# DUTCH VENTURE INITIATIVE II S.A. SICAR

Société d'investissement en capital à risque
R.C.S. Luxembourg B 205 590

**Registered office: 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg**

## Audited financial statements for the year ended March 31, 2023

# DUTCH VENTURE INITIATIVE II S.A. SICAR

## Table of contents

# DUTCH VENTURE INITIATIVE II S.A. SICAR

## Management and Administration

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# Board of Directors' report

**For the year ended March 31, 2023**

The Dutch Venture Initiative II S.A. SICAR ("DVI II" or the "Company") was incorporated on April 12, 2016 as a risk capital investment company (Société d'Investissement en Capital à Risque) established as a public limited liability company (Société Anonyme) subject to the Luxembourg 15 June 2004 Act on SICAR. The Company was approved by the Luxembourgish financial sector supervision authority, the Commission de Surveillance du Secteur Financier ("CSSF") and entered on the official list of SICARs with effect as of April 12, 2016.

The Company held a first and final closing on April 18, 2016 at an amount of EUR 200m, with regional development agency Oost NL and EIF committing EUR 100m each. On the investment side, DVI II has had a very positive start. Since its first closing, 13 transactions have been approved by the Investment Committee; being (in alphabetical order) Biogeneration Capital III, Finch Capital II, Forbion Capital IV, Fortino Capital II Growth, Gilde Healthcare IV, Gilde Healthcare Services III, Karmijn Kapitaal II, Life Science Partners 6, LSP Health Economics Fund II, Newion Investments III, Prime Ventures V, SET Fund II and Vortex Capital Partners II. As of the reporting date, all of these approved transactions have been signed. The total amount of signed transactions climbed to EUR 194m, equal to 97% of the total fund size. During the reporting period, these 13 signed Funds made 8 new investments, bringing the total of underlying portfolio companies to 177, of which 61 based in the Netherlands. We expect the underlying company portfolio to grow further, albeit at a much slower pace, as, except for SET Fund III, all of the underlying funds have completed their investment periods. The total amount of capital called from investors since the incorporation of the Fund climbed to EUR 171.2m, representing 85.6% of the total commitments. The total amount of capital distributed to the investors increased to EUR 58.2m, equivalent to 34.0% of the paid-in capital. Only four of the underlying 13 funds have drawn less than 75% of their committed capital, whilst seven of the 14 underlying funds are already past the 80% drawn mark.

Since the launch of its predecessor fund, the Dutch Venture Initiative investment programme has been welcomed by the Dutch VC market and has become an important element of the Dutch innovation eco-system. By enabling managers to attract additional funds from private investors, it proved its strong catalytic effect, allowing much larger fund sizes and more capital available for innovative Dutch SMEs than would otherwise have been the case. It is therefore remarkable to note that the total combined size of the 13 underlying DVI II funds has reached an amount of over EUR 2.6 billion.

The Company's underlying portfolio has demonstrated remarkable resilience since the start of the COVID-19 pandemic in March 2020, as well as the start of the war in Ukraine in 2022. It is however clear that we have also entered a period of increased economic and geopolitical uncertainty. High and persistent inflation triggered interest rate increases by the major central banks globally, which is also affecting the markets where the Company operates. These events have led to corrections both in public and private markets, also in the form of lower valuations, lower M&A activity and lower exit volumes of VC/PE-backed companies. Furthermore, fundraising amounts by VC/PE fund managers have dropped substantially compared to the previous five years.

As a final note, investment initiatives in the public domain, such as but not limited to DVI II, are scrutinized by various media channels in the Netherlands. Especially in the context of providing continuity and stability to venture and growth capital ecosystems to support SMEs in the Netherlands, it is important to monitor the situation closely and – if -appropriate – to intervene, in order to safeguard the reputation of the Company.

Gabriele TODESCA

**Gabriele Todesca**
**Chairman of the Board**

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To the Shareholders of
Dutch Venture Initiative II S.A. SICAR
15, Boulevard F.W. Raiffeisen
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# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

## *Opinion*

We have audited the financial statements of Dutch Venture Initiative II S.A. SICAR (the "Company"), which comprise the Statement of financial position as at March 31, 2023, and the Statement of comprehensive income, Statement of changes in net assets attributable to holders of redeemable shares and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

## *Basis for Opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### *Responsibilities of the Board of Directors of the Company for the financial statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Responsibilities of the réviseur d'entreprises agréé for the audit of the financial statements*

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

— Obtain 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.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of Board of Directors' 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Luxembourg, October 31, 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

V. Ehx

# DUTCH VENTURE INITIATIVE II S.A. SICAR

## Statement of financial position

### As at March 31, 2023

| | Notes | As at March 31, 2023 EUR | As at March 31, 2022 EUR |
|---|---|---|---|
| **Assets** | | | |
| Financial assets at fair value through profit or loss | 4 | 202 575 220 | 175 409 431 |
| | | **202 575 220** | **175 409 431** |
| Other receivables | 6 | 3 611 | 4 815 |
| Cash and cash equivalents | 10 | 3 332 600 | 4 603 736 |
| | | **3 336 211** | **4 608 551** |
| Deferred charges | 11 | 27 532 | 3 300 |
| **Total assets** | | **205 938 963** | **180 021 282** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Other payables and accrued expenses | 5 | 141 217 | 121 815 |
| Tax debts | 9 | 2 321 | 2 802 |
| Amounts payable to affiliated undertakings | 7 | 637 124 | 1 080 001 |
| **Total liabilities (excluding net assets attributable to holders of redeemable shares)** | | **780 662** | **1 204 618** |
| **Net assets attributable to holders of redeemable shares** | | **205 158 301** | **178 816 664** |
| Represented by: | | | |
| ***Number of Ordinary shares outstanding*** | 12 | 55 017 886 | 50 367 886 |
| ***Number of Class A shares outstanding*** | 12 | 1 | 1 |
| ***Number of Class B shares outstanding*** | 12 | 55 017 887 | 50 367 887 |

The accompanying notes form an integral part of these financial statements.

# DUTCH VENTURE INITIATIVE II S.A. SICAR

## Statement of comprehensive income

## For the year ended March 31, 2023

| | Notes | Year ended March 31, 2023 EUR | Year ended March 31, 2022 EUR |
|---|---|---|---|
| **Income** | | | |
| Other financial income | 18 | - | 77 772 |
| Fair value adjustment on financial assets at fair value through profit or loss | 4 | 15 201 014 | 20 252 423 |
| Interest Income | | 708 | 2 731 |
| Dividend Income | 8 | 3 595 889 | 11 639 287 |
| **Total income** | | **18 797 611** | **31 972 213** |
| **Expenses** | | | |
| Administration and depositary fees | 13 | (118 464) | (96 630) |
| Professional fees | 13 | (1 563 086) | (1 551 937) |
| Other operating fees | 14 | (54 930) | (59 882) |
| Other financial charges | 15 | (14 679) | (27 039) |
| Income tax | 16 | (4 815) | (17 613) |
| **Total operating expenses** | | **(1 755 974)** | **(1 753 101)** |
| **Total comprehensive profit for the year** | | **17 041 637** | **30 219 112** |

The accompanying notes form an integral part of these financial statements.

# DUTCH VENTURE INITIATIVE II S.A. SICAR

## Statement of changes in net assets attributable to holders of redeemable shares

## For year ended March 31, 2023

| | Year ended March 31, 2023 EUR | Year ended March 31, 2022 EUR |
|---|---|---|
| **Net assets attributable to holders of redeemable shares at the beginning of the year** | **178 816 664** | **138 116 372** |
| Proceeds from redeemable shares issued | 22 300 000 | 36 705 308 |
| Distributions to holders of redeemable shares (Finance cost) | (13 000 000) | (26 224 128) |
| **Net increase from share transactions** | **9 300 000** | **10 481 180** |
| Total comprehensive profit/(loss), excluding finance cost | 17 041 637 | 30 219 112 |
| **Increase in net assets attributable to holders of redeemable shares from operations** | **17 041 637** | **30 219 112** |
| **Net assets attributable to holders of redeemable shares at the end of the year** | **205 158 301** | **178 816 664** |
| **Number of redeemable shares outstanding at the beginning of the year** | **100 735 774** | **90 254 594** |
| Number of redeemable shares issued during the year | 22 300 000 | 36 705 308 |
| Number of redeemable shares sold during the year | (13 000 000) | (26 224 128) |
| **Number of redeemable shares outstanding at the end of the year** | **110 035 774** | **100 735 774** |

The accompanying notes form an integral part of these financial statements.

## DUTCH VENTURE INITIATIVE II S.A. SICAR

## Statement of Cash Flows

## For year ended March 31, 2023

| | Notes | Year ended March 31, 2023 EUR | Year ended March 31, 2022 EUR |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating profit/(loss) | | 17 041 637 | 30 219 112 |
| **Adjustment for:** | | | |
| Net changes in fair value of financial assets at fair value through (profit) or loss | 4 | (15 201 014) | (20 252 423) |
| Purchase of investments | 4 | (19 801 125) | (35 534 340) |
| Proceeds from sale of investments | 4 | 7 836 350 | 7 894 667 |
| **Operating loss before working capital changes** | | **(10 124 152)** | **(17 672 984)** |
| (Increase) in Deferred charges | 11 | (24 232) | (300) |
| Increase in Other payables and accrued expenses | 5 | 19 402 | 12 744 |
| Decrease in Other receivables | 6 | 1 204 | 1 625 981 |
| (Decrease)/Increase in Amounts payable to affiliated undertakings | 7 | (442 877) | 825 378 |
| (Decrease)/Increase in Tax debts | 9 | (481) | 2 162 |
| **Net cash provided by/(used in) operating activities** | | **(10 571 136)** | **(15 207 019)** |
| **Cash flows from financing activities** | | | |
| Capital contributions from shareholders | 12 | 22 300 000 | 36 705 308 |
| Distributions paid to shareholders | 12 | (13 000 000) | (26 224 128) |
| **Net cash from financing activities** | | **9 300 000** | **10 481 180** |
| **Net (decrease) in cash and cash equivalents** | | **(1 271 136)** | **(4 725 839)** |
| Cash and cash equivalents at the beginning of the year | | 4 603 736 | 9 329 575 |
| **Cash and cash equivalents at the end of the year** | | **3 332 600** | **4 603 736** |

The accompanying notes form an integral part of these financial statements.

### 1. General information

Dutch Venture Initiative II S.A. SICAR (the “Company”) was incorporated on April 12, 2016 as a Luxembourg investment company in risk capital (Société d'Investissement en Capital à Risque) with variable capital governed by the 2004 Act, the Companies Act and the Articles of Incorporation and has adopted the form of a public limited liability company (Société Anonyme). The registered office of the Company is established in 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg. The company is registered with the Luxembourg trade and companies register under the number B.205.590.

The Company's investment objective is to invest assets representing risk capital over a long investment horizon (on average, 10 to 15 years). The Company intends to achieve its objectives through the construction of a balanced portfolio of Portfolio Funds that invest their assets in private equity or venture capital. All participation in, or commitments to, Portfolio Funds will have to qualify as risk capital within the meaning of article 1 of the 2004 Act and CSSF Circular 06/241.

Portfolio Funds will target as part of their investment objectives to invest (including as the case may be through co-investments) in Innovative SMEs with above-average future growth prospects and a strong competitive position in their sector.

The Company has been set up for a limited duration and will be automatically put into liquidation on April 12, 2033, or if earlier, the date on which all Investments have been disposed of or otherwise realised by the Company and the proceeds of such disposals or realisations have been distributed to the Investors, or upon a Supermajority Resolution.

The fiscal year will begin on April 1 of each year and ends on March 31 of the next year, with the exception of the first financial period, which began on April 12, 2016 (incorporation date of the Company) and ended on March 31, 2017.

As at March 31, 2023, the Company is held by European Investment Fund (“EIF”) and by Ontwikkelingsmaatschappij Oost Nederland NV (“Oost NL”). Class A Share and Ordinary shares are held by EIF and Class B Shares are held by Oost NL.

## 2. Summary of significant accounting policies

The financial statements of Dutch Venture Initiative II S.A. SICAR have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and on a going concern basis.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

### 2.1 Basis of preparation

#### 2.1.1. Basis of measurement

The financial statements have been prepared on an historical cost basis except for the following material item in the statement of financial position:

- financial assets at fair value through profit or loss which are measured at fair value.

The Company's financial statements have been authorized for issue by the Board of Directors on October 19, 2023.

#### 2.1.2. Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment when applying the Company's policies. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 2.2.

Judgments and estimates are principally made in the following areas:

- determination of fair values of financial assets.
- determination and disclosures of unconsolidated structured entities and investment entities in which the Company has an interest

In respect of unconsolidated structured entities and investment entities, further disclosures are described in note 19.

#### 2.1.3 Investment entities' consolidation exemption

The Investment entities' consolidation exemption (Amendments to IFRS 10, IFRS 12 and IAS 27) is applicable for the periods commencing on January 1, 2014. The Company qualifies as an investment entity since it meets the below criteria under IFRS 10:

- Obtain funds from one or more investors for the purpose of providing those investors with investment management services;

## 2. Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.3 Investment entities' consolidation exemption (continued)

- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance substantially all of its investment on a fair value basis.

Since the Company meets the definition of an investment entity, it is not required to consolidate the investment. As a result, the Company has accounted its investments at fair value through profit or loss (FVTPL).

#### 2.1.4. Functional currency and foreign currency translation

(a) Functional and presentation currency

These financial statements are presented in euro, which is the Company's functional currency.

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, the management uses its judgment to determine the functional currency that most faithfully represents the economic effect underlying transactions, events and conditions.

The Company's investors are mainly from the Eurozone, with the subscriptions and redemptions of the shares denominated in Euro. The performance of the Company is measured and reported to the investors in Euro.

The Board of Directors considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents, if any, are presented in the statement of comprehensive income within 'net foreign currency gains or losses on cash and cash equivalents'.
Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'Fair value adjustment on financial assets at fair value through profit or loss'.

## 2. Summary of significant accounting policies (continued)

### 2.2. Financial assets at fair value through profit or loss - Investments

#### 2.2.1. Classification and measurement

**Classification**
The Company classifies its investments in private equity funds and equity securities as financial assets at fair value through profit or loss (hereafter "FVTPL"). The classification of the investments is determined at initial recognition. Such investments are acquired for a long term in the normal course of the Company's activities.

**Initial recognition and derecognition**
Purchases and sales are initially recognised on trade date. They are initially recognised at fair value. Fair value consideration is explained in the section below.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the Company has substantially transferred all risks and rewards of ownership.

**Subsequent measurement**
The financial assets are subsequently measured at fair value, and any changes in fair value are directly recognised in the statement of comprehensive income within net income from financial assets at FVTPL, in the period in which they arise.

**Fair value measurement**
Private equity investments are classified as Fair Value through the Profit and Loss (FVTPL) and are measured at fair value and disclosed in accordance with the fair value hierarchy required by IFRS 13 and described in note 3.4.1. The fair value of financial assets traded in active markets (level 1 according to the fair value hierarchy) are based on quoted market prices at the close of trading on the reporting date. Given the nature of private equity, market prices are often not readily available and in the absence of these valuation techniques (level 3 according to the fair value hierarchy) are applied.

### 2. Summary of significant accounting policies (continued)

#### 2.2. Financial assets at fair value through profit or loss - Investments (continued)

#### 2.2.1. Classification and measurement (continued)

For the valuation of private equity, the Company further breaks down these valuation techniques into 3 categories as follows:

- Category A – funds that have adopted the fair value requirements of IFRS 9 or IPEV Guidelines. The fair value is calculated by applying the aggregated Net Asset Value (NAV) method. This valuation method implicitly assumes that if the NAVs of underlying funds can be considered as equivalent to the fair value as determined under IFRS 9, then the aggregation of the NAVs of all funds will itself be equivalent to the fair value as determined under IFRS 9.

- Category B – funds that have adopted other valuation guidelines or standards that can be considered as in line with IFRS 9 from which an equivalent NAV can be calculated.

- Category C – funds that have not adopted the fair value requirements of IFRS 9 or any other valuation guidelines in line with IFRS 9.

Although it is assumed for Category A that the NAV is a reliable estimation of the fair value and a specific review is performed for categories B and C, it must be stated that underlying investments have been estimated in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation and current market conditions, actual results in the future could differ from the fund manager’s estimate of values and the difference may be material to the financial statements.

As far as Category C funds are concerned, adjustments to the NAV may be required to comply with the Company’s valuation policy.

The investee funds of the Company have been classified as Category A. The fair value attributable NAV of the investee funds is determined through applying either the Company’s percentage ownership in the underlying vehicle to the NAV reflected in the most recent report or, to the extent available, the precise share value at the same date, submitted by the respective fund manager.

## 2. Summary of significant accounting policies (continued)

### 2.3. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

### 2.4. Other payables and accrued expenses

Other payables and accrued expenses are not interest bearing and are stated at their nominal value which approximates their fair value because of their short term to cash payment.

### 2.5. Interest and similar income

Interest income and similar income is recognised in the statement of comprehensive income, within interest income. Interest-bearing instruments currently comprise deposit accounts only, on which interest is accrued at cost.

### 2.6 Shares

The Company is a closed-ended SICAR; consequently investors are not entitled to request redemption of their Shares, except the European Investment Fund. The Company issues ordinary, class A and class B shares for which the Adviser of the Company decided to recognize them as a financial liability according to the definition of IAS 32.

Shares may be redeemed at the initiative of the Company in some circumstances. The Company may in particular decide to:

- redeem Shares of any Class, on a pro rata basis among shareholders in order to distribute net distributable cash.
- redeem Shares held by Restricted Person, or in case of admission of subsequent investors or redeem shares held by an investor who fails to make required contributions or other payments.

### 2.7 Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in statement of comprehensive income.

### 2.8 Distributions payable to shareholders

Proposed distributions to shareholders are recognised in the statement of changes in net assets attributable to holders of redeemable shares when they are appropriately authorised and no longer at the discretion of the Company. This typically occurs when proposed distribution is ratified at the Annual General Meeting. The distribution on the shares is recognised as a finance cost in the statement of changes in net assets attributable to holders of redeemable shares.

## 2. Summary of significant accounting policies (continued)

### 2.9 Increase/decrease in net assets attributable to holders of redeemable shares from operations

Income not distributed is included in net assets attributable to holders of redeemable shares. Movements in net assets attributable to shareholders are recognised in the statement of changes in net assets attributable to holders of redeemable shares as finance costs.

### 2.10 Taxation

According to the 2004 Act, the Company is subject to Luxembourg income tax. However, income arising from securities held by the Company, as well as income arising from the sale, contribution or liquidation of securities held by the Company, does not constitute taxable income.

Income arising from liquid assets pending their investment in capital risk also does not constitute taxable income under the 2004 Act. This exemption only applies to the twelve month year immediately prior to the investment of such assets in risk capital assets.

The Company is not subject to net wealth tax and the activity of rendering services relating to the management of a SICAR is exempt from VAT, no stamp duty or other tax is due on the issue or transfer of the Shares.

### 2.11 New standards and interpretations not adopted

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards as they are not expected to have any significant impact.

### 3. Financial risks

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. The Company's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

The management of these risks is carried out by the Adviser under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Company's use of leverage and borrowings can increase the Company's exposure to these risks, which in turn can also increase the potential returns the Company can achieve. The Company will have the power to borrow money (directly or at the level of intermediary vehicles) through loans, repurchase obligations or otherwise, and to secure those borrowings with liens or other security interests in, or mortgages on, the assets of the Company provided that the Company will not, at any point in time, incur a level of borrowing in excess of an amount equivalent to the lower of 20% of the aggregate commitments and the aggregate amount of undrawn commitments at such date. Investments and lending in loan are limited to a maximum of 20% of the aggregate commitments.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

#### 3.1 Market risk

(a) Other market price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates. Paragraph 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

The Company's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors.

The Company will not invest more than 15% of the aggregate commitments in one single portfolio fund; however, the Company may invest up to 20% of aggregate commitments in any one single portfolio fund subject to the unanimous consent of all members of the investment committee.

The Company will seek to take participations of up to 40% of a portfolio fund's aggregate commitments, up to a maximum of 49.9%; to assess such 49.9% limit, participations in the relevant portfolio fund held by the adviser (whether in its own name or as manager/agent/trustee/adviser for others) will be added to the Company's participation; provided however that the Company may derogate from the investment limits set out in the Private Placement Memorandum with the unanimous approval of the members of the Investment Committee.

## 3. Financial risks (continued)

### 3.1 Market risk (continued)

(a) Other market price risk (continued)

The Company will exclusively enter into loan or other similar type of arrangements as lender alongside, or for the preparation of, investments and lending will be limited to a maximum of 20% of the aggregate commitments at any point in time. Where lending structures are used to take equity risks, such funding will be considered as equity (convertible bonds and warrants etc.).

The Company may (but is not under an obligation to) use financial instruments to hedge the Company's exposure to currency exchange rate fluctuations resulting from participations or commitments in portfolio funds not denominated in Euro between the date of the commitment and the date on which such commitment is being drawn down. The Company will not seek any form of hedging for any other risk of currency fluctuations and such risk will be borne entirely by the Investors.

As at March 31, 2023, the fair value of the investments per sector in which the Company invests was as follows:

| March 31, 2023 | *% Ownership | Cost | Fair value | Fair value adjustment |
|---|---|---|---|---|
| Life Science | 7.96% | 47 472 508 | 71 262 404 | 23 789 896 |
| ICT | 11.75% | 42 717 900 | 67 164 182 | 24 446 282 |
| Generalist | 14.35% | 29 789 745 | 64 148 634 | 34 358 889 |
| **Total investments** | | **119 980 153** | **202 575 220** | **82 595 067** |

** Average stake of the Company in the underlying Funds by sector*

As at March 31, 2022, the fair value of the investments per sector in which the Company invests was as follows:

| March 31, 2022 | *% Ownership | Cost | Fair value | Fair value adjustment |
|---|---|---|---|---|
| Life Science | 7.96% | 40 999 364 | 65 381 644 | 24 382 279 |
| ICT | 11.75% | 41 592 954 | 71 488 824 | 29 895 870 |
| Generalist | 14.35% | 25 423 060 | 38 538 963 | 13 115 904 |
| **Total investments** | | **108 015 378** | **175 409 431** | **67 394 053** |

** Average stake of the Company in the underlying Funds by sector*

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# Notes to the financial statements (continued)

# As at March 31, 2023

### 3. Financial risks (continued)

#### 3.1 Market risk (continued)

(a) Other market price risk (continued)

**Price Sensitivity Analysis**

Using the most conservative beta from the three listed PE indices, LPX Europe Price Index, LPX Venture Price Index and LPX Buyout Price Index, and assuming market price movements of ±10 %, the final sensitivity (i.e. beta x ±10 %) is applied to the net asset value to give an adjusted net asset value, which is then compared to the net paid in.

The PE investment value would be impacted as follows:

As at March 31, 2023

| **Public market risk: ALL PRIVATE EQUITY** | |
|---|---|
| **+10%** | **-10%** |
| **Retained Beta 1.040** | **Retained Beta 1.040** |
| **Final Sensitivity: + 10.40%** | **Final Sensitivity: -10.40%** |
| Total effect on equity | Total effect on equity |
| (EUR) | (EUR) |
| 21 067 823 | (21 067 823) |

As at March 31, 2022

| **Public market risk: ALL PRIVATE EQUITY** | |
|---|---|
| **+10%** | **-10%** |
| **Retained Beta 0.991** | **Retained Beta 0.991** |
| **Final Sensitivity: + 9.91%** | **Final Sensitivity: - 9.91%** |
| Total effect on equity | Total effect on equity |
| (EUR) | (EUR) |
| 17 383 075 | (17 383 075) |

(b) Currency risk

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

As at March 31, 2023 and March 31, 2022, there is no foreign exchange risk as all the transactions have been made in the functional currency, EUR.

### 3. Financial risks (continued)

#### 3.1 Market risk (continued)

(c) Interest rate risk

Interest rates are determined by factors of supply and demand in the international money markets, which are influenced by macro-economic factors, speculation and central bank and government intervention.

Fluctuations in short term and/or long term interest rates may affect the value of the Company. Interest rate risk is the risk resulting from changes in the level of interest rates, in the slope of the yield curve, in the shape of the yield curve, or in any other interest rate relationship.

The Company's exposure to interest risk rate is limited to its cash and cash equivalents that have a maturity of less than one year. As at March 31, 2023 and March 31, 2022, there is no significant interest rate risk.

#### 3.2 Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

For the Company, the greatest exposure in terms of credit risk relates to its cash and cash equivalents (Note 10).

The Company's policy is to minimize credit risk by entering into transactions only with leading financial institutions and reputable industrial companies. Cash balance and deposits with the bank are exposed to credit risk. The rating of Société Générale (Luxembourg) is A/A-1 according to Standard & Poor's.

#### 3.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Therefore, the liquidity risk relates to working capital on the short-term and underlying investments on the long term.

The objective of the Company in relation to the liquidity risk is to ensure on both short-term and long-term views that all financial liabilities will be met without impacting the return to its shareholders.

- Liquidity risk on payables

At the Company level, the liquidity risk may arise from the operating payables included in the statement of financial position as at the year end. The Company must ensure that it owns sufficient cash and cash equivalents to discharge itself from these short-term obligations.

As at March 31, 2023 and March 31, 2022, the cash is sufficient to cover all the payables.

### 3. Financial risks (continued)

#### 3.3 Liquidity risk (continued)

- Liquidity risk at exit date

The second component of risk relative to timely exit arises particularly from the fact that the Company invested 100% of its total assets in unquoted securities. As the Company invests most of its funds in illiquid assets, the liquidity risk must be considered as one of the key risk for the Company.

However, even if the illiquidity aspect of the assets may impact the value of the investments at exit date, it is not in the intent of the Company to implement an exit strategy over the short-term. The investment year of the Company is not yet ended as at March 31, 2023 and March 31, 2022.

- Liquidity risk on defaulting shareholders

At the Company level, liquidity risk may also arise upon failure by a shareholder to make payment pursuant a capital call. Liquidity risk related to defaulting shareholder is mitigated by accepting commitments to the Company only from reputable, well-informed institutional and professional investors.

The adviser manages liquidity risk by ensuring that the Company has sufficient cash and cash equivalent at all times. In terms of liquidity risk at exit date, the advisor regularly monitors and simulates the exit strategies to ensure that the optimum exit strategy will be executed within the term of the Company.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining year at the date of the statement of financial position to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

| **March 31, 2023**<br>**Financial liabilities** | **Less than 1 month** | **1 to 12 months** | **More than 12 months** | **No stated maturity** | **Total** |
|---|---|---|---|---|---|
| Other payables and accrued expenses | | 141 217 | | | 141 217 |
| Amount payable to affiliated undertakings | 637 124 | | | | 637 124 |
| Tax Debts | | | | 2 321 | 2 321 |
| Net assets attributable to holders of redeemable shares | | | 205 158 301 | | 205 158 301 |
| **Contractual cash outflow** | **637 124** | **141 217** | **205 158 301** | **2 321** | **205 938 963** |

### 3. Financial risks (continued)

#### 3.3 Liquidity risk (continued)

| March 31, 2022<br>Financial liabilities | Less than 1 month | 1 to 12 months | More than 12 months | No stated maturity | Total |
|---|---|---|---|---|---|
| Other payables and accrued expenses | | 121 815 | | | 121 815 |
| Amount payable to affiliated undertakings | 1 080 001 | | | | 1 080 001 |
| Tax Debts | | | | 2 802 | 2 802 |
| Net assets attributable to holders of redeemable shares | | | 178 816 664 | | 178 816 664 |
| **Contractual cash outflow** | **1 080 001** | **121 815** | **178 816 664** | **2 802** | **180 021 282** |

#### 3.4 Capital risk management

The capital of the Company is represented by the net assets attributable to shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The investment adviser monitors capital on the basis of the value of net assets attributable to shareholders.

The Company is a closed-ended SICAR, consequently investors are not entitled to request redemption of their Shares, excepted for the ordinary and class A shares held by the European Investment Fund.

#### 3.4.1 Fair Value Classification

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1: Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. Quoted prices for these instruments are not adjusted.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

(iii) Level 3: Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. All the investments held by the Company and classified as financial assets at fair value through profit or loss are included in this category. The inputs into the determination of fair value require significant management judgment or estimation.

The table below analyses financial instruments measured at fair value as at March 31, 2023 according to the level in the fair value hierarchy into which the fair value measurement is categorised:

### 3. Financial risks (continued)

#### 3.4 Capital risk management (continued)

##### 3.4.1 Fair Value Classification (continued)

| **Assets measured at fair value** | **Level 3** | **Total balance as at March 31, 2023** |
|---|---|---|
| | **EUR** | **EUR** |
| Financial assets at fair value through profit or loss | 202 575 220 | 202 575 220 |

The changes in Level 3 instruments for the year ended March 31, 2023 are disclosed in Note 4. There were no transfer between levels for the year ended March 31, 2023.

Please refer to Note 2.2 for further information on the determination of the fair value for level 3 instruments.

The table below analyses financial instruments measured at fair value as at March 31, 2022 according to the level in the fair value hierarchy into which the fair value measurement is categorised:

| **Assets measured at fair value** | **Level 3** | **Total balance as at March 31, 2022** |
|---|---|---|
| | **EUR** | **EUR** |
| Financial assets at fair value through profit or loss | 175 409 431 | 175 409 431 |

The changes in Level 3 instruments for the year ended March 31, 2022 are disclosed in Note 4. There were no transfer between levels for the year ended March 31, 2022.

Please refer to Note 2.2 for further information on the determination of the fair value for level 3 instruments.

## 4. Financial assets at fair value through profit or loss

Financial fixed assets held by the Company as at March 31, 2023 can be detailed as follows. The fair value is the sum of acquisition costs of the investment and the cumulative fair value variations of the underlying investments since the acquisition date.

| Name | Country | CCY | Total commitment (in EUR) | Drawn amount * (in EUR) | Undrawn commitment (in EUR) | Cost (in EUR) | Fair Value (in EUR) | Unrealised gain/(loss) (in EUR) |
|---|---|---|---|---|---|---|---|---|
| Life Science | Netherlands | EUR | 88 000 000 | 64 952 773 | 23 047 227 | 47 472 508 | 71 262 404 | 23 789 896 |
| ICT | Netherlands | EUR | 55 000 000 | 48 971 133 | 6 028 867 | 42 717 900 | 67 164 182 | 24 446 282 |
| Generalist | Netherlands | EUR | 51 000 000 | 39 623 030 | 11 376 970 | 29 789 745 | 64 148 634 | 34 358 889 |
| | | | **194 000 000** | **153 546 936** | **40 453 064** | **119 980 153** | **202 575 220** | **82 595 067** |

** During the financial year, the capital repayments which were paid and which are not recallable are included in the amounts disclosed in the column "Drawn amounts".*

Financial fixed assets held by the Company as at March 31, 2022 can be detailed as follows. The fair value is the sum of acquisition costs of the investment and the cumulative fair value variations of the underlying investments since the acquisition date.

| Name | Country | CCY | Total commitment (in EUR) | Drawn amount * (in EUR) | Undrawn commitment (in EUR) | Cost (in EUR) | Fair Value (in EUR) | Unrealised gain/(loss) (in EUR) |
|---|---|---|---|---|---|---|---|---|
| Life Science | Netherlands | EUR | 88 000 000 | 57 688 929 | 30 311 071 | 40 999 364 | 65 381 644 | 24 382 280 |
| ICT | Netherlands | EUR | 55 000 000 | 44 440 951 | 10 559 049 | 41 592 954 | 71 488 824 | 29 895 870 |
| Generalist | Netherlands | EUR | 51 000 000 | 33 629 090 | 17 370 910 | 25 423 060 | 38 538 963 | 13 115 903 |
| | | | **194 000 000** | **135 758 970** | **58 241 030** | **108 015 378** | **175 409 431** | **67 394 053** |

** During the financial year, the capital repayments which were paid and which are not recallable are included in the amounts disclosed in the column "Drawn amounts".*

### 4. Financial assets at fair value through profit or loss (continued)

Information concerning the name, address, amount of capital and reserves and profits and losses for the last financial year of the undertakings in which the Company holds at least twenty percent of the capital is not presented in accordance with article 67(1)b) of the amended law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

#### 4.1 Life Science sector

As at March 31, 2023 the Company held a weighted average of 7.96% of the Life Science sector for a total commitment of EUR 88 000 000.

At the end of the year, EUR 23 047 227 remains unfunded.

#### 4.2 ICT sector

As at March 31, 2023, the Company held a weighted average of 11.75% of the ICT sector for a total commitment of EUR 55 000 000.

At the end of the year, EUR 6 028 867 remains unfunded.

#### 4.3 Generalist sector

As at March 31, 2023 the Company held a weighted average of 14.35% of the Generalist sector for a total commitment of EUR 51 000 000.

At the end of the year, EUR 11 376 970 remains unfunded.

### 5. Other payables and accrued expenses

As at March 31, 2023, accrued expenses are composed as follows:

| | As at March 31, 2023<br>EUR | As at March 31, 2022<br>EUR |
|---|---|---|
| Administration fees | 40 465 | 43 830 |
| Audit fees | 45 670 | 29 155 |
| Legal fees | - | 1 488 |
| Fiscal fees | 18 461 | 25 000 |
| Other Fees | 36 621 | 22 342 |
| | **141 217** | **121 815** |

### 6. Other receivables

As at March 31, 2023, other receivables are made up of a prepaid NWT fees for an amount EUR 3 611. As at March 31, 2022, other receivables are made up of a prepaid NWT fees for an amount EUR 4 815.

## As at March 31, 2023

### 7. Amounts payable to affiliated undertakings

As at March 31, 2023, Amounts payable to affiliated undertakings is made up of capital call amount of EUR 637 124 (2022: EUR 1 080 001).

### 8. Dividend income

As at March 31, 2023, Dividend income amounts to EUR 3 595 889 and consists of a realized gain from four distributions (2022: EUR 11 639 287).

### 9. Tax debts

As at March 31, 2023, tax debts are composed as follows:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| | EUR | EUR |
| VAT | 1 386 | 663 |
| NWT | - | 1 204 |
| Tax | 935 | 935 |
| | **2 321** | **2 802** |

### 10. Cash and cash equivalents

The position as at March 31, 2023 the cash accounts is as follows:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| | EUR | EUR |
| Cash at bank | 3 332 600 | 4 603 736 |
| | **3 332 600** | **4 603 736** |

### 11. Deferred charges

During the year, the Company paid insurance fees for EUR 24 045 and the annual CSSF fees for EUR 3 487. To reflect only the expenses for the year ended on March 31, 2023, deferred charges for EUR 27 532 have been booked (2022: EUR 3 300).

### 12. Shares

As at March 31, 2023, the Company issued three types of shares. The movements in the number of shares are as follows:

| **Redeemable shares** | **Class A** | **Class B** | **Ordinary** |
|---|---|---|---|
| As at April 1, 2022 | 1 | 50 367 887 | 50 367 886 |
| Shares issued during the year | - | 11 150 000 | 11 150 000 |
| Shares redeemed during the year | - | (6 500 000) | (6 500 000) |
| Equalisation | - | - | - |
| **As at March 31, 2023** | **1** | **55 017 887** | **55 017 886** |

As at March 31, 2022, the Company issued three types of shares. The movements in the number of shares are as follows:

| **Redeemable shares** | **Class A** | **Class B** | **Ordinary** |
|---|---|---|---|
| As at April 1, 2021 | 1 | 45 127 297 | 45 127 296 |
| Shares issued during the year | - | 18 352 654 | 18 352 654 |
| Shares redeemed during the year | - | (13 112 064) | (13 112 064) |
| Equalisation | - | - | - |
| **As at March 31, 2022** | **1** | **50 367 887** | **50 367 886** |

European Investment Fund has subscribed one Class A share for EUR 1. This kind of share, limited to a maximum of one share, is reserved only for subscription by the EIF and grants its holder the right to receive preferred return and Carried interest.

Class B Shares are reserved for subscription by Oost NL and grant their holders the right to receive preferred return.

Ordinary shares are reserved to eligible investors and have the same financial rights as the Class B.

### 12. Shares (continued)

The movements in the capital since the incorporation of the Company are as follows:

As at March 31, 2023

| | Commitment | Called commitment* | Uncalled commitment |
|---|---|---|---|
| | EUR | EUR | EUR |
| Class A | 1 | 1 | - |
| Class B | 100 000 000 | 72 115 387 | 27 884 613 |
| Ordinary | 99 999 999 | 72 115 386 | 27 884 613 |
| | **200 000 000** | **144 230 774** | **55 769 226** |

As at March 31, 2022

| | Commitment | Called commitment* | Uncalled commitment |
|---|---|---|---|
| | EUR | EUR | EUR |
| Class A | 1 | 1 | - |
| Class B | 100 000 000 | 60 965 387 | 39 034 613 |
| Ordinary | 99 999 999 | 60 965 386 | 39 034 613 |
| | **200 000 000** | **121 930 774** | **78 069 226** |

*These figures are netted with distributions that are classified as recallable.

Distribution payable to shareholders

Subject to the remaining provisions, all net distributable cash will be distributed to investors in accordance with the following waterfall:

(a) Firstly, 100% to all investors in repayment of their capital contributions;

(b) Secondly, 100% to all investors in proportion to their capital contributions until they have received distributions equal to a 5% per annum compound interest calculated annually (the preferred return) on the capital contributions at any time outstanding, from the date of payment of the same up to the date of reimbursement upon distributions;

(c) Thirdly (Catch Up), 100% to the holder of the class A Share until it has received in aggregate an amount equal to 11.111% of the preferred return

(d) Fourthly, 90% to all investors (including the holder of the class A share in such capacity) and 10% to the holder of the class A share.

### 12. Shares (continued)

For the year ended March 31, 2023, the total cash distribution amounts to EUR 13 000 000 (2022: EUR 26 224 128)

Following the distribution mechanism described above, the liquidation results would follow the allocation below if the Company was liquidated as of March 31, 2023:

- Ordinary Shares: EUR 97 823 035 or EUR 1.78 Net Asset Value per share;
- Class A Shares: EUR 9 512 231 or EUR 9 512 231 Net Asset Value per share;
- Class B Shares: EUR 97 823 035 or EUR 1.78 Net Asset Value per share;

### 13. Administration, Depositary and Professional fees

As at March 31, 2023, administration fees are as follows:

| | As at March 31, 2023 EUR | As at March 31, 2022 EUR |
|---|---|---|
| Accounting fees | 45 219 | 43 340 |
| Domiciliary Fees | 11 142 | 12 996 |
| Register and Transfer Agent fees | 5 160 | - |
| Supervisory Fees | - | 202 |
| Depositary fees | 51 033 | 34 430 |
| Reporting fees | 5 910 | 5 662 |
| | **118 464** | **96 630** |

As at March 31, 2023, professional fees are as follows:

| | As at March 31, 2023 EUR | As at March 31, 2022 EUR |
|---|---|---|
| Audit fees | 62 185 | 29 867 |
| Legal fees | 10 846 | 8 772 |
| Tax advisory fees | 14 083 | 36 046 |
| Advisory fees * | 1 455 000 | 1 456 479 |
| Other Professional fees | 20 972 | 20 773 |
| | **1 563 086** | **1 551 937** |

** An annual advisory fee equal to 0.75% of the aggregate investor commitments during the Investment Period and thereafter 0.75% of the Invested Capital, is paid in advance each quarter by the Company.*

### 14. Other operating fees

As at March 31, 2023, other operating fees are as follows:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| | **EUR** | **EUR** |
| Travel expenses | 830 | 811 |
| Insurance fees | 24 045 | 21 861 |
| Other fees | 11 335 | 13 855 |
| Remuneration to the BoD * | 18 720 | 23 355 |
| | **54 930** | **59 882** |

** Board remuneration is now a separate cost item and no longer included in the travel fees as it was done in previous years. The remuneration of the two Class-B Board members who are appointed by the Class-B shareholder, Ontwikkelingsmaatschappij, Oost Nederland NV, is aligned and compliant with the Dutch law on the public sector remunerations (WNT-norm).*

### 15. Other financial charges

As at March 31, 2023, other financial fees are as follows:

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| | **EUR** | **EUR** |
| Bank interest | 8 274 | 20 479 |
| Bank charges | 6 125 | 6 560 |
| Subscriptions | 280 | - |
| | **14 679** | **27 039** |

### 16. Taxes

As at March 31, 2023, taxes are composed of Net Wealth tax fees of EUR 4 815 (2022: EUR 17 613).

### 17. Related-party transaction

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

As at March 31, 2023, the following transaction was carried out with related parties:

| | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Note | **EUR** | **EUR** |
| Advisory fees paid to EIF | 13 | 1 455 000 | 1 456 479 |
| | | **1 455 000** | **1 456 479** |

### 18. Other financial income

As at March 31, 2023, there are no other financial income (2022: EUR 77 772).

### 19. Interest in unconsolidated structured entities and in investment entities

The Company has interest in entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Company has interest in unconsolidated structured entities as described below.

Structured entities or investment entities may be established as corporations, trusts or partnerships. Structured entities or investment entities generally:

- subscribe to equity issued by SMEs in the context of Private Equity transactions

The table below describes the types of structured entities in which the Company concluded that it has an interest and no control:

| Type of structured entity | Nature and purpose | Interest held by the Company |
|---|---|---|
| Limited Partnership in relation to Private Equity operations | Acquisition, holding, managing and disposal of participations in any enterprise subject to the conditions laid down in the Limited Partnership Agreement | • Investments in shares issued by the Limited Partnership<br>• Capital and revenues repayments |

#### 19.1 Interest in structured entities in relation to Private Equity operations

Below is a description of the Company's involvement in unconsolidated structured entities by type. The Company concluded that it does not control and therefore should not consolidate any entity described as the Company does not have power over the relevant activities of the entities.

Operations are typically structured as follows:

- An investment fund is setup with a General Partner (hereafter "GP") and with a number of Limited Partners (hereafter "LPs"), who form together the Limited Partnership. In addition, the Limited Partnership Agreement discloses the investment strategy foreseen within the entity and agreed between the GP and the LPs;

- When financing is brought by the LPs, full authority and power is given to the GP, which could delegate the investment part to an investment manager;

## 19. Interest in unconsolidated structured entities and in investment entities (continued)

### 19.1 Interest in structured entities in relation to Private Equity operations (continued)

- The use of voting rights by the LPs is often foreseen to revocate the GP either with a cause or without cause. Even if an investment board within the entity is setup, it should be noted that such an investment board has a consultative role only and is not therefore one of the decision-making bodies of the Limited Partnership.

The Company is an LP, it does not act as a GP and is from time to time a member of the consultative investment board. Commitments have been made to funds that focus on investments in innovative SMEs with above average future growth prospects and a strong competitive position in their sector.

As at the year end all investments in unconsolidated structured entities are recognised in assets at fair value through the profit & loss.

As at March 31, 2023, the Company's interest ranged from 3.31 % to 22.86% and the maximum loss exposure from PE structured entities is limited to the amount of committed investments as disclosed in Note 4. The nature of these investments is further detailed in Note 4 and the risk exposure in Note 3.

## 20. Sustainable Finance Disclosure Regulation (SFDR)

The disclosures published on DVIs webpages comply with Article 3 (information about the policies on the integration of sustainability risks in the decision-making process, equivalent of Article 6) and Article 4 (consideration of principal adverse impacts of investment decisions on sustainability factors) of SFDR. Pursuant to Article 7 of the EU Taxonomy Regulation, as the financial product is not subject to Article 8(1) or to Article 9(1), (2) or (3) of SFDR, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## 21. Subsequent events

a) *Share capital*

Subsequent to year end March 31, 2023, an amount of EUR 3 000 000 was called on June 1, 2023. Another amount of EUR 3 000 000 was called on July 11, 2023.