



Financial information
IFRS interim consolidated
financial statements
at 30 June 2020

Registered office: 12 rue Léon Laval, L-3372
Leudelange
Registered company number: B27846

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IFRS interim consolidated financial statements at 30 June 2020

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Management Report



MESSAGE FROM THE MANAGING DIRECTORS

Dear Shareholders,

The first six months of 2020 have proven to be quite out of the ordinary with the emergence of the Covid-19 pandemic and related sanitary crisis. We have seen most countries in Europe (and the world) put into lockdown for several months. Governments and Central banks had to step in quickly and in dramatic manner to keep our social, economic and financial systems alive.

The outcome of this crisis remains uncertain and it is very difficult at this stage to fully assess the impact on business and our lives in general.

However, we believe that Luxempart has a solid foundation and is well prepared to weather the storm and preserve your investment. Our investment activity is based on a long-term horizon and on significant diversification of our assets, geographically as well as in terms of industry exposure. We do not have to react in the short term and are able to commit significant resources to the preservation and development of our assets. The solidity of our portfolio is shown in the relative resilience of our net asset value. Even though on a line by line basis, some assets suffer more than others from the Covid-19 crisis, all have performed reasonably well, none is in jeopardy, and the reduction in value is mainly related to the overall downturn in stock markets.

Our net asset value decreased by 8.3% (6.4% dividend paid to our shareholders reintegrated) due to the unrealised mark to market valuation of our portfolio on 30 June 2020, which is impacted by the negative market environment. Indeed, our reference index declined by more than 13% over the same period. Luxempart compares favorably mainly due to 3 reasons : (i) ca. 13% of our NAV is cash and remains stable (ii) our main portfolio companies, thanks to their robust operating performance, compare favourably to other companies in their sector in Europe and (iii) our portfolio is over-exposed (compared to the index) to non-discretionary consumer goods, whose performance remained very solid during the Covid-19 crisis.

Furthermore, we would like to underline that since Luxempart has no constraints to rotate its portfolio, this downturn during the first half of 2020 should not have a significant impact on our companies' future valuations. Thus under the assumption, which is valid as of today, that our assets, given their intrinsic qualities, should recover from the impact of the current crisis, the value of the portfolio remains solid and sustainably so.

A crisis is also a time of opportunity. Our company has taken a number of initiatives in 2020 in line with the strategy that was outlined in 2019 :

- Luxempart has invested in total € 111 m: on the one hand, in partnership with Cobepa, in Enoflex, a very promising unlisted group that has achieved the status of world leader in its niche market, and on the other hand has reinforced its exposure to some of our listed portfolio lines, taking advantage of their lower stock market valuation.
- At the same time, benefitting from the quality of several portfolio companies that were only marginally affected, we pursued divestments, generating capital gains in line with our long term objectives. During the first half of 2020 Luxempart has made divestments of € 100 m; further exits are expected to be realised in the next months.

Moreover, we have continued to reinforce our investment team with the arrival of 3 new investment professionals in 2020, at the executive committee as well as in the younger levels of our team. This trend is continuing as we were able in July to attract a very seasoned Investment Director who will cover the DACH region for Luxempart and we are in advanced talks with a candidate for the same position but geared towards French-speaking Europe. We believe that with these reinforcements, Luxempart will have all necessary human resources to seize interesting investment and divestment opportunities in the coming quarters, as well as to continue to preserve the value of our portfolio and to foster growth by committing additional capital.

2020 will be a transitional year for Luxempart, in an challenging environment, but we remain cautiously optimistic and strongly believe that the fundamental strengths of your company will allow us to continue to create shareholder value in the long term.

John Penning
Managing Director

Olaf Kordes
Managing Director

FINANCIAL INDICATORS

The interim consolidated accounts of Luxempart cover the first 6 months of 2020. They were subject to a limited review by the statutory auditor Deloitte, who issued a report, to a thorough analysis by the Audit, Risk and Compliance Committee in its meeting held on 24 August and the approval of the Board of Directors on 26 August. The financial statements have been prepared in compliance with IAS 34 - Interim financial reporting. Since they are condensed financial statements, they do not include all the information required under IFRS and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2019.

The consolidated result of the period ending 30 June 2020 of € -101 million is mainly composed of € -97 million from investments activities (dividends received and capital gains/losses - realised and unrealised) and € -4 million expenses on ordinary activities (operating expenses, staff cost...).

Financial statements information (in € million)	30/06/2020 (6 months)	31/12/2019 (12 months)	30/06/2019 (6 months)
Equity (group share)	1,444	1,575	1,460
Net result	-101	207	92

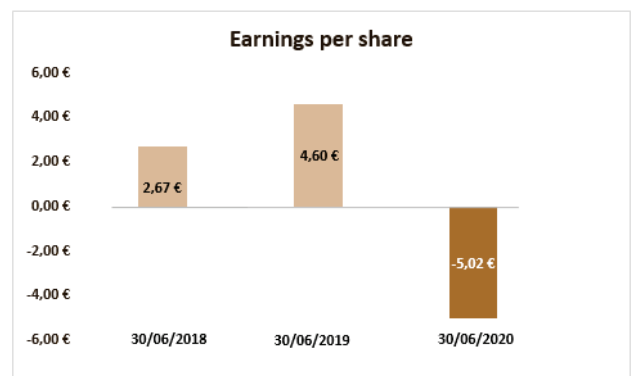
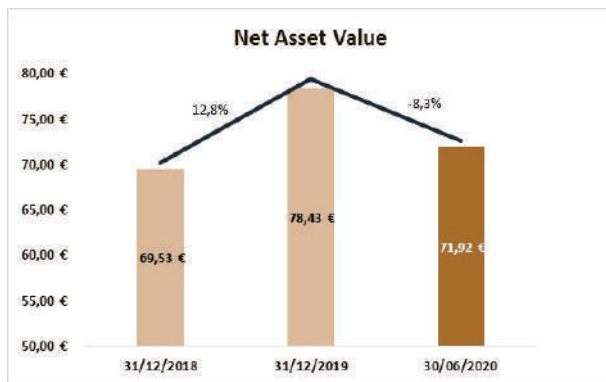
ALTERNATIVE PERFORMANCE INDICATORS

The Alternative Performance Indicators present mainly the capital gains and losses, investments and divestments and net cash position directly of Luxempart and indirectly of its subsidiaries:

API (in € million)	30/06/2020 (6 months)	31/12/2019 (12 months)	30/06/2019 (6 months)
Market capitalisation	940	1,064	1,084
Net asset value	1,444	1,575	1,460
Dividends from portfolio	12	23	24
Net realised and unrealised capital gains (losses) of the period	-110	193	73
Investments	111	169	44
Divestments	100	127	33
Net cash (cash net of financial debt)	115	155	185
Liquid securities portfolio	95	79	54

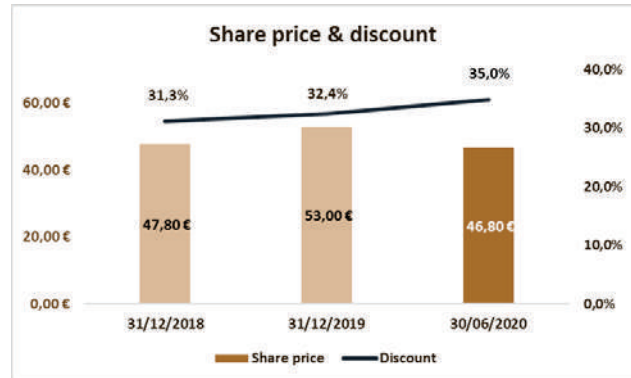
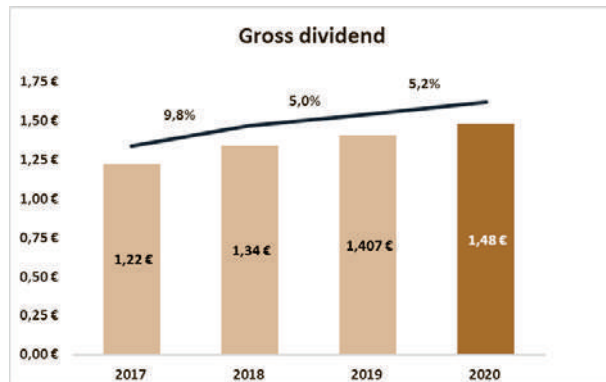
For its performance reporting, the Management of the Group does not exclusively refer to a reporting prepared under IFRS. In addition to the IFRS Financial Statements, and in order to increase transparency, the Group has decided to present Alternative Performance Indicators (API). The API reporting is a financial measure of historical and future financial performance, financial position, and cash flows other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). For more information on the difference between the API reporting and the IFRS, please refer to the annual report 2019. A reconciliation between the API reporting and the IFRS financial statements is presented hereafter.

KEY FIGURES PER SHARE



The global performance of Luxempart reaches -6.4% including the dividend paid in May 2020.

All the unrealised gains and losses are recorded in the P&L, and therefore the net result equals the total comprehensive income.



MAIN EVENTS OVER THE PERIOD AND RECENT EVENTS

General overview

The first half year was affected by the Covid-19 pandemic and the decline of financial markets in March 2020, partially absorbed during the last weeks of the first semester. Central banks reacted fast and governments took supporting measures such as credit guarantees, tax rescheduling and other financial supports.

Luxempart, being cash rich and with no limited leverage, has solid financial fundamentals and is well equipped to serenely pass through these uncertain times, support its portfolio companies and maintain a regular dividend payment.

Our investment team based in Luxembourg is mainly composed of nationals from Belgium, France, Germany and Switzerland who have permanent access to our portfolio companies based in these countries. Moreover, Luxempart is associated to teams in those countries and in Northern Italy.

The exceptional crisis impacting nearly all our portfolio lines intensified the links our investment managers have with the portfolio companies and directed the focus on short term support measures, business plan reviews and strategic reorientation. Our team, in close coordination and collaboration with the company management teams and co-stakeholders, reacted quickly, with prudence and determination.

During the first semester, only one portfolio line required a limited capital injection complementary to a loan guaranteed by its government and one portfolio line was declared insolvent (already fully impaired in the 2019 accounts). The capital increase of Atenor is not due to the pandemic but serves mainly growth financing. Most of our portfolio lines were of course impacted by the lockdown during several weeks, especially those exposed to retail and tourism, with reduced sales and profit margins. Some of our main portfolio lines lost in value mostly due to the lower valuation multiples of peer companies. The value decrease of SES is explained by a general re-rating of satellite companies and the impact on our net asset value is limited due to the low weight on our total portfolio.

Other listed companies, such as Zooplus and Süss Microtec, increased in value due to the positive evolution of e-commerce and microchips. Our investments in funds are rather stable in terms of valuation, except Ekkio that decreased in value due to its exposure to French tourism.

All in all, the net value decreased during the first half year, impacting negatively our result by € 105.9 million. This shows so far the resilience of our diversified portfolio through the balanced exposure to several sectors and geographies.

Main events

During the first half year 2020, the Group succeeded in investing € 111 million and disinvesting € 100 million.

ENOFLEX



Enoflex

- Acquisition of a minority stake in the global market leader of wine closure solutions
- Investment alongside COBEPA and the Moglia family
- Representation at the board of directors by 2 Luxempart team members
- Enoflex is a mid-cap company resulting from the combination of Enoplastic (IT) and Sparflex (F)

Atenor

- Subscription to the € 78 million capital increase proportionally to our preference rights for € 8 million
- Reinforcement of equity capital to pursue growth and international diversification

LPKF

- Sale of our stake with an IRR of 23.4 %
- Contribution to value creation through governance measures and strategic input

Low&Bonar

- Sale of our stake in the wake of the public takeover by the global technology group Freudenberg

SES

- Sale of 1.4 million shares during the first semester
- Remaining position at 1.5 million shares

Zooplus

- Sale of 94,165 shares to take profit of the rising share price and to reduce our exposure

Luxempart also reinforced its listed portfolio investing near € 3.5 million, its treasury portfolio for 39 million and contributed to capital calls from investment funds for € 8 million.

Luxempart has sold for € 19 million in treasury portfolio.

Moreover, Luxempart received capital distributions from investment funds of € 5 million.

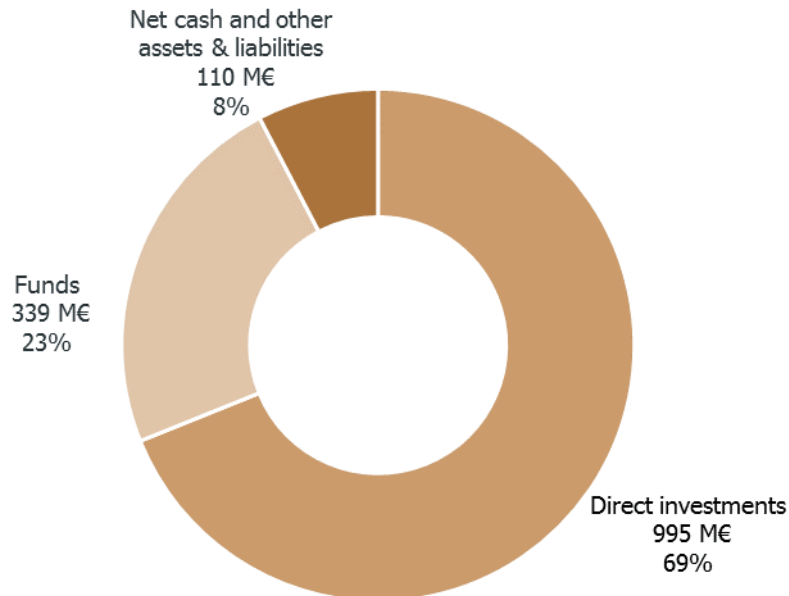
NET ASSET VALUE AND RESULTS

Total estimated net asset value

The net asset value estimated at 30 June 2020 amounts to € 1,444 million compared to € 1,575 million as at 31 December 2019, which is a decrease of -8.3% (-6.4% performance including the dividend paid to the shareholders in May 2020).

The net asset value per share of € 71.92 compares to a stock price per share of € 46.80 on June 30, 2020.

This performance compares favourably with the MSCI Europe mid-cap net return which had a negative return of 13.2% over the first 6 months of the year.



Consolidated results

The IFRS consolidated results at 30 June 2020 amount € -101 million. It is mainly composed of the impacts of the valuation decrease of investments.

Reconciliation between IFRS and Alternative Performance Indicators

The tables below present the reconciliation of the IFRS financial indicators and the Alternative Performance Indicators (called "API").

Profit and loss as at 30/06/2020

(in €M)	IFRS	Adjustments	API
Dividends received	9	4	12
Net gains / (losses) on financial assets	-106	-4	-110
Result on ordinary activities and tax	-4	0	-4
Profit for the period	-101	-	-101

The differences are mainly composed of the dividends and distributions received by Luxempart Capital Partners that are recognised in "Net gains / (losses) on financial assets" in the financial statements.

Net asset as at 30/06/2020

(in €M)	IFRS	Adjustments	API
Financial assets at fair value through profit and loss	1,344	-10	1,334
Cash	116	32	148
<i>Cash and cash equivalents</i>	41	107	148
<i>Bank deposit</i>	75	-75	-
Amounts owed to credit institutions	-13	-19	-32
Other assets and liabilities	-3	-3	-6
Total equity / Net asset value	1,444	-	1,444

The Group Executive Committee manages the cash of the Group as being composed of the sum of the cash accounts and bank deposits of Luxempart and all its subsidiaries, whereas "Cash and cash equivalents" under IFRS are only composed of the current accounts of Luxempart and its subsidiaries that provide investment-related services (management companies). The adjustment on the "Amounts owed to credit institutions" corresponds to the hedging loan held by Luxempart PIPE.

Cash flows in 2020

(in €M)	IFRS	Adjustments	API
Cash at 31/12/2019	51	132	184
Investments	-99	-12	-111
Divestments	108	-8	100
Other cash movements	-20	-5	-25
Cash at 30/06/2020	41	107	148

The investments under IFRS are less than the operational investments as Luxempart Capital Partners and some other subsidiaries invested about € 12 million without cash injection from Luxempart.

The divestments under IFRS are higher than the economic exits performed because the non-consolidated subsidiaries distributed more cash to Luxempart than the value of the exits performed.

The differences on "Other cash movements" are mainly composed of decrease of the bank deposits.

RISK MANAGEMENT

Luxempart faces specific risks due to the nature of its activities. Each of its investments is exposed to particular risks, mainly due to the business, location, regulation, customer's base and strategy decisions. Luxempart implements governance rules and closely liaises with the management of the major portfolio investments to mitigate the risk factors.

A major risk of Luxempart on all levels of the group is the market risk. All our assets are impacted by the evolution of financial markets and macroeconomic indicators (stock markets, comparable transactions of peer companies, valuation multiples, interest ratios...).

Especially investments listed on stock markets are under the influence of global market trends. Luxempart investments in such listed companies is about 21 % as of 30 June 2020.

Other risks are described in more detail in the 2019 annual financial statements.

Luxempart is not an investment fund submitted to exit constraints. Our Group is a patient investor who is not driven by the financial markets and its volatility cycles. Our investment teams and our Audit, Risk and Compliance Committee closely follow the evaluation of the portfolio investments. Investment and divestment decisions depend more on specific company analysis than financial market or fund investment cycles.

OUTLOOK

The uncertainty caused by the Covid-19 pandemic affecting the rhythm and intensity of the economic recovery makes it more difficult to give a reliable outlook. It is therefore hazardous to predict how the valuation of our portfolio - and therefore indirectly our net result - will evolve until the end of the year.

Over the long term, the following positive elements have to be kept in mind:

- Strong financial fundamentals and no leverage of Luxempart and limited leverage of most of its major portfolio lines
- Cash position (including deposits) and treasury portfolio in excess of € 200 million and wide access to credit lines
- Stable, professional and international team in Luxembourg with team members partially based in our home markets Germany, France, Belgium and Northern Italy
- Stable shareholder base with entrepreneurial background and a long term orientation

LEGAL NOTICE

No specific legal notice is required for the half year financial report.

Nevertheless, Luxempart provides the following information:

Own shares

As at 30 June 2020 Luxempart holds 615,428 own shares which corresponds to 3.0% of the issued share capital for a book value of € 17 million.

Stock option plan (as at 30 June 2020)

The number of outstanding stock options corresponds to 379,728 options (1.9% of the circulating shares).

Research and development

Luxempart does not pursue any research and development activities.

Transparency

The Board of Directors of Luxempart declares that it has examined and approved the interim financial statements and management as at 30 June 2020 report upon recommendation of the Audit, Risk, and Compliance Committee and in consideration of the limited review of the statutory auditor.

The statement reflects the true and fair financial situation of Luxempart Group as of 30 June 2020 in line with applicable rules and standards.

The Board of Directors assumes full responsibility for the content of the half year report including the interim financial statements as of 30 June 2020.



**Report of the *Réviseur
d'Entreprises Agréé***

To the Shareholders of
Luxempart S.A.
12, rue Léon Laval
L-3372 Leudelange

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying interim consolidated financial statements of Luxempart S.A comprising the consolidated statement of financial position at June 30, 2020, related consolidated statement of profit or loss, consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, for the 6 months period from January 1, 2020 to June 30, 2020 (“interim consolidated financial information”) and a summary of significant accounting policies and other explanatory notes. The Board of Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting “ as adopted by the European Union.

Deloitte Audit, *Cabinet de Révision Agréé*



Christian van Dartel, *Réviseur d'Entreprises Agréé*

Partner

August 26, 2020

Consolidated statement of profit or loss

As at 30 June 2020

in thousands of €	Notes	30/06/2020	30/06/2019
Investments activities			
Dividends received	3	8,834	19,665
Net gains / (losses) on financial assets	3, 4	-105,892	76,416
Profit on investments activities		-97,059	96,081
Ordinary activities			
Services / recovery of services		878	1,080
Staff costs		-1,785	-1,724
Operating expenses		-3,145	-2,643
Depreciation and amortisation of non-current assets		-60	-49
Profit on ordinary activities		-4,111	-3,336
Operating income		-101,170	92,745
Financial income		597	219
Financial expenses		-217	-612
Profit before tax		-100,790	92,352
Tax current		-25	-29
Profit for the period		-100,815	92,323
Attributable to the owners of the Company		-100,815	92,323
Earnings per share attributable to the owners of the Company			
Weighted average number of shares		20,080,305	20,073,337
Earnings per share - attributable to the owners of the Company (in €)		-5.02	4.60

The notes form an integral part of these interim consolidated financial statements.

Consolidated statement of comprehensive income

As at 30 June 2020

in thousands of €	Notes	30/06/2020	30/06/2019
Consolidated profit for the period		-100,815	92,323
Items that could be reclassified subsequently to profit or loss :		-	-
Total comprehensive income		-100,815	92,323
Attributable to the owners of the Company		-100,815	92,323
<u>Comprehensive income attributable to the owners of the Company</u>			
Weighted average number of shares		20,080,305	20,073,337
Comprehensive income per share attributable to the owners of the Company (in €)		-5.02	4.60

The notes form an integral part of these interim consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2020

in thousands of €	Notes	30/06/2020	31/12/2019
<u>Non-current assets</u>			
Intangible and tangible fixed assets		428	459
Financial assets at fair value through profit and loss	4	1,343,067	1,458,625
Loans and receivables		853	844
Total non-current assets		1,344,348	1,459,929
<u>Current assets</u>			
Loans and receivables		2,382	2,129
Bank deposits		75,000	80,000
Cash and cash equivalents		41,444	51,366
Total current assets		118,826	133,495
Total assets		1,463,174	1,593,423

The notes form an integral part of these interim consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2020

in thousands of €	Notes	30/06/2020	31/12/2019
<u>Equity attributable to the owners of the Company</u>			
Capital and share premium	5	66,860	66,860
Reserves		1,478,371	1,300,371
Profit for the period attributable to the owners of the Company		-100,815	207,449
Total equity attributable to the owners of the Company		1,444,417	1,574,680
Total equity		1,444,417	1,574,680
<u>Non-current liabilities</u>			
Non-current provisions		3,280	3,342
Amounts owed to credit institutions	7	-	10,179
Total non-current liabilities		3,280	13,521
<u>Current liabilities</u>			
Trade and other payables		2,476	5,222
Amounts owed to credit institutions	7	13,000	-
Total current liabilities		15,476	5,222
Total liabilities		18,757	18,743
Total equity and liabilities		1,463,174	1,593,423

The notes form an integral part of these interim consolidated financial statements.

Consolidated statement of cash flow

As at 30 June 2020

in thousands of €	Notes	30/06/2020	30/06/2019
Profit for the period		-100,815	92,323
Adjustments for :			
Depreciation and amortisation of non-current assets		-2	-20
Net gains / (losses) on financial assets	4	105,892	-76,416
		5,075	15,887
Acquisition of financial assets	4	-98,679	-40,608
Disposal of financial assets	4	108,344	16,650
Net change in loans and receivables		-262	-314
Net change in borrowings and debts		-2 746	-902
Amounts owed to credit institutions	7	2,821	6,592
Other changes		57	-24
Net cash flows from operating activities		14,788	-2,719
Including :			
<i>Taxes paid</i>		-23	-35
<i>Interest paid</i>		-88	-260
<i>Interest received</i>		14	146
Acquisitions / disposals of tangible and intangible assets		-30	-7
Net cash flows from investing activities		-30	-7
Deposit account		5,000	-
Disposals / acquisitions of own shares	5	221	46
Dividends paid	6	-29,725	-28,248
Net cash flows from financing activities		-24,680	-28,202
Net increase/ (decrease) in cash		-9,922	-30,929
Cash at the beginning of the period		51,365	200,812
Cash at the end of the period		41,443	169,884
Net increase / (decrease) in cash		-9,922	-30,929

The notes form an integral part of these interim consolidated financial statements.

Consolidated statement of changes in equity

As at 30 June 2020

	Notes	Capital and share premium	Own shares	Legal reserve	Other reserves	Profit for the period	Attributable to owners of the Company
in thousands of €							
Equity at 31/12/2018		74,894	-104,982	5,989	1,403,571	16,009	1,395,481
Dividends paid by the Company	6	-	-	-	-28,248	-	-28,248
Allocation of profit		-	-	-	16,009	-16,009	-
Capital reduction		-8,034	87,779	-	-79,745	-	-
Operations on own shares		-	46	-	-4	-	41
Comprehensive income for the period		-	-	-	-	92,323	92,323
Equity at 30/06/2019		66,860	-17,158	5,989	1,311,584	92,323	1,459,599

	Notes	Capital and share premium	Own shares	Legal reserve	Other reserves	Profit for the period	Attributable to owners of the Company
in thousands of €							
Equity at 31/12/2019		66,860	-17,218	5,989	1,311,600	207,449	1,574,680
Dividends paid by the Company	6	-	-	-	-29,725	-	-29,725
Allocation of profit		-	-	-	207,449	-207,449	-
Legal reserve reduction		-	-	-814	814	-	-
Operations on own shares		-	221	-	55	-	276
Comprehensive income for the period		-	-	-	-	-100,815	-100,815
Equity at 30/06/2020		66,860	-16,997	5,175	1,490,193	-100,815	1,444,417

The notes form an integral part of these interim consolidated financial statements.

Notes to the interim consolidated financial statements as at 30 June 2020

Note 1 - General information

Luxempart S.A. ("the Company" or "Luxempart") is an investment company whose registered office is located at 12, rue Léon Laval, L-3372 in Leudelange. The Company was founded on 25 April 1988, under the name BIL Participations. The General Meeting of the shareholders of 15 September 1992 decided to change the Company's name to Luxempart S.A. The interim consolidated financial statements for the first 6 months ending on 30 June 2020 incorporate the financial statements of the Company and its subsidiaries ("the Group"). The Company is listed on the Luxembourg Stock Exchange and registered on the trade register under no. B27846.

Luxempart is primarily active in Luxembourg, Belgium, France, Italy and Germany. It actively manages a portfolio of listed and non-listed companies.

The publication of Luxempart's interim consolidated financial statements as at 30 June 2020 was authorised by the Company's Board of Directors on 26 August 2020.

The first six months of 2020 have proven to be quite out of the ordinary with the emergence of the Covid-19 pandemic and related sanitary crisis. The outcome of this crisis remains uncertain and it is very difficult at this stage to fully assess the impact on business and our lives in general.

However, the Board of Directors believes that Luxempart has a solid foundation and is well prepared to weather the storm. Its investment activity is based on a long-term horizon and on significant diversification of its assets, geographically as well as in terms of industry exposure. Luxempart does not have to react in the short term and is able to commit significant resources to the preservation and development of its assets. The solidity of its portfolio is shown in the relative resilience of its net asset value. Even though on a line by line basis, some assets suffer more than others from the Covid-19 crisis, all have performed reasonably well, none is in jeopardy, and the reduction in value is mainly related to the overall downturn in stock markets.

Note 2 - Consolidation principles, valuation rules and accounting standards

Declaration of conformity

The interim consolidated financial statements of Luxempart and its subsidiaries as at 30 June 2020 have been prepared in compliance with IAS 34 Interim financial reporting. Since they are condensed financial statements, they do not include all the information required under IFRS and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2019.

The majority of dividends from investments were received during the first half of 2020. The Group's other activities and results are not significantly seasonal or cyclical in nature.

Framework for preparation and presentation of financial statements

The interim consolidated financial statements are presented in thousands of euros (€). The functional and presentational currency is the euro (€).

The principles, methods and assessment and consolidation techniques used in preparing these interim consolidated financial statements are not identical to those used by the Group in preparing its consolidated financial statements to 31 December 2019.

Accounting principles and policies are applied consistently and continuously within the Group.

Note 3 - Segment information

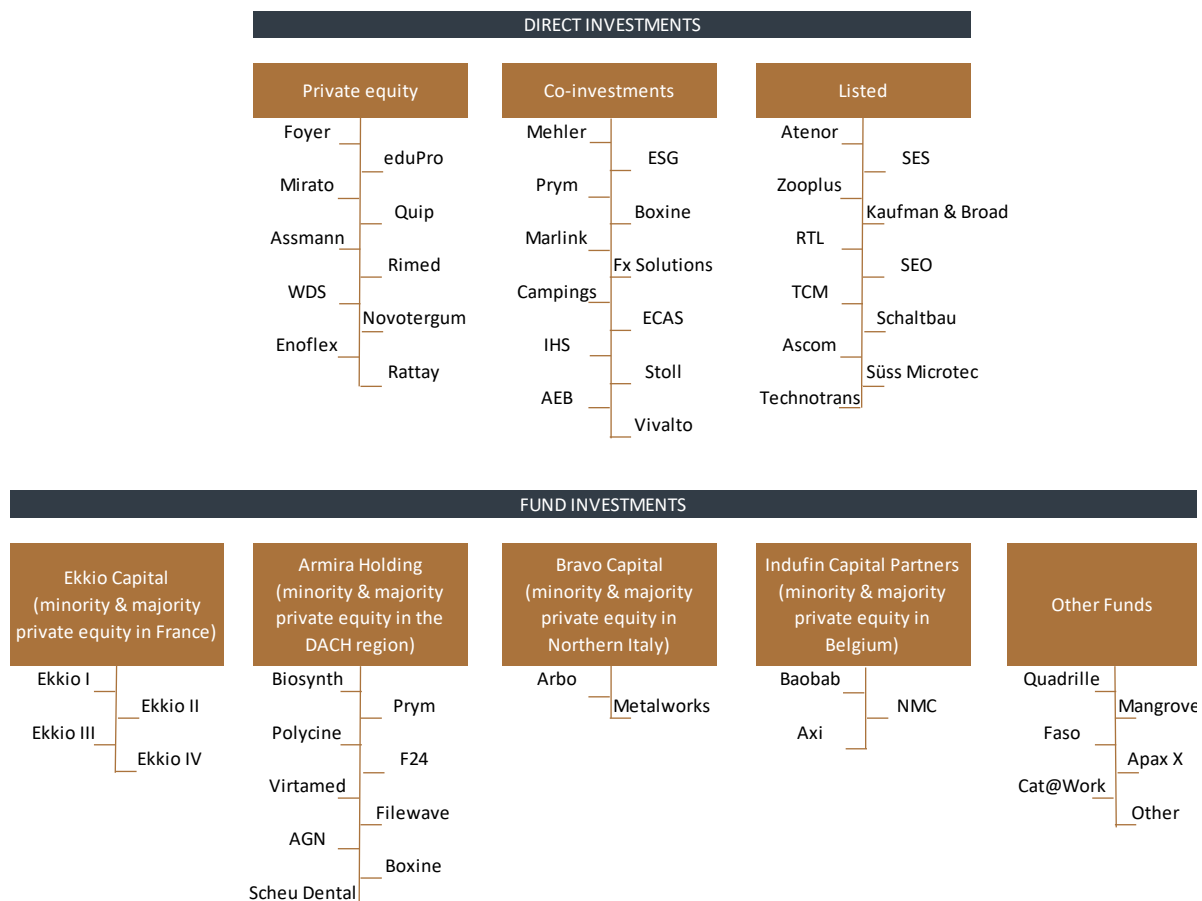
The activities of Luxempart are developed under two segments:

- The "Direct investments" that consists in taking direct participations in companies in the target geographical regions, which primarily consist of the Belux Region, France, Germany and Italy.
- The "Fund investments" that consists in the acquisition of shares in investment funds mainly active in private equity and venture capital.

Prior period comparable figures have been restated to reflect the new segmentation.

A geographical segmentation is considered not relevant for Luxempart.

Group chart as at 30 June 2020



Segmentation information

Profit or loss

in thousands of €	Direct investments	Fund investments	Others (*)	30/06/2019
Investments activities				
Dividends received	19,665	-	-	19,665
Net gains / (losses) on financial assets	47,108	29,361	-52	76,416
Profit on investments activities	66,772	29,361	-52	96,081
Ordinary activities				
Services / recovery of services	-	-	1,080	1,080
Staff costs	-	-	-1,724	-1,724
Operating expenses	-	-	-2,643	-2,643
Depreciation and amortisation of non-current assets	-	-	-49	-49
Profit on ordinary activities	-	-	-3,336	-3,336
Operating income	66,772	29,361	-3,388	92,745
Financial income	-	-	219	219
Financial expenses	-	-	-612	-612
Profit before tax	66,772	29,361	-3,782	92,352
Tax current	-	-	-29	-29
Profit for the period	66,772	29,361	-3,810	92,323

in thousands of €	Direct investments	Fund investments	Others (*)	30/06/2020
Investments activities				
Dividends received	8,834	-	-	8,834
Net gains / (losses) on financial assets	-85,459	-20,349	-84	-105,892
Profit on investments activities	-76,626	-20,349	-84	-97,059
Ordinary activities				
Services / recovery of services	-	-	878	878
Staff costs	-	-	-1,785	-1,785
Operating expenses	-	-	-3,145	-3,145
Depreciation and amortisation of non-current assets	-	-	-60	-60
Profit on ordinary activities	-	-	-4,111	-4,111
Operating income	-76,626	-20,349	-4,195	-101,170
Financial income	-	-	597	597
Financial expenses	-	-	-217	-217
Profit before tax	-76,626	-20,349	-3,815	-100,790
Tax current	-	-	-25	-25
Profit for the period	-76,626	-20,349	-3,840	-100,815

Assets

in thousands of €	Direct investments	Fund investments	Others (*)	31/12/2019
Non-current assets				
Intangible and tangible fixed assets	-	-	459	459
Financial assets at fair value through profit and loss	1,082,092	349,406	27,128	1,458,625
Loans and receivables	844	-	-	844
Total non-current assets	1,082,936	349,406	27,587	1,459,929
Current assets				
Loans and receivables	-	-	2,129	2,129
Bank deposits	-	-	80,000	80,000
Cash and cash equivalents	-	-	51,366	51,366
Total current assets	-	-	133,495	133,495
Total assets	1,082,936	349,406	161,081	1,593,423

in thousands of €	Direct investments	Fund investments	Others (*)	30/06/2020
Non-current assets				
Intangible and tangible fixed assets	-	-	428	428
Financial assets at fair value through profit and loss	992,690	346,538	3,840	1,343,067
Loans and receivables	853	-	-	853
Total non-current assets	993,543	346,538	4,267	1,344,348
Current assets				
Loans and receivables	-	-	2,382	2,382
Bank deposits	-	-	75,000	75,000
Cash and cash equivalents	-	-	41,444	41,444
Total current assets	-	-	118,826	118,826
Total assets	993,543	346,538	123,093	1,463,174

Equity and liabilities

in thousands of €	Direct investments	Fund investments	Others (*)	31/12/2019
Total equity	-	-	1,574,680	1,574,680
Non-current liabilities				
Non-current provisions	-	-	3,342	3,342
Amounts owed to credit institutions	10,179	-	-	10,179
Total non-current liabilities	10,179	-	3,342	13,521
Current liabilities				
Trade and other payables	-	-	5,222	5,222
Total current liabilities	-	-	5,222	5,222
Total liabilities	10,179	-	8,564	18,743
Total equity and liabilities	10,179	-	1,583,244	1,593,423

in thousands of €	Direct investments	Fund investments	Others (*)	30/06/2020
Total equity	-	-	1,444,417	1,444,417
Non-current liabilities				
Non-current provisions	-	-	3,280	3,280
Total non-current liabilities	-	-	3,280	3,280
Current liabilities				
Trade and other payables	-	-	2,476	2,476
Amounts owed to credit institutions	13,000	-	-	13,000
Total current liabilities	13,000	-	2,476	15,476
Total liabilities	13,000	-	5,757	18,757
Total equity and liabilities	13,000	-	1,450,174	1,463,174

(*) All assets, liabilities, income and expenses that are not allocated to a segment.

Note 4 - Financial assets at fair value through profit and loss

The following table provides details of changes in financial assets at fair value through profit and loss (“assets FVPL”) at 30 June 2020 and 31 December 2019.

in thousands of €	Financial assets held for trading	Financial assets at fair value through profit and loss	Total
Fair value as at 31/12/2018	51 216	1,174,794	1,226,010
Asset classification transfer	-51,216	51,216	-
Acquisitions	-	197,043	197,043
Disposals	-	-160,522	-160,522
Net gains/(losses) on financial assets	-	196,094	196,094
Fair value as at 31/12/2019	-	1,458,625	1,458,625
Acquisitions	-	98,679	98,679
Disposals	-	-108,344	-108,344
Net gains/(losses) on financial assets	-	-105,892	-105,892
Fair value as at 30/06/2020	-	1,343,067	1,343,067

The trading assets managed by Capital at Work were previously recognised as “Financial assets held for trading”. In 2019 they have been reclassified in AFVPL in non-current assets as they are not considered as trading portfolios anymore, but as investments with a mid to long term.

During the first half of 2020, the Group has bought shares in Enoflex, reinforced its positions in Atenor and Capital at Work and created new bonds portfolio. The Group sold a part of its shares in SES, Zooplus and Low & Bonar generating a realised gain of € 6,979 thousand.

Luxempart Capital Partners SICAR, Luxempart PIPE and Luxco Invest proceeded to capital decrease following the sale of some assets for € 46,741 thousand.

The net losses recognised for the first semester on the Direct investments is € -85,459 thousand (principally on Foyer, SES and Atenor) and € -20,349 thousand on the Fund investments.

The carrying amount of these assets is their fair value. Assets FVPL are categorised as level 1, 2 and 3 in the fair value hierarchy.

Changes in fair value are recognised in the statement of profit and loss under “Net gains / (losses) on financial assets”.

Fair value hierarchy of financial assets (FVPL)

in thousands of €	Level 1	Level 2	Level 3	Total
Fair value as at 31/12/2018	312,095	-	913,915	1,226,010
Acquisitions	51,774	83,715	61,554	197,043
Disposals	-122,692	-	-37,829	-160,522
Net gains/(losses) on financial assets	-5,954	25,877	176,171	196,094
Fair value as at 31/12/2019	235,223	109,592	1,113,810	1,458,625
Level transfer	-	6,493	-6,493	-
Acquisitions	47,162	1,500	50,017	98,679
Disposals	-61,603	-22,000	-24,741	-108,344
Net gains/(losses) on financial assets	-5,669	-2,219	-98,005	-105,892
Fair value as at 30/06/2020	215,113	93,366	1,034,588	1,343,067

There were one transfer between levels of fair value in 2020. ForAtenor's assets have been transferred from one level to another because the underlying is listed.

Level 1 financial assets consist of listed investments, such as SES, RTL Group, Atenor...

Level 2 financial assets consist of holding company holding listed investments such as Luxempart Pipe and ForAtenor.

Level 3 financial assets consist of private investments in Foyer, Armira Holding, Mehler, Stoll and Luxempart Capital Partners.

Level 1 financial assets risk analysis

An analysis of the sensitivity of the listed assets is provided in the table below. A range of variation of -10% to +10% was applied, when needed, to the market price as at 30 June 2020. This range of variation is relevant and reasonably possible.

in thousands of €	Level 1 for financial assets		
Share price sensitivity	-10%	0%	10%
Fair value	193,602	215,113	236,625
Impact through profit and loss	-21,511	-	21,511

Level 2 financial assets risk analysis

A range of variation of -10% to +10% was applied to the valuation as at 30 June 2020. This range of variation is relevant and reasonably possible.

in thousands of €	Level 2 for financial assets		
Sensitivity	-10%	0%	+10%
Fair value	83,902	93,366	102,830
Impact through profit and loss	-10,613	-	10,613

Level 3 financial assets risk analysis

The following table sets out the impacts of a plus or minus 10% change in non-observable data on the fair value of financial assets. The methodology used to determine the fair value of these assets remain unchanged compared to 2019.

in thousands of €	Level 3 for financial assets		
Sensitivity	-10%	0%	+10%
Fair value	995,009	1,034,588	1,075,676
Impact through profit and loss	-39,579	-	41,088

Note 5 - Capital, share premium and own shares

in thousands of €	06/2020	12/2019
Subscribed capital	51,750	51,750
Share premium	15,110	15,110
Total	66,860	66,860

The authorised capital amounts to € 90,000 thousand.

Own shares and reserve for own shares

	Number of shares issued	Number of own shares	Number of outstanding shares
As at 31/12/2018	23,913,594	3,843,420	20,070,174
Capital reduction	-3 213 594	-3 213 594	-
Acquisition and disposals	-	-6,398	6,398
As at 31/12/2019	20,700,000	623,428	20,076,572
Acquisition and disposals	-	-8,000	8,000
As at 30/06/2020	20,700,000	615,428	20,084,572

As at 30 June 2020, the Group held 615,428 own shares (2019: 623,428). At 30 June 2020, the reserve for own shares is € -16,997 thousand (31/12/2019: € -17,218 thousand).

Note 6 - Dividends paid

A dividend of € 1.48 gross per share was paid in May 2020 in respect of 2019, totalling € 29,725,167 (2019: € 1.407 gross per share, giving a total dividend of € 28,247,737).

Note 7 - Amounts owed to credit institutions

During the first half of 2020, the amounts owed to credit institutions € 10,179 thousand was repaid following the sale of Low & Bonar.

As at 30 June 2020, the amounts owed to credit institutions to short-term stand at € 13,000 thousand and result from the acquisition of new financial assets in Direct investment.

The borrowings bear interest at a rate of 3-month Libor + 0.9%.

The fair value of these debts do not differ significantly from their carrying amount.

Note 8 - List of subsidiaries

a. Subsidiaries providing investment related services that are fully consolidated

The following table lists all subsidiaries providing investment related services to the Company and that are fully consolidated:

Subsidiary	Place of incorporation	Percentage held in 30/06/2020	Percentage held in 31/12/2019
Luxempart Invest S.à r.l.	Luxembourg	100,00%	100,00%
Luxempart Ireland Limited	Dublin	100,00%	100,00%
Luxempart Management S.à r.l.	Luxembourg	100,00%	100,00%
Bravo Capital S.A.	Luxembourg	80,00%	80,00%

b. Non-consolidated subsidiaries

The following table lists all entities under the Company's control or significant influence, which are measured at fair value through profit or loss. The Group is exempt from any requirement to consolidate these companies by virtue of its status as an investment entity. Luxempart neither provided nor committed to provide financial or other support to any of its non-consolidated subsidiaries, except for the engagement disclosed in the note 9.

Subsidiary	Place of incorporation	Percentage held in 30/06/2020	Percentage held in 31/12/2019
Indufin NV	Belgium	40.00%	40.00%
M-Sicherheitsholding GmbH (Mehler)	Germany	30.00%	30.00%
Pescahold S.A.	Luxembourg	100.00%	100.00%
Pryco GmbH (Prym)	Germany	55.60%	55.60%
Foyer S.A.	Luxembourg	27.94%	27.94%
E-Sicherheitsholding GmbH (ESG)	Germany	27.60%	27.60%
ForAtenoR S.A.	Belgium	25.00%	25.00%
DMB2 GmbH & Co (Stoll)	Germany	32.80%	32.80%
Assmann holding GmbH	Germany	50.00%	50.00%
Luxempart Pipe S.à r.l. **	Luxembourg	100.00%	100.00%
LuxCo Invest S.à r.l. **	Luxembourg	83.33%	83.33%
Luxempart Capital Partners Sicar S.A. **	Luxembourg	100.00%	100.00%
<i>Quip Holding GmbH</i>	<i>Germany</i>	<i>51.00%</i>	<i>51.00%</i>
Bravo Capital Partners SCA RAIF**	Luxembourg	100.00%	100.00%
<i>Arbo S.p.a</i>	<i>Italy</i>	<i>40.00%</i>	<i>40.00%</i>
<i>Metalworks S.p.a</i>	<i>Italy</i>	<i>60.00%</i>	<i>60.00%</i>
Luxempart German Invest S.A. **	Luxembourg	99.99%	99.99%
<i>EduPRO GmbH</i>	<i>Austria</i>	<i>60.00%</i>	<i>60.00%</i>
<i>Arwe Mobility Holding</i>	<i>Germany</i>	<i>50.00%</i>	<i>50.00%</i>
<i>Rimed AG</i>	<i>Switzerland</i>	<i>29.30%</i>	<i>29.30%</i>
<i>Rattay Group GmbH</i>	<i>Germany</i>	<i>39.90%</i>	<i>39.90%</i>
<i>WDS GmbH</i>	<i>Germany</i>	<i>44.00%</i>	<i>44.00%</i>
Luxempart German Invest II S.à r.l. **	Luxembourg	99.99%	99.99%
<i>Novotergum GmbH</i>	<i>Germany</i>	<i>43.80%</i>	<i>43.80%</i>
Luxempart French Investment S.à r.l. **	Luxembourg	100.00%	100.00%
D'Alba Invest S.à r.l. **	Luxembourg	99.22%	99.22%
Indufin Capital Partners S.A. Sicar **	Belgium	50.00%	50.00%
<i>Decoscent S.A. (Baobab)*</i>	<i>Belgium</i>	<i>61.50%</i>	<i>61.50%</i>
<i>Kyotec Group *</i>	<i>Luxembourg</i>	-	<i>32.00%</i>
<i>Axithon S.A. (Axi)*</i>	<i>Belgium</i>	<i>51.59%</i>	<i>51.59%</i>

* The percentages indicated are the percentages of ownership by Indufin Capital Partners, itself held at 50% by Luxempart Capital Partners SICAR.

** These entities are investment entities, such as defined by IFRS 10.

Note 9 - Main off balance sheet rights and commitments

The Group has invested in private equity investment funds through its subsidiary Luxempart Capital Partners SICAR. As at 30 June 2020, € 103,620 thousand remain uncalled.

Bravo Capital Partners RAIF has recognised an uncalled capital amounting to € 32,377 thousand to be paid by Luxempart Capital Partners SICAR.

As at 30 June 2020, the commitment for Armira I and Armira II is € 28,700 thousand.

The loan of € 13,000 thousand is secured by a pledge of Luxempart's portfolio until its repayment in July 2020.

Note 10 - Related parties

Service revenues include exclusively services provided by Luxempart and billed to its investments.

The Foyer Assurances group rebills, on a quarterly basis, office rental expenses and other related expenses, insurance expenses, and miscellaneous services for a total amount of € 404 thousand as at 30 June 2020 (30/06/2019: € 307 thousand).

Two members of Luxempart's Group Executive Committee are not an employee of the Group and invoices consulting fees to Luxempart and its subsidiaries. The fees amount to € 664 thousand for the period ended 30 June 2020 (30/06/2019: € 152 thousand).

Transaction fees paid to Capital at Work, a subsidiary of the Foyer group, amount to € 11 thousand (30/06/2019: € 11 thousand) and are included in "Interest and similar expenses".

Note 11 - Events after the reporting period

There has been no significant event after the end of the reporting period.