

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, 2021

DUTCH VENTURE INITIATIVE II S.A. SICAR

Table of contents

Management and Administration	3
Board of Directors' report	4
Report of the réviseur d'entreprises agréé.....	5
Statement of financial position.....	8
Statement of comprehensive income.....	9
Statement of changes in net assets attributable to holders of redeemable shares	10
Statement of Cash Flows.....	11
Notes to the financial statements.....	12

DUTCH VENTURE INITIATIVE II S.A. SICAR

Management and Administration

Registered Office

15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Gabriele Todesca
Leendert Meijaard
Bernadette Judith Maria Languis

Adviser

European Investment Fund
37B, Avenue J.F. Kennedy
L-2968 Luxembourg
Grand-Duchy of Luxembourg

Depositary

Alter Domus Depositary Services S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Administrative, Registrar, Transfer Agent

Alter Domus Alternative Asset Fund Administration S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Legal Advisor

Allen & Overy Luxembourg
5, Avenue J.F Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

Auditor

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

DUTCH VENTURE INITIATIVE II S.A. SICAR

Board of Directors' report

For the year ended March 31, 2021

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 24 new investments, bringing the total of underlying portfolio companies to 130, of which 51 based in the Netherlands. We expect the underlying company portfolio to grow further, as – except for Karmijn Kapitaal II and Gilde Healthcare IV - all other funds are still in their investment period. The total amount of capital called from investors since the incorporation of the Fund climbed to EUR 90.3m, representing 45.1% of the total commitments. In terms of exits, it is - despite already five successful exits - still relatively early days, as the portfolio is largely unrealised.

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.

It is evident that the current pandemic will have a significant impact across society and the wider economy. It is fair to assume that over time the DVI II portfolio will be impacted as well, as the business models of many companies will need to adapt to new market conditions. Having said this, the Company's underlying portfolio has been remarkably resilient with no signs as yet on an aggregate basis of a significant adverse impact. To the contrary, the current pandemic accelerated trends in society that positively impacted the performance of some underlying portfolio companies.

As a final note, investment initiatives in the public domain, such as but not limited to DVI II, are scrutinised 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. Given the complexity of the situation and the variety of different stakeholders that are involved in the activities of the Company, the Board of Directors from time to time engages with external advisers on this matter.



Gabriele Todesca
Chairman of the Board



KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
Dutch Venture Initiative II S.A. SICAR
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the accompanying financial statements of Dutch Venture Initiative II S.A SICAR (the "Company"), which comprise the Statement of financial position as at March 31, 2021 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, 2021, 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 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 annual report but does not include the financial statements and our report of "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 Directors of the Company for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs as adopted by 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 "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 Directors.



- Conclude on the appropriateness of the Board of Directors’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 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, 30 July 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'VEhx', written over a faint grid pattern.

Vincent Ehx

DUTCH VENTURE INITIATIVE II S.A. SICAR

Statement of financial position

As at March 31, 2021

	Notes	As at March 31, 2021 EUR	As at March 31, 2020 EUR
Assets			
Financial assets at fair value through profit or loss	4	127 517 335	75 280 259
		127 517 335	75 280 259
Other receivables	6	1 630 796	11 308
Cash and cash equivalents	10	9 329 575	967 592
		10 960 371	978 900
Deferred charges	11	3 000	3 000
Total assets		138 480 706	76 262 159
Liabilities			
Current liabilities			
Other payables and accrued expenses	5	109 071	116 667
Tax debts	9	640	-
Amounts payable to affiliated undertakings	7	254 623	830 000
Total liabilities (excluding net assets attributable to holders of redeemable shares)		364 334	946 667
Net assets attributable to holders of redeemable shares		138 116 372	75 315 492
Represented by:			
<i>Number of Ordinary shares outstanding</i>	12	45 127 296	38 449 481
<i>Number of Class A shares outstanding</i>	12	1	1
<i>Number of Class B shares outstanding</i>	12	45 127 297	38 449 482

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, 2021

	Notes	Year ended March 31, 2021 EUR	Year ended March 31, 2020 EUR
Income			
Other financial income		-	26 994
Fair value adjustment on financial assets at fair value through profit or loss	4	44 282 188	2 928 572
Interest Income		-	24 865
Dividend Income	8	7 072 280	-
Total income		51 354 468	2 980 431
Expenses			
Administration and depositary fees	13	(102 318)	(103 321)
Professional fees	13	(1 569 375)	(1 592 713)
Other operating fees	14	(213 773)	(98 933)
Other financial charges	15	(23 422)	(8 645)
Taxes			
Income tax	16	(329)	-
Total operating expenses		(1 909 217)	(1 803 612)
Total comprehensive profit for the year		49 445 251	1 176 819

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, 2021

	Year ended March 31, 2021 EUR	Year ended March 31, 2020 EUR
Net assets attributable to holders of redeemable shares at the beginning of the year	75 315 492	43 270 708
Proceeds from redeemable shares issued	25 194 465	38 000 000
Distributions to holders of redeemable shares (Finance cost)	(11 838 836)	(7 132 035)
Net increase from share transactions	13 355 629	30 867 965
Total comprehensive profit/(loss), excluding finance cost	49 445 251	1 176 819
Increase in net assets attributable to holders of redeemable shares from operations	49 445 251	1 176 819
Net assets attributable to holders of redeemable shares at the end of the year	138 116 372	75 315 492
Number of redeemable shares outstanding at the beginning of the year	76 898 965	46 031 000
Number of redeemable shares issued during the year	25 194 465	38 000 000
Number of redeemable shares sold during the year	(11 838 836)	(7 132 035)
Number of redeemable shares outstanding at the end of the year	90 254 594	76 898 965

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, 2021

	Notes	Year ended March 31, 2021 EUR	Year ended March 31, 2020 EUR
Cash flows from operating activities			
Operating profit/(loss)		49 445 251	1 176 819
Adjustment for:			
Net changes in fair value of financial assets at fair value through (profit) or loss	4	(44 282 188)	(2 928 572)
Purchase of investments	4	(25 954 330)	(36 075 592)
Proceeds from sale of investments	4	17 170 722	2 232 505
Operating loss before working capital changes		(3 620 545)	(35 594 840)
(Decrease)/Increase in Other payables and accrued expenses	5	(7 596)	772
(Increase)/Decrease in Other receivables	6	(1 619 488)	(1 678)
(Decrease)/Increase in Other payables	7	254 623	-
(Decrease)/Increase in Tax debts	9	(640)	(7 624)
Net cash provided by/(used in) operating activities		(4 993 646)	(35 603 370)
Cash flows from financing activities			
Capital contributions from shareholders	12	25 194 465	38 000 000
Distributions paid to shareholders	12	(11 838 836)	(7 132 035)
Net cash from financing activities		13 355 629	30 867 965
Net Increase/(decrease) in cash and cash equivalents		8 361 983	(4 735 405)
Cash and cash equivalents at the beginning of the year		967 592	5 702 997
Cash and cash equivalents at the end of the year		9 329 575	967 592

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

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements

As at March 31, 2021

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 5, rue Guillaume Kroll, L-1882 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, 2021, 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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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).

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 July 29, 2021.

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 5.

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;

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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'.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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.

In the first year of a private equity fund, assets are carried at cost i.e net paid in amount. Adjustments are made only in case of unrealised loss or gain of an underlying portfolio.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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 2021 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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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, 2021, the fair value of the investments per sector in which the Company invests was as follows:

March 31, 2021				
	*% Ownership	Cost	Fair value	Fair value adjustment
Life Science	8.75%	26 063 823	60 690 728	34 626 904
ICT	11.75%	34 393 961	40 333 659	5 939 699
Generalist	14.35%	19 917 922	26 492 948	6 575 026
Total investments		80 375 706	127 517 335	47 141 629

* Average stake of the companies in the underlying investment categories.

As at March 31, 2020, the fair value of the investments per sector in which the Company invests was as follows:

March 31, 2020				
	*% Ownership	Cost	Fair value	Fair value adjustment
Life Science	8.26%	29 978 031	35 356 020	5 377 989
ICT	18.56%	28 261 314	27 308 921	(952 393)
Generalist	16.54%	14 181 473	12 615 318	(1 566 155)
Total investments		72 420 818	75 280 259	2 859 441

* Average stake of the companies in the underlying investment categories.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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 $\pm 10\%$, the final sensitivity (i.e. beta $\times \pm 10\%$) 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, 2021

Public market risk: ALL PRIVATE EQUITY	
+10%	-10%
Retained Beta 0.982	Retained Beta 0.982
Final Sensitivity: + 9.82%	Final Sensitivity: - 9.82%
Total effect on equity	Total effect on equity
(EUR)	(EUR)
12 522 202	(12 522 202)

As at March 31, 2020

Public market risk: ALL PRIVATE EQUITY	
+10%	-10%
Retained Beta 0.997	Retained Beta 0.997
Final Sensitivity: + 9.97%	Final Sensitivity: - 9.97%
Total effect on equity	Total effect on equity
(EUR)	(EUR)
7 505 442	7 505 442

- (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, 2021 and March 31, 2020, there is no foreign exchange risk as all the transactions have been made in the functional currency, EUR.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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, 2021 and March 31, 2020, 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 8).

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, 2021 and March 31, 2020, the cash is sufficient to cover all the payables.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

For the year ended March 31, 2021

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, 2021 and March 31, 2020

- 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, 2021	Less than 1 month	1 to 12 months	More than 12 months	No stated maturity	Total
Other payables and accrued expenses		109 071			109 071
Amount payable to affiliated undertakings	254 623				254 623
Tax Debts				640	640
Net assets attributable to holders of redeemable shares			138 116 372		138 116 372
Contractual cash outflow	254 623	109 071	138 116 372	640	138 480 706

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

For the year ended March 31, 2021

3. Financial risks (continued)

3.3 Liquidity risk (continued)

March 31, 2020 Financial liabilities	Less than 1 month	1 to 12 months	More than 12 months	No stated maturity	Total
Other payables and accrued expenses		113 989		2 678	116 667
Amount payable to affiliated undertakings	830 000				830 000
Net assets attributable to holders of redeemable shares			75 315 492		75 315 492
Contractual cash outflow	830 000	113 989	75 315 492	2 678	76 262 159

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, 2021 according to the level in the fair value hierarchy into which the fair value measurement is categorised:

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

For the year ended March 31, 2021

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, 2021
	EUR	EUR
Financial assets at fair value through profit or loss	127 517 334	127 517 334

The changes in Level 3 instruments for the year ended March 31, 2021 are disclosed in Note 4. There were no transfer between levels for the year ended March 31, 2021.

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, 2020 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, 2020
	EUR	EUR
Financial assets at fair value through profit or loss	75 280 259	75 280 259

The changes in Level 3 instruments for the period ended March 31, 2020 are disclosed in Note 4. There were no transfer between levels for the period ended March 31, 2020.

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

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

4. Financial assets at fair value through profit or loss

Financial fixed assets held by the Company as at March 31, 2021 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	40 165 513	47 834 487	26 063 823	60 690 728	34 626 904
ICT	Netherlands	EUR	55 000 000	35 643 031	19 356 969	34 393 961	40 333 659	5 939 699
Generalist	Netherlands	EUR	51 000 000	24 902 892	26 097 108	19 917 922	26 492 948	6 575 026
			194 000 000	100 711 436	93 288 564	80 375 706	127 517 335	47 141 629

* 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, 2020 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	31 571 557	56 428 443	29 978 031	35 356 020	5 377 989
ICT	Netherlands	EUR	55 000 000	28 538 884	26 461 116	28 261 314	27 308 921	(952 393)
Generalist	Netherlands	EUR	51 000 000	17 494 753	33 502 247	14 181 473	12 615 318	(1 566 155)
			194 000 000	77 605 193	116 394 807	72 420 818	75 280 259	2 859 441

* 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".

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

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, 2021 the Company held a weighted average of 8.75% of the Life Science sector for a total commitment of EUR 88 000 000.

At the end of the year, EUR 47 834 487 remains unfunded

4.2 ICT sector

As at March 31, 2021, 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 19 356 969 remains unfunded.

4.3 Generalist sector

As at March 31, 2021 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 26 097 108 remains unfunded.

5. Other payables and accrued expenses

As at March 31, 2021, accrued expenses are composed as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Administration fees	63 670	51 141
Audit fees	28 444	26 459
Legal fees	-	23 905
Fiscal fees	9 651	5 791
Other Fees	7 306	9 371
	109 071	116 667

6. Other receivables

As at March 31, 2021, other receivables are made up of a prepaid capital call received in March 2021 with a value date of April 2021 for an amount EUR 1 614 671 along with other receivables of EUR 16 125.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

7. Amounts payable to affiliated undertakings

As at March 31, 2021, Amounts payable to affiliated undertakings is made up of capital call amount of EUR 254 623.

8. Dividend Income

As at March 31st, 2021, Dividend income is made up of EUR 7 072 280 and consists of a realized gain from two distributions.

9. Tax debts

As at March 31, 2021, tax debts are composed as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
VAT	640	-
	640	-

10. Cash and cash equivalents

The position as at March 31, 2021 the cash accounts is as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Cash at bank	9 329 575	967 592
	9 329 575	967 592

11. Deferred charges

During the year, the Company paid insurance fees for EUR 21 861 and the annual CSSF fees for EUR 4 000. To reflect only the expenses for the year ended on March 31, 2021, deferred charges for EUR 3,000 have been booked.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

12. Shares

As at March 31, 2021, the Company issued three types of shares. The movements in the number of shares are as follows:

<u>Redeemable shares</u>	<u>Class A</u>	<u>Class B</u>	<u>Ordinary</u>
As at April 1, 2020	1	38 449 482	38 449 481
Shares issued during the period	-	12 597 233	12 597 233
Shares redeemed during the period	-	(5 919 418)	(5 919 418)
Equalisation	-	-	-
As at March 31, 2021	1	45 127 297	45 127 296

As at March 31, 2020, the Company issued three types of shares. The movements in the number of shares are as follows:

<u>Redeemable shares</u>	<u>Class A</u>	<u>Class B</u>	<u>Ordinary</u>
As at April 1, 2019	1	23 015 500	23 015 499
Shares issued during the period	-	19 000 000	19 000 000
Shares redeemed during the period	-	(3 566 018)	(3 566 018)
Equalisation	-	-	-
As at March 31, 2020	1	38 449 482	38 449 481

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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

12. Shares (continued)

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

As at March 31, 2021

	Commitment	Called commitment*	Uncalled commitment
	EUR	EUR	EUR
Class A	1	1	-
Class B	100 000 000	45 127 297	54 872 703
Ordinary	99 999 999	45 127 296	54 872 703
	200 000 000	90 254 594	109 745 406

As at March 31, 2020

	Commitment	Called commitment*	Uncalled commitment
	EUR	EUR	EUR
Class A	1	1	-
Class B	100 000 000	38 449 483	61 550 517
Ordinary	99 999 999	38 449 482	61 550 517
	200 000 000	76 898 966	123 101 034

*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.

For the year ended March 31, 2021, the total cash distribution amounts to EUR 11 838 836 (2020: EUR 7 132 035).

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

12. Shares (continued)

Following the distribution mechanism described above, the liquidation results would follow the allocation below if the Company was liquidated as of March 31, 2021:

- Ordinary Shares : EUR 66 665 102 or EUR 1.4773 Net Asset Value per share;
- Class A Shares: EUR 1 or EUR 4 786 168 Net Asset Value per share;
- Class B Shares: EUR 66 665 101 or EUR 1.4773 Net Asset Value per share;

13. Administration and Professional fees

As at March 31, 2021, administration fees are as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Accounting fees	50 494	42 813
Domiciliary Fees	12 064	18 971
Register and Transfer Agent fees	8 524	14 135
Supervisory Fees	-	1 800
Depository fees	26 056	20 560
Reporting fees	5 180	5 043
	102 318	103 322

As at March 31, 2021, professional fees are as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Audit fees	30 428	32 918
Legal fees	3 101	19 167
Tax advisory fees	34 530	27 597
Advisory fees *	1 496 912	1 503 088
Other Professional fees	4 404	9 943
	1 569 375	1 592 713

* An annual advisory fee equal to 0.75% of the aggregate investor commitments is paid in advance each quarter by the Company.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

14. Other operating fees

As at March 31, 2021, other operating fees are as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Travel expenses	39	5 184
Insurance fees	21 861	21 861
Other fees	173 173	56 749
Remuneration to the BoD *	18 700	15 139
	213 773	98 933

* 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, 2021, other operating fees are as follows:

	As at March 31, 2021	As at March 31, 2020
	EUR	EUR
Bank interest	17 712	-
Bank charges	5 710	8 645
	23 422	8 645

16. Taxes

As at March 31, 2021, taxes are composed of the payment of the Net Wealth tax fine, which is EUR 329 for the current year (2020 EUR: nil).

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, 2021, the following transaction was carried out with related parties:

		As at March 31, 2021	As at March 31, 2020
	Note	EUR	EUR
Advisory fees paid to EIF	13	1 496 912	1 503 088
		1 496 912	1 503 088

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

18. 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	<ul style="list-style-type: none">• Investments in shares issued by the Limited Partnership• Capital and revenues repayments

18.1 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;
- The use of voting rights by the LPs is often foreseen to revoke 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.

DUTCH VENTURE INITIATIVE II S.A. SICAR

Notes to the financial statements (continued)

As at March 31, 2021

18. Interest in unconsolidated structured entities and in investment entities (continued)

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

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, 2021, the Company's interest ranged from 5.17% 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.

19. Significant events during the year

On 11 March 2020, the World Health Organisation characterised Covid-19 as a pandemic. The responses to this virus from the various Governments in Europe and from the various European bodies such as the European Commission or the European Central Bank have been announced. However the Management recognises that the effects of the pandemic on the financial markets and on the economy may have a significant impact on the underlying SME supported by the Fund. The valuation of the financial assets as at 31 March 2021 as disclosed in the financial statements reflects the economic conditions in existence at that date. The management will continue to closely monitor the economic impact of Covid-19.

20. Subsequent events

a) Share capital

Subsequent to year end March 31, 2021, an amount of EUR 7 000 000 was called on May 7th, 2021, this was netted against Distribution for an amount of EUR 10 668 819.

The total uncalled capital as at the date of authorisation of these financial statements is EUR 107 774 535.