



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PRINCESS PRIVATE EQUITY HOLDING LIMITED

# INTERIM REPORT 2022

For the period from 1 January 2022 to 30 June 2022



## 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 ("Partners

Group"). 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 2021	30 June 2022
Total fund size	1,055,014,221	<b>951,638,946</b>
NAV per share	15.26	<b>13.76</b>
Total dividend per share	0.67	<b>0.38</b>
Share price	14.45	<b>12.15</b>
Discount	-5.3%	<b>-11.7%</b>
Cash and cash equivalents	40,158,933	<b>16,902,398</b>
Credit line used	25,000,000	<b>42,500,000</b>
Value of investments	1,051,241,219	<b>991,255,806</b>
Unfunded commitments	116,599,553	<b>103,500,695</b>
Investment level	99.6%	<b>104.2%</b>
Net current assets	3,773,003	<b>-39,616,860</b>

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

## NAV decreases in the first half of 2022

Global market instability dominated the first half of the year, with interest rates increasing and valuations facing strong headwinds. The volatility was also fueled by spiking inflation, supply-chain issues as well as the onset of war in Ukraine. Against this backdrop, the net asset value ("NAV") of Princess Private Equity Holding Limited ("Princess" or "the Company") closed the first half of 2022 at EUR 13.76 per share, representing a NAV total return of -7.5%, including the first interim dividend of EUR 0.38 per share, compared to -13.5% for MSCI World. Portfolio developments (-6.1%) were the main driver for the NAV decline during the first half of the year, while the impact of currency movements was positive (+0.4%).

NAV performance was mainly attributable to changes in the valuation multiples of comparable companies used to value Princess' portfolio companies. Partners Group maintains high conviction in its disciplined approach to investment underwriting and portfolio construction which has helped Princess' portfolio prepare to navigate the changing macroeconomic environment and has progressively increased the scale of multiple contraction in its underwriting process to account for rising rates.

During this time, Partners Group kept a hands-on, entrepreneurial approach to working with portfolio companies in order

to steer them through more challenging times. The portfolio assets continued to have strong fundamental performance during the first half of the year. Among the largest positive contributors to performance over the first half of the year were Princess' investments in AlliedUniversal and KinderCare.

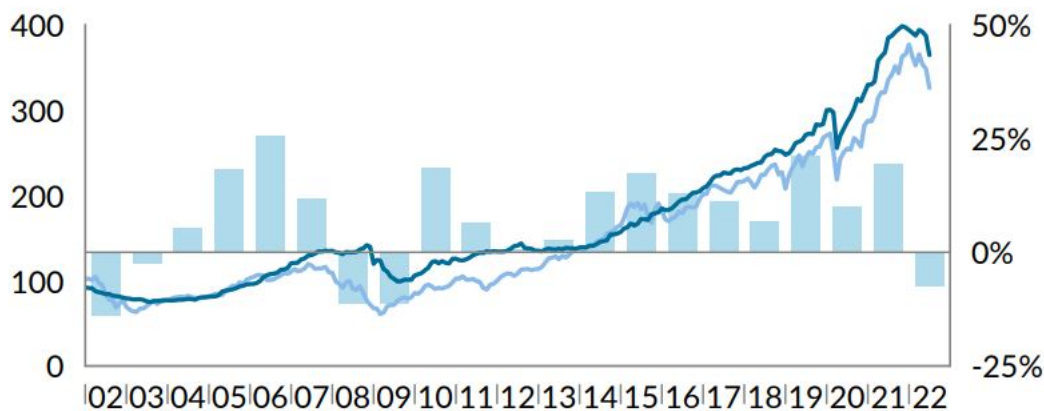
### ● ALLIEDUNIVERSAL

The valuation of US-based provider of facility and security services AlliedUniversal increased, mainly reflecting the successful integration of its recent acquisition. In 2021, the company acquired UK-based G4S, a global security company. The transaction allowed AlliedUniversal to expand its presence internationally.

### ● KINDERCARE

KinderCare, the largest for-profit provider of early childhood education and care services in the US, was written up on the back of robust financial developments. With the normalization of the COVID-19 virus, KinderCare's licensed capacity was raised from the previous year. KinderCare's healthy performance is reflected by year-on-year increases in revenue and adjusted EBITDA over the last 12-month period, as attributed to strong enrollment rates as well as increasing occupancy rates.

## NAV PERFORMANCE\*



■ Princess ■ MSCI World TR ■ Performance (RHS)

\*Last twenty years, as per reporting date. The Princess performance is calculated on a total return basis.

## Investment activity

Princess invested a total of EUR 62.7 million in the first half of 2022, including eight new investments.

### Investment activity (first six months)

Investment	Strategy	Amount (EUR million)
Pharmathen	Equity	17.6
Forefront Dermatology	Equity	12.4
Precisely	Equity	9.8
Mimecast	Equity	6.0
Climeworks	Equity	5.2
HTL Biotechnology	Equity	4.4
Others	Equity	7.3
<b>Total investments for H1 2022</b>		<b>62.7</b>

#### ● PHARMATHEN

Princess invested EUR 17.6 million in Pharmathen, a leading contract development and manufacturing organization specialized in advanced drug delivery technologies for complex generic pharmaceutical products. The company's highly diversified portfolio of approximately 80 commercialized products is accessed by patients in more than 85 countries worldwide. Partners Group will work alongside Pharmathen to accelerate its expansion in the US and support the development of innovative technology platforms that improve patient compliance and lead to better treatment outcomes.

#### ● FOREFRONT DERMATOLOGY

EUR 12.4 million was invested in Forefront Dermatology ("Forefront"), the largest, most diversified dermatology group practice in the US. Founded in 1980 and headquartered in Manitowoc, Wisconsin, Forefront has over 200 dermatology clinics across 22 states. The group practice comprises over 400 board-certified dermatologists, physician assistants, and nurse practitioners. The company's mission is to offer patients superior access to world-class, board-certified care within their communities. Partners Group will draw on its extensive experience working with physician partners, multi-site healthcare practices, and executive teams to maintain Forefront's quality- and outcomes-focused culture and support its differentiated patient- and physician-centric approach. Key value creation initiatives will include investing in physician leadership and ownership, improving operational excellence, and expanding Forefront's integrated dermatology ecosystem through investing in its technology, cosmetics service offering, and patient care.

#### ● PRECISELY

EUR 9.8 million was invested in a joint investment in Precisely (formerly known as Syncsort), a global leader in data integrity software. Headquartered in the US, Precisely provides comprehensive software, data, and strategic services to help companies access and analyze data from complex processes and build trust in their enterprise data. Alongside its investment partners, Partners Group will support Precisely's buy-and-build strategy, while extending the company's strong market position through product innovation.

#### ● MIMICAST

EUR 6.0 million was invested in a joint take-private with Permira to acquire Mimecast, a leading UK-based email security and cyber resilience company. Mimecast provides SaaS-based enterprise email management, including archiving, discovery, continuity, security, and policy from a cloud-based solution. The value creation strategy will focus on leveraging the company's industry-leading email security technology to further innovate and expand its current presence in the small and midsize market against the backdrop of the increasing magnitude and sophistication of malware threats.

#### ● CLIMEWORKS

EUR 5.2 million was invested in Climeworks, a leading Swiss designer, developer, and operator of Direct Air Capture ("DAC") plants. Founded in 2009 as a spin-off from ETH Zurich, Climeworks generates revenues through selling carbon dioxide removal services to businesses and individuals. Today, the company has built 15 DAC plants, including the world's largest DAC and storage plant, which started operations last September in Iceland. The capital from this equity round is anticipated to be used for capacity scale-up and geographical expansion - pilot projects have started in the US, the Nordics, and the Middle East - as well as investment into technology development and scaling the organization. Climeworks aims to become a dominant platform in the growing DAC market. Partners Group will work with the management team and other investors to help scale Climeworks, as well as support its commercialization strategy and international expansion.

#### ● HTL BIOTECHNOLOGY

Princess invested EUR 4.4 million in a co-investment in HTL Biotechnology, a leading biotech and industrial player in the development and production of pharmaceutical-grade biopolymers used in pharmaceutical applications such as medical aesthetics, ophthalmology and rheumatology. The company is a pioneer in the production of hyaluronic acid ("HA") and

is one of the few global manufacturers that can produce a significant volume of high-grade pharmaceutical quality HA. The investment in HTL Biotechnology stands to benefit from its leading position in the fast-growing HA market. The company also benefits from a diversified customer base that includes major pharmaceutical players with long-term contracts, leading to high cash flow visibility. With a strong international focus and a growing demand in all markets, the company has expanded over the past three years with new offices opened in Singapore and the US. HTL Biotechnology will look to accelerate its development strategy by creating new types of biopolymers and chemical modifications while exploring the untapped potential of biopolymers in innovative applications such as regenerative medicine or drug delivery.

### Distribution activity

Princess received distributions amounting to EUR 100.9 million during the first 6 months of 2022. EUR 58.9 million stemmed from a partial redemption from its investment in senior loans. In line with previous guidance, the capital will be redeployed in direct private equity investments. An amount of EUR 38.2 million was received from direct investments, including proceeds from the sale of Voyage Care. The remaining EUR 3.8 million was received from the Company's mature legacy fund portfolio.

#### Distribution activity (first six months)

Investment	Type	Amount (EUR million)
Senior Loans	Redemption	58.9
Voyage Care	Exit	18.0
Pharmaceutical Developer	Exit	13.5
European Sports Rights Company	Exit	4.7
Others		5.8
<b>Total distributions for H1 2022</b>		<b>100.9</b>

### ● VOYAGE CARE

EUR 18.0 million stemmed from the sale of Voyage Care, a provider of specialist care in the UK. Voyage Care provides quality care and support to people with learning and physical difficulties, brain injuries, autism, and other complex needs. Key value creation initiatives introduced during the investment period included deepening the healthcare experience of Voyage Care's best-in-class management team with key

strategic hires, continuing to invest in increasing its market-leading quality of care, further developing its specialisms, and expanding capacity via developments and select acquisitions. Today, the company supports over 3,500 people and has more than 10,000 members of staff.

### ● PHARMACEUTICAL DEVELOPER

EUR 13.5 million stemmed from the sale of a Swiss-based pharmaceutical developer. Over a more than eight-year holding period, the company has been transformed into a high-growth, emerging markets-focused pharmaceutical firm through several strategic acquisitions.

### Share price development and dividend

The global market instability encountered throughout the first half of 2022 affected Princess' share price, which declined by 13.5% on a total return basis during the reporting period. The Company paid an increased first interim dividend of EUR 0.38 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 -39.6 million, funded by drawings of EUR 42.5 million from the Company's EUR 80 million revolving credit facility, which post period end has been increased to EUR 110 million in order to provide the flexibility to manage short-term funding requirements. In addition to the remaining undrawn credit facility, Princess maintains an allocation to first lien senior loans, which can be sold if required to generate liquidity. At the end of June 2022, Princess held EUR 72 million of its investment portfolio in senior loans.

Total unfunded commitments as at 30 June 2022 amounted to EUR 103.5 million. Of this figure, EUR 44.2 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")

The Company shares and is aligned with the purpose, culture, and values adopted by Partners Group in their charter and as given in their Corporate Sustainability Report, both of which are available at their website: [www.partnersgroup.com/en/sustainability/](http://www.partnersgroup.com/en/sustainability/).

### Partners Group's Sustainability Strategy

Partners Group has a longstanding commitment to sustainability. "Creating lasting positive impact" is one of the core purposes, as described in its Charter. It applies to all its activities as a firm: it guides the investment activities, corporate activities and daily interactions with all stakeholders. The new Sustainability Strategy takes this commitment one step further.

The Investment Manager of Princess defines sustainability as a three-dimensional and long-term performance focus encompassing prosperity, people and planet. While many of the board meetings and discussions at Partners Group and with the controlled portfolio companies focus on how to realize the potential and mitigate the risks of business, these discussions are not supposed to be limited to profitability in a narrow sense. Partners Group's ambition is to create value for all stakeholders - by also considering environmental and social factors - as it strives for long-term success and resilience for its clients.

Partners Group was one of the first private markets investment managers to sign the United Nations Principles for Responsible Investment ("UN PRI") in 2008 and has since strived to continuously enhance its approach to ESG investing. For six consecutive years, Partners Group is proud to have achieved the highest possible A+ rating for its overall responsible investment strategy and governance in the UN PRI's annual assessment of its signatories.

In 2021, Partners Group decided to take its commitment to sustainability one step further by developing a comprehensive Sustainability Strategy covering both the corporate and portfolio level. Built around the ESG topics that are most material to Partners Group and its stakeholders, the strategy consolidates the existing efforts around ESG and sustainability, and outlines the way forward.

### Vision and ambition

Partners Group wants to become an impact leader in corporate responsibility to the benefit of its employees and societies worldwide. As a firm, its vision is to create positive and lasting impact for all our stakeholders. As an investment manager, the vision is to build better and more sustainable assets and companies within its portfolio.

To achieve this dual vision, Partners Group has defined ESG ambitions for both the firm and its portfolio of controlled assets, which include tackling climate change, realizing employees' potential, and achieving ownership excellence and sustainability at scale. Each of these ambitions has a series of sustainability targets and related projects attached to it to ensure that we make real progress in these areas and are able to track that progress. To drive action, there will be clearly defined responsibilities and governance mechanisms for our sustainability targets and related projects.

For the assets and companies that they own on behalf of their clients and control as majority shareholders, Partners Group establishes a clear ESG governance structure. They appoint three leaders who are responsible for ESG at asset level: one leader each at board, executive and operational level. These leaders are asked to develop a meaningful ESG Journey for their business and to identify a number of strategic ESG initiatives with meaningful impact in relation to environmental, social, or governance aspects. Given that ESG is part of Partners Group's transformational investing strategy, they expect the strategic ESG initiatives to be on the board agenda just like traditional business initiatives.

The ESG Team, in collaboration with the investment teams, provides guidance to the portfolio companies, and challenges their ESG ambition and progress on a regular basis. The targets presented below serve as guidance to their assets and companies on the ESG standards they believe should be a part of their ESG Journey. Furthermore, the boards and executives of their assets and companies are responsible for identifying and prioritizing additional ESG initiatives they deem relevant for the long-term success and resilience of their specific businesses.



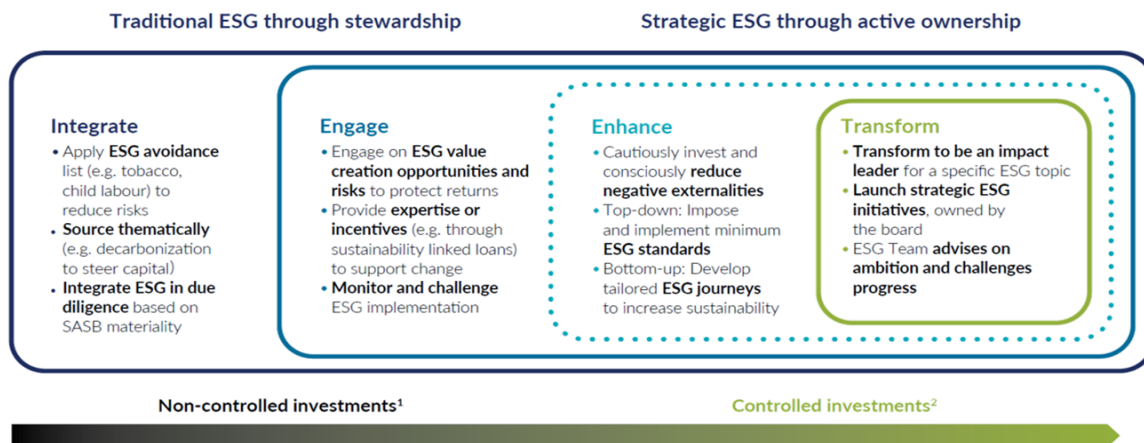
## Portfolio-level targets



For illustrative purposes. Source Partners Group 2022. There is no assurance that targets will be achieved. 1 of during our ownership period. 2 Calculated on an average basis, based on carbon emission intensity, with 2019 as the base year (where available). This serves as an interim milestone on the path to net zero. 3 Beyond carbon, e.g. land, water, and resources. 4 Refers to Partners Group's strategic program for controlled companies to build better businesses by reinvesting up to 10% of profit growth for stakeholder impact projects, with the goal to generate people impact beyond industry standards through company specific and customized solutions. 5 Measured over a three-year horizon. GHG, greenhouse gas; D&I, diversity and inclusion; CSR, corporate social responsibility.

## Partners Group's ESG Investing Framework

Partners Group aims to hold themselves to the highest standards of ESG and sustainability by making it an integral part of their transformational investing strategy. Their ESG investing approach combines a traditional ESG approach through stewardship for non-controlled investments with a strategic ESG approach through active ownership for controlled investments.



For illustrative purposes. SASB, Sustainability Accounting Standards Board. 1 This description of our 'traditional ESG' approach relates to our ESG investing approach for non-controlled direct investments, as well as fund and debt investments. 2 This description focuses on controlled assets in Partners Group's private equity and infrastructure business. A similar approach will be adopted for private real estate.

Partners Group integrates sustainability into its sourcing and due diligence process. The thematic investment approach, which includes a focus on sustainability mega themes such as decarbonization, guides investment professionals in their sourcing efforts. As a responsible investor, Partners Group is committed to investing in companies and assets that are aligned with their values, and they avoid investing in certain sectors as described in the avoidance list in the ESG & Sustainability Directive. Furthermore, Partners Group believes that, as an active owner, they have the unique opportunity, and also the responsibility, to go beyond exclusion criteria by driving change within investments. The governance rights and their expertise allow them to adopt a strategic ESG approach that enables them to enhance and, in select cases, even transform their controlled portfolio companies. As active owners, they therefore not only mitigate risks to protect value, but also seek to create value by building more sustainable businesses.

### 3. Private equity market overview

#### Private equity buyout activity

Over the second quarter of 2022, global private equity buyout transactions registered a volume of USD 132.4 billion, representing a decrease of 42.4% compared to the second quarter last year. Ongoing geopolitical tensions, unfavorable economic factors as well as a weakening public markets environment continued to suppress M&A appetite. The number of transactions also fell by 14.0% year on year to 1,777 in the second quarter, according to Preqin.

North America remained the dominant region globally for buyout activity, generating 60.2% of global transaction value during the quarter. On a year-on-year basis, however, buyout activity in North America fell 42.9% to USD 79.7 billion across 988 transactions. The largest qualifying transaction during the quarter - both globally and for the region - was the Hellman & Friedman and Permira-led consortium's USD 10.2 billion announced take-private of Zendesk, a US-based provider of software-as-a-service ("SaaS") offerings related to customer support, sales, and other customer communications. This comes after the company continued to face pressure from activist investor Jana Partners to sell itself and after turning down a previous offer of USD 17 billion in February 2022.

Private equity buyout activity in Europe continued to fall in the second quarter of 2022, decreasing by 39.2% from the same period last year to USD 30.6 billion. The number of transactions in the region also declined to 542, representing a year-on-year decrease of 19.0%. The largest transaction during the period was the USD 5.6 billion acquisition of a majority stake in Chelsea Football Club by a consortium of investors led by Todd Boehly, chair and CEO of Eldridge, and Clearlake Capital. The company was put up for sale after sanctions and an asset freeze were imposed on former owner, Russian businessman Roman Abramovich.

Meanwhile, aggregate buyout transaction value in Asia decreased by 32.6% year on year to USD 17.8 billion across 158 transactions. A notable transaction recorded in the region was Seoul-based private equity firm Hahn & Co.'s USD 1.3 billion acquisition of South Korean chemical firm SKC's plastic film business. This comes alongside SKC's parent's strategic shift toward eco-friendly businesses such as electric vehicle batteries, battery materials and hydrogen production.

#### Private equity exit activity

Global private equity exit activity for the second quarter of 2022 declined by 39.0% on a year-on-year basis to USD 151.0 billion across 456 transactions, according to Preqin. The most prevalent exit strategy during the quarter was trade sales, which accounted for 78.5% of total exit value.

North America held the highest share of global private equity exits for the quarter, representing 71.2% of total activity. Aggregate exit value in the region declined by 32.3% year on year to USD 107.5 billion across 208 transactions, less than half the number of transactions recorded in the same period last year. Dell Technologies and Silver Lake Partners' USD 61.0 billion sale of NYSE-listed VMware, a US-based cloud computing and virtualization technology company, to NASDAQ-listed Broadcom, a US semiconductor and infrastructure software products provider, ranked as the largest private equity exit for the period globally and in the region, according to Preqin. In relation to its post-merger plans for VMware, Broadcom said in its May 2022 earnings call that it planned to phase out perpetual licenses in favor of subscription-based licensing for customers over the next few years.

In Europe, aggregate exit value decreased 67.8% year on year to bring in USD 20.5 billion in realization proceeds during the quarter. Of the 179 transactions, the largest exit in the region was co-owners Blackstone and Sixth Street's USD 2.8 billion sale of Kensington Mortgage Company to British bank Barclays. Kensington is a specialist residential mortgage lender in the UK, which focuses on providing mortgages via brokers to borrowers with complex incomes, e.g. self-employed, or those with multiple or variable income streams. The transaction will enable Barclays to become one of the few high street banks with a specialist mortgage offering.

Meanwhile, exit value in Asia increased marginally in the second quarter of 2022, increasing by 2.9% year on year to USD 14.2 billion. According to Preqin, of the 42 transactions, the largest in the region was the USD 5.1 billion Shanghai listing of state-owned offshore oil and gas producer China National Offshore Oil Corporation ("CNOOC"), in what was China's tenth-largest listing, in efforts to fund oil and gas extraction as Beijing prioritizes energy security amid rising geopolitical tensions.

## IPO activity

Over the second quarter of 2022, global initial public offering ("IPO") markets saw 305 listings raise USD 40.6 billion in proceeds, declines of 54% and 65% year on year, respectively, according to Ernst & Young. Increasing market volatility as well as ongoing geopolitical tensions led many companies to postpone their listing plans. Notably, the Asia-Pacific region continued to host the highest amount of IPO proceeds for the second consecutive quarter, surpassing that of North America and the EMEIA region, while the energy sector replaced technology as the top IPO fund raiser globally for the first half of the year.

In the Americas, 41 companies raised a modest USD 2.5 billion collectively over the quarter. This represents year-on-year declines of 73% and 95% by transaction number and proceeds, respectively. US and Canadian exchanges saw a notable slowdown, while there were no listings in Brazil or Mexico over the period. The largest IPO in the region was that of Bausch & Lomb, the Ontario-based contact lens and eye-care company, which raised USD 712 million in proceeds at an offer price some 15% below the midpoint of the target pricing range. This comes almost a decade after its parent - Bausch Health, formerly known as Valeant Pharmaceuticals - acquired the company in 2013 for USD 8.7 billion.

IPO activity in the EMEIA region also fell in the second quarter of 2022, registering year-on-year declines of 62% by number of listings and 44% by proceeds. The 83 IPOs raised USD 14.8 billion collectively, with the largest listing in the region being government-owned Dubai Electricity & Water Authority ("DEWA"), which raised USD 6.1 billion in the largest ever listing in the United Arab Emirates and the largest in the wider Middle-East region since the 2019 listing of Saudi Arabian oil group Aramco. The DEWA listing supports Dubai's plans to take ten state-owned companies public this year as part of its efforts to deepen and diversify its capital markets.

The Asia-Pacific region, despite recording the largest IPO tallies over the quarter, saw transaction numbers fall by 37% year on year in the second quarter of 2022, while proceeds fell by 42%. This was spread across 181 listings, which raised a total of USD 23.3 billion. The largest IPO in the region was the aforementioned USD 5.1 billion Shanghai listing of China's state-owned energy provider CNOOC.

## Fundraising activity

Private equity fundraising activity in the second quarter of 2022 decreased by 42.7% year on year to USD 171.1 billion across 379 funds. Advent International held the largest close globally for its tenth flagship buyout offering, closing the fund at its hard cap of USD 25.0 billion.

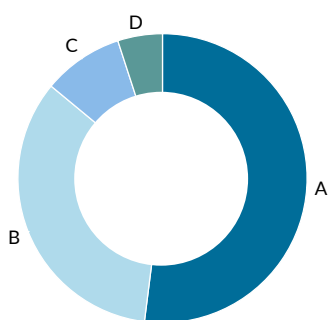
North America-focused funds continued to dominate fundraising activity during the quarter, accounting for 61.2% of the global total. Total capital raised fell 17.7% year on year to USD 128.6 billion, albeit with the average fund size almost doubling year on year to USD 643 million. Overall, buyout and growth funds accounted for nearly 60% of North American funds closed during the quarter, exemplified by the aforementioned Advent International GPE X. The fund, which will maintain the manager's focus on investing in Europe and North America, is more than 40% larger than its predecessor fund, which raised USD 17.5 billion in 2019.

Elsewhere, Europe-focused funds saw a sharp 83.9% year-on-year decrease in fundraising activity, with a modest USD 9.8 billion raised during the second quarter of 2022, in part due to the detrimental effects on sentiment linked to the ongoing Russia-Ukraine conflict. The largest Europe-focused fund to close during the period was Generation IM Sustainable Solutions Fund IV at a fund size of USD 1.7 billion. The fund intends to invest between USD 50 million and USD 150 million as an active minority investor in high-growth companies that are shifting industries toward sustainability and responsible innovation at scale.

Meanwhile, Asia-focused funds raised USD 18.7 billion, or 74.8% less than the prior-year period. Trustbridge Partners held the largest close in the region with its seventh fund, which raised USD 1.7 billion. A close second was CBC Group's C-Bridge Healthcare Fund V, which raised just less than USD 1.7 billion, surpassing its USD 1.2 billion initial target size and USD 1.5 billion hard-cap. The fund is nearly double the size of its 2018-vintage predecessor.

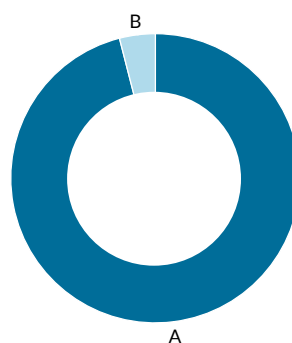
*Sources: Bloomberg; Preqin "Q2 2022 Private Capital Fundraising, Deals/Exits"; EY "Q2 2022 Global IPO Trends Report"; Partners Group Research.*

## 4. Portfolio composition



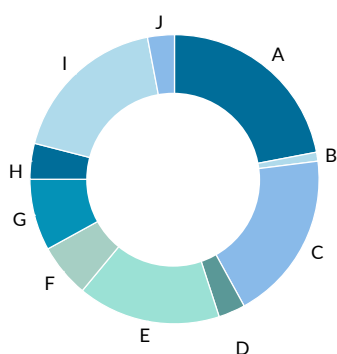
Investments by regional focus

<b>A</b> North America	52%	<b>C</b> Asia-Pacific	9%
<b>B</b> Europe	34%	<b>D</b> Rest of World	5%



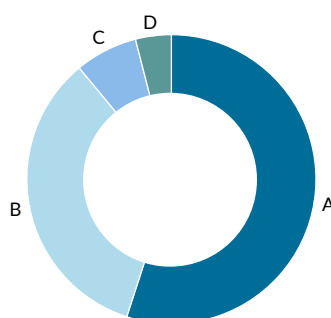
Investments by transaction type

<b>A</b> Direct	96%	<b>B</b> Funds	4%
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Portfolio assets by industry sector

<b>A</b> Healthcare	22%	<b>F</b> Materials	6%
<b>B</b> Telecommunication services	1%	<b>G</b> Financial	8%
<b>C</b> Consumer discretionary	19%	<b>H</b> Consumer staples	4%
<b>D</b> Energy	3%	<b>I</b> Industrial	18%
<b>E</b> IT	16%	<b>J</b> Utilities	3%



Investments by financing category

<b>A</b> Buyout Small/Mid-cap	55%	<b>C</b> Special situations	7%
<b>B</b> Buyout Large/Mega-cap	34%	<b>D</b> Venture capital	4%



Investments by investment year

<b>A</b> Pre 2013	5%	<b>G</b> 2018	19%
<b>B</b> 2013	1%	<b>H</b> 2019	9%
<b>C</b> 2014	4%	<b>I</b> 2020	7%
<b>D</b> 2015	6%	<b>J</b> 2021	25%
<b>E</b> 2016	8%	<b>K</b> 2022	6%
<b>F</b> 2017	10%		

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	
<b>SRS Distribution, Inc.</b>	Materials	NAM	Buyout Small/Mid-cap	2018	8,889,357	49,623,482	5.2%
<b>KinderCare Education</b>	Consumer discretionary	NAM	Buyout Small/Mid-cap	2015	13,256,885	43,909,108	4.6%
<b>PCI Pharma Services</b>	Healthcare	NAM	Buyout Small/Mid-cap	2016	0	42,625,600	4.5%
<b>Foncia</b>	Financials	WEU	Buyout Large/Mega-cap	2021	40,931,912	39,750,342	4.2%
<b>Vishal Mega Mart</b>	Consumer discretionary	APC	Buyout Small/Mid-cap	2018	14,335,098	37,194,025	3.9%
<b>Ammega (Megadyne - Ammeraal Beltech)</b>	Industrials	WEU	Buyout Small/Mid-cap	2018	25,912,844	35,269,650	3.7%
<b>Techem Metering GmbH</b>	Industrials	WEU	Buyout Large/Mega-cap	2017	19,244,061	30,695,822	3.2%
<b>EyeCare Partners</b>	Healthcare	NAM	Buyout Small/Mid-cap	2020	19,293,524	29,513,050	3.1%
<b>Fermaca</b>	Energy	ROW	Special situations	2014	16,945,304	28,364,154	3.0%
<b>United States Infrastructure Corporation</b>	Utilities	NAM	Buyout Small/Mid-cap	2017	8,250,910	27,458,321	2.9%
<b>Civica</b>	Information technology	WEU	Buyout Small/Mid-cap	2013	11,700,918	23,039,644	2.4%
<b>DiversiTech</b>	Industrials	NAM	Buyout Large/Mega-cap	2021	26,296,784	22,120,422	2.3%
<b>Clario</b>	Information technology	NAM	Buyout Large/Mega-cap	2016	13,544,407	21,458,513	2.3%
<b>Galderma</b>	Healthcare	WEU	Buyout Large/Mega-cap	2019	10,565,514	18,790,405	2.0%
<b>Apex International Corporation</b>	Consumer discretionary	APC	Buyout Large/Mega-cap	2021	8,779,512	n.a.	n.a.
<b>Guardian Childcare &amp; Education</b>	Consumer discretionary	APC	Buyout Small/Mid-cap	2016	10,242,402	18,282,416	1.9%
<b>Idera Inc.</b>	Information technology	NAM	Buyout Small/Mid-cap	2019	12,231,267	16,683,117	1.8%
<b>AlliedUniversal</b>	Industrials	NAM	Buyout Large/Mega-cap	2012	10,411,015	16,510,677	1.7%
<b>Pharmathen</b>	Healthcare	WEU	Buyout Large/Mega-cap	2017	17,621,664	16,366,806	1.7%
<b>STADA Arzneimittel AG</b>	Healthcare	WEU	Buyout Large/Mega-cap	2017	6,225,411	16,261,084	1.7%
<b>International Schools Partnership</b>	Consumer discretionary	WEU	Buyout Small/Mid-cap	2013	16,972,694	16,128,966	1.7%
<b>Hearthside Food Solutions</b>	Consumer staples	NAM	Buyout Large/Mega-cap	2018	22,093,400	15,320,129	1.6%
<b>CPA Global (Clarivate merger)</b>	Information technology	WEU	Buyout Large/Mega-cap	2017	10,458,807	15,252,210	1.6%
<b>IDEMIA</b>	Information technology	WEU	Buyout Large/Mega-cap	2016	10,594,395	14,947,609	1.6%
<b>Convex Group Limited</b>	Financials	NAM	Buyout Small/Mid-cap	2019	9,534,559	14,447,992	1.5%
<b>Telepass</b>	Industrials	WEU	Special situations	2021	12,737,870	14,163,927	1.5%

Investment	Industry sector	Regional focus	Financing category	Investment year	Since inception		% of NAV
					Residual cost	Net asset value	
Blue River PetCare, LLC	Healthcare	NAM	Buyout Small/Mid-cap	2019	6,206,557	14,090,970	1.5%
Hofmann Menue Manufaktur	Consumer staples	WEU	Buyout Small/Mid-cap	2013	5,146,706	13,667,545	1.4%
Breitling	Consumer discretionary	WEU	Buyout Large/Mega-cap	2021	13,160,432	13,362,946	1.4%
Forefront Dermatology	Healthcare	NAM	Buyout Large/Mega-cap	2022	13,089,025	12,618,739	1.3%
Axel Springer SE	Information technology	WEU	Buyout Large/Mega-cap	2019	9,175,000	12,106,971	1.3%
Wedgewood Pharmacy	Healthcare	NAM	Buyout Small/Mid-cap	2021	9,324,290	11,077,890	1.2%
Confluent Health	Healthcare	NAM	Buyout Small/Mid-cap	2019	4,551,601	10,332,348	1.1%
Envision Healthcare Holdings, Inc.	Healthcare	NAM	Special situations	2018	13,359,371	10,079,955	1.1%
Trimco International Holdings Ltd	Industrials	APC	Buyout Small/Mid-cap	2012	3,672,861	10,031,869	1.1%
Precisely	Information technology	NAM	Buyout Large/Mega-cap	2017	10,020,079	10,020,079	1.1%
BluSky	Industrials	NAM	Buyout Small/Mid-cap	2021	10,494,788	9,890,950	1.0%
Form Technologies	Industrials	NAM	Buyout Small/Mid-cap	2015	30,561,871	9,327,521	1.0%
Polyconcept	Consumer discretionary	NAM	Buyout Small/Mid-cap	2016	3,414,256	8,978,546	0.9%
Careismatic Brands	Consumer discretionary	NAM	Buyout Small/Mid-cap	2012	12,029,380	8,502,097	0.9%
Global Blue	Financials	WEU	Buyout Small/Mid-cap	2012	83,740	8,145,785	0.9%
MultiPlan, Inc. (2016)	Healthcare	NAM	Buyout Large/Mega-cap	2016	47,748	7,436,818	0.8%
WM Morrison Supermarkets PLC	Consumer staples	WEU	Buyout Large/Mega-cap	2021	8,889,058	7,168,494	0.8%
Ecom Express Private Limited	Industrials	APC	Buyout Small/Mid-cap	2021	n.a.	n.a.	n.a.
Rovensa	Materials	WEU	Buyout Large/Mega-cap	2020	6,719,339	6,750,202	0.7%
Seabras-1	Telecommunication services	NAM	Special situations	2015	8,602,565	6,390,686	0.7%
Key Group	Financials	WEU	Buyout Small/Mid-cap	2017	3,541,642	6,184,185	0.6%
Mimecast	Information technology	WEU	Buyout Large/Mega-cap	2022	6,079,531	6,079,531	0.6%
Reedy Industries	Industrials	NAM	Buyout Small/Mid-cap	2021	7,423,493	6,052,624	0.6%
Schleich GmbH	Consumer discretionary	WEU	Buyout Small/Mid-cap	2019	3,201,462	5,610,457	0.6%
<b>Total fifty direct investments</b>					<b>557,171,694</b>	<b>838,084,681</b>	<b>88.1%</b>

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	
<b>Anonymized Emerging Markets Venture Fund 2</b>	ROW	Venture capital	2008	57,394	14,129,232	1.5%
<b>INVESCO Venture Partnership Fund II-A, L.P.</b>	NAM	Venture capital	2000	1,750,525	3,372,514	0.4%
<b>Anonymized European Buyout Fund 7</b>	WEU	Buyout Small/Mid-cap	2007	904,645	1,981,390	0.2%
<b>Innisfree PFI Secondary Fund</b>	WEU	Special situations	2007	29,018	1,635,510	0.2%
<b>Exxel Capital Partners VI, L.P.</b>	ROW	Buyout Small/Mid-cap	2000	0	1,514,551	0.2%
<b>Index Ventures Growth I (Jersey), L.P.</b>	WEU	Venture capital	2008	0	1,207,976	0.1%
<b>Valedo Partners Fund II AB</b>	WEU	Buyout Small/Mid-cap	2011	21,248	726,339	0.1%
<b>Advent Latin American Private Equity Fund V, L.P.</b>	ROW	Buyout Small/Mid-cap	2009	38,736	625,577	0.1%
<b>Alinda Infrastructure Parallel Fund II, L.P.</b>	NAM	Special situations	2008	225,973	610,706	0.1%
<b>HitecVision V, L.P.</b>	WEU	Special situations	2008	14,587	609,555	0.1%
<b>Peepul Capital Fund III, LLC</b>	APC	Buyout Small/Mid-cap	2010	n.a.	n.a.	n.a.
<b>Vortex Corporate Development Fund, L.P.</b>	NAM	Venture capital	2000	137,746	596,316	0.1%
<b>Summit Partners Europe Private Equity Fund, L.P.</b>	WEU	Venture capital	2008	195,833	559,406	0.1%
<b>Helios Investors II, L.P.</b>	ROW	Buyout Small/Mid-cap	2009	9,134	553,527	0.1%
<b>IDG-Accel China Capital Fund</b>	APC	Venture capital	2008	18,349	513,774	0.1%
<b>Pitango Venture Capital Fund III</b>	ROW	Venture capital	2000	0	486,532	0.1%
<b>Advent Latin American Private Equity Fund IV, L.P.</b>	ROW	Buyout Small/Mid-cap	2007	0	465,405	0.0%
<b>Russia Partners III, L.P.</b>	ROW	Buyout Small/Mid-cap	2007	114,320	460,609	0.0%
<b>Sofinnova Capital VI FCPR</b>	WEU	Venture capital	2008	0	373,385	0.0%
<b>Partners Group Global Real Estate 2008, L.P.</b>	WEU	Special situations	2008	1,759,056	369,979	0.0%
<b>Total twenty fund investments</b>				5,276,567	30,792,282	3.2%

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

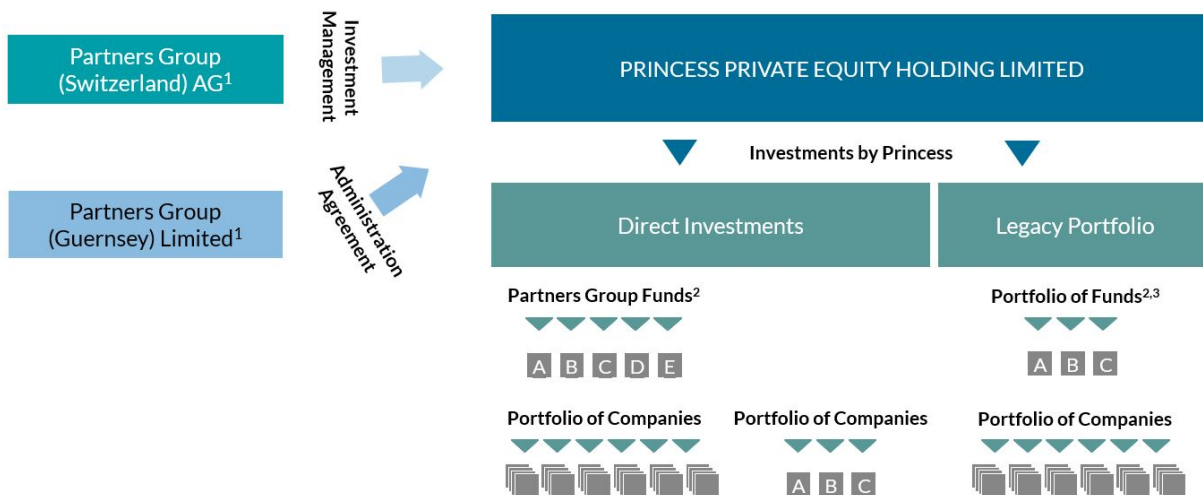
Princess Private Equity Holding Limited is a Guernsey-registered private equity holding company founded in May 1999 that invests in private market investments. In 1999 Princess raised USD 700 million through the issue of a convertible bond and invested the capital by way of commitments to private equity 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 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 AG is a global private markets investment management firm with USD 131 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

<b>Company</b>	Princess Private Equity Holding Limited
<b>Currency denomination</b>	Euro
<b>Dividends</b>	Princess intends to pay a dividend of 5% p.a. on opening NAV
<b>Incentive fee</b>	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)
<b>Incorporation</b>	1999
<b>Joint corporate brokers</b>	JPMorgan Cazenove Numis Securities Ltd.
<b>Listing</b>	London Stock Exchange
<b>Management fee</b>	1.5% p.a. of the higher of NAV or value of Princess' assets less any temporary investments plus unfunded commitments. With effect from 1 July 2020 unfunded commitments in respect of Primary and Secondary investments are excluded.
<b>Securities</b>	Fully paid-up ordinary registered shares
<b>Structure</b>	Guernsey company, authorized closed-ended fund in Guernsey
<b>Trading information</b>	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
<b>Voting rights</b>	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 2022 to 30 June 2022

In thousands of EUR	Notes	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Net income from financial assets at fair value through profit or loss</b>		<b>(30,263)</b>	<b>192,139</b>
<i>Private equity</i>		(29,561)	182,659
Interest & dividend income		368	7,476
Revaluation	6	(60,439)	167,226
Withholding tax on direct private equity investments	6	(421)	(1,337)
Net foreign exchange gains / (losses)	6	30,931	9,294
<i>Private debt</i>		(2,967)	8,451
Interest income (including payment-in-kind)		333	533
Revaluation	6	(5,133)	6,592
Net foreign exchange gains / (losses)	6	1,833	1,326
<i>Private real estate</i>		(86)	(109)
Revaluation	6	(86)	(109)
<i>Private infrastructure</i>		2,351	1,138
Revaluation	6	526	290
Net foreign exchange gains / (losses)	6	1,825	848
<b>Net income from cash &amp; cash equivalents and other income</b>		<b>319</b>	<b>188</b>
Net foreign exchange gains / (losses)		319	188
<b>Total net income</b>		<b>(29,944)</b>	<b>192,327</b>
<b>Operating expenses</b>		<b>(15,499)</b>	<b>(26,062)</b>
Management fees		(7,014)	(7,862)
Incentive fees	10	(7,506)	(17,788)
Administration fees		(239)	(221)
Service fees		(125)	(125)
Other operating expenses		(649)	(627)
Other net foreign exchange gains / (losses)		34	561
<b>Other financial activities</b>		<b>(31,655)</b>	<b>(12,740)</b>
Interest expense - credit facilities	9	(254)	(132)
Interest expense - related party loans		-	(18)
Other finance cost		(396)	(150)
Net gains / (losses) from hedging activities		(31,005)	(12,445)
Other income		-	5
<b>Surplus / (loss) for period</b>		<b>(77,098)</b>	<b>153,525</b>
Other comprehensive income for period; net of tax		-	-

In thousands of EUR	Notes	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Total comprehensive income for period</b>		<b>(77,098)</b>	<b>153,525</b>
Weighted average number of shares outstanding		69,151,168.00	69,151,168.00
Basic surplus / (loss) per share for period (in EUR)		(1.12)	2.22
Diluted surplus / (loss) per share for period (in EUR)		(1.12)	2.22

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 2022

In thousands of EUR	Notes	30.06.2022	31.12.2021
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
Private equity	6,13	857,378	852,606
Private debt	6,13	95,828	162,771
Private real estate	6,13	370	753
Private infrastructure	6,13	37,680	35,111
Financial assets at amortized cost			
Deferred receivables on investments		1,967	5,690
Other long-term receivables		3,089	2,827
<b>Non-current assets</b>		<b>996,312</b>	<b>1,059,758</b>
Other short-term receivables	13	15,842	11,713
Cash and cash equivalents	7	16,902	40,159
<b>Current assets</b>		<b>32,744</b>	<b>51,872</b>
<b>TOTAL ASSETS</b>		<b>1,029,056</b>	<b>1,111,630</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	69	69
Reserves		951,570	1,054,945
<b>Total equity</b>		<b>951,639</b>	<b>1,055,014</b>
Short-term credit facilities	9	42,500	25,000
Derivative liabilities	13	5,696	4,208
Accruals and other short-term payables		29,221	27,408
<b>Liabilities falling due within one year</b>		<b>77,417</b>	<b>56,616</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,029,056</b>	<b>1,111,630</b>

**Unaudited consolidated statement of changes in equity**

for the period from 1 January 2022 to 30 June 2022

In thousands of EUR

	<b>Share capital</b>	<b>Reserves</b>	<b>Total</b>
Balance at the beginning of period	69	1,054,945	1,055,014
Dividends paid	-	(26,277)	(26,277)
Surplus / (loss) for period	-	(77,098)	(77,098)
<b>Equity at end of period</b>	<b>69</b>	<b>951,570</b>	<b>951,639</b>

for the period from 1 January 2021 to 30 June 2021

In thousands of EUR

	<b>Share capital</b>	<b>Reserves</b>	<b>Total</b>
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
<b>Equity at end of period</b>	<b>69</b>	<b>1,053,624</b>	<b>1,053,693</b>

**Unaudited consolidated statement of cash flows**

for the period from 1 January 2022 to 30 June 2022

In thousands of EUR	Notes	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Operating activities</b>			
Surplus / (loss) for the period before interest expense		(76,844)	153,675
Adjustments:			
Net foreign exchange (gains) / losses		(34,942)	(12,217)
Investment revaluation		65,132	(173,999)
Withholding tax on direct investments		421	1,337
Net (gain) / loss on interest		(376)	(602)
Net (gain) / loss on dividends		(325)	(7,407)
Revaluation on forward hedges		31,005	12,445
(Increase) / decrease in receivables		(24,086)	(20,296)
Increase / (decrease) in payables		25,266	1,938
Realized gains / (losses) from forward hedges		(29,517)	(268)
Purchase of private equity investments	6	(67,553)	(46,943)
Purchase of private debt investments	6	201	204
Purchase of private real estate investments	6	36	26
Purchase of private infrastructure investments	6	(454)	(11,234)
Distributions from and proceeds from sales of private equity investments	6	32,894	54,078
Distributions from and proceeds from sales of private debt investments	6	63,742	13,622
Distributions from and proceeds from sales of private real estate investments	6	261	273
Distributions from and proceeds from sales of private infrastructure investments	6	236	143
Interest & dividends received		358	10,441
<b>Net cash from / (used in) operating activities</b>		<b>(14,545)</b>	<b>(24,784)</b>
<b>Financing activities</b>			
Increase in credit facilities	9	54,500	42,000
(Decrease) in credit facilities	9	(37,000)	(15,000)
Interest paid - credit facilities	9	(254)	(122)
Interest paid - related party loans		-	(18)
Dividends paid	8	(26,277)	(23,166)
<b>Net cash from / (used in) financing activities</b>		<b>(9,031)</b>	<b>3,694</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(23,576)</b>	<b>(21,090)</b>
<b>Cash and cash equivalents at beginning of period</b>	7	<b>40,159</b>	<b>31,515</b>
Effects of foreign currency exchange rate changes on cash and cash equivalents		319	188
<b>Cash and cash equivalents at end of period</b>	7	<b>16,902</b>	<b>10,613</b>

## Notes to the unaudited consolidated financial statements

for the period from 1 January 2022 to 30 June 2022

### 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 2021, 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 2021.

A number of amended standards became applicable for the reporting period. These amended standards do not have a significant impact on the Company's unaudited consolidated financial statements.

### 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%

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 0.380 per ordinary share, which was paid on 17 June 2022 (total dividend in 2021: EUR 46.3 million).



## 5 Segment calculation

In thousands of EUR	01.01.2022 30.06.2022	01.01.2021 30.06.2021
<b>Private equity</b>		
Interest & dividend income	368	7,476
Revaluation	(60,439)	167,226
Withholding tax on direct private equity investments	(421)	(1,337)
Net foreign exchange gains / (losses)	30,931	9,294
<b>Total net income private equity</b>	<b>(29,561)</b>	<b>182,659</b>
<b>Segment result private equity</b>	<b>(29,561)</b>	<b>182,659</b>
<b>Private debt</b>		
Interest income (including payment-in-kind)	333	533
Revaluation	(5,133)	6,592
Net foreign exchange gains / (losses)	1,833	1,326
<b>Total net income private debt</b>	<b>(2,967)</b>	<b>8,451</b>
<b>Segment result private debt</b>	<b>(2,967)</b>	<b>8,451</b>
<b>Private real estate</b>		
Revaluation	(86)	(109)
<b>Total net income private real estate</b>	<b>(86)</b>	<b>(109)</b>
<b>Segment result private real estate</b>	<b>(86)</b>	<b>(109)</b>
<b>Private infrastructure</b>		
Revaluation	526	290
Net foreign exchange gains / (losses)	1,825	848
<b>Total net income private infrastructure</b>	<b>2,351</b>	<b>1,138</b>
<b>Segment result private infrastructure</b>	<b>2,351</b>	<b>1,138</b>
<b>Non-attributable</b>		
Net foreign exchange gains / (losses)	319	188
<b>Total net income non-attributable</b>	<b>319</b>	<b>188</b>
<b>Segment result non-attributable</b>	<b>(15,180)</b>	<b>(25,874)</b>
Other financial activities not allocated	(31,655)	(12,740)
<b>Surplus / (loss) for the financial period</b>	<b>(77,098)</b>	<b>153,525</b>

## 6 Financial assets at fair value through profit or loss

### 6.1 PRIVATE EQUITY

In thousands of EUR	30.06.2022	31.12.2021
Balance at beginning of period	852,606	821,209
Purchase of Direct and Indirect Investments	67,553	160,276
Distributions from and proceeds from sales of Direct and Indirect Investments	(32,894)	(384,181)
Accrued cash and payment-in-kind interest	42	148
Revaluation	(60,439)	233,001
Withholding tax on direct private equity investments	(421)	(1,631)
Net foreign exchange gains / (losses)	30,931	23,784
<b>Balance at end of period</b>	<b>857,378</b>	<b>852,606</b>

### 6.2 PRIVATE DEBT

In thousands of EUR	30.06.2022	31.12.2021
Balance at beginning of period	162,771	51,605
Purchase of Direct and Indirect Investments	(201)	134,583
Distributions from and proceeds from sales of Direct and Indirect Investments	(63,742)	(29,478)
Accrued cash and payment-in-kind interest	300	663
Interest received	-	(2,755)
Revaluation	(5,133)	5,789
Net foreign exchange gains / (losses)	1,833	2,364
<b>Balance at end of period</b>	<b>95,828</b>	<b>162,771</b>

### 6.3 PRIVATE REAL ESTATE

In thousands of EUR	30.06.2022	31.12.2021
Balance at beginning of period	753	1,329
Purchase of Direct and Indirect Investments	(36)	(26)
Distributions from and proceeds from sales of Direct and Indirect Investments	(261)	(426)
Revaluation	(86)	(124)
<b>Balance at end of period</b>	<b>370</b>	<b>753</b>

## 6.4 PRIVATE INFRASTRUCTURE

In thousands of EUR	30.06.2022	31.12.2021
Balance at beginning of period	35,111	29,274
Purchase of Direct and Indirect Investments	454	11,234
Distributions from and proceeds from sales of Direct and Indirect Investments	(236)	(579)
Revaluation	526	(6,813)
Net foreign exchange gains / (losses)	1,825	1,995
<b>Balance at end of period</b>	<b>37,680</b>	<b>35,111</b>

## 7 Cash and cash equivalents

In thousands of EUR	30.06.2022	31.12.2021
Cash at banks	16,902	40,159
<b>Total cash and cash equivalents</b>	<b>16,902</b>	<b>40,159</b>

## 8 Share capital, treasury shares and reserves

### 8.1 CAPITAL

In thousands of EUR	30.06.2022	31.12.2021
<b>Issued and fully paid</b>		
69,151,168 Ordinary shares of EUR 0.001 each out of the bond conversion	69	69
<b>Total issued and fully paid shares</b>	<b>69</b>	<b>69</b>

The total authorized shares consist of 200,100,000 ordinary shares of EUR 0.001 each (total value EUR 200,100) (2021: 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 (2021: nil).

## 9 Credit facility

The Company entered into a multi-currency revolving credit facility with an international financial institution. The purpose of the facility is to provide funding for the acquisition of underlying investments and other working capital requirements.

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.

Date of entering the agreement	27 July 2011
Amendment date	5 January 2022
Date of termination of the agreement	13 December 2024
Total lending commitment	EUR 80,000,000
Basis of the interest on principal drawn is: Margin +	SOFR + credit adjustment spread in relation to any loan in USD; EURIBOR in relation to any loan in EUR; or SONIA + credit adjustment spread in relation to any loan in GBP

During 2022, the LIBOR has been replaced by SOFR plus a credit adjustment spread in relation to any loan in USD.

In thousands of EUR	30.06.2022	31.12.2021
<b>Short-term credit facility</b>		
Balance at beginning of period	25,000	-
Increase in credit facility	54,500	67,000
(Decrease) in credit facility	(37,000)	(42,000)
<b>Balance at end of period</b>	<b>42,500</b>	<b>25,000</b>

## 10 Incentive fee

In thousands of EUR	30.06.2022	31.12.2021
Balance at beginning of period	17,530	19,525
Change in incentive fees attributable to Investment Manager	7,506	39,842
Incentive fees paid/payable	(1,572)	(41,837)
<b>Balance at end of period</b>	<b>23,464</b>	<b>17,530</b>

## 11 Commitments to Direct and Indirect Investments

In thousands of EUR	30.06.2022	31.12.2021
Unfunded commitments translated at the rate prevailing at end of period	103,501	116,600

## 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 2022 and 2021.

The net assets per share are 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	30.06.2022	31.12.2021
Net assets of the Group	951,639	1,055,014
Outstanding shares at the end of the reporting period	69,151,168.00	69,151,168.00
<b>Net assets per share at end of period</b>	<b>13.76</b>	<b>15.26</b>

## 13 Fair value measurement

### 13.1 FAIR VALUE ESTIMATION REPORTING PERIOD

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
Other short-term receivables	-	-	15,842	15,842
Financial assets at fair value through profit or loss - equity securities	22,787	1,974	870,667	895,428
Financial assets at fair value through profit or loss - debt investments	-	-	95,828	95,828
<b>Total assets</b>	<b>22,787</b>	<b>1,974</b>	<b>982,337</b>	<b>1,007,098</b>
<b>Liabilities</b>				
Derivatives used for hedging	-	(5,696)	-	(5,696)
<b>Total liabilities</b>	<b>-</b>	<b>(5,696)</b>	<b>-</b>	<b>(5,696)</b>

During the reporting period, there were no transfers between level 3 and levels 1 and 2 of the fair value hierarchy.

**13.2 FAIR VALUE ESTIMATION PREVIOUS REPORTING PERIOD**

In thousands of EUR	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
Other short-term receivables	-	-	11,713	11,713
Financial assets at fair value through profit or loss - equity securities	29,411	2,489	856,570	888,470
Financial assets at fair value through profit or loss - debt investments	-	-	162,771	162,771
<b>Total assets</b>	<b>29,411</b>	<b>2,489</b>	<b>1,031,054</b>	<b>1,062,954</b>
<b>Liabilities</b>				
Derivatives used for hedging	-	(4,208)	-	(4,208)
<b>Total liabilities</b>	<b>-</b>	<b>(4,208)</b>	<b>-</b>	<b>(4,208)</b>

During the previous reporting period, certain investments with a fair value of EUR 23,819,422 were transferred out of level 2 into level 1 due to expiry of lock-up discount.

**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 enterprise value or 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 reliable broker quotes and the comparable debt approach.

Reliable broker quotes for Direct debt Investments are provided by a reputable financial information provider. 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 30.06.2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
<b>Direct Investments</b>						
Direct equity investments	552,876	Market comparable companies	Enterprise value to EBITDA multiple	8.20x - 25.90x (15.47x)	49,585	(49,585)
	27,492	Recent financing/transaction	Recent transaction price	n.a.	n.a.	n.a.
	23,197	Discounted cash flow	Discount factor	13.00% - 13.00% (13.00%)	198	(198)
	14,448	Market comparable companies	Price to book ratio	1.63 - 1.63x (1.63x)	722	(722)
	4,958	Market comparable companies	Enterprise value to sales multiple	3.30x - 3.30x (3.30x)	248	(248)
	2,291	Exit price	Recent transaction price	n.a.	n.a.	n.a.
Direct debt Investments	9,830	Broker quotes	Indicative quotes for an inactive market	n.a.	n.a.	n.a.
	141	Exit price	Recent transaction price	n.a.	n.a.	n.a.



Type of security	Fair value at 30.06.2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
<b>Indirect Investments</b>						
	337,905	Adjusted reported net asset value	Reported net asset value	n.a.	16,985	(16,985)
	(6,643)	Adjusted reported net asset value	Fair value adjustments	n.a.	(332)	332

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 31.12.2021	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity	
<i>Fair value in thousands of EUR</i>						
<b>Direct Investments</b>						
Direct equity investments	439,797	Market comparable companies	Enterprise value to EBITDA multiple	3.56x - 22.30x (16.07x)	36,910	(36,910)
	99,742	Recent financing/transaction	Recent transaction price	n.a.	n.a.	n.a.
	20,637	Discounted cash flow	Discount factor	13.00% - 13.00% (13.00%)	235	(235)
	15,831	Exit price	Recent transaction price	n.a.	n.a.	n.a.
	4,669	Market comparable companies	Enterprise value to sales multiple	3.50x - 3.50x (3.50x)	216	(216)
Direct debt Investments	12,640	Broker quotes	Indicative quotes for an inactive market	n.a.	n.a.	n.a.
	156	Market comparable companies	Enterprise value to EBITDA multiple	3.56x - 3.56x (3.56x)	n.a.	n.a.
<b>Indirect Investments</b>						
	430,033	Adjusted reported net asset value	Reported net asset value	n.a.	21,502	(21,502)
	(4,162)	Adjusted reported net asset value	Fair value adjustments	n.a.	(208)	208

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

#### **14 Related party**

Mr. Felix Haldner, a non-executive director of the Company, resigned as an employee and has taken an advisory role within Partners Group effective 1 April 2022. Meanwhile, he still maintains his position as an operating director on the Boards of Partners Group-affiliated companies.

#### **15 Events after reporting date**

On 4 July 2022, the Company amended the credit facility agreement with an international financial institution to increase the total lending commitment from EUR 80,000,000 to EUR 110,000,000.

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# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

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