



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

INTERIM REPORT 2021

For the period from 1 January 2021 to 30 June 2021



Princess Private Equity Holding Limited

Princess Private Equity Holding Limited ("Princess" or "the Company") is an investment holding company domiciled in Guernsey that mainly invests in private companies in the middle and upper middle market. Princess is a direct investor with a small legacy fund portfolio that is in run off. The

Company is managed by Partners Group AG. Princess aims to provide shareholders with long-term capital growth as well as an attractive dividend yield. The shares are traded on the Main Market of the London Stock Exchange.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the product described herein. This report was prepared using financial information contained in the Company's books and records as of the reporting date. This information is believed to be accurate but has not been audited, reviewed or approved by any third party. This report describes past performance, which may not be indicative of future results. The Company does not accept any liability for actions taken on the basis of the information provided. Please consult the constituent documents for a more complete description of the terms.

Cover image is for illustrative purposes only.

Key figures

In EUR	31 December 2020	30 June 2021
Total fund size	923'334'182	1'053'692'710
NAV per share	13.35	15.24
Total dividend per share	0.435	0.335
Share price	11.75	12.90
Discount	-12.0%	-15.3%
Cash and cash equivalents	31'514'763	10'613'051
Credit line used	0	27'000'000
Value of investments	903'416'996	1'074'946'187
Unfunded commitments	106'623'004	114'470'638
Investment level	97.8%	102.0%
Net current assets	19'917'187	-21'253'477

Past performance is not indicative of future results. There is no assurance that similar investments will be made nor that similar results will be achieved.

Investment level: as per reporting date, calculated as value of investments divided by total fund size.

Net current assets: as per reporting date, calculated based on net asset value less total investments at fair value through profit or loss.

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1. Investment Manager's report

Positive NAV development in the first half of 2021

The net asset value ("NAV") of Princess Private Equity Holding Limited ("Princess" or "the Company") closed the first half of 2021 at EUR 15.24 per share, representing a NAV total return of 16.7% including the first interim dividend of EUR 0.335 per share.

Valuation developments (+19.6%) were the main driver of NAV growth, while currency effects were slightly negative. Amongst the largest contributors to Princess' NAV growth were the direct investments in GlobalLogic, International Schools Partnership ("ISP") and SRS Distribution ("SRS"):

● GLOBALLOGIC

The largest value driver was GlobalLogic, a leader in digital engineering services, which was written up to reflect the company's sale to Japanese conglomerate Hitachi. The transaction values GlobalLogic at an enterprise value of USD 9.5 billion, compared to USD 2 billion at entry in 2018. During the holding period, Partners Group worked with the company on several transformational value creation initiatives to drive growth. Key initiatives included increasing the size of the Company's top accounts, many of which are global marquee brands, and introducing a more targeted sales strategy in certain customer segments, including the development of a private equity focused sales channel. An increased client base and rising demand have led to GlobalLogic

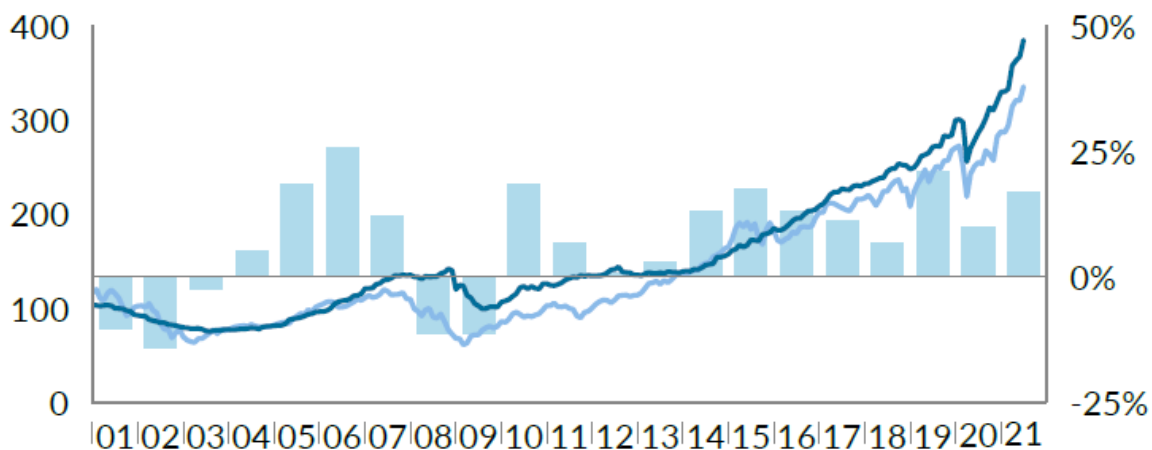
hiring more than 7,000 additional software designers, engineers, and data experts since Partners Group's initial investment. GlobalLogic has also completed four strategic acquisitions, including three in Europe. Additionally, Partners Group enhanced the Company's focus on environmental, social, and governance ("ESG") initiatives, helping the Company establish a dedicated ESG function focused on refining and implementing its ESG strategy going forward.

● INTERNATIONAL SCHOOLS PARTNERSHIP

ISP, a leading international group of K-12 schools, was written up following an agreement for OMERS, a Canadian pension plan, to acquire a 25% stake in the business at an enterprise value of EUR 1.9 billion. Partners Group formed UK-headquartered ISP in 2013 with the intention of creating a leading international school group through a buy-and-build strategy, capitalizing on the opportunities for consolidation in the K-12 school market. Today, ISP is the fifth largest K-12 international school group globally, operating 50 schools across 15 countries and serving more than 45,000 pupils. The additional capital will predominantly be used to continue ISP's platform-building strategy.

The transaction subsequently closed in July. Princess received gross proceeds of approximately EUR 140 million, re-investing approximately EUR 17 million to continue to participate in the future growth of the business.

NAV PERFORMANCE (SINCE INCEPTION)*



■ Princess ■ MSCI World TR ■ Performance (RHS)

* As per reporting date. The Princess performance is calculated on a total return basis.

● **SRS DISTRIBUTION**

SRS, a US distributor of roofing products, was written up following a period of strong financial performance supported by positive same-store-sales growth. SRS remains highly acquisitive and recently expanded its regional presence in Chicago with acquisitions of three additional distributors, bringing the number of locations to 460 across 44 states.

Investment activity (first six months)

Investment	Geography	Sector	Amount (EUR million)
Telepass	WEU	Industrials	13.6
Idera	NAM	IT	11.2
Careismatic Brands	NAM	Consumer Discretionary	10.5
Wedgewood Pharmacy	NAM	Health Care	8.5
Axia Women's Health	NAM	Health Care	6.4
Ecom Express	APC	Industrials	5.0
Others			6.7
Total investments for H1 2021			61.9

Investment activity

Princess invested a total of EUR 61.9 million in the first half of 2021, including six new investments.

● **TELEPASS**

The Company invested EUR 13.6 million in Telepass, a leading European provider of electronic toll collection ("ETC") services. Telepass provides services to approximately 7 million clients, with an asset base of more than 12 million active payment devices. The company processes around EUR 7 billion in annual transactions across 14 European countries. Telepass complements its core ETC services with other transport-related services, such as digital mobility payments and personal mobility insurance services. Partners Group will work closely with Telepass' management on a number of strategic value creation initiatives, with key areas of focus including the further penetration and consolidation of the European ETC market through organic and acquisitive growth, strengthening the company's "one-stop mobility payment" solution for B2C and B2B customers, and scaling mobility insurance coverage across Europe.

● **IDERA**

EUR 11.2 million was invested in Idera, a provider of infrastructure software solutions to businesses for testing, application development, and database architecture and management, both on premises and in the cloud. Princess, alongside other Partners Group clients, previously held a minority position in Idera which was realized as part of the transaction, with a portion of the proceeds redeployed in the new investment. Following the transaction, Partners Group clients now hold a controlling position in the equity of the company. Idera

has 700,000 users globally across a wide range of industries, including technology, financial services, legal, pharmaceuticals, government, and non-profit, energy and education. Partners Group will work closely with the company to further develop its pipeline of strategic M&A opportunities and optimize its sales and marketing processes.

● **CAREISMATIC BRANDS**

Princess invested EUR 10.5 million in Careismatic Brands ("Careismatic"), the world's leading designer, marketer, and distributor of branded medical scrubs. The company operates in both B2B and B2C channels, selling its products through over 10'000 retail locations, online retailers, and catalogues. Partners Group has a deep knowledge of Careismatic, formerly known as Strategic Partners, having previously owned the business from 2012 to 2016. The company has continued to develop positively, having completed four acquisitions from 2016 to 2020 to ramp up sales channels and enter additional product adjacencies, and is well positioned for its next phase of growth. Following the acquisition, Partners Group will work with Careismatic to optimize its channel mix, develop partnership strategies, and further build capabilities in higher-margin and higher-growth direct-to-consumer e-commerce channels.

● **WEDGEWOOD PHARMACY**

EUR 8.5 million was invested in Wedgewood Pharmacy, a leading US animal health compounding pharmacy business. Compounded medications are created and prepared by specialist pharmacists and pharmacy technicians when there is no commercially available alternative. Wedgewood holds over 66'000 relationships with veterinarians and directly serves more than 360'000 pet owners annually. Following the investment, Partners Group will work closely with Wedgewood's management team to implement new strategic initiatives that support ongoing organic growth. Key areas of focus will be investing in the Company's sales and marketing functions; enhancing technology to drive digital engagement with veterinarians and pet owners through multiple channels; and continuing its veterinary footprint expansion through corporate group partnerships and new customer acquisitions, as well as opportunistic M&A.

● **AXIA WOMEN'S HEALTH**

The Company invested EUR 6.4 million in Axia Women's Health, a leading women's healthcare provider in the US. Axia provides a highly integrated platform of non-clinical business and administrative support services to its network of physician practices across the US. Axia has partnered with

more than 80 care centers comprising 150 locations, which offer a wide range of care, including obstetrics, gynecology, laboratory, mammography, urogynecology, fertility, and other sub-specialties. Partners Group will work closely with Axia's management team on a range of value creation initiatives such as expanding in-demand ancillary services; improving patient experience, outcomes, and engagement; and continued accretive M&A in both its existing geographical footprint and new regions.

● ECOM EXPRESS

Princess invested EUR 5.0 million in Ecom Express ("Ecom"), one of the largest providers of technology-enabled end-to-end logistics solutions to the fast-growing Indian e-commerce industry. Ecom's logistics network covers more than 95% of India's population, with the company delivering close to one million shipments daily through approximately 2,800 delivery centers. Following the transaction, Partners Group will work closely with Ecom in accelerating its core business growth, expanding its product offerings, and entering new segments and markets.

Distribution activity (first six months)

Investment	Type	Amount (EUR million)
Cerba HealthCare	Exit	26.8
Idera (minority position)	Exit	14.0
Foncia	Distribution	9.7
BarBri	Exit	7.7
CSS Corp	Exit	6.3
SRS Distribution	Distribution	6.1
United States Infrastructure Corporation	Distribution	3.6
Legacy fund portfolio		6.3
Confidential investment	Exit	13.2
Other		5.3
Total distributions for H1 2021		99.0

Distribution activity

Princess received distributions amounting to EUR 99.0 million during the first 6 months of 2021. EUR 92.7 million stemmed from direct investments, including proceeds from the sale of Cerba HealthCare ("Cerba"), the exit of a minority position in Idera, and a dividend from Foncia. An amount of EUR 6.3 million was received from the Company's mature legacy fund portfolio.

● CERBA HEALTHCARE

EUR 26.8 million was received from the exit of Cerba HealthCare, a leading player in medical diagnostics. Over the 4-year investment period, Partners Group worked alongside Cerba's management team to accelerate its value accretive consolidation in France and made a total of 46 add-on invest-

ments, to advance into two new international markets, achieve a successful strategic turnaround of its research business, and penetrate the adjacent veterinary biology market. As a result, Cerba experienced strong revenue and pro forma EBITDA CAGRs between 2017 and 2020.

● FONCIA

EUR 9.7 million stemmed from Foncia, the leading French property management and real estate services provider, following a refinancing of the company's debt. The refinancing allowed the company to repay its existing indebtedness, raise additional funds for future acquisitions, and pay a dividend to shareholders.

● BARBRI

The Company received EUR 7.7 million from the sale of BarBri, a US-based provider of bar exam preparation services. Following strategic product investments and a number of acquisitions in recent years, BarBri now provides a comprehensive product suite addressing the complete legal education lifecycle.

● CSS CORP

Princess received proceeds of EUR 6.3 million from CSS Corp ("CSS"). Partners Group closed the sale of CSS, a global technology support services leader. During Partners Group's ownership the company's growth strategy was revamped with a focus on innovation in its service offering and sales pitches to prospective customers. CSS has won several marquee accounts with international businesses across the telecommunications sector over the past 18 months. Given the potential for further upside, Princess, alongside other Partners Group clients, will retain a minority stake in the company.

● SRS DISTRIBUTION

Princess received distributions of EUR 6.1 million from SRS, supported by the company's strong financial performance.

● UNITED STATES INFRASTRUCTURE CORPORATION

Princess received a dividend of EUR 3.6 million from United States Infrastructure Corporation ("USIC"), a US-based provider of underground utility locating services. Partners Group continues to work closely with USIC to expand its utility solutions offering. The company is targeting the launch of select services into new markets over the coming year, while continuing with its acquisition strategy.

Share price development and dividend

Princess' share price increased by 9.8% on a total return basis during the first half-year 2021. The Company paid an increased first interim dividend of EUR 0.335 per share in June, in line with its objective to distribute 5% of opening NAV for each financial year, via semi-annual payments.

Liquidity and unfunded commitments

Princess' net liquidity position decreased to EUR -21.3 million, funded by drawings of EUR 27 million from the Company's EUR 80 million revolving credit facility. With outstanding proceeds of approximately EUR 250 million from signed sale agreements, the Company will have ample liquidity to repay the credit facility and to fund future investment activity.

Total unfunded commitments as at 30 June 2021 amounted to EUR 114.5 million. Of this figure, EUR 44.1 million related to funds which have completed their investment periods and, in the Investment Manager's view, are unlikely to be called in full. In line with the strategy to focus on direct investments, no new third-party fund commitments will be made.

2. Environmental, Social, and Governance ("ESG")

Partners Group aims to deliver sustainable performance across economic cycles through a focus on stakeholder impact. As a global private markets firm, the industry, economy, and society have grown into a complex and interconnected system with many different stakeholder interests to consider. Over the years, Partners Group, as Investment Manager to Princess, has developed a systematic approach to addressing the interests of its stakeholders by embedding environmental, social, and governance ("ESG") factors into its investment and business processes. Partners Group aspires to be known for transformative and impactful engagements with its portfolio companies in the ESG areas that are most material from its perspective, as well as in areas of high societal importance that benefit all stakeholders. The Investment Manager also aims to increase Princess' assets' value by considering ESG risks and capitalizing on ESG opportunities that allow its investments to have an impact that goes beyond its ownership period.

Partners Group's ESG vision, objectives, and strategy

Partners Group's ESG vision is to maintain its global leadership position in building sustainable businesses. The Investment Manager will act as a role model in responsible investing and continuously raise ESG standards for its industry. It will operate as a sustainable business itself and outperform public markets ownership by building sustainable businesses in its portfolio through our entrepreneurial governance approach.

The Investment Manager to Princess works to achieve its vision by pursuing three key objectives:

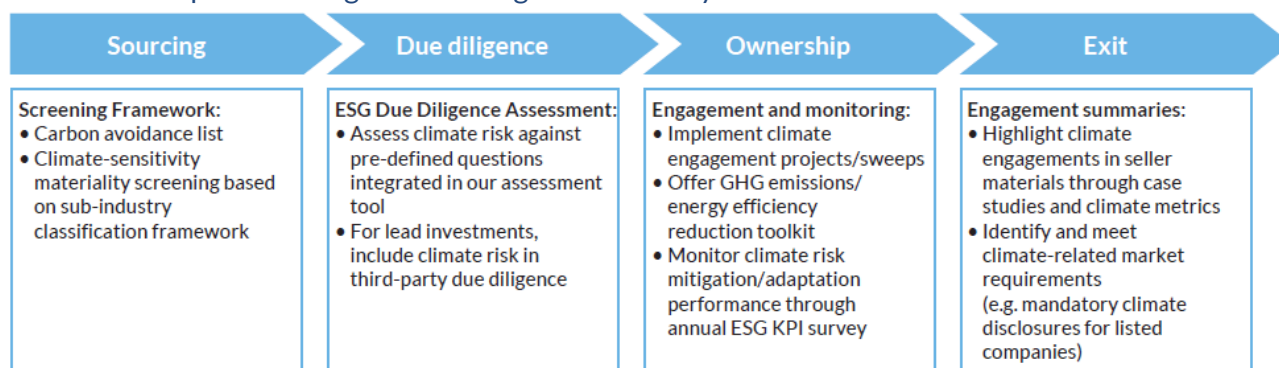
1. Embed ESG into the strategy, direction, and goals of our portfolio companies: Value is created through impactful engagements with its portfolio companies on the most material topics for their business, as well as on topics of high importance to its stakeholders, such as diversity and inclusion and climate change.
2. Hold itself and its investment partners accountable by creating transparency throughout the investment process: Partners Group cares for and earns the trust of its stakeholders by being reliable and transparent about both its successes and shortcomings.
3. Establish itself as a leader in integrating and quantifying impact in its process: Partners Group drives the development of impact management in its industry and expands its values across private markets/portfolio companies, not only focusing on products and services but also including the positive impact of ESG projects. Partners Group leverages its expertise to create bespoke solutions for its clients who want to invest their resources to drive positive social and environmental impact.

Partners Group translates this vision and objectives into action by using its governance rights to work with portfolio companies on those areas where ESG is best positioned to add and protect value. Furthermore, the Investment Manager continuously develops tools and processes that ensure a systematic and scalable approach.

Responsible investment governance framework

At Partners Group, oversight for ESG integration lies with the most senior levels of its organization. However, the day-to-day management of ESG integration is well embedded within Partners Group's investment platform and shared by professionals across all teams. The ESG Due Diligence Assessment is carried out by investment professionals, with findings flagged directly to the investment committees. More detailed ESG work, including Partners Group's ESG engagements and value creation initiatives with portfolio companies and assets, is led by a dedicated ESG & Sustainability team. In addition, the Investment Manager draws upon the expertise of its Operating Directors and Entrepreneurial Governance team, as well as several other teams across the firm, to support its ESG engagement activities and further inform its approach to ESG integration.

Partners Group's ESG integration throughout the lifecycle



Headline ESG topics

Partners Group's ESG work with portfolio companies was focused in particular on addressing three key topics in 2020: managing the impact of climate change, fostering diversity and inclusion across our portfolio, and ensuring ESG topics are integrated into the portfolio company board work.

Environment: climate change

In line with Partners Group's newly launched Climate Change Strategy, the Investment Manager is committed to working towards net zero carbon emissions across its entire organization and managing the investment portfolio towards meeting the Paris Agreement goals. As transformational investors, Partners Group has been reducing the footprint of its portfolio for many years. Full carbon neutrality is an ambitious target. Aligning with the Paris Agreement is not achieved by stating bold goals; it requires actionable plans for how to effectively reduce emissions. As such, Partners Group will not only continue to measure its portfolio footprint in great detail but will also leverage its experience in energy management projects to apply effective emission reduction strategies asset by asset wherever possible.

Social: diversity and inclusion across our portfolio

In light of rising global activism on diversity and inclusion, Partners Group is increasingly aware of the unique role it can play in advancing these topics at its portfolio companies. Until now, the Investment Manager had worked on individual engagements with portfolio companies. However, recent events call for a more systematic approach that leverages key learnings from portfolio companies which are already leaders in this space and from Partners Group as it continues on its own diversity and inclusion journey.

Governance: ESG in our board rooms

Partners Group's portfolio company boards are essential to its active ownership and entrepreneurial governance approach. The dedicated Operational Directors and Entrepreneurial Governance ("ODEG") team is responsible for ensuring board excellence across the portfolio of businesses and assets. As part of their work, they have developed a "board maturity" assessment which Partners Group uses to assess the effectiveness of each of its portfolio company boards. This assessment takes into consideration key elements of board performance, such as vision and strategy, structure and staffing, and culture.

Case studies

ESG engagement case study: Protecting health & safety at Ammega

Industry vertical: Goods & Products

Location: global, HQ in The Netherlands

Investment year: 2018

For more information:
<https://www.ammega.com/>



Ammega is the global leader in mission-critical industrial power transmission and lightweight process and conveyor belting. Ammega operates in 51 countries and has 50,000+ customers globally in 50+ resilient and growing end-markets including food, pharma, and logistics/e-commerce. The company has around 5,600 employees and operates 24 manufacturing sites and a worldwide distribution and servicing network across 150 countries. During the acquisition process in 2018, Partners Group conducted ESG due diligence and found that Ammega did not have a unified health and safety ("H&S") system across the entire organization. Based on this finding, Partners Group committed to improving Ammega's H&S system during ownership.

As a first step, Partners Group's ESG team worked with Ammega's Operations team and its Health, Safety, and Environment ("HSE") Director to conduct a review of the company's H&S culture and performance on key H&S metrics. Based on this, they defined a 5-year H&S vision with an ambitious goal to reach zero harm by 2025. To operationalize this vision, they developed an H&S policy to improve the standards across Ammega's operations. Ammega's HSE Director oversees the implementation of this policy across the entire organization. On top of this, the company ensures that 100% of its employees receive site-specific H&S awareness training, record all incidents and near misses, and have access to the necessary safety equipment. Finally, Ammega has instituted monthly on-site safety walks to actively reduce workplace H&S risks and prevent future injuries.

Since Partners Group's involvement, Ammega has made significant progress on improving H&S. For instance, Ammega reduced the number of serious incidents from 10 to 1 per year. To incentivize continued progress, Ammega has linked annual bonus compensation for management to its H&S key performance indicators. Thanks to the implementation of these initiatives, Ammega has become a best practice example in our portfolio.

ESG engagement case study: Managing ESG impacts at Fermaca

Industry vertical: Energy infrastructure

Location: HQ in Mexico

Investment year: 2014

For more information:
<https://www.fermaca.com.mx/en/>



Fermaca is an operator of gas infrastructure in Mexico focused on the development, construction, ownership and operation of midstream natural gas pipelines. Since the initial investment, Partners Group has worked closely with Fermaca to improve performance on the ESG issues that are most material for their operations, including environment, health & safety, governance, and ethical business practices.

When it comes to the environment, Fermaca has prioritized managing its climate-related impacts to ensure regulatory compliance, reduce its self-generated carbon footprint, and demonstrate the environmental benefits of natural gas versus other carbon-intensive fossil fuels. In 2020, Partners Group worked with Fermaca to build out its climate change approach, which includes measuring its CO₂ footprint, establishing a target to reduce methane emissions by 2% year on year, and offsetting emissions through a local reforestation campaign. As the Investment Manager implements pilot projects to reduce emissions across its portfolio, it will leverage lessons learned to help Fermaca further improve its approach.

Regarding social issues, Fermaca has strengthened its H&S culture and outcomes. In 2019, Partners Group implemented a HSE program focused on improving risk assessment, standards, compliance, and employee education. Fermaca also hired a dedicated Health & Safety Manager in order to ensure its efforts are effectively resourced at leadership level. In 2020, the Investment Manager with Fermaca built on these efforts by undergoing an external on-site H&S review to confirm field behaviors, validate the effectiveness of Fermaca's HSE program on the ground, and identify opportunities for further improvement. Thanks to these efforts, Fermaca achieved a Total Incident Rate ("TIR") of 0.15 in 2020, exceeding their target of a TIR of <0.5.

Finally, where governance is concerned, Fermaca has worked to strengthen compliance policies, procedures, and controls to ensure ethical business practices across the organization. Early in Partners Group's ownership period, it flagged this as a material governance topic for Fermaca based on geographic risk; Mexico has received a score of 31 out of 100 on Transparency International's Corruption Perceptions Index, indicating high risk of corruption in the country. To ensure Fermaca has adequate controls in place to maintain ethical business practices across its operations, Partners Group partnered with Fermaca to conduct an external fraud risk assessment with an expert third-party law firm. Fermaca has since taken targeted steps to strengthen its compliance function, including releasing a new Code of Conduct for employees and providing increased training on how to maintain compliance. The impact of these efforts is observable on Fermaca's Anti-Bribery/Anti-Corruption maturity score, which has increased by almost 50% since 2018.

3. Private equity market overview

Private equity buyout activity

Global private equity buyout deal flow remained robust in the second quarter of 2021. With a total volume of USD 213.9 billion - the highest quarterly tally over the past decade - deal value increased by 225.1% compared to the same period last year, which was in turn muted following the outbreak of COVID-19 around the world. For comparison, the current period's volume was 62% higher than that of the second quarter of 2019. Meanwhile, the number of deals rose by 70.7% year on year to 1'809 in the second quarter, according to Preqin. Buyout activity was driven by large-cap and upper mid-cap transactions with value above USD 1 billion, which accounted for nearly 80% of global aggregate deal value.

North American transactions led global buyout activity, representing 62.4% of total deal value during the quarter. On a year-on-year basis, overall buyout activity in the region grew by more than five times to USD 133.5 billion across 1'053 transactions. Comparing with the same period in 2019, the second quarter of 2021 saw a doubling of deal value. The largest qualifying transaction during the quarter - both globally and for the region - was led by a consortium including Blackstone, Carlyle, and Hellman & Friedman, who acquired Medline Industries, a US manufacturer and distributor of healthcare supplies, for USD 34 billion including debt. The transaction was reported as the largest leveraged buyout since the 2008 Global Financial Crisis and demonstrates the trend of private equity groups pooling funds for joint acquisitions.

Private equity buyout activity in Europe concluded at USD 46.3 billion in the second quarter of 2021, increasing by more than six times compared to the same period in the prior year (+9.5% compared with 2019). Among the 572 transactions in the region, the largest deal announced was Brookfield Asset Management's EUR 4.2 billion (USD 5.0 billion) acquisition of Modulaire Group, a designer of modular workspaces, backed by TDR Capital.

Meanwhile, aggregate buyout deal value in Asia decreased by 19.4% year on year to USD 26.3 billion (+11.0% compared with 2019) across 104 deals, whereas the average deal size grew by 18.1% over the period. The largest deal announced in the region was a Bain Capital-led consortium's JPY 817 billion (USD 7.5 billion) acquisition of a 47% stake in Hitachi

Metals. The consortium will subsequently acquire Hitachi's 53% stake in the business, which will be delisted from the Tokyo Stock Exchange. Hitachi Metals is a manufacturer of metal products including advanced components and materials for various industrial, automotive, and electronic uses.

Private equity exit activity

Global private equity exit activity for the second quarter of 2021 grew more than five-fold to USD 231.2 billion compared to the same period last year. Comparatively, exit activity in the current quarter was 52% higher than that of the second quarter of 2019. The number of exits more than doubled over the same period to 731 transactions, according to Preqin. The most prevalent exit strategy during the quarter was trade sales, which accounted for 53.7% of total exit value.

North America continued to contribute the highest share (65.1%) of global private equity exits for the quarter. Aggregate exit value in the region increased by more than five times to USD 150.4 billion across 405 transactions (+173.6%). Comparing with the same period in 2019, exit value nearly tripled. The largest exit in the region - and globally - was Carlyle and Hellman & Friedman's USD 17.4 billion trade sale of PPD, a provider of clinical research services to the pharma and biotech industry, to Thermo Fisher Scientific. Continuing the pharma theme, the second-largest exit both globally and for the region was EQT's USD 9.6 billion exit of Aldevron, a US-based biotech company, to Danaher, a global science and technology group.

In Europe, aggregate exit value grew nearly seven-fold on a year-on-year basis to bring in USD 58 billion in realization proceeds during the quarter (+45.4% compared with 2019). Of the 231 transactions, the largest in the region was TDR Capital's aforementioned EUR 4.2 billion (USD 5.0 billion) sale of Modulaire Group to Brookfield Asset Management.

Meanwhile, exit value in Asia gained significantly in the second quarter of 2021, more than doubling year on year to USD 12.3 billion. However, comparing with the same period in 2019, aggregate exit value fell by 73.7% (the prior period was boosted by Singapore-based logistic facility developer GLP's USD 18.7 billion sale of US logistics assets to Blackstone). Of the 60 transactions in this region during the second quarter, the largest exit was the USD 3.5 billion sale

of SB Energy's India renewable power portfolio to Adani Green Energy, an India-based renewable energy company. SB Energy is a joint venture between SoftBank Group and the Bharti Group conglomerate and comprises approximately 5GW of renewable assets in India.

IPO activity

Global IPO activity held strong in the second quarter of 2021, continuing the momentum from the prior quarter and emerging as the strongest second quarter showing in the last 20 years by both proceeds and deal numbers. Exchanges around the world posted 597 IPOs bringing in proceeds totaling USD 111.6 billion, which were 206% and 166% higher than the second quarter of 2020, noting that the prior year was muted due to the initial impact of the pandemic. Over the first half of 2021, technology IPOs continued to lead by both deal numbers and proceeds, followed by healthcare and industrials. According to Ernst & Young, the solid record for IPO activity can be attributed to ample market liquidity, continued government stimulus policies, accelerated growth of new technology, and "pandemic-propelled" companies as well as rising equity markets fueled by positive corporate earnings and forecasts of gradual economic recovery. Additionally, the IPO surge in the first half of 2021 highlights increased investor demand, recovery in valuations across global markets - especially in Europe - as well as optimism from vaccination rollout programs.

In the US, IPO proceeds and deal count rallied through the first half of the year and reached the highest levels in the last two decades, having increased significantly by 282% and 229% year on year to USD 93.9 billion and 276 IPOs, respectively. Healthcare IPOs continued to lead by deal number (100) followed by technology (86), while the situation was reversed when it comes to proceeds, with technology IPOs making up the majority (USD 46.4 billion), followed by healthcare (USD 21.6 billion). Notably, the number of technology IPOs in the second quarter of 2021 increased by 57% compared with the first quarter, representing the highest number of technology IPOs in a single quarter in at least the last two decades. The largest IPO during the second quarter - both globally and for the region - was the USD 4.4 billion NYSE listing of DiDi Global, a Chinese ride-hailing company backed by SoftBank, Uber Technologies, and Tencent. The listing was the largest US share sale by a Chinese company since Alibaba raised USD 25 billion in 2014.

Propelled by the momentum from the first quarter of 2021, IPO activity in the Europe, Middle East, India, and Africa ("EMEA") region rallied into the second quarter as public health restrictions eased in many European countries. Over the first half of 2021, a total of 323 IPOs generated USD

53.8 billion in proceeds, representing year-on-year increases of 325% and 430%, respectively. Technology listings continued to top the sector ranking at 99 while alternative energy listings are gathering attention from investors, with sentiment boosted by the European Green Deal. The largest IPO in the EMEA region during the second quarter of 2021 was the EUR 1.9 billion (USD 2.3 billion) listing of Allfunds Group on Euronext in Amsterdam. Allfunds Group is a wealth-tech and fund distribution company and cornerstone investors of its IPO included BlackRock, Jupiter Asset Management, Lazard Asset Management, and Janus Henderson.

Similarly, Asia-Pacific IPO activity in the first half of 2021 was robust, increasing 108% to USD 74.3 billion compared with the same period in 2020 and representing the highest tally of proceeds in more than 20 years. Meanwhile, the number of IPOs in the Asia-Pacific region (471) increased by 76% year on year over the first half of 2021. Technology listings topped the sector ranking at 99, while industrials closely followed at 96. The largest IPO in the region during the second quarter of 2021 was the heavily over-subscribed HKD 24.6 billion (USD 3.6 billion) listing of JD Logistics, the logistics arm of Chinese e-commerce giant JD.com, on the Hong Kong Main Board.

Fundraising activity

Private equity fundraising volume in the second quarter of 2021 increased by 54.3% year on year to USD 392.6 billion, according to Preqin. Similarly, the number of funds that held a final close (729) grew by 22.9% compared to the same period last year. According to Private Equity International, private equity fundraising in the first half of 2021 ranked higher than any other 6-month period since the 2008 Global Financial Crisis. At a fund size of USD 23 billion, Hellman & Friedman Capital Partners X was the largest fund globally to close during the quarter, exceeding its fundraising target for its tenth flagship offering. The fund is more than 50% larger than its 2018 predecessor and the fourth-largest private equity fund raised since the Global Financial Crisis.

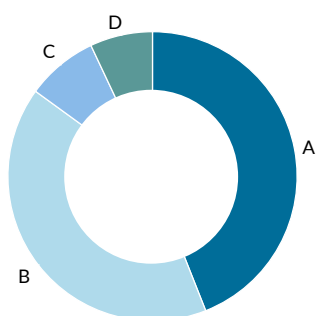
As with previous quarters, North America-focused funds continued to dominate fundraising activity during the quarter, accounting for 54.1% of the global total. Total capital raised grew 59.2% year on year across 479 funds in the second quarter of 2021. The largest fund that held its final close during the period was the abovementioned Hellman & Friedman Capital Partners X, accounting for 11% of aggregate capital raised in the region.

Elsewhere, Europe-focused funds saw a 35.4% year-on-year increase in fundraising activity, with USD 99.5 billion raised during the quarter. Of the 119 funds that closed, the largest was EQT IX at USD 18.8 billion.

Meanwhile, Asia-focused fundraising ended the quarter with a total of USD 75.3 billion, almost double the capital raised in the same period in 2020. While the number of funds closed decreased by 40.5% year on year, average fund sizes more than tripled over the same period. The largest Asia-focused fund that closed during the quarter was the USD 18 billion Hillhouse Fund V, managed by Hillhouse Capital Group.

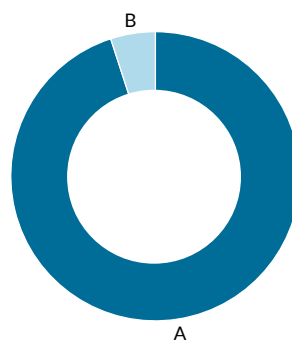
Sources: Evercore Secondary Market July 2021; Preqin "Q2 2021 Private Capital Fundraising, Deals/Exits"; Ernst & Young "Global IPO trends: Q2 2021"; Private Equity International Q2 2021; Partners Group Research

4. Portfolio composition



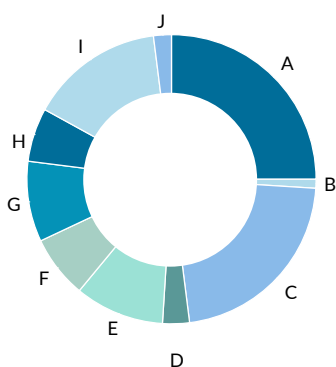
Investments by regional focus

A Europe	44%	C Asia-Pacific	8%
B North America	41%	D Rest of World	7%



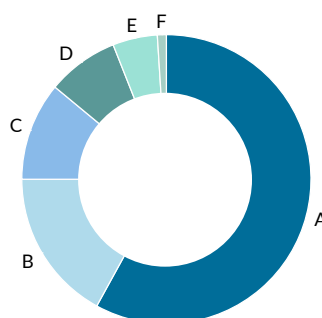
Investments by transaction type

A Direct	95%	B Funds	5%
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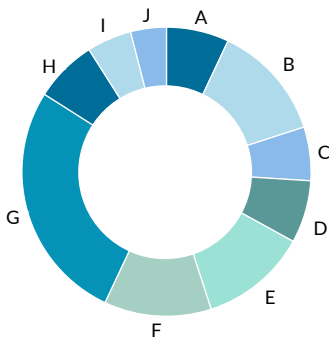
Portfolio assets by industry sector

A Consumer discretionary	25%	F Consumer staples	7%
B Telecommunication services	1%	G Financial	9%
C IT	22%	H Materials	6%
D Energy	3%	I Healthcare	15%
E Industrial	10%	J Utilities	2%



Investments by financing category

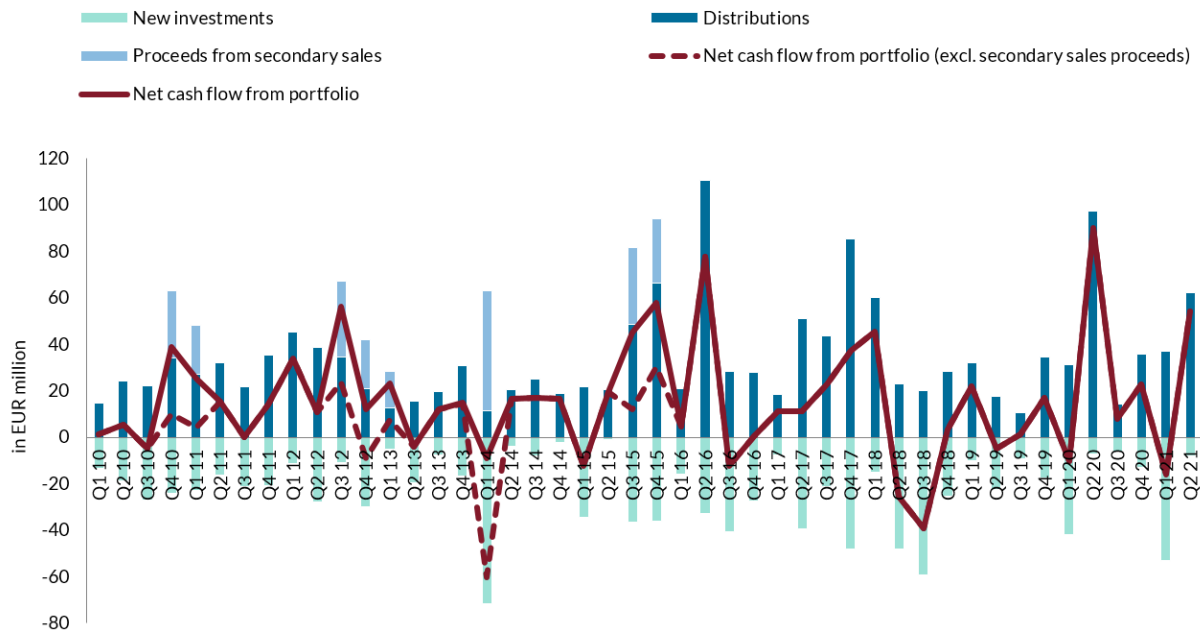
A Small/Mid-cap	58%	D Special situations	8%
B Large/mega-large-cap	17%	E Venture capital	5%
C Growth	11%	F Mezzanine	1%



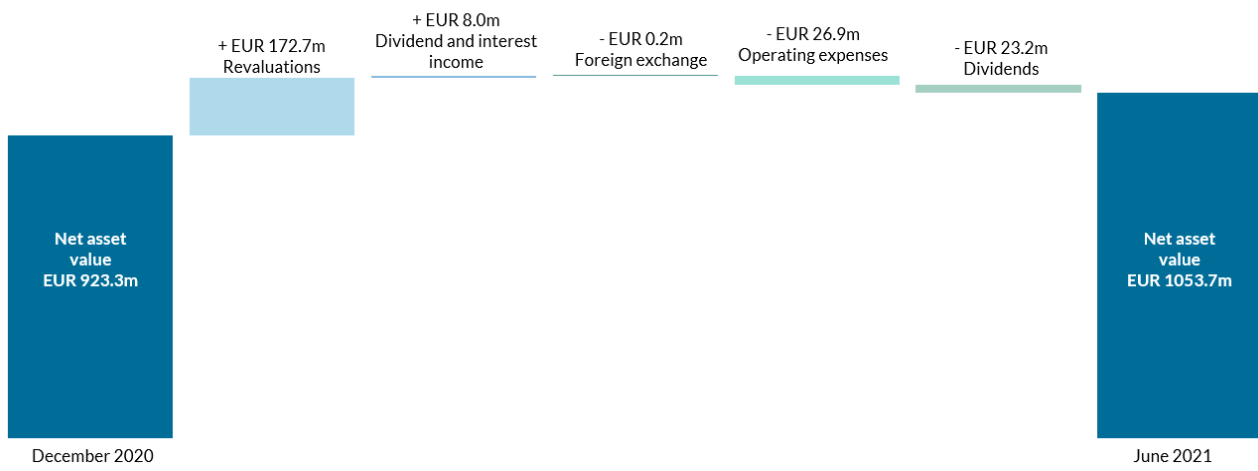
Investments by investment year

A Pre 2013	7%	F 2017	12%
B 2013	13%	G 2018	27%
C 2014	6%	H 2019	7%
D 2015	7%	I 2020	5%
E 2016	12%	J 2021	4%

DEVELOPMENT OF PORTFOLIO NET CASH FLOWS



NAV DEVELOPMENT



5. Portfolio overview

Fifty largest direct investments (in EUR)

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		% of NAV
					Residual cost	Net asset value	
International Schools Partnership	Consumer discretionary	WEU	Growth	2013	48'601'343	142'721'497	13.5%
GlobalLogic Inc.	Information technology	NAM	Small/Mid-cap	2018	15'344'873	105'505'980	10.0%
Foncia	Financials	WEU	Small/Mid-cap	2011	9'733'672	52'563'713	5.0%
Ammega (Megadyne - Ammeraal Beltech)	Industrials	WEU	Small/Mid-cap	2018	25'912'844	36'512'486	3.5%
KinderCare Education	Consumer discretionary	NAM	Small/Mid-cap	2015	11'763'896	35'457'919	3.4%
Fermaca	Energy	ROW	Special situations	2014	14'541'662	34'157'226	3.2%
Techem Metering GmbH	Industrials	WEU	Large/mega-large-cap	2017	19'244'061	33'055'462	3.1%
Vishal Mega Mart	Consumer discretionary	APC	Small/Mid-cap	2018	13'384'143	32'423'124	3.1%
SRS Distribution, Inc.	Materials	NAM	Small/Mid-cap	2018	7'838'162	32'299'564	3.1%
Hearthside Food Solutions	Consumer staples	NAM	Large/mega-large-cap	2018	19'469'553	26'858'326	2.5%
PCI Pharma Services	Healthcare	NAM	Small/Mid-cap	2016	0	25'252'496	2.4%
Civica	Information technology	WEU	Small/Mid-cap	2013	11'745'051	24'488'444	2.3%
CPA Global (Clarivate merger)	Information technology	WEU	Large/mega-large-cap	2017	10'488'704	24'023'933	2.3%
EyeCare Partners	Healthcare	NAM	Small/Mid-cap	2020	16'194'615	20'866'284	2.0%
United States Infrastructure Corporation	Utilities	NAM	Small/Mid-cap	2017	7'425'594	19'354'463	1.8%
Form Technologies	Materials	NAM	Small/Mid-cap	2015	26'947'829	17'095'480	1.6%
eResearch Technology, Inc.	Information technology	NAM	Large/mega-large-cap	2016	13'544'407	16'776'660	1.6%
Hofmann Menue Manufaktur	Consumer staples	WEU	Small/Mid-cap	2013	5'146'706	16'103'212	1.5%
STADA Arzneimittel AG	Healthcare	WEU	Large/mega-large-cap	2017	6'225'411	15'486'300	1.5%
SPi Global	Information technology	APC	Small/Mid-cap	2017	5'138'407	15'062'192	1.4%
Guardian Childcare & Education	Consumer discretionary	APC	Small/Mid-cap	2016	9'848'703	14'513'505	1.4%
Galderma	Healthcare	WEU	Large/mega-large-cap	2019	9'646'648	14'229'533	1.4%
Pacific Bells	Consumer staples	NAM	Small/Mid-cap	2015	5'256'832	13'838'601	1.3%
Telepass	Industrials	WEU	Special situations	2021	13'548'281	13'548'281	1.3%
Global Blue	Financials	WEU	Small/Mid-cap	2012	0	13'499'895	1.3%
IDEMIA	Information technology	WEU	Large/mega-large-cap	2016	10'594'395	13'482'340	1.3%
Idera Inc.	Information technology	NAM	Small/Mid-cap	2019	11'077'336	13'385'724	1.3%
Voyage Care	Healthcare	WEU	Small/Mid-cap	2014	8'104'795	13'320'228	1.3%

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		% of NAV
					Residual cost	Net asset value	
AlliedUniversal	Industrials	NAM	Large/mega-large-cap	2012	9'179'879	11'767'567	1.1%
Blue River PetCare, LLC	Healthcare	NAM	Small/Mid-cap	2019	5'612'827	11'679'399	1.1%
MultiPlan, Inc. (2016)	Healthcare	NAM	Large/mega-large-cap	2010	42'102	11'347'032	1.1%
Careismatic Brands	Consumer discretionary	NAM	Small/Mid-cap	2012	10'880'996	10'880'996	1.0%
Convex Group Limited	Financials	NAM	Small/Mid-cap	2019	8'407'066	10'511'539	1.0%
Hortifruti	Consumer staples	ROW	Small/Mid-cap	2016	4'875'174	n.a.	n.a.
Pharmaceutical developer	Healthcare	WEU	Small/Mid-cap	2013	9'992'970	10'250'990	1.0%
Axel Springer SE	Consumer discretionary	WEU	Large/mega-large-cap	2019	9'175'000	9'730'964	0.9%
Trimco International Holdings Ltd	Industrials	APC	Small/Mid-cap	2012	5'862'000	9'581'846	0.9%
Rovensa	Materials	WEU	Large/mega-large-cap	2020	7'002'334	8'763'745	0.8%
Wedgewood Pharmacy	Healthcare	NAM	Small/Mid-cap	2021	8'434'218	8'434'218	0.8%
Education publisher 2	Consumer discretionary	NAM	Large/mega-large-cap	2013	0	8'191'784	0.8%
Envision Healthcare Holdings, Inc.	Healthcare	NAM	Special situations	2018	11'711'457	n.a.	n.a.
Confluent Health	Healthcare	NAM	Small/Mid-cap	2019	4'085'706	7'838'699	0.7%
Axia Women's Health	Healthcare	NAM	Small/Mid-cap	2021	6'399'895	6'399'895	0.6%
Schleich GmbH	Consumer discretionary	WEU	Small/Mid-cap	2019	3'376'977	6'319'539	0.6%
Aavas Financiers Limited	Financials	APC	Small/Mid-cap	2016	0	6'281'330	0.6%
Amann Girschbach	Healthcare	WEU	Small/Mid-cap	2018	8'436'286	6'022'583	0.6%
Seabras-1	Telecommunication services	NAM	Special situations	2015	7'585'283	5'911'109	0.6%
S. TOUS, S.L.	Consumer discretionary	WEU	Small/Mid-cap	2015	3'728'017	5'709'326	0.5%
Grupo SBF	Consumer discretionary	ROW	Growth	2012	1'000'424	5'687'606	0.5%
Key Group	Financials	WEU	Small/Mid-cap	2017	3'551'766	5'403'503	0.5%
Total direct investments					486'108'298	967'138'621	91.8%

The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess has been prepared on a look through basis, although the unaudited consolidated statement of financial position includes the valuation of certain Partners Group investment vehicles. Residual cost is the initial investment cost after receipt of distributions from such an investment until the end of the reporting period. Negative residual costs (receipt of distributions > initial investment cost) will result in an amount of zero.

Twenty largest fund investments (in EUR)

Investment	Regional focus	Financing category	Vintage	Since inception		% of NAV
				Unfunded commitments	Net asset value	
Anonymized Emerging Markets Venture Fund 2	ROW	Venture capital	2008	50'607	19'027'138	1.8%
Index Ventures Growth I (Jersey), L.P.	WEU	Growth	2008	0	4'727'130	0.4%
INVESCO Venture Partnership Fund II-A, L.P.	NAM	Venture capital	2000	1'543'519	3'002'617	0.3%
Anonymized European Buyout Fund 7	WEU	Small/Mid-cap	2007	826'787	2'024'493	0.2%
Sterling Investment Partners II, L.P.	NAM	Small/Mid-cap	2005	647'890	1'855'016	0.2%
SV Life Sciences Fund IV, L.P.	NAM	Venture capital	2006	3	1'662'407	0.2%
Innisfree PFI Secondary Fund	WEU	Special situations	2007	29'101	1'659'818	0.2%
Exxel Capital Partners VI, L.P.	ROW	Small/Mid-cap	2000	0	1'335'522	0.1%
Summit Partners Europe Private Equity Fund, L.P.	WEU	Growth	2008	195'833	1'165'063	0.1%
Partners Group Global Real Estate 2008, L.P.	WEU	Special situations	2008	1'759'056	920'790	0.1%
Pitango Venture Capital Fund III	ROW	Venture capital	2000	0	884'224	0.1%
Russia Partners III, L.P.	ROW	Small/Mid-cap	2007	100'802	798'225	0.1%
Ares Corporate Opportunities Fund III, L.P.	NAM	Special situations	2008	637'305	664'136	0.1%
Capital Today China Growth Fund II, L.P.	APC	Venture capital	2009	0	603'546	0.1%
Alinda Infrastructure Parallel Fund II, L.P.	NAM	Special situations	2008	207'503	579'042	0.1%
Peepul Capital Fund III, LLC	APC	Small/Mid-cap	2010	n.a.	n.a.	n.a.
Valedo Partners Fund II AB	WEU	Small/Mid-cap	2011	22'894	547'070	0.1%
Helios Investors II, L.P.	ROW	Small/Mid-cap	2009	8'054	533'193	0.1%
Searchlight Capital PV, L.P.	NAM	Special situations	2010	33'106	531'104	0.1%
Vortex Corporate Development Fund, L.P.	NAM	Venture capital	2000	121'457	525'799	0.0%
Total partnership investments				6'183'917	43'046'336	4.1%

The portfolio's holdings are ranked by percentage of net asset value. Some names and figures (marked "n.a.") may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. The portfolio overview of Princess has been prepared on a look through basis, although the unaudited consolidated statement of financial position includes the valuation of certain Partners Group investment vehicles.

6. Structural overview

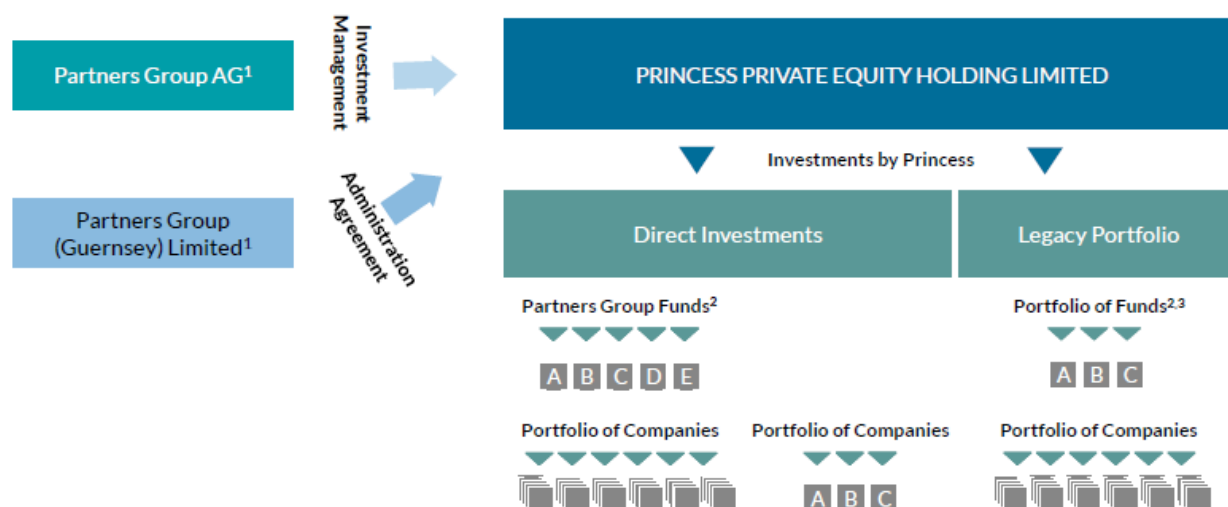
Princess Private Equity Holding Limited is a Guernsey-registered private equity holding company founded in May 1999 that invests in private market investments. In 1999 Princess raised USD 700 million through the issue of a convertible bond and invested the capital by way of commitments to private equity partnerships. The convertible bond was converted into shares in December 2006. Concurrently, the investment guidelines were amended and the reporting currency changed from the US dollar to Euro. The Princess shares were introduced for trading on the Frankfurt Stock Exchange (trading symbol: PEY1) on 13 December 2006 and on the London Stock Exchange (trading symbol: PEY) on 1 November 2007. Princess consolidated all trading activity to the London Stock Exchange on 6 December 2012 and ceased being listed on the Frankfurt Stock Exchange.

On 6 September 2017, the Company announced the intention to introduce an additional market quote in Sterling (trading symbol: PEYS) for its existing ordinary shares on the London Stock Exchange, alongside the Company's existing Euro market quote. The purpose of the introduction of the Sterling quote was to broaden the potential ownership of the Company's ordinary shares. Following the introduction of the Sterling quote, which was admitted for trading on 8

September, shareholders have the option to make a dividend currency election to receive dividends in Sterling. For the avoidance of doubt, all dividends continue to be declared in Euros and the default currency for dividend payments remains Euros.

Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield. The Company's investments are managed on a discretionary basis by Partners Group Holding AG (prior to 1 July 2020 by Princess Management Limited, a wholly owned subsidiary of Partners Group Holding AG). The Investment Manager is responsible for, inter alia, selecting, acquiring, and disposing of investments and carrying out financing and cash management services.

Partners Group Holding AG is a global private markets investment management firm with EUR 119 billion in investment programs under management in private equity, private debt, private real estate and private infrastructure. Through the management agreement, Princess benefits from the global presence, size and experience of the investment team and relationships with many of the world's leading private equity firms.



1 100% owned by Partners Group Holding

2 Such Portfolio of Funds may be a Partners Group investment vehicle and is made on a no-fee basis

3 A portfolio of primary and secondary investments that are in wind-down and no new commitments will be made in the future

7. Company information

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
Dividends	Princess intends to pay a dividend of 5% p.a. on opening NAV
Incentive fee	No incentive fee on primary investments; 10% incentive fee per secondary investment; 15% incentive fee per direct investment; subject in each case to a 8% p.a. preferred return (with catch-up)
Incorporation	1999
Joint corporate brokers	JPMorgan Cazenove Numis Securities Ltd.
Listing	London Stock Exchange
Management fee	1.5% p.a. of the higher of NAV or value of Princess' assets less any temporary investments plus unfunded commitments
Securities	Fully paid-up ordinary registered shares
Structure	Guernsey company, authorized closed-ended fund in Guernsey
Trading information	ISIN (Euro and Sterling Quote): GG00B28C2R28 WKN (Euro and Sterling Quote): A0M5MA Trading symbol (Euro Quote): PEY Bloomberg (Euro Quote): PEY LN Reuters (Euro Quote): PEY.L Trading symbol (Sterling Quote): PEYS Bloomberg (Sterling Quote): PEYS LN Reuters (Sterling Quote): PEYS.L
Voting rights	Each ordinary registered share represents one voting right

8. Unaudited consolidated financial statements

Unaudited consolidated statement of comprehensive income

for the period from 1 January 2021 to 30 June 2021

In thousands of EUR	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Net income from financial assets at fair value through profit or loss		192'139	(27'687)
<i>Private equity</i>		182'659	(14'428)
Interest & dividend income		7'476	1'132
Revaluation	6	167'226	(12'439)
Withholding tax on direct private equity investments	6	(1'337)	(173)
Net foreign exchange gains / (losses)	6	9'294	(2'948)
<i>Private debt</i>		8'451	(11'813)
Interest income (including payment-in-kind)		533	1'355
Revaluation	6	6'592	(12'890)
Withholding tax on direct private debt investments	6	-	(13)
Net foreign exchange gains / (losses)	6	1'326	(265)
<i>Private real estate</i>		(109)	(346)
Revaluation	6	(109)	(346)
<i>Private infrastructure</i>		1'138	(1'100)
Revaluation	6	290	(984)
Net foreign exchange gains / (losses)	6	848	(116)
Net income from cash & cash equivalents and other income		188	(198)
Net foreign exchange gains / (losses)		188	(198)
Total net income		192'327	(27'885)
Operating expenses		(26'062)	(9'238)
Management fees		(7'862)	(6'292)
Incentive fees	10	(17'788)	(1'707)
Administration fees		(221)	(201)
Service fees		(125)	(125)
Other operating expenses		(627)	(799)
Other net foreign exchange gains / (losses)		561	(114)
Other financial activities		(12'740)	(2'688)
Interest expense - credit facilities	9	(132)	(793)
Interest expense - related party loans		(18)	(60)
Other finance cost		(150)	(875)
Net gains / (losses) from hedging activities		(12'445)	(963)
Other income		5	3
Surplus / (loss) for period		153'525	(39'811)

In thousands of EUR	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Other comprehensive income for period; net of tax		-	-
Total comprehensive income for period		153'525	(39'811)
Weighted average number of shares outstanding		69'151'168.00	69'151'168.00
Basic surplus / (loss) per share for period		2.22	(0.58)
Diluted surplus / (loss) per share for period		2.22	(0.58)

The Euro earnings per share is calculated by dividing the surplus / (loss) for the financial period by the weighted average number of shares outstanding.

Unaudited consolidated statement of financial position

As at 30 June 2021

In thousands of EUR	Notes	30.06.2021	31.12.2020
ASSETS			
Financial assets at fair value through profit or loss			
Private equity	6,13	989'327	821'209
Private debt	6,13	43'195	51'605
Private real estate	6,13	921	1'329
Private infrastructure	6,13	41'503	29'274
Financial assets at amortized cost			
Deferred receivables on investments		9'224	9'006
Other long-term receivables		2'712	2'628
Non-current assets		1'086'882	915'051
Other short-term receivables	13	28'775	8'766
Hedging assets	13	-	5'960
Cash and cash equivalents	7	10'613	31'515
Current assets		39'388	46'241
TOTAL ASSETS		1'126'270	961'292
EQUITY AND LIABILITIES			
Share capital	8	69	69
Reserves		1'053'624	923'265
Total equity		1'053'693	923'334
Short-term credit facilities	9	27'000	-
Hedging liabilities	13	6'216	-
Accruals and other short-term payables		39'361	37'958
Liabilities falling due within one year		72'577	37'958
TOTAL EQUITY AND LIABILITIES		1'126'270	961'292

Unaudited consolidated statement of changes in equity

for the period from 1 January 2021 to 30 June 2021

In thousands of EUR

	Share capital	Reserves	Total
Balance at the beginning of period	69	923'265	923'334
Dividends paid	-	(23'166)	(23'166)
Surplus / (loss) for period	-	153'525	153'525
Equity at end of period	69	1'053'624	1'053'693

for the period from 1 January 2020 to 30 June 2020

In thousands of EUR

	Share capital	Reserves	Total
Balance at the beginning of period	69	868'611	868'680
Dividends paid	-	-	-
Surplus / (loss) for period	-	(39'811)	(39'811)
Equity at end of period	69	828'800	828'869

Unaudited consolidated statement of cash flows

for the period from 1 January 2021 to 30 June 2021

In thousands of EUR	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Operating activities			
Surplus / (loss) for the period before interest expense		153'675	(38'958)
Adjustments:			
Net foreign exchange (gains) / losses		(12'217)	3'641
Investment revaluation		(173'999)	26'659
Withholding tax on direct investments		1'337	186
Net (gain) / loss on interest		(602)	(2'476)
Net (gain) / loss on dividends		(7'407)	(11)
Revaluation on forward hedges		12'445	963
(Increase) / decrease in receivables		(20'296)	(9'041)
Increase / (decrease) in payables		1'938	1'795
Realized gains / (losses) from forward hedges		(268)	(4'562)
Purchase of private equity investments	6	(46'943)	(41'083)
Purchase of private debt investments	6	204	182
Purchase of private real estate investments	6	26	-
Purchase of private infrastructure investments	6	(11'234)	(2'454)
Distributions from and proceeds from sales of private equity investments	6	54'078	117'055
Distributions from and proceeds from sales of private debt investments	6	13'622	6'492
Distributions from and proceeds from sales of private real estate investments	6	273	160
Distributions from and proceeds from sales of private infrastructure investments	6	143	-
Interest & dividends received		10'441	1'960
Net cash from / (used in) operating activities		(24'784)	60'508
Financing activities			
Net increase / (decrease) in credit facilities	9	27'000	(47'500)
Interest paid - credit facilities	9	(122)	(1'026)
Interest paid - related party loans		(18)	(60)
Dividends paid	8	(23'166)	-
Net cash from / (used in) financing activities		3'694	(48'586)
Net increase / (decrease) in cash and cash equivalents		(21'090)	11'922
Cash and cash equivalents at beginning of period	7	31'515	22'572
Effects of foreign currency exchange rate changes on cash and cash equivalents		188	(198)
Cash and cash equivalents at end of period	7	10'613	34'296

Notes to the unaudited consolidated financial statements

for the period from 1 January 2021 to 30 June 2021

1 Organization and business activity

Princess Private Equity Holding Limited (the "Company") is an investment holding company established on 12 May 1999. The Company's registered office is Tudor House, St. Peter Port, Guernsey, GY1 6BD. The Company is a Guernsey limited liability company that invests in a diversified portfolio of private market investments through its wholly owned subsidiary, Princess Private Equity Subholding Limited (the "Subsidiary"). The Subsidiary also holds certain investments through its wholly owned subsidiary Princess Direct Investments, L.P. Inc. (the "Sub-Subsidiary"). The Sub-Subsidiary, the Subsidiary, and the Company form a group (the "Group"). Both of these subsidiaries are consolidated as they are deemed to provide investment-related services to the Company.

The shares of the Company were listed on the Prime Standard of the Frankfurt Stock Exchange from 13 December 2006 until 5 December 2012 (date of delisting). The shares of the Company remain listed on the Main Market of the London Stock Exchange, where they have been listed since 1 November 2007.

2 Basis of preparation

The condensed interim consolidated financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting. The condensed interim consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the period ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2020.

There are no other standards, or amendments to existing standards, which are mandatory for future accounting periods, but where early adoption is permitted now.

3 Shareholders above 5% of ordinary shares issued

In accordance with Disclosure Guidance and Transparency Rules ("DTR") 5.1.2R of the Financial Conduct Authority Handbook and based on the most recent shareholder declarations received as at the period end, the shareholders who have declared that they held above 5% of ordinary shares were:

Bayer-Pensionskasse VVaG - 7.56%
 CCLA Investment Management Limited - 5.05%
 CVP / CAP Coop - 5.07%
 Deutsche Asset Management Investmentgesellschaft - 7.66%
 Rathbone Brothers - 5.26%
 Société Générale - 5.31%
 Witan Investment Trust Plc - 5.30%

4 Dividends

The Board of Directors of Princess Private Equity Holding Limited declared its first interim dividend for the year of EUR 0.335 per ordinary share, which was paid on 24 June 2021 (total dividend in 2020: EUR 30.1 million).

5 Segment calculation

In thousands of EUR	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Private equity		
Interest & dividend income	7'476	1'132
Revaluation	167'226	(12'439)
Withholding tax on direct private equity investments	(1'337)	(173)
Net foreign exchange gains / (losses)	9'294	(2'948)
Total net income private equity	182'659	(14'428)
Segment result private equity	182'659	(14'428)
Private debt		
Interest income (including payment-in-kind)	533	1'355
Revaluation	6'592	(12'890)
Withholding tax on direct private debt investments	-	(13)
Net foreign exchange gains / (losses)	1'326	(265)
Total net income private debt	8'451	(11'813)
Segment result private debt	8'451	(11'813)
Private real estate		
Revaluation	(109)	(346)
Total net income private real estate	(109)	(346)
Segment result private real estate	(109)	(346)
Private infrastructure		
Revaluation	290	(984)
Net foreign exchange gains / (losses)	848	(116)
Total net income private infrastructure	1'138	(1'100)
Segment result private infrastructure	1'138	(1'100)
Non attributable		
Net foreign exchange gains / (losses)	188	(198)
Total net income non attributable	188	(198)
Segment result non attributable	(25'874)	(9'436)
Other financial activities not allocated	(12'740)	(2'688)
Surplus / (loss) for the financial period	153'525	(39'811)

6 Financial assets at fair value through profit or loss

6.1 PRIVATE EQUITY

In thousands of EUR	30.06.2021	31.12.2020
Balance at beginning of period	821'209	822'801
Purchase of Direct and Indirect Investments	46'943	53'459
Distributions from and proceeds from sales of Direct and Indirect Investments	(54'078)	(160'902)
Accrued cash and payment-in-kind interest	70	138
Revaluation	167'226	129'043
Withholding tax on direct private equity investments	(1'337)	(183)
Foreign exchange gains / (losses)	9'294	(23'147)
Balance at end of period	989'327	821'209

6.2 PRIVATE DEBT

In thousands of EUR	30.06.2021	31.12.2020
Balance at beginning of period	51'605	70'316
Purchase of Direct and Indirect Investments	(204)	(128)
Distributions from and proceeds from sales of Direct and Indirect Investments	(13'622)	(7'512)
Accrued cash and payment-in-kind interest	253	1'211
Interest received	(2'755)	-
Revaluation	6'592	(9'711)
Withholding tax on direct private debt investments	-	(13)
Foreign exchange gains / (losses)	1'326	(2'558)
Balance at end of period	43'195	51'605

6.3 PRIVATE REAL ESTATE

In thousands of EUR	30.06.2021	31.12.2020
Balance at beginning of period	1'329	2'733
Purchase of Direct and Indirect Investments	(26)	-
Distributions from and proceeds from sales of Direct and Indirect Investments	(273)	(699)
Revaluation	(109)	(705)
Balance at end of period	921	1'329

6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	30.06.2021	31.12.2020
Balance at beginning of period	29'274	25'502
Purchase of Direct and Indirect Investments	11'234	2'454
Distributions from and proceeds from sales of Direct and Indirect Investments	(143)	(107)
Revaluation	290	3'719
Foreign exchange gains / (losses)	848	(2'294)
Balance at end of period	41'503	29'274

7 Cash and cash equivalents

In thousands of EUR	30.06.2021	31.12.2020
Cash at banks	10'613	31'515
Total cash and cash equivalents	10'613	31'515

8 Share capital, treasury shares and reserves

8.1 CAPITAL

In thousands of EUR	30.06.2021	31.12.2020
Issued and fully paid		
69'151'168 Ordinary shares of EUR 0.001 each out of the bond conversion	69	69
Total issued and fully paid shares	69	69

The total authorized shares consist of 200'100'000 ordinary shares of EUR 0.001 each (total value EUR 200'100) (2020: 200'100'000 ordinary shares of EUR 0.001 each).

During the reporting period, the Company has not purchased or cancelled any of its own shares (2020: nil).

9 Credit facility

On 17 March 2020, the Company renewed a multi-currency revolving credit facility with an international financial institution, for an increase in the size of the credit limit from EUR 50'000'000 to EUR 80'000'000, which ends on 13 December 2024. This increase reflects the growth in the Company's net assets and provides additional resources to meet short-term liquidity requirements.

Interest on principal drawn is calculated at a margin above the applicable London Interbank Offered Rate ("LIBOR") rate or, in relation to any loan in EUR, the applicable Euro Interbank Offered Rate ("EURIBOR") rate.

The facility, in relation to the Company, is secured, inter alia, by way of a pledge over the shares in Princess Private Equity Subholding Limited, a wholly owned subsidiary of the Company and a pledge over the bank accounts and the inter-company loans within the Group.

The Company must maintain a total net asset value of at least EUR 350'000'000 and a total asset ratio (total debt plus current liabilities as a percentage of restricted net asset value, as defined in the credit facility agreement) not greater than 25%.

As at the end of the reporting period and the previous reporting period, no event of default has occurred.

In thousands of EUR	30.06.2021	31.12.2020
Short term credit facility		
Balance at beginning of period	-	47'500
Increase in credit facility	42'000	40'500
Decrease in credit facility	(15'000)	(88'000)
Balance at end of period	27'000	-

10 Incentive fee

In thousands of EUR	30.06.2021	31.12.2020
Balance at beginning of period	19'525	26'913
Change in incentive fees attributable to Investment Manager	17'788	10'639
Incentive fees paid/payable	(5'389)	(18'027)
Balance at end of period	31'924	19'525

11 Commitments to Direct and Indirect Investments

In thousands of EUR	30.06.2021	31.12.2020
Unfunded commitments translated at the rate prevailing at end of period	114'471	106'623

12 Earnings per share and net assets per share

Basic earnings per share are calculated by dividing the surplus or loss for the financial period attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares, if any. There were no dilutive effects on the Group's shares during 2021 and 2020.

The net assets per share is calculated by dividing the net assets in the consolidated statement of financial position by the number of shares outstanding at the end of the reporting period.

In thousands of EUR	30.06.2021	31.12.2020
Net assets of the Group	1'053'693	923'334
Outstanding shares at the end of the reporting period	69'151'168.00	69'151'168.00
Net assets per share at end of period	15.24	13.35

13 Fair value measurement

13.1 FAIR VALUE ESTIMATION REPORTING PERIOD

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
Assets				
Other short-term receivables	-	-	28'775	28'775
Derivatives used for hedging	-	-	-	-
Financial assets at fair value through profit or loss - equity securities	11'433	27'101	993'217	1'031'751
Financial assets at fair value through profit or loss - debt investments	-	-	43'195	43'195
Total assets	11'433	27'101	1'065'187	1'103'721
Liabilities				
Derivatives used for hedging	-	(6'216)	-	(6'216)
Total liabilities	-	(6'216)	-	(6'216)

13.2 FAIR VALUE ESTIMATION PREVIOUS REPORTING PERIOD

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
Assets				
Other short-term receivables	-	-	8'766	8'766
Derivatives used for hedging	-	5'960	-	5'960
Financial assets at fair value through profit or loss - equity securities	9'320	25'744	816'748	851'812
Financial assets at fair value through profit or loss - debt investments	-	-	51'605	51'605
Total assets	9'320	31'704	877'119	918'143
Liabilities				
Total liabilities	-	-	-	-

13.3 SIGNIFICANT UNOBSERVABLE VALUATION INPUTS

Level 3 investments may consist of Direct and Indirect equity and debt Investments. Level 3 Indirect Investments are generally valued at the Indirect Investments' net asset values last reported by the Indirect Investments' governing bodies. When the reporting date of such net asset values does not coincide with the Group's reporting date, the net asset values are adjusted as a result of cash flows to/from an Indirect Investment between the most recently available net asset value reported, and the end of the relevant reporting period. The valuation may also be adjusted for further information gathered through an ongoing investment monitoring process. This monitoring process includes, but is not limited to, binding bid offers, non-public information on developments of portfolio companies held by Indirect Investments, syndicated transactions which involve such companies, and the application of reporting standards by Indirect Investments which do not apply the principle of fair valuation.

The main inputs into the Group's valuation models for Direct equity and debt Investments include: EBITDA multiples (based on budgeted/forward-looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for the equivalent period), discount rates, capitalization rates, price to book as well as price to earnings ratios, and enterprise value to sales multiples. The Group also considers the original transaction prices, recent transactions in the same or similar instruments, and completed third-party transactions in comparable instruments and adjusts the model as deemed necessary. Further inputs consist of external valuation appraisals and broker quotes.

In order to assess level 3 valuations in accordance with the constituent documents, the performance of the Direct and Indirect Investments held is reviewed on a regular basis. The appropriateness of the valuation model inputs, as well as the valuation result, is considered using various valuation methods and techniques generally recognized within the industry. From time to time, the Group may consider it appropriate to change the valuation model or technique used in the fair valuation depending on the individual investment circumstances, such as its maturity, stage of operations, or recent transaction.

The Group utilizes comparable trading multiples in arriving at the valuation for the Direct Investments. Comparable companies' multiple techniques assume that the valuation of unquoted Direct Investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. Factors considered in the determination of appropriate comparable public companies include industry, size, development stage, and strategy. Consequently, the most appropriate performance measure for determining the valuation of the relevant Direct Investment is selected (these include but are not limited to EBITDA, price to earnings ratio for earnings, or price to book ratio for book values). Trading multiples for each comparable company identified are calculated by dividing the market capitalization of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate, or quality of customer base between the valued Direct Investment and the comparable company set. The indicated fair value of the Direct Investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

The valuation of a Direct Investment may alternatively be derived using the discounted cash flow method by discounting its expected future cash flows to a present value at a rate of expected return that represents the time value of money and reflects its relative risks. Direct Investments can be valued by using the "cash flow to investor" method (a debt instrument valuation), or indirectly, by deriving the enterprise value using the "free cash flow to company" method and subsequently subtracting the Direct Investment's net debt in order to determine the equity value of the relevant Direct Investment. The expected future cash flows are determined based on agreed investment terms or expected growth rates. In addition, based on the current market environment, an expected return of the respective Direct Investment is projected. The future cash flows are discounted to the date of the relevant reporting period end in order to determine the fair value.

Direct debt Investment valuations are derived by applying widely acceptable valuation methods suitable for debt investments which include, but are not limited to, using indicative broker quotes and the comparable debt approach.

Indicative broker quotes for Direct debt Investments, which may or may not be traded in an active market, are provided by an independent third party. These quotes are applied on the nominal value of such investments to derive the fair value. The comparable debt approach arrives at the valuation of a Direct debt Investment by discounting its expected future cash flows to a present value with a benchmark rate derived from observable pricing levels of comparable debt instruments. Factors considered in the determination of such comparable instruments include, but are not limited to, industry, coupon, duration, and maturity date.

The Group utilizes the sales comparison method in arriving at the valuation for Direct real estate Investments. The sales comparison method compares a Direct real estate Investment's characteristics with those of comparable properties which have recently been traded in the market. Factors considered in the determination of such comparable assets include, but are not limited to, size, location, development stage, and property type. Consequently, the most appropriate measure for determining the valuation of the relevant Direct real estate Investment is selected (amongst others, price per room, price per square foot, price per square meter). The comparable price per unit might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of property and access to public transportation. The indicated fair value of the Direct real estate Investment is determined by applying the relevant price per unit to the respective Direct real estate Investment. The sales comparison method is most appropriate for Direct real estate Investments where the investment's size (e.g. number of rooms, square feet, square meters) is known and similar properties have recently traded in the market.

The income method compares a Direct real estate Investment's net operating income to capitalization rates recently observed in the market to determine the present value. The capitalization rates from recent sales of comparable properties utilized in this method might be subject to adjustment for general qualitative differences which include, but are not limited to, quality of

property, tenant mix, and access to public transportation. Factors considered in the determination of such comparable properties include, but are not limited to, size, location, development stage, and property type. The indicated fair value of the Direct real estate Investment is determined by applying the relevant capitalization rate to the Direct real estate Investment's net operating income. This method is most appropriate for income-generating Direct real estate Investments where the net operating income is known and similar properties have recently traded in the market.

The valuation of level 3 Direct equity Investments derived using an unobservable input factor is directly affected by a change in that factor. The change in valuation of level 3 Direct equity Investments may vary between different Direct Investments of the same category as a result of individual levels of debt financing within such an investment.

No interrelationship between unobservable inputs used in the Group's valuation of its level 3 investments has been identified.

The Group presents investments whose fair values are measured in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument and the effect of changing one or more of those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions.

If presented, the category "Direct Investments" may include certain Indirect Investments where there is full visibility of the underlying portfolio and hence a full revaluation is performed on such investments as if they were Direct Investments. If presented, the category "Direct Investments" may include certain investments using the valuation technique "Reported fair value". Such Direct Investments invest solely into underlying Indirect Investments, hence their fair value is based on reported fair value rather than a Direct Investment valuation.

The sensitivity analysis presents the potential change in fair value for each category of investments in absolute values. For a 5% movement in the significant unobservable input employed in the relevant valuation model, the corresponding incremental change in valuation of the investment is calculated.

With respect to Direct real estate equity Investments, the sensitivity analysis as performed for Direct equity Investments, with changes in the relevant unobservable valuation inputs, would not translate into meaningful valuation movements. The reasons for this conclusion include, but are not limited to, the fact that variations in property location, quality, and business plan result in comparisons across properties that are not meaningful. Unobservable inputs for a specific region will vary greatly based on the property's micro location, building finishes and amenities, and leasing strategy. One-to-one comparisons are not possible even for buildings that are physically close to each other due to the differences in property features and occupancy.

A sensitivity analysis is generally not performed for Direct Investments that have been acquired within the last three months of the relevant reporting period and where the acquisition cost was deemed to be fair value in accordance with International Financial Reporting Standard 13 as insufficient time has passed to determine a reliable sensitivity range based on valuation inputs that would be considered appropriate by market participants.

13.4 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE REPORTING PERIOD

Type of security	Fair value at 30.06.2021	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity investments	375'389	Market comparable companies	Enterprise value to EBITDA multiple	8.50x - 22.20x (15.35x)	32'293	(32'293)
	165'154	Exit price	Recent transaction price	n.a.	n.a.	n.a.
	27'772	Discounted cash flow	Discount factor	13.00% - 13.00% (13.00%)	105	(105)
	21'787	Recent financing/ transaction	Recent transaction price	n.a.	n.a.	n.a.
	3'598	Market comparable companies	Enterprise value to sales multiple	2.90x - 2.90x (2.90x)	159	(159)
Direct debt Investments	17'476	Broker quotes	Indicative quotes for an inactive market	n.a.	n.a.	n.a.
	5'175	Exit price	Recent transaction price	n.a.	n.a.	n.a.
	313	Market comparable companies	Enterprise value to EBITDA multiple	8.50x - 8.50x (8.50x)	16	(16)
Indirect Investments						
	416'977	Adjusted reported net asset value	Reported net asset value	n.a.	20'849	(20'849)
	2'771	Adjusted reported net asset value	Fair value adjustments	n.a.	139	(139)

n.a. - not meaningful as outlined in the note above

13.5 SIGNIFICANT UNOBSERVABLE VALUATION INPUT TABLE PREVIOUS REPORTING PERIOD

Type of security	Fair value at 31.12.2020	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
Direct Investments						
Direct equity Investments	441'950	Market comparable companies	Enterprise value to EBITDA multiple	7.10x - 24.00x (16.07x)	37'725	(37'725)
	26'717	Discounted cash flow	Discount factor	13.00% - 13.00% (13.00%)	144	(144)
	11'760	Recent financing/ transaction	Recent transaction price	n.a.	n.a.	n.a.
	360	Exit price	Recent transaction price	n.a.	n.a.	n.a.
Direct debt Investments	22'417	Broker quotes	Indicative quotes for an inactive market	n.a.	n.a.	n.a.
	7'492	Discounted cash flow	Discount factor	22.43% - 22.43% (22.43%)	207	(207)
	276	Market comparable companies	Enterprise value to EBITDA multiple	9.00x - 9.00x (9.00x)	14	(14)
Indirect Investments						
	357'215	Adjusted reported net asset value	Reported net asset value	n.a.	17'861	(17'861)
	166	Adjusted reported net asset value	Fair value adjustments	n.a.	8	(8)

n.a. - not meaningful as outlined in the note above

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Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

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