

ANNUAL REPORT

2021

LUXEMPART
GROWING TOGETHER



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WHAT WE STAND FOR

LUXEMPART is a Luxembourg listed investment company with more than 25 years of existence and an estimated net asset value of € 2.2 billion as of end of 2021. The core team of 25 professional and support staff is based in Luxembourg and actively covers the target markets of France, Benelux, DACH region and Northern Italy.

Luxempart's investment strategy is built on two pillars:

- **Direct Investments:** minority and majority stakes in mid-sized companies in Continental Europe, either privately held (private equity) or listed
- **Investment Funds:** indirect investment activity via third-party private equity funds in venture, growth capital and buy-outs, both in Europe and increasingly worldwide

Luxempart has stable and involved family shareholders with industrial background. Together with our family shareholders Luxempart promotes:

FOR OUR SHAREHOLDERS

- A resilient and diversified portfolio of growing companies
- A steadily increasing dividend
- A direct access to private equity investments managed by a seasoned team
- An access to top-class private equity funds operating worldwide
- The first-class governance of a listed company

FOR OUR BUSINESS PARTNERS

- Tailor-made solutions for family businesses and managers
- An entrepreneurial and industrial mindset
- An active support on all major strategic decisions and capital to foster growth initiatives or to face hard times
- A flexible investment horizon with a true long-term approach, aligned on Luxempart management remuneration scheme, based on long-term value creation
- The ability to help national champions to become truly European and develop worldwide

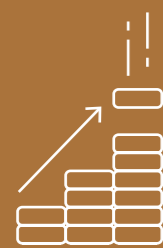
DIRECT INVESTMENTS ARE REALISED ALONG THE FOLLOWING GUIDELINES

- Investment amounts from € 25 to € 100 m (in equity)
- Investment in privately held and listed companies
- No exit pressure with investment horizons well beyond traditional private equity funds
- Supportive, hands-on approach
- No sector focus but affinity for financial services & insurance, telecommunication, security, healthcare and education

Luxempart shareholders and management believe in value creation through patient involvement and a shared vision with our partners. We foster an ambitious team spirit based on a truly European work environment and empowering team members early on.

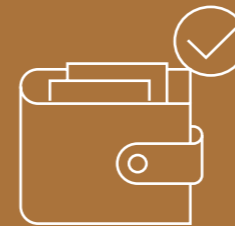
Our track record over the last twenty-five years has been positive with a group IRR above 15% and with a regular dividend increase.

THE YEAR AT A GLANCE



+27.4%
Increase in
Net Asset Value

+29.3%
Overall performance
(dividend included)



Key financial indicators of portfolio
companies grow in excess of NAV:
EBITDA +31.4% in 2021

Conservative valuation
of portfolio at an average
10.3X EBITDA 2021
(Direct investments,
excl. listed lines)

New investments



Investment
€29.8m



Investment
€11.4m



Investment
€86.8m

Investment
Funds

new commitments to new managers
(82% outside Europe)

€98.3m

Investment
€60.8m

Performance + ca. 42.9%



Investment completed
5 add-on investments
in 2021



Increase in our position
Stake >10%



Increase in our position
Stake >15%

Sale of



Sales proceeds €117.6m
ca. 2.6x invested capital



Sales proceeds € 69.9m
ca. 2x invested capital



Sale to Tonies SE
(formerly 468 SPAC)
Stake of ca. 4% withheld
(direct and indirect)



Streamlining of portfolio well under way

8 exits in 2021, bringing total exits since December 2019 to 16
Portfolio down from 43 to 33 companies, with higher average valuation

MESSAGE TO OUR SHAREHOLDERS

Dear Shareholders,

2021 has been a strong recovery year. Although the Covid-19 pandemic has persisted in 2021 generating several new waves of infection and vaccination rollouts took longer than expected, overall economic activity was strong. Supply chains were under great pressure and we saw inflationary trends driven by rising raw material, energy and logistics costs. The Covid-19 pandemic now seems under control, many governments around the world have lifted restrictions and leisure and business travel should take up again this year.

Luxempart's portfolio has performed very well in 2021. Net Asset Value ("NAV") has crossed for the first time the € 2bn mark reaching € 2,169m which represents an increase of 27.4% compared to 31 December 2020. We have generated an annual performance for our shareholders of 29.3% when reintegrating the dividend we paid in April 2021. This performance compares favourably to the MSCI Europe Mid Cap Net Return Index, which we consider to be our benchmark (+21.0%).

As announced last year, our objectives for the coming years are the streamlining of our *Direct Investments* portfolio and the concentration around larger lines as well as increasing our commitments in *Investment Funds* by diversifying our fund stakes outside of Europe and targeting larger exposure on venture capital and growth funds. In 2021, we have realised divestments of € 393m of which € 284m in *Direct Investments* and € 109m in our *Investment Funds* portfolios.

In *Direct Investments*, we took new positions for € 206m, of which a sizeable stake of € 87m in Evariste alongside its founder and € 34m in SNP and Technotrans, two companies in which we play an active role. In *Investment Funds*, we took new commitments of € 98 m¹, of which 50% in venture capital & growth and 82% outside of Europe. We have thus overachieved our annual investments targets of € 150m in *Direct Investments* and € 75m commitments in *Investment Funds*.

Due to the sale of two of our largest lines, our listed portfolio has shrunk to € 206m or 9.5% of NAV and our cash position has reached a high of € 344m (including other highly liquid assets) or 15.9% of NAV. The number of portfolio lines has been reduced from 43 to 33 over the last two years and a few more exit processes are still on-going.

Our portfolio has benefitted from the economic recovery in 2021 and has shown strong operational performance. In *Direct Investments*, our portfolio companies have grown their key financial aggregates² by 31% over the course of 2021. The average valuation multiple for the *Direct Investment* portfolio (excluding the listed lines) is about 10.3x EBITDA 2021, which we consider as reasonable given the current private equity market environment.

As announced last year, Jo Santino, member of the Group Executive Committee ("GEC"), will retire at this year's AGM. We would like to use this opportunity to thank him for his commitment and advice over the last 20 years. He was key in the successes of Indufin Capital Partners in Belgium and Bravo Capital Partners in Italy, where he is or has been directly involved. Furthermore, he was key in establishing our fruitful and long-term relationship with the outstanding investment team at Ekkio Capital. Jo has also sourced and managed several successful co-investments and has set the base for our new *Investment Funds* activity. In 2022, Alain Huberty, current CFO and member of the GEC will take over the leadership of the *Investment Funds* activity and will fully focus on its development. A new CFO and head of administration is currently being recruited as well as a fifth member of the GEC who will be reinforcing our *Direct Investment activity* in the DACH markets.

The Luxempart team has continued to grow in 2021 and reached 22 FTEs (compared to 15 at the end of 2020).

2021 has also been an important year for us in the field of sustainability and ESG. We have conducted a thorough analysis of the existing frameworks and upcoming European legislation and have defined a new ESG strategy for Luxempart. In 2022, we will continue to fine-tune our new ESG framework and we will apply our selected criteria on our existing portfolio companies as well as our new investments. We believe that a solid ESG framework is an opportunity to deepen our involvement in our portfolio companies, to assist them on their path to increase sustainability as well as preserve and create value over the longer term. You will be able to follow this evolution in more detail in the Sustainability Report section which we intend to further enrich over the coming years.

We approach 2022 with caution. European economies recovered well in 2021, but inflationary pressure and geopolitical events as well as further stress in supply chains and rising energy prices lead us to think that there should be increased volatility in the capital markets going forward. Ukraine's recent invasion by Russia has woken up terrible memories of war in Europe and will most probably also have significant impacts on economic activity. Our portfolio companies have little direct exposure to Russia and Ukraine.

Luxempart has always been committed to the continuous development of its portfolio companies and focuses on value creation over the long term. The current environment

might create opportunities to invest our cash in solid companies with good growth perspectives at reasonable valuations. Our strategy in *Direct Investments* to focus on fewer but larger lines and play a more active role than in the past will allow us, we believe, to better mitigate risks, to deepen our sector knowledge and take advantage of opportunities.

Based on the positive results of 2021, the Board of Directors proposes to shareholders the payment of a gross dividend of € 1.80 per share (€ 1.53 net) compared to € 1.60 gross per share (€ 1.36 net) in 2021, an increase of 12.5% over prior year. As a reminder, Luxempart has maintained since 1992 a constant dividend policy, targeting an annual growth of about 10%.

We would like to thank all the members of our Board of Directors for their valuable support and the Luxempart team for their immense commitment and team spirit. The good performance is a result of many years of hard work and thoughtful decision making in the past.

We also thank you for your continuing support and loyalty. Our focus will remain on creating value in a sustainable manner for all our stakeholders.

François Tesch
Executive Chairman

John Penning
Managing Director

Olaf Kordes
Managing Director



1/ Excluding € 67m taken with Armira and Bravo Capital Partners in the past and which were contractually formalised only in 2021.

2/ EBITDA, except for companies in the financial services sector, where the computation is based on operating result

ACTIVITY REPORT



François Tesch
Executive Chairman

I am pleased to comment on excellent 2021 results and to congratulate the whole team of Luxempart for its outstanding performance. These good results also had a very favorable impact on the share price by reducing the discount versus net asset value, thanks to improved communication to the outside.

Great attention was further given to strengthening Luxempart's investment team. Three young talents of different nationalities were recruited over the year to develop inhouse investment expertise, and a CFO and a senior executive with extensive experience on the German private equity market should join Luxempart shortly to complete the new executive team at Group level. These successful new recruitments also show that Luxempart offers interesting career opportunities based on its long-term investment strategy, with headquarters in Luxembourg, but with a strong presence in its three neighbouring countries, which represent its core markets for direct investments.

I would also like to thank Jo Santino, member of the executive committee, for his outstanding contribution to our Group for over 20 years. Jo has been instrumental in developing Luxempart's activities in France, Belgium and Italy, as well as in setting up our strategy for fund investments.



OUR INVESTMENT STRATEGY

In accordance with what we stand for, we thrive to deploy our investment activity based on a two-pillar strategy.

Our core business is the **Direct Investment** activity, which focuses on deploying an average € 50m per transaction in growing, profitable companies located in our core markets. Such investments target continuous growth for the companies we invest in and long-term returns for our shareholders. That is why we consider investments over longer terms with no predefined exits. This is the main differentiating factor to classic private equity funds operating in our space.

Such investment projects can be realized in both public and private companies under the form of leveraged buyouts or growth capital investments (with no external debt) and can grant Luxempart either minority or controlling stakes in the company.

The strategy in the Direct Investment activity has been developed many years ago, but has evolved as follows since 2020. Given the size of our net asset value, it was decided to increase the average investment ticket to € 50m, with a lower limit at € 25m (but with a view to increase investment over time), in order to have a meaningful impact on our net asset value. Also, in order to be able to actively create value, it was decided that all portfolio companies, whatever capital stake Luxempart holds in them, should grant us adequate governance rights. Such rights should enable us to contribute to shaping our portfolio companies' strategy and to assess its implementation in a timely and professional manner. We are able to give active and hands-on support.

Over the year 2020, we have reviewed our portfolio under the light of this revised strategy and have taken a number of arbitrage decisions that will lead to a streamlining of the portfolio.

Hence, our objective is to manage by the end of 2023 a more concentrated portfolio, composed of ca. 20 companies that all fit the above-mentioned criteria and present recurring profitability, significant growth prospects and good visibility. This portfolio will continue to contain both public and private companies.

The second pillar of our strategy is the **Investment Funds** activity.

Historically, this indirect investment activity was centered on four long term relationships where Luxempart has been among the cornerstone investors of these funds in Belgium, Germany, France and Italy. Their investment activity was to a large extent complementary to our Direct Investment activity, which even resulted in Luxempart sometimes co-investing alongside these partners.

For three of these funds, our intense and long-lasting relationship, their performance, track-record and their development perspectives have led us to continue to actively support them in the future and possibly support them with co-investments fitting our Direct Investment strategy. It was also decided to dedicate additional means to the Investment Funds activity in order to allow it to double its size by 2025, by re-investing proceeds received and by tapping into existing cash reserves of Luxempart.

The target is to commit between € 75m and € 100m per annum to 5-8 new funds. However, the overall objective of the Investment Funds activity was set to become a means of diversification, and not anymore to rely exclusively on these historic relationships.

Thus, Investment Funds has started since late 2020 to internationalize its new commitments by focusing essentially on North America and (more marginally) on Asia. It not only commits investments to mid-cap buy-out and secondary funds, but also diversifies to seek investment opportunities in compelling earlier stage venture and growth funds, sometimes complemented by smaller, more passive co-investments.

OUR INVESTMENT TEAM



ALAIN HUBERTY
Investment funds team
Member of the Group
Executive Committee



ALFONSO PALLAVACINI
Senior Investment Advisor



CHRISTOPHER HEINRICH
Senior Associate



JEAN-PHILIPPE KAMM
Senior Investment Manager



JO SANTINO
Investment funds team
Member of the Group
Executive Committee



JOHN PENNING
Managing Director



KEVIN LE FLOC'H
Investment funds team
Senior Associate



LAURENT ZANDONA
Investment funds team
Investment Director



LOUIS DE KERGOS
Senior Investment Manager



NINA MAY
Senior Associate



OLAF KORDES
Managing Director



PHILIPPE OBERSON
Associate



PHILIPPE THEISEN
Senior Investment Manager



SEBASTIAN REPPEGATHER
Head of listed Investments



SÉBASTIEN AARON
Senior Associate

FIRST RESULTS OF THIS REVISED STRATEGY

DIRECT INVESTMENT ACTIVITY

In **Direct Investments**, the streamlining of the portfolio is well underway. Alongside our growing investment activity, we have initiated since 2020 not less than 16 sales processes. All these disposals were realized with capital gains in line with our long-term IRR objective, and the vast majority achieved valuations in excess of their last known book value.

As of December 31, 2019, our Direct Investment portfolio contained 43 lines³. As of December 31, 2021, this number has been reduced to 33⁴, therein 6 new companies that have been acquired in line with the above-mentioned strategy (Enoflex and SNP in 2020, Sogetrel, iMGP, Pflegebutler and Evariste in 2021).

There is still some streamlining to be performed to reach our stated target of ca. 20 lines of Direct Investments by the end of 2023, but a number of sale processes currently under preparation, as well as one signed sale in February 2022 lead us to believe that this target is achievable.

The average value of our investments is increasing as well. While at the end of 2019, only 8 portfolio companies were valued above € 30m, this number has increased to 12 in late 2021.

Besides performing well in terms of financial results, our portfolio is well balanced in terms of exposure to industrial sectors, and is increasingly balanced between our core markets (Belux, DACH and France).

INVESTMENT FUNDS ACTIVITY

The **Investment Funds** activity also applies its revised strategy. In 2021, Luxempart has taken € 98.3m⁵ of commitments to new relationships. Only 18% of such new commitments are to be deployed in Europe, the rest being mainly in North America, Asia, or on a global scale. Furthermore, the new commitments relate to 50% buy-outs, 42% target growth equity investments while 8% are dedicated to venture funds.

Thus, at the end of 2021, our cumulated commitments (both invested and un-called) in Europe only represented 78% of total commitments (down from 89% in late 2019). In terms of strategy, venture and growth funds now represent 15.6% of cumulated commitments, up from 10.7% in late 2019.

MAIN EVENTS IN 2021

PORTFOLIO PERFORMANCE

Our NAV has shown a significant increase in 2021, by 27.4% over 2020. Both activities contribute to this increase.

In **Direct Investments**, the significant increase is mostly attributed to the strong operational performance of our portfolio companies. In 2021, our portfolio companies have grown their key financial aggregates⁶ by a strong 31.4%. This growth rate is higher than the overall growth in our NAV, and shows that the increase stems mainly from operating performance. Indeed, the average valuation multiple for the Direct Investment portfolio stands at 10.3x EBITDA 2021, a multiple that can be considered as reasonable, given the prevailing market environment. It should be noted that this multiple does not include the listed lines within this portfolio.

Besides the significant growth in profitability from our portfolio, such increase has also led to a significant cashflow generation in the portfolio. Even though some portfolio companies increase their indebtedness, most instances can be explained by acquisition opportunities seized in 2021. A significant majority of our portfolio companies have reduced their net debt or affected their cashflow in projects that should allow to seize future opportunities.

Finally, it should be noted that at Luxempart level, a significant portion of the NAV increase has translated into cash. Indeed, the various exits from portfolio companies have allowed us to register capital gains over NAV as of December 31, 2020 in excess of € 122m. This means that more than 26% of our increase in NAV is related to realized transactions, and not only to portfolio revaluations.

The Investment Funds activity has also enjoyed very strong growth in its NAV. On the one hand, the portfolio is in a build-up phase, with total investments in 2021 amounting to € 60.8m. It has furthermore benefitted from a strong revaluation of its portfolio lines that translate the overall improvement in the economic environment.

In Investment Funds as well, 2021 was a year that has seen a number of exits. In our Belgium-focused fund ICP, the run-off has been pursued with two landmark exits (Baobab and NMC) generating significant capital gains and distributions. Within Armira, the sale of our portfolio company Boxine to a listed SPAC renamed Tonies SE, has contributed to a strong re-rating of the Armira funds value, since Armira still holds a significant stake in Tonies. Other funds have also had significant capital redemptions contributing to the NAV growth of Investment Funds.

INVESTMENT ACTIVITY

In **Direct Investments**, we have deployed € 205.6m in 2021, mainly across 4 investments. One, Sogetrel, had already been committed to in late 2020, but was completed in January 2021. We have also invested in iM Global Partner in late April, Pflegebutler just before the summer, and Evariste in November 2021. Furthermore, we have also reinforced our position in two listed companies, that are part of our cornerstone lines and to be held for the long term: SNP and Technotrans.

All these investments fit our investment strategy as described here before. They enjoy significant growth perspectives, execute an active strategy to accelerate such organic growth perspectives by an active acquisition policy, and are well-managed, translating into recurring profitability. These investments were made with a view to commit to the long term, in sectors that show growth perspectives based on secular trends that shape European economies.

You will find hereafter a short description of each of these new investments.

Performance Direct Investments



Performance Investment Funds



3/ Including 7 companies managed in the Investment Fund activity, but within funds over which Luxempart exercises at least co-control: Bravo Capital Partners I and ICP

4/ Not counting 2 lines, Marlink and Vivalto, where closing of transaction will only occur in 2022

5/ excluding € 67m taken with Armira and Bravo Capital Partners in the past and which were contractually formalised in 2021

6/ EBITDA, except for companies in the financial services sector, where the computation is based on operating result



- Luxempart stake: 10.9%
- Luxempart investment: initially € 25m + up to € 15m additional investment agreed
- Sales 2021: ca. € 850m

HELPING AN OUTSTANDING MANAGEMENT TEAM GAIN STABILITY AND SUPPORT INTERNATIONAL EXPANSION

- Sogetrel is a leading French player in the design, building and maintenance of telecom networks
- In addition to this activity, and based on its core competencies, it has diversified in fast-growing service segments centred on electronic security and “smart city” initiatives

INVESTMENT THESIS

- Strong past growth due to roll-out of fibre optic networks. Future growth to come from 5G mobile networks
- Significant growth perspectives in diversifications with important commercial synergies
- Potential for internationalisation through buy-and-build
- Unlock “entrepreneurial motivation” of the management team that is now majority shareholder in the business



- Luxempart stake: < 10 % (direct and indirect)
- Investment (direct and indirect): € 22m
- Sales 2021: ca. € 69.4m

INVESTING IN THE NATIONWIDE ROLL-OUT OF A LEADING REGIONAL CARE OPERATOR IN GERMANY

- PflegeButler is a leading regional ambulatory care operator offering an innovative alternative care-model consisting of serviced living and ambulatory day-care, all under the same roof
- The model combines high-quality service preserving self-determined life and highest quality of care normally offered only in nursing homes

INVESTMENT THESIS

- Grow organically by opening new homes
- Acquire and integrate another competitor and roll-out PflegeButler business model
- Succeed a roll-out in several German regions



- Luxempart stake: 7.2%
- Luxempart investment: initially ca. € 25m + additional investment for add-ons (ca. € 4m already deployed)
- AuM December 2021: ca. € 34.3 bn



- Luxempart stake : 40.0%
- Luxempart investment : € 86.8m
- Sales 2021 in excess of € 500m

JOIN TWO OUTSTANDING INVESTORS IN A GLOBAL, FAST-GROWING FINANCIAL SERVICES COMPANY

- iMGP is a global distribution platform for top-performing asset management products. It selects entrepreneurial asset managers and invests in them through minority stakes
- Then it distributes them on its own platform and increases their revenues by adding Assets Under Management

INVESTMENT THESIS

- Asset Management follows secular growth trends (ageing population, financing of retirement models)
- iMGP has a strongly differentiating business model, fostered by Eurazeo and Amundi
- Allows to enter into symbiotic relationship: iMGP increases Assets Under Management of Partner through distribution capacities and Partner increases iMGP's top performing product range
- Target to attract 6-10 Partners over the coming 5 years and deploy additional capital

SUPPORT AN ENTREPRENEURIAL FAMILY OWNED COMPANY IN ACHIEVING NATIONAL COVERAGE AND PREPARE FOR INTERNATIONALISATION

- Evariste is a French multi-solutions construction Group organised as a federation of SMEs. It provides services related to:
- infrastructure works
 - green spaces management
 - specialised interim for the construction industry and
 - hygiene and cleaning services

INVESTMENT THESIS

- Cyclical business but with strong development prospects due to large infrastructure projects in France 2024 Olympics, Grand Paris...
- Luxempart's long term approach particularly suits such cyclicity
- The group has based its development on federating SMEs, by offering an alternative to large corporations if an entrepreneur wants to sell. Long and successful track record in acquisitions
- Luxempart is to support such strategy and will help internationalisation through its network

Investment Funds have taken on new commitments for € 98.3m across 9 new relationships⁷, and have deployed € 60.8m in 2021 in both existing and new relationships.

These investments were made across 12 funds and one co-investment alongside a fund with which Luxempart has a long-standing relationship.

As indicated in our strategy section, such deployments are still predominantly in Europe, given the legacy commitments that were solely focusing on Europe, but over time, investments, and hence NAV will be more balanced between geographies and investment strategies.

DIVESTMENT ACTIVITY

Both Direct Investments and Investment Funds have contributed significantly to overall exit proceeds in 2021. Total revenues from sales of companies in our Direct Investment portfolio amount to € 284.3m. Investment Funds is also progressing in the run-off of the ICP portfolio, which has sold two companies in 2021, generating proceeds of € 54.9m, and has enjoyed redemptions from its other portfolio funds amounting to € 54.1m.

Most of the exits summarized in the table below are related to processes at our own initiative, in the context of the streamlining of our portfolio detailed hereabove. However, the two biggest proceeds of the year are the result of unsolicited offers made on listed companies in our portfolio:

- In August, Zooplus was the target of a take-over bid by funds advised by Hellman & Friedman, and subsequently of a competing bid launched by EQT. In the end, both bidders combined their efforts. Zooplus did not fit our strategy anymore, but we felt that the group still had significant development potential which was not translated in the share price and were hence prepared to keep the asset for a longer period. The combined bid, valuing the company at € 3.8bn, crystallizes such potential in our view and we thus decided to tender our shares.




- At approximately the same time, funds advised by the Carlyle Group approached us about a take-over bid they wanted to launch on Schaltbau AG. Luxempart was the largest anchor shareholder in the Group and headed an acting in concert with two like-minded shareholder groups. After having negotiated improved terms of the financial conditions, we decided to tender our shares.

Luxempart has sold 11 companies in 2021, therein 8 totally.



All of these exits have generated capital gains in line if not above with our long-term IRR targets (12-15%). Furthermore, all companies except one were sold at a positive mark-up towards the NAV recognised in our financial statements as of December 2020. The only company sold at a lower valuation was done so at a discount of less than € 0.5m

Company	Activity	Proceeds (€m)	Comment
	ESG Mobility Division Mobility Division of ESG Elektroniksystem und Logistik GmbH, designing and integrating electronic and IT systems in vehicles	19.5	Sale of a division resulting in a distribution to Luxempart
	Tonies Designer and manufacturer of Toniebox, a screenless mobile audio system for children	9.9 ⁸	Partial exit following sale to Tonies SE (formerly 468 SPAC). Luxempart remains shareholder in the listed entity, both directly and via the Armira funds. Cash proceeds equivalent to cost.
	Stoll German manufacturer of front-loaders for construction and agricultural equipment	confidentiality restrictions	Total sale to Agrostroj, a Czech competitor. Additional potential proceeds of € 2.0m after end of representations and warranty period (in principle within 12 months)
	SES Leading worldwide operator of satellite broadcasting infrastructure	3.5	Sale of our remaining position as part of the portfolio streamlining process.
	Zooplus Leading European distributor of pet food and accessories	117.6	Take-over by Hellman & Friedman and EQT
	Kaufman & Broad Leading French real estate developer focusing primarily on residential housing	20.1	Total exit as part of the portfolio streamlining process.
	RTL European media group	11.8	Total exit as part of the portfolio streamlining process.
	Schaltbau Leading supplier of technology for rolling stock, rail infrastructure, automotive and other industrial applications	69.9	Take-over by Carlyle

8/ Proceeds related only to our direct co-investment

Company	Activity	Proceeds (€m)	Comment
	TCM Leading Nordic kitchen manufacturer and distributor	9.2	Partial exit as part of the portfolio streamlining process.
	NMC European-wide manufacturer of industrial goods (building materials, packaging, consumer goods) based on synthetic foams	Combined ICP proceeds 54,9	Sale of Luxempart stake to the majority shareholder as part of our run-off of Indufin Capital Partners (ICP)
	Baobab Belgian manufacturer of luxury scented candles and home perfumes, at the crossroads of interior design and luxury fragrances		Sale of the company to a Belgian family office as part of our run-off of Indufin Capital Partners. Additional potential proceeds of € 2.0m after end of representations and warranty period (within 18 months)

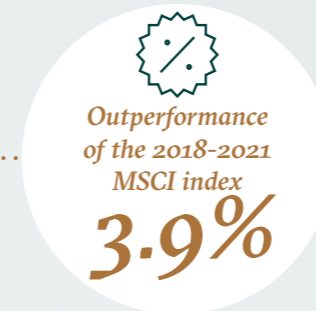
In addition to these exits, Luxempart has signed or agreed two sales in the last quarter of 2021, which were, or will be completed in 2022:

Company	Activity	Proceeds (€m)	Comment
	Marlink Service provider in the global satellite communication industry	confidentiality restrictions	Sale of this co-investment (alongside Apax Partners) to Providence Equity. Closing expected during first half of 2022.
	Vivalto Home Belgian nursing home operator with more than 30 facilities	confidentiality restrictions	Sale of the company following the exercise of a right of first offer by one of our co-shareholders after all shareholders had taken the decision to put the company up for sale. Closing completed in January 2022.

The valuation of these two companies has been aligned in our accounts on the proposed valuation of the buying entities. Please note that contrary to our initial publication regarding the sale of Marlink, we have taken the decision to not re-invest in the new transaction led by Providence Equity. Luxempart was approached by one of its co-shareholders eager to increase its exposure to Marlink. Since our re-investment would have been below our target investment volume, we have decided to accommodate this entity. Hence, Luxempart will totally exit from Marlink upon closing of the transaction.

GLOBAL PERFORMANCE

Luxempart's global performance is best measured by the evolution per share of the total equity position and the dividend paid to our shareholders. The total equity position encompasses the accumulated value creation of our portfolio over the past. The performance per share includes the dividend of € 1.60 paid in 2021.



In order to compare its performance to the market, Luxempart refers to the MSCI Europe Mid Cap Net Return € index. In order to flatten volatile market behaviour, it is reasonable to compare the performance over a longer period, e.g. 4 years. Such performance benchmark is also applied to define the level of the long-term performance bonus paid to Luxempart staff. The MSCI Europe Mid Cap Net Return has been selected in line with the strategy to invest in mid-cap in Europe with a focus on Continental Europe. The current Investment Funds portfolio is also mostly invested in Europe with an expected evolution towards the US and Asia over the coming years.



MAIN IFRS FINANCIAL INDICATORS

The financial statements of Luxempart have been prepared in compliance with the International Financial Reporting Standards for the year ending 31 December 2021.

Main IFRS indicators (in € million)	31/12/2021	31/12/2020	Variation
Equity/NAV (group share)	€2,169m	€1,702m	27.4%
Net result	€499m	€157m	218.3%
Equity per share (€)	€107.78	€84.72	27.2%

The Group equity of Luxempart increased due to the consolidated result of the year ending 31 December 2021 of € 499 m mainly composed of € 513 m from investment activities (dividends received and capital gains/losses realised from sales and unrealised increase of the fair value of the portfolio lines) and € -12 m expenses on ordinary activities (operating expenses, staff cost...).

In the statutory accounts of Luxempart (established under Lux GAAP) the equity increased from € 1,131 m as at 31 December 2020 to € 1,259 m as at 31 December 2021 and the net result increases over the same period from € 68m to € 159m.

For more details, please refer to the IFRS Financial Statements and the Statutory annual accounts.

DIVIDEND

The Board of Directors will propose to the Annual General Meeting on 25 April 2022 to approve the payment of a gross dividend of € 1.80 per share, compared to a dividend of € 1.60 for 2020. This increase of dividends of 12.5 % is in line with the dividend policy applied since 1993. Assuming the approval of this proposal, the dividend will be payable May 2022.

Dividend increase 2022:



OWN SHARES

As at 31 December 2021, Luxempart holds a total of 574,735 own shares which corresponds to 2.8% of the issued share capital for a book value of € 17m. During the year, Luxempart sold 56,486 own shares for € 1.6m, mainly in the context of stock options exercised. The General Meeting of Shareholders of 26 April 2021 has authorized to buy back up to 30% of its own shares for a price up to €100 per share. It expires at the General Meeting of 25 April 2022 where it will be proposed to extend the authorization.

STOCK PERFORMANCE

Luxempart's shares are traded on the Luxembourg stock exchange. In order to improve liquidity, KBC intervenes as liquidity provider on an independent but remunerated basis. It buys and sells Luxempart's shares on the market in line with the market movements. During 2021, the stock price increased by 52%.

SUSTAINABILITY

As stated in the Message to our shareholders, Management and the Board of Directors have laid the foundations for a clear sustainability policy and action plan. It will be a journey requiring an assessment phase, an engagement phase and an action phase. ESG is becoming a core component of Luxempart's operations. Our ambition is not only to monitor and mitigate the risks linked to climate change and social injustice but also to enhance value creation through responsible sustainable and societal behaviour. Our Sustainability framework has been defined with the help of a consultant and in a collaborative approach with our stakeholders. The outcome results in 16 indicators which encompass the most common and relevant environmental, social, and governance standards. These indicators define our priorities in corporate and portfolio ESG actions around major themes such as planet, people and governance. The sustainability framework also encompasses a code of good conduct and an investment exclusion list. It is being completed with procedures and reporting dashboards.

For more details please refer to the sustainability report of this annual report.

In order to efficiently accompany this strategic challenge for our Group, its governance has been adapted through the creation of a Sustainability Committee. This Committee gives guidance in terms of ESG strategy, follows ESG regulatory evolutions and their impact on Luxempart, follows private equity market adaptations to ESG, validates the corporate and portfolio ESG action plan and tracks achievements, reviews the yearly sustainability report and finally validates all sustainability related recommendations to the Board of Directors. Moreover, our organisation has been adapted with resources allocated to ESG monitoring.

RECENT POST CLOSING EVENTS

During the first months of 2022, Luxempart increased its holdings in several lines and sold two portfolio companies.

The operations are the following:

- In January 2022 Luxempart sold its 12% stake in Vivalto Home, a Belgian operator of senior care homes, to Vivalto Vie, a French operator of senior care homes and realized an IRR close to 20%.
- On February 28, Luxempart signed an agreement with funds advised by Quadriga Capital Partners to sell its 43.8% stake in Novotergum GmbH. The transaction is expected to be closed before May 2022 but is still subject to approval by German anti-trust authorities. Total proceeds should amount to 22.5m, in line with Novotergum's contribution to our NAV as of December 31, 2021.

There have been no other significant events since 31 December 2021 that would impact the financial position and performance of the Group.

IMPACT OF THE RUSSIAN INVASION OF UKRAINE

The invasion of Ukraine is an unbearable tragedy on our continent and generates misery for millions of people. The war and the economic sanctions it causes are not expected to have a direct impact neither on our Company nor on our portfolio companies as none are significantly active in that region.

Nevertheless, energy and raw material prices are expected to increase further. Current levels of inflation might increase for a longer period. The business climate might deteriorate and slow down growth. It is for the time being difficult to measure precisely the effect on our portfolio companies but it is probable that this deteriorated environment will impact most businesses.

It has appeared that our companies turned out to be resilient and well prepared for difficult situations. Indeed, not all sectors will be impacted similarly by geopolitical events and the diversity of our portfolio as well as the strength of our main lines should allow us to resist to the economic headwind.

OUTLOOK

Recent geopolitical tensions in Europe affecting the rhythm and intensity of the economic recovery make a reliable outlook challenging. It is therefore hazardous to predict how the valuation of our portfolio - and therefore indirectly our net result - will evolve in the future.

Luxempart's significant cash position, its diversified and long-term oriented portfolio of Direct Investments and Investment Funds as well as its committed team and stable shareholder base reinforce resilience in difficult times.

Our Board of Directors and our Shareholders are attached to a stable dividend policy with prudent but constant increase perspectives. Capital proceeds will be reinvested to generate returns aiming at 15% p.a. over the mid term reflected in steady increase of our total equity per share and our share price.

MAIN RISKS AND UNCERTAINTIES

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 rates...).

The liquidity risk is limited for Luxempart, as the Company 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.

The financial risks (market, interest rate, foreign exchange, credit and liquidity risk) are disclosed in the note 25 to the Financial Statements. The Group management risk system is described in more detail in the Statement of governance section of this annual report.

RESEARCH AND DEVELOPMENT

Luxempart does not pursue any research and development activities.

BRANCHES

Luxempart does not have any branch.

TRANSPARENCY

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors' responsibilities are determined by law. In that regard, it is responsible for the true and fair preparation and presentation of the annual financial statements in accordance with Luxembourg law. The Board of Directors considers that it has fully complied with these obligations.

STATEMENT BY THE RESPONSIBLE PERSONS

Pursuant to the Law of 11 January 2008 regarding transparency obligations relating to information on issuers whose transferable securities are admitted for trading on a regulated market, John Penning and Olaf Kordes, Managing Directors, hereby certify in the name and on behalf of the Board of Directors, that, to the best of their knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Luxempart and the companies included in the consolidation;
- the present management report contains a fair review of the development of the business, the results and the position of Luxempart and the companies included in the consolidation, together with a description of the principal risks and uncertainties that they face.

LAW OF 19 DECEMBER 2002

The corporate governance statement required by the Law of 19 December 2002 concerning the trade and company register as well as the accounting and annual accounts of companies (Article 68ter) is included in the dedicated section of the present report.

INFORMATION REGARDING PUBLIC TAKEOVER OFFERS PURSUANT TO THE LAW OF 19 MAY 2006

Luxempart share capital amounts to € 51,750,000 represented by 20,700,000 fully paid-up ordinary shares with no determined par value. There are no other categories of shares, or options, or preferential rights granting entitlement to the issue of shares in another category that may have a dilutive effect on the number of shares issued. The shares issued all enjoy the same rights, in terms of their voting rights at Ordinary and Extraordinary General Meetings, as well as of the dividend voted by the shareholders at General Meetings. There are no restrictions on the transfer of securities, or any special rights of control granted to some holders of the securities. No shareholders' agreement that may entail restrictions on the transfer of securities or on voting rights has been entered into.

The Company's shares are listed on the Luxembourg Stock Exchange. Foyer Finance S.A., an unlisted financial investment company, which represents the largest group of companies of which the Company is a member, is the beneficial owner of 10,434,240 shares in the Company, or 50.4% out of a total of 20,700,000 shares issued. Luxempart has arranged for a "Stock Option Plan" for the members of the Management Committee and different staff members. The Company freely decides whether there are grounds to allot option rights every year. The allotment of options is subject to a flat-rate tax model when the options are granted. Where applicable, the option rights are allotted annually depending on each individual's years of service and achievement of performance targets. The option rights are subject to a lock-up period of four years and must be exercised within a period of ten years as from their allotment. The "Stock Option Plan" for the members of the Management Committee is based on the treasury shares held in the portfolio, in such a way that no shares that would dilute shareholders' interests are issued.

The members of the Board of Directors are appointed by the General Meeting of Shareholders, on the recommendation of the Board of Directors, and once the Board of Directors has gathered the opinion of the Nomination and Remuneration Committee. They are appointed for a maximum term of six years. The term of office for Luxempart Directors is usually three years and the expiry periods are staggered, in such a way that roughly one third of the offices are renewed every year. The Directors' offices are renewable. In principle, a Director's office ends following the Annual General

Meeting of Shareholders that appoints their replacement.

The General Meeting of Shareholders may dismiss the Directors at any time. In the event that a Director's office falls vacant, the Board of Directors may arrange for their replacement, while nonetheless complying with the rules governing the appointment of Directors. The shareholders decide on the definitive appointment, in principle for the remaining term of office of the Director who has been replaced, at the next General Meeting of shareholders.

The Board of Directors, which is the body responsible for the management of Luxempart, has the powers to take any decisions and perform any measures that are necessary or useful for the achievement of the Company's corporate purpose, except for the powers exclusively reserved for the General Meeting of Shareholders by the law or the Articles of Association. The Board of Directors' task is to ensure the long-term success of the Company and of its business activities in the interests of the shareholders, while considering the interests of other stakeholders in the community in which the Company operates. The Board of Directors is first and foremost responsible for the strategic management of the Company and for monitoring the conduct of its business affairs.

An Extraordinary General Meeting must be convened in order to vote on any amendment to the Articles of Association, as well as on any increase or decrease in the share capital, except if the shareholders have previously authorised the Board of Directors to increase the share capital under determined conditions, which is the case for Luxempart, where the authorised share capital amounts to € 90 million. As at 31 December 2021, the authorised capital amounts € 90 million. This authorisation will expire on 24 April 2022. It is proposed to be renewed at that date.

There is no agreement to which Luxempart may be party that would be substantially amended, or even terminated in the event that a public takeover offer occurs. Likewise, no agreement has been entered into by the Company and members of its Board of Directors or its staff providing for compensation in the event of resignation or dismissal without valid grounds, or in the event that their job is terminated as the result of a public takeover offer.

PORTFOLIO



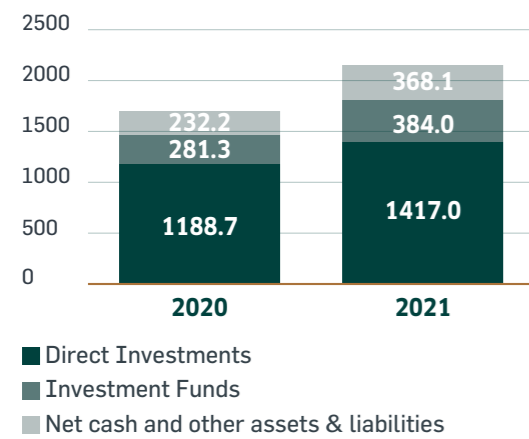
Olaf Kordes

The year 2021 has shown very satisfying results. From a financial perspective which shows strong growth in the portfolio that is reflected in our NAV growth, but also from a strategic perspective, where the teams are clearly committed to executing our strategic roadmap and to reshape the portfolio.

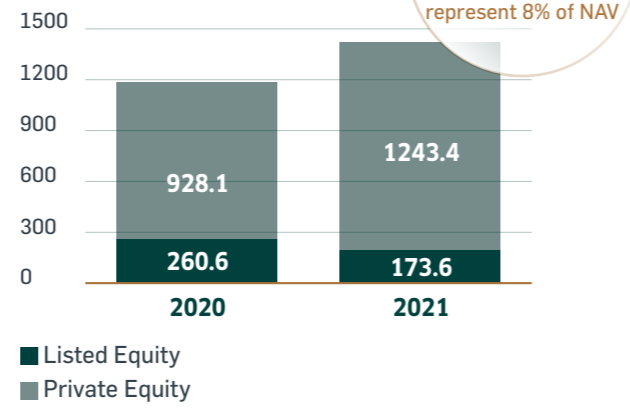
DIRECT INVESTMENTS

PORTFOLIO AT A GLANCE

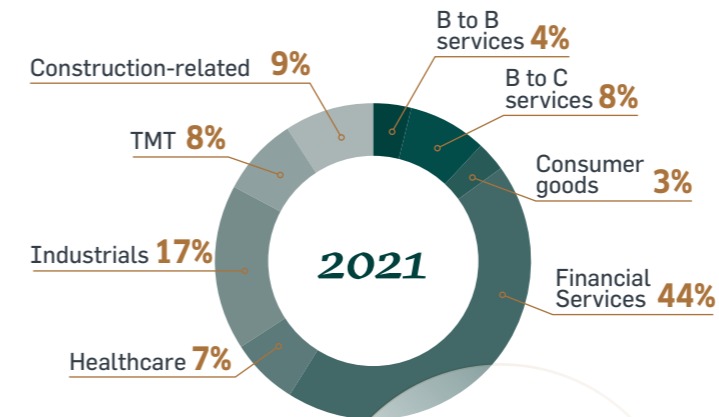
Breakdown of Group's NAV



Breakdown of Direct Investments

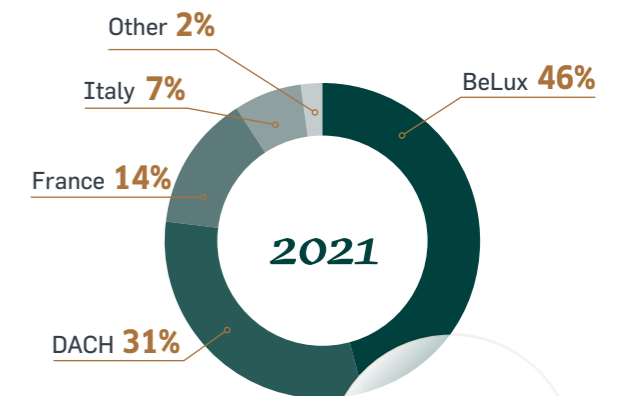


Breakdown of Direct Investments by sector



- Financial services grow with iM Global Partner
- No more e-commerce (Zooplus)
- Industrials decrease due to various exits (e.g. Schaltbau)
- Construction related includes real estate development and now Evariste
- The fourteen companies presented on the following pages represent 54.6% of the consolidated NAV.

Breakdown of Direct Investments by geography



Rebalancing between DACH and France due to sustained investments in France

ASSMANN

49%

Percentage of interest

2019

Investment year



Registered office
Lüdenscheid, Germany



Website
www.assmann.com



Business Sector
IT, Technology Hardware
& Equipment



Assmann Group is a leading supplier of server, network and peripheral infrastructure products and solutions based in Germany.

INVESTMENT THESIS

Assmann Group is a Germany-based manufacturer and distributor of data network products with a direct component sourcing know-how in Asia and a Pan-European distribution infrastructure.

Its key strengths include:

- Attractive addressable target market with high single digit growth rates and high barriers to entry;
- Omni-channel distribution mainly through indirect sales (85%) which allow for recurring revenue streams and limited reliance on individual clients or project-related revenues;
- Best-in-class operating model with ability to guarantee quality, regulatory compliance, availability and just-in-time delivery;
- Full digitalisation allowing to serve clients and manage the company efficiently.

The partnership with Luxempart allows Assmann Group to continue its growth story with a new strategic plan which is centred around further strengthening the product offering and geographical footprint supported by M&A when possible.



2021 PERFORMANCE AND OUTLOOK

- Strong performance in 2021, despite increasing challenges with regards to freight and material costs. Sales reached €75m while EBITDA margins remained at healthy levels.
- Transition from founder-led to independently managed company initiated earlier than foreseen in investment case. New CEO Lothar Schwemm has been onboarded as Co-CEO in October 2021 and is sole CEO since January 2022.
- Assmann expects to grow in line with the market at a high single digit sales growth rate while investing part of its profitability in further strengthening its geographical footprint, product offering, distribution capabilities as well as technological platform.



LUXEMPART VIEW

- We have invested in a company that has continued to show strong resilience in 2021, which confirms our investment thesis. It underlines the fact that the company's products are in high demand due to the growing trend in digitalisation, which required growing investments in network infrastructure, including the last mile.
- We believe Assmann Group to be well-positioned for future growth and, thanks to our very cooperative governance structure, we are prepared to support it wherever needed, including by providing additional capital.



MR. ROLF UNTERBERGER (GROUP CHAIRMAN OF THE BOARD)

"The transformation from a family-run organization to a private equity-run organization is very well on the way. Since Luxempart has a long-term orientation the success story of the Assmann Group was continued. I am very pleased to be part of this success story".



10.7% Percentage of interest

2006-2020 Investment year

 Registered office
La Hulpe, Belgium

 Website
www.atenor.eu

 Business Sector
Real estate development



Atenor is a property developer mainly in the office building sector, and more marginally in the residential sector, with a portfolio of 33 projects accounting for ca. 1,300,000 sqm currently under development.

Present in 10 European countries and 16 cities, the company has successfully expanded and diversified its geographic exposure outside of Belgium with large-scale projects which meet strict criteria in terms of urban planning and respect for the environment and offer attractive economic fundamentals and high growth potential.

Atenor is active in the entire real estate development value chain.

INVESTMENT THESIS

Atenor is well positioned in European office real-estate development to take advantage of the underlying trend, with market demand increasingly shifting towards assets requiring much higher technical, environmental and quality standards.

Atenor's risk profile has improved over the years owing to: (i) the internationalisation strategy leading to higher diversification 32 projects currently in the portfolio at various stages of the real-estate development cycle), (ii) the exposure to countries offering stronger growth prospects and shorter pre-building phases; and (iii) a well-recognised know-how in terms of selecting projects, planning, project management, marketing, and urban planning concepts.

 **1.3 SQM**
in development

32
projects in the
portfolio with
5
acquisitions
new project
in 2021



2021 PERFORMANCE

Atenor ended the 2021 financial year with a net consolidated result of € 38.1m (mainly driven by margins generated on sold and pre-sold projects, both office and residential, for the most part in Central Europe), compared to € 24.1m in 2020.

Atenor has continued its efforts in the field of sustainable development within the aim of implementing a high level of sustainability in each project of the portfolio.

Atenor successfully issued two "Green Retail Bond" tranches in March 2021 with maturities of 4 and 6 years – primarily aimed at private investors – that will be used to finance sustainable and energy efficient property development projects.

The Board of Directors will propose a gross dividend of € 2.54 per share to the General Meeting, an increase of close to 5% compared to the previous year.



MR. STÉPHAN SONNEVILLE (CEO)

"Through its business and positioning, Atenor is at the crossroads of the real estate and financial sectors, two economic sectors key for the necessary evolution towards greater sustainability.

In this context, Atenor launched in March 2021 the first Green Retail Bond of the Brussels financial marketplace for an amount of € 100 million. This successful bond issue made the link between so-called ESG investments and real estate projects labelled as sustainable on the basis of demanding and clearly predefined criteria a reality".



LUXEMPART PERSPECTIVE

Despite the potential resurgence of a new health crisis or political tensions, demand on commercial and residential sustainable buildings continues rising in the property market. Processing of permit applications is also progressively returning to its normal pre-Covid pace.

The health crisis has accelerated trends that were already ongoing before the pandemic: e.g. new ways of working, teleworking, revised work-life balance, mobility etc. In parallel, the climate emergency shared at a global level validates Atenor's role as a developer and underlines the relevance of the Group's positioning towards the construction of low-carbon buildings.

Through its unique positioning on sustainability and internationalisation, Atenor's business model has shown resilience in 2020 and at the beginning of 2021, which has even enabled to generate increased results for 2021. Given the development in the markets in which the Group is active and the quality of projects in portfolio, Atenor's results should continue growing but its exact magnitude of evolution remains difficult to estimate.



60%

Percentage of interest

2015

Investment year



Registered office Vienna, Austria



Website www.edupro-group.com



Business Sector Education



EduPRO is a leading education group active in Austria and Germany in apprentice training, qualification programs, career guidance and corporate training.

INVESTMENT THESIS

EduPRO is active in a market that benefits from very sound fundamental growth perspectives. In a fast-changing environment, vocational training is more and more important to adapt a country's workforce to challenges created by digitalisation and the development of the tertiary sector.

EduPRO has a leading position in Austria and a very experienced management.

Shared objective of shareholders is to allow the company to consolidate its position in Austria, expand its activities in Germany, improve profitability and build a regional champion.

+11.3% sales¹

+18.6% EBITDA margin²

1) LTM Dec-21 vs. LTM Dec-20
2) As per LTM Dec-21



2021 PERFORMANCE

EduPRO has continued to develop very positively in 2021, expected to once again outperform its budget in the current financial year (ending in April 2022). Main growth driver was the continued strong demand for education services and the company's ability to adapt to sanitary restrictions.

The political support to increase public spending for training and reintegration solutions in light of the current crisis is strong and eduPRO is one of the preferred service providers in that field.



LUXEMPART PERSPECTIVE

We continue to believe that the company is well positioned to further build on the positive trend of the education sector. EduPRO's business model requires a long-term perspective and has been benefiting from a stable shareholder like Luxempart over the past years.

The potential to further expand in both core markets is given through organic growth and well-selected add-on acquisitions.



MRS. KATJA POINTNER (MANAGING DIRECTOR)

"Luxempart has been supporting the development of the eduPRO Group since 2015. I joined the eduPRO team in the summer of 2019 and have experienced Luxempart from the very beginning as a partner who focuses on the further development of the group but also of those responsible. In the summer of 2021, I moved into the function of Co-Managing Director and have also had the full confidence of Luxempart from the very beginning. We talked very openly about the opportunities and expectations of the future, and I am convinced that I can develop my strengths very well".

enoplastic | Sparflex

18.4% Percentage of interest

2020 Investment year



Registered office
Bodio Lomnago, Italy



Website
www.enoplastic.com
www.sparflex.com



Business Sector
Wine closures



Born from the combination of the Italian Enoplastic and the French Sparflex, Enoflex is the global leader in the B2B manufacturing of high-end wine and spirits closure solutions. The Company stands for Italian creativity and French quality in the wine closure industry with continuous research for more and more customised design and eco-friendly products. Its product offering includes a wide range of solutions, such as capsules for sparkling and still wine, wire hoods, screw caps, synthetic corks and seals, all designed and customised for each client. Employing c. 1,000 people, Enoflex has local facilities in Italy, France, the USA, Spain, Australia and New Zealand.

INVESTMENT THESIS

The combination of Enoplastic with French market leader Sparflex has given birth to the undisputed global #1 player in wine closures with c. EUR 208m sales in 2021 and physical presence in all main wine producing regions across the globe.

This investment was a unique opportunity to get access to two pure primary deal situations with significant operational improvements reached in the combined entity.

Together with the lead financial investor Cobepa, and alongside Management, we have implemented the Group's integration plan, discussed at acquisition, and are continuously seeking to improve operations.

+25.8%
EBITDA

+19.5%
sales



2021 PERFORMANCE

Over Q1-21, demand continued to be impacted by Covid. However, a clear rebound has been observed since April 2021 with the group's order book reaching at an all-time high.

EBITDA margin rate has increased thanks to cost synergies and operational improvements offsetting the increase in raw material prices.

Enoflex acquired PE.DI in September 2021, an Italian producer of crown caps and bidules (for champagne bottling process) of c. EUR 10m sales.



LUXEMPART PERSPECTIVE

The group should benefit from continued operational improvements and the full-year impact of cost synergies counterbalancing the increase in raw material prices. Furthermore, Enoflex is actively looking for acquisitions to complement its product offering.



MR. JEAN-MARIE LAURENT JOSI – COBEPA (CEO)

"We appreciate Luxempart as an excellent partner with family backing and longer-term capital. It was an easy choice for Cobepa and the Moglia family when we looked for a new investor after the acquisition of Sparflex".



27.6% Percentage of interest

2015 Investment year



Registered office
Fürstefeldbruck,
Germany



Website
www.esg.de



Business Sector
Engineering services



ESG Elektroniksystem- und Logistik-GmbH is one of the leading German process and technology companies for the design, integration and operation of complex, security-related electronic and IT systems.

INVESTMENT THESIS

ESG Elektroniksystem- und Logistik-GmbH is a provider of development, testing and maintenance services for complex electronic and IT systems, primarily for the public sector and public authorities in the areas of security and defence. We co-invested in ESG alongside other Armira shareholders, being convinced that the company will profit from:

- its excellent positioning in future-oriented areas and major projects already launched
- the high barriers to entry due to necessary certifications (e.g. in the aviation sector)
- its historically grown customer relationships and diversified, long-term oriented, and high-paying blue-chip customer structure in both the public sector and industrial sectors
- the rising spending in all end markets driven by technological megatrends as a basis for organic growth
- the ongoing consolidation trends in Europe on both the demand and the supply side



2%
points adj.
EBITDA
margin increase⁽¹⁾



>5%
increase in
group sales⁽¹⁾
YoY

1) Like-for-like/adjusted, excluding the divested Mobility division. Based on preliminary FY 2021 financials



2021 PERFORMANCE

ESG made further progress in its strategic reorganization in 2021 by selling its Mobility division to Cognizant and by reintegrating most of its Cyoss division's business (except for Cyoss' Radar Services) into ESG. While retaining a portion of the proceeds to further develop the remaining business units, ESG proceeded in July with a distribution of € 14m to Luxempart, allowing us (in addition to previous distributions) to recover a major part of our investment cost.

ESG maintained its growth momentum with revenue growth in the high single-digit percentage range in 2021 compared to revenues of approx. € 271m in 2020.

It further managed to increase its EBITDA margin by approximately 2 pp in 2021 which is in line with expectations and above the previous year due to stronger cost controlling and scale effects.



MR. CHRISTOPH OTTEN (CEO)

"Sustainable and profitable growth, long-term reliable business relationships with our customers and partners, and passion for technology-based innovations have always been an integral part of our corporate culture, our DNA. Luxempart with its outstanding experience is not only an ideal core investor in terms of our economic development and success, but a true partner and promoter of our common vision of greater security in a globally connected and digitized world".



LUXEMPART PERSPECTIVE

Luxempart will continue to support ESG's successful efforts on becoming a leading technology and innovation partner for the public sector and public authorities in the areas of security and defence. This shall be achieved by both further organic growth as well as targeted investments in highly innovative technologies, new solutions, and products.



40%

Percentage of interest

2021

Investment year



Registered office
Maurepas, France



Business Sector
Infrastructure works
and green spaces
management



Evariste is a French multi-solutions construction group organised as a federation of c. 100 regional entities and regrouping more than 4,000 employees. The group provides services related to (i) infrastructure works (renovation/maintenance of roads, urban transformation...), (ii) green spaces management (creation and maintenance of green spaces, irrigation systems, sport fields), (iii) specialised interim for the construction industry and (iv) hygiene and cleaning services. The group has a strong local foothold in Ile-de-France and is also present in Hauts-de-France, Rhône-Alpes, Centre-Auvergne, Bourgogne, Normandy and Belgium.

INVESTMENT THESIS

Investment in a French leading multi-solutions construction group positioned on rapidly growing underlying markets which should benefit from numerous large-scale infrastructure projects (such as the Grand Paris, the Olympic Games 2024, Canal Seine-Nord, the Plan Très Haut Débit etc.).

Evariste has demonstrated its ability to consolidate its highly fragmented markets (30+ entities acquired since 2010), leveraging on its federation model, and aims to continue doing so.

Investment alongside an exceptional entrepreneur who will keep a majority stake in the group

> € 500m
sales

+67%
EBITDA⁽¹⁾

1) out of which +18% organic



2021 PERFORMANCE

Strong group sales in 2021 thanks to a rebound in all of the group's segments. On a constant perimeter basis, Evariste's activity was higher in FY21 than in FY19.

Evariste acquired several companies during the year to expand its geographical footprint to Normandy and Belgium while reinforcing its existing activities mainly in the Ile-de-France and Rhône-Alpes regions. Since our investment in November 2021, the pace has been maintained, with 5 acquisitions closed before year-end.



LUXEMPART PERSPECTIVE

We are looking forward to 2022 with confidence as Evariste's activity should continue to benefit from its segments' rebound while expanding its geographical footprint inorganically.

Evariste is the natural consolidator in a market where family-owned businesses need to hand over but don't want to see their life's work diluted in a large corporation.

MR. RAPHAEL MUCCI (GROUP PRESIDENT)

"After having met a number of mainstream investors, we were lucky and happy to come across Luxempart. We chose them immediately and don't regret it, given their outstanding qualities as an investor and their very specific and entrepreneurial DNA".



32% Percentage of interest

1998 Investment year



Registered office
Leudelange, Luxembourg



Website
www.foyer.lu



Business Sector
Insurance & wealth management



Foyer is an independent financial group and market leader in the Luxembourg insurance industry with a strong presence in domestic non-life insurance, domestic and international life insurance as well as wealth management in the Benelux region.

INVESTMENT THESIS

Since its foundation in 1922, Foyer has been the market leader in the Luxembourg insurance industry and is now present in several European countries.

Foyer's strengths include:

- Family shareholder structure and strong local anchorage;
- Strong brand;
- Outstanding service quality;
- Broad agent network;
- Dynamic management of its asset portfolio while maintaining high levels of shareholder funds.

Luxempart investment case is based upon supporting management with our hands-on, long-term private equity approach in order to shape and execute the strategy of Foyer. Priorities are strengthening its local market leadership, digitalizing its business model in order to further improve service quality for clients and agents and overall efficiency, develop its international activities and improve its capital efficiency.

+12.6%
Turnover

+c. 30%
MyFoyer users
(digital app)



2021 PERFORMANCE

2021 net result has grown to EUR 160m due to a strong rebound of investment performance (which had suffered in 2020 due to Covid-19 induced market turmoil) and a slightly decreasing operational performance due to higher claims (incl. floods in Luxembourg).

Foyer expects to continue its growth trajectory in 2022 while remaining prudent with respect to the overall economic environment economic risks linked to Covid-19.



MR. MARC LAUER (MANAGING DIRECTOR)

"For 100 years, we have been serving a local and international clientele of individuals, self-employed people and companies, offering them insurance, pension and asset management solutions to serenely prepare for their future as well as to protect their loved ones or their business. In Luxembourg, our clients can count on the sound advice of a large network of professional insurance agents, as well as on 24/7 access to our services via the digital tools that we make available to them. With the same level of excellence, our international clients benefit from the expertise of our teams and a range of efficient and largely digital solutions".



LUXEMPART PERSPECTIVE

We consider Foyer as an anchor investment in our portfolio not only because of the size of our stake but also due to the strong market position and the solid, recurring financial performance of the company. We consider ourselves as a long-term shareholder and will continue to play our role as a professional institutional shareholder alongside Foyer Finance.



7.2 % Percentage of interest

2021 Investment year



Registered office
Paris, France



Website
www.imgp.com



Business Sector
Insurance &
Financial Services -
Asset Management



iM Global Partner is a global distribution platform for top-performing asset management products. It selects entrepreneurial asset managers ("Partners") and invests in them through minority stakes. Then it distributes them on its own platform and increases their revenues by adding Assets Under Management.

Revenues for iM Global Partner hence notably stem from Partners' dividends, management fees from proprietary asset management vehicles and distribution fees.

INVESTMENT THESIS

Join two outstanding investors in a global, fast-growing financial services company

- Asset Management follows secular growth trends (ageing population, financing of retirement models)
- iM Global Partner has a strongly differentiating business model, fostered by Eurazeo and Amundi
- Allows to enter into symbiotic relationship: iM Global Partner increases Assets Under Management of its Partner through distribution capacities and the Partner increases iM Global Partner's top performing product range
- Target to attract 6-10 new Partners over the coming 5 years and deploy additional capital.

€ 34.3 bn
AuM

3
new
Partners

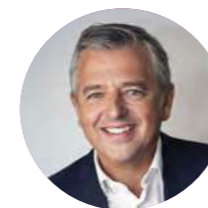


2021 PERFORMANCE

iM Global Partner has shown a strong performance in 2021, both in terms of acquisition activity and organic growth.

iM Global Partner was able to complete 3 acquisitions in new segments of the asset management and the US wealth management markets, boosting organic growth in Assets Under Management to reach more than 100% in 2021. The bulk of these investments was financed with external debt, increasing equity performance.

From a financial perspective, results exceed our initial plan drawn up at the time of our investment, with revenues nearly doubling in 2021, to reach ca. € 60.0m. Furthermore, iM Global Partner continues to entertain discussions with several potential acquisition targets.



MR. PHILIPPE COUVRECELLE (CEO)

"Some years ago, I launched iM Global Partner with the objective of creating a global network of asset managers whose common objective would be the excellence of their performance and of the services we could provide to clients. To achieve this ambitious goal, we absolutely need to adopt a long-term vision in all our actions. We were won over by Luxempart's investment and support philosophy, which corresponds in all respects to our values and our vision, highlighting the expertise of the teams, the relevance of the business model and a search for long-term and qualitative value creation".



LUXEMPART PERSPECTIVE

We are very happy to have joined the existing shareholders of the group.

iM Global Partner has ambitious growth plans that will require additional capital over the long term. Since our initial investment, we were already able to invest an additional € 3.5 m, increasing our stake from 7% to 7.2%. The landmark acquisitions completed in 2021 show management's ability to execute a very profitable strategy that was clearly defined several years ago, and followed ever since.

In 2022, the group continues to execute its acquisition strategy with one transaction closed through one of its major Partners (Polen Capital). It also continues to collect net new money, despite market volatility. This shows that iM Global Partner starts to market sufficient asset classes to increase its resilience to market volatility.



15.8% Percentage of interest

2013 Investment year



Registered office
Landiona, Italy



Website
www.mirato.it



Business Sector
Consumer goods



Mirato is an Italian producer and distributor of toiletry products. The company has a coverage of all market segments but strongly focused in the mass-market through proprietary strong local brands and private labels.

INVESTMENT THESIS

- Strong market share providing defensive position in Italy
- Organic growth fueled by private label trends
- Good cash conversion and deleveraging abilities
- Strong buy-&-build opportunities (share and asset deals)
- Internationalization of the company with accelerating organic growth in developing countries

Sales at the level of 2019-20, but inflation on raw materials impacts margins

Strong cash generation in 2021



2021 PERFORMANCE

Mirato 2021 financials have been impacted both by increased inflation and extraordinary costs due to Covid-19 while showing an improved net cash position.

In 2021 Mirato recorded consolidated net sales in slight increase compared to 2020 at € 169m. On the other hand EBITDA was impacted by extraordinary Covid-19 costs in the first half of the year and suffered from inflation on raw materials in the second half. The latter mainly affected packaging and chemical products costs.

In 2022 inflation on raw materials is continuing to negatively affect margins although the company has been able to increase selling prices to partially mitigate such effect.

The financial position of Mirato is sound with a strong balance sheet and a positive net cash position.

**MR. MAURO VACCHINI
(MANAGING PARTNER, BRAVO INVEST
AND MEMBER OF THE BOARD OF MIRATO)**

"In these last two years, in a very difficult economic environment, we continued to act as a strong and reliable partner for Mirato. We are confident that the company will continue to demonstrate its strong resilience in the coming years".



LUXEMPART PERSPECTIVE

Luxempart will continue to support the company in organic and external growth opportunities. Besides its strong position in Italy, the company will continue to develop its international reach.

RIMED

28%

Percentage of interest

2016

Investment year



Registered office Zug, Switzerland



Website www.rimed.ch



Business Sector Healthcare



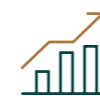
Rimed is one of the leading medical radiology groups in Switzerland and operates ten radiology centres in Switzerland. Additionally, Rimed cooperates with various hospitals and private clinics and generates sales of about CHF 50m.

INVESTMENT THESIS

Luxempart invested a significant minority stake alongside the majority owner and founder to support the capacity expansion and associated organic growth. Additionally, Rimed aims to actively consolidate the fragmented market across Switzerland via a buy & build strategy. The resulting size and economies of scale are then leveraged to position Rimed as a go-to partner for larger hospitals and to offer a shared-service model to increase the utilization rates.

+8% sales

+ 5 p.p. in EBITDA margin



2021 PERFORMANCE

After Covid-19 continued to affect the starting months of 2021, capacity utilization was back to the previous norm and Rimed was able to outperform its 2021 budget. Coupled with higher capacity utilization, Rimed was able to improve its operating processes and generate additional synergies between the group's locations. As a result, the company increased its revenue by plus 8% while simultaneously increasing its EBITDA margin by approx. 5 percentage points.



LUXEMPART PERSPECTIVE

We continue to view Rimed and its entrepreneurial management team as the optimal partner for the ongoing consolidation of the Swiss radiology market. Thanks to a strong IT platform, efficient operations, and a streamlined integration process, Rimed provides an ideal platform for medical radiology groups across Switzerland.



MR. KIM LAVER (FOUNDER AND CHAIRMAN OF THE BOARD)

"2021 was the most successful year in history of the Rimed group to date. Not only did we grow revenues and number of sites but also increased margins and reduced debt. We achieved our goals of internal and external growth and fulfilled our original business plan. The buy and build strategy had a strong support of our investing partner Luxempart which is an excellent partner in supporting our operational value creation pathway. With their support we were able to optimize the key value drivers for our company and thus greatly improve our company's overall performance".



10.01% Percentage of interest ⁽¹⁾

2020 Investment year



Registered office
Heidelberg, Germany



Website:
www.snpgroup.com



Business Sector
IT Software & Services



SNP Schneider-Neureither & Partner SE is a leading German software-based consulting firm specialised in the transformation of business ERP related IT landscapes.

INVESTMENT THESIS

SNP is a growing provider of an automated IT migration software and related consulting services for selective data transformation. The company strongly benefits from:

- Dynamically growing end markets, driven by accelerators such as the SAP S/4HANA migration wave, ongoing M&A activity and the rise of cloudification
- Technology leadership in ERP migration software, as the software solution enables the implementation of ERP migration projects in a fraction of time and cost
- Strong potential to further enhance the high margin, in part recurring, software business, as the company has existing partnerships with global leaders in cloud / SAP S/4HANA migration and the very satisfactory order pipeline encourages this thesis
- Despite a strong technology leadership, the company is still concentrating sales on DACH region, whilst being able to serve customers globally; internationalisation is expected to intensify significantly over the coming years.

+22%
Software sales²

Adj. EBIT margin c. 6%³

1) as of latest voting rights notification (08/12/2021)

2) FY20 adjusted for change in revenue recognition

3) adjusted for c. EUR 5m expenses related to acquisition of Datavard and EXA and one-off legal costs



2021 PERFORMANCE

FY2021 preliminary figures came out slightly below expectations, despite continued progress made on the partner strategy and solid growth in software revenues. FY revenues are expected to reach EUR 166m (+15% YoY), which is slightly below guidance and mainly due to a general reluctance to invest, coupled with postponement of projects from the fourth quarter 2021 to 2022.

In terms of profitability, EBIT margin increased to 3%, vs. 1.3% in FY2020. On an adjusted basis³, EBIT margin reaches c. 6%, which is in line with the guidance (5-7%).

A filled order pipeline, solid order intake in FY21 (c. EUR 192m, +4%) and book-to-bill of 1.15 should provide a good basis for further growth. In addition, with the acquisition of Datavard, a provider of intelligent solutions and consulting services for SAP data management, SNP should be able to sustainably reinforce its software offering. For 2022, SNP expects significant revenue growth and a very strong increase in EBIT and EBIT margin, assuming there is renewed willingness to invest.



LUXEMPART PERSPECTIVE

SNP's unique value proposition and its growing partner network, coupled with the newly gained strengths from the acquisition of Datavard, should enable the company to become a leading data specialist company. With our stake recently increased to 10.01%, we have become one of three anchor shareholders and now continue to aim to further support SNP in its future development. The appointment of Sebastian Reppegather, Head of Listed Investments at Luxempart, to the Board of Directors of SNP in June 2021. has been an important milestone in this context.



PROF. DR. CLAUS E. HEINRICH
(CHAIRMAN OF SNP'S BOARD OF DIRECTORS)

"The only constant is change"! As the speed of change in business is growing every day, the need for solutions that support companies in this transformation will increase massively in the coming years. Therefore, I am convinced that SNP - as the transformation company - is set for success. The new board of directors supports the dynamics of SNP with further professionalized structures for sustainable growth. We are pleased that our partner Luxempart - alongside other major investors - encourages us in our strategy with its long-term oriented investment".

Sogetrel

10.7% Percentage of interest

2021 Investment year



Registered office
Issy-les-Moulineaux,
France



Website
www.sogetrel.fr



Business Sector
Telecom, security and smart city
installation and maintenance



Sogetrel is a leading French specialist in the design, installation and maintenance of telecommunication networks. The group also expanded over the last years into the non-residential Security & Smart City markets. The group provides two types of services: Design & Build (D&B), consisting in system or solution engineering and deployment, and Digital Field Services (DFS), diversified field interventions related to user connection, equipment maintenance, system operation, or system upgrade services. Sogetrel operates more than 100 agencies with leading positions in each of its addressable French markets, and has also started developing in Belgium, Switzerland and Germany.

INVESTMENT THESIS

Investment in one of the largest French actors in the design, installation and maintenance of communication networks markets benefiting from increase in data usage (data traffic per capita expected to increase by 23% per year by 2022) and in "very high broad band" use cases. Sogetrel has an ambitious diversification plan and is well positioned to further strengthen its position:

- in the security market, it already stands among the top 10 players on the most dynamic market segments of Video Surveillance and Access Control
- in the Smart City market, leveraging its solid experience on telecom networks so as to cover major aspects of smart city use cases (smart parking, energy efficiency, e-mobility, pollution control...)

**+€ 6m
EBITDA**

**+12%
sales**



2021 PERFORMANCE

Robust activity over 2021 thanks to the strong activity of the DFS segment compensating the expected slow-down of new design & build of fibre networks.

EBITDA grows thanks to sustained activity as well as improved productivity. The group is able to progressively reduce its exposure to its main client, notably thanks to its diversification initiatives, helped by an intensive acquisition policy.

Indeed, in 2021, Sogetrel has acquired 5 companies in the Security & Smart City markets with aggregated annual sales of c. EUR 90m



LUXEMPART PERSPECTIVE

We are very happy with Sogetrel's performance after nearly 12 months of holding period.

We believe that the group is well-positioned to further grow its activities in fast growing new market segments as well as internationally. This will come from organic growth and from acquisitions, allowing Luxempart to deploy additional capital.



MR. XAVIER VIGNON (CHAIRMAN OF THE SOGETREL GROUP)

"Luxempart is an important partner in the financing round implemented in January 2021, to support us in our external growth plan, particularly in Europe".



15%

Percentage of interest¹

2016

Investment year



Registered office
Garching, Germany



Website
www.suss.com



Business Sector
TMT



Süss MicroTec is a leading supplier of system and process solutions for selected semi-conductor (mainly back-end) and related niche markets, particularly micro-electro-mechanical systems/MEMS (sensors), advanced packaging, 3D integration and LED.

INVESTMENT THESIS

Süss MicroTec is a German manufacturer of process equipment for niche semiconductor manufacturing. The company strongly benefits from:

- Market and technology leadership, being the leading player for mask aligners, coater / developer clusters and photomask cleaning equipment.
- A structurally growing market, with mid-term semiconductor market growth driven by mega trends such as digitization and 5G
- Strong value creation potential through further revenue growth and margin enhancement potential

+20%
Order entry

8-9.5%
EBIT
margin



2021 PERFORMANCE

Despite the continued impact from component shortages and increasing freight costs, Süss MicroTec has been able to achieve solid results in 2021, as all product lines benefited from continued strong demand from customer side. Order intake reached a new record level in 2021, rising by c. 20% YoY and reaching c. EUR 336m (vs. EUR 281m in 2020, i.e., book-to-bill of 1.29). However, due to bottlenecks in the supply chains, especially undelivered supplier parts and substantially increased freight costs which led some customers to shift the delivery of their orders, sales remained below expectations. FY2021 preliminary revenues thus increased by 3.5% YoY, reaching EUR 261m.

Due to the lower than expected revenues, preliminary EBIT margin should also come out slightly lower than anticipated, as revenues cannot fully absorb the increased cost base that results from the growth-related capacity expansion. Management thus expects EBIT margin to be between 8.0 and 9.5% (2020: 8.1%).

Overall, the very strong order backlog, coupled with a positive market outlook, give confidence for further positive development of the company in 2022.



LUXEMPART PERSPECTIVE

The recent record levels in order intake prove that Süss MicroTec is extremely well positioned in its market and that the technological value proposition enables the company to perform well even in times of economic uncertainty. Given these strengths, we are confident that the company can continue to grow at both revenues and margin level in 2022 and beyond. As a significant shareholder, we are pleased to have been supporting Süss MicroTec and its leadership team on the group's growth path.



MR. SEBASTIAN REPPGATHER
(HEAD OF LISTED INVESTMENTS - LUXEMPART)

"With strong exposure to pronounced structural demand for high-end semiconductors driven by new technologies such as 5G, Süss MicroTec is set for strong growth. Together with our Acting-in-Concert partner Gerlin/Teslin, Luxempart has been supporting Süss MicroTec's new CEO, and the entire executive team as well as the strengthened supervisory board under its new Chairman, in sharpening the company's strategic focus and improving its operations as a foundation for sustained revenue expansion and profitability enhancement".

¹) as of latest voting rights notification (30/03/2021), joint shareholding of the Acting-in-Concert composed of Luxempart and Teslin Capital Management; c. 8% held by Luxempart on a standalone basis

technotrans

15.03% Percentage of interest⁽¹⁾

2016 Investment Year



Registered Office
Sassenberg, Germany



Website:
www.technotrans.de



Business Sector
Industrial thermal
management equipment



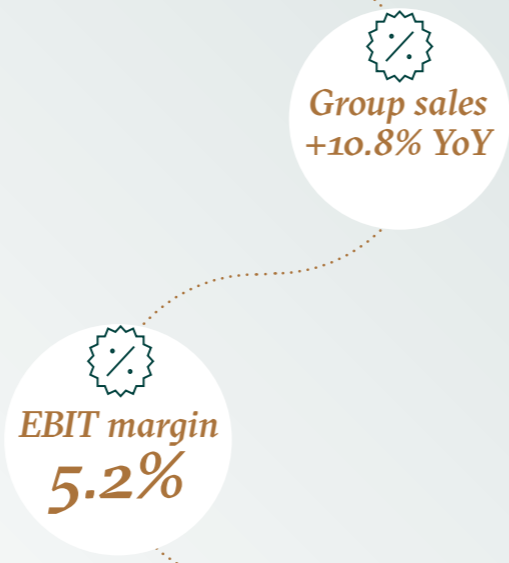
Technotrans is an internationally leading technology and service company specialised on applications in the field of thermal management.

INVESTMENT THESIS

Technotrans is a manufacturer of applications in liquid technology focused on cooling, filtration and spraying of liquids. The company strongly benefits from:

- A technology leadership position in attractive niche markets, supported by technologically superior and economically efficient products and a global sales and service network
- An attractive, asset-light business model, with a substantial share of high-margin services sales
- Attractive new addressable markets with long-term sustainable growth potential, driven by megatrends such as digitalisation, short innovation cycles and structural changes, and a strong historic market position in the print market
- Substantial potential for continuous additional value creation through an increasing focus on fast-growing non-print applications and the implementation of further integration and efficiency enhancement measures.

^{1/} as of latest voting rights notification (14.05.2020)



2021 PERFORMANCE

Technotrans showed solid development in FY21, despite increasing challenges with regards to the supply chain. Revenues are expected to reach EUR 207m (+8.4% YoY), driven by a strong recovery in the technology segment (+13.7% YoY as per 9M21). Particularly strong development was achieved in healthcare analytics (+29% YoY), plastics (+19% YoY) and energy management, while print markets developed above expectations as well (+6% YoY).

EBIT margin is expected to come out between 4.5% and 5.5%, which is in line with the prior year (4.9% in FY20). While the margin was positively impacted by continued productivity initiatives such as group-wide integration measures and further streamlining of processes, persisting supply chain bottlenecks partly offset these effects.

In 2021, the company has proven that it is on track with the implementation of its "Future Ready 2025" strategy that was announced in December 2020. For FY22, focus will remain on implementing further consolidation initiatives and realising group-wide synergy effects, before targeting accelerated growth based on new technology, reinforcement of positions in key markets and further internationalization. Mid-term guidance targets EUR 265-285m revenues and an EBIT margin of 9-12%.



LUXEMPART PERSPECTIVE

2021 has been an important year in the implementation of the company's "Future Ready 2025" strategy. Substantial progress has been made on continuing the initiated change process to further concentrate on focus markets, consolidation of group entities to benefit from group-wide synergies and strengthening the Technotrans brand so that the company is increasingly well set to initiate the next phase of its growth strategy. We are very pleased to partner up with the management team on this path and are convinced that, building on the strengths of its group companies, Technotrans should be able to expand both at an international level and into new growth markets, thereby generating substantial long-term value for its stakeholders.



MR. PETER BAUMGARTNER
(CHAIRMAN OF THE SUPERVISORY BOARD)

"In the 2021 financial year, Technotrans consistently implemented the "Future Ready 2025" strategy that has been in place since the start of the year. All milestones attributable to the reporting period were achieved. The importance of the strategy is reflected in the positive economic development: despite challenges such as Corona and the distortions in the procurement markets, technotrans significantly increased its revenue and earnings in the first nine months of the financial year and is fully on track strategically. We appreciate Luxempart's long-term orientation as a major shareholder and its commitment to supporting the company's further growth."

Companies presented on pages 61-66 together represent 7.3% of consolidated NAV

ascom

 Sector : TMT

 www.ascom.com

QUIP

 Sector : B to B Services

 www.quip.de
www.talbot-services.com

RATTAY GROUP

 Sector : Industrials

 www.rattay.de

TCM Group

 Sector : Industrials

 www.tcmgroup.dk

ASCOM

Shareholding: 4.1%

Ascom is a Swiss ICT provider, with hardware, middleware and software for healthcare (c. 68% of sales, hospitals, nursing homes, etc) and enterprise (32% of sales, broad industrial sectors). The core product portfolio comprises nurse-call systems, telephony and mobile devices, messaging and alerting software, and related project management, service and support. Ascom operates globally through its own subsidiaries and distribution partners. It is well positioned particularly to benefit from the global growth in healthcare and the digitalisation of healthcare workflow processes. Ascom's strategy focuses on development of products and solutions around mobile workflow solutions in its healthcare and enterprise markets.

INVESTMENT THESIS

Healthcare secular and structural growth, with long-term demographics driving demand growth and digitalisation. In addition, good positioning in niche healthcare markets, building end-to-end single-vendor project capability.

FY2021 preliminaries indicate a positive development of the company, despite an ongoing shortage of components. Revenues are expected to grow to CHF 292m, reflecting c. 3.7% YoY growth. Similarly, order intake increased to CHF 342m (+6.2% YoY, including by a multi-million Swiss Francs order based on a multi-year frame contract), resulting in an order backlog of CHF 256m (+19% YoY). EBITDA margin is expected to grow to 9.8% (CHF 29m), vs. 8.9% in 2020.

QUIP GROUP

Shareholding: 51%

Quip Group provides temporary staffing and industrial services across various industries and is headquartered in Aachen, Germany. Quip Group generates sales in excess of EUR 150m across two business lines:

- Quip AG which provides temporary staffing and industrial services to a wide range of clients mainly in North Rhine-Westphalia;
- Talbot Services GmbH which is a leading independent provider of maintenance, repair and operations (MRO) services and solutions for passenger rail cars as well as industrial assembly services.

INVESTMENT THESIS

- Quip AG: Leverage synergistic business model combining temporary staffing and industrial services in order to continue profitable and cash-generative growth;
- Talbot Services GmbH: Leverage position as leading independent provider of MRO services in a fast growing market segment.

After a subdued FY20, financial performance has rebounded in FY21 on the back of the improving temporary staffing market and continued growth of industrial services. We expect further sales and EBITDA growth in FY22 due to continuously improving market conditions and strong order backlog.

RATTAY GROUP

Shareholding: 39.9%

Rattay Group is a leading supplier and development partner for metal hoses and compensators (with own technology patents) for various non-automotive industries. Rattay generates annual sales in excess of EUR 30m and exports its products worldwide. The Group has subsidiaries in Austria, Denmark, France, Hungary, the Czech Republic and UK, as well as sales offices and agents overseas.

INVESTMENT THESIS

Leverage position as a niche market leader producing system critical components.

Financial performance remains affected by the Covid pandemic and increasing raw material prices, however, we expect performance to improve in FY22.

TCM

Shareholding: 9.8%¹

TCM is Scandinavia's third largest kitchen manufacturer and joint number two in its home market, Denmark, with a strong recent track record of market share gains. The company sells to B2B and B2C customers through a network of branded independent franchise stores and dealers, principally in Denmark (c. 90% of sales), and a growing number of stores in Norway. TCM's three well-regarded brands, Svane, Tvis and Nettoline, cover most price segments in the market. TCM's products can also be used in wardrobes, bathrooms and home storage solutions. TCM's strategy focuses on investing in production efficiency and capacity, as well as expanding export sales principally in Norway, with price segments opportunities in Sweden.

INVESTMENT THESIS

Market share winner with well-regarded brands in a competitive industry with high barriers to entry, scope for operational improvements and export growth. In addition, strong cash generation potential and solid balance sheet.

FY2021 preliminary figures show revenues in line with expectations but profitability in part below expectations. Revenues are expected to reach DKK 1,108 million (+8% YoY). However, resulting from continued price increases for raw materials and supply chain bottlenecks with implications on revenue mix, adj. EBIT comes out around DKK 138 million (12.5%, vs. 13.6% in 2020).

¹) as of latest voting rights notification (05/09/2019)

Companies presented on pages 61-66 together represent 7.3% of consolidated NAV

WDS

 Sector: Healthcare

 www.wds.net

tonies®

 Sector: Consumer goods

 www.tonies.com



 Sector: Healthcare

 www.novotergum.de

Unternehmensgruppe
PflegeButler®
Häusliche Pflege mit Stil GmbH
Tagespflegen & Betreutes Wohnen

 Sector: Healthcare

 www.pflegebutler.de

WDS

Shareholding: 44.0%

WDS is a German professional care service consultant, trainer and certifier. Its services are performed by its own nursing personnel and paid by the Health Insurance Companies. WDS educates and trains relatives of patients on actual care taking, care products and overall professional care services.

It employs approx. 140 service staff and is offering services all over Germany. With an expected revenue of €13m in 2021, it generates double digit margins. The Company has pursued a growth plan over the recent years.

INVESTMENT THESIS

WDS is the leading provider of care training services in Germany enjoying close relationships to all major health insurances. The services it offers are based on legal requirements for private persons who chose to take care of an elderly family member at home. These persons need to take regular trainings and the level of dependence of the family member needs to be regularly reevaluated.

TONIES

Shareholding: 4.0% (direct and indirect)

Tonies SE is the producer of Toniebox, a screenless mobile audio system for children, and the complementary Tonies, small figurines that deliver audio content over a cloud infrastructure. The company is seen as a pioneer in a newly created product category and has achieved proven consumer adoption in the DACH region, where Tonies is a leading brand for digital audio kids entertainment. The company is currently driving its expansion in the UK, the US and other markets.

INVESTMENT THESIS

Category-defining properties of Tonies audio system with potential to become a global player, coupled with significant market potential. In addition, strong potential for recurring revenues as well as margin enhancement potential.

NOVOTERGUM

Shareholding: 43.8%

Novotergum is one of the two major chains federating physiotherapy centres in Germany. At the end of 2021, the group operates 44 medical centres under its common brand.

Its expanding network is supported by active marketing, central and uniform training of therapists, and direct contracts with medical insurance companies, relying on the group to implement preventive treatments allowing to reduce overall costs of treating muscular-skeletal diseases.

INVESTMENT THESIS

Novotergum management has deep and long-lasting relationships in the German physiotherapy and orthopaedics market. It was able to secure nationwide contracts with large public and private medical insurance companies, which share the view that preventive physiotherapy reduces overall costs of back affections.

Novotergum's target is to quickly cover all major regions in Germany in order to be a one-stop shop for physiotherapy. In a deep and unconsolidated market, Luxempart helps Novotergum with fresh capital to fund its active buy-and-build strategy.

Since our investment in 2019, Novotergum has roughly doubled its network and has reached in 2021 pro-forma sales of ca. € 28m (including centres acquired during 2021).

PFLEGE BUTLER

Shareholding: 19.0%

Pflegebutler is a leading regional ambulatory care operator offering an innovative alternative care model consisting of serviced living, day care and ambulatory care all under the same roof. Pflegebutler is benefitting from strong market growth supported by secular trends, notably demographics (increasing share of >65y olds and recipients of care) and preference towards ambulatory care from potential patients, politicians and other stakeholders. The Company is operating in Lower Saxony, Rhineland Palatinate & Hesse.

INVESTMENT THESIS

Leveraging on market by continuing organic growth and selectively acquiring regional ambulatory care operators to enter into new regions and further accelerate growth.

Pflegebutler has displayed strong operating and financial performance in FY21 with the opening of several new homes and the acquisition of onesta, a regional ambulatory home care provider in Rhineland Palatinate & Hesse, which has allowed to display revenue growth of c. 30% and to maintain profitability levels despite lingering Covid-19 effects.

Companies presented on pages 61-66 together represent 7.3% of consolidated NAV



Sector : *Industrials*



www.aeb-group.com



Sector : *TMT*



www.ihstowers.com



Sector : *B2C*



www.campings.com

AEB

Shareholding: 6.3%

AEB (Agenzia Enologica Bresciana) is one of the leaders in oenology and biotechnologies applied in wine making and beer production processes. AEB enables winemakers and brewers around the world to improve natural processes. Indeed, the company sells mainly wine ingredients to its clients allowing to better master and enhance the vinification phase. Beyond wine ingredients, AEB has also established a strong positioning in beer ingredients, and in detergents for the beverages and food industry. AEB operates on a global scale and 2021 has been a recovery year with solid growth expected at sales and EBITDA level.

Our investment thesis was based on the following attributes:

- one of the worldwide leaders in its core wine ingredients sub-sector
- strong cross-selling opportunities
- worldwide company with direct sales presence
- resilient market
- unique positioning with own laboratories and production centres
- AEB is set to further (i) expand oenology in underpenetrated markets, (ii) maintain tactical positioning in beer segment, (iii) reinforce its presence in the detergent business and (iv) enhance its equipment offering, all contributing to a strong organic growth

IHS

Shareholding: 0.3%

With >30,000 towers under management, IHS is one of the largest independent owners, operators and developers of shared telecommunications infrastructure in Africa and South America.

Our investment thesis was based on the following attributes:

- resilient business model with recurring revenue
- strong and seasoned management team
- services are mission critical and benefit from high barriers to entry
- strong organic growth and further 4G & LTE rollout acceleration
- one of the biggest tower operators in Africa well positioned to act as a consolidator in Nigeria and other African countries
- embedded growth will be further enhanced by economies of scale (increase in lease up rate)
- develop new services.

The company's operations were little impacted by the pandemic during 2021. IHS is expected to end up with double digit growth numbers at sales and EBITDA level. The company was listed on the New York Stock Exchange in October 2021, with a rather disappointing share price trajectory since then. But as it is delivering its growth plan, we are confident that it should experience a strong recovery in its market capitalisation in 2022.

CAMPINGS.COM

Shareholding: 13%

Campings.com distributes weekly stays and holidays in mobile-homes located in campings mainly in France and, to a lesser extent, in Spain. Campings.com sells vacation stays either to the final end users or to travel agencies. It acts as the distribution partner of the camping owners using direct (B2C) and indirect (B2B2C) sales channels. Sourcing of the offer is made for short-term stays under two commitment models: retail with a firm commitment over the entire season and pure commissioning business.

Our investment thesis is based on the following attributes:

- Top line growth driven by organic growth
- Campings.com is a pure online and specialised distributor
- Robust business model with both retail and commissioning model fuelling the gross margin
- Direct and indirect sales channel
- Deep total addressable market in France and Europe
- Intermediation is expected to rise over the coming years

2021 has been a record year for Campings.com with a gross merchandise value topping €100m or +74% versus 2020 and + 54% versus 2019. Campings.com will continue investing in its platform and talents and has an ambitious growth plan in Europe for the years ahead.

INVESTMENT FUNDS

Luxempart decided in 2020 to further develop a second strategic investment pillar in the investment fund sector. The objective is to expand the geographical and sectorial reach of our Group and to be associated to talented managers active in parts of the world and in sectors or investment strategies Luxempart is not active with its Direct Investment team. In order to build a diversified and profitable portfolio of funds, Luxempart selects the best managers after a thorough selection and due diligence process. The long-term approach of Luxempart, the size of the commitments it can invest, our own track record in Direct Investment and our capacity to take on co-investment opportunities in a swift and professional manner support Luxempart's attractiveness for fund managers.

These fund managers follow by the terms and investment strategy outlined in their investor documentation. They are paid management fees and a carried interest (i.e. a % share of the gains realized) on the capital gains if a certain minimum return is achieved for the investors. Those managers usually invest themselves significant amounts in order to align interests. During a period of three to five years, the fund may invest the capital committed by the investors. The commitments are called over such period so that they decrease over time. During the remaining life time of the investment fund (normally between 10 to 12 years), the underlying assets of the funds are sold and capital gains are realized. That means that the classical cash cycle of an investment fund is to call the capital from the investors until the fourth or fifth year and to return it increased by capital gains from the fifth until the tenth year.

In order to reach steady net returns between 12 and 15%, Luxempart will roll out its commitments over time such as to invest over different strategies, different vintages catching different investment cycles and economic trends.

The Investment Funds will follow different investment strategies. The buyout funds are private equity managers who take over the majority of firms often in specific sectors and with significant leverage and grow the companies by operational excellence and add-on programs. The venture and growth funds invest alongside founders to finance new business ideas at different capital rounds to develop and scale the business as they become more mature. These funds have a higher risk profile but may also generate high returns. Secondary strategies tend

to provide liquidity to fund investors who want to sell their positions in funds or to managers who want to sell portfolio assets at the end of the life cycle of a fund.

Luxempart has decided to invest in these strategies with the aim of reaching the following long-term allocation within its Investment Funds program:

- Buyouts: 40-50%
- Growth: 20-30%
- Venture: 10-20%
- Secondaries/opportunistic deals: 10-20%

The investment fund universe is most developed in the US, especially in the venture capital and growth capital segment. Luxempart will therefore operate a shift towards this region while maintaining its commitments in its current fund portfolio concentrated on small to mid-cap sponsored funds in France, Germany and Italy. In order to capture also the growth in Asia, several commitments will also be taken in that region of the world. A first such commitment has been taken with Blackstone Asia. Besides, Luxempart has also taken commitments in managers active on a global scale such as General Atlantic, LGT and Committed Advisors.

In terms of geography, Luxempart targets the following allocation:

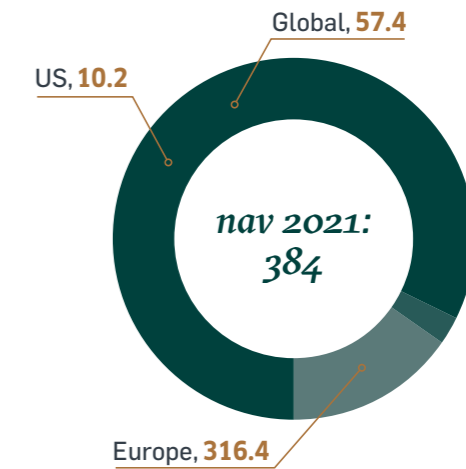
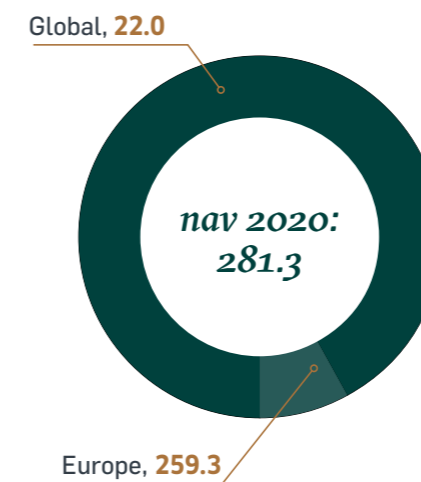
- Europe: 40-50%
- North America: 40-50%
- Asia: 10-20%

Our strategic objective is to build a diversified fund portfolio in Europe, North America and Asia across different investment strategies and vintages as well as to generate co-investment opportunities, a dedicated team selects the investment funds, builds privileged relationships with managers and strives to get access to the best funds available, if necessary with the help of advisors. The team has built a solid professional experience and network over the past through Luxempart's sponsorship of European buyout funds such as Indufin Capital Partners, Bravo Capital Partners, Armira or Ekkio Capital and also through co-investments with well-established investment funds. Hereafter we present an overview of our current Managers:

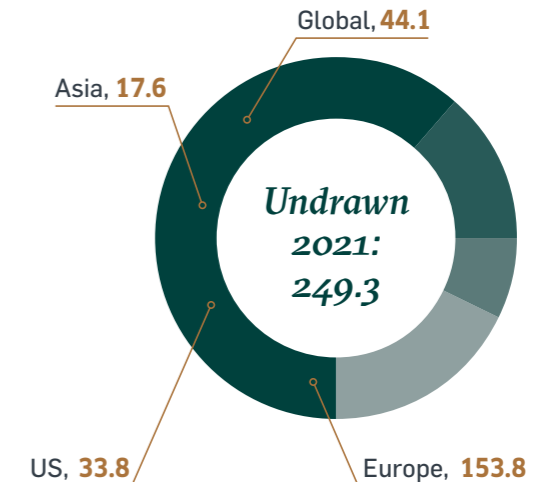
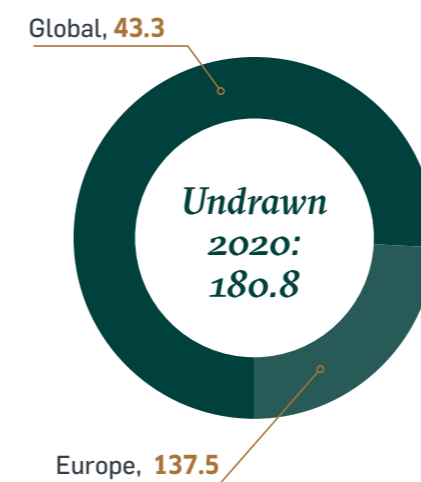
- **Buyouts:** Ekkio Capital, Bravo Capital Partners, Indufin Capital Partners, Blackstone Asia, Armira, Apax Partners, Alpine, Five Arrows Principal Investments
- **Growth:** Insight Partners, General Atlantic,
- **Venture:** Mangrove, 468 Capital, New Enterprise Associates, Quadrille Capital
- **Secondaries:** Five Arrows Secondary Opportunities, Committed Advisors, LGT

The plan over the next five years is to deploy further commitments such as to reach a level of undrawn commitments between €250 and 300m depending on capital draw down pacing.

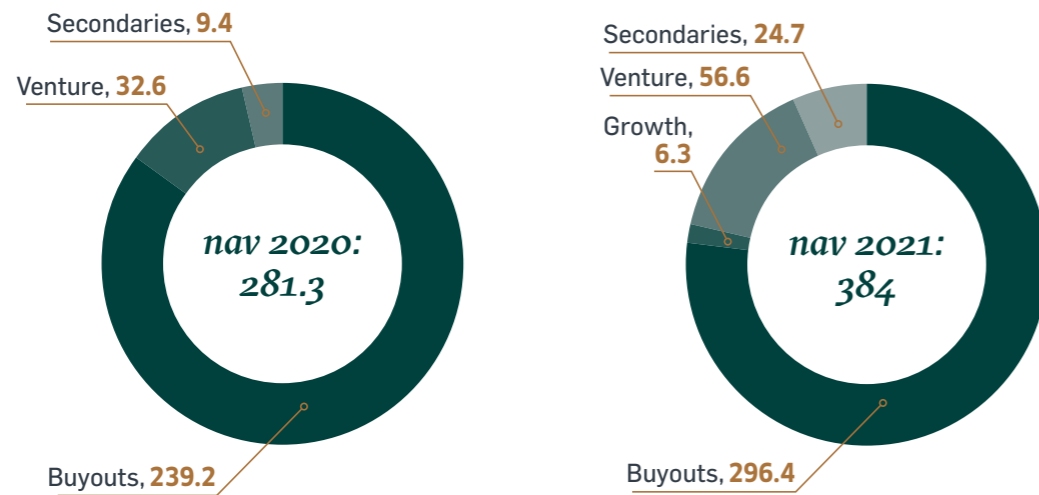
NAV breakdown per geography (€m)



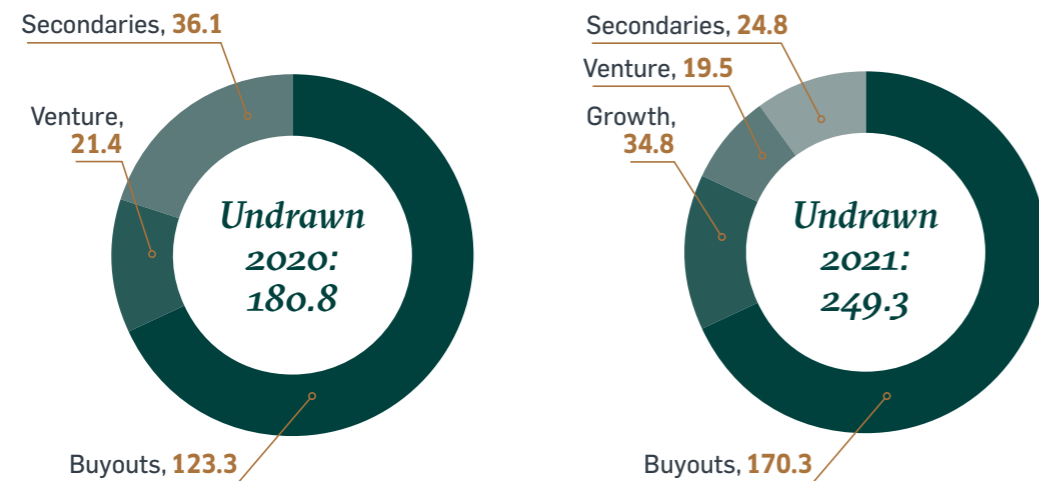
Undrawn capital breakdown per geography (€m)



NAV breakdown per strategy (€m)



Undrawn capital breakdown per strategy (€m)



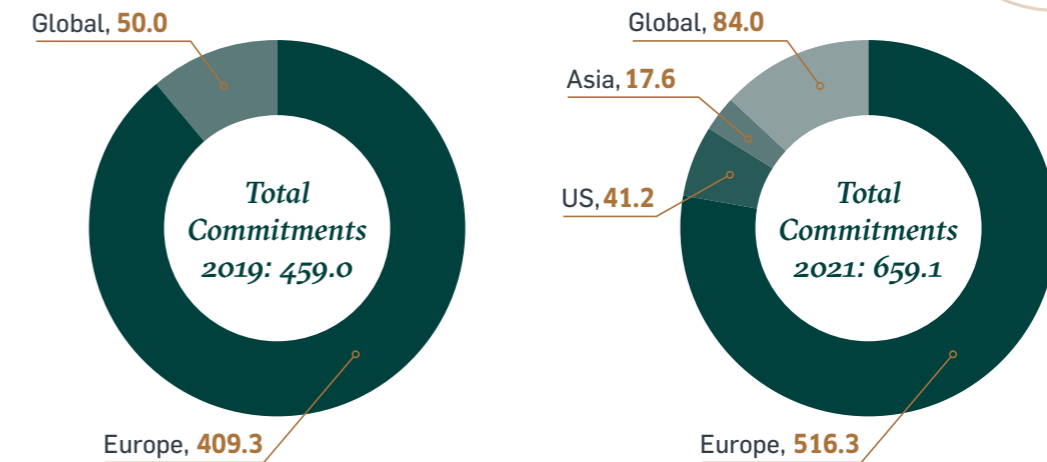
We are well underway to achieve our strategic goal within our Investment Funds activity, which is:

- Reach a total NAV of € 500m by 2025
- Diversify geographically by reducing Europe to maximum 50%
- Increase diversification by adding venture and growth strategies

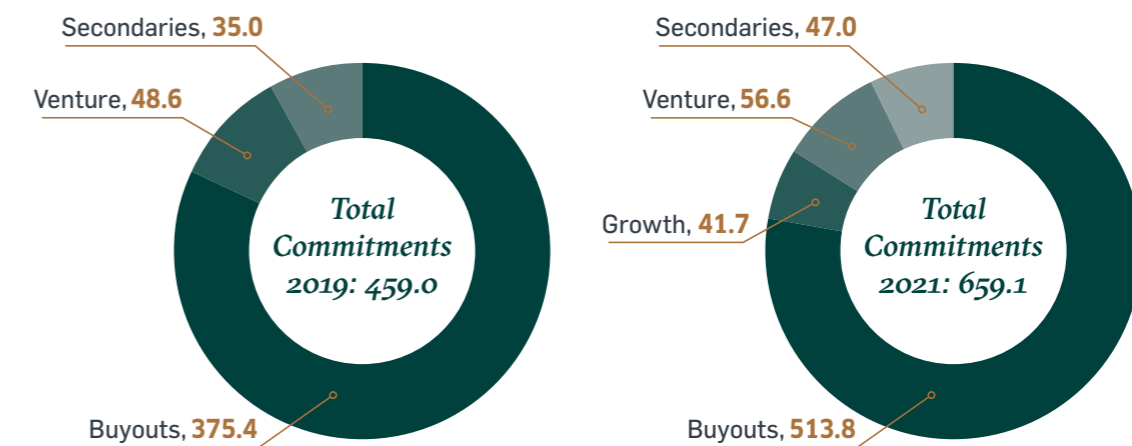
The charts below further exhibit our total commitments* between 2019 (before the implementation of the new Investment Funds strategy) and 2021.

*Total commitments correspond to the sum of Luxempart's commitments in all active funds

Total commitments breakdown per geography (€m)



Total commitments breakdown per strategy (€m)



In 2021, Luxempart took €98.3m of commitments with new managers and signed €66.6m of additional commitments with its existing pool of managers.

STATEMENT OF GOVERNANCE



John Penning

Our good performance this year is also the result of a fruitful collaboration with our Board of Directors and the strong commitment of all Luxempart teams. Luxempart's values are built on family entrepreneurship and long-term shareholder engagement and will allow for continued value creation for all our stakeholders.

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STATEMENT OF CORPORATE GOVERNANCE

The publication of information on corporate governance is organised in two documents:

- The corporate governance charter, published on the website of Luxempart.
- The statement on corporate governance included in this annual report.

INTRODUCTION

Luxempart's Corporate Governance Charter, which has factored in the 4th edition corporate governance code published in December 2017 by the Luxembourg Stock Exchange, focuses on the following aspects:

- Luxempart's organisational structure: this section describes the organisation of the Company's management processes; a description of Luxempart 's share capital, its shareholder structure, and the liquidity of its shares;
- The role and operating method of the Shareholders' Meeting, and the policy for informing shareholders; the role, composition, chair, and operating method of the Board of Directors;
- The delegation of day-to-day management;
- The Board of Directors' Specialised Committees, including the Audit, Compliance, and Risk Committee, and the Nomination and Remuneration Committee, the role of these committees, their composition, and their operating method;
- The role and composition of the Management Committee and the duties of the Managing Directors and the other members of the Management Committee;
- Luxempart's external audit process.

The Charter also includes the following information:

- A definition of the independence of Directors;
- A definition of the Board of Directors' expertise;
- The prevention of transactions involving insider trading or market manipulation;
- The compensation policy for the Directors and the members of the Management Committee; the CSR policy;
- The application of and derogation from the corporate governance principles.

The Company's Articles of Association were extensively restated on 30 April 2007 in order to take corporate governance principles into account. They were last amended in April 2019.

The restated Articles of Association are available on www.luxempart.lu

SHAREHOLDERS

As at 31 December 2021, Luxempart's shareholders are split as follows in terms of shares issued:

	Shares issued	Voting rights
Foyer Finance	50.4%	47.7%
Sofina Group	6.1%	6.8%
Stable shareholders	16.6%	18.6%
Public and institutional investors	24.1%	26.9%
Treasury shares	2.8%	-
Total	100%	100%

A liquidity agreement with KBC was signed in 2021.

THE BOARD OF DIRECTORS

Luxempart's Board of Directors consists of 13 members, including eight independent Directors who fully fulfil the independence criteria foreseen in the Luxembourg Stock Exchange's Corporate governance code.

ROLE

The Board of Directors is the body responsible for managing Luxempart. It meets as often as necessary to fulfil its obligations.

The Board of Directors is a collegiate body that has the powers to take any decisions and take any measures that are necessary or useful for the achievement of the Company's corporate purpose, except for the powers exclusively reserved to the General Meeting of Shareholders by law or the Articles of Association. The Board's task is to ensure the long-term development of the Company and of its business activities in the interests of all the shareholders, while considering the interests of other stakeholders, such as the creditors, employees, and generally speaking the community in which the Company operates.

The Board of Directors is first and foremost responsible for the strategic management of the Company and for monitoring the conduct of its business affairs, the shaping of values, objectives and key policies to be complied with.

COMPOSITION

Luxempart is administered by a Board of Directors (single-tier structure) that consists of 13 members who are natural persons or companies which have designated a permanent representative. The Directors are appointed by the General Meeting of Shareholders, on the recommendation of the Board of Directors, after the Board has gathered the opinion of the Nomination and Remuneration Committee.

Most of the members are non-executive directors. The Board of Directors includes at least two independent directors.

On 31 December 2021, Luxempart's Board of Directors consisted of 13 members:

- 3 Executive Directors, including representatives of shareholders;

- 10 Non-executive Directors, including 8 Independent Directors.

The Chairman of the Board of Directors is selected among the members of the Board. The meetings of the Board of Directors are currently chaired by Mr. François Tesch. He has held this position since 25 April 2016 and has assumed the role of Executive Chairman. Mr. Tesch served as Managing Director of Luxempart for many years. He is therefore thoroughly familiar with the Group and continues to discuss the strategic directions and main investments of Luxempart with the current executive team on a regular basis. He sees to sound governance and serves as the main contact for shareholders.

The composition of the Board of Directors has been supervised since 2007 by the Nomination and Remuneration Committee to ensure a balance between Independent Directors and Shareholding Directors. The size (13 members) is considered to be sufficient and the distribution of competencies is quite broad (investment bankers, entrepreneurs, legal experts, investment professionals, human resources and compensation). The Board of Directors is composed of ten men and three women of different nationalities (LU, DE, FR, BE, UK). The Company provides various training sessions to its Directors. A legal expert acts as the secretary of the Board of Directors.

TERMS OF OFFICE EXPIRING IN 2022

Some Directors' term of office will be renewed at the 2022 General Meeting of Shareholders: the terms of office of Mr. François Tesch, Mr. François Gillet, Mr. Pierre Drion and Mr. John Penning expire in 2022.

ACTIVITY REPORT

Issues discussed

The main issues for discussion and/or a decision by the Board of Directors in 2021 were the following:

- Review of the annual financial statements and of the consolidated financial statements for the 2020 financial year, as well as of the 2021 interim report, and approval of the related press releases;
- Preparation of the Ordinary General Meeting held on 26 April 2021;
- Review of the conclusions and recommendations issued by the Specialised Committees;

- Valuation of the portfolio;
- Investment and disposal decisions;
- Strategic reviews of Luxempart's investment policy;
- 2022 budget and business plan 2022-2024;
- Investment of the cash position, and external financing;
- Governance
- Recruitments
- Compliance
- Sustainability strategy.

Frequency of the meetings and attendance

The Board of Directors met eight times during financial year 2021.

The Directors' average attendance rate in 2021 was 93%, attesting the active involvement of all the Directors.

ETHICS

In 2021, the Board of Directors has adopted a Code of good conduct applicable to all directors, management, staff and advisors to ensure business ethics that lay the foundation for the standard of conduct and define a unified set of guidelines.

The goal of the Code is to:

- outline common values and objectives
- define general rules of conduct
- give concrete examples and introduce policies to guide our daily behaviours
- define a trustful and an attractive work environment
- inspire our investment partners and portfolio companies to adopt a similar code of good conduct.

Luxempart has also adopted in 2021 a new Dealing code so as to prevent insider trading and ensure equal treatment of its shareholders. Furthermore, in view of the ties between Foyer Finance, the major shareholder, and Luxempart, and the position of certain Directors on the bodies of the two companies, mechanisms for managing conflicts of interest have been put in place. Ad hoc committees are set up when necessary and persons with conflicts of interest are excluded from the decision-making process.

REMUNERATION

Remuneration was paid to the Directors for their office in 2021:

- Via an annual flat-rate allowance, on a pro rata basis, where applicable. The total amount of the annual gross

flat-rate allowances allocated to all of the Directors was € 706,300 (incl. tax).

- Via an attendance fee for each meeting that the Director attended. The gross total amount of the attendance fees allocated to all of the Directors was € 267,575 (incl. tax).

SELF-ASSESSMENT

In 2021, the Board of Directors conducted a self-assessment focusing on composition, functioning of the Board, information to the Board, culture, role of the President, duties, training, remuneration, committees, relationship with management and personal contribution. The findings have been presented to the Nomination and Remuneration Committee in March 2022 and concrete recommendations were made and will be implemented.

THE BOARD OF DIRECTORS' COMMITTEES

The Board of Directors may ask for assistance, in an advisory capacity, from specialised committees that it sets up and for which it determines the role, responsibilities, composition and operating method in specific areas. The powers of these Committees extend to all of the companies that make up the Luxempart Group.

The Board of Directors is currently assisted by two specialised committees:

- The Audit, Compliance, and Risk Committee
- The Nomination and Remuneration Committee

In order to efficiently support the sustainability strategy of our Group, a third committee called "Sustainability Committee" has been created in 2021 and will formally be recognised as a Specialised Committee in 2022.

The role of the Sustainability Committee is to:

- give guidance in terms of sustainability strategy
- follow sustainability laws and regulations and their potential impact on Luxempart
- follow private equity market adaptation to ESG criteria
- validate corporate and portfolio sustainability action plans and evaluate the results
- review sustainability reports
- make ESG related recommendations to the Board of Directors



FRANÇOIS TESCH
Executive Chairman



JACQUOT SCHWERTZER
Vice-Chairman



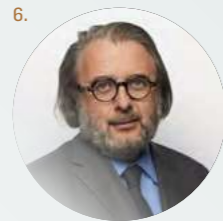
OLAF KORDES
Executive Director



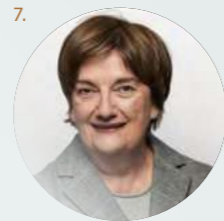
JOHN PENNING
Executive Director



KAY ASHTON



GRÉGOIRE CHERTOK



MICHÈLE DETAILLE



FRANK DONCK



PIERRE DRION



JACQUES ELVINGER



FRANÇOIS GILLET



MADELEINE JAHR



JÜRGEN VANSELOW



ALAIN HUBERTY

BOARD OF DIRECTORS

- | | | | |
|---------------------|-----------------------|---------------------|--------------------|
| 1. François Tesch | 2. Jacquot Schwertzer | 3. Olaf Kordes | 4. John Penning |
| 5. Kay Ashton | 6. Grégoire Chertok | 7. Michèle Detaille | 8. Frank Donck |
| 9. Pierre Drion | 10. Jacques Elvinger | 11. François Gillet | 12. Madeleine Jahr |
| 13. Jürgen Vanselow | | | |

Alain Huberty, CFO of Luxempart SA,
acts as the Secretary of the Board of Directors

THE AUDIT, COMPLIANCE AND RISK COMMITTEE

11. François Gillet, Chairman of the Audit, Compliance and Risk Committee, Non-Executive Director
7. Michèle Detaille, Independent and Non-Executive Director
8. Frank Donck, Independent and Non-Executive Director

THE NOMINATION AND REMUNERATION COMMITTEE

10. Jacques Elvinger, Chairman of the Committee, Independent and Non-Executive Director
 9. Pierre Drion, Non-Executive and Independent Director
 13. Jürgen Vanselow, Non-Executive and Independent Director
- Alain Huberty, CFO of Luxempart SA, acts as the Secretary of the Committee

THE GROUP EXECUTIVE COMMITTEE

3. Olaf Kordes, Managing Director (since May 2020)
 4. John Penning, Managing Director (since May 2020)
- Alain Huberty, Member
Jo Santino, Member

INDEPENDENT AUDITOR

KPMG Luxembourg SA, Cabinet de révision agréé,
represented by Thierry Ravasio, Partner

FRANCOIS TESCH

- François Tesch, co-founder of Luxempart in 1992, is Executive Chairman of the Board of Directors as from 2017 (first term in 1992).
- He was a member of the Luxempart Group Executive Committee from 1992 to 2017, and acted as Chairman of the Executive Committee from 2002 to 2017.
- François Tesch is also the Chairman of the Board of Directors of Foyer S.A., Vice Chairman of the Board of Directors of CapitalatWork Foyer Group, Managing Director of Foyer Finance and Director of Luxunion.
- François Tesch joined the Foyer insurance Group as General Secretary and then served as Chief Executive Officer from 1986 to 2014.
- After working as a financial analyst in the MEA department at WR Grace & Co in New York from 1976 to 1980 he was financial manager at WR Grace & Co in Paris from 1980 to 1982.
- François Tesch holds a Master's Degree in Economics and an MBA from INSEAD.

JACQUOT SCHWERTZER

- Jacquot Schwertzer, is Vice-Chairman of the Board of Directors as from April 2020 (first term of office: 27 April 2015).
- He was a member of the Luxempart Group Executive Committee from 2001 to 2020, and acted as Chairman of the Executive Committee from 2017 to 2020.
- Jacquot Schwertzer is a Board member of Foyer Finance S.A.
- Jacquot Schwertzer has been running the business of the Socipar family holding (petrol stations, refurbishing of pressure vessels, gas business, real estate) since 1981.
- Jacquot Schwertzer holds a Master's Degree in Economics, business administration.

JOHN PENNING

- John Penning is a Managing Director of Luxempart since 27 April 2020.
- John Penning is currently a director in several companies, in particular: Foyer Finance, Atenor, Rimed, Assmann (observer) and Luxaviation Holding Company.
- After working as a senior manager in corporate finance at Deloitte in Luxembourg, John Penning cofounded in 2009 Saphir Capital Partners SA, a corporate finance and private equity consultancy firm based in Luxembourg and London.
- John Penning holds a degree in political science and international relations from the Free University of Brussels, and a MBA from Otago University and the University of North Carolina at Chapel Hill.

OLAF KORDES

- Olaf Kordes is a Managing Director of Luxempart since 27 April 2020.
- Besides his role as Managing Director of Luxempart, Olaf Kordes holds a non-executive directorship at Foyer SA, Evariste Holding, iM Global Partner and Sogetrel (observer).
- For more than 20 years, Olaf Kordes contributed to investing 5 successive investment vehicles in mid-sized LBO transactions in France, Germany, Switzerland and Benelux.
- Olaf Kordes holds a degree from HEC Paris. He started his career at Arthur Andersen before joining the pan-European private equity fund Alpha.

KAY ASHTON

- Kay Ashton has been a Non-Executive and Independent Director of Luxempart as from 27 April 2020.
- In 2020, Kay Ashton retired from Silverfleet but continues to work for the firm as a consultant and is a non-executive director of Sigma Components, a Silverfleet portfolio company.
- In 1992, Kay moved to Silverfleet Capital, a leading European private equity firm, becoming a partner in 1996. Kay Ashton was responsible for some of the firm's most successful investments in a variety of sectors including leisure and business services. Kay Ashton also served as deputy chairwoman of the investment committee for 14 years.
- In 1989, Kay Ashton began her career in private equity with NatWest Ventures (now Bridgepoint).
- After graduating, Kay joined the London office of PwC where she trained as a Chartered Accountant.
- Kay Ashton read Natural Sciences at Jesus College, Cambridge University.

GREGOIRE CHERTOK

- Non-Executive and Independent Director (first term of office: 24 April 2016; his current term expires in 2021).
- Gregoire Chertok is a member of the Group Executive Committee of Rothschild & Co.
- He has taken part in many financial operations and transactions for major French industrial groups as advisory banker. He has provided advice and support for the development of groups such as Engie, Casino, Bouygues, Accor, Suez Environnement or Kering in France and abroad. He was a member of the economic analysis committee of the French Prime Minister from 2006 to 2010. In that capacity, he co-authored a report on the financing of SMEs in 2009.
- He is a founding member of the Fondapol think tank where he is vice president of the supervisory board.
- He joined Rothschild & Cie Banque in 1991, where he has been a Managing Partner since 2000.
- Gregoire Chertok earned a degree from ESSEC in 1988 and obtained an advanced degree in financial analysis from SFAF in 1990 and an MBA from INSEAD in 1993.

MICHÈLE DETAILLE

- Michèle Detaille is a Non-Executive and Independent Director as from April 2012
- Michèle Detaille is a Business Executive (ALIPA Group)
- Michèle Detaille is Chairwoman of FEDIL (Luxembourgish Business Federation)
- Michèle Detaille is a member of the board of the Banque Centrale du Luxembourg (BCL)
- Michèle Detaille served as a regent of the National Bank of Belgium from 2009 to 2018.
- In 2005, Michèle Detaille became a member of the Board of Trustees of the Catholic University of Louvain.
- In 1988, Michèle Detaille turned to the private sector, becoming marketing and sales manager of Accor Services for the Benelux. In 1996, together with a partner, she took over various SMEs in Luxembourg, Belgium, and France to set up a small group in industrial packaging and hoisting.
- Holder of a degree in political science, Michèle Detaille started her career as a political advisor for the presidency of the Liberal Party. In 1983, she was the youngest mayor of Belgium, before serving as a member of parliament between 1985 and 1987.

FRANK DONCK

- Frank Donck has been a Non-Executive and Independent Director as from 27 April 2020.
- Frank Donck started his career as an investment manager for Investco NV (later, KBC Private Equity NV) where he was leading larger investments and M&A processes. Since 1998 he has been the managing director of the family-owned investment company 3D investors NV.
- Frank Donck has more than 30 years of experience as a professional investor and is active as either chairman or director of various listed and non-listed companies. He currently serves as chairman of Atenor Group, as non-executive director of KBC Group and as independent director of Barco and of Elia Group. Frank Donck was previously chairman of Telenet Group Holding, Telecolumbus and Zenitel.
- Frank Donck is also vice-chairman of the Vlerick Business School and a member of Belgium's Corporate Governance Commission
- Frank Donck holds a master's degree in law from the university of Ghent (Belgium) and a master in financial management from the Vlerick Business School.

PIERRE DRION

- Pierre Drion has been a Non-Executive and Independent Director as from 28 April 2008.
- Pierre Drion is currently the president of the ULB Foundation (an institution under public law for the financing of research in the Free University of Brussels).
- Pierre Drion is also a director of Fund+, a company that specialises in investments in biotechnologies, and other non-listed companies.
- A graduate in management engineering from the Solvay Business School, ULB (French-speaking) Free University of Brussels, Pierre Drion has been a managing partner of the Petercam commercial bank and director of several Belgian companies listed on the stock exchange.

JACQUES ELVINGER

- Jacques Elvinger has been a Non-Executive and Independent Director as from 27 April 2015.
- Jacques Elvinger is the Chairman of the Nomination and Remuneration Committee.
- Jacques Elvinger has been a lawyer at the Luxembourg Bar since 1984. He is a partner in the firm of Elvinger Hoss Prussen. He is a member of the High Committee of the Luxembourg Financial Centre and the Committee of Experts created by the Commission de Surveillance du Secteur Financier (CSSF) in the field of investment funds.
- Jacques Elvinger is also a member of the board of directors of the Association Luxembourgeoise des Fonds d'Investissement.

FRANÇOIS GILLET

- François Gillet has been a Non-Executive Director as from 15 September 1992.
- François Gillet is the Chairman of the Audit, Compliance and Risk Committee.
- François Gillet has joined Sofina in 1988.
- François Gillet is a member of the board of directors of Colruyt Group, Hillebrand and Groupe Petit Forestier.
- François Gillet is a sales and management engineer (Louvain School of Management) and has an International Directors Programme Certificate in Corporate Governance from INSEAD.

MADELEINE JAHR

- Madeleine Jahr has been a Non-executive and Independent Director as from 30 April 2018.
- Madeleine Jahr is also the co-founder of Radi Pekseg, the fifth largest bakery chain in Hungary where she has been a member of the board since 1998.
- After earning a Master's degree in finance, Madeleine Jahr started her career in the big four. In 2006, she joined the group of family companies GCA Altium, an investment bank based in Munich, which holds 15 other establishments in 10 different countries. Today Madeleine Jahr is the managing director of the group.

JÜRGEN VANSELOW

- Jürgen Vanselow has been Non-Executive and Independent Director as from 24 April 2017.
- Jürgen Vanselow joined Egon Zehnder International in 1995. In 2017, Jürgen Vanselow joined Russel Reynolds Associates in Frankfurt as a partner and general manager. Today he is at the heart of the group's activities in the financial services sector, specialized in capital investment and asset management.
- From 1987 to 1992, Jürgen Vanselow worked in the corporate finance department of Booz Allen Hamilton.
- Jürgen Vanselow earned a master's degree in management from ESCP Europe in 1987 and attended the PMD programme at the Harvard Business School in 1999.

THE AUDIT, COMPLIANCE, AND RISK COMMITTEE

ROLE

The Audit, Compliance, and Risk Committee assists Luxempart's Board of Directors, as well as the boards of directors of other companies within the Group, with their tasks relating to the oversight of the financial information process, the internal and external audit process and the internal control process.

COMPOSITION

- Mr. Francois Gillet, Chairman of the Audit, Compliance and Risk Committee, Non-Executive Director
- Mrs. Michèle Detaille, Independent and Non-Executive Director
- Mr. Frank Donck, Independent and Non-Executive Director
- An employee of Luxempart acts as the Secretary for the Audit, Compliance, and Risk Committee.

ACTIVITY REPORT

Issues discussed

- Review of the 2020 annual results and 2021 interim results, the notes to the financial statements and the related management reports
- Review of the press releases on half-year and full-year results
- Audit program
- Valuation of the portfolio
- External review of the financial statements
- Review of the changes to, and application of IFRS
- 2022 budget and 2022-2024 business plan
- The Statutory Auditor's independence
- Risk management and related procedures/ policies
- Management of conflicts of interest
- Related parties' transactions
- Selection of a new auditor
- Group structure
- Incorporation of a foreign subsidiary
- Ongoing litigations
- IT security
- Liquidation of foreign subsidiaries
- Dealing code, GDPR, AML and Code of Good Conduct

Frequency of the meetings

The Audit, Compliance, and Risk Committee met four times in 2021.

REMUNERATION

The members of the Audit, Compliance, and Risk Committee are entitled to an attendance fee for each Committee meeting that they attend. The gross total amount of the attendance fees allocated to all of the members of the Audit, Compliance, and Risk Committee in 2021 was € 41,700 € (incl. 17% tax).

SELF-ASSESSMENT

The Audit, Compliance, and Risk Committee conducted a self-assessment in 2021 focusing on composition, individual contribution, relationship with management and external auditors.

THE NOMINATION AND REMUNERATION COMMITTEE

ROLE

The Nomination and Remuneration Committee assists the Board of Directors with any issues relating to the nomination (or dismissal) of, and the remuneration paid to the Directors and to the members of the Management and Executive Committees.

COMPOSITION

- Mr. Jacques Elvinger, Chairman of the Committee, Independent and Non-Executive Director
- Mr. Pierre Drion, Non-Executive and Independent Director
- Mr. Jürgen Vanselow, Non-Executive and Independent Director
- Mr. Alain Huberty, CFO of Luxempart SA, acts as the Secretary of the Committee.

The Managing Directors and the Executive Chairman are also invited to attend the meetings on specific topics.

ACTIVITY REPORT

Issues discussed

- Review of the remuneration policy
- Annual remuneration report
- Proposal of executive remuneration increases
- Executive bonus payments
- Top up pension plan
- Stock option plan
- Search for a new Executive committee member
- Search for a new CFO
- Human resources organisation chart
- Significant HR topics
- Board and Committees composition.

Frequency of the meetings

The Nomination and Remuneration Committee met four times during the 2021 financial year.

GROUP EXECUTIVE COMMITTEE

The Board of Directors has delegated the day-to-day management of Luxempart to 2 Managing Directors. The Managing Directors are supported by the Group Executive Committee in this task.

The Managing Directors and Group Executive Committee's role is to ensure:

- The day-to-day management of Luxempart and its subsidiaries
- The implementation of the strategy determined by the Board of Directors
- Monitoring the portfolio
- Source and execute new investment opportunities and propose divestments
- Any investment of up to € 25m
- Any disposal decision
- Any financing decision of portfolio companies with the approval of the Executive Chairman
- Any add on decision up to €25m with the approval of the Executive Chairman
- Proposals to the Board of Directors for investments exceeding € 25m
- Decision on deals exceeding € 25m with the prior agreement of the Executive Chairman, in accordance with Luxempart's emergency procedures
- Managing and coordinating the human resources.

COMPOSITION

The Group Executive Committee consists of the following members:

- Mr. Olaf Kordes, Managing Director
- Mr. John Penning, Managing Director
- Mr. Alain Huberty, Member
- Mr. Jo Santino, Member

ACTIVITY REPORT

Issues discussed

The Group Executive Committee treated the following issues during the 2021 financial year:

- Regular monitoring of portfolio companies
- Value creation of portfolio companies
- Sourcing and executing new deals
- Portfolio exits
- Discussing and adapting Luxempart Group's strategy
- Monitoring the Investment Fund activity
- Management of human resources and organisation chart
- Preparation of 2022 budget and 2022-2024 business plan
- Preparation of financial reports
- Cash management
- Preparation the meetings of the Group's Boards of Directors
- Preparation of the General Meetings of the Group companies
- Relations with the supervisory authorities
- Validation of important contracts
- Compliance/ AML
- GDPR
- Risk management
- Communication and roadshows
- Covid-19 preventive measures
- Creation and liquidation of subsidiaries
- Investor relationships.

Frequency of the meetings

The Group Executive Committee usually meets every week.



Left to right: John Penning - Managing Director / Olaf Kordes - Managing Director / François Tesch - Executive Chairman / Alain Huberty - Member / Jo Santino - Member

REMUNERATION REPORT

The remuneration policy of Luxempart is defined by the Board of Directors on a proposal formulated by the Nomination and Remuneration Committee. The remuneration policy is regularly reviewed, often with the help of an external consultant, such as in 2019. The full remuneration policy is part of the Governance Chart. The present report describes the remunerations paid in 2021 and how they are in line with the performance achieved by the Company.

PRELIMINARY REMARKS

The remuneration scheme is based on mid to long-term financial and performance components. The stock option plan creates an incentive over rolling periods of ten years to increase the market value of Luxempart. The underlying value of the options is closely associated to the value of the stock price of Luxempart shares. It creates alignment between management and the shareholders, who can buy and sell shares on the stock market.

The long-term incentive bonus creates an incentive over rolling periods of 4 years to beat a representative benchmark index, i.e. the MSCI Europ Mid Cap index. A bonus is paid if over the reference period of 4 years the net asset value per share increased more than the reference index. This again creates an alignment with our shareholders who invest in Luxempart to generate better returns than if investing in a market index.

The remuneration scheme will be extended in the coming year to sustainability components in the wake of ESG frameworks impacting our activity. The Nomination and Remuneration Committee will receive proposals from the newly created Sustainability Committee to include this dimension in the remuneration policy. Once the ESG KPI's and priorities will have been defined, such remuneration policy should include related incentive mechanisms.

REMUNERATION

Members of the Board of Directors ("MOB")

The MOB are paid a fixed annual allowance (before tax) of € 50,000 and € 75,000 for the Executive Chairman. In order to incentivize attendance, an attendance fee of € 2,500 (€5,000 for the Chairman) is paid for each meeting per member present.

The applicable VAT is also paid by the Company. The MOB who are also members of the Nomination and Remuneration Committee or the Audit, Risk and Compliance Committee receive an attendance fee of € 2,500 (€ 5,000 for the Chairman) per attended meeting. No variable remunerations or other advantages are due, except for the Vice-Chairman and Executive Chairman who were attributed stock options and for Long-Term incentive bonus. Travel costs are borne by the Company. The total amount paid to the MOB amounts to € 1,049,400 for 2021.

Managing Directors

The 2 Managing Directors were paid in total (gross amount) € 601,711 as a fixed remuneration. No Board fees were paid or kept.

The 2 Managing Directors benefit from a Long-Term Incentive Plan ("LTIP"). They were attributed Performance Units Cohort 2017-2020 ("PU 17-20") which measure the outperformance of Luxempart's NAV (dividends paid out reintegrated) over the Cohort period 2017-2020 compared to the performance of the MSCI Europe Mid Cap net return over said period.

Due to the outperformance over the Cohort period, the PU 17-20 were partially vested and entitled to a cash bonus payment for both Managing Directors in April 2021.

The Managing Directors are also attributed each year a number of stock options with a vesting period of 4 years and a maximum exercise period of 6 years as from the end of the said vesting period.

The stock option plan develops a value over time in case the share price increases above the strike price. Each option entitles, at exercise, either to receive one Luxempart share or to a cash settlement (difference between stock price and strike price). The total quantum also depends on the number of options granted.

The following number of options were attributed in December:

	2021*	2020 (€46)
Strike price	€76.29	€46
John Penning	22,000	22,000
Olaf Kordes	22,000	22,000

*preliminary attribution, definitive attribution in March 2022

The options can be exercised over a six-year period and for the first time four years after attribution. Each Managing Director has a monthly car leasing budget of € 1,200 or a car allowance of the same amount. Fuel costs for professional trips are also paid by the Company.

Summary of the Managing Directors' remuneration

Amounts in € 000	2021	2020
Gross fixed salary	601.7	564.8
Variable remuneration/ LTIP	857.9	n/a
Pension plan (fixed contribution)	85.9	37.7
Benefits in kind	21.3	19.8

The Managing Directors didn't receive any other benefits in 2021.

Other members of the Group Executive Committee

The 2 other members of the Executive Committee have a remuneration composed of:

- A fixed yearly gross salary of around € 300,000 per year;
- An LTIP (the same as for the Managing Directors)
- The attribution of stock options
- Contribution to a pension plan
- A monthly car leasing budget of € 1,200 or a car allowance of the same amount.

Summary of other executive committee members

Amounts in € 000	2021	2020
Gross fixed salary	633.2	609.3
Variable remuneration/ LTIP	1.826.2*	681.2
Pension plan (fixed contribution)	69.6	67.2
Benefits in kind	12.3	12.3

*including one-off bonus to one GEC member due to the carried interest scheme on one underlying investment vehicle

The following number of options were granted	2021 *	2020
Strike price	€ 76.29	€46
Alain Huberty	22.000	22.000
Jo Santino	4.400	13.000

*preliminary attribution, definitive attribution in March 2022

Executive Chairman and Vice-Chairman

The Executive Chairman's remuneration can be summarized as follows:

Amounts in € 000	2021	2020
Gross fixed salary	305.2	302.9
Variable remuneration/ LTIP	236.4	407.8
Benefits in kind	28.3	28.3
Board fee (gross)	134.5	122.9

The Executive Chairman has transferred his Board fees to Foyer Finance.

The Vice-Chairman's gross remuneration was as follows:

Amounts in € 000	2021	2020
Board fees	96.5	85
Management fees/ LTIP	158.8	620.4

Both Executive Chairman and Vice-Chairman were granted stock options as follows:

	12. 2021*	12. 2020
Strike price	€76.29	€46
Executive Chairman	5,500	5,500
Vice-Chairman	5,500	5,500

*preliminary attribution, definitive attribution in March 2022

Exercise of options

The number of options exercised by the members of the Group Executive Committee and Executive Chairman in 2020 and 2021 was as follows:

	2021	Strike price	2020	Strike price €
Jacquot Schwertzer	10,400	33.99	8,000	33.99
François Tesch	9,920	27.40	5,750	23.99
François Tesch	7,185	23.64	-	-
Alain Huberty	7,358	31.20	-	-
Jo Santino	5,000	33.99	-	-
Jo Santino	4,319	31.20	-	-
Jo Santino	5,304	34.51	-	-

Options were either converted into shares or resulted in a cash settlement.

TRANSACTIONS IN LUXEMPART'S SECURITIES

A report regarding the transactions in Luxempart's securities performed by individuals who hold management responsibilities at the Luxempart Group and by individuals who have regular or occasional access to inside information must be published on Luxempart's website. Twenty one statements were published in 2021.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

INTERNAL ENVIRONMENT

The internal environment is a major factor in the Group's culture, since it determines the staff's level of awareness in terms of the need for monitoring and managing risks. It forms the basis for all of the other internal control aspects. Factors that have an impact on the internal environment specifically include:

- Integrity and ethics
- Family values
- The management style
- The policy for delegating responsibilities
- The organisation policy
- The staff's expertise
- The training policy.

RISK MANAGEMENT POLICY

The risk management policy is implemented by the Group Executive Committee under the supervision of the Audit, Compliance, and Risk Committee and of the Board of Directors. It includes the definition of targets, the assessment of risks and responses such risks.

The work relating to risk management is summarised in a risk map, which is reviewed and discussed by the Audit, Compliance, and Risk Committee on an annual basis.

The risks relating to the investments vary significantly and are addressed by management and the entire team. Luxempart is involved in managing its investments' risks by attending the meetings of Board of Directors, Audit, Compliance, and Risk Committees, or via other means.

DEFINITION OF TARGETS, THE ASSESSMENT OF RISKS, AND RESPONSE TO RISKS

Financial risks

The main risks that the Group faces are financial risks, and especially market risks. The financial risks are set out in Note 25 to the consolidated financial statements.

In the case of the listed securities portfolio, the risk of price fluctuations relating to changes in the market price is determined by price volatility on the stock exchanges on which the Group operates (Paris, Frankfurt, Brussels, London, etc). The price risk relating to the listed assets is reduced thanks to the portfolio's diversification, from both a geographical and sector standpoint.

The financial risks relating to the private equity portfolio are primarily correlated to trends in the financial markets and the listing exchanges in the countries in which Luxempart's equity investments operate but are also influenced by the financial multiples recorded at the time of purchase and sale transactions. Furthermore, private equity portfolios have experienced lower volatility than listed equity portfolios in general since 2008. Nevertheless, the financial risks incurred by Luxempart's private equity portfolio are also mitigated by the geographical diversification of the investments, by the type of intervention (investment funds and direct equity investments), as well as by the sector-based diversification of investments.

Risks relating to the preparation of financial information

Luxempart has an accounting department that processes the accounting information received. The department works in such a way that tasks are performed on an ongoing basis in the event that one person is absent. The detailed process for monitoring and encoding accounting documents is explained in an accounting procedure. The internal auditor reviews the accounting balances on a regular basis..

Risk relating to non-compliance with the legislation

Luxempart pays attention to the trends and to complying with legislation and regulations. The processing of specific transactions is the subject of a specific assessment, which includes consulting the Statutory Auditor or other specialists.

Reputational risk

Luxempart ensures that the Company's core values and behavioural rules are complied with.

Climate-related and other ESG risk

The Group is not directly exposed to significant climate-related or other environmental risks. Luxempart acknowledges that the ESG factors are having an increasing impact on its business environment. The Management is working on a new Sustainability policy that will enable the Group to better monitor and manage the ESG risk in general and the climate-related risk in particular. Luxempart aims to develop a framework as well as a risk management system in order to limit the ESG risk and to seize ESG opportunities to create value. Until the full implementation of this risk management system, Management continues to closely monitor the portfolio companies and to support their sustainability initiatives.

The Audit, Compliance, and Risk Committee together with management ensure that the Group is compliant with all applicable ESG laws and regulations.

Control activities

Day-to-day tasks relating to internal control are entrusted to the financial controller, under the supervision of the CFO and the Audit, Compliance, and Risk Committee. Luxempart has introduced a policy aimed at separating tasks and delegating authority in order to make it hard to intentionally carry out fraud and to make identifying any mistakes easier.

As part of its assignment to review the Group's financial statements, the statutory auditor reviews the internal control system relating to preparing and presenting the financial statements in effect at the Group. The statutory auditor informs the Board of Directors and the Audit, Compliance, and Risk Committee, where applicable, of any significant weaknesses in the internal control process relating to the preparation of the financial information that they may record during their audit.

The Audit, Compliance and Risk Committee's role in preparing the financial information and preventing risk

The Audit, Compliance, and Risk Committee reviews the financial information, the consolidation process and the valuation of Luxempart's financial assets. Furthermore, the Audit, Compliance, and Risk Committee reviews the internal control system in terms of finance, accounting and legal and compliance issues. The Audit, Compliance, and Risk Committee also monitors the financial reporting process.

The Audit, Compliance, and Risk Committee ensures the following in that context:

- The independence of its members
- The prior approval of the selection process of the statutory auditor and his compensation
- Obtaining an annual statement of independence from the statutory auditor
- Proper communication between the statutory auditor and the accounting department and the Company's Management
- The performance of one-off internal audit assignments in addition to the work performed by the financial controller;
- The proper preparation of the financial information
- The review and approval of the financial information by the Company's Management
- Making recommendations to the Board of Directors in the following areas:
 - The year-end process, and the management reports containing financial information
 - Identifying and managing the Group's main risks
 - The accounting procedures
 - The rules for preventing potential insider trading and market manipulation offences.

The Chairman of the Audit, Compliance, and Risk Committee prepares a report on its work for each Board of Directors' meeting and issues tangible recommendations to the Board of Director's on the aforementioned points and makes sure they are implemented.

The Board of Directors reviews and approves the yearly and half-yearly financial information.

Information and communications

Luxempart makes efforts to obtain and provide all of the relevant and high-quality information required for its proper operation.

The human dimension of its team enables effective internal communications. Internal information systems are in place and enable the communication of relevant information, e.g., the documentation used to prepare the various committees and meetings, communication of management data (NAV and internal memos and reports) and regular reports on the investments managed by our partner teams.

The press releases are reviewed by the Management Committee and possibly by the Board of Directors and the Audit, Compliance, and Risk Committee.

OVERSIGHT AND STEERING

The Board of Directors and the Audit, Compliance and Risk Committee assess the implementation and proper operation of the risk management and internal control system on an annual basis.

The oversight and monitoring activities are performed by the Board of Directors and the Audit, Compliance and Risk Committee. The business controller performs internal audit reviews. The Audit, Compliance and Risk Committee assesses the need to commission one-off assignments entrusted to an external service provider on an annual basis.

COMPLIANCE WITH THE PRINCIPLES OF STOCK EXCHANGE COMPANY GOVERNANCE

Luxempart adopted a clear, transparent and public corporate governance regime (principle 1). Its Board of Directors is competent, diversified and aware of the interests of the Company and its shareholders (principle 3). Specialised Committees are operational. The positions of Chairman and Managing Director are separate. The Board of Directors functions as a collective body and ensures the long-term interest of the Company (principle 2). The Board of Directors conducts regular self-assessments that result in concrete recommendations improving governance.

As regards the independence criteria (principle 3, recommendation 3.5), more than half of the members of the Board are independent Directors. Three women sit on the Board at this time.

The members of the Board are appointed by an independent Nomination Committee (principle 4). One of the members of the Committee has extensive human resources skills (partner of an internationally recognized HR consultancy and recruitment firm).

The Board of Directors has adopted a Code of good conduct including rules governing conflicts of interest as well as a Dealing Code regulating the trading of Luxempart securities and interests in portfolio companies, including the directors of direct or indirect parent companies, in order to comply with principle 5: "ethics".

The Group Executive Committee is composed of high-level professionals with complementary skills (principle 6). Controversial debate and respect for critical opinions are cultivated in the Group Executive Committee.

The Company has adopted a remuneration policy (principle 7) published in the Governance charter.

The fixed remuneration is in line with market practice. The reference variable remuneration was reviewed thoroughly in 2019 with the help of a consultant. The variable remuneration is long term and is designed such as to outperform the European stock market index and to align team interests with shareholder interests. Moreover, the long term, sustainable stock option plan is a long-term scheme aimed at retaining talented managers in a highly competitive human resources environment.

The amounts paid out each year to the Directors and to Management, including the status of the stock options, are published. The compensation policy was vetted by a specialized firm and the calculations are regularly reviewed by the auditor.

The financial reporting, internal control and risk management (principle 8) are carried out by an internal team composed of accountants, legal experts, investment managers (for the valuations) and a financial controller with auditing experience. The Audit, Compliance and Risk Committee is chaired by a specialist with extensive knowledge in audit and finance. The advisory services provided by the auditor were limited to a minimum in order to safeguard his independence. Tax advice has accordingly been transferred entirely to third party service providers.

Finally, as regards respect for the rights of shareholders and equal treatment (principle 10), the Company appointed a compliance officer to monitor compliance with the transparency rules, the egalitarian dissemination of information and the application of procedures to prevent insider trading. The General Meetings of Shareholders are held in accordance with the law and a discussion by and between Management, the Board of Directors and the shareholders is ensured.

SUSTAINABILITY REPORT

LUXEMPART'S AMBITIONS

Sustainability is becoming a core component of Luxempart operations. In line with its fundamental values coming from its family shareholders combined to the excellent governance required from a listed company, Luxempart takes it to heart to act as a reliable partner and shareholder with a long-term vision. Our ambition is not only to monitor and mitigate the risks linked to climate change and social injustice but also to enhance value creation through responsible sustainable and societal behaviour.

In 2020, the Board of Directors and the Group Executive Committee have decided to implement a more structured way to consider ESG factors in the operations and strategy of the Group. In this context, Luxempart has allocated a team and hired a consultant to develop and implement a sustainability strategy. The purpose of this strategy is to deliver competitive returns and to consider ESG risks so as to protect against negative impacts but also to pursue value creating ESG opportunities. This way Luxempart will progressively make the shift from a financial only to a sustainable investor.

Our sustainability journey really began in 2021, when Luxempart took its first steps by setting up a team and hiring a consultant as sustainability business advisor. The main results of this almost year-long collaboration are stakeholder engagement (as described below), the sustainability roadmap, a mid-term action plan and the approval of an ESG framework.

Our tailored sustainability framework

As there is no one single widely recognised ESG framework, we have chosen to develop our own sustainability framework based on a methodical analysis of:

- our values and our own priorities,
- the expectations of our shareholders and other stakeholders resulting from the stakeholder engagement (see below); and
- the priorities of the respective industries our portfolio companies are part of.

Our sustainability framework has been defined in a collaborative approach with our stakeholders and by considering the ESG specificities of the industries we are invested in. The outcome has resulted in a materiality from which we chose to focus on the 16 preponderant criteria. These 16 criteria encompass the most common and relevant environmental, social and governance standards. These indicators define our priorities in corporate and portfolio actions around the three ESG areas: planet, people and governance.

ESG ACTIONS AT CORPORATE LEVELS

At corporate level, Luxempart has already taken actions on the three ESG pillars.

Planet

Different environmental protection initiatives have been taken to:

- Reduce waste: easily available waste recycling system, less paper consumption by increasing digital solutions, replacement of plastic cups and water bottles by glass cups and water fountains, food waste reduction programme put in place at the canteen
- Reduce carbon footprint: installation of chargers for electric vehicles, office rented in a recent building that meets high norms and standards, home office developed for employees, replacement of a great part of business travel by video conference system, car policy
- Promote a healthy ecosystem: increasing part of local and organic food served at the canteen, optimising water consumption.

People

Our people are our most important asset and for this reason Luxempart aims to be a model employer. In this view, concrete measures have been taken to improve social cohesion in the Company, such as:

- Increasing the health and well-being of the team: new

break room renovated, fitness club, health checks, free fruits and beverages, healthy meals at reduced price, ergonomic workplace, hospitalisation insurance paid for the employees and their family, performant IT infrastructure and tools enabling work from home, appointment and training of a health & safety worker

- Non discrimination and equal opportunity: remuneration policy and processes in place assuring equal remuneration for equal work, oversight of the Nomination and Remuneration Committee
- Focus on talent development: focus on HR competences, increase training opportunities and foster career development

Governance

Luxempart has always applied exemplary governance standards. As part of our sustainability journey we have continued to raise those standards in 2021 by taking the following actions:

Creation of the Sustainability Committee

In order to efficiently accompany this strategic challenge for our Group, its governance has been adapted through the creation of a Sustainability Committee. The role of this Committee is to:

- give guidance in terms of sustainability strategy,
- follow sustainability laws and regulations and their potential impact on Luxempart,
- follow private equity market adaptation to ESG criteria,
- validate corporate and portfolio sustainability action plan and evaluate the results,
- review sustainability reports,
- make ESG related recommendations to the Board of Directors.

Stakeholder engagement

In 2021, we have consulted representatives of our stakeholders in order to understand and take into consideration their expectations in terms of sustainability. Conductive to a materiality assessment, we have interviewed and exchanged with representatives from our shareholders, employees, portfolio companies and other financial market participants. This stakeholder engagement is the base of the development of our corporate and portfolio management strategy.

The expectations of our stakeholders have been followed in the process of establishing our new sustainability framework described here above.

Code of good conduct

In 2021, the Board of Directors has adopted a Code of good conduct applicable to all directors, management, staff and advisors to ensure business ethics lay the foundation for the standard of conduct and define a unified set of guidelines. The goal of the Code is to:

- outline common values and objectives,
- define general rules of conduct,
- give concrete examples and introduce policies to guide our daily behaviours,
- define a trustful and an attractive work environment,
- inspire our investment partners and portfolio companies to adopt a similar code of good conduct.

GDPR and data privacy

In 2021 Luxempart has started to modernize its internal and external data protection policy. For our internal policy, on personnel data, we have added a new explanatory clause in the employment contract and we have drafted an internal circular explaining more clearly the nature of the processing of personal data by the employer as well as the rights of the personnel with regard to these data. With regards to third party data, we have updated and reinforced our declaration of confidentiality and adopted a new GDPR policy.

For our external data protection policy, we have started to modernize our privacy notice and our communication tools in order to reinforce our information to third parties about the processing of their personal data that we may have to do.

In terms of data privacy, Luxempart works in close collaboration with its IT infrastructure provider to continually increase IT security and protect our data from all kinds of risks, such as internal or external threats, handling errors, misunderstanding of hazards, inefficient data erasure... A new highly efficient antivirus has been installed beginning of 2022. Luxempart and our IT infrastructure provider have defined a mandatory training programme. This programme consists of monthly training sessions with knowledge tests and are compulsory for all users of our IT infrastructure. The IT security is overseen by the Audit, Risk, and Compliance Committee, which receives an update at least three times per year.

SUSTAINABILITY VISION FOR LUXEMPART'S PORTFOLIO

Luxempart recognizes the impacts and interdependencies of Environmental, Social and Governance factors (ESG factors). By incorporating ESG factors into its decision process, Luxempart aims to future-proof itself against oncoming issues and to enhance new value creation factors. If companies don't have a proper ESG roadmap, they're going to be uncompetitive and risk to become unattractive assets. That's why Luxempart aims to provide its portfolio companies with levers for action to undertake the shift to a more sustainable value creation process. This will result in including key sustainability criteria in strategic decisions.

Integration into our investment cycle

The sustainability framework and policy will apply to both our Direct Investments and Investment Funds. The 16 criteria will be the common thread to better help assess and mitigate ESG risks through our entire investment cycle – from the screening of investment opportunities through the holding period to the exit.

Exclusion list

In order to reflect our core values in our investment decision, Luxempart has established:

- an exclusion list that comprises activities and business sectors that are strictly prohibited;
- a list of sensitive business areas that comprises activities and sectors that present higher environmental, social and/or governance risks. It is not prohibited to invest into a sensitive business area, but further risk & rewards analysis should be conducted.

Companies that have in a recent past severely breached one or more principle(s) of the UN Global Compact guidelines shall also be considered as having a higher ESG risk that require further procedures.

Roadmap and action plan for 2022

After the first steps of the projects taken in 2021, we will focus this year on:

- The definition of a Sustainability policy
- Perform the first sustainability due diligences and prepare for the data collection
- Establish first reporting based on the approved sustainability framework
- Monitoring the constant evolution of the ESG legal and regulatory framework.

CLIMATE AND OTHER ENVIRONMENTAL RISK MANAGEMENT

The Group is not directly exposed to significant climate-related or other environmental risks. Luxempart acknowledges that ESG factors are having an increasing impact on its business environment. As presented above, Management is working on a Sustainability policy that will enable the Group to better monitor and manage the ESG risks in general and the climate-related risks in particular. Luxempart has developed a framework that will be the corner stone of an ESG risk management system in order to limit the ESG risk and to seize ESG opportunities to create value. Until the full implementation of this risk management system, the Management continues to closely monitor the portfolio companies and to support their sustainability initiatives.

The Sustainability Committee together with Management ensure that the Group is compliant with all the applicable ESG laws and regulations.

CONSOLIDATED FINANCIAL STATEMENTS

at 31 December 2021



Alain Huberty

"The good business of our portfolio lines and investment funds as well as several successful exits in our listed portfolio during 2021 allow us to present an exceptional performance of 29% for our shareholders. The financial statements show the significant evolution of all our key financial indicators such as the consolidated equity now exceeding the € 2bn mark"

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12, rue Léon Laval
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Luxembourg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Luxempart S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial assets

a) Why the matter was considered to be one of most significance in our audit of the consolidated financial statements for the year ended 31 December 2021

Refer to Note 2 Consolidation principles, valuation rules, and accounting standards, Note 10 Financial assets at fair value through profit or loss and Note 25 Financial risks to the consolidated financial statements.

The Group holds financial assets which are measured at fair value in accordance with IFRS. Those financial assets represent 93% of total assets, and 86% of financial assets are investments for which the fair value is not determined by reference to a quoted price ("non-quoted investments").

For non-quoted investments, the fair value is determined through the application of valuation techniques in accordance with International Private Equity and Venture Capital Valuation Guidelines, and relevant IFRS. The application of valuation techniques involves the exercise of significant judgment by Management in relation to the choice of valuation technique employed and assumptions used for the respective models.

The judgment involved and the significance of the amount relative to other captions in the consolidated financial statements led us to identify the fair value of non-quoted investments, as key audit matter.

b) How the matter was addressed in our audit

Our procedures over the valuation of financial assets include, but are not limited to:

- Gaining an understanding of the Management's process and controls related to valuation of financial assets.
- Assessing compliance of valuation techniques with the International Private Equity and Venture Capital Valuation Guidelines, and relevant IFRS.
- Verifying key inputs of the valuation models used by Management and checking the accuracy of the computation of the valuation models.
- Obtaining the external expert valuation report used by Management to assess the fair value of a sample of investments as at 31 December 2021.
- For a sample of instruments, involving our valuation specialists to inspect valuation models and challenge key assumptions applied by Management.
- Verifying the completeness, relevance and accuracy of the disclosures in relation to the impairment of financial fixed assets.

Other matter relating to comparative information

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 March 2021.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated report including the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Board of Directors on 26 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letter c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of Luxempart S.A. as at 31 December 2021, identified as luxempart-2021-12-31.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of Luxempart S.A. as at 31 December 2021, identified as luxempart-2021-12-31.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 24 March 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Thierry Ravasio
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of €	Notes	31/12/2021	31/12/2020
Dividends income	6	50,179	47,364
Net gains / (losses) on financial assets	10	462,780	120,490
Profit on investments activities		512,959	167,854
Services / recovery of services		2,148	2,433
Staff costs	5	-7,528	-6,311
Operating expenses	4	-6,569	-6,362
Depreciation and amortisation of non-current assets	9	-99	-923
Impairment of current assets		-	-544
Profit from operating activities		500,910	156,146
Financial income	7	471	1,207
Financial expenses	7	-1,667	-635
Profit before tax		499,715	156,718
Tax expenses	8	-988	-24
Profit for the year		498,727	156,695
Attributable to the owners of the Company		498,727	156,695
Earnings per share attributable to the owners of the Company			
Basic weighted average number of shares	15	20,100,894	20,084,332
Diluted number of shares		20,587,857	20,609,400
Earnings per share - attributable to the owners of the Company (in €)			
Basic		24.81	7.80
Diluted		24.22	7.60

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of €	Notes	31/12/2021	31/12/2020
Consolidated profit for the year		498,727	156,695
Items that could be reclassified subsequently to profit or loss :		-	-
Total comprehensive income		498,727	156,695
Attributable to the owners of the Company		498,727	156,695
Comprehensive income attributable to the owners of the Company			
Basic weighted average number of shares	15	20,100,894	20,084,332
Diluted number of shares		20,587,857	20,609,400
Comprehensive income per share attributable to the owners of the Company (in €)			
Basic		24.81	7.80
Diluted		24.22	7.60

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

ASSETS

in thousands of €	Notes	31/12/2021	31/12/2020
Non-current assets			
Financial assets at fair value through profit and loss	10	2,015,795	1,599,666
Loans and receivables	11	62	62
Bank deposits	13	35,000	55,000
Intangible and tangible assets	9	368	382
Total non-current assets		2,051,224	1,655,110
Current assets			
Loans and receivables	12	19,356	5,212
Bank deposits	13	-	30,000
Cash and cash equivalents	13	107,599	38,978
Total current assets		126,955	74,190
Total assets		2,178,179	1,729,299

The accompanying notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

in thousands of €	Notes	31/12/2021	31/12/2020
Equity attributable to the owners of the Company			
Capital and share premium	14	66,860	66,860
Reserves	15	1,603,533	1,478,509
Profit for the year attributable to the owners of the Company		498,727	156,695
Total equity attributable to the owners of the Company		2,169,120	1,702,064
Total equity		2,169,120	1,702,064
Non-current liabilities			
Non-current provisions	18	4,193	3,308
Bank borrowings	17	-	19,169
Total non-current liabilities		4,193	22,477
Current liabilities			
Trade and other payables	19	4,866	4,758
Total current liabilities		4,866	4,758
Total liabilities		9,059	27,235
Total equity and liabilities		2,178,179	1,729,299

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

in thousands of €	Notes	31/12/2021	31/12/2020
Profit for the year		498,727	156,695
Adjustments for :			
Depreciation and amortisation of non-current assets		99	124
Net gains / (losses) on financial assets	10	-462,780	-120,490
		36,046	36,328
Acquisition of financial assets	10	-257,447	-169,154
Disposal of financial assets	10	304,099	148,603
Net change in loans and receivables		-14,144	-2,301
Net change in borrowings and debts		993	-497
Bank borrowing	17	-19,169	8,990
Other changes		686	-
Net cash flows from operating activities		51,064	21,969
Including :			
<i>Taxes paid</i>		-143	-27
<i>Interest paid</i>		-300	-344
<i>Interest received</i>		10	13
Acquisitions / disposals of tangible and intangible assets	9	-85	-46
Net cash flows from investing activities		-85	-46
Transfer from / (to) deposits accounts	13	50,000	-5,000
Disposals / acquisitions of own shares	15	-190	414
Dividends paid	16	-32,168	-29,725
Net cash flows from financing activities		17,642	-34,311
Net increase/ (decrease) in cash		68,621	-12,388
Cash at the beginning of the year	13	38,978	51,366
Cash at the end of the year	13	107,599	38,978
Net increase / (decrease) in cash		68,621	-12,388

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2021

in thousands of €	Notes	Capital and Share premium	Own shares	Legal Reserve	Other reserves	Profit for the year	Total equity attributable to owners of the Company
Equity at 31/12/2019		66,860	-17,218	5,989	1,311,600	207,449	1,574,680
Dividends paid by the Company	16	-	-	-	-29,725	-	-29,725
Allocation of profit		-	-	-	207,449	-207,449	-
Legal reserve reduction		-	-	-814	814	-	-
Operations on own shares	15	-	380	-	34	-	414
Comprehensive income for the year		-	-	-	-	156,695	156,695
Equity at 31/12/2020		66,860	-16,838	5,175	1,490,172	156,695	1,702,064
Dividends paid by the Company	16	-	-	-	-32,168	-	-32,168
Allocation of profit		-	-	-	156,695	-156,695	-
Operations on own shares	15	-	306	-	190	-	497
Comprehensive income for the year		-	-	-	-	498,727	498,727
Equity at 31/12/2021		66,860	-16,531	5,175	1,614,889	498,727	2,169,120

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

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 in Luxembourg, under the name BIL Participations. The Annual General Meeting held on 15 September 1992 decided to change the Company's name to Luxempart S.A. The consolidated financial statements for the financial years ending on 31 December 2020 and 31 December 2021 incorporate the financial statements of the Company and its subsidiaries ("the Group") and the Group's share in associates. The Company is listed on the Luxembourg Stock Exchange and registered on the trade register under no. B27846.

Luxempart is primarily active in Benelux, DACH Region, France and Italy; it actively manages a portfolio of listed and non-listed companies.

On 23 March 2022, the Board of Directors approved the consolidated financial statements as at 31 December 2021. The consolidated financial statements will be submitted for approval and publication authorisation during the Annual General Meeting to be held on 25 April 2022.

NOTE 2 - CONSOLIDATION PRINCIPLES, VALUATION RULES, AND ACCOUNTING STANDARDS

DECLARATION OF CONFORMITY

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

FRAMEWORK FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

The consolidated financial statements are prepared based on the historical cost, with the exception of financial assets at fair value through profit and loss and financial assets held for trading, which are measured at fair value.

The valuation principles, methods and techniques are applied consistently within the Group.

The consolidated financial statements have been prepared for the accounting periods ended 31 December 2020 and 31 December 2021 and are presented before allocation of the Company's profit. The allocation of profit for the year 2021 will be proposed at the Annual General Meeting on 25 April 2022.

SIGNIFICANT MANAGEMENT JUDGMENTS

Qualification as an "investment entity"

Luxempart's management has made significant judgments when determining that Luxempart qualifies as an investment entity. Luxempart has the following characteristics of an investment entity:

- It has more than one investment;
- It has more than one investor;
- Being listed, Luxempart has investors that are not related parties;
- It has ownership in form of equity or similar interests, mostly shares in the portfolio companies.

Luxempart's purpose is to invest its capital solely for returns from capital appreciation and investment income. To meet this objective, Luxempart has built a strategy on two pillars: the direct investments and the investment funds. The direct investments are made with a medium to long-term perspective to ensure to our portfolio companies to enjoy sufficient time to implement their strategy, execute their business plan and develop their potential. Each of our pillars has an exit strategy designed by the Board of directors, who is composed by a majority of independent members and who will take the decision in the best interest of Luxempart.

Valuation of Investments

In preparing the financial statements, the application of the accounting principles and methods described hereafter requires Luxempart's management to make assumptions and estimates that may have an impact on the amounts recognised in the statement of profit or loss, on the valuation of assets and liabilities, on the statement of financial position, and on the information presented in the accompanying notes. Management makes these estimates and assumptions based on the information available on the date on which the consolidated financial statements are drawn up and may be required to exercise its judgment. By nature, valuations based on these estimates are subject to a number of risks and uncertainties before their future realisation. Consequently, the actual results of the operations in question may differ from these estimates and therefore have a material impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

Qualifying as an investment entity, Luxempart does not consolidate its subsidiaries and does not apply IFRS 3 when it acquires control over another entity.

There is one exception to this treatment for subsidiaries providing services that relate to Luxempart's investment activities. These subsidiaries are fully consolidated.

Investments in subsidiaries not providing services that relate to Luxempart's investment activities and investments where Luxempart has significant influence or joint control are classified as Financial assets at fair value through profit and loss, in accordance with IFRS 9.

A list of non-consolidated subsidiaries is set out in note 20.

SUBSIDIARIES THAT PROVIDE INVESTMENT-RELATED SERVICES (FULLY CONSOLIDATED)

A subsidiary providing investment-related services is a company over which Luxempart has control. The Company has control when it:

- has power over the entity,
- is exposed, or has rights, to variable returns from its involvement with the entity,
- has the ability to use its power over the entity to affect the amount of its returns.

These companies are fully consolidated as from the date the Group obtains the control and ceases when this control is lost.

Non-controlling interests are presented in equity on the consolidated statement of financial position, separately from "Equity attributable to the owners of the Company", and classified under "Non-controlling interests". Non-controlling interests in the Group's profit are also indicated separately on the consolidated statement of profit or loss and classified under "Non-controlling interests".

Expenses, income, assets, and liabilities of subsidiaries are fully incorporated into the consolidated financial statements. Transactions between companies of the Group, intercompany accounts, and unrealised profits on intragroup transactions are fully eliminated.

A list of the Group's subsidiaries is presented in note 20.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions carried out in foreign currencies are converted into the functional currency at the exchange rate in force as at the transaction date. At the end of each reporting period, the monetary items in foreign currencies are converted at the rate of the last day of the financial year. Losses or profits from the realisation or conversion of monetary elements denominated in foreign currencies are recognised in the statement of profit or loss.

The following exchange rates were used for conversion of the consolidated financial statements. As at 31 December 2021, one euro is equal to:

US Dollar	1.13727 USD
Pound Sterling	0.84079 GBP
Swiss Franc	1.03616 CHF
Danish Crown	7.43757 DKK

INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Intangible assets with a finite useful life are valued at cost less accumulated amortisation and accumulated impairment losses. Amortisation is applied according to the straight-line method based on an estimate of the fixed asset's useful life and its possible residual value.

Intangible assets are not subject to revaluations. The useful life is as follows:

Acquired software	3 years
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TANGIBLE ASSETS

Tangible assets are measured at cost (including transaction costs) less accumulated amortisation and accumulated impairment losses. Depreciation is applied according to the straight-line method based on an estimate of the useful life of the said asset. Costs related to maintenance are recognised in the statement of profit or loss.

Tangible assets are not subject to revaluations.

The estimated useful lives are as follows:

Facilities and transport equipment	3 - 5 years
Other tangible assets, furnishings	10 years

PRINCIPLE OF IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Group reviews the carrying amount of tangible and intangible assets in order to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher value between the asset's fair value less costs to sell and its value in use. The value in use is the discounted value of estimated future cash flows expected from continued use of the asset.

FINANCIAL ASSETS

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss ("AFVPL") are initially measured at their acquisition cost.

They are stated at fair value and measured at the end of each reporting period. Unrealised capital gains and losses are recognised in the consolidated statement of profit or loss.

In the event of sale of an AFVPL, the difference between the net proceeds from the sale and the carrying amount is recognised in the consolidated statement of profit or loss under "Net gains/(losses) on financial assets". The transaction is recognised as at the settlement date.

Financial assets held for trading

Financial assets held for trading classified in current assets are assets acquired mainly with a view to be sold in the short term.

They are stated at fair value and measured at the end of each reporting period. Changes in fair value are recognised in the consolidated statement of profit or loss under "Net gains/(losses) on financial assets"

In the event of disposal of a financial asset held for trading, the difference between the net proceeds from the sale and the carrying amount is recognised in the consolidated statement of profit or loss under "Net gains/(losses) on financial assets". The transaction is recognised as at the settlement date.

Loans and receivables

Loans and receivables are assets not listed on the stock exchange and repayable with fixed maturity. They originate when the Group either makes funds, assets, or services available. They are part of current assets insofar as their maturity does not exceed twelve months after the end of the reporting period (short term). Otherwise, they are part of non-current assets (long-term).

Loans and receivables are measured at amortised cost according to the effective interest rate method. In the event of a significant loss in value, loans and receivables are impaired through the consolidated statement of profit or loss. Loans and receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables. Loans and receivables have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any gain or loss on derecognition is recognized in profit or loss.

Cash and cash equivalents, Bank deposits

Cash and cash equivalents include liquidities, sight deposits, and short-term deposits of less than three months, as well as highly liquid, easily convertible investments.

Cash deposits having a term above three months are presented under "Bank deposits" in the consolidated statement of financial position.

Cash and cash equivalents and Bank deposits are measured at fair value.

FAIR VALUE OF FINANCIAL ASSETS

Fair value measurements

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, on the principal or most advantageous market, at the measurement date.

Financial assets are measured at their fair value at the end of each reporting period.

Listed shares are measured based on their market price on the closing date.

Non-listed financial assets are measured based on valuation methods in line with the requirements of the International Private Equity and Venture Capital Valuation (IPEV). During the measurement of the fair value of the financial assets in non-listed companies, Luxempart adopts a multi-criteria approach and applies one or several of the methods described in the table hereafter.

Discounts may be applied to the values obtained by using each of these methods (discounts for illiquidity, for small company, etc.).

Assets categorised as level 3 assets are valued by Luxempart's investment managers. The valuations are based on information received from the portfolio companies' management or by external evaluators and on IFRS compliant market data (mainly market multiples) that are provided by Capital IQ. The investment managers perform a calibration exercise at entry date to determine the valuation models used to assess the fair value of the portfolio companies. The unaudited information used in the valuations are back tested at each reporting date, when audited information is available. After being reviewed in detail by the business controller and /or CFO, these valuations are submitted to the Group Executive Committee for approval. Finally, they are submitted to the Audit, Compliance and Risks Committee, which conducts a detailed analysis of the methods and assumptions used. The Management and Audit, Compliance and Risks Committee review and analyse the changes in fair value measurement at each period end. The Board of Directors ultimately approves the fair value measurement of the financial assets when it approves the financial statements.

Fair value hierarchy

The Group uses a fair value hierarchy that reflects the significance of the data allowing valuations to be established.

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Data other than quoted market prices included within level 1 that are observable for the asset or liability, either directly (for example, prices) or indirectly (for example, elements derived from prices);
- **Level 3:** Data about the asset or liability not based directly on observable market data.

When a level 1 asset is no longer listed, it is reclassified as a level 3 asset as soon as it is delisted. When data on a level 2 asset is no longer observable on a market, that asset is reclassified as a level 3 asset at the period-end.

CAPITAL

Issued shares are considered to be representative of the share capital. Issued equity is recognised at the proceed net of direct issue costs.

When a company of the Group acquires shares of the parent company, the price paid and the related incurred costs are recognised and deducted directly in equity at the moment when these shares are cancelled or transferred. When shares are transferred, the transfer price net of expenses incurred during this transaction and net of taxes is added to the equity.

BANK BORROWINGS

Bank borrowings bearing interest are recognised at the amount of the cash obtained after deducting any direct expenses. Transaction expenses (if they are material) are amortised over the remaining life of the debt.

SHARE-BASED PAYMENT ARRANGEMENTS

The stock option plan has been granted to the Management and some employees. Each option entitles at exercise either to receive one Luxempart's share (equity-settlement) or to a cash settlement, corresponding to the difference between the stock price and the strike price. The fair value of the amount payable to employees in respect of the stock-option plan, is recognised as an expense with the corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value, with the Black and Scholes model. Any changes in the liability are recognised in the consolidated statement of profit or loss.

CURRENT AND DEFERRED TAXES

Income taxes are calculated according to the legal requirements. Advances paid are recognised as receivable and income tax expense (corporate income tax and municipal business tax) is estimated and recognised as provision.

Deferred taxes originate when a temporary difference appears between the taxable base of an asset or liability and the value at which it appears on the consolidated statement of financial position. Deferred tax is calculated by applying the tax rate as well as the provisions of the law in force at the time of the calculation.

Deferred tax assets are recognised for all deductible temporary differences (on tax loss carry forwards or other temporary differences) to the extent that it is probable that taxable profits will be available, against which those deductible temporary differences can be utilised, or when compensation is possible with existing deferred tax liabilities.

PROVISIONS AND OTHER LIABILITIES

Provisions are recognised once the Group has an actual obligation (legal or implied) resulting from past events that will probably generate an outflow of resources representative of economic benefits at an amount that can be reasonably estimated.

Other liabilities are recognised at their nominal value.

SEGMENT INFORMATION

Operating segments are the components of the Group whose results are regularly reviewed by the Group Executive Committee to make decisions about resources to be allocated to the segment and assess its performance.

The segmental information follows Luxempart's investment strategy built on two pillars:

- The **“direct investments”** that consists in taking direct participations in companies in the target geographical regions, which primarily consist of the Benelux Region (Belgium, Luxembourg), France, DACH Region (German, Austria, Swiss) and Italy.
- The **“investment funds”** that consists in the acquisition of shares in investment funds mainly active in private equity and venture capital.

The Group Executive Committee monitors the performance of the Group based on reportings disclosing these segments. A geographical segmentation is considered not relevant for Luxempart but presented in note 3 in application of IFRS 8.33.

INCOME FROM ORDINARY ACTIVITIES

Luxempart and some of its subsidiaries provide services to other entities within the Group. These services are defined in a service agreement between the entities involved and are recognised based on the degree of progress.

DIVIDENDS INCOME

The Group recognises dividends when they are received or when the right to receive payment is established. They result from the distribution of profits to holders of equity instruments in proportion to the rights that they hold in a category of securities making up the capital.

CONSOLIDATED STATEMENT OF CASH FLOWS

Luxempart is a company whose purpose is the acquisition, holding and sale of shareholdings. The cash flows associated with this activity are classified as net cash flows from operating activities. Dividends received are included in the net income.

Net cash flows from investing activities are composed of flows related to tangible and intangible assets.

Net cash flows from financing activities are composed of transactions on equity (e.g., dividends paid to the shareholders, transactions on own shares, capital increase and decrease...) and flows from and to bank deposits.

CHANGES IN ACCOUNTING METHODS

The new IAS/IFRS and their interpretations listed below, which entered into force in 2021, had no impact on the Group's financial statements.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform, Phase II
- Amendments to IFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021

Some standards, interpretations and amendments to standards published by the International Accounting Standards Board (IASB) but have not yet been applied within the European Union as at 31 December 2021. The Group has not early adopted these new or amended standards in preparing these consolidated financial statements.

These standards are:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information
- IFRS 17 Insurance Contracts including Amendments to IFRS 17

The Group doesn't anticipate a significant impact on the financial statements.

NOTE 3 - SEGMENT INFORMATION

Strategy segmentation

The segmental information follows Luxempart's investment strategy built on two pillars:

- The "direct investments" that consists in taking direct participations in companies in the target geographical regions, which primarily consist of the Beneluxregion (Belgium, Luxembourg), France, DACH region (Germany, Austria, Swiss) and Italy.
- The "investment funds" that consists in the acquisition of shares in investment funds mainly active in private equity and venture capital.

A description of the activities, including returns generated by these investment activities and the allocation of resources, is given in the Management report under Investment Strategy.

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Profit or loss

in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2021
Dividends income	48,483	1,696	-	50,179
Net gains / (losses) on financial assets	298,818	159,039	4,924	462,780
Profit on investments activities	347,301	160,734	4,924	512,959
Services / recovery of services	-	-	2,148	2,148
Staff costs	-	-	-7,528	-7,528
Operating expenses	-	-	-6,569	-6,569
Depreciation and amortisation of non-current assets	-	-	-99	-99
Profit from operating activities	347,301	160,734	-7,125	500,910
Financial income	-	-	471	471
Financial expenses	-	-	-1,667	-1,667
Profit before tax	347,301	160,734	-8,320	499,715
Tax expense	-	-	-988	-988
Profit for the year	347,301	160,734	-9,308	498,727

(*) All assets, liabilities, income and expenses that are not directly allocated to a segment are presented in "Others"

The investment in Foyer represents an important part of the section "Dividends income" and "Net gains / (losses) on financial assets". The investment in Foyer represents more than 10% of the total of profit on investments activities.

Assets

in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2021
Financial assets at fair value through profit and loss	1,434,191	384,008	197,597	2,015,795
Bank deposits, loans and receivables	62	-	35,000	35,062
Intangible and tangible assets	-	-	368	368
Total non-current assets	1,434,253	384,008	232,965	2,051,224
Total current assets	-	-	126,955	126,955
Total assets	1,434,253	384,008	359,920	2,178,179

Equity and liabilities

in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2021
Total equity	-	-	2,169,121	2,169,121
Total liabilities	-	-	9,059	9,059
Total equity and liabilities	-	-	2,178,179	2,178,179

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Profit or loss				
in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2020
Dividends income	47,308	55	-	47,364
Net gains / (losses) on financial assets	101,779	21,200	-2,489	120,490
Profit on investments activities	149,088	21,255	-2,489	167,854
Services / recovery of services	-	-	2,433	2,433
Staff costs	-	-	-6,311	-6,311
Operating expenses	-	-	-6,362	-6,362
Depreciation and amortisation of non-current assets	-	-	-923	-923
Impairment of current assets	-	-	-544	-544
Profit from operating activities	149,088	21,255	-14,196	156,146
Financial income	-	-	1,207	1,207
Financial expenses	-	-	-635	-635
Profit before tax	149,088	21,255	-13,625	156,718
Tax expenses	-	-	-24	-24
Profit for the year	149,088	21,255	-13,648	156,695

(*) All assets, liabilities, income and expenses that are not directly allocated to a segment are presented in "Others"

The investment in Foyer represents an important part of the section "Dividends income" and "Net gains / (losses) on financial assets". The investment in Foyer represents more than 10% of the total of profit on investments activities.

Assets

in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2020
Financial assets at fair value through profit and loss	1,187,615	377,668	34,383	1,599,666
Bank deposits, loans and receivables	62	-	55,000	55,062
Intangible and tangible assets	-	-	382	382
Total non-current assets	1,187,677	377,668	89,765	1,655,110
Total current assets	-	-	74,190	74,190
Total assets	1,187,677	377,668	163,955	1,729,299

Equity and liabilities

in thousands of €	Direct investments	Investment funds	Others(*)	31/12/2020
Total equity	-	-	1,702,064	1,702,064
Total liabilities	19,169	-	8,066	27,235
Total equity and liabilities	19,169	-	1,710,130	1,729,299

Geographic segmentation

The following table provides details on segmentation information based on country incorporation.

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Profit or loss

in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2021
Dividends income	23,694	23,289	553	929	1,714	50,179
Net gains / (losses) on financial assets	157,304	215,326	70,030	31,328	-11,209	462,780
Profit on investments activities	180,998	238,615	70,583	32,257	-9,494	512,959
Services / recovery of services	1,968	180	-	-	-	2,148
Staff costs	-7,528	-	-	-	-	-7,528
Operating expenses	-6,569	-	-	-	-	-6,569
Depreciation and amortisation of non-current assets	-99	-	-	-	-	-99
Profit from operating activities	168,770	238,795	70,583	32,257	-9,494	500,910
Financial income	471	-	-	-	-	471
Financial expenses	-1,667	-	-	-	-	-1,667
Profit before tax	167,574	238,795	70,583	32,257	-9,494	499,715
Tax expense	-988	-	-	-	-	-988
Profit for the year	166,587	238,795	70,583	32,257	-9,494	498,727

Assets

in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2021
Financial assets at fair value through profit and loss	917,147	483,151	384,896	170,218	60,383	2,015,795
Bank deposits, loans and receivables	35,000	-	-	-	62	35,062
Intangible and tangible assets	368	-	-	-	-	368
Total non-current assets	952,515	483,151	384,896	170,218	60,445	2,051,224
Total current assets	121,699	4,807	-	23	426	126,955
Total assets	1,074,214	487,959	384,896	170,241	60,871	2,178,179

Equity and liabilities

in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2021
Total equity	2,169,121	-	-	-	-	2,169,121
Total liabilities	8,716	311	20	-	13	9,059
Total equity and liabilities	2,177,837	311	20	-	13	2,178,179

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Profit or loss						
in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2020
Dividends income	7,801	38,530	1,033	-	-	47,364
Net gains / (losses) on financial assets	30,355	47,181	24,093	10,539	8,322	120,490
Profit on investments activities	38,155	85,711	25,126	10,539	8,322	167,854
Services / recovery of services	2,237	196	-	-	-	2,433
Staff costs	-6,311	-	-	-	-	-6,311
Operating expenses	-6,362	-	-	-	-	-6,362
Depreciation and amortisation of non-current assets	-923	-	-	-	-	-923
Impairment of current assets	-	-544	-	-	-	-544
Profit from operating activities	26,796	85,363	25,126	10,539	8,322	156,146
Financial income	1,207	-	-	-	-	1,207
Financial expenses	-635	-	-	-	-	-635
Profit before tax	27,368	85,363	25,126	10,539	8,322	156,718
Tax expense	-24	-	-	-	-	-24
Profit for the year	27,344	85,363	25,126	10,539	8,322	156,695

Assets

in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2020
Financial assets at fair value through profit and loss	761,664	431,338	209,459	134,370	62,835	1,599,666
Bank deposits, loans and receivables	55,000	-	-	-	62	55,062
Intangible and tangible assets	382	-	-	-	-	382
Total non-current assets	817,046	431,338	209,459	134,370	62,897	1,655,110
Total current assets	70,397	3,549	-	23	222	74,190
Total assets	887,443	434,887	209,459	134,393	63,118	1,729,299

Equity and liabilities

in thousands of €	Benelux	DACH	France	Italy	Others	31/12/2020
Total equity	1,702,064	-	-	-	-	1,702,064
Total liabilities	27,090	-	53	-	93	27,235
Total equity and liabilities	1,729,154	-	53	-	93	1,729,299

NOTE 4 - OPERATING EXPENSES

The following table provides details on operating expenses:

in thousands of €	2021	2020
External advisors and other similar fees	3,611	3,151
Taxes other than income tax	848	583
Directors allowances	859	808
Administrative expenses and other operating expenses	719	1,261
Rental expenses	453	471
Insurance premiums	79	88
Total	6,569	6,362

All expenses are recognised in the consolidated statement of profit or loss at the time of the transaction.

NOTE 5 - STAFF COSTS

The following table provides details of staff costs and benefits:

in thousands of €	2021	2020
Remuneration, wages and bonuses	6,908	5,793
Social security contributions	306	308
Supplementary pension plan	314	210
Total	7,528	6,311

Pension plan

The Group has opted for a defined-contribution pension plan and pays annual contributions to a separate entity (Foyer Vie). The Group will have no legal or implied obligation to pay additional contributions if said entity does not have enough assets to cover the benefits corresponding to the services rendered by staff members during the current and prior periods.

Premiums are paid annually and recognised directly in the consolidated statement of profit or loss.

The Group offers defined-contribution pension plans to its employees. Luxempart pays contributions corresponding to a percentage of the payroll expenses into the retirement scheme in order to fund these benefits. The only obligation with regard to the retirement scheme involves paying these contributions which are recognised in staff costs.

Number of employees

The following table indicates the average number of employees over the year:

Category	2021	2020
Managers	5	6
Staff	19	13
Total	24	19

NOTE 6 - DIVIDENDS INCOME

The following table breaks down the dividends received during the year:

in thousands of €	2021	2020
Foyer	21,585	5,648
Kaufman & Broad	-	1,033
Atenor	1,816	1,387
ESG/Enoflex/Stoll	21,276	38,530
SES	175	593
Others	5,327	173
Total	50,179	47,364

NOTE 7 - FINANCIAL INCOME AND EXPENSES

A. FINANCIAL INCOME

Interest and similar income are mainly composed of interests received on deposit accounts with credit institutions (€ 9 thousand) and on coupons received (€ 462 thousand). As at 31 December 2021, they amount to € 471 thousand (2020: € 1,207 thousand).

B. FINANCIAL EXPENSES

in thousands of €	2021	2020
Bank expenses and interest expenses	664	478
Other expenses	1,003	157
Total	1,667	635

Bank expenses and interest expenses primarily include interests paid on short-term cash advances and negative interests paid on cash at bank. The other expenses primarily include foreign exchange losses on current assets.

NOTE 8 - CURRENT TAX EXPENSES

The Group recognises the current tax expenses on the corporate profits as follows:

A. DETAIL OF TAXES

in thousands of €	2021	2020
Corporate income tax (IRC)	10	-
Subtotal income tax expenses (b)	10	0
Wealth tax	978	24
Total	988	24

B. RECONCILIATION OF INCOME TAX EXPENSES TO THE ACCOUNTING PROFIT

in thousands of €	2021	2020
Profit before tax	499,715	156,718
Company's average tax rate	25.69%	26.76%
Theoretical tax expense	128,377	41,938
Effect of non-taxable capital gains	-117,799	-32,131
Effect of non-taxable dividends	-12,891	-12,674
Other tax adjustments	2,323	2,868
Total tax expense	10	0

NOTE 9 - INTANGIBLE AND TANGIBLE ASSETS

The movements in intangible and tangible assets that occurred during financial years 2020 and 2021 are as follows:

Cost				
in thousands of €	Software	Office and computer equipment	Vehicles	Total
as at 31/12/2019	49	519	244	812
Acquisitions	12	33	-	46
as at 31/12/2020	61	552	244	857
Acquisitions	-	85	-	85
Disposals	-	-17	-115	-131
as at 31/12/2021	61	620	129	810
Depreciation				
in thousands of €	Software	Office and computer equipment	Vehicles	Total
as at 31/12/2019	26	161	166	353
Depreciation	5	63	56	124
as at 31/12/2020	31	224	222	477
Depreciation	7	69	22	98
Disposals	-	-17	-115	-131
as at 31/12/2021	38	276	129	443
Carrying amount				
in thousands of €	Software	Office and computer equipment	Vehicles	Total
as at 31/12/2020	31	328	22	382
as at 31/12/2021	23	345	0	368

NOTE 10 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The following tables provide details of changes in financial assets at fair value through profit and loss in 2020 and 2021.

in thousands of €	Financial assets at fair value through profit and loss
Fair value as at 31/12/2019	1,458,625
Acquisitions	249,388
Disposals	-228,838
Net gains/(losses) on financial assets	120,490
Fair value as at 31/12/2020	1,599,666
Acquisitions	257,447
Disposals	-304,099
Net gains/(losses) on financial assets	462,780
Fair value as at 31/12/2021	2,015,794

Financial assets at fair value through profit and loss ("AFVPL") are classified into two segments, direct investments and investment funds. During the 2021 financial year, the Group invested:

- € 124,146 thousand in the direct investments mainly in Evariste, IMGP, Sogetrel, Pflegebutler and including € 46,320 thousand in listed assets.
- € 133,301 thousand in the investment funds activity, Capital at Work and new bonds portfolio.

The Group sold:

- its shares in listed companies for € 232,109 thousand mainly in Zooplus, Schaltbau, TCM and Kaufman and Broad generating a realised gain of € 108,123 thousand.
- its bonds portfolio for € 28,183 thousand generating a realised gain of € 3,081 thousand.

These net capital gains realised in 2021 correspond to the value increase since 31 December 2020.

Assets at fair value through profit and loss are categorised as level 1 and level 3 assets

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS

in thousands of €	Level1	Level2	Level3	Total
Fair value as at 31/12/2019	235,223	109,592	1,113,810	1,458,625
Level transfer	-	6,493	-6,493	-
Acquisitions	155,090	-	94,298	249,388
Disposals	-105,132	-83,715	-39,990	-228,838
Net gains/(losses) on financial assets	67,221	-27,810	81,079	120,490
Fair value as at 31/12/2020	352,402	4,560	1,242,704	1,599,666
Acquisitions	78,126	-	179,322	257,447
Disposals	-260,292	-4,150	-39,656	-304,099
Net gains/(losses) on financial assets	109,653	-410	353,537	462,780
Fair value as at 31/12/2021	279,889	-	1,735,906	2,015,795

There was one transfer between levels of fair value in 2020.

Level 1: Financial assets consist of listed investments, mainly in Atenor, Technotrans, SNP, Ascom and Capital at Work, totalling € 279,889 thousand.

Level 2: Financial assets consist of holding companies holding listed investments. The position was sold in 2021.

Level 3: Financial assets consist of private-equity investments, mainly in Foyer, Armira Holding, Mehler, ESG and Luxempart Capital Partners SICAR SA.

LEVEL 3 FINANCIAL ASSETS RISK ANALYSIS

The following table sets out the impacts of changes in non-observable data on the fair value of financial assets. The information on the methods used to determine the fair value of these assets (including the valuation techniques and input data used) is provided in note 2.

in thousands of €	Level 3 for financial assets			
Valuation techniques	Significant unobservable inputs	Fair value	Impact -10%	Impact +10%
Market multiple	Discount for illiquidity and/or minority	795,442	-40,667	40,667
Revalued net asset	The net asset value communicated to the Group	940,464	-93,749	93,749
Total		1,735,906	-134,415	134,415

At 31 December 2021, the valuation methods have not significantly changed since 2020.

Level 3 fair value valuation techniques used

The following table provides information on the methods used according to IFRS 13 to determine the fair value of financial assets in private equity, as well as the valuation techniques and inputs used.

Valuation techniques	Use of the technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Market multiple	Primary valuation technique used by Luxempart (in absence of recent transactions involving an identical or similar asset)	Discount for illiquidity and/or minority between 0% and 41%	The higher the discount, the lower the fair value
Revalued net asset	For private equity funds and any similar structures as well as mature companies with assets recognised at fair value	The net asset value communicated to the Group	The higher the net asset value, the higher the fair value

NOTE 11 - NON-CURRENT LOANS AND RECEIVABLES

The non-current loans and receivables consist of a loan receivable of a maturity of in more than one year granted to a portfolio company. As at 31 December 2021, it amounts to € 62 thousand (2020: € 62 thousand). The fair value of the non-current loans and receivables does not differ significantly from their carrying amount.

NOTE 12 - CURRENT LOANS AND RECEIVABLES

The following table provides details of the current loans and receivables:

in thousands of €	2021	2020
Receivable from subsidiary	12,730	50
Tax receivables	5,222	3,816
Trade receivables	1,136	1,092
Accrued interest not yet due	242	237
Other receivables	27	18
Total	19,356	5,212

As at 31 December 2021, Luxempart has a claim of € 4,687 thousand against the German tax authorities.

The fair value of short-term receivables does not differ significantly from their carrying amount. The maturity of current loans and receivables is less than one year.

NOTE 13 - BANK DEPOSITS, CASH AND CASH EQUIVALENTS

The following table provides details of the bank deposits, cash and cash equivalents:

in thousands of €	2021	2020
NON-CURRENT ASSETS		
Bank deposits	35,000	55,000
Total	35,000	55,000

Bank deposits of the Group are placed on accounts with a maturity between 3 to 36 months. Deposits bear interest at variable rates in force on the market. An analysis of the liquidity risk is provided in [Note 25](#).

in thousands of €	2021	2020
CURRENT ASSETS		
Bank deposits	-	30,000
Cash and cash equivalents	107,599	38,978
Total	107,599	68,978

Bank deposits of the Group are placed on accounts with a maturity less than three months. Deposits bear interest at variable rates in force on the market. An analysis of the liquidity risk is provided in note 25.

NOTE 14 - CAPITAL AND SHARE PREMIUM

A. CAPITAL AND SHARE PREMIUM

in thousands of €	2021	2020
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.

B. CAPITAL MANAGEMENT

As at 31 December 2021, subscribed capital amounts to € 51,750,000 and is represented by 20,700,000 fully paid-up shares without designation of nominal value. Each share entitles the holder to a dividend and a vote during General Meetings.

There are no other share classes or options or pre-emptive rights entitling holders to the issuance of shares of another class that could have a dilutive effect on the number of shares issued.

The Company's share capital may be increased from its current amount to € 90,000,000 through the creation and issuance of new shares without designation of nominal value, with the same rights and benefits as existing shares.

The Board of Directors has the authorisation, until the 2022 Annual General Meeting, to buy back own shares. The accounting par value of the shares bought back, including own shares already previously acquired, may not exceed 30% of the subscribed capital. This own share buyback policy is intended to improve the security's liquidity on the stock exchange, grant shares to managers, cancel the own shares through a decision of the Extraordinary General Meeting, or transfer these shares to a new shareholder.

In view of the Group's liquidity, all new investments are funded only from the Company's equity. For investments in private equity, external debt may be used at the level of the investment.

NOTE 15 - RESERVES AND OWN SHARES

A. LEGAL RESERVE

From the net profit of the statutory accounts under Luxembourg GAAP, 5% must be deducted annually to build up the reserve fund required by Luxembourg law. This deduction will no longer be mandatory when the reserve fund reaches one-tenth of the share capital.

The legal reserve may not be distributed to the shareholders except in case of dissolution of the Company.

As at 31 December 2021, the legal reserve amounts to € 5,175 thousand (2020: € 5,175 thousand).

B. OTHER RESERVES

in thousands of €	2021	2020
Consolidated reserves	1,605,443	1,480,726
Special reserve	9,446	9,446
Total	1,614,889	1,490,172

Consolidated reserves

The consolidated reserves are composed of the income accumulated by the subsidiaries since their first consolidation, as well as some movements related to consolidation entries. These reserves also include the IFRS adjustments of companies within the consolidation scope.

Special reserve

As at 31 December 2021, the special reserve includes the untaxed capital gains from disposal on participations. These capital gains, recognised in the equity, result from application of Article 54 of the income tax law and are to be reinvested within two years following the financial year of the disposal. If these gains are not reinvested within this two-year period, they will be reversed through the consolidated statement of profit or loss and subject to tax.

C. OWN SHARES AND RESERVE FOR OWN SHARES

	Number of shares issued	Number of own shares	Number of outstanding shares
As at 31/12/2019	20,700,000	623,428	20,076,572
Acquisitions and disposals	-	-13,750	13,750
As at 31/12/2020	20,700,000	609,678	20,090,322
Acquisitions and disposals	-	-34,943	34,943
As at 31/12/2021	20,700,000	574,735	20,125,265

As at 31 December 2021, Luxempart holds 574,735 own shares (2020: 609,678 own shares), with the reserve for own shares amounting to € -16,531 thousand (2020: € -16,838 thousand).

They were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive. The weighted average number of shares outstanding as at 31 December 2021 is 20,100,894 (2020: 20,084,332).

NOTE 16 - DIVIDENDS PAID

A dividend of € 1.60 gross per share was paid during the first half of 2021 in respect of the 2020 financial year, giving a total dividend of € 32,168,065 (2020: € 1.48 gross per share, giving a total dividend of € 29,725,167).

The consolidated financial statements as at 31 December 2021 do not include the dividend that will be proposed to the Annual General Meeting of 25 April 2022. It was not recognised as a liability in the 2021 consolidated financial statements.

The Board of Directors proposes an ordinary dividend of € 1.80 gross per share. The payment terms of the dividend will be communicated during the Annual General Meeting of 25 April 2022.

NOTE 17 - BANK BORROWINGS

As at 31 December 2021, the bank borrowings have been repaid (2020: € 19,169 thousand). Borrowings resulted from the acquisition of shares in an investment company in CHF and were contracted to hedge currency fluctuations.

NOTE 18 - NON-CURRENT PROVISIONS

The following table provides details of the non-current provisions:

in thousands of €	2021	2020
Tax provisions	3,045	2,221
Other provisions	1,148	1,087
Total	4,193	3,308

The tax provisions relate to income taxes, municipal business taxes and wealth tax for 2021 and previous years.

The "Other provisions" item includes the € 1,061 thousand provision for stock options (2020: € 1,061 thousand). The characteristics of the stock option plan are detailed below.

Stock option plan for management

In 2009, Luxempart established a stock option plan for members of management and some employees. No new options have been granted during financial year 2021.

The fair value of the options is calculated according to the Black and Scholes model. The Monte-Carlo model was used previously. It has been replaced by the Black and Scholes because the Monte-Carlo model is not accepted by the tax administration.

No expense has been recognised in the consolidated statement of profit or loss for 2021.

The table below summarises the movements of the year:

	Total
Number of options issued as at 01/01/2021	519,078
Options exercised in 2021	-56,486
Options issued in 2021	-
Number of options issued as at 31/12/2021	462,592

The average exercise price of options exercised in 2021 is € 27.61.

The table below provides the plan's characteristics:

Tranche	Year	Exercise price	Exercise period	Share price when allotted
Tranche 1	2009	21.20	May 2012 - May 2019	22.00
Tranche 2	2010	23.99	May 2013 - May 2020	22.51
Tranche 3	2011	23.64	May 2014 - May 2021	22.84
Tranche 4	2012	22.50	May 2015 - May 2022	24.94
Tranche 5	2013	27.40	Sept 2017 - Sept 2021	27.80
Tranche 6	2014	31.20	Dec 2018 - Dec 2022	31.51
Tranche 7	2015	34.51	Jul 2019 - Jul 2023	33.79
Tranche 8	2016	33.99	Oct 2020 - Oct 2024	39.78
Tranche 9	2017	52.61	Aug 2021 - Aug 2025	50.00
Tranche 10	2018	56.50	June 2022 - June 2026	47.80
Tranche 11	2019	52.50	May 2023 - May 2027	53.00
Tranche 12	2020	47.73	April 2024 - April 2028	49.00
Tranche 13	2020	46.00	January 2025 - January 2029	49.00
Dividend growth				8.00%
Historical volatility of share price				24.20%
Discount rate				-0.33%

As at 31 December 2021, 116,792 options can be exercised.

NOTE 19 - CURRENT LIABILITIES

in thousands of €	2021	2020
Tax and social debts	473	588
Trade liabilities	4,000	3,982
Other debts	393	188
Total	4,866	4,758

Tax and social debts include amounts owed to the tax authorities for social security contributions. Trade liabilities and other debts are mainly composed of amounts due to the Group's suppliers and service providers, as part of its activities. They also include a debt for bonus.

The fair value of current liabilities does not differ significantly from their carrying amount.

NOTE 20 - LIST OF SUBSIDIARIES

A. SUBSIDIARIES PROVIDING INVESTMENT RELATED SERVICES, FULLY CONSOLIDATED

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

Subsidiary	Place of incorporation	Percentage held in 31/12/2021	Percentage held in 31/12/2020
Luxempart Invest S.à r.l.	Luxembourg	100.00%	100.00%
Luxempart Ireland Limited	Dublin	liquidation	liquidation
Luxempart Management S.à r.l.	Luxembourg	100.00%	100.00%
Bravo Capital S.A.	Luxembourg	80.00%	80.00%

Given that Luxempart meets the criteria laid down in Article 70 of the Luxembourg Law of 19 December 2002, its Luxembourgish subsidiaries are exempt from the requirements relating to the publication of statutory annual accounts.

B. NON-CONSOLIDATED ENTITIES

Subsidiary	Place of incorporation	Percentage held in 31/12/2021	Percentage held in 31/12/2020
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	31.03%	27.94%
E-Sicherheitsholding GmbH (ESG)	Germany	27.60%	27.60%
ForAtenoR S.A.	Belgium	-	25.00%
DMB2 GmbH & Co (Stoll)	Germany	32.80%	32.80%
Assmann Holding GmbH	Germany	49.01%	50.00%
Evariste Holding SAS	France	40.00%	-
LuxCo Invest S.à r.l.**	Luxembourg	80.53%	83.33%

Subsidiary	Place of incorporation	Percentage held in 31/12/2021	Percentage held in 31/12/2020
Luxempart Capital Partners SICAR S.A. **	Luxembourg	100.00%	100.00%
Quip Holding GmbH	Germany	51.00%	51.00%
Bravo Microfiber	Luxembourg	61.97%	-
Bravo Capital Partners SCA RAIF**	Luxembourg	100.00%	100.00%
Arbo S.p.a	Italy	40.00%	40.00%
Metalworks S.p.a	Italy	53.30%	60.00%
Bravo Luxury S.à.r.l (Vesta)	Italy	100.00%	70.00%
Luxempart German Investments S.A.**	Luxembourg	100.00%	100.00%
EduPRO GmbH	Austria	60.00%	60.00%
Arwe Mobility Holding	Germany	50.00%	50.00%
Rimed AG	Switzerland	27.77%	29.30%
Rattay Group GmbH	Germany	39.90%	39.90%
WDS GmbH	Germany	44.00%	44.00%
Luxempart German Investments II S.à r.l.	Luxembourg	100.00%	100.00%
Novotergum GmbH	Germany	43.80%	43.80%
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%
Decoscent S.A. (Baobab)*	Belgium	-	61.50%
Axithon S.A. (Axi)*	Belgium	51.40%	51.59%

This table lists all entities under the Company's control or significant influence which are measured at fair value through profit or loss (note 10), as well as their own controlled or under influence subsidiaries. Luxempart neither provided nor committed to provide financial or other support to any of its non-consolidated subsidiaries.

* The percentages indicated are the percentages of ownership by Indufin Capital Partners, which is held at 50% by Luxempart Capital Partners SICAR.
 ** These entities are investments entities, such as defined by IFRS 10.

NOTE 21 - MAIN OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

As at 31 December 2021, Luxempart has a total remaining commitment of € 249,336 thousand (2020: € 167,705 thousand):

- The Group has invested in investment funds through its subsidiary Luxempart Capital Partners SICAR. As at 31 December 2021, € 145,081 thousand remain uncalled. These funds are mainly Ekkio funds (€ 21,898 thousand), Quadrille Technologies funds (€ 10,035 thousand), FASO (€ 9,070 thousand), Apax (€ 13,875 thousand), Committed Advisors (€ 6,525 thousand), General Atlantic (€ 18,313 thousand), Blackstone Asia (€ 17,586 thousand)...
- Bravo Capital Partners RAIF I and II have recognised an uncalled capital amounting to € 59,801 thousand to be paid by Luxempart Capital Partners SICAR.
- The remaining commitment for Armira I and Armira II is € 44,454 thousand.

NOTE 22 - DIRECTORS' ALLOWANCES AND EXECUTIVE MANAGEMENT REMUNERATION

in thousands of €	2021	2020
Directors allowances and attendance fees	1,049	986
Management remuneration	5,157	3,743
Total	6,207	4,729

Directors' allowances and attendance fees as well as executive management remuneration for 2021 is recognised in "Operating expenses" (note 4) and in "Staff costs" (note 5). The remuneration of executive officers includes a provision for bonus payable in 2022, relating to 2021.

NOTE 23 - REMUNERATION OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

The following table shows fees paid to the *Réviseur d'entreprises agréé*. Audit fees cover the review of the interim consolidated financial statements as at 30 June and the audits of the statutory and consolidated financial statements as at 31 December. They do not cover work on subsidiaries' financial statements, which, where applicable, are audited by other auditors. The audit fees are recognised in "Operating expenses" (note 4).

in thousands of €	2021	2020
Audit services	87	82
Audit-related services	29	28
Tax services	9	5
Total	125	115

The *Réviseur d'entreprises agréé* of the Company is also the *Réviseur d'entreprises agréé* of some subsidiaries (Luxempart Capital Partners, Indufin Capital Partners, and Bravo Capital Partners). The remuneration of the *Réviseur d'entreprises agréé* for these subsidiaries is € 78 thousand (2020: € 92 thousand).

NOTE 24 - RELATED PARTIES

Income resulting from services provided recognised in the statement of profit or loss exclusively comes from services provided by Luxempart and billed to its subsidiaries and investments.

The Foyer Assurances group invoices, on a quarterly basis, office rental expenses and other related expenses, insurance expenses, and miscellaneous services for a total of € 631 thousand (2020: € 614 thousand).

One member of Luxempart's Group Executive Committee invoiced consulting fees to Luxempart and Luxempart Capital Partners until March 2021, date at which he transformed his consultancy contract into an employment contract. Moreover, a former Group Executive Committee member was entitled to a bonus payment relating to 2020. The total fees amount to € 250 thousand for 2021 (2020: 550 thousand).

Transaction fees paid to Capital at Work, a subsidiary of Foyer Group, amount to € 27 thousand (2020: € 20 thousand) and are included in "Interest and similar expenses" (note 7).

NOTE 25 - FINANCIAL RISKS

MANAGEMENT OF MARKET RISK

The Group's major risk is the exposure of its financial assets to market risk. The risk management policy is established and controlled by the Group Executive Committee, the Board of Directors, and the Audit, Compliance and Risks Committee.

Market risk is the risk of loss in value of financial assets. The main risks and uncertainties to which the Group is exposed relate to the performance of the financial markets (stock markets, comparable transactions, market multiples, etc.). Luxempart does not systematically sell its participations based on financial market volatility. In principle, the Group does not use market risk hedging instruments. It nevertheless regularly monitors changes in the value of its investments.

The investments in companies listed on the stock exchange (mainly stock exchange of Luxembourg, Brussels, and Frankfurt) represent 12.9% as at 31 December 2021 of the Net Asset Value (2020: 20.7%).

MANAGEMENT OF INTEREST RATE RISK

Interest risk is the risk that the interest flow on the financial debt and the gross cash may be affected by an unfavourable change in interest rates.

As at 31 December 2021, the risk is limited due to the small account of receivables and payables and by the absence of financial debt.

MANAGEMENT OF FOREIGN EXCHANGE RISK

The Group invests mainly in positions in the Group's functional currency (EUR).

The portfolio of Luxempart is composed of 2 investments that are designated in foreign currency for € 2,016 thousand. No reasonable change in currency would have an impact on the accounts of Luxempart, as these investments represent 1.4% of the financial assets at fair value through profit or loss.

The portfolio of Luxempart Capital Partners is composed of investments in USD which represent 3.2% of the value of its total financial assets. No reasonable change in currency would have an impact on the accounts of Luxempart. Therefore, these investments are not hedged against foreign exchange risk because it is not significant.

MANAGEMENT OF CREDIT RISK

Luxempart granted loans to companies of the Group totalling € 62 thousand as at 31 December 2021 (2020: € 62 thousand).

Luxempart has also receivables from its subsidiaries for an amount of € 12,730 thousand (2020 : € 50 thousand).

Credit risk is the risk that contracted third parties to not meet their commitments towards the Group during transactions with it. Credit risk lies not at Luxempart level but at the level of the investments, which are responsible for managing their credit risk according to the specific terms appropriate for their situation.

If necessary, Luxempart may grant guarantees to companies in which it has invested.

Luxempart minimises its risk exposure by entering into commitments with financial institutions with a high rating between Aa2 and A-. In order to minimise any concentration risk, Luxempart diversifies its exposure by several banking institutions, with a maximum to 5% of equity

In 2021, there was no significant change in relation to the credit risk management.

MANAGEMENT OF LIQUIDITY RISK

Luxempart has € 249,336 thousand open commitments resulting from its investments in the funds (note 21). The Management follows the commitments and capital calls on a quarterly basis in order to make further cash available if necessary. As at 31 December 2021, Luxempart has a high level of cash at bank and bank deposits (€ 142,599 thousand) and liquid security portfolios (€ 106,404 thousand) that are available to face its commitments. Given this high level of liquidity, the risk of Luxempart is low.

CLIMATE-RELATED AND OTHER ESG RISK

The Group is not directly exposed to significant climate-related or other environmental risks. Luxempart acknowledges that ESG factors are having an increasing impact on its business environment. The Management is working on a Sustainability policy that will enable the Group to assess, monitor, and manage the ESG risk in general and the climate-related risks in particular. Luxempart is currently developing a framework as well as a risk management system in order to limit the ESG risk and to seize ESG opportunities to create value. Until the full implementation of this risk management system, the Management continues to closely monitor the portfolio companies and to support their sustainability initiatives.

The Board of Directors will create a Sustainability Committee that will follow sustainability laws and regulations and their impact on Luxempart, to validate corporate and portfolio sustainability action plans and to review the sustainability report, including the assessment of ESG risks.

The Audit, Compliance and Risk Committee together with the Management ensures that the Group is compliant with all the applicable ESG laws and regulations.

NOTE 26 - POST CLOSING EVENTS

During the first months of 2022, Luxempart increased its holdings in several lines and sold two portfolio companies.

The operations are the following:

- In January 2022 Luxempart sold its 12% stake in VivaltoHome, a Belgian operator of senior care homes, to Vivalto Vie, a French operator of senior care homes and realized an IRR close to 20%.
- On February 28, Luxempart signed an agreement with funds advised by Quadriga Capital Partners to sell its 43.8% stake in Novotergum GmbH. The transaction is expected to be closed in before May 2022 but is still subject to approval by German anti-trust authorities. Total proceeds should amount to € 22.5m, in line with Novotergum's contribution to our NAV as of December 31, 2021.

There were no other significant events since 31 December 2021 that would impact the financial position and performance of the Group.



STATUTORY ANNUAL ACCOUNTS



Jo Santino

Looking at our 2021 achievements, the Investment fund strategy implementation is already a success thanks to a strong and committed team. Laurent and Kevin will now continue on this successful path under the lead of Alain Huberty. I wish all of them all the best in the future.

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

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Luxempart S.A. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial fixed assets

a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the year ended 31 December 2021

Refer to Note 3.C Significant Accounting Policies for financial fixed assets, Note 5 Financial Fixed Assets and Note 14 Value Adjustments in Respect of Financial Assets of the annual accounts.

The Company holds financial fixed assets which are measured at historical acquisition price less permanent impairment in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of annual accounts. Management performs impairment test to assess whether the fair value of each of those financial assets is at least equal to their respective carrying value.

Those financial fixed assets represent 86% of total assets, and 94% of financial fixed assets are investments for which the fair value is not determined by reference to a quoted price ("non-quoted investments").

For non-quoted investments, the fair value is determined through the application of valuation techniques in accordance with International Private Equity and Venture Capital Valuation Guidelines, and relevant IFRS. The application of valuation techniques involves the exercise of significant judgment by Management in relation to the choice of valuation technique employed and assumptions used for the respective models.

The judgement involved and the significance of the amount relative to other captions in the annual accounts led us to identify the impairment of non-quoted investments, as key audit matter.

b) How the matter was addressed in our audit

Our procedures over the impairment of financial fixed assets include, but are not limited to:

- Gaining an understanding of the Management's process and controls related to valuation of financial fixed assets, identification of impairment indicators and impairment testing.
- Assessing compliance of valuation techniques with the International Private Equity and Venture Capital Valuation Guidelines, and relevant IFRS.
- Verifying key inputs to the valuation models used by Management and checking the accuracy of the computation of the valuation models.
- Obtaining the external expert valuation report used by Management to assess the fair value of a sample of investments as at 31 December 2021.
- For a sample of instruments, involving our valuation specialists to inspect valuation models and challenge key assumptions applied by Management.
- Verifying the completeness, relevance and accuracy of the disclosures in relation to the impairment of financial fixed assets.

Other matter relating to comparative information

The annual accounts of the Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those annual accounts on 25 March 2021.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the Board of Directors on 26 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letter c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to:

- Annual accounts prepared in a valid XHTML format.

In our opinion, the annual accounts of Luxempart S.A. as at 31 December 2021, identified as luxempart-2021-12-31.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the annual accounts of Luxempart S.A. as at 31 December 2021, identified as luxempart-2021-12-31.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version

Luxembourg, 24 March 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Thierry Ravasio
Partner

BALANCE SHEET AT 31 DECEMBER 2021

Assets

in €	Notes	31/12/2021	31/12/2020
Fixed assets			
Intangible fixed assets	4		
Concessions, patents, licences, trademarks, and similar rights and assets		23,554	30,774
Tangible fixed assets	4		
Other fixtures and fittings, tools and equipment		343,998	350,629
Financial fixed assets	5		
Shares in affiliated undertakings		440,011,378	318,437,612
Participating interests		305,630,829	326,230,245
Investments held as fixed assets		343,047,441	374,773,291
Total fixed assets		1,089,057,200	1,019,822,551
Current assets	6		
Trade debtors		1,181,821	1,113,339
<i>becoming due and payable within one year</i>		<i>1,181,821</i>	<i>1,113,339</i>
Amounts owed by affiliated undertakings		12,730,250	50,000
<i>becoming due and payable within one year</i>		<i>12,730,250</i>	<i>50,000</i>
Other debtors		5,604,726	4,367,400
<i>becoming due and payable within one year</i>		<i>5,542,799</i>	<i>4,305,473</i>
<i>becoming due and payable after more than one year</i>		<i>61,927</i>	<i>61,927</i>
Investments		36,532,561	26,838,969
<i>Own shares</i>	9	<i>16,532,561</i>	<i>16,838,969</i>
<i>Other investments</i>		<i>20,000,000</i>	<i>10,000,000</i>
Cash at bank and in hand		121,806,069	113,012,308
Total current assets		177,855,427	145,382,016
Total assets		1,266,912,627	1,165,204,568

The accompanying notes are an integral part of these annual accounts.

BALANCE SHEET AT 31 DECEMBER 2021

Liabilities

in €	Notes	31/12/2021	31/12/2020
Capital and reserves	9		
Subscribed capital		51,750,000	51,750,000
Share premium account		66,944,818	66,944,818
Reserves			
Legal reserve	10	5,175,000	5,175,000
Reserve for own shares		16,532,561	16,838,968
Other reserves		923,141,285	922,834,878
<i>Other available reserves</i>		<i>907,442,576</i>	<i>907,136,169</i>
<i>Other non available reserves</i>	11	<i>15,698,709</i>	<i>15,698,709</i>
Profit brought forward		35,500,367	-
Profit/(loss) for the financial year		159,821,983	67,668,433
Total capital and reserves		1,258,866,014	1,131,212,096
Provisions			
Provisions for taxation		3,097,334	2,221,664
Other provisions		25,403	25,403
Total provisions		3,122,737	2,247,068
Creditors	7, 8		
Amounts owed to credit institutions		-	19,168,917
<i>becoming due and payable after more than one year</i>		<i>-</i>	<i>19,168,917</i>
Trade creditors		3,992,902	3,977,366
<i>becoming due and payable within one year</i>		<i>3,992,902</i>	<i>3,977,366</i>
Amounts owed to affiliated undertakings		-	7,603,123
<i>becoming due and payable after more than one year</i>		<i>-</i>	<i>7,603,123</i>
Other creditors		930,974	995,998
<i>Tax authorities</i>		<i>262,132</i>	<i>537,906</i>
<i>Social security authorities</i>		<i>267,977</i>	<i>248,540</i>
<i>Other creditors</i>		<i>400,865</i>	<i>209,552</i>
<i>becoming due and payable within one year</i>		<i>400,865</i>	<i>209,552</i>
Total creditors		4,923,876	31,745,405
Total liabilities		1,266,912,627	1,165,204,568

The accompanying notes are an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

in €	Notes	31/12/2021	31/12/2020
Other operating income		1,260,248	1,162,553
Staff costs	12	-7,528,313	-6,310,819
<i>Wages and salaries</i>		-7,221,829	-6,002,869
<i>Social security costs</i>		-286,364	-265,061
<i>relating to pensions</i>		-220,762	-203,805
<i>other social security costs</i>		-65,603	-61,256
<i>Other staff costs</i>		-20,120	-42,890
Value adjustments		-98,893	-923,112
<i>In respect of tangible and intangible fixed assets</i>	4	-98,893	-123,643
<i>In respect of current assets</i>	6	-	-799,468
Other operating expenses	13	-5,177,393	-4,639,684
Income from participating interests	16	41,284,624	44,177,674
<i>Derived from affiliated undertakings</i>		1,471,425	-
<i>Other income from participating interests</i>		39,813,199	44,177,674
Income from other investments and loans forming part of the fixed assets	16	147,657,154	46,659,700
<i>Other income</i>		147,657,154	46,659,700
Other interest receivable and similar income		500,823	668,787
<i>Derived from affiliated undertakings</i>		5,022	-
<i>Other interest and similar income</i>		495,801	668,787
Value adjustments in respect of financial assets and of investments held as current assets	5,14	-15,685,096	-11,810,074
Interest payable and similar expenses		-913,977	-770,112
<i>Other interest and similar expenses</i>		-913,977	-770,112
Profit after taxation		161,295,177	68,214,914
Other taxes not shown under items above	15	-1,473,194	-546,482
Profit /(loss) for the financial year		159,821,983	67,668,433

The accompanying notes are an integral part of these annual accounts.

NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2021

NOTE 1 - GENERAL INFORMATION

Luxempart S.A. (hereinafter «the Company» or «Luxempart») was incorporated on 25 April 1988 under the name BIL Participations. The Annual General Meeting of 15 September 1992 decided to change the Company's name to Luxempart S.A. The Company is registered on the trade and companies register of Luxembourg under no. B27846. The Company was created for an unlimited term.

The Company's registered office is established at 12, rue Léon Laval in Leudelange. The Company is listed on the Luxembourg Stock Exchange. The Company's financial year begins on 1 January and closes on 31 December of each year.

The Company's purpose is particularly the acquisition of holdings, in whatever form, in other companies as well as management, control, and development of these investments.

NOTE 2 - PRESENTATION OF THE ACCOUNTS

In addition to the annual accounts, on the basis of the legal and regulatory provisions established by Luxembourg law, the Company presents consolidated financial statements under IFRS as an investment entity and a consolidated management report, which are available at the Company's headquarters and on www.luxempart.lu.

The figures for the year ending 31 December 2020 relating to the items "Cash at bank and in hand" have been reclassified to "Other investments" to ensure comparability with the figures for the period ending 31 December 2021.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The annual accounts are prepared in accordance with generally accepted accounting principles and in accordance with the law and regulations in force in the Grand Duchy of Luxembourg.

The annual accounts have been prepared under the historical convention and following the going concern principle.

The main accounting policies adopted by the Company are as follows:

A. FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities, expressed in foreign currencies, are converted to euros (€) at the exchange rates in force as at year-end.

Transactions occurring in the financial year, expressed in foreign currencies, are converted to euros (€) at the exchange rates in force as at the transaction date.

Only unrealised foreign exchange losses are recorded in the profit and loss account. Exchange gains are recorded in the profit and loss account at the time of their realisation.

The accompanying notes are an integral part of these annual accounts.

B. INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible fixed assets whose use is limited over time are amortised/depreciated on a straight-line basis according to the following rates.

Asset	Rate
Computer equipment and software	33.3%
Vehicles	20.0%
Furniture and fixtures	10.0%

C. FINANCIAL FIXED ASSETS

Shares in affiliated undertakings

"Affiliated undertakings" refers to a company in which Luxempart has exclusive control, holding decision-making power on both financial and operational levels. In principle, this control is the consequence of directly holding more than 50% of the voting rights.

Shares in affiliated undertakings are valued at the historical acquisition price, which includes the expenses incidental thereto.

In case of permanent impairment, the shares in the affiliated undertakings are the subject of value adjustments in order to give them the lower value that should be attributed to them as at the end of the reporting period. These value adjustments are not maintained when the reasons that motivated them have ceased to exist.

Participating interests

"Participating interests" refers to a company in which Luxempart exercises significant influence through its participation in the political, financial, and operational decisions of the held company. Significant influence is assumed when Luxempart holds 20% or more of the voting rights. "Participating interests" also refers to companies under joint control.

"Participating interests" are valued at the historical acquisition price, which includes the expenses incidental thereto.

In case of permanent impairment, "participating interests" are subject of value adjustments in order to give them the lower value that should be attributed to them as at the end of the reporting period. These value adjustments are not maintained when the reasons that motivated them have ceased to exist.

Investments held as fixed assets

"Investments held as fixed assets" refer to a holding in which Luxempart does not exercise or control significant influence. This lack of significant influence is assumed if Luxempart does not directly or indirectly hold more than 20% of the voting rights.

Investments held as fixed assets are valued at the historical acquisition price, which includes the expenses incidental thereto.

In case of permanent impairment, investments held as fixed assets are subject of value adjustments in order to give them the lower value that should be attributed to them as at the end of the reporting period. These value adjustments are not maintained when the reasons that motivated them have ceased to exist.

D. DEBTORS

Debtors are stated at their nominal value and their estimated realisable value. They are subject of value adjustments when their realisable value is fully or partially unrecoverable.

These value adjustments are not maintained when the reasons that motivated their establishment have ceased to exist.

E. INVESTMENTS

Investments are assets acquired mainly with a view to be sold in the short term and present a profit-taking profile in the short term.

Investments are valued at the historical acquisition price, which includes the expenses incidental thereto.

If the realisation value is lower than the acquisition cost on the closing date, a value adjustment is recognised. These value adjustments are not maintained when the reasons that motivated them have ceased to exist.

Own shares are valued at the historical acquisition price and are used to cover the management stock option plan.

F. CREDITORS

Debts are recorded in liabilities at their redemption value.

G. PROVISIONS

Provisions are recognised once Luxempart has an actual obligation (legal or implied) resulting from past events that will probably generate an outflow of resources representative of economic benefits at an amount that can be reasonably estimated.

H. INCOME

In the event of disposal of financial assets, the difference between the net proceeds from the sale and the net book value is entered in the profit and loss account on the line "income from other investments and loans forming part of the fixed assets". The transaction is recorded on the settlement date.

The Company accounts the dividends received when they are acquired or when the right to receive payment is established. They are issue from the distribution of profits to the shareholders. And they are entered in the profit and loss account on the line "Income from participating interests".

NOTE 4 - INTANGIBLE AND TANGIBLE FIXED ASSETS

Movements in intangible and tangible fixed assets that occurred during the year can be summarised in the table below. The intangible fixed assets of the Company are composed of acquired software. The tangible fixed assets comprise mainly computer equipment, vehicles, furniture and fixtures.

in €	Intangible fixed assets	Tangible fixed assets
Gross value as at 01/01/2021	61,724	785,778
Acquisitions for the year	-	85,042
Disposals for the year	-	-131,338
Gross value as at 31/12/2021	61,724	739,483
Cumulative value adjustments as at 01/01/2021	-30,950	-435,149
Value adjustments of the year	-7,220	-91,673
Reversal of value adjustments	-	131,338
Cumulative value adjustments as at 31/12/2021	-38,170	-395,485
Net book value as at 31/12/2021	23,554	343,998
Net book value as at 31/12/2020	30,774	350,629

NOTE 5 - FINANCIAL FIXED ASSETS

A. MOVEMENTS IN FINANCIAL FIXED ASSETS

The movements in financial fixed assets that occurred during the year can be summarised as follows:

in €	Shares in affiliated undertakings	Participating interests	Investments held as fixed assets
Gross value as at 01/01/2021	345,581,882	326,482,682	376,838,407
Acquisitions for the year	144,468,204	120,229	127,870,914
Disposals for the year	-26,367,392	-19,419,500	-148,993,369
Gross value as at 31/12/2021	463,682,694	307,183,411	355,715,953
Cumulative value adjustments as at 01/01/2021	-27,144,271	-252,436	-2,065,117
Value adjustments of the year	-2,148,770	-1,300,146	-12,054,702
Reversals of value adjustments of the year	5,621,725	-	1,451,308
Cumulative value adjustments as at 31/12/2021	-23,671,317	-1,552,582	-12,668,512
Net book value as at 31/12/2021	440,011,378	305,630,829	343,047,441
Net book value as at 31/12/2020	318,437,612	326,230,245	374,773,291

The item "Shares in affiliated undertakings" amounts to € 440,011,378 as at 31 December 2021 (2020: € 318,437,612).

This variation is principally due to:

- A subscription for new shares in Luxempart Capital Partners,
- Capital calls and repayments in Luxco Invest,
- A new investment in Evariste.

The item "Participating interests" amounts to € 305,630,829 as at 31 December 2021 (2020: € 326,230,245).

The main movement is the reimbursement of ESG.

The item "Investments held as fixed assets" amounts to € 343,047,441 as at 31 December 2021 (2020: € 374,773,291).

This change is due to:

- Acquisitions for € 127,870,914 (acquisition of IMGP, Sogetrel, strengthening in the listed portfolio and acquisition of a bond portfolio managed by BCEE),
- Sale for € 148,993,369 (mainly in the listed portfolio: Zooplus, Schaltbau, TCM, RTL),
- Value adjustments for € 12,054,703 (mainly on SNP).

B. UNDERTAKINGS IN WHICH LUXEMPART HOLDS AT LEAST 20% IN THE CAPITAL

Company name	Registered office	Holding %	Equity (excluding profit for the year)	Profit or loss for the year
Luxempart Capital Partner Sicar S.A.	12, Rue Léon Laval L-3372 Leudelange	100.00	605,895,041	150,072,206
Luxempart Ireland Ltd (in liquidation)	1st floor, Riverview House, 21-23 City Quay, Dublin 2 Ireland	100.00	in liquidation	
Luxempart Invest S.à.r.l	12, Rue Léon Laval L-3372 Leudelange	100.00	822,912	-144,181
Luxempart Management S.à.r.l	12, Rue Léon Laval L-3372 Leudelange	100.00	29,679	-2,310
Pescahold S.A.	12, Rue Léon Laval L-3372 Leudelange	100.00	10,401	-2,278
Luxco Invest S.à.r.l	12, Rue Léon Laval L-3372 Leudelange	83.33	38,399,084	955,815
Bravo Capital S.A.	12, Rue Léon Laval L-3372 Leudelange	80.00	31,140	29,936
Pryco GmbH **	Maria-Theresia-Str. 11, D-81675 München	55.60	11,289,369	-6,427,375
Assmann GmbH *	Auf dem Schüffel, D-58513 Lüdenscheid	49.01	13,442,755	4,166,526
Indufin S.A.	Interleuvenlaan 15 / D1 B-3001 Leuven - Haasrode	40.00	271,441	16,332
Evariste Holding SAS *	3 rue Galois ZA Pariwest F-78310 Maurepas	40.00	28,621,639	3,772,309
DMB2 GmbH & Co.KG	Colonnaden 25, D-20354 Hamburg	32.80	11,799,502	57,700,988
Foyer S.A.	12, Rue Léon Laval L-3372 Leudelange	31.03	1,322,579,700	155,475,400
M-Sicherheitsholding GmbH*	Maria-Theresia-Str. 11, D-81675 München	30.00	5,890,800	35,005,444
E-Sicherheitsholding GmbH *	Maria-Theresia-Str. 11, D-81675 München	27.60	55,730,650	-19,721,554

* Profit or loss 2020

** Profit or loss 2019

NOTE 6 - DEBTORS

As at 31 December 2021:

- Trade debtors amount to € 1,181,821 (2020: € 1,113,339).
- Amounts owed by affiliated undertakings amount to € 12,730,250 (2020: € 50,000). This is mainly a reimbursement to be received from Luxco Invest and a loan to our subsidiary Luxempart Capital Partners for € 2,600,000.
- Other debtors becoming due and payable within one year amount to € 5,542,799 (2020: € 4,305,473) and are made up of tax receivables and social security for € 5,192,500 (2020: € 3,781,217), and other receivables for € 350,299 (2020: € 524,256). The tax receivables are mainly composed of a tax to be recovered on the Mehler dividend and the other receivables are mainly accrued interest not collected.
- Other debtors becoming due and payable after more than one-year amount to € 61,927 (2020: € 61,927). This is the loan towards the investment Nueva Pescanova and a value adjustment has been made on this receivable in 2020.

NOTE 7 - CREDITORS

- Trade creditors amount to € 3,992,902 (2020: € 3,977,366).
- A loan granted by Luxempart Invest was fully repaid during the year (2020: € 7,603,123).
- Tax and social security debts total € 530,109 (2020: € 786,446).
- Other creditors amount to € 400,865 (2020: € 209,552).

NOTE 8 - AMOUNTS OWED TO CREDIT INSTITUTIONS

Luxempart contracts borrowings in foreign currencies in order to hedge against the foreign exchange risk on financial fixed assets denominated in foreign currencies.

As at 31 December 2021, all amounts owed to credit institutions were fully repaid (2020: € 19,168,917).

NOTE 9 - CAPITAL AND RESERVES

The movements in the capital and reserves are broken down as follows:

in €	Subscribed capital	Share premium	Legal reserve	Reserve for own share	Other reserves	Profit brought forward	Profit for the year
As at 31/12/2020	51,750,000	66,944,818	5,175,000	16,838,968	922,834,878	-	67,668,433
Allocation of result							
Dividends							-32,168,066
Reserve own shares				-306,407	306,407		
Profit brought forward						35,500,367	-35,500,367
2021 profit							159,821,983
As at 31/12/2021	51,750,000	66,944,818	5,175,000	16,532,561	923,141,285	35,500,367	159,821,983

The subscribed capital is represented by 20,700,000 fully paid-up shares without designation of nominal value.

The accounting per value of the own shares is € 1,436,837. It represents 2.78% of the subscribed capital in accordance with Article 430-15 of the law of 10 August 1915.

The Ordinary Annual General Meeting of 26 April 2021 decided to distribute a gross ordinary dividend of € 1.60 per share for financial year 2020. This dividend was paid in May 2021.

NOTE 10 - LEGAL RESERVE

From the net profit, 5% must be deducted annually to build up the reserve fund required by Luxembourg law. This deduction will no longer be mandatory when the reserve fund reaches one-tenth of the share capital. The legal reserve may not be distributed to the shareholders except in case of dissolution of the Company.

NOTE 11 - OTHER NON AVAILABLE RESERVES

As at 31 December 2021, this item amounts to € 15,698,709 (2020: € 15,698,709) and includes the untaxed capital gains from disposal on participations. These capital gains, recorded in liabilities on the balance sheet, result from application of Article 54 of the income tax law and are to be reinvested before the end of the second financial year of operation following the financial year of the disposal. If these capital gains are not reinvested within this two-year period, they are to be reversed through the profit and loss account and subject to tax.

As at 31 December 2021, an amount of € 2,885,361 must be reinvested before the end of 2022.

NOTE 12 - STAFF COSTS

The average number of employees during financial year 2021 amounted to 23 (2020: 19), represented by the following categories:

Category	Number of people 2021	Number of people 2020
Managers	5	6
Support Staff	18	13
Total average of employees	23	19

Staff costs relating to the year are broken down as follows:

in €	31/12/2021	31/12/2020
Wages and salaries	7,221,829	6,002,869
Social security costs accruing by reference to wages and salaries	286,364	265,061
Other social security contributions	20,120	42,890
Total	7,528,313	6,310,819
Of which pensions	314,109	210,000

Staff costs include a provision for bonus payable in 2022.

NOTE 13 - OTHER OPERATING EXPENSES

During the year, Luxempart paid net fixed compensation of € 578,300 to directors (2020: € 524,600) and a net attendance fee of € 280,600 (2020: € 283,575). These amounts are included in "Other operating expenses."

"Other operating expenses" also include the remuneration of the *Réviseur d'entreprises agréé* for € 124,825 in 2021 (2020: € 115,190).

NOTE 14 - VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS

This item includes:

- Value adjustments on shares in affiliated undertakings. As at 31 December 2021, Luxempart recorded value adjustments of € 2,148,771 (2020: € 9,939,331).
- Value adjustments on participating interests. As at 31 December 2021, Luxempart recorded value adjustments of € 1,300,146 (2020: € 0).
- Value adjustments on investments held as fixed assets. As at 31 December 2021, Luxempart recorded value adjustments of € 12,236,179 (2020: € 1,271,278).

NOTE 15 - TAXES

The Company is fully taxable on its trade income at an effective rate of 25.69%. It is also subject to a wealth tax of 0.5% calculated on the basis of net assets at the beginning of the year. Taxes come from ordinary activities.

As at 31 December 2021, the tax expense is broken down as follows:

in €	31/12/2021	31/12/2020
Wealth tax	933,820	4,815
Other taxes	539,374	541,667
Total	1,473,194	546,482

NOTE 16 - INCOME FROM PARTICIPATING INTERESTS AND FROM OTHER INVESTMENTS

This item consists of:

- Dividends received from Luxempart's shares in affiliated undertakings for € 1,471,425 in 2021 (2020 : € 0);
- Dividends received from Luxempart's financial fixed assets amounting to € 48,532,205 in 2021 (2020: € 46,770,683);
- Capital gains generated on the sale of investments held as fixed assets (mainly on Schaltbau, Zooplus), net of reversal from previous value adjustments, amounting to € 133,312,423 in 2021 (2020: € 27,499,795);
- No reversals of value adjustments on investments held as fixed assets in 2021 (2020: € 14,871,901).
- Reversals of value adjustments on shares in affiliated undertakings for € 5,621,725 in 2021 (2020: € 1,694,995).

NOTE 17 - TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties comprises mainly :

- A loan to Luxempart Capital Partners for € 2,600,000;
- Luxempart rebills Foyer Finance, a part of Chairman of the Board of Directors salaries for a total of € 248,678 (2020 : € 326,427);
- The Foyer Assurances group rebills, on a quarterly basis, office rental expenses and other related expenses, insurance expenses, and miscellaneous services for a total of € 630,513 (2020: € 613,843);
- One member of Luxempart's Group Executive Committee and one member of Luxempart Board of Directors invoices fees to Luxempart. The fees amount to € 198,270 for 2021 (2020: € 549,691);
- Transaction fees paid to Capital at Work, a subsidiary of the Foyer Group, amount to € 26,945 (2020: € 19,809) and are included in "Interest payable and similar expenses".

NOTE 18 - OFF BALANCE SHEET COMMITMENTS

As at 31 December 2021, Luxempart has a total remaining commitment directly and through its subsidiary Luxempart Capital Partners SICAR of € 249,335,913.

Luxempart has a commitment on its office lease until 29 February 2024 for a monthly amount of € 29,995.

NOTE 19 - POST BALANCE SHEET EVENTS

During the first months of 2022, Luxempart strengthened its position in some listed companies such as :

- Technotrans for € 4.594.702
- Süss Microtech for € 2.155.109
- SNP for € 292.513



LUXEMPART
GROWING TOGETHER

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