

**Registre de Commerce et des Sociétés**

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**DUTCH VENTURE INITIATIVE S.A. SICAR**

Société d'investissement en capital à risque

R.C.S. Luxembourg B 179 637

**Registered office: 5 Allée Scheffer, L-2520 Luxembourg**

**Audited financial statements for the year ended March 31, 2016**

**DUTCH VENTURE INITIATIVE S.A. SICAR**

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## DUTCH VENTURE INITIATIVE S.A. SICAR

### **Management and Administration**

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**Registered Office**

5, Allée Scheffer  
L-2520 Luxembourg

**Board of Directors**

John A. Holloway  
Elze Tjeerd Meijer  
Frederik Van Beuningen

**Adviser**

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

**Depository**

CACEIS Bank Luxembourg  
5, Allée Scheffer  
L-2520 Luxembourg

**Administrative, Registrar, Transfert Agent**

CACEIS Bank Luxembourg  
5, Allée Scheffer  
L-2520 Luxembourg

**Legal Advisor**

Allen & Overy Luxembourg  
33, Avenue J.F Kennedy  
L-1855 Luxembourg

**Auditor**

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

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Board of Directors' report

**For the year ended March 31, 2016**

The Dutch Venture Initiative SICAR S.A. ("DVI" or "the Company") was incorporated on August 7, 2013 as a risk capital investment company (*Societe d'Investissement en Capital a Risque*) established as a public limited liability company (*Societe 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 August 7, 2013.

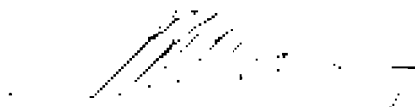
The fund's first closing took place on August 12, 2013 at an amount of EUR 150m with PPM Oost and EIF committing EUR 100m each but EIF's commitment being capped at one third of the total fund size (i.e. EUR 50m at the first closing size). On December 10, 2014 the Brabantse Ontwikkelings Maatschappij B.V. announced its entry into the capital of DVI with EUR 5m via one of their investment vehicles Innovatiefonds Brabant B.V., bringing the total commitments into DVI to EUR 157.5m as it released an additional EUR 2.5m in commitments from EIF. On July 16, 2015 the total commitments to DVI increased once again. PPM Oost committed an additional EUR 30m, which automatically released additional commitments of EUR 15m from the side of the EIF. This allowed DVI to subscribe EUR 45m into the Dutch business angel initiative European Angels Fund S.C.A. SICAR – EAF Netherlands ("EAF Netherlands" or "EAF NL"). As a result of this EUR 45m capital increase, the Fund held a final closing of EUR 202.5m.

In the year ended March 31, 2016 the Investment Committee approved two transactions for a total amount of EUR 17.5m; Keen Venture Partners was approved for EUR 11.5m and SET Fund II for EUR 6m. The Fund managed to keep its investment pace from the previous years, which led to the completion of its investment programme roughly 30 months after inception. It can be considered a great success that DVI managed to keep the dealflow ongoing, which has been one of the main reasons for the consideration of a successor fund-of-funds initiative. In addition, DVI managed to successfully sign a total of five transactions during the reporting period: henQ III was signed in July 2015, Endeit Fund II (former Crossmedia Fund II) in August, EAF Netherlands in September, HPE II in October and finally SET Fund II in December. As of the reporting date, this brings the total amount of signed transactions to EUR 181.5m, which represents 89.6% of the DVI fund size. One transaction was finally abandoned in July 2015, as this Fund was unable to attract sufficient investor commitments and therefore unable to reach the minimum required fund size, thus bringing the total of abandoned transactions to two. In the year ended March 31, 2016 DVI made commitments to 13 different funds: Prime Ventures IV, Gilde Healthcare III, Newion Investments II, Karmijn Kapitaal I, Aglaia Oncology Fund II, Life Science Partners V, Forbion Capital Fund III, Gilde Healthcare Services II, henQ III, Endeit Fund II, EAF NL, HPE Fund II and SET Fund II. As of the reporting date, these 13 signed investment funds had invested in 63 companies, of which 31 based in The Netherlands.

It is interesting to note that further successes in DVI's underlying portfolio were announced. Gilde Healthcare III successfully sold Dutch-based AM-Pharma to Pfizer at a value of USD 600m, as well as Texas-based Inova Labs Inc to Resmed (for an undisclosed amount). In addition, Karmijn Kapitaal realised their first ever exit by selling their stake in YouMedical to Swedish based Trimb Healthcare AB. This transaction had a value of EUR 39m. These exits provide further evidence to the strength of the Dutch Life Sciences industry.

The Company can look back on a dynamic investment activity since inception less than 3 years ago. DVI has had important incremental and catalytic effects as it allowed EIF, via DVI and other mandates it is advising or managing, to invest larger amounts and also to catalyse additional capital from other investors towards funds active on the Dutch market. As the investment activity across these funds reaches its operational capacity, DVI has been able to demonstrate successfully its role to strengthen the capital base of Dutch innovative SMEs.

**John A. Holloway**  
Chairman of the Board





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

**Opinion**

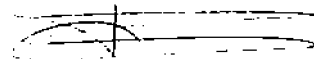
In our opinion, the financial statements give a true and fair view of the financial position of Dutch Venture Initiative S.A. SICAR as of 31 March 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Other matter**

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, July 21, 2016

KPMG Luxembourg,  
Société Coopérative  
Cabinet de révision agréé



M. Tabart

## DUTCH VENTURE INITIATIVE S.A. SICAR

## Statement of financial position

As at March 31, 2016

	Notes	As at March 31, 2016 EUR	As at March 31, 2015 EUR
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	5	33 097 380	14 559 214
		<u>33 097 380</u>	<u>14 559 214</u>
<b>Current assets</b>			
Cash and cash equivalents	8	5 362 111	1 517 412
		<u>5 362 111</u>	<u>1 517 412</u>
<b>Deferred charges</b>	9	12 221	12 222
<b>Total assets</b>		<u><b>38 471 712</b></u>	<u><b>16 088 848</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables and accrued expenses	6	2 636 385	163 932
Tax debts	7	4 061	9 088
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<u><b>2 640 446</b></u>	<u><b>173 020</b></u>
<b>Net assets attributable to holders of redeemable shares</b>		<u><b>35 831 266</b></u>	<u><b>15 915 828</b></u>
Represented by:			
<i>Number of Ordinary shares outstanding</i>	10	13 975 851	5 011 999
<i>Number of Class A shares outstanding</i>	10	1	1
<i>Number of Class B shares outstanding</i>	10	25 060 148	10 024 000

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

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Statement of comprehensive income

For the year ended March 31, 2016

	Notes	Year ended March 31, 2016 EUR	Year ended March 31, 2015 EUR
<b>Income</b>			
Interest income	11	12 180	41 618
Other financial income	12	21 776	-
Other operating income	13	-	231 473
<b>Fair value adjustment on financial assets at fair value through profit or loss</b>	5	-	3 263 642
<b>Total income</b>		<b>33 956</b>	<b>3 536 733</b>
<b>Expenses</b>			
Administration and custody fees	14	(93 379)	(81 356)
Professional fees	14	(1 360 803)	(1 242 317)
Other operating fees	15	(37 531)	(36 159)
Other financial charges	17	(29 812)	-
Interest charges	16	(181 370)	-
<b>Taxes</b>			
Income tax	18	(783)	(3 210)
<b>Fair value adjustment on financial assets at fair value through profit or loss</b>	5	(1 216 112)	-
<b>Total operating expenses</b>		<b>(2 919 790)</b>	<b>(1 363 042)</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>(2 885 834)</b>	<b>2 173 691</b>

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



## DUTCH VENTURE INITIATIVE S.A. SICAR

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

For the year ended March 31, 2016

	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>Net assets attributable to holders of redeemable shares at the beginning of the year</b>	<u>15 915 828</u>	<u>13 742 137</u>
Proceeds from redeemable shares issued	24 000 000	-
Distributions to holders of redeemable shares (finance cost)	<u>(1 198 728)</u>	<u>-</u>
<b>Net increase from share transactions</b>	<b>38 717 100</b>	<b>13 742 137</b>
Total comprehensive profit/(loss), excluding finance cost	<u>(2 885 834)</u>	<u>2 173 691</u>
<b>Increase/(decrease) in net assets attributable to holders of redeemable shares from operations</b>	<b>(2 885 834)</b>	<b>2 173 691</b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b><u>35 831 266</u></b>	<b><u>15 915 828</u></b>
<b>Number of redeemable shares outstanding at the beginning of the year</b>	<u>15 036 000</u>	<u>15 036 000</u>
Number of redeemable shares issued during the year	<u>24 000 000</u>	<u>-</u>
<b>Number of redeemable shares outstanding at the end of the year</b>	<b><u>39 036 000</u></b>	<b><u>15 036 000</u></b>

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

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Statement of cash flows

For the year ended March 31, 2016

	Notes	Year ended March 31, 2016 EUR	Year ended March 31, 2015 EUR
<b>Cash flows from operating activities</b>			
Operating (loss)/profit		(2 885 834)	2 173 691
<b>Adjustment for:</b>			
Net changes in fair value of financial assets at fair value through profit and loss	5	1 216 112	(3 263 642)
<b>Operating loss before working capital changes</b>		<b>(1 669 722)</b>	<b>(1 089 951)</b>
Increase/Decrease in Deferred charges	9	-	-
Increase in Other payables and accrued expenses	6,7	2 472 453	63 958
Increase in Tax debts		(5 027)	-
<b>Net cash provided by/(used in) operating activities</b>		<b>797 705</b>	<b>(1 025 993)</b>
<b>Cash flows from investing activities</b>			
Financial assets acquisition	5	(19 754 279)	(4 493 905)
<b>Net cash used in investing activities</b>		<b>(19 754 279)</b>	<b>(4 493 905)</b>
<b>Cash flows from financing activities</b>			
Capital contributions from shareholders	10	24 000 000	-
Distributions paid to shareholders		(1 198 728)	-
<b>Net cash from financing activities</b>		<b>22 801 272</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
		<b>3 844 699</b>	<b>(5 519 898)</b>
Cash and cash equivalents at the beginning of the year		1 517 412	7 037 310
<b>Cash and cash equivalents at the end of the year</b>		<b>5 362 111</b>	<b>1 517 412</b>

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

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements

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#### For the year ended March 31, 2016

##### 1. General information

Dutch Venture Initiative S.A. SICAR (the “Company”) was incorporated on August 7, 2013 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, Allée Scheffer, L-2520 Luxembourg, registered with the Luxembourg trade and companies register under the number B.179.637.

The Company's investment objective is to invest in 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 Company will target as part of their investment objectives to invest 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 August 7, 2030, or if earlier, the date on which all investments have been disposed or with supermajority resolution. At any time, the Board may, upon proposal of the adviser, elect to extend the term for up to two consecutive additional one-year periods.

The fiscal year will begin on April 1 of each year and ends on March 31 of the next year.

As at March 31, 2016, the Company is held by European Investment Fund (“EIF”), by Participatiemaatschappij Oost Nederland NV (“PPM Oost”) and by Innovatiefonds Brabant B.V.. Ordinary shares are held by EIF and Innovatiefonds Brabant B.V., Class A shares are held by EIF and Class B shares are held by PPM Oost.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

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#### For the year ended March 31, 2016

#### 2. Summary of significant accounting policies

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

The financial statements of Dutch Venture Initiative S.A. SICAR have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.5.

The Company's financial statements have been authorized for issue by the Board of Directors on July 15, 2016.

- (a) Standards issued and effective

The accounting policies adopted are consistent with those of the previous financial year.

- (b) Standards issued but not effective

The following IFRS and IFRIC interpretations applicable to the Company were issued but are not yet effective. The Company has chosen not to early adopt these standards and interpretations. The Company plans to adopt them at the date of endorsement by the European Union.

- IAS 1, 'Disclosure initiative', *Amendments to IAS 1*

The amendments clarify the materiality requirements in IAS 1, that specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated, that entities have flexibility as to the order in which they present the notes to financial statements and that the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016. The Company is in the process of analysing the impact of this standard on its operations.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

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

##### 2.1 Basis of preparation (continued)

(b) Standards issued but not effective (continued)

- IFRS 9, 'Financial instruments'

This standard is the first step in a three-part project by the IASB to replace IAS 39 financial instruments. This first part, dealing with the classification and measurement of financial assets, simplifies the recognition of financial assets by requiring such assets to be measured at either amortised cost or fair value, depending on certain criteria. The standard is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The date of the adoption of this standard by the Company will also be dependent on the timing of the EU endorsement process. The Company is in the process of analysing the impact of this standard on its operations.

- IFRS 15 – 'Revenue from contracts with customers'

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. This standard will replace existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 will be effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The date of the adoption of this standard by the Company will also be dependent on the timing of the EU endorsement process. The Company is in the process of analysing the impact of this standard on its operations.

##### 2.2 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;
- 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).

##### 2.3 Foreign currency translation

(a) Functional and presentation currency

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.

## DUTCH VENTURE INITIATIVE S.A. SICAR

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.

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

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

##### 2.3 Foreign currency translation (continued)

(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 'other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss'.

##### 2.4 Financial assets and financial liabilities

(a) Classification

The Company classifies its investments in debt and equity securities, and derivatives, as financial assets or financial liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) *Financial assets and liabilities held for trading*

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

(ii) *Financial assets and liabilities designated at fair value through profit or loss at inception*

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires the Adviser and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

**DUTCH VENTURE INITIATIVE S.A. SICAR****Notes to the financial statements (continued)****For the year ended March 31, 2016**

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**2. Summary of significant accounting policies (continued)****2.4 Financial assets and financial liabilities (continued)**

## (b) Recognition, derecognition and measurement

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the year in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Company’s right to receive payments is established.

Capital repayment from financial assets at fair value through profit or loss is recognized in the statement of financial position as a decrease of the financial assets and until the initial cost is fully reimbursed.

**2.5 Fair value consideration**

Under the valuation technique, the fair value of private equity (PE) funds is achieved by applying the acquisition cost during the first year, unless a loss or gain event materializes and applying the aggregated Net Asset Value (NAV) method after, based on the information obtained from the respective administrators and fund managers, as adjusted where deemed necessary.

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 13, then the aggregation of the NAVs of all funds will itself be equivalent to the fair value as determined under IFRS 13.

In accordance with this method, the PE funds are internally classified into three categories:

- Category A – funds that have adopted the fair value requirements of IFRS 13.
- Category B – funds that have adopted valuation guidelines (such as the former 2001 EVCA) or standards that can be considered as a practical expedient for fair value measurements under IFRS 13.
- Category C – funds that depart from fair value requirements of IFRS 13.

Although it is assumed for category A and B that the NAV is a reliable estimation of the fair value and specific review is performed, 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.

## DUTCH VENTURE INITIATIVE S.A. SICAR

As far as category C funds are concerned, adjustments to the NAV may be required to comply with the Fund's valuation policy.

### Notes to the financial statements (continued)

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#### For the year ended March 31, 2016

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

##### 2.5 Fair value consideration (continued)

The fair value attributable NAV is determined through applying either the Fund's percentage ownership in the underlying vehicle to the net asset value 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 order to bridge the interval between the last available NAV and the year-end reporting year, a subsequent event review procedure is performed and if necessary the reported NAV is adjusted.

The fair value of co-investments that are not quoted in an active market is determined by using valuation techniques, similarly to the fair value of PE funds.

##### 2.6 Critical accounting 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 policy. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in notes 2.4 and 3.

Judgments and estimates are made in the determination of fair values of equity investments and on the determination and disclosures of unconsolidated structured entities and investment entities in which the Company has an interest as described in note 20.

##### 2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Company currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

##### 2.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash in hand, deposits held at call with banks and other short-term investments in an active market with residual maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

##### 2.9 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.



**DUTCH VENTURE INITIATIVE S.A. SICAR****Notes to the financial statements (continued)****For the year ended March 31, 2016**

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**2. Summary of significant accounting policies (continued)****2.10 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 Management of the Fund 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. 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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 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.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

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#### For the year ended March 31, 2016

#### 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) 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 between 10 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 with the unanimous consent of the

**DUTCH VENTURE INITIATIVE S.A. SICAR**

members of the Investment Committee take a participation representing up to 100% of the aggregate commitments to EAF Netherlands.

**Notes to the financial statements (continued)****For the year ended March 31, 2016****3. Financial risks (continued)****3.1 Market risk (continued)**

## (a) 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, 2016, the fair value of the investments held was as follows:

<b>March 31, 2016</b>				<b>March 31, 2015</b>			
	<b>% Owner- ship</b>	<b>Capital called</b>	<b>Fair value</b>	<b>Fair value adjustment</b>	<b>Capital called</b>	<b>Fair value</b>	<b>Fair value adjustment</b>
Karmijn Kapitaal Fund I	10,9%	2 623 077	4 184 467	852 743	3 671 339	4 379 986	737 718
Prime Ventures IV CV	12,0%	9 609 114	8 010 383	(1 039 957)	3 567 170	3 008 396	(558 774)
Gilde Healthcare III CV	5,5%	1 352 787	3 428 727	(341 512)	1 561 559	3 979 011	2 464 994
Newion Investments II	11,53%	2 052 783	2 779 858	69 657	1 575 000	2 232 418	619 704
Forbion Capital Fund III C.V	6,5%	1 563 931	1 369 000	(194 931)	103 418	103 418	-
Aglaia Oncology Fund II	9,3%	461 821	187 730	(274 090)	100 000	100 000	-
Life Sciences Partners V C.V	7,5%	2 584 898	2 489 000	(95 898)	755 985	755 985	-
Gilde Healthcare Services II	15,0%	2 100 000	1 628 000	(472 000)	-	-	-
European Angels Fd S.C.A Sicar -Netherl.	100%	699 999	699 999	-	-	-	-
Henq III	29,9%	2 018 863	2 018 863	-	-	-	-
HPE Parallel Fund II C.V.	11,8%	2 700 000	2 700 000	-	-	-	-
SET Fund II C.V	10,8%	1 761 477	2,041,353	279,876	-	-	-
Endeit Fund II Coöperatief UA	15,9%	1 560 000	1 560 000	-	-	-	-
<b>Total investments</b>		<b>31 088 750</b>	<b>33 097 380</b>	<b>(1,216,112)</b>	<b>11 334 471</b>	<b>14 559 214</b>	<b>3 263 642</b>

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

For the year ended March 31, 2016

#### 3. Financial risks (continued)

##### 3.1 Market risk (continued)

(b) 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 x  $\pm 10\%$ ) 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:

<b>Public market risk: ALL PRIVATE EQUITY</b>	
<b>+10%</b>	<b>-10%</b>
<b>Retained Beta 0.9</b>	<b>Retained Beta 0.9</b>
<b>Final Sensitivity: +9%</b>	<b>Final Sensitivity: -9%</b>
Total effect on equity	Total effect on equity
(EUR)	(EUR)
2 782 379	(2 782 379)

(c) Foreign exchange 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, 2016, there is no foreign exchange risk as all the transactions have been made in the functional currency, EUR.

(d) 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 at bank and bank overdrafts that have a maturity of less than one year. As at March 31, 2016, there is no significant interest rate risk.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

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#### For the year ended March 31, 2016

#### 3. Financial risks (continued)

##### 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. Any such temporary investments must be placed with reputable prime rated institutions such as CACEIS Bank Luxembourg ("CACEIS BL") for all its cash management and potential credit risk relative to cash and cash equivalents. CACEIS BL, a member of the Crédit Agricole Group, is a major actor in the asset servicing providers market and is one of the leaders in the French market. CACEIS BL is rated A/A-1 by Standard & Poor's as at March 31, 2016.

As at March 31, 2016, there are no financial assets that are past due or impaired.

##### 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 equivalent to discharge itself from these short-term obligations.

As at March 31, 2016, the cash is sufficient to cover all the payables.

###### - 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, 2016.

###### - 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 advisor 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.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 3. Financial risks (continued)

##### 3.3 Liquidity risk (continued)

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, 2016 Financial liabilities	Less than 1 month	1 to 12 months	More than 12 months	No stated maturity	Total
Other payables and accrued expenses	-	2 640 446	-	-	2 640 446
Net assets attributable to holders of redeemable shares	-	-	35 831 266	-	35 831 266
<b>Contractual cash outflow</b>	-	<b>2 640 446</b>	<b>35 831 266</b>	-	<b>38 471 712</b>

##### 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 advisor 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.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 3. Financial risks (continued)

#### 3.4 Capital risk management (continued)

#### 3.4.1 Fair Value Classification (continued)

The table below analyses financial instruments measured at fair value as at March 31, 2016 according to the level in the fair value hierarchy into which the fair value measurement is categorised:

<b>Assets measured at fair value</b>	<b>Level 3</b>	<b>Total balance as at March 31, 2016</b>
	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	33 097 380	33 097 380

The table below analyses financial instruments measured at fair value as at March 31, 2015 according to the level in the fair value hierarchy into which the fair value measurement is categorised:

<b>Assets measured at fair value</b>	<b>Level 3</b>	<b>Total balance as at March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	14 559 214	14 559 214

The changes in Level 3 instruments for the year ended March 31, 2016 are disclosed in Note 5. There were no transfer between levels for the year ended March 31, 2016 (2015: none).

Please refer to Note 2.4 for further information on the determination of the fair value for level 3 instruments.

#### 4. Dividend income

No dividend has been received during the year (2015: none).

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

For the year ended March 31, 2016

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

Financial fixed assets held by the Company as at March 31, 2016 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	Investment date	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)
Karmijn Kapitaal Fund I	Netherlands	14/10/13	EUR	5 000 000	4 196 371	803 629	2 623 077	4 184 467	852 743
Prime Ventures IV C.V	Netherlands	29/10/13	EUR	20 000 000	9 609 114	10 390 886	9 609 114	8 010 383	(1 039 957)
Gilde Healthcare III CV	Netherlands	19/11/13	EUR	8 000 000	3 436 125	4 563 875	1 352 787	3 428 727	(341 512)
Newion Investments II	Netherlands	07/01/14	EUR	5 000 000	2 225 000	2 775 000	2 052 783	2 779 858	69 657
Forbion Capital Fund III C.V	Netherlands	31/10/14	EUR	10 000 000	1 563 931	8 436 069	1 563 931	1 369 000	(194 931)
Aglaia Oncology Fund II	Netherlands	22/08/14	EUR	5 000 000	461 821	4 538 179	461 821	187 730	(274 090)
Life Sciences Partners V C.V	Netherlands	19/12/14	EUR	15 000 000	2 584 898	12 415 102	2 584 898	2 489 000	(95 898)
Gilde Healthcare Services II	Netherlands	23/12/14	EUR	15 000 000	2 100 000	12 900 000	2 100 000	1 628 000	(472 000)
European Angels Fd S.C.A Sicar -Netherl.	Netherlands	18/09/15	EUR	45 000 000	699 999	44 300 001	699 999	699 999	-
Henq III Fund B.V.	Netherlands	07/07/15	EUR	12 500 000	2 018 863	10 481 137	2 018 863	2 018 863	-
HPE Parallel Fund II C.V.	Netherlands	01/10/15	EUR	15 000 000	2 700 000	12 300 000	2 700 000	2 700 000	-
SET Fund II C.V	Netherlands	29/12/15	EUR	6 000 000	1 827 418	4 172 582	1 761 477	2 041 353	279 876
Endeit Fund II Coöperatief UA	Netherlands	27/08/15	EUR	20 000 000	1 560 000	18 440 000	1 560 000	1 560 000	-
				<b>181 500 000</b>	<b>34 983 540</b>	<b>146 516 460</b>	<b>31 088 750</b>	<b>33 097 380</b>	<b>(1 216 112)</b>

\* 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 amount".

As at March 31, 2015, financial fixed assets held by the Company were as follows:

Name	Country	Investment date	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)
Karmijn Kapitaal Fund I	Netherlands	14/10/13	EUR	5 000 000	3 671 339	1 328 661	3 671 339	4 379 986	737 718
Prime Ventures IV C.V	Netherlands	29/10/13	EUR	10 000 000	3 567 170	6 432 830	3 567 170	3 008 396	(558 774)
Gilde Healthcare III CV	Netherlands	19/11/13	EUR	8 000 000	2 571 305	5 248 695	1 561 559	3 979 011	2 464 994
Newion Investments II	Netherlands	07/01/14	EUR	5 000 000	1 575 000	3 425 000	1 575 000	2 232 418	619 704
Forbion Capital Fund III C.V	Netherlands	31/10/14	EUR	10 000 000	103 418	9 896 582	103 418	103 418	-
Aglaia Oncology Fund II	Netherlands	22/08/14	EUR	4 000 000	100 000	3 900 000	100 000	100 000	-
Life Sciences Partners V C.V	Netherlands	19/12/14	EUR	11 976 000	755 985	11 220 015	755 985	755 985	-
Gilde Healthcare Services II	Netherlands	23/12/14	EUR	15 000 000	-	-	-	-	-
				<b>68 976 000</b>	<b>12 524 217</b>	<b>41 451 783</b>	<b>11 334 471</b>	<b>14 559 214</b>	<b>3 263 642</b>

\* 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 amount".



**DUTCH VENTURE INITIATIVE S.A. SICAR****Notes to the financial statements (continued)**

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**For the year ended March 31, 2016****5. Financial assets at fair value through profit or loss (continued)****5.1 Karmijn Kapitaal Fund I**

As at March 31, 2016 the Company has acquired 10,9% of Karmijn Kapitaal Fund I for a total commitment of EUR 5 000 000.

During the year, 3 drawdowns have been called: EUR 50 000 in June 2015, EUR 706 499 in December 2015 and EUR 34 829 in February 2016. Moreover, EUR 1 573 24 in September 2015 and EUR 266 296 (recallable) in February 2016 have been repaid.

At the end of the year, EUR 803 629 remain unfunded.

**5.2 Prime Ventures IV CV**

As at March 31, 2016, the Company has acquired 12,0% of Prime Ventures IV CV for a total commitment of EUR 20 000 000.

During the year, 4 drawdowns have been called: EUR 3 180 076 in April 2015, EUR 2 025 248 in June 2015, EUR 742 762 in December 2015 and EUR 93 858 in February 2016.

At the end of the year, EUR 10 390 886 remain unfunded.

**5.3 Gilde Healthcare III CV**

As at March 31, 2016, the Company has acquired 5,5% of Gilde Healthcare III CV for a total commitment of EUR 8 000 000.

During the year, 4 drawdowns have been called: EUR 198 606 in April 2015, EUR 301 806 in July 2015, EUR 140 815 in October 2015 and EUR 50 000 in March 2016. Moreover, EUR 474 983 (amount of which EUR 91 215 are recallable repayments) in May 2015 and EUR 425 016 in March 2016 have been repaid.

At the end of the year, EUR 4 563 875 remain unfunded.

**5.4 Newion Investments II**

As at March 31, 2016, the Company has acquired 11,53% of Newion Investments II for a total commitment of EUR 5 000 000.

During the year, 5 drawdowns have been called: EUR 175 000 in March 2015 and June 2016, EUR 225 000 in September 2015, EUR 125 000 in November 2015 and March 2016. Moreover, EUR 172 217 have been repaid in September 2015.

At the end of the year, EUR 2 775 000 remain unfunded.

**DUTCH VENTURE INITIATIVE S.A. SICAR****Notes to the financial statements (continued)**

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**For the year ended March 31, 2016****5. Financial assets at fair value through profit or loss (continued)****5.5 Forbion Capital Fund III C.V**

As at March 31, 2016, the Company has acquired 6,5% of Forbion Capital Fund III C.V for a total commitment of EUR 10 000 000.

During the year, 4 drawdowns have been called: EUR 484 339 in May 2015, EUR 37 426 in June 2015, EUR 525 828 in October 2015 and EUR 62 921 in February 2016.

At the end of the year, EUR 8 436 069 remain unfunded.

**5.6 Aglaia Oncology Fund II**

As at March 31, 2016, the Company has acquired 9,3% of Aglaia Oncology Fund II for a total commitment of EUR 5 000 000.

During the year, 3 drawdowns have been called: EUR 89 949 in August 2015, EUR 131 226 in October 2015 and 140 646 in March 2016.

At the end of the year, EUR 4 538 179 remain unfunded.

**5.7 Life Sciences Partners V C.V**

As at March 31, 2016, the Company has acquired 7,5% of Life Sciences Partners V C.V for a total commitment of EUR 15 000 000.

During the year, 5 drawdowns have been called: EUR 190 890 in April 2015, EUR 458 182 in November 2015, EUR 321 629 in December 2015, EUR 238 807 in February 2016 and EUR 619 405 in March 2016

At the end of the year, EUR 12 415 102 remain unfunded.

**5.8 Gilde Healthcare Services II**

As at March 31, 2016, the Company has acquired 15,0% of Gilde Healthcare Services II for a total commitment of EUR 15 000 000.

An initial amount has been called and paid in June 2015 for EUR 780 000.

Additional amounts have been called during the year, EUR 150 000 in December 2015 and EUR 1 170 000 in March 2016.

At the end of the year, EUR 12 900 000 remain unfunded.

**5.9 European Angels Fd S.C.A Sicar -Netherlands.**

As at March 31, 2016, the Company has acquired 100,0% of European Angels Fd S.C.A Sicar -Netherlands for a total commitment of EUR 45 000 000.

An initial amount has been called and paid in February 2016 for EUR 699 999.

At the end of the year, EUR 44 300 001 remain unfunded.

**DUTCH VENTURE INITIATIVE S.A. SICAR****Notes to the financial statements (continued)**

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**For the year ended March 31, 2016****5. Financial assets at fair value through profit or loss (continued)****5.10 Henq III Fund B.V.**

As at March 31, 2016, the Company has acquired 29,9% of Henq III for a total commitment of EUR 12 500 000.

An initial amount has been called and paid in July 2015 for EUR 1 100 000.

Additional amounts have been called during the year, EUR 676 599 and EUR 242 264 in March 2016.

At the end of the year, EUR 10 481 137 remain unfunded.

**5.11 HPE Parallel Fund II C.V.**

As at March 31, 2016, the Company has acquired 11,8% of HPE Parallel Fund II C.V. for a total commitment of EUR 15 000 000.

An initial amount has been called and paid in October 2015 for EUR 300 000.

Additional amount has been called during the year, EUR 2 400 000 in February 2016.

At the end of the year, EUR 12 300 000 remain unfunded.

**5.12 SET Fund II C.V**

As at March 31, 2016, the Company has acquired 10,8% of SET Fund II C.V for a total commitment of EUR 6 000 000.

An initial amount has been called and paid in January 2016 for EUR 1 655 166.

Additional amount has been called during the year, EUR 172 252 in February 2016.

At the end of the year, EUR 4 172 582 remain unfunded.

**5.13 Endeit Fund II Coöperatief UA**

As at March 31, 2016, the Company has acquired 15,9% of Endeit Fund II Coöperatief UA for a total commitment of EUR 20 000 000.

An initial amount has been called and paid in December 2016 for EUR 360 000.

Additional amount has been called during the year, EUR 1 200 000 in March 2016.

At the end of the year, EUR 18 440 000 remain unfunded.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 6. Other payables and accrued expenses

As at March 31, 2016, accrued expenses are composed as follows:

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Administration fees	45 813	39 905
Audit fees	21 996	36 010
Legal fees	-	25 054
Other fees *	675	62 963
Cash advance on capital call **	2 567 901	-
	<b>2 636 385</b>	<b>163 932</b>

\* Other fees are composed of suppliers invoices not yet paid.

\*\* This item corresponds to a capital contribution paid in advance for Dutch Venture Initiative S.A. SICAR.

#### 7. Tax debts

As at March 31, 2016, tax debts are composed as follows:

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
VAT on foreign invoices	3 259	8 286
Net Wealth Tax	802	-
Advances on Corporate Income Tax	-	802
	<b>4 061</b>	<b>9 088</b>

#### 8. Cash and cash equivalents

The position as at March 31, 2016 on cash account is as follows:

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Cash at bank	5 362 111	1 517 412
	<b>5 362 111</b>	<b>1 517 412</b>

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 9. Deferred charges

During the year, the Company paid insurance fees for the year from August 2015 to August 2016 for EUR 30 420 (2015: EUR 30 420) and the annual CSSF fees for 2016 for EUR 3 000 (2015: EUR 3 000). To reflect only the expenses for the year ended on March 31, 2016, deferred charges for EUR 12 221 (2015: EUR 12 222) have been booked.

#### 10. Shares

As at March 31, 2016, 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, 2015	1	10 024 000	5 011 999
Shares issued during the year	-	15 513 481	8 486 519
Shares redeemed during the year	-	-	-
Equalisation	-	(477 333)	477 333
<b>As at March 31, 2016</b>	<b>1</b>	<b>25 060 148</b>	<b>13 975 851</b>

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 PPM Oost 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.

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

	<u>Commitment</u>	<u>Called commitment</u>	<u>Uncalled commitment</u>
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Class B	130 000 000	25 060 148	104 939 852
Ordinary	72 500 000	13 975 851	58 524 149
	<b>202 500 000</b>	<b>39 035 999</b>	<b>163 464 001</b>

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 10. Shares (continued)

##### 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, 2016, the total cash distribution amounts to EUR 1 198 728.

#### 11. Interest income

This item is composed of interests received on investments for EUR 12 180 (2015: EUR 41 618).

#### 12. Other financial income

As at March 31, 2016, this item is composed as follows:

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Late entry fees	8 504	-
Other financial income	13 272	-
	<b>21 776</b>	<b>-</b>

#### 13. Other operating income

The 2015 amount for other operating income corresponded to the reimbursement of an entry fee paid in 2014 for EUR 231 473 when the Company invested in Newion Investments II and of a nominal adjustment for EUR 1. In the financial statements for the year ended March 31, 2014, this entry fee was recognized under the other operating expenses caption. There is no other operating income for the year 2016.

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 14. Administration and Professional fees

As at March 31, 2016, administration fees are as follows:

	As at March 31, 2016	As at March 31, 2015
	EUR	EUR
Accounting fees	33 879	28 236
Domiciliary Fees	17 000	17 000
Register and Transfer Agent fees	3 150	1 450
Supervisory Fees	16 550	15 370
Transaction Fees	7 400	6 300
Reporting fees	15 400	13 000
	<b>93 379</b>	<b>81 356</b>

As at March 31, 2016, professional fees are as follows:

	As at March 31, 2016	As at March 31, 2015
	EUR	EUR
Audit fees	19 331	21 060
Legal fees	40 907	69 473
Tax advisory fees	24 205	26 784
Advisory Fees *	1 276 360	1 125 000
	<b>1 360 803</b>	<b>1 242 317</b>

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

#### 15. Other operating fees

As at March 31, 2016, other operating fees are as follows:

	As at March 31, 2016	As at March 31, 2015
	EUR	EUR
Banking charges	19	200
Travel expenses	3 229	2 277
Insurance fees	30 420	30 420
Other fees	3 863	3 262
	<b>37 531</b>	<b>36 159</b>

#### 16. Interest charges

This item is only composed of the payment of equalization interest for a total amount of EUR 181 370 (2015: nil).

## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

#### For the year ended March 31, 2016

#### 17. Other financial charges

This item is only composed of the payment of rebate interest for a total amount of EUR 29 812 (2015: nil).

#### 18. Taxes

This item is only composed of the payment of the corporate income tax for 2015 and the first quarter of 2016 and of the payment of the net wealth tax for EUR 783 (2015: 3 210 EUR).

#### 19. 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, 2016, the following transaction was carried out with related parties:

		As at March 31, 2016	As at March 31, 2015
	Note	EUR	EUR
Advisory fees paid to EIF	14	1 276 360	1 125 000

#### 20. 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 Fund
Limited Partnership in relation to Private Equity operations (see section 20.1)	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"> <li>• Investments in shares issued by the Limited Partnership</li> <li>• Capital and revenues repayments</li> </ul>



## DUTCH VENTURE INITIATIVE S.A. SICAR

### Notes to the financial statements (continued)

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#### For the year ended March 31, 2016

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

##### 20.1 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 in section 20.1 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.

The Fund 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 31 March 2016, the Company's interest ranged from 5.50% to 100.00% and the maximum loss exposure from PE structured entities is limited to the amount of committed investments as disclosed in Note 5. The nature of these investments is further detailed in Note 5 and the risk exposure in Note 3.

#### 21. Subsequent events

There is no material subsequent event to be mentioned.