Alpinvest 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 Alpinvest 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.
- ³⁹ Total capital committed to Alpinvest and its affiliates includes €7.8 billion of investor mandates that are managed on behalf of investors by Alpinvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than Alpinvest or its affiliates (€6.7 billion before the end of 2002 and €0.2 billion was committed in 2013, and €0.9 billion was committed in 2021). In addition, €1.7 billion of commitments to LP co-investment vehicles are included.
- ⁴⁰ Cumulative capital committed by Alpinvest and cumulative capital invested as at year-end include €7 billion of investments that are managed on behalf of its investors by Alpinvest Partners B.V., but for which the investment decisions were made by parties other than Alpinvest. In addition, €0.7 billion of commitments made by LP co-investment vehicles (of which €0.5 billion invested) are included.
- ⁴¹ The total capital under management of the Alpinvest group was managed by 181 FTE as per December 31, 2021 (including FTE associated with Alpinvest US Holdings LLC, Alpinvest Partners Ltd and CECF Advisers, LLP).
- ⁴² Cumulative capital committed by Alpinvest and cumulative capital invested as at year-end include €7 billion of investments that are managed on behalf of its investors by Alpinvest Partners B.V., but for which the investment decisions were made by parties other than Alpinvest. In addition, €0.7 billion of commitments made by LP co-investment vehicles (of which €0.5 billion invested) are included.
- ⁴³ The total capital under management of the Alpinvest group was managed by 181 FTE as per December 31, 2021 (including FTE associated with Alpinvest US Holdings LLC, Alpinvest Partners Ltd and CECF Advisers, LLP).
- ⁴⁴ The information included here is based on the Company's assumptions, estimates, outlook and other judgments made in light of information available at the time of preparation of this Annual Report and involve both known and unknown risks and uncertainties. Accordingly, the impact of the current economic outlook may not be realized as described, and actual financial results and other projections may differ materially from those presented herein.
- ⁴⁵ FRED, VIXCLS (indicator) (fred.stlouisfed.org) (Accessed on March 11, 2022)
- ⁴⁶ FRED, BAMLH0A0HYM2 (indicator) (fred.stlouisfed.org) (Accessed on March 11, 2022)
- ⁴⁷ Dealogic, Global M&A Activity, Deal Value at Announcement USD (m) (Accessed on March 11, 2022)

Consolidated financial statements

11	Consolidated balance sheet
12	Consolidated income statement
13	Consolidated cash flow statement
14	Notes to the consolidated financial statements
16	1. Accounting policies for the consolidated balance sheet
18	2. Accounting policies for the consolidated income statement
19	3. Financial instruments and risk management
20	4. Notes to the consolidated balance sheet
26	5. Notes to the consolidated income statement
29	6. Supplementary information consolidated financial statements

Consolidated balance sheet

(before proposed profit appropriation)

(€thousand)

December 31, 2021

December 31, 2020

	December 31, 2021	December 31, 2020
ASSETS		
Non-current assets		
Tangible fixed assets ^{4.1}		
Other fixed assets	2,763	561
Financial fixed assets ^{4.2}		
Investments in private equity funds	48,351	37,202
	51,114	37,763
Current assets		
Accounts receivable		
Receivables ^{4.3}	12,201	3,486
Receivables from group companies ^{4.4}	20,688	1,114
Receivables from related parties ^{4.4}	54,293	23,307
Corporate income tax receivables ^{4.5}	–	1,402
Deferred tax assets ^{4.6}	2,091	2,111
Prepayments and accrued income ^{4.7}	12,867	7,675
	102,140	39,095
Cash ^{4.8}		
Cash	60,932	53,496
	60,932	53,496
Total assets	214,186	130,354
LIABILITIES AND EQUITY		
Group equity		
Equity attributable to shareholders of the parent company ^{4.9}	66,500	13,594
Equity attributable to other shareholders ^{4.10}	110,799	53,163
Provisions		
Provision pension ^{4.11}	5,841	8,270
Provision leasehold improvements ^{4.11}	317	298
Provision fundraising expenses ^{4.11}	138	215
Current liabilities		
Creditors	190	293
Payable to group companies ^{4.12}	4,031	9,467
Other tax and social security payables ^{4.13}	1,007	930
Corporate income tax liabilities ^{4.14}	3,008	18,758
Other short-term liabilities ^{4.15}	22,355	25,366
	30,591	54,814
Total liabilities and equity	214,186	130,354

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

Consolidated income statement

(€thousand)	Jan I – Dec 31, 2021	Jan I – Dec 31, 2020
Net revenue^{5.1}	275,708	230,808
Total operating income	275,708	230,808
Personnel expenses ^{5.2}	63,403	75,747
Social security expenses ^{5.2}	1,090	1,047
Depreciation ^{5.3}	245	304
Result on disposals ^{5.3}	83	–
Administrative expenses ^{5.4}	9,718	9,656
Management fee expenses ^{5.5}	7,595	3,903
Total operating expenses	82,134	90,657
Operating profit/(loss)	193,574	140,151
Realized gains on investments in private equity funds ^{5.6}	6,718	2,054
Unrealized gains on investments in private equity funds ^{5.6}	8,546	4,333
Interest and other financial income ^{5.6}	634	884
Interest and other financial expense ^{5.7}	(303)	(246)
Total financial income and expense	15,595	7,025
Result before taxation	209,169	147,176
Corporate income tax ^{5.8}	(30,819)	(26,147)
Net result after taxation	178,350	121,029
Share third parties ^{5.9}	(124,110)	(90,222)
Net result after taxation and share third parties	54,240	30,807

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

Consolidated cash flow statement

(€thousand)

Jan 1 – Dec 31, 2021

Jan 1 – Dec 31, 2020

	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
Cash flow from operating activities		
Net result after tax	54,240	30,807
Adjustments		
Depreciation ^{4.1}	245	304
Result on disposals ^{5.3}	83	–
Realized result financial fixed assets ^{4.2}	(6,718)	(2,054)
Unrealized/realized result financial fixed assets ^{4.2}	(8,546)	(4,333)
Share third parties ^{4.10}	124,110	90,222
Pension and other long-term employee benefits ^{4.11}	1,664	3,304
RSU expenses	(1,477)	(605)
	109,361	86,838
Movements in working capital, long-term liabilities and provisions		
Receivables	(63,045)	5,642
Current liabilities	(24,223)	14,222
Other provisions	(58)	(258)
Pension and other long-term employee benefits ^{4.11}	(4,093)	(1,246)
	(91,419)	18,360
Net cash from operating activities	72,182	136,005
Cash flow from investing activities		
Additions to/investments in:		
Tangible fixed assets ^{4.1}	(2,573)	(467)
Financial fixed assets ^{4.2}	(4,432)	(5,078)
Proceeds from/divestments of:		
Tangible fixed assets ^{5.3}	(83)	–
Divestment in financial fixed assets ^{4.1}	127	–
Financial fixed assets ^{4.2}	10,977	4,568
Net cash used in investing activities	4,016	(977)
Cash flow from financing activities		
Dividend paid to shareholders of the parent company ^{7.7}	–	(40,000)
Contributions from non-controlling shareholders ^{4.10}	3,362	4,487
Dividends paid to third parties ^{4.10}	(72,333)	(84,310)
Net cash used in financing activities	(68,971)	(119,823)
Net cash flow	7,227	15,205
Movements in cash deposits can be broken down as follows:		
(€thousand)	2021	2020
	Total	Total
Balance on January 1	53,496	38,624
Movements during the year	7,227	15,205
Currency differences	209	(333)
Balance on December 31	60,932	53,496

Notes to the consolidated financial statements

General

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

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

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

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 Inc. ("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 73 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 included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Dutch Civil Code.

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

Related parties

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

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

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

- 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 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 the provisions for fundraising expenses and pensions. If necessary, for the purposes of providing appropriate insight, the nature of estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

I. Accounting policies for the consolidated balance sheet

I.1 Change in accounting policies

The accounting policies used are consistent with the previous year. The accounts are prepared on a going concern basis.

I.2 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 I.4.

I.3 Financial fixed assets

Participating interests that enable the Company to exert significant influence are valued using the net asset value method.

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 entities through which the Company does not exert significant influence are measured at fair market value with changes in fair value recognized in financial income and expense. 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. If applicable, an adjustment will be applied to the investment values in the event of significant movement in the public equity markets between the dates of the reported net asset value and the reporting end date. 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.

I.4 Impairment of non-current assets

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

For financial assets, the Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the profit and loss account for financial assets carried at amortized cost.

I.5 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.

I.6 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.

I.7 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.

I.8 Shareholders' equity

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

I.9 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.

I.10 Provisions

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

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

I.11 Pension obligations

Dutch pension plan

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

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

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

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

No other assets need to be recognized.

A provision has been formed for the expected guarantee fees related to previously accrued benefits that are due to the insurance company in the future.

Foreign pension plan

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

I.12 Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The deferred tax is €1.5 million per December 31, 2021, based on the estimation of the pension provision of €5.8 million per December 31, 2021.

I.13 Foreign currencies

Functional currency

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

Transactions, receivables and liabilities

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains

and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

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

Group companies

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

1.14 Arrangements and commitments not shown in the balance sheet

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

2. Accounting policies for the consolidated income statement

2.1 General

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

2.2 Net revenue

Net revenue comprises management fee and carried interest income. Most of the management fees are based on the lower of cost or fair market value of investments under management, except for more recently closed 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 or on behalf of employees.

Pensions

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

2.5 Depreciation charges

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

2.6 Taxes

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

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

2.7 Foreign currencies

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

2.8 Financial income and expense

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

Financial income includes income from investments in private equity funds.

3. Financial instruments and risk management

The financial instruments the Company uses are foreign exchange spot and short-dated 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

Currency risk arises from revenues, expenses and investments in a currency other than euro, which is the functional and presentation currency of AlInvest Partners B.V. AlInvest Partners B.V. mainly operates in the European Union, the United States and Asia. Revenues are mainly denominated in euros and US dollars. Expenses are mainly denominated in euros, US dollars and Hong Kong dollars. As a result, the financial results of the Company may be affected by movements in exchange rates of the US dollar and Hong Kong dollar versus the euro. The Company may use foreign exchange spot and short-dated forward contracts to manage cash flows in foreign currencies. Long-term future cash flow in foreign currencies is generally not hedged.

AlInvest Partners B.V. also incurs currency risk on the net investment in its consolidated foreign subsidiaries with a functional currency other than euro, primarily US dollars as well as Hong Kong dollar (AlInvest Partners Ltd).

3.2 Interest rate risk

AlInvest Partners B.V. incurs market risk in respect of interest on bank balances and short-term deposits at banks. There are no short-term deposits outstanding as per December 31, 2021. No financial derivatives for interest rate risk are contracted with regards to bank balances and short-term deposits. No variable interest rate risk loans are outstanding as per December 31, 2021.

3.3 Credit risk

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

The cash of AlInvest Partners B.V. as of December 31, 2021 was held with one credit institution with a rating of A-I 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 AlInvest Partners Ltd as at December 31, 2021 was held with one credit institution with a rating of A-I for short-term credits and A+ for long-term credits (S&P rating). All Group companies use reputable banks for their cash activities.

3.4 Liquidity risk

Cash is monitored on a daily basis by performing a reconciliation of all transactions and review of cash balances. At present, the Company has sufficient funds at its disposal in the form of cash for its current operations. Mid to long-term liquidity is monitored by means of regular forecasting.

3.5 Fair value risk

Investments in private equity funds (note 4.2) are subject to changes in fair value. They are split over investments made by employees through co-investment vehicles and investments through entities funded by The Carlyle Group. 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 limited.

4. Notes to the consolidated balance sheet

4.1 Tangible fixed assets

(€thousand)	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2021	Total 2020
Balance on January 1					
Costs	5,280	1,100	1,902	8,282	8,229
Accumulated impairment and depreciation	(4,880)	(1,012)	(1,829)	(7,721)	(7,829)
Book value	400	88	73	561	400
Movements in the year					
Additions	393	426	1,754	2,573	467
Disposals	(507)	(962)	(957)	(2,426)	(293)
FX differences on cost and additions	16	4	–	20	(121)
Depreciation	(198)	(29)	(18)	(245)	(304)
Accumulated depreciation on disposals	419	925	955	2,299	293
FX on depreciation	(16)	(3)	–	(19)	119
	107	361	1,734	2,202	161
Balance on December 31					
Costs	5,182	568	2,699	8,449	8,282
Accumulated impairment and depreciation	(4,675)	(119)	(892)	(5,686)	(7,721)
Book value	507	449	1,807	2,763	561

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	2021	2020
Balance on January 1	37,202	92,005
Movements in the year		
Investments	4,432	5,078
Distributions	(10,977)	(4,568)
Exchange differences	2,430	137
Deconsolidation	–	(61,837)
Changes in fair value	15,264	6,387
Subtotal	11,149	(54,803)
Balance on December 31	48,351	37,202

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

4.3 Receivables

	2021	2020
Carried interest receivables	11,853	3,455
Accounts receivable	348	31
Total	12,201	3,486

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

	2021	2020
Group companies		
Group companies	20,688	1,114
Total group companies	20,688	1,114
Related parties		
Carried interest due from investment entities	52,620	13,514
Management fees due from investment entities	140	1,717
Other amounts recoverable from investment entities	1,533	8,076
Total related parties	54,293	23,307

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

	2021	2020
Current income tax receivables	–	1,402
Total	–	1,402

4.6 Deferred tax assets

	2021	2020
Deferred tax assets	2,091	2,111
Total	2,091	2,111

Deferred tax assets relate to the provision for pension guarantee fees in AlInvest Partners B.V. and to temporary differences in depreciation of assets in AlInvest Partners Ltd

4.7 Prepayments and accrued income

	2021	2020
Prepaid insurance fee	164	241
Deposits	689	396
Amounts prepaid on behalf of related parties	11,039	5,487
Other prepaid items	975	1,551
Total	12,867	7,675

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, 2021.

4.9 Equity attributable to shareholders of the parent company

See notes to the company balance sheet.

4.10 Equity attributable to other shareholders

	2021	2020
Balance on January 1	53,163	104,522
Movements in the year		
Share in net profit	124,110	90,222
Exchange differences	2,497	(2,998)
Deconsolidation	–	(58,760)
Contributions by other shareholders	3,362	4,487
Dividend paid to other shareholders	(72,333)	(84,310)
Balance on December 31	110,799	53,163

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

4.II Provisions

Pensions and provisions for other long-term employee benefits

AlpInvest Partners B.V. offers an average pay plan for employees. As per December 31, 2021, the plan can be characterized by the following:

- 1.875% x pensionable salary less an offset (average pay scheme);
- The scheme applies to all salaries up to €114;
- The standard retirement age is 68.

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

The Company has a guaranteed insurance contract. Pensions and deferred pension rights of former employees and built-up pension rights of current employees can be increased yearly with a percentage to be determined by the employer.

Pension benefits of the active and inactive participants can be increased yearly at the discretion of the Company.

As of December 31, 2021 there were no outstanding obligations to finance any increases. The liability and provision relate only to AlpInvest Partners B.V.

A provision has been formed for the future guarantee fees to be paid to the insurance company for the pension rights built up prior to 2019. The discount rate that has been applied to calculate the provision is 1.2% (2020: 0.8%).

	2021	2020
Balance on January 1	8,270	6,212
Interest and change in discount rate	(454)	487
Premiums in income statement	2,118	2,817
Amounts paid to the insurance company in respect of the defined benefit scheme	(4,093)	(1,246)
Balance on December 31	5,841	8,270

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.

Provision leasehold improvements	2021	2020
Balance on January 1	298	293
Exchange differences	19	5
Balance on December 31	317	298

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, 2023). The provision is an estimate and based on a quote (HK\$2,913) from a construction company.

Provision fundraising expenses	2021	2020
Balance on January 1	215	478
Movement for the year	(77)	(263)
Balance on December 31	138	215

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

4.12 Payable to group companies

Payables are mainly to Carlyle Investment Management L.L.C. (€3,883).

4.13 Other tax and social security payables

	2021	2020
VAT	330	292
Payroll tax	677	638
Total	1,007	930

4.14 Corporate income tax liabilities

	2021	2020
Current income tax payables	3,008	18,758
Total	3,008	18,758

4.15 Other short-term liabilities

	2021	2020
Personnel-related items	19,433	22,366
Holiday leave provision	1,185	763
Accrued expenses	1,591	1,796
Finders fees payable	146	441
Total	22,355	25,366

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

4.16 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to €2,422 (2020: €1,977) per annum. A new lease was signed in 2021 to extend the rent for the Amsterdam office. The contract expires on October 31, 2029.

The monthly obligations for car leases amount to €14 (2020: €17). These contracts have an average remaining life of 13 months (2020: 15 months). The aggregate liability resulting from these contracts amounts to €165 (2020: €229).

The monthly obligations for copiers amount to €3.7 (2020: €3.5). The contracts have an average remaining life of 29 months (2020: 41 months).

The ICT service contract was terminated on March 31, 2021.

The monthly obligation for a video conferencing system amounts to €5 (2020: €5). The contract was terminated on December 31, 2021.

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 €64 as of December 31, 2021. The outstanding balances are secured by uncalled capital commitments from the underlying funds, and the Company 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. 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 and Group companies are virtually equal to the amount to be paid in the future to (former) employees and 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, 2021 at the fair market value amounts to €461 after tax (2020: €1,511).

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.

	2021	2020
Revenue from management fees		
Management fees from related parties	87,275	82,698
Management fees from other parties	39,711	11,387
Total management fees	126,986	94,085
Revenue from carried interest		
Carried interest from related parties	128,939	88,358
Carried interest from other parties	19,783	48,365
Total carried interest	148,722	136,723
Total revenue	275,708	230,808

Carried interest received from registered Alternative Investment Funds ("AIFs") and Non-Alternative Investment Funds ("Non-AIFs") included in the above amounts to €17,053 (2020: €31,585).

5.2 Personnel expenses and social security expenses

	2021	2020
Salaries and wages (including bonuses)	59,653	71,196
Pension charges	1,664	3,303
Other personnel expenses	2,086	1,248
Social security expenses	1,090	1,047
Total personnel expenses and social security expenses	64,493	76,794

In 2018, 2019, 2020 and 2021 several employees were awarded Units in The Carlyle Group to which vesting conditions apply (note 8). The expenses recognized (2021: €3,165; 2020: €1,195) 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 2020 and 2021, the actual cumulative expense has been taken into account. The vesting period expires on different dates up to August 1, 2024.

Compared to 2020, the lower salaries and wages (including bonuses) are mainly due to lower bonuses and carried interest.

5.3 Depreciation and amortization

	2021	2020
Tangible fixed assets	245	304
Result on disposal of assets	83	–
Total	328	304

5.4 Administrative expenses

	2021	2020
Rent and office related expenses	3,134	2,809
ICT and communication expenses	1,679	2,099
Travel and related expenses	187	1,014
Audit of the financial statements*	211	237
Other audit procedures*	205	166
Tax services from audit firms*	4	4
Other advisory services	1,350	1,532
General and administrative expenses	2,513	1,812
Other expenses	435	(17)
Total	9,718	9,656

*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 I(I) 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

	2021	2020
Management fees paid to related parties	7,595	3,903
Total	7,595	3,903

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

	2021	2020
Interest income	–	141
Realized gains on investment in private equity funds	6,718	2,054
Unrealized gains on investments in private equity funds	8,546	4,333
Other	–	264
Currency results	634	479
Total	15,898	7,271

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

	2021	2020
Interest expense	(303)	(246)
Total	(303)	(246)

5.8 Corporate income tax

	2021	2020
Net result according to the consolidated income statement	178,350	121,029
Corporate income tax charged to income statement	30,819	(26,147)
Share third parties (non-taxable)	(87,092)	(41,969)
Net result before tax	122,077	105,207
Depreciation allowances (HK)	(97)	(182)
Non-deductible expenses (HK)	470	147
Non-deductible expenses (NL)	2,046	1,214
Taxable amount	124,496	106,386
Amount subject to 16.5% rate in HK	452	386
Amount subject to 15% rate in NL (16.5% in 2020)	345	326
Amount subject to 25% rate	29,931	25,493
Total corporate tax income	30,728	26,205
Prior year tax adjustment	(60)	(31)
Interest paid	81	-
Deferred tax	70	(27)
Total tax	30,819	26,147

The total tax charge for the year amounts to €30,819 (2020: €26,147), which to a large extent is related to Dutch fiscal entities. The overall effective tax rate in 2021 amounts to 14.7% (2020: 17.8%). The statutory tax rate in The Netherlands is 25% (2020: 25%). The difference between the effective tax rate and the statutory tax rate in 2021 is mainly due to the different applicable statutory rate for Alpinvest Partners Ltd (16.5%), tax exemptions in some tax jurisdictions and non-deductible expenses which consist mostly of grants of RSUs in The Carlyle Group (note 5.2 and note 8).

5.9 Share third parties

	2021	2020
Share third parties	(124,110)	(90,222)
Total	(124,110)	(90,222)

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. The other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company and its subsidiaries.

6. Supplementary information consolidated financial statements

6.1 Employees

	2021	2020
Average number of FTE — total	104	97
Average number of FTE — located outside The Netherlands	16	16

Company financial statements

-
- 31 Company balance sheet
 - 32 Company income statement
 - 33 7. Notes to the company balance sheet
 - 46 8. Supplementary information company financial statements

Company balance sheet

(before proposed profit appropriation)

(€thousand)	December 31, 2021	December 31, 2020
ASSETS		
Non-current assets		
Tangible fixed assets ⁷²		
Other fixed assets	2,692	518
Financial assets ⁷³		
Participation in group companies	2,718	2,281
	5,410	2,799
Current assets		
Accounts receivable		
Receivables	2,243	1,303
Receivables from group companies	23,655	2,512
Receivables from related parties	6,532	10,595
Corporate income tax receivables	–	1,352
Deferred tax assets	1,973	2,107
Prepayments and accrued income ⁷⁵	12,325	7,025
	46,728	24,894
Cash and cash equivalents ⁷⁶		
Cash	47,832	32,008
	47,832	32,008
Total assets	99,970	59,701
LIABILITIES AND EQUITY		
Shareholder's equity⁷⁷		
Share capital	4,000	4,000
Reserve for currency exchange differences	360	217
Other reserves	7,633	428
Interim distribution	–	(22,000)
Legal reserve	267	142
Profit for the year	54,240	30,807
Total shareholders' equity	66,500	13,594
Provisions		
Provision fundraising expenses	138	215
Provision pension	5,836	8,270
Current liabilities		
Creditors	190	194
Payable to group companies	6,370	11,621
Corporate income tax liabilities	2,313	3,057
Other tax and social security payables	1,007	885
Other short-term liabilities ⁷⁸	17,616	21,865
	33,470	46,107
Total liabilities and equity	99,970	59,701

Company income statement

(€thousand)

2021

2020

Income from participating interests after tax ⁷³	1,603	1,836
Other results after tax	52,637	28,971
Net profit	54,240	30,807

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

(€thousand)	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2021	Total 2020
Balance on January 1					
Costs	5,051	1,044	1,011	7,106	6,674
Accumulated impairment and depreciation	(4,651)	(975)	(962)	(6,588)	(6,381)
Book value	400	69	49	518	293
Movements in the year					
Additions	366	405	1,742	2,513	434
Disposals	(507)	(962)	(957)	(2,426)	(2)
Depreciation	(190)	(19)	(2)	(211)	(209)
Accumulated depreciation on disposals	418	925	955	2,298	2
	87	349	1,738	2,174	225
Balance on December 31					
Costs	4,910	487	1,796	7,193	7,106
Accumulated impairment and depreciation	(4,423)	(69)	(9)	(4,501)	(6,588)
Book value	487	418	1,787	2,692	518

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

All Group companies are considered to be going-concern.

The information for the Company is as follows:

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

As at December 31, 2021, 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
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

Name of company	Registered office	% ownership	Core activities
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 partnership(s) 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)
AlpInvest Partners Clean Technology Investments 2010-2011 B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s) 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)

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

Name of company	Registered office	% ownership	Core activities
AP 2011–2014 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2011 LLC	Delaware	60 of carry through AP 2011–2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 LLC	Delaware	60 of carry through AP 2011–2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Sec V GP LLC	Delaware	60 of carry through AP 2011–2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AP 2014–2016 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest North Rush GP LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
Direct Portfolio Management B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest SF VI B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest FCR Secondaries GP LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Secondaries VI Lux GP S.à r.l.**	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 I B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 II B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 I B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 II B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 I B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 II B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AMC 2015 Holding Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2015 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Secondaries VI GP LLC	Delaware	60 of carry through ASP VI 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest GA B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)

Name of company	Registered office	% ownership	Core activities
AlpInvest Global Advantage GP, LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Access GP, LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest CI VII B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Co-Investment VII Lux GP S.à r.l.	Luxembourg	100	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 B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2016 II B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2016 I B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondary Investments 2016 I B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program GP, LLC	Delaware	60 of carry through AP 2014–2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest U.S. Co-Investment Access GP, LLC	Delaware	60 of carry through AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AP Co-Invest 2016–2020 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
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)

Name of company	Registered office	% ownership	Core activities
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
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)

Name of company	Registered office	% ownership	Core activities
AlpInvest PSS GP, LLC	Delaware	60 of carry through ASP VI 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest C GP, LLC	Delaware	60 of carry through AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest J GP, LLC	Delaware	60 of carry through ASP VI 2016–2020 SLP Ltd and AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest MMBO Holdings GP, LLC	Delaware	60 of carry through AP Primary 2017–2021 SLP LTD	Acts as general partner of one or more limited partnership(s)
AP Primary 2017–2021 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	The objects for which the company is established are unrestricted
AlpInvest KP GP S.à r.l.**	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest Primary Non-US Co-Invest, LP	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest Primary US Co-Invest, LP	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest M GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP M GP LLC	Delaware	60 of carry through AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest P GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP P GP LLC	Delaware	60 of carry through AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2018 II B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Access II GP, LLC	Delaware	60 of carry through AP Co-Invest 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondary Investments 2018/2019 I B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP World Fund B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Investments B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s) (in the new Kapan Mandate)
AlpInvest Private Equity Program 2017 GP, LLC	Amsterdam	60 of carry through ASP VI 2016–2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)

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

Name of company	Registered office	% ownership	Core activities
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 B.V. balance sheet investment
AlpInvest Secondaries VII Lux GP S.à r.l.	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2020 II B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest ASR GP, LLC	Delaware	60 of carry through AP Primary 2017–2021 SLP Ltd Investments funded by TCG AP Investments Holdings Ltd	Acts as general partner of one or more limited partnership(s)
ASP Thunderball B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Access II GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest GGG II B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP Harvest GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest SF VII B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
Alp Co-Invest VIII Lux S.à r.l.	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Falcon SCF I GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest CI VIII B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
ALP L Global GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest PM GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest J II GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Cendana I GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest G II GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Chesapeake SCF I GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest G II GP S.à r.l.	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest KP II GP S.à r.l.	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest CWS GP S.à r.l.	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest FS II GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)

Name of company	Registered office	% ownership	Core activities
AlpInvest AF B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Atom Lux GP S.à r.l	Luxembourg	100	Acts as general partner of one or more limited partnership(s)
AlpInvest CWS 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 Administratiekantoor 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 Administratiekantoor AlpInvest Partners.

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

7.4 Forward contracts

AlpInvest Partners B.V. did not enter into any hedge contracts in 2020 and 2021. As at December 31, 2021 and at December 31, 2020 no forward contracts were outstanding.

7.5 Prepayments and accrued income

	2021	2020
Prepaid insurance fees	–	59
Amounts prepaid on behalf of related parties	11,039	5,577
Other prepaid items	1,286	1,389
Total	12,325	7,025

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

7.6 Cash

Cash is at the Company's free disposal.

7.7 Shareholders' equity

Share capital

The Company's authorized capital at year end 2021 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	2021	2020
Balance on January 1	217	495
Movements in the year	143	(278)
Balance on December 31	360	217

This reserve relates to the revaluation of AlInvest Partners Ltd

Legal reserve	2021	2020
Balance on January 1	142	188
Released to/added from other reserves	125	(46)
Balance on December 31	267	142

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	2021	2020
Balance on January 1	428	(1,197)
Profit previous year	8,807	20,183
Dividend paid out	-	(18,000)
Other movements	(1,477)	(605)
Released from/(moved to) legal reserve	(125)	47
Balance on December 31	7,633	428

The amount of total eligible funds net of deductions ("toetsingsvermogen") in accordance with the requirements under the AIFMD amounts to €36,228 (corrected for 2020: €11,314). This amount consists of the shareholders' equity less the participation in group companies (€2,682).

Total capital required based on assets under management according to the AIFMD regulation as per December 31, 2021 amounted to €5,188 (2020: €4,093). The solvency requirement based on the fixed cost calculation amounted to €9,301 (2020: €7,042).

7.8 Other short-term liabilities

	2021	2020
Personnel-related items	16,022	19,720
Accrued expenses	1,310	1,487
Finders fees payable	284	657
Total	17,616	21,865

7.9 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to €2,115 per annum (2020: €905 per annum). The leases have been extended until October 31, 2029.

The monthly obligations for car leases amount to €14 (2020: €17). These contracts have an average remaining life of 13 months (2020: 15 months).

The monthly obligations for copiers amount to €2 (2020: €2). The contracts have an average remaining life of 12 months (2020: 24 months).

The ICT service contract was terminated on March 31, 2021.

The monthly obligation for a video conferencing system amounts to €5 (2020: €5). The contract was terminated on December 31, 2021.

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, 2021 at the fair market value amounts to €461 after tax (2020: €1,511).

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"). The below summary of the Policy is included in the financial statements of AlpInvest Partners B.V., which is shown on AlpInvest's website. AlpInvest's Board is responsible for periodically testing the Policy and overseeing the implementation of the Policy. On an annual basis the Board reviews whether a) the 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.

As a result of a review of the Policy (the "2021 Policy Review"), changes in the Policy were implemented in 2021. These changes are described and reflected below.

The below information applies to AlpInvest as a whole and not only to the Partnership, as the investment process is organized across the different funds managed by AlpInvest and it is not possible to allocate a specific amount of remuneration to the Partnership. The information included under "Carried Interest" is calculated specifically for each Partnership.

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 the following:

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

From 2021, AlpInvest has identified the following categories of its staff as Identified Staff:

- Risk Takers (which includes members of the Board, the Investment Committee and Operating Committee); and
- Control Functions.

The definition of Identified Staff changed as a result of the 2021 Policy Review. In prior years, Identified Staff included Senior Management, Managing Directors, Control Functions, and the Supervisory Function. The number of Identified Staff has therefore reduced when compared to prior year(s).

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 (i.e., remuneration), in exchange for professional services rendered by such Identified Staff.

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.

Certain members of the Board and the Investment Committee are employed by another group entity of AlpInvest and receive remuneration from such group entity. AlpInvest will arrange with the group entity that the principles set forth in the Policy are applied to the remuneration which is allocated to the activities performed by Identified Staff for AlpInvest. From 2021, for Identified Staff that are employed by another group entity of AlpInvest, an appropriate allocation mechanism has been established to allocate and attribute such individual's remuneration to the AIF(s). The allocation mechanism was determined as part of the 2021 Policy Review and has been applied for the first time in 2021. The allocation mechanism is based on total commitments made from the AIF(s) as a percentage of total commitments made by AlpInvest during the 12 months ended October 31, 2021, which is considered representative of the activities of the reporting year. No allocation was applied in prior years, and therefore, comparative figures include all remuneration of Identified Staff employed by another group entity of AlpInvest. The allocation mechanism will be reviewed on an annual basis.

Fixed component

The fixed component consists of a base salary. AlpInvest aims to achieve a proper balance between the fixed component and variable component, and to set the fixed component sufficiently high in order for the variable component to be able to decrease as a result of negative performance. AlpInvest aims to set the fixed component sufficiently high to remunerate the professional services rendered by Identified Staff in line with the following:

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

Variable component

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

Carried interest

Payout 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 begins providing services to the AIF or AlpInvest thereafter, at such a later date), and is subject to vesting.

Carried Interest entitlement vests annually, during a period consisting of approximately eight years, reaching 80% vested during the first four years after a mandate starts investing (generally aligned with the typical investment period of a mandate) and with the final 20% vesting in year eight. Carried interest will vest as long as the Risk Taker is providing services to the AIF, AlInvest or any of its affiliates. Should the Risk Taker cease providing services to the AIF, AlInvest or any of its affiliates, the unvested portion of any Carried Interest entitlement with respect to the AIF will be forfeited.

Bonus

The Bonus consists of a discretionary annual cash payment and is designed to reward Identified Staff for individual performance and performance by AlInvest 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 AlInvest-wide performance.

The Bonus may include other bonuses and bonuses which are subject to certain conditions.

In addition, certain Identified Staff may receive Restricted Stock Units ("RSUs"). A RSU represents an unfunded, unsecured right of Identified Staff to receive restricted stock unit awards of The Carlyle Group Inc. on the delivery date. RSUs typically

vest over a three and a half year term, with 40% vesting in 1.5 years and 30% in each successive year, and provide for long-term alignment between the interests of relevant Identified Staff and AlInvest's investors. To a limited group of staff members, Strategic RSUs have been issued for which vesting is also spread over several years and which are conditional upon the reaching of certain pre-agreed milestones by The Carlyle Group Inc.

All RSUs held by the Identified Staff that were scheduled to vest after the Resignation Date (if applicable) shall be forfeited without payment of consideration as of the Resignation Date.

Notwithstanding the resignation, the Identified Staff's rights in respect of any vested RSU(s) shall continue to be governed by the terms of the Equity Incentive Plan and the relevant RSU Award Agreements.

Lastly, management may, at its discretion, grant promotion RSUs which fully vest over a three-and-a-half-year term. In such an instance, RSUs granted vest 40% in 1.5 years and 30% in each successive year.

	"Identified staff" ^{50,51}	All employees of AlInvest Partners B.V.
Number of employees (average over 2021)	17	114
Remuneration		
Total remuneration 2021 ⁴⁸	45,365	48,676
Remuneration categories		
Total fixed remuneration 2021	2,919	10,624
Total variable remuneration (based on performance) 2021 ⁴⁹	42,446	38,052
Carried interest		
Total variable remuneration (AIF-related — carried interest) ⁵²	10,897	10,144

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 2021, 107 employees of AlInvest Partners B.V. received variable remuneration which included performance-based variable remuneration and/or variable remuneration from carried interest.

⁴⁸ Seven employees earned variable compensation in 2021 in excess of EUR 1 million (excluding carried interest)

⁴⁹ Total variable remuneration includes 2021 RSU compensation, which is partially based on value upon grant date in 2021 and partially based on value upon grant date.

⁵⁰ "Identified staff" includes employees located in Amsterdam (8 employees), Hong Kong (1 employee) and New York (4 employees), not just those employed by AlInvest Partners B.V.

⁵¹ Remuneration of Identified Staff not employed by AlInvest Partners B.V. but by another group entity includes only the amount of remuneration that has been allocated to the AIF(s) based on an agreed-upon allocation mechanism.

⁵² The information included under "Carried Interest" is calculated specifically for each AIF.

The total amount of variable remuneration paid to employees amounted to €38,052. Seven employees (not limited to AlInvest Partners B.V., but including its affiliates and subsidiaries), both active in operations as well as the investment side of the business, received total compensation of €1 million or more (fixed remuneration plus variable remuneration, excluding carried interest).

Please note:

- All remuneration disclosed above is on an accrual basis except for the amount of RSU(s) which is partially based on value upon grant date in 2021 and partially based on value upon grant date.
- USD amounts are converted to EUR (where applicable) at an average rate of 1.18
- HKD amounts are converted to EUR (where applicable) at an average rate of 9.19
- GBP amounts are converted to EUR (where applicable) at an average rate of 0.86
- USD RSU amounts are converted to EUR at the year-end rate of 1.14.

8.2 Further information on Directors' remuneration

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

	2021	2020
Salaries and wages	746	882
Bonuses	6,577	4,532
Pension charges	219	594
Other personnel expenses and social charges	132	113
Total	7,674	6,121

Equity value accumulated due to carried interest distributions to which the Directors are entitled amounted to €6,367 (2020: €9,991). 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 November 25, 2020, the shareholders have declared an interim dividend of €22.0 million over the first three quarter's profits of 2020. The final dividend proposed is equal to the interim dividend of €22 million. No further dividend is proposed.

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

The Managing Board proposes to pay out €470 million from the other reserves as dividend to the shareholders. This proposal has not been recognized in the 2021 company balance sheet.

8.4 Subsequent events

The global macroeconomic outlook has altered after the year end as the Russian invasion of Ukraine in February 2022 and the sanctions that followed have caused disruptions globally. AlInvest does not think the uncertainty of the market has a negative impact on the business. On the contrary, dislocations in public and private markets could bring about attractive investment opportunities as entry prices adjust downwards in risk-off periods. Therefore, AlInvest remains confident that its highly disciplined investment approach and experience over multiple cycles position it well to exploit such opportunities as they arise. Portfolio diversification across strategies, geographies and time will continue to be critical to maximize risk-adjusted returns for clients, also under unusually high economic uncertainty.

Amsterdam, May 24, 2022

The Managing Board

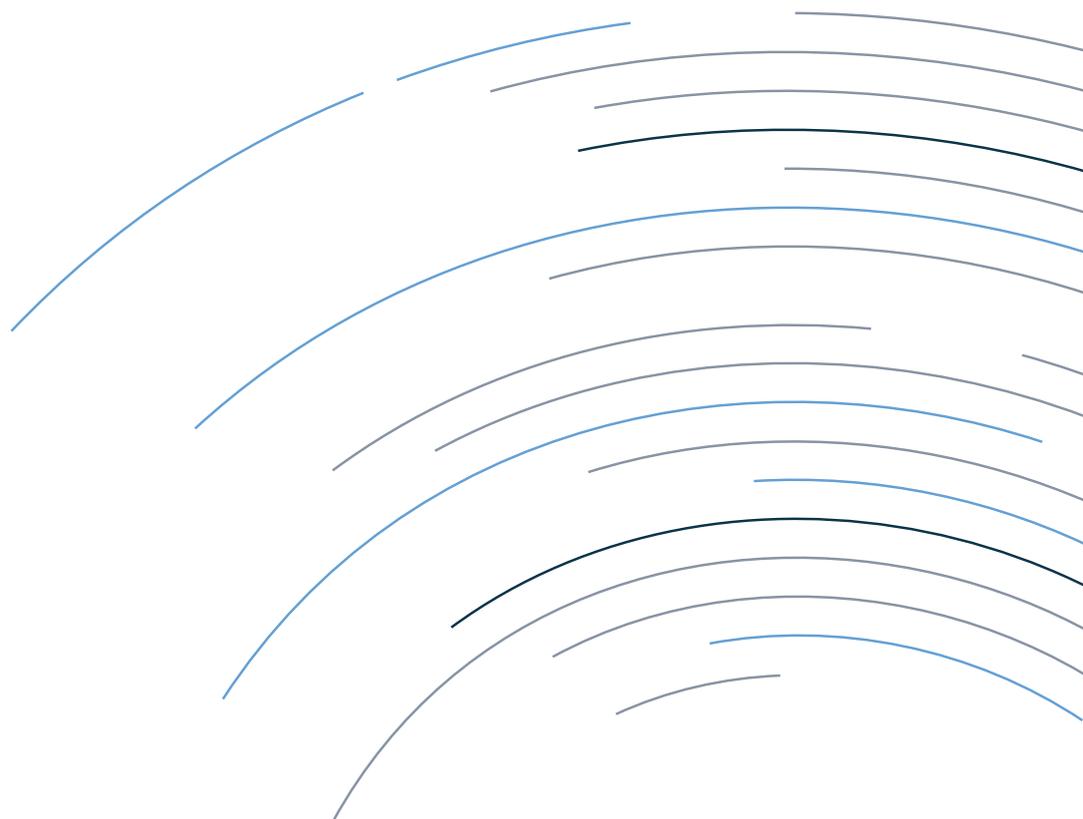
R.B. Bagijn
E.K. Herberg
W.J. Moerel

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 payments of its due debts.



Independent auditor's report

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

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 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 2021, and of its result for 2021, 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 2021
- The consolidated and company income statement for 2021
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Report on other information included in the annual report

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

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

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

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

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

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

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

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

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

Our responsibilities for the audit of the financial statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements,

whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Amsterdam, 25 May 2022
Ernst & Young Accountants LLP
signed by J.C.J. Preijde

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