

GETTING TOGETHER

Luxempart at a glance



LUXEMBOURGISH INVESTMENT COMPANY

€ 2.3bn NAV

PER 31/12/2023

STRONG TRACK RECORD

~ 15% IRR

OVER PAST 30 YEARS

STRONG TEAM

~ 30

INVESTMENT AND CORPORATE PROFESSIONALS

DIRECT INVESTMENTS

25+ lines

IN EUROPE



STOCK LISTED, EVERGREEN

30+ years
OF EXISTENCE

STEADY DIVIDEND POLICY

2.6%

PAY OUT IN 2023

LARGEST ASSET

32%

OF FOYER GROUP

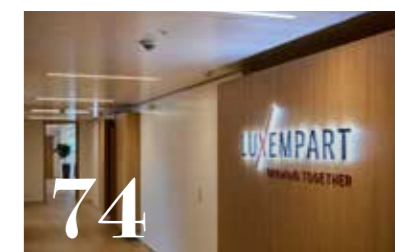
INVESTMENT FUNDS

20+

FUND MANAGERS
TOP CLASS, EUROPE & US

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Message to our shareholders



JOHN PENNING
MANAGING DIRECTOR

FRANÇOIS GILLET
CHAIRMAN

+8.3% NAV
PERFORMANCE 2023

2023 has been an active year for Luxempart: high levels of new investments and key divestments in a geopolitical environment that remained fragile and European economies slowing down as a result of high interest rates. Our offices in Luxembourg were completely redesigned to adapt to our growing teams and new ways of working. We opened two advisory offices in Paris and Munich to help with deal sourcing in our core Direct Investments markets and the complete remake of our website was well received. In April, our new chairman François Gillet took office and we achieved together with our colleagues of the Group Executive Committee (GEC) a smooth transition from the leadership of François Tesch, co-founder of Luxempart and our Honorary Chairman, who has successfully shaped our organisation over the last thirty years. In October, Olaf Kordes, our co-managing director, left the Group after four intense years of transformation and implementation of our new strategy. We thank him for his contribution to the professionalisation of our organisation and for his successful business development efforts in France.

The past year has to be put into the broader context of our transformation journey that started at the end of 2019. In early 2020, the world was hit by the Covid-19 pandemic which was going to be followed by years of difficulties: lockdowns, bubble in growth stocks, supply-chains issues, explosion of energy prices as a result of the war in Ukraine, high inflation rates and the return of higher interest rates ending a 10+ years run of “cheap” money.

TWO CORE PILLARS

Looking back on the last four years, we can affirm with some pride that our organisation and teams have achieved a lot. Our strategy focusing on two core pillars, Direct Investments and Investment Funds, with dedicated investment teams, is in full swing and is already showing results.

Our Direct Investments (DI) portfolio has been streamlined significantly, down from 43 lines 4 years ago to 28, including 14 new investments (11 in private equity, 3 in listed companies) which represented EUR 710m of capital deployed. Most of our current lines are

consistent with our current strategy, which puts emphasis on active minority or co-control situations alongside entrepreneurs and/or like-minded investors. Our listed activity, which is made of four core positions (Atenor, Nexus, Technotrans and Tonies), is now fully integrated within our DI activity and team. The average NAV by line for the top 10 DI lines has increased from EUR 40m to EUR 78m in 4 years. Our business in France has been rebuilt and has today an equal weight in our NAV than the German one and we have established as a co-investor a fairly large exposure in Northern Italy.

Our Investment Funds (IF) portfolio has grown significantly over the last 4 years, reaching an NAV of EUR 509m or 22% of total NAV as at 31 December 2023. More importantly, total exposure (NAV plus outstanding commitments) of our IF activity amounted to EUR 753m at the end of 2023. Since 1 January 2021 we have taken commitments for about EUR 330m, of which 51% in US and some global funds. In Europe, a large part of our new commitments still went into our historic and well performing relationships, Bravo Capital, Armira, and Ekkio.



“Our strategy is in full swing and is already showing results.”

JOHN PENNING
MANAGING DIRECTOR

Most of our current IF portfolio NAV (24 General Partners spread over 48 active funds) is invested in buyout funds (73%), venture capital & growth funds making up 18% while secondaries funds about 9%. European funds still make up 72% of our NAV, the remaining being mostly in the US. Based on our commitments, the NAV exposure to US funds will increase over the coming years.

Our journey in the fields of sustainability and ESG that started in 2021 is progressing well and will continue to intensify in the coming years. Our teams are closely associated in the implementation of our ESG guidelines that are integrated in our investment principles.



“Despite a high cash position, Luxempart generated a NAV performance of 8.3% in 2023.”

FRANÇOIS GILLET
CHAIRMAN

+6.4%

NAV INCREASE IN 2023

Our portfolio has shown to be resilient over the last years, and this also thanks to our important shareholding in the Foyer Group, which has generated 2/3 of our dividend revenues. Foyer is a 100 year-old independent and leading financial group in Luxembourg, with insurance at its core, and growingly beyond our national borders. Foyer has also developed its activities outside of its traditional local insurance business, in particular solutions in wealth management (Wealins and Capital at Work) and in international health insurance (Foyer Global Health). Luxempart owns 32% of Foyer and is an active minority shareholder alongside Foyer Finance, composed of the founding families of Foyer.

GOOD PERFORMANCE

Over the last 4 years, Luxempart generated a performance (based on NAV increase including paid-out dividends) of 12.2% which is roughly in line with our 10 years (13%) and 20 years returns (12.6%). It is worth taking a closer look at this 4 year period. Direct Investments have returned 14.2% while Investment Funds generated strong returns of 23.8%, which can be best explained by the high concentration of our IF portfolio on the former specialised teams (Indufin, Bravo, Ekkio, and Armira) which have realised an outstanding performance.

Our performance over 4 years compares favourably with our benchmark, the MSCI Europe Mid-Cap which generated an average return of 4.0% over the same period.

We would like to note that during those uncertain times and transformation years, Luxempart was able to pay EUR 138m of gross dividends to its shareholders while maintaining a very solid balance sheet (no debt, high cash and financial liquidity position).

In 2023, our NAV increased by 6.4% to EUR 2.3bn and we achieved a performance of 8.3% including the dividend paid last May. Considering our high financial liquidity position at the beginning of the year (EUR 451m or 21% of the NAV) and the challenging economic environment in our core markets, we are rather satisfied with this result.

As already indicated in our half-year report, 2023 was a very active year in terms of investments: in Direct

Investments we entered in three new lines, Kestrel Vision and Coutot-Roehrig in France, and Alphacaps in Germany, and continued to strengthen our positions in Atenor, MTWH, Evariste, Nexus, and Tonies for a total of EUR 71m. In Investment Funds, our objective is to take new commitments close to EUR 100m per year. Last year, we made new commitments for EUR 107m, of which 42% in US and 58% in Europe, including a slightly above average allocation to Armira's third fund, where we keep our status as cornerstone investor. The latter allows us to benefit from a qualitative deal flow of co-investment opportunities in Germany. The DACH market is large and decentralised and the longstanding and successful collaboration with Armira enables us to complement our own deal flow which has built up nicely over the last 18 months.

On the divestment front, all listed “run-off” lines (Ascom, Süss Microtec, and TCM) were sold last year, and we fully exited SNP, in which we held a significant stake of 10% and a board representation, in the context of the takeover by Octapharma. Although we actively contributed to the reshaping of SNP's repositioning and management renewal following the founder's sudden death in October 2020, and continued to believe in its development potential, we did not understand and support the strategic rationale of the takeover and the new governance of the company.

As announced in December 2023, the sale of our portfolio company ESG Elektroniksystem- und Logistik GmbH to Hensholdt was signed and the transaction is foreseen to be closed in the second quarter of 2024. In 2015, we invested 27.6% into ESG, which is held by a vehicle managed by our German partner Armira. It has been a very successful investment as we will generate a total return of more than 7x MoM. We expect proceeds above EUR 135m, which will significantly increase our financial liquidities (EUR 173m as at 31 December 2023). This comfortable cash position, complemented by secured and undrawn credit lines of EUR 100m, will allow us to honour our commitments under our ambitious Investment Funds program and to seize attractive Direct Investments opportunities.

We remain cautiously optimistic for the future. Our portfolio is composed of solid companies and funds, is well diversified and mostly exposed to sectors with good growth prospects. More importantly, we believe that our greatest strengths are our entrepreneurial spirit and

family backed capital, which allow us to face challenges with confidence and focus on creating value in a sustainable manner in an ever-changing world.

A DIVIDEND IN PROGRESSION

We are also pleased to announce that our Board of Directors is proposing a dividend of EUR 2.17 per share, in progression of 9.6% and representing a dividend yield of 3.3% based on year-end share price.

Our share price closed 2023 at EUR 66 per share, decreasing by 11.4% over the course of the year, and sits at a discount of 42.8% to our Net Asset Value. This discount is disappointing, but it is in line with comparable listed holding companies with significant exposure to private equity. Markets remain prudent vis-à-vis such asset class, waiting to see the impact of the increase of interest rates on underlying portfolio companies.

The buzz word we heard a lot in 2023 is «Artificial Intelligence», being the next game changer. The concept is all but new. But we probably all agree that this time, the speed of transformation and the related impacts are difficult to grasp. Of course, there are uncertainties and challenges attached to such transformational technologies, but there will also be immense opportunities, that we don't want to miss. To address this fast moving subject, we have created an internal task force which will take the lead in all matters around AI and will involve in the process every Luxempart employee.

Last but not least, we would like to thank all the members of our Board of Directors for their valuable support and input as well as our amazing team for their commitment and good team spirit. We also thank you for your continuing support and loyalty.

François Gillet and John Penning

Highlights 2023

EUR 2,324m

NAV (+140,6M EUR)

+8.3%

GLOBAL PERFORMANCE 2023

Direct Investment
EUR 274m

INVESTED IN DIRECT INVESTMENT

EUR 86m

PROCEEDS RECEIVED FROM
EXIT OF DIRECT INVESTMENTS

EUR 173m

CASH IN TRANSPARENCY

+8.9%

DIRECT INVESTMENT PERFORMANCE

3

NEW INVESTMENTS

4

EXITS

EUR 100m

UNDRAWN CREDIT FACILITIES

+11.6%

INVESTMENT FUNDS PERFORMANCE

Investment Funds
EUR 97m

INVESTED IN INVESTMENT FUNDS

EUR 27m

PROCEEDS FROM INVESTMENT FUNDS

EUR 107m

NEW COMMITMENTS IN INVESTMENT FUNDS

4

NEW RELATIONS WITH FUND MANAGERS

MARCH

Investment in **Kestrel Vision**

JUNE

Investment in **Coutot-Roehrig**

AUGUST

Exit from **SNP Schneider-Neureither & Partners**

SEPTEMBER

MTWH acquires **Metalstudio**

OCTOBER

Enter into the capital of **Alphacaps**

NOVEMBER

Capital increase of **Atenor**

DECEMBER

Signed sale of **ESG Elektroniksystem- und Logistik**

Strategy



Our business model

Listed investment company with strong family roots

VALUES AND MISSION

With a family and entrepreneurial history dating back more than 30 years, Luxempart has strongly anchored in its genes the values of **value creation through long-term partnerships**.

Luxempart ambitions to **embark, next to passionate entrepreneurs and like-minded investors, into enthusiastic growth journeys, bringing great companies to the next level of their development**. We are proud when we can contribute to the creation of strong leaders in our home markets (Belux, France, Germany, Northern Italy), concentrating skills, deep know-how, and job creations into those countries.

We have learnt over the years, that such successful paths are only possible with a specific set of values:

- Positive alignment with our partners
- Resilience, even in difficult times
- Honesty and respect for people
- Passion for the business
- Solution-oriented thinking
- Rigor, hard work, and no complacency.

€2.3bn

NAV 31/12/2023

Steadily increasing dividend

~ 30

INVESTMENT PROFESSIONALS
AND SUPPORT STAFF

Those values were the key of our past successes, leading to an **annual performance of Luxempart of around 15% IRR over the last 30 years**, and we believe that they will remain fundamental to pursue our ambitions in the future.

This mission accompanies us in our investment decisions and day-to-day work and makes that we enjoy every new day!

GROUP'S STRATEGY

Luxempart invests in companies with proven business models, positive cash flows and resilient sectors.

Our main strategic pillar is the Direct Investments activity, where we seek investments and manage a diversified portfolio of private or public companies, in markets that are close to us, we know well and where we have our networks: Luxembourg, Belgium, France, Germany, and Northern Italy. We aim to be a long-term and trusted partner to successful entrepreneurs and families. Our situation in Luxembourg, at the crossroads of the French and German cultures, provides us a privileged access to those two key European markets and constitute a clear differentiation factor for Luxempart.

We complement this Direct Investments pillar with a growing Investment Funds activity, in other geographies, with an important focus on the US. Our dedicated teams select best-in-class third-party managed funds to partner with on the long term. This activity allows to get exposure to other important markets, offering a sound diversification to our investors. It also allows to benchmark constantly and positively our Direct Investments activity, challenging its performance with world-class private equity asset managers.

Our growing team of close to 30 investment professionals and corporate services employees is based in Luxembourg and actively covers those two pillars, building up extensive expertise in their respective fields, while enriching each other's with market information and best practices. We foster an ambitious team spirit, including young and talented team members, that are close to our strategic markets, and that are empowered early on.

€1.6bn

DIRECT INVESTMENTS:
FRANCE, DACH, BELUX, ITALY

€0.5bn

INVESTMENT FUNDS:
FOCUS MAINLY ON EUROPE AND USA



“We are proud when we can contribute to the creation of strong leading companies in our home markets, concentrating skills, deep know-how, and job creations into those countries.”

LIONEL DE HEMPTINNE

A CLEAR VALUE PROPOSITION

To our shareholders:

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

To our business partners:

- Tailor-made solutions for founders, family businesses and managers
- An entrepreneurial and industrial mindset
- An active support on all major strategic decisions and available capital to foster growth initiatives or to resist hard times
- No exit pressure with investment horizons beyond traditional private equity funds
- The ability to help national champions to become truly European and develop worldwide

Direct Investment strategy

Direct Investments: Invest EUR 25 to 100m in European small- to mid-sized champions

OVERVIEW

| | |
|---|---|
| Core strategy of Luxempart | Direct Investments constitutes the main investment strategy of Luxempart, today representing about 75% of our total NAV. |
| Diversified portfolio in our core markets | We manage a portfolio of investments in leading small- to mid-sized European companies with a geographic diversification across our core markets France, DACH, Belux, and Northern Italy, and a sector diversification across multiple attractive growth sectors. |
| Foyer group | Our shareholding in Foyer stands out as an exception in this respect in terms of relative weight, but the strong resilience of this business, its leading positioning on the market and our very close links to this company give us the adequate level of comfort regarding this higher concentration. |
| Moving towards a more concentrated portfolio of bigger lines | We have been streamlining our portfolio during the last years, selling smaller or less strategic lines, with a view to evolve towards a more concentrated portfolio, of around 20 bigger lines . This, to be more relevant in terms of impact on our NAV, and to better allocate our internal resources. |
| Strong local presence | We manage our portfolio from Luxembourg, where most of our teams, including decision makers, are located. Nevertheless, conscious of the need to be close to our core markets, we have opened advisory offices in Paris and Munich, that help us tap into local networks and source new opportunities. |
| Portfolio rotation | While we are happy to support entrepreneurs on the long term, as long as we see additional potential for growth, we also keep special attention to our portfolio rotation, as this is key to generate liquidity and maintain a dynamic pipeline. |



“We like to actively engage and drive value in areas such as solving successions, driving digitisation of business models or growing through M&A.”

RUDOLF OHNESORGE

TYPICAL DEAL TYPE

| | |
|--|---|
| Late growth / Buyout | We seek to invest in growing companies with a proven business model, positive cash flow generation and a strong position in their core markets. We are not a turnaround investor. |
| Lower mid-market | Our sweet spot is the lower mid-market, i.e. companies with an EBITDA of EUR 10 – 50m. |
| EUR 25 – 100m equity tickets | Those can be complemented over time with add-on financings. |
| Sector focus | We are a generalist investor with a focus on B2B businesses in sectors where we have particular interest and know-how: Industrials & Technology, Healthcare, Financial Services as well as Software & Business Services . Tech-enabled companies will receive all our attention. |
| Focus on France, DACH, Belux, Italy | We focus on geographies that are close to us, we know well, and where we have established networks. |
| Partnership situations | We like to partner with families and entrepreneurs with whom we can create a common vision for an ambitious entrepreneurial journey and achieve a strong alignment of interest. |
| Majority or minority shareholder with strong governance | We are flexible in terms of transaction structure and adapt to the specific transaction situation. As such, we feel at ease as a majority or a minority shareholder in private companies and can also take anchor shareholdings in listed companies. |
| Longer-term investment horizon | Our permanent capital holding structure allows us to be flexible in terms of holding periods, leading to clearly above average investment horizons. This differentiates us from classic private equity funds and is highly appreciated by family businesses and entrepreneurs. |
| Luxempart added value | Our supportive, long-term approach, and our good understanding of family dynamics, are very appreciated by the entrepreneurs we partner with. Our deep understanding and local presence in several key European markets, and our expertise as a financial investor, are of great help in the external growth journeys of our invested companies. |

Investment Funds strategy

Investments Funds: taking commitments in US and European top performing buyout and growth funds and building long-term relationships with selected managers

OVERVIEW

| | |
|---|---|
| 2nd strategic pillar of Luxempart | Taking commitments in investment funds and building over time long-term relationships with a selected number of these fund managers such as to assemble a performing and diversified fund portfolio. We expect our Investment Funds strategy to generate above median returns |
| Geographies | An important goal of the investment fund strategy is to diversify and enlarge our private equity access next to our Direct Investment activity. We therefore strive to take a large part of our new commitments outside Europe, mainly in the USA - which is by far the largest private equity market in the world. Over time, our commitments in Europe and the US should be balanced. |
| Vintage deployment | Our objective is to detect the best teams and to spot the right market opportunities, while keeping a permanent focus on creating, over the long term, a well-balanced and sufficiently diversified portfolio and vintage deployment and not to be exposed to a single point of the economic cycle |
| Annual deployment | Total new commitments per year to reach c. EUR 100m in 8 to 10 funds. |
| Complementarity with DI strategy | Both investment strategies are complementary as they consist in investing in similar sectors with similar value creation approaches. Luxempart's Direct Investment effort is however concentrated on a few home markets (France, Germany, Belux, and Italy), while commitments in funds are US and European wide. Both activities have some synergies, like adopting best practices, detecting new trends in our investment sectors, generating co-investments and club deals with our Direct Investment team and exploring new markets with selected partnerships. |

APPROACH AND ACTION PLAN

| | |
|--|--|
| Dedicated approach | The dedicated approach and action plan over the next 3 years consists in: <ul style="list-style-type: none"> - selecting top performing managers with a proven value creation roadmap; - focusing investment strategies on lower middle market buyout and resilient growth managers; - preferring smaller sized funds; - building on sector expertise in selected sectors like healthcare, software and technology, industrials, and B to B services; and - concentrating on selected geographies, mainly the US and Europe. |
| Focus on small to lower middle market funds | In the US, we transition out of large brand names and multiply our privileged relationships with smaller funds in the lower middle market segment with resilient value creation methods and specific sector knowledge. Our latest commitments all fit into this category and our pipeline of new relationships over the next 2 to 3 years is promising. |
| Market mapping | Our Investment Funds team deploys systematic market mappings, exchanges with relevant fund managers and like-minded investors and engages a continuous dialogue with selected managers, often ahead of fund-raising periods. We aim at developing a privileged position with oversubscribed funds and where the quality of the relationship is important. |
| Reaching above median returns | We are patient in engaging personal relationships with the best performing funds and get commitment allocations in a competitive environment. Our permanent and entrepreneurial capital base with numerous long-term relationships combined with a professional in-house team capable to handle regular contacts contribute to this objective. |
| Equity tickets of EUR 10 - 25m | We can commit significant amounts of EUR 10-25m per fund and offer flexible co-investment capabilities. |
| Detect emerging teams | Our ability to detect emerging first-class teams helps to work with future winning teams. Such ability has been generated through our sponsor investments in several emerging teams such as Armira, Bravo, and Ekkio. |
| Due diligence | We evaluate the quality of the teams according to various criteria among which: track records, repeatability of value creation, team composition and stability, team evolution, incentivisation and performance sharing, partners' alignment with the investors, fund terms and adherence to our ESG values and principles. All those elements, together with informal contacts with our partners and cross references, allow us to build a strong judgement on the teams we decide to partner with. Our manager allocations are spread over different vintages and are reviewed on a regular basis. |
| Close relationships in Europe | The current fund portfolio builds up on a successful group of three close relationships in Europe: Armira in Germany, Bravo in Italy, and Ekkio in France. It is still overweighted on those managers, but we target it to be shaped according to our diversification goals by the end of 2025. We seek to establish a few new relationships in Europe to explore new markets such as the Nordics and endeavour to complete with co-investments and club deals with our Direct Investment team. |
| Track record | We build on a track record in fund investments of over more than 20 years and have sponsored teams in several European markets. Our program has been completed with co-investments based on our investing experience over many cycles. |



Management report

Our team

At Luxempart, we understand that the success of our business relies as much on our investors and portfolio companies as on our people. Across various fields such as investments, legal, finance and management, our team members have diverse backgrounds and expertise.

Our culture is deeply influenced by our core values:



Team work

We collaborate closely, sharing our knowledge and experiences to support each other and drive the company's success.



Entrepreneurship

We expect from all to challenge the status quo, propose new and more efficient ways of doing things, think about automation and take initiatives.



Long-term vision

We value integrity, professionalism, and a strong work ethic, ensuring that all team members uphold the highest standards of ethical conduct and professionalism. This is a pre-requisite to long-lasting relationships and healthy investments.

“I thoroughly enjoy being part of an organisation where long-termism is not just a marketing slogan but impacts everything we do, from investment decision making to how we manage our portfolio companies.”

PHILIPPE THEISEN

“It’s gratifying to be part of a company that not only grows but also adeptly navigates new challenges, thanks to its team and family spirit.”

LAETICIA HENNEQUIN-LANGER

“Over the last 5 years, I have seen Luxempart evolving from its minority investor status to a much more active role while keeping its family and entrepreneurial roots owing to investment teams that have been strongly reinforced.”

JEAN-PHILIPPE KAMM

Building a team for a sustainable future

This year, our focus continued to be on strengthening the team to deliver on our ambitions through recruitment, career development and team building activities.

In 2023, we welcomed on board 3 **new joiners**:



FELIX BAUMANN

Felix joined our DI team as an Investment Manager, focusing on DACH market. Felix brings to Luxempart a combined German market experience in corporate finance and private equity.



SEBASTIAN STEIN

Sebastian joined our DI team as an Associate, reinforcing the DACH specialists team. After starting his career as investment banking analyst, Sebastian joined Luxempart to focus mainly on its listed activity.



IGOR DIDELOT

Igor joined us as a Legal Counsel to complete our Legal & compliance team.

We strongly believe in **professional development** and are committed to support our talents in their careers. In line with our core values, and in particular long-term vision, in 2023, we have proudly celebrated work anniversaries of:

10 years



LAETICIA HENNEQUIN-LANGER

ESG Manager

Laeticia joined Luxempart in June 2013 as Business Controller. Over the years, she helped Luxempart to structure its processes and contributed to build a risk-management approach. In the past years, she gradually shifted towards ESG, accompanying Luxempart in its growth journey.

5 years



PHILIPPE THEISEN

Principal

Philippe joined Luxempart in September 2018 as Investment Manager to focus on the DACH region portfolio.

5 years



JEAN-PHILIPPE KAMM

Principal

Jean-Philippe joined Luxempart in September 2018 as Senior Investment Manager and was promoted this year to Principal level. He focuses on French market and helped over his career at Luxempart to strengthen the French portfolio and team.

We thank them for their contribution in the past years and are looking forward to continuing the journey with them.

TEAM BUILDING

ING Marathon

Six employees participated in the ING marathon in May. They trained for months leading up to the event, supporting each other through the ups and downs of their training journey. On race day, all six employees crossed the finish line, achieving their personal goals and feeling a great sense of accomplishment.

Organ Donor Day

Three employees, along with Foyer, participated in a cycling event indoors to raise awareness and support for Organ Donor Day. The event aimed to highlight the importance of organ donation and encourage more individuals to become donors.

Team building in Alsace

The entire team spent two days in Alsace region of France last October. This provided a nice change of scenery but also offered an opportunity for team members to bond with each other outside of the usual work environment. Additionally, it was the occasion to celebrate the achievements of the team and provided a well-deserved reward for their hard work and dedication.



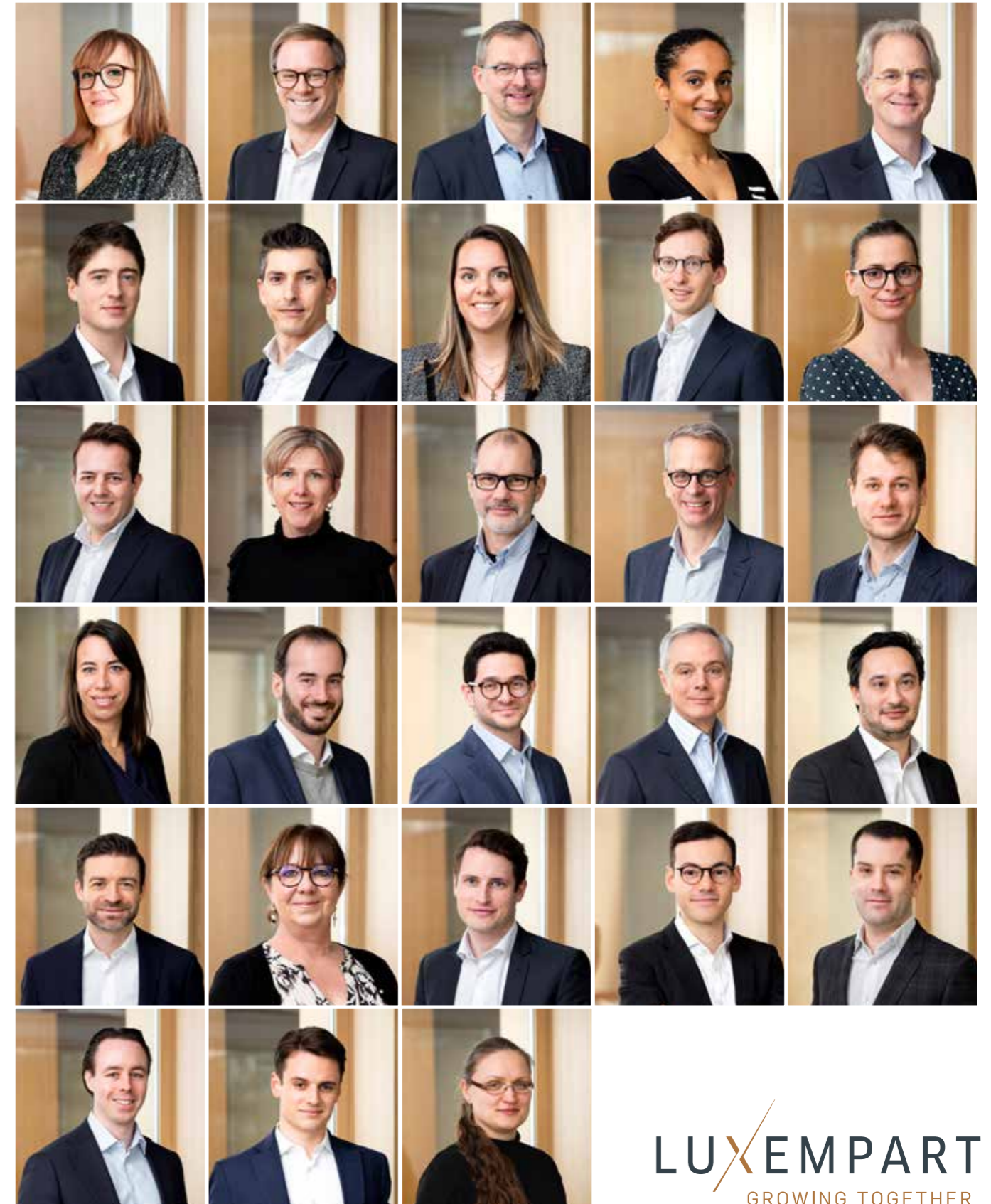
Staying close to our investments

Luxempart success relies on the ability of our people to build relationships within the respective markets we are present into: Luxembourg, Belgium, France, Germany and Italy.

Hence, we attach great attention to work with people that are native from those countries or that master their home languages. In the same perspective, we have opened ideally-situated advisory offices in Paris and Munich to enable closer collaboration between our employees and actors of those geographies.

This, while keeping our main investment and decisioning hub in Luxembourg, with all of our teams either being fully located there, or spending several days a week in our offices. With the goal to keep strengthening our "One Team" approach, and to favor a good communication across our various markets.

In this respect, in 2023, after three months of intense work, our premises have been completely reshaped to optimize the space and encourage communication and proximity between team members. Emphasis has been put on creating a lot of meeting spaces, whether formal (meeting rooms) or informal (cafeteria), in a nice working environment.



Activity & performance 2023

Global context

The year 2023 will overall be remembered as a positive year on the financial markets. As a matter of fact, the markets recovered this year from the 2022 crash, and were given an extra booster thanks to the “Magnificent 7” artificial intelligence trend. This led to a strong performance of stock markets in general, including our benchmark index, the MSCI Europe Mid Cap Net return index, that increased by +14.2%, compared to a -19.3% fall in 2022.

The reality was unfortunately less bright. Yes, the announced economical crisis didn’t occur as heavily as sometimes predicted, and the ongoing regional conflicts (Russia-Ukraine, Israel-Palestina) didn’t spread out to broadly, but the overall economical and geopolitical situation nevertheless remained fragile. Interest rates remained high and consumers’ purchasing power was degraded as a result of high inflation levels.

The economical situation in our main markets resulted in a soft landing, with GDP growth numbers being close to zero in 2023: France +0.9%, Germany -0.3%, Italy +0.7%. The USA experienced stronger growth, at +2.5%, which benefited our Investment Funds activity.

8.3%

SHAREHOLDER'S PERFORMANCE 2023

12.2%

ANNUALISED PERFORMANCE 2020-2023

4.0%

MSCI EUROPE MID CAP 2020-2023 ANNUALISED PERFORMANCE

+10%

DIVIDEND INCREASE IN 2023

Luxempart performance

Our portfolio fared globally well in this context, showing again the strong value of our diversification.

Our overall NAV grew to EUR 2,324m, up 6.4% compared to EUR 2,183m at 31 December 2022. Adjusted for the 2023 dividend, the overall Group’s performance was of 8.3% in 2023.

While below the stock market progression of 2023, this performance still compares extremely positively to our benchmark index, the MSCI Europe Mid Cap Net Return index, when measured on a longer 4-year period in order to flatten market volatilities. Luxempart indeed generated an IRR of ca. 12.2% over this reference period, largely outperforming the ca. 4.0% IRR realised by the index over the same period.

2023 was marked by a strong investment activity, in both our Direct Investments and Investment Funds pillars. We invested in total EUR 370m during the year, while cashing in EUR 150m from fund proceeds and portfolio companies (including dividends).

Our Group’s financial liquidity hence decreased to EUR 173m, or 7.4% of our total NAV, more in line with our long-term objectives, compared to EUR 451m as at 31 December 2022.

We complemented this financial liquidity with two new committed credit facilities of EUR 50m each, of minimum 3 year tenors, signed with historical banks of Luxempart. Those credit facilities were totally undrawn at 31 December 2023.

MAIN FINANCIAL INDICATORS (IFRS)

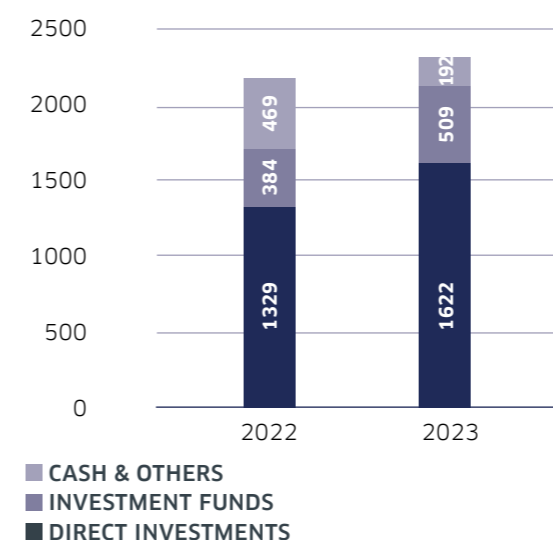
The financial statements of Luxempart have been prepared in compliance with the International Financial Reporting Standards for the year ending 31 December 2023.

| Main KPI (in EUR m) | 2023 | 2022 | Variation |
|------------------------|--------|--------|-----------|
| Equity (group share) | 2,324 | 2,183 | 6.4% |
| Net result | 184 | 46 | 295% |
| Equity per share (EUR) | 115.43 | 108.28 | 6.6% |

The Group equity of Luxempart increased to EUR 2,324m at 31 December 2023, as a result mainly of the good performance of our portfolio (EUR +202,6m), our operational expenses and taxes of the year (EUR -21,6m), and the dividend paid out to our shareholders (EUR -40m).

In the statutory accounts of Luxempart (established under Lux GAAP) the equity decreased from EUR 1,234m as at 31 December 2022 to EUR 1,230m as at 31 December 2023 and the net result increased over the same period from EUR 12m to EUR 38m. For more details, the statutory accounts are available on the website of Luxempart.

Net Asset Value (in EUR m)



DIVIDEND

The Annual General Meeting of the shareholders held on 24 April 2023 approved the payment of a gross dividend of EUR 1.98 per share. This dividend represented a total amount of EUR 40m for Luxempart in 2023, which was paid out on 15 May 2023. Based on a Luxempart stock price of EUR 74.50 per share at the date of 31 December 2022, this represented a gross dividend yield of 2.7% for our shareholders.

The Board of Directors will propose to the Annual General Meeting on 29 April 2024 to approve the payment of a gross dividend of EUR 2.17 per share. This increase of dividends of 9.6% is globally in line with the dividend policy applied since 1993. Assuming the approval of this proposal, the dividend will be payable as from 15 May 2024.

OWN SHARES

As at 31 December 2023, Luxempart holds a total of 570,682 own shares which corresponds to 2.8% of the issued share capital for a book value of EUR 22m. During the year, Luxempart sold 87,364 own shares for EUR 5m, mainly in the context of stock options exercised. These shares represent 0.4% of the share capital. The Annual General Meeting of the shareholders held on 24 April 2023 has authorised to buy back up to 30% of own shares for a price up to EUR 150 per share. This authorisation expires at the Annual General Meeting of 29 April 2024 where it will be proposed for renewal.

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 on the market in line with the market movements. Our stock price ended the year 2023 at EUR 66, decreasing by 11.4% compared to 31 December 2022.

RECENT POST CLOSING EVENTS

On 14 March 2024, Luxempart announced having reached a 10% ownership in Nexus AG, our German portfolio company, listed on the Frankfurt Stock Exchange, and active in the development of hospital software solutions. This confirms our strong confidence in Nexus' business model and management team, that steadily delivers on its budgets.

OUTLOOK

We are cautiously optimistic for the year ahead, in a context of general uncertainty. The feared economic crisis did not occur in 2023, and indicators are stable or slightly more positive for 2024.

On the negative side, a slight recovery in inflation in the USA could slow down rate cuts anticipated later this year, negatively affecting the recovery in the construction sector, and companies related to it.

On the positive notes, Foyer remains well oriented. Its operational and financial outlook is favorable, due to its good positioning and the extension of the maturity of its bond portfolios.

We are confident in the prospects of our Direct Investments portfolio as well. Despite the shocks, our companies are solid, active in good sectors and have reasonable debt levels in general. We see much more upside potential in their valuations than downside risks.

Finally, on the fund side, some good assets should leave the portfolios of our mature funds (Ekkio and Armira) in 2024, with a priori positive effects on their fair value.

Activity and performance of the Direct Investments

The overall performance of our Direct Investment portfolio has been strong in 2023, at +8.9%. This is explained by various effects.

Foyer delivered strong results in 2023. Operationally, the group performed well in its main markets. Financially, the higher interest rates, that hurt its bond portfolios in 2022, now offer higher yields translating into positive financial results. Foyer group's equity hence increased significantly in 2023, despite the payment of a EUR 91m dividend. The group enjoys extremely strong financial ratios for the sector, with solvency ratios over of circa 300%.

The sale of ESG Elektronigsystem- und Logistik, that will be closed in April 2024, was signed at a significantly higher price than expressed in our last NAV, contributing also positively to our performance. This shows a regained interest for European defence and security companies, in the current context of ongoing geopolitical tensions.

The remainder of our portfolio behaved in various directions in 2023, with some companies, especially in the industrials sectors, as Kestrel Vision, Crealis, MTWH or Salice, experiencing headwinds due to the economic slowdown or from high inventory levels at their clients. While other companies, notably in the consumer goods, healthcare and services sectors, kept faring well, as was the case for Evariste, Coutot-Roehrig, Nexus, Tonies, Mirato or FX Solutions for example. This high volatility in the activity levels of some of our portfolio companies was especially visible as from the second half of the year, with sometimes strong reductions in their order books.

Average valuation multiples remained quite stable, at 9.2x EBITDA.¹

The performance of our listed portfolio was impacted by the difficulties of Atenor, but this has been compensated by capital gains realised on some exits detailed hereafter.

In absolute terms, the NAV of our Direct Investments increased strongly by 22.0% to EUR 1,622m, combination of the positive performance of the year and of a strong investment activity. We indeed invested EUR 274m in total in 2023, while receiving proceeds from divestments and dividends for EUR 123m.

As of 31 December 2023, we had 28 companies in our Direct Investments portfolio, including the three new investments, compared to 29 by end of 2022. In terms of portfolio construction, we exited from smaller, non-strategic participations (EUR 20m size on average) and invested in bigger positions (EUR 67m size on average) where we can play an active role. This allows us to gradually move towards a more concentrated portfolio, our top 10 lines (excluding Foyer) now weighing an average EUR 78m per line.

We will continue this effort in the coming years, with a target to build up over time, a portfolio of around 20 investments of circa EUR 75m size on average.

We also pay special attention to maintain a healthy balance within our portfolio in terms of exposure to industrial sectors and geographies (France, DACH, Northern Italy, and Belux).

INVESTMENT ACTIVITY

We had quite a busy year in terms of deployments in 2023, with EUR 274m having been invested in our Direct Investment activity, across 3 new investments and 5 add-on investments.

In March 2023, we invested EUR 112m for a 26% stake in **Kestrel Vision**, a global leading player in the development of machine vision based quality control and inspection solutions for the rigid packaging industry, mainly for the food & beverage, pharmaceutical and cosmetic sectors. This transaction was the largest done by Luxempart over the last years.

In June 2023, Luxempart replaced Capza as a minority shareholder of **Coutot-Roehrig**, the European leader in estate genealogy services with a direct presence in France, Italy, Spain, Belgium, Luxembourg, Switzerland, Monaco and the USA. Coutot-Roehrig, majority-owned and led by Mr. Guillaume Roehrig, helps legal officers (mainly notaries) in identifying and locating heirs in case of inheritances without heirs. In addition to its network of subsidiaries, it has world-wide capabilities thanks to

its wide network of correspondents and its state-of-the-art and proprietary databases.

In September 2023, Luxempart participated for EUR 16m, in the financing of the acquisition by **MTWH** (previously Metalworks) of one of its major competitors in Italy, Metalstudio. Both companies are located near to Milan, in Italy, and supply metal & plastic accessories to the luxury market, and as such, represent a highly synergetic combination. This transaction, which doubles the size of MTWH, represents a major development for our participation.

In October 2023, Luxempart announced the acquisition of a substantial minority stake in **Alphacaps**, a leading German full-service contract developer and manufacturer of nutritional supplements. The company offers its customers a wide range of formulations and formats based on deep know-how, state-of-the-art machinery and all the required certifications for the production of food supplements. Luxempart invested together with its long-lasting partner Armira, alongside the founder of Alphacaps, who kept a significant minority stake as well.

As mentioned in our half year report 2023, **Atenor**, a real estate promotion company, is suffering from the current crisis that shakes the real estate sector, and needed to strengthen its balance sheet structure and financing capacity. Atenor carried out a capital increase in November 2023, for a successful amount of EUR 181m, to which Luxempart, as an anchor shareholder of the company, subscribed for an amount of EUR 30m. After the capital increase our stake in Atenor went from 11% to 15.6%.

Finally, we also reinforced our existing positions in listed companies **Nexus** (EUR 8m) and **Tonies** (EUR 5m) over the year 2023. Those two companies deliver steadily on their budgets, while this not being fully translated into their stock prices yet. This confirms our strong conviction in those two companies' business plans and execution.

All these investments fit our investment strategy as described before. They were made with a view to commit to the long term, in sectors that show interesting growth perspectives.

1) Average EV/EBITDA multiple of the Direct Investments in private equity valued internally by Luxempart (excl. Foyer)

NEW INVESTMENTS REALISED IN 2023



Amount invested: EUR 112m
Luxempart stake: 27.9 %



KESTREL VISION IN A NUTSHELL

Kestrel Vision is a leader in designing inspection systems controlling rigid containers' production and filling (using machine vision), while providing complementary services to support clients (spare parts, upgrades/ refurbishment, software & data collecting...). Historically, the group has a strong expertise in glass packaging and has expanded to plastic and metal packaging through recent acquisitions.

The group operates mostly in the food & beverage as well as in the pharma end-markets where inspection on containers and filling is mandatory.

INVESTMENT THESIS

- Global and leading player designing control & inspection machine vision based solutions
- Resilient business model with stable recurring revenue streams from the sale of spare parts, upgrades, maintenance and services
- Penetration of a fast evolving rigid packaging inspection and quality control market, with growing and resilient demand
- Strong synergies potential from recent acquisitions
- Co-investment alongside Caravelle, an investor that shares our values and long-term approach



Amount invested: EUR 49m
Luxempart stake: 35.8%



COUTOT-ROEHRIG IN A NUTSHELL

Coutot-Roehrig is the largest probate research company in Europe specialised in the identification and location of rightful heirs worldwide since 1894.

As probate researcher, the company is legally appointed to proceed with the settlement of estates. Its task is to identify and locate heirs and to establish their entitlement all along the probate process. The company is the owner of reference databases for estate genealogy with >1bn data aggregated.

Coutot-Roehrig has built a group of 46 branch offices in France, Spain, Italy, Belgium, Luxembourg, Switzerland, Monaco, and in the USA.

INVESTMENT THESIS

- French, Italian, Belgian, and European leader
- Steadily growing genealogy market favoring market leaders with international reach
- Highly resilient business with limited correlation to the global economy
- Ambitious expansion plan across Europe



Amount invested: n.d.
Luxempart stake: n.d.



ALPHACAPS IN A NUTSHELL

Alphacaps is a leading full-service contract development manufacturing organisation (CDMO) for nutritional supplements in Germany and Belgium.

The group is positioned as a «one-stop-shop» and focuses on vitamins, minerals and supplements, protein as well as weight products.

Alphacaps offers its customers a wide range of formulations and formats based on deep know-how, state-of-the-art machinery and all the required certifications for the productions of food supplements.





INVESTMENT THESIS

- Growing nutritional supplements manufacturing market driven by long-term growth dynamics in the underlying vitamin, minerals and supplements market
- Strong market position with clear and differentiated USP and established barriers to entry
- Solid track record of profitable growth

DIVESTMENT ACTIVITY

In line with our streamlining strategy, we decided to divest from several portfolio companies in 2023. We exited from 4 companies in our listed portfolio over the course of 2023, for total cash proceeds of EUR 82m. Those lines were relatively small investments, legacy from the past, in which we hadn't the level of governance we are expecting in our current strategy. We also generated small proceeds from other portfolio activities for EUR 5m.

Our exits of the past year are summarized in the table below:

| Company | Activity | Proceeds (EUR m) | IRR on investment | Comment |
|---|--|------------------|-------------------|--|
|  TCM Group | TCM Danish kitchen manufacturer | 5.3 | 6.5% | Exit via participation in a share buy-back program of the company and various block trades on the stock market. Total assignment for EUR 14.6m (between April 2021 and February 2023) of which EUR 5.3m in 2023. |
|  ascom | Ascom Swiss provider of information and communication solutions for healthcare institutions and enterprises | 13.1 | -10.4% | Exit on the stock market |
|  SNP | SNP Schneider Neureither & Partners SE German IT consulting company | 25.5 | -18.6% | Participation to the voluntary take-over bid, launched by Octapharma AG, a company controlled by the main shareholder of SNP Schneider Neureither & Partners SE, at a stock price of EUR 33.50/share. |
|  SÜSS MicroTec | Süss Microtec German semi-conductors producer | 37.8 | 14.2% | Exit on the stock market |
| TOTAL | | 81.7 | | |

Activity and performance of the Investment Funds

Our Investment Fund activity continued to perform strongly in 2023, generating a significant return of EUR 56m, or 11.6%. This strong performance can primarily be attributed to our well-established sponsored funds, Bravo Capital and Ekkio Capital, which achieved considerable growth in their portfolios. Through their substantial role in terms of commitments and net asset value, these funds influenced our overall 2023 performance. Generally, our buyout funds reported solid performance in 2023, with an increase of 15.6%, while our growth and secondaries segments increased their net asset value by 4.7% and 5.8%, respectively. Our venture capital segment however faced challenges, with a decrease of 2.8% in Net Asset Value, reflecting a tough market environment.

In absolute terms, the Net Asset Value of our Investment Funds rose from EUR 384m in 2022 to EUR 509m at the end of 2023. This increase is due to the growth previously mentioned and our ongoing portfolio expansion, as evidenced by the EUR 97m of new capital called in 2023.

The new commitments 2023 are broken down as follows:

| in EUR m | North America | Global | Asia | Europe | Total |
|-----------------|---------------|------------|-----------|------------|-------------|
| Buyout | 25 % | - | - | 35 % | 60 % |
| Growth equity | - | - | - | - | - |
| Venture capital | 5 % | - | - | - | 5 % |
| Co-investment | 1 % | - | - | 12 % | 13 % |
| Secondary funds | - | 11 % | - | 11 % | 22 % |
| Total | 31% | 11% | 0% | 58% | 100% |

Our total undrawn commitments stand at EUR 244m end of 2023. We ensure to keep the undrawn commitments at such level through constant monitoring of the amount of new commitments and the capital call and distribution ratios.

INVESTMENT ACTIVITY

In 2023, Luxempart committed EUR 107m to 9 new funds (including 4 new managers, 3 re-ups and 2 new co-investments). This increase from the previous year was largely due to our significant new commitments to existing relationships with Armira, LGT and Five Arrows, both in their latest secondaries fund, and increasing our co-investment with Webster, one of our US healthcare managers. Over the year, we also committed to 3 new US managers: Pfungsten, a Chicago-based firm focused on control investments in manufacturing, distribution and business services in North America's lower mid-market; Bertram, a California-based firm targeting control investments mainly in the industrial, business services, and consumer sectors and Uncork, a prominent seed-stage VC firm from Silicon Valley. These commitments align with our strategy of expanding into new US funds while maintaining existing relationships as long as they meet our performance, fund size and operating expectations. We also seized the opportunity to co-invest alongside the French investment fund Meanings Capital in JEMS, a leading French IT services company focused on big data.

PROCEEDS

Fund distributions were limited to EUR 27m, most of it from our sponsored funds because of realised exits and earn-out payments. These distributions reflect a 7% yield in relation to our opening balance, significantly below the average historical market rate of 22% (2010-22). Despite a recovery in public equities in 2023, the private equity sector faced a challenging low liquidity environment, compounded by rising borrowing costs and valuation pressures, leading managers to postpone exits.

Sustainability statement



Luxempart's ambitions

Our mission is to be **GROWING TOGETHER**, together with and for our shareholders, together with and for our team, together and for our participations and investments... **together and for our stakeholders**. Since the first day of existence, Luxempart has been a long-term partner supporting its participations and partners. We are a family-owned investment company, whose business is driven by our family values: long-term value creation through patient involvement and shared vision.



Since 2021, the Board of Directors and the Group Executive Committee have implemented a more structured way to consider ESG factors in the operations of the Group. In this context, Luxempart has onboarded the entire team to develop and **implement its sustainability vision**. The purpose of this process is to deliver competitive returns and to consider ESG risks protecting against negative impacts but also to pursue value creating opportunities. This way Luxempart is progressively making the shift from a financial-only to a sustainable investment approach.

“The purpose of this process is to deliver competitive returns and to consider ESG risks so as to protect against negative impacts but also to pursue value creating opportunities.”

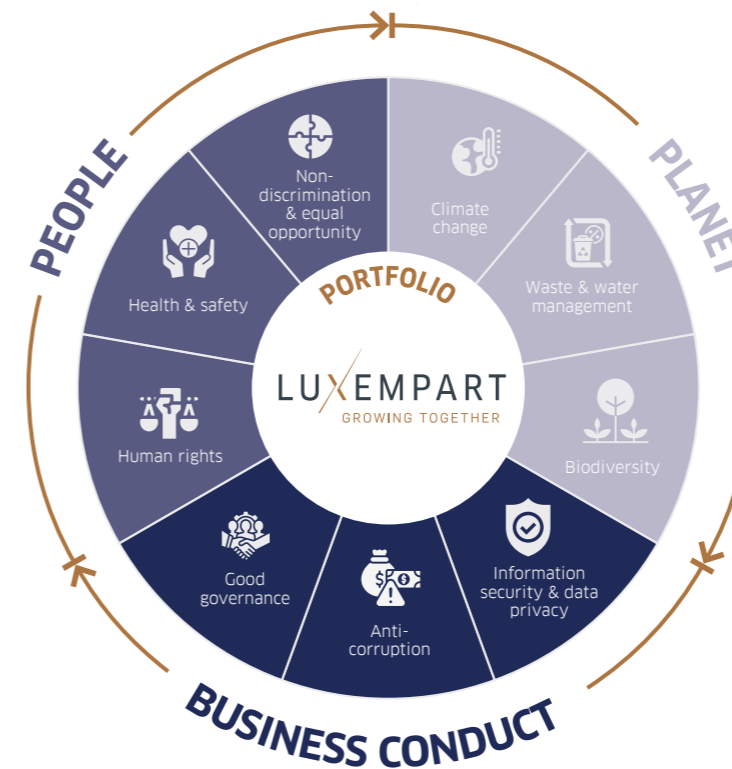
OUR TAILORED SUSTAINABILITY FRAMEWORK

Our sustainability framework has been defined in a collaborative approach with our stakeholders and by considering the specificities of the industries we are invested in. Luxempart is committed to an ongoing dialogue with its stakeholders, being its employees, its portfolio companies, its partners and co-investors, the authorities, and regulators.

We have developed and regularly updated our own sustainability framework based on a methodical analysis (double materiality assessment) of:

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

The outcome has resulted in a materiality matrix that encompasses common and relevant environmental, social and governance standards. We have defined 9 topics representing our priorities in corporate and portfolio actions around the three ESG pillars: People, Planet, and Business conduct.



“The Board of Directors has entrusted the Sustainability Committee to give guidance in terms of sustainability strategy.”

OUR SUSTAINABILITY GOVERNANCE

Sustainability is one of the main strategic challenges of Luxempart for the coming years. The Board of Directors is responsible for the strategy of Luxempart, which is determined to generate long-term value creation. The Board of Directors has entrusted the Sustainability Committee to give guidance in terms of sustainability strategy and business model. This committee is also in charge of following the changes in laws and regulations in relation to sustainability that could have an impact on Luxempart. It validates corporate and portfolio sustainability action plans and evaluates their results.

The Group Executive Committee is responsible for the day-to-day operations. It sets the priorities and leads the action plans. A manager of the team has been trained to develop sustainability-related expertise and skills. She oversees the ESG data collection and monitoring, and supervises the implementation of actions on a daily basis.

More information on the Sustainability Committee can be found on pages 91.

Luxempart being a small listed entity, according to the EU definition, it is not yet required to prepare a sustainability report under the Corporate Sustainability Reporting Directive (“CSRD”). The present sustainability statement is prepared on a voluntary basis and does not include all the information required by the CSRD. This statement has not been audited or reviewed by the auditors.

Sustainability actions at corporate level

At corporate level, Luxempart continues to improve its impact on the three ESG pillars: People, Planet, and Business conduct. The Group Executive Committee's priorities in 2023 were:

- to continue to involve our teams and improve their skills on sustainability, by providing trainings and regularly engaging on the subject;
- to collect ESG KPIs and to perform due diligences for the Direct Investments;
- to review and update the ESG due diligence questionnaire for the Investment Funds.



PEOPLE

Our people are our most important asset and for this reason Luxempart aims to be a responsible and attractive employer. In this view, concrete measures have been taken to improve social cohesion within the Company.

Health and well-being of the team

To increase the health and well-being of the team, Luxempart had already put in place several actions: break room, fitness club, regular health checks, free fruits and beverages, healthy fresh meals at sponsored price at the canteen, ergonomic workplace, hospitalization insurance paid for the employees and their family, efficient IT infrastructure and tools enabling work from home...

In 2023, the focus was on the **well-being and communication** in the office. The office was completely renovated into a highly functional space and well decorated workspace. Team members can now enjoy ergonomic furniture in an environment designed to facilitate teamwork while reducing potential noise disturbance.

Talent attraction & development

One focus of Luxempart in terms of human resources management is put on **attracting and developing talents**. Luxempart aims to enable its team to develop its potential, by increasing training opportunities and fostering career development in a growth mindset.

In 2023, Luxempart welcomed and trained 7 students for an internship period of 3-6 months. We have also increased the number of internal training sessions, where team members share their expertise to their colleagues. For example, in 2023, we organised trainings on Private equity for the support team, on sustainability, and on governance matters.

Promote non-discrimination and equal opportunity

At Luxempart, we tolerate no discrimination. This principle is incorporated into the remuneration policy and in the processes in place assuring **equal remuneration for equal work**, with the oversight of the Nomination and Remuneration Committee.



PLANET

Luxempart aims to keep its impact on the environment as reasonable as possible. With this aim in mind, we have taken different environmental protection initiatives.

Carbon footprint reduction

Luxempart has not yet started to measure its carbon footprint, but we have already implemented several initiatives to limit our impact on climate change, such as a decrease of the heating in the office spaces, the installation of electric car charging stations for the team, enabling of home office for employees, encouraging video conferences to replace business travel, limiting the maximum CO2 emissions in the car leasing policy, etc.

The electricity consumption of Luxempart at its registered office has derived **entirely from renewable sources** since 2010.



BUSINESS CONDUCT

At Luxempart we have always applied first-class governance standards, following the X Principles of Corporate Governance of the Luxembourg Stock Exchange. We emphasize the principles of ethics, integrity, and compliance.

Good governance

High standards of good governance are value drivers. The Governance Charter, our code of good conduct (including ethics principles and whistleblowing procedures), investment procedures including ESG matters, GDPR policy, anti-money laundering and counter financing terrorism (AML/CFT) procedures, IT security policy... are regularly updated and the team is frequently trained to these subjects.

The subject of good governance deserves a full chapter in the present annual report. Readers will find extensive information in the Statement of Governance page 74.

Anti-corruption

The principles of anti-corruption are stated in the Group's Code of Good Conduct. No one at Luxempart is allowed to accept personal advantage of favour granted in exchange for a professional decision. Offering any kind of retribution to a public authority, a person entrusted with a public services mission, or any other elected official is strictly prohibited.

Waste & water management

In terms of waste and water management, Luxempart relies on the high standards that Foyer has set up for the building and its tenants, such as provision of waste sorting garbage bins, and **rainwater recovery** for sanitary facilities and plant watering.

Luxempart also encourages the diminution of resources consumption in providing sustainable alternatives: reusable eco bottles made from sugar cane biomass distributed to each team member, supply of washable take-away containers, digital tools to reduce paper consumption, etc.

IT security and data protection

Information technology security has been one of the top priorities for some years at Luxempart. Many measures and actions have been put in place to safeguard sensitive information from cyber criminals.

On top of all the security aspects already implemented in the past, the year 2023 was rich in improvements. An external firm carried out a full audit of our IT system. Recommendations have been made and some of them have already been fully remediated. A cyber security consultant assists Luxempart in the development of its IT projects, such as reinforcement of internal security rules and implementation of software security tools. Our complete team followed an intensive training program.

The General Data Protection policy has been reviewed and is up to date.

Sustainability vision for Luxempart's portfolio

At Luxempart, we recognize the impacts and interdependencies of Environmental, Social, and Governance factors. By incorporating ESG factors into its decision process, we aim to future-proof ourselves and our portfolio against oncoming issues and to enhance value creation. We strongly believe that if companies do not have a proper sustainable strategy, they are going to be uncompetitive and risk becoming unattractive participations. That is why we work together with our portfolio companies to provide them with levers for action to undertake the shift to a more sustainable value creation process.

The sustainability vision applies to both our activities Direct Investments and Investment Funds, but given the nature of these activities, it applies differently.

“Our portfolio companies have different levels of ESG maturity, but in general we can conclude that their main ESG impacts and risks are properly mitigated.”

DIRECT INVESTMENTS

For the Direct Investments – our main investment pillar – we have continued to embed ESG factors to our investor role. We aim to maintain and develop a constant dialogue with our portfolio companies, not only on financial matters, but also on sustainability subjects. That's why we engage with our participations and co-investors and we support them in their efforts to improve their ESG maturity.

ESG due diligence questionnaire and ESG KPIs

Luxempart's main sustainability objective for 2023 was to conduct a comprehensive review of the Direct Investment's ESG performance.

The nine sustainability priorities described above are 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. Based on this framework, we have developed a questionnaire designed to assess the ESG maturity of our participations. In March, we launched our first data collection campaign by sending out this ESG questionnaire.

The data collected enabled us to carry out an exhaustive review of sustainability impact, risks, and opportunities of the portfolio. After analysing the data collected, we haven't observed any major sustainability risk in the portfolio that is not known or addressed. The ESG data collected enabled us to determine the profile of each portfolio company, and to work with them to define their ambitions and objectives in terms of sustainability.

Focus on 'S' topics

Next to the material sustainability topics of each company, we have observed that social aspects are important to prioritise in several portfolio companies:

- **Health & safety**, particularly relevant for industrial and manufacturing companies;
- **Human rights and supply chain**, in companies with complex supply chains and in countries with less stringent legislation than in Europe;
- **Non-discrimination and equal opportunity**, for companies with significant workforce.

For the companies concerned by these three topics, we have performed deeper analyses (interviews, desk reviews, etc.) that have led to recommendations to our portfolio companies. By conducting those in-depth reviews, we want to help our companies to consider social issues such as human rights and diversity, equity, and inclusion as success factors. Social sustainability can affect customer trust, investors and bankers' confidence and employee satisfaction and therefore it is a crucial factor of successful business.

INVESTMENT FUNDS

The nature of the investment into funds makes the sustainability approach different from the one used for Direct Investments. The ESG focus is made during the investment selection and the decision phase, when assessing the fund managers we choose to trust and to invest in. The Investment Funds team uses a tailor-made digital assessment tool to rate the ESG maturity of the targeted investment funds and reports its conclusions and recommendations to the Group Executive Committee. The assessment is based on the following points of attention:

- ESG-related policies and commitments, such as signatory of the United Nations Principles for Responsible Investment – UN PRIs, of the SFDR classification
- ESG risks and opportunities of the fund manager
- ESG risks and opportunities identification at portfolio level
- General partner's contribution to its portfolio companies about ESG risk mitigation and value creation
- ESG reporting and disclosure to Limited Partners.

As at end of 2023, about 60% of the fund managers we partner with were signatories of the UN PRIs.

Even if Luxempart has no decision rights over the investment funds' operations, the Investment Funds team encourages the fund managers to develop best ESG practices and communicates Luxempart's expectations and eventual concerns.

CLIMATE AND OTHER ENVIRONMENTAL RISK

Luxempart 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 better monitor and manage the ESG risks in general and the climate-related risks in particular. Luxempart has developed a framework that is the cornerstone of an ESG risk management system to limit the ESG risk and to seize ESG opportunities to create value. Based on this framework, 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 sustainability laws and regulations.

“Climate risk is intensifying and is shifting priorities in all kinds of businesses. Supporting our participations to be prepared to physical risk and transition risk is central to our concerns.”

APM and other information

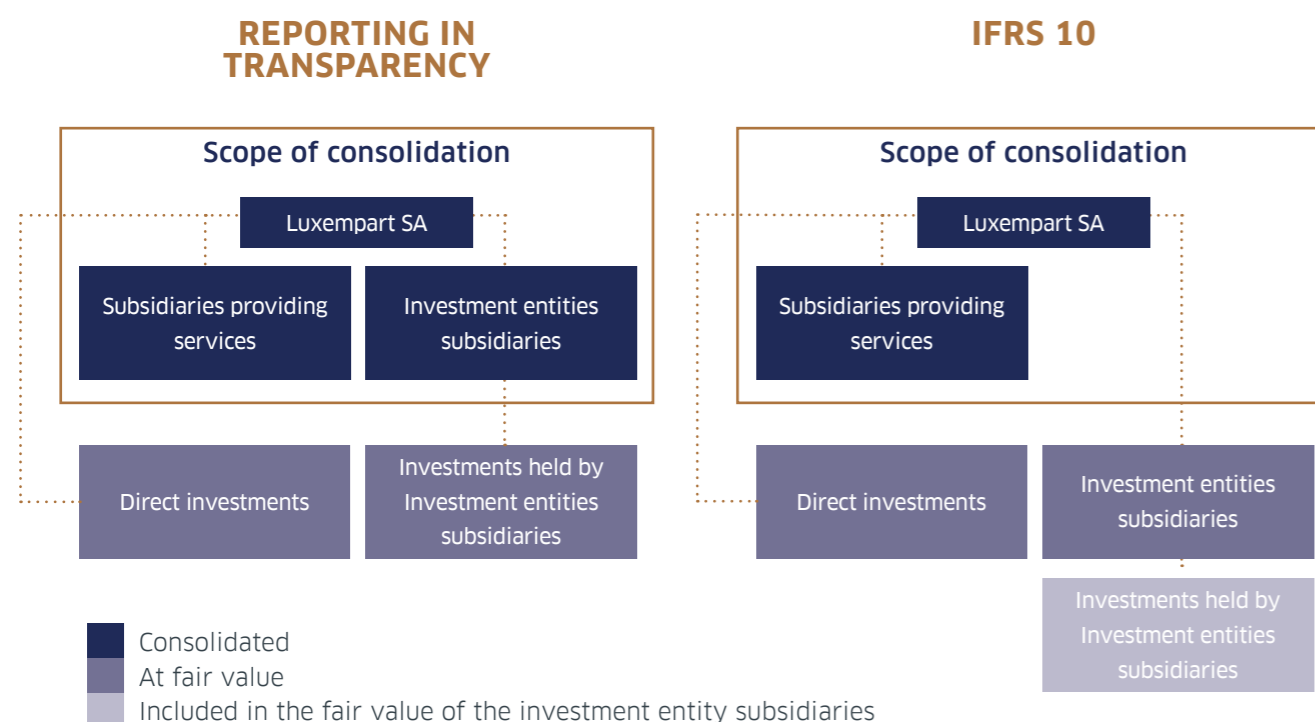
Reconciliation between IFRS and reporting in transparency

The Group makes investments in portfolio companies directly and indirectly through intermediate “Investment entities subsidiaries” (Luxempart Capital Partners SICAR S.A., Luxempart French Investments S.à.r.l. and Luxempart German Investments S.A.). The application of IFRS 10 requires the Group to measure at fair value its investment entity subsidiaries.

This fair value approach prevents the reader of the IFRS Financial Statements to have all the information on the activity and the performance of the Group, as it is not possible to look through the investment entity subsidiaries to understand their operations and results.

The dividends and interest received, the expenses incurred and other financial information of these entities are aggregated on one single line in the IFRS Financial Statements. Moreover, intragroup operations that would otherwise be eliminated on consolidation are now presented separately.

The reporting in transparency is a different presentation that looks through the investment entity subsidiaries to provide a more understandable view of the operations and financial situation of the Group.



The tables below present the reconciliation of the IFRS financial indicators and the KPIs used by Management for the reporting in transparency as at 31 December 2023:

| Profit and loss (in €M) | IFRS | Adjustments | P&L in transparency |
|--|--------------|-------------|---------------------|
| Dividend received | 36.4 | 0.8 | 37.2 |
| Net gains / (losses) on financial assets | 167.0 | -0.8 | 166.2 |
| Result on ordinary activities and tax | -19.8 | - | -19.8 |
| Profit for the year | 183.5 | - | 183.5 |

| Net asset (in €M) | IFRS | Adjustments | Net asset in transparency |
|---|----------------|-------------|---------------------------|
| Financial assets at fair value through profit and loss | 2,292.8 | - | - |
| <i>Cash in the non-consolidated subsidiaries</i> | - | -75.2 | - |
| <i>Other assets and liabilities</i> | - | -19.1 | - |
| <i>Discretionary bonds portfolio</i> | - | -67.0 | - |
| Investment portfolio | - | - | 2,131.5 |
| Cash and cash equivalents | 5.4 | - | - |
| Bank deposits | 25.0 | - | - |
| <i>Cash in the non-consolidated subsidiaries</i> | - | 75.2 | - |
| <i>Discretionary bonds portfolio</i> | - | 67.0 | - |
| Financial liquidity | - | - | 172.6 |
| Other assets and liabilities | 0.4 | - | - |
| <i>Assets and liabilities</i> | - | 19.1 | - |
| Other assets and liabilities | - | - | 19.5 |
| Total equity / Net asset value | 2,323.5 | - | 2,323.5 |

| Cash flows (in €M) | IFRS | Adjustments | Cash in transparency |
|---------------------------|--------------|--------------|----------------------|
| Cash at 31/12/2022 | 188.8 | 262.3 | 451.1 |
| Investments | -272.0 | -99.8 | -371.8 |
| Divestments | 123.3 | 31.3 | 154.6 |
| Other cash movements | -23.2 | -38.1 | -61.3 |
| Cash at 31/12/2023 | 16.9 | 155.7 | 172.6 |

Other Alternative Performance Measures (APMs)

Luxempart assesses its performance using some indicators that are not defined by the IFRS and are considered by the regulators as Alternative Performance Measures (or APMs). Further to the reporting of the portfolio in transparency, that also meets the definition of APMs, Luxempart uses additional APMs:

| APM | Purpose | Calculation | Reconciliation to IFRS |
|---|--|---|--|
| NAV - net asset value | Measures the value creation to the shareholders | Total assets less total liabilities (excl. equity) | NAV equals equity under IFRS |
| EBITDA - Earnings Before Interest, Taxes, Depreciations and Amortizations | Unit of measurement for evaluating the operating performance of an operating company | As reported in the consolidated income statement | APM not used for evaluating Luxempart, and therefore cannot be reconciled to the IFRS financial statements |
| Net debt | Accurate indicator of ability to meet its financial obligations | Sum of financial liabilities, less cash and cash equivalent as reported in the statement of financial position | APM not used for evaluating Luxempart, and therefore cannot be reconciled to the IFRS financial statements |
| Total shareholder return | Unit of measurement of the financial performance for Luxempart's shareholders | % of increase of the NAV per share + gross dividend paid | Equity in the statement of financial position, Number of shares in circulation in note 15 and dividend paid in note 16 |
| IRR - Internal Rate of Return | IRR is a metric used to estimate the profitability of investments. | IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis. | APM cannot be reconciled to the IFRS financial statements |
| Performance / Return | Unit of measurement of the value creation of the activity over one year | (Variation of the unrealised + dividends) / (NAV beginning of the period + acquisition of the period) | APM not used for evaluating Luxempart, and therefore cannot be reconciled to the IFRS financial statements |



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 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, inflation, economical growth...).

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 their volatility cycles. Our investment teams and our Audit, Compliance, and Risk 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 main risks to which Luxempart is exposed as well as the Group management risk system are described in more details in the Statement of Corporate Governance in the present annual report, and in the note 24 of the Financial Statements.

Responsibility statement

The Board of Directors and the Group Executive Committee of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the Luxempart Group with reasonable accuracy at any time and ensure that an appropriate system of internal controls is in place to ensure the Group's business operations are carried out efficiently and transparently. The Board of Directors is responsible for the fair preparation and presentation of the annual financial statements in accordance with Luxembourg law and considers that it has fully complied with these obligations.

In accordance with Article 3 of the Luxembourg law of 11 January 2008, as subsequently amended, on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, John Penning, in his capacity as Managing Director of the Company, declares, that to the best of his knowledge, the annual accounts as of and for the year ended 31 December 2023, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements for the year ended 31 December 2023, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of the Company taken individually, and of the Company and the undertakings included in the consolidation taken as a whole (hereinafter the «Group»), respectively. In addition, the present management report includes a fair review of the development and performance of the business and the position of the Company taken individually, and of the Group, together with a description of the principal risks and uncertainties that they face.

Other legal information

RESEARCH & DEVELOPMENT

Luxempart does not pursue any research and development activities.

BRANCHES

Luxempart does not have any branch.



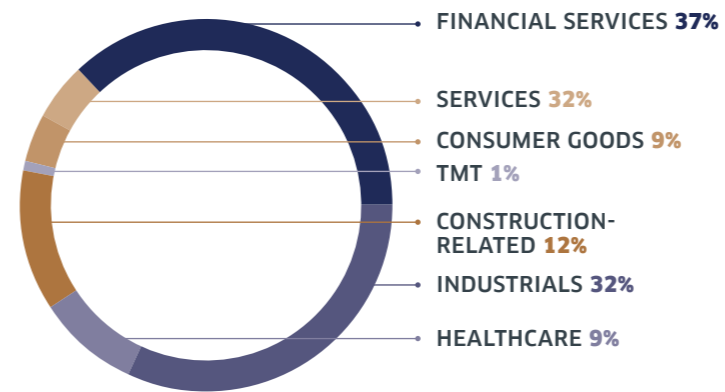
Portfolio



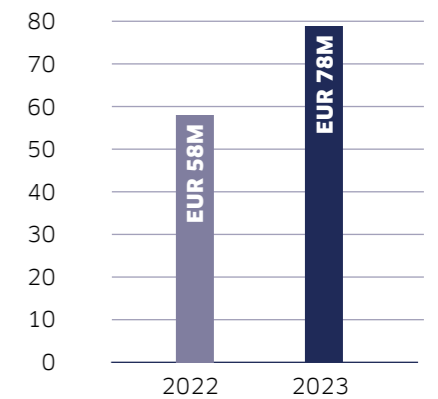
Direct Investments



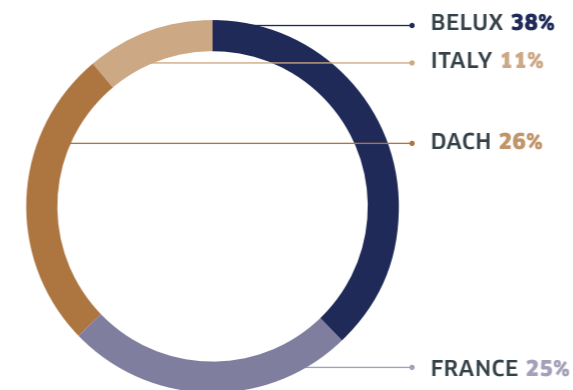
Direct Investments - NAV per sector



Average size top 10 DI (excl. Foyer)



Direct Investments - NAV per geography



The top 17 of our companies presented hereafter represent 65% of our total NAV.



Foyer Group is a leading financial institution in Luxembourg. It has been the market leader in insurance since its foundation in 1922 and has over time diversified into (niche) growth businesses in adjacent markets. Today Foyer is present in 3 countries, overall employing more than 800 people serving domestic as well as international clients.

Foyer Group

globalhealth
Foyer Group

WEALINS
WEALTH INSURER

capitalatwork
Wealth Management Foyer Group

EUR 1.9bn

SOLVENCY II OWN FUNDS

+12.7%

OPERATING INCOME GROWTH

Foyer Group has the following business lines:

- **Insurance in Luxembourg:** complete offering to address the needs of retail, professional as well as corporate clients. Clear market leader in non-life and life insurance for domestic clients. Strong customer centricity thanks to an extensive network of exclusive agents, and supported by an extremely strong brand recognition, Foyer being ranked among the most powerful brands in Luxembourg;
- **Insurance in Belgium:** niche insurer marketing its products exclusively via a network of selected brokers. Its offer is tailor made to the specificities of its customer base (e.g. usage-based insurance for short-haul drivers);
- **Health insurance for expatriates by Foyer Global Health:** provides international health insurance solutions for expatriates, multinational companies and organisations of all sizes with employees around the world;
- **Life insurance under the freedom to provide services regime by Wealins:** is offering cross-border life insurance solutions mainly unit-linked under the free provision of services regime to international high-net-worth individuals (HNWI). Wealins has over time developed among the European leaders in such life insurance solutions;
- **Asset management by Capital at Work:** Wealth manager with strong asset management capabilities (value investing) and brand name focusing on high net worth individuals from the BeNeLux region with a branch network and dedicated relationship managers covering clients in each country. Capital at Work manages over EUR 10bn AUM on behalf of its client base.

Foyer has high single digit net income growth rates over the last 5 years, mainly attributable to the following:

- Consistently strong performance of the insurance business in Luxembourg that is sustained by a strong local anchorage as well as years of investment into the Foyer brand and agent network which ensures customer proximity and outstanding service quality;
- Next to this historical business, development of new value drivers in local or global niche markets with strong growth potential. This has allowed to strengthen the service offering of Foyer as well as increasingly contributing to net income growth;
- Dynamic management of the Group's securities portfolio, allowing to take the best of the different market cycles.

A key element of Foyer's past success and future basis for growth has been the stability of its shareholder structure which has allowed management to concentrate on long-term performance and not to be forced to pursue aggressive short-term profit maximization.

2 acquisitions

EXTERNAL GROWTH

LATEST DEVELOPMENTS

Foyer Group's net result increased to EUR 155m in 2023, driven by both strong operational and investment performance.

Foyer made 2 acquisitions in 2023 which will further support the growth of its respective business lines:

- Acquisition of Globality S.A. which was merged into Foyer Global Health in Q1 2024, increasing the scale of this activity
- Acquisition of the life insurance portfolio of Allianz Luxembourg which was absorbed into the Foyer's Luxembourg Insurance business

“Foyer is the undisputed leader in insurance in Luxembourg, benefiting from a strong reputation on the market, as well as from an excellent brand recognition.”



Alphacaps is a leading full-service contract development manufacturing organisation (CDMO) for nutritional supplements in Germany and Belgium. The group is positioned as a “one-stop-shop” and focuses on vitamins, minerals and supplements, protein as well as weight loss products. Alphacaps offers its customers a wide range of formulations and formats based on deep know-how, state-of-the art machinery and all the required certifications for the production of food supplements.

LATEST DEVELOPMENTS

Alphacaps sustained its growth trajectory in 2023 as the company was able to take advantage of the strong market growth through its strong positioning focused on excellent product quality, fast adaptation to ever-changing market trends and relentless focus on customer satisfaction. We expect Alphacaps to continue its growth momentum in 2024 albeit at a slightly slower pace. In addition, we see inflationary pressures on input prices and personnel expenses that need to be managed going forward.

“We expect Alphacaps to continue its growth trajectory as the company takes advantage of the nutritional supplements market growth by leveraging its strong position.”



Assmann Group is a leading supplier of server, network and peripheral infrastructure products and solutions. The company offers more than 5,000 products mainly through own brands leveraging its sourcing know-how in Asia and which are distributed through its Pan-European distribution infrastructure.

We have partnered with second generation family entrepreneur Stephan Assmann in a primary deal to support the transition from a family-led to an independently managed company. Our investment thesis is based upon taking advantage of strong market growth by leveraging the best-in-class business model of Assmann while selectively strengthening the geographical scope and product range through acquisitions which is supported by the strong cash-flow profile of the company.

LATEST DEVELOPMENTS

In the light of a generally challenging market environment and a more selective sales approach, Assmann recorded a slight decrease in sales in 2023. However, driven by operational improvements, a consistent cost management and the alleviation of supply chain related challenges, the group returned to margins close to historical levels, resulting in a strong overall financial position by year-end. Based on the company’s strong positioning, coupled with the sustained trend in digitalisation, requiring growing investments in network infrastructure, Assmann is expected to continue growing in line with the market (mid- to high single digit growth) across its entities in 2024, all while maintaining its current profitability levels and financial position.

-5%
SALES GROWTH

+50%
EBITDA GROWTH

“Assmann demonstrated strong operational enhancements in 2023 despite a challenging market, reinforcing our confidence in their capacity to seize further opportunities in 2024.”

Atenor is a property developer active mainly in the office building sector, and more marginally in the residential and retail sectors, with a portfolio of 34 projects accounting for c. 1,200,000 sqm currently under development. Present in several European countries and cities, the company has successfully diversified its geographic exposure outside of Belgium with large-scale projects which meet strict criteria in terms of urban planning and offer attractive economic fundamentals. Atenor is active in the entire real estate development value chain, implementing innovative solutions to economic, social, environmental, and technological challenges.

LATEST DEVELOPMENTS

2023 was characterised by tensions in the commercial property market, mainly driven by the rapid rise in interest expenses. Sales have suffered from a slower pace of transactions and lower valuations. A difficult market environment and the resulting increase in the cost of financing led Atenor to take appropriate measures to manage cash flow imbalances and thus to review the balance between equity and debt.

Management first took the initiative to sell several projects originally scheduled for 2022 and 2023 at current market conditions (i.e. without margin maximisation) to face certain debt reimbursements.

In addition, Atenor successfully executed a capital increase of EUR 182m raised in November 2023 in a difficult market environment allowing to strengthen its balance sheet and to gradually replace short and mid-term market financing by project and asset financing.

1,200,000 sqm

IN DEVELOPMENT

34

LARGE-SCALE & SUSTAINABLE PROJECTS IN THE PORTFOLIO

“The recent capital increase provides Atenor with flexibility to conduct sales at the right time, while navigating a cautious property market.”

Coutot-Roehrig is the largest probate research company in Europe, specialised since 1894 in the identification and location of rightful heirs worldwide. As a probate researcher, the company is legally appointed to proceed with the settlement of estates.

The task of Coutot-Roehrig is to identify and locate heirs and to establish their entitlement all along the probate process.

The company has access to a unique database of digitised archives, covering more than 1 billion sets of data. Coutot-Roehrig has built a group of 46 branch offices in France, Spain, Italy, Belgium, Luxembourg, Switzerland, Monaco and in the USA.

LATEST DEVELOPMENTS

We have been impressed by Coutot-Roehrig’s unique skills, high-quality operations, and strong leadership position in France. The partnership we have forged with Guillaume Roehrig, Coutot-Roehrig’s majority shareholder and a second-generation entrepreneur, is fully in line with our strategy to build ownership bonds with families and successful entrepreneurs. We are confident that our collaboration will further support Coutot-Roehrig’s growth trajectory, notably to keep on expanding the business abroad.

Since our investment, Coutot-Roehrig has met its budgeted targets. In France, strategic recruitment and marketing efforts have been launched to increase market share. A comprehensive digitalisation project is in progress, aimed at boosting productivity, streamlining financial operations, and leveraging Coutot-Roehrig extensive digital archive. The group is emphasising its international expansion, focusing resources on existing markets while also exploring potential acquisitions to replicate its business model in other emerging and highly fragmented European markets.

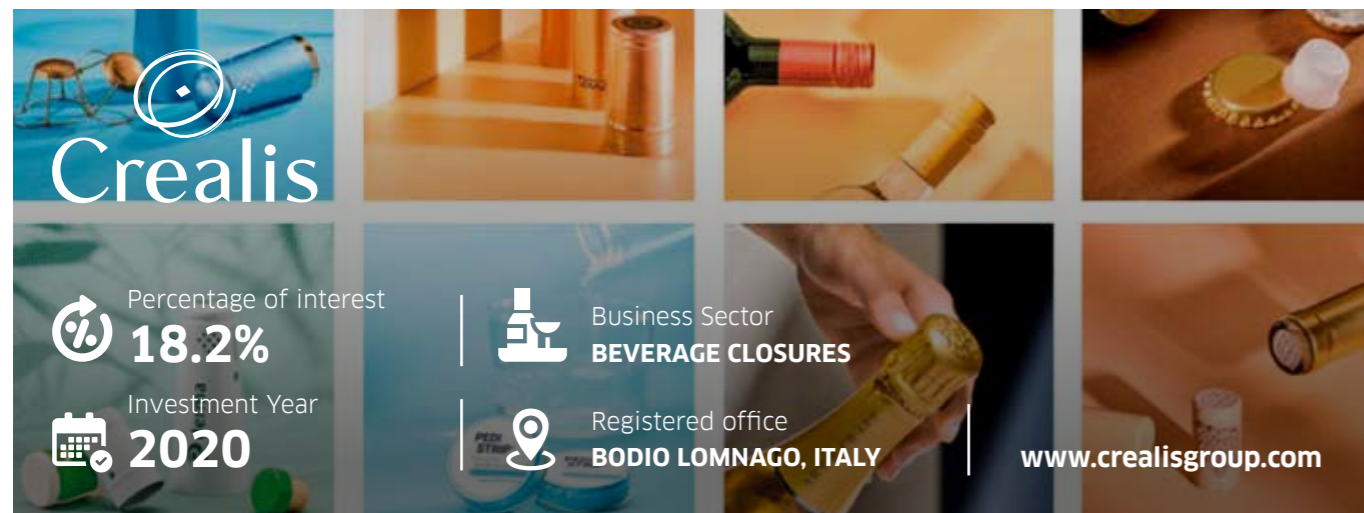
c.EUR 80m

SALES

+7%

SALES IN 2023

“Coutot-Roehrig, the undisputed leader in estate genealogy in Europe, is ideally positioned to leverage growth opportunities in France and in Europe.”



Born from the combination of the Italian Enoplastic and the French Sparflex, adding more recently Supercap Group, Crealis is the global leader in B2B manufacturing of high-end wine and spirits closure solutions. The company stands for Italian creativity and French quality with continuous research for more and more customised design and eco-friendly products. Its product offering includes capsules for sparkling and still wine, T-bars for spirits as well as wirehoods, screwcaps, synthetic corks and seals, all designed and customised for each client. Employing more than 1,400 people, Crealis has local facilities in Italy, France, the USA, Mexico, Spain, Portugal, Australia, and New Zealand.

LATEST DEVELOPMENTS

Following an exceptional 2022, characterised by clients overstocking after the Covid-19 lockdowns, the group has kept its leading position in beverage closures but has undergone a normalisation in volumes sold, in line with competition, as clients ordered less quantities in 2023 given the high level of stock built in 2022.

Despite the industry wide decrease in volume sold, Crealis has sought to increase its production efficiency to preserve its operating margins.

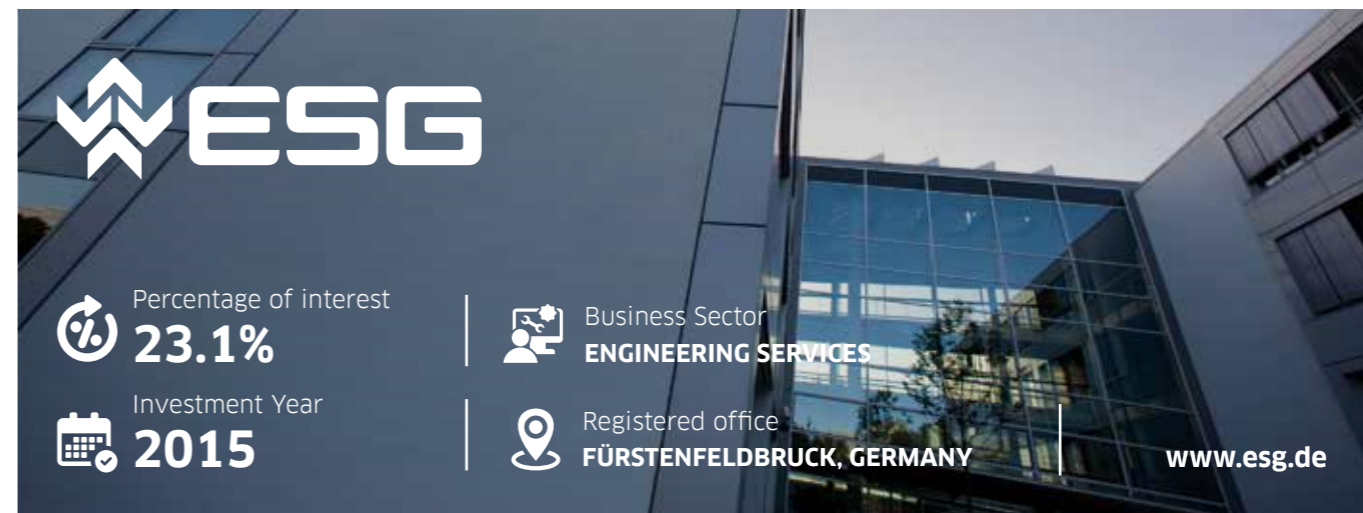
The group took advantage of the opportunity to focus on product innovation with a goal to uncover a new product every month protecting its leadership position in the market. Innovation is targeted at providing more sustainable products to the market.

Crealis has further increased its exposure to spirit closure solutions thanks to the acquisition of 3 companies in Portugal working on wood manufacturing, natural cork producing and T-cork assembling, enabling to position itself all along the value chain of premium spirit closure solutions.

STABLE SALES

(ORGANIC SALES DECREASE OF C. 10%, EXCL. 2023 ACQUISITIONS IMPACT)

“Crealis’ innovative mindset, highlighted by a product offering ever more sustainable, will enable the Group to stand out and keep its leading position.”



ESG Elektroniksystem- und Logistik-GmbH is a provider of development, testing and maintenance services for complex electronic and IT systems, primarily for defense and public security customers. The company differentiates itself by its unique market positioning as system independent solution provider and system integrator for electronic systems (“embedded electronics”) for aircrafts and vehicles. Given the high level of sensitivity in the sector, ESG benefits from high barriers of entry due to necessary certifications (e.g. in the aviation sector). By carving out and selling its automotive business, ESG Mobility, in May 2021, ESG fully focused on its security and defense customers.

LATEST DEVELOPMENTS

ESG grew revenues in the low double-digit percentage range in 2023.

Beginning of December, ESG’s shareholders entered into an agreement to sell the company to Hensoldt, a German multinational defense company focused on sensor technologies. Hensoldt values the company at an enterprise value of EUR 675m plus an earn-out of up to EUR 55m based on specific performance targets. Closing of the transaction is expected for H1 2024.

>EUR 300m

GROUP SALES

>10%

ADJUSTED EBITDA MARGIN

“Since the acquisition together with an investor group led by Armira, ESG has developed into a pure play defense company with a high strategic value in the ongoing sector consolidation.”

EVARISTE

Percentage of interest **40 %**

Investment Year **2021**

Business Sector **INFRASTRUCTURE WORKS AND GREEN SPACES MANAGEMENT**

Registered office **MAUREPAS, FRANCE**

Evariste is a French multi-solutions infrastructure group organised as a federation of more than 170 regional entities with more than 6,000 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...), (iii) specialised interim for the construction industry, and (iv) hygiene and cleaning services.

The group has a strong local foothold in the Paris region, is present in most French regions and has started its internationalisation.

LATEST DEVELOPMENTS

In 2023, Evariste had to continue dealing with inflationary pressures on infrastructure works and green spaces management but its entrepreneurial model has enabled its entities to maintain their margins. The hygiene and cleaning activity has been slightly impacted by salary increases in the sector, not immediately fully invoiced, notably to public clients. Specialised interim has benefited from a strong organic growth driven by the opening of new regional agencies, intended to deliver their full potential in 2024.

Over 2023, Evariste has been able to reach its budget thanks to the dedication and implication of the federation's entrepreneurs, despite difficult weather conditions at year-end and additional costs induced by the reinforcement of central group functions.

In addition, Evariste continued its buy-and-build strategy (over 20 acquisitions in 2023), acquiring French infrastructure works and green spaces companies, while increasing its international exposure with the opening of new countries (the Netherlands and Italy).

> **EUR 900m**

SALES PRO FORMA

c. **+25%**

FY23 PRO FORMA EBITDA GROWTH

“Evariste’s federation model allowed to overcome multiple external challenges while enabling the group to continue its ambitious but selective M&A strategy.”

iM Global Partner

Percentage of interest **7.1 %**

Investment Year **2021**

Business Sector **INSURANCE & FINANCIAL SERVICES - ASSET MANAGEMENT**

Registered office **PARIS, FRANCE**

www.imgp.com

iM Global Partner is a worldwide asset management network providing access to high-quality asset managers. The company takes minority stakes in asset managers with outstanding track records (“Partners”) and supports their commercial development through its significant in-house sales force. iM Global Partner earns revenues through partner’s dividends and through distribution fees generated by its own platform. As of today, iM Global Partner has invested in 9 partners which are mainly located in the US.

iM Global Partner’ growth is driven by:

- The growth of the US Asset Management market (ageing population, financing of retirement models);
- A symbiotic relationship with strong alignment of interest with its partners;
- A strong operating leverage, further amplified by increasing the scale of existing partners (both organically and inorganically) as well as adding new partners.

LATEST DEVELOPMENTS

iM Global Partner is pursuing the diversification of its portfolio of Partners relationships across various strategies. While it has added no new Partner in FY23, iM Global Partner has supported the external growth ambitions of its existing partners who have proceeded with 2 acquisitions as well as of its US wealth management business who has done 1 bolt-on acquisition.

Organically, the company has also been instrumental to its Partners, actively supporting their commercial development by bringing them positive cash inflows.

We continue to believe in iM Global Partner’s strategy and will support their growth story in the coming years. This also underlines our ability to invest long-term and in more cyclical businesses, as our permanent capital structure allows for flexible holding periods.

c. **USD 39bn**

AUM

3

INORGANIC GROWTH PROJECTS

“iM GP continues its diversification and growth strategy, by investing in top class asset managers.”



Kestrel Vision is a leading company in the control and inspection industry and designs inspection systems controlling rigid containers' production and filling (using machine vision), while providing complementary added-value services (data collection and analysis, support services...). The group is an international machine vision specialist, organised mostly as a fables manufacturing model (i.e. selling machines they design internally while outsourcing production), with a strong expertise in glass packaging and also in plastic and metal packaging through recent US acquisitions.

LATEST DEVELOPMENTS

Luxempart invested in Kestrel Vision in March 2023 alongside Caravelle, a reputable French family-owned investor, and the Management team. Kestrel relies on its must-have container and filling inspection systems and enjoys incumbent advantages from its large installed base and benefits from stable recurring revenue streams.

The group successfully expanded its activity in 2023 despite macroeconomic uncertainties and difficulties faced by glass and metal producers delaying certain factory developments.

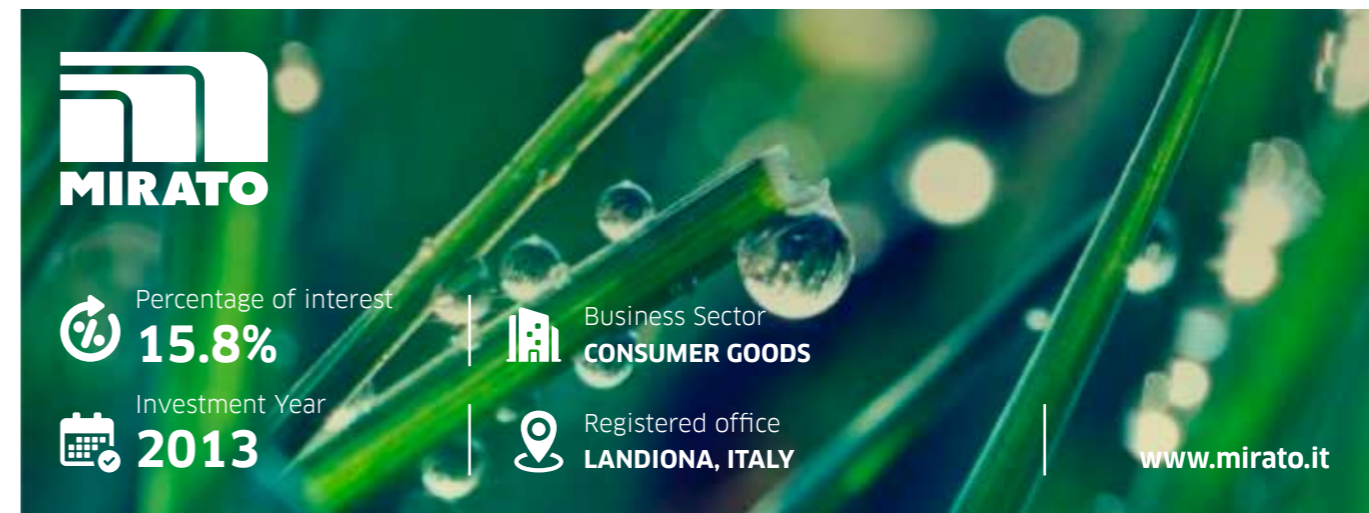
2024 should be a more challenging year with fewer greenfield projects but sales driven by installed base with upgrade programs, maintenance, and sales of spare parts in addition to systems replacements.

We remain confident that Kestrel Vision will overcome this temporary market slowdown thanks to its resilience stemming from fables manufacturing with variable COGS, a flexible cost structure and a global exposure to different materials (glass, metal, and PET). In addition, continuous innovations will allow the group to capture growth opportunities (i.e. in the USA and in the filling activity).

“We are confident that Kestrel Vision will face upcoming challenges and seize new opportunities thanks to its flexible operating model and its diversification by geography, material, and inspection type.”

c. +6%
NET SALES

> EUR 40m
EBITDA



Mirato Group is a leading Italian producer and distributor of toiletry products. The group has a diversified portfolio of 20 brands and through its subsidiary Mil 76 is the Italian leader in private label for the main large distribution chains. The group sells its products in more than 60 countries, through its subsidiaries based in Eastern Europe and Asia, as well as through local companies and distributors. With a workforce of about 450 people, Mirato operates through three fully integrated production facilities with a total covered surface of about 80,000 sqm located in the North of Italy.

LATEST DEVELOPMENTS

For Mirato Group 2023 has been a record year in terms of sales and profitability, driven by both strong growth in volumes and full effect of price increases obtained at the end of 2022. Private Label has increased its penetration, and it is expected to further grow in the next years, with Mirato being the largest Italian private label producer of soaps and gels. The group continues to maintain a strong financial position and is focused on maintaining its share in the domestic market.

166 million
NUMBER OF PIECES PRODUCED IN 2023

> EUR 30m
EBITDA

“Mirato Group strongly believes in sustainable development and published its first sustainability report in 2023.”

MTWH METALWORKS

Percentage of interest **23.7%**

Business Sector **INDUSTRIALS/ LUXURY FASHION ACCESSORIES**

Investment Year **2022, 2023**

Registered office **CASTELLI CALEPIO, ITALY**

www.mtwh.net

MTWH is a leading group of Italian companies manufacturing high quality metalware accessories for luxury fashion brands. At the end of 2023, the group is composed of 6 main companies:

- Metalworks: zamak components,
- FGF: focus on zamak components (acquired in 2018)
- Mengoni & Nassini: brass accessories (acquired in 2020)
- Fixo: low tonnage metal (acquired in 2022)
- Metalstudio: brass, steel, and zamak accessories for leather goods and shoes (acquired in 2023)
- Florenradica: wood accessories and 3D printing (acquired in 2023)

The group is one of the few integrated players covering the entire value chain from product development, industrialisation, production to finishing, operating in a closed ecosystem in Italy.

c. EUR 165m

SALES

31,800 sqm

PRODUCTION FOOTPRINT

LATEST DEVELOPMENTS

In 2023, MTWH doubled in size with the transformative acquisition of Metalstudio Group, thereby confirming the leadership position of the group in the luxury fashion accessories space. Located in Scandicci near Florence, Italy, Metalstudio Group has an expertise in high-end metal goods with a strong presence among higher-end luxury brands such as Chanel, Dior, and Louis Vuitton.

Additionally, acquiring Florenradica bolstered MTWH's tech expertise, particularly in 3D printing techniques.

Last year also brought a significant reinforcement of the leadership team at MTWH holding level, positioning the firm for its new chapter of growth and innovation.

MTWH's management team's next challenge is to swiftly integrate these acquisitions and to fully develop the long list of synergies already identified. This will allow MTWH to even better serve its clients as one of their most reliable suppliers, able to bring innovation, cope with short delays and important volumes without ever compromising the highest standards of quality.

“MTWH growth journey will ultimately benefit its clients that seek to have a sizable, reliable and innovative supplier.”

nexus/ag

Percentage of interest **8.4%¹**

Business Sector **HEALTHCARE SOFTWARE**

Investment Year **2022**

Listed on **FRANKFURT STOCK EXCHANGE**
ISIN: DE0005220909

Registered office **DONAUESCHINGEN, GERMANY**

www.nexus-ag.de

Nexus is one of the leading healthcare software companies in Europe, offering hospital information systems (HIS) and diagnostics software (DIS). Founded in 1989 and headquartered in Donaueschingen, Germany, Nexus has c. 1,900 employees serving over 10,000 customers across 70 countries. Customer groups include hospitals, rehabilitation centres and nursing homes. Approximately 65% of Nexus FY23 revenue is recurring due to its high share of maintenance business. Germany accounts for 55% of revenue, Switzerland 21%, the Netherlands 11%, and Poland 5%.

LATEST DEVELOPMENTS

Nexus showed strong FY23 results in line with its long-term guidance and had limited impact from the current economic environment (war in Ukraine, recession in Germany). Revenue reached EUR 241.5m (+15.5% YoY), driven by high growth in Poland, Switzerland, and Germany as well as five bolt-on acquisitions (EUR 10.7m of sales acquired). The prolongation of the German government subsidy program (KHZG / hospital future act) by two more years coupled with the announcement of SAP to end maintenance for its industry solution IS-H is anticipated to create a favourable tailwind for Nexus and its peers in the coming years.

EBITDA margin reached 20.9% (vs. 21.2% in FY22) despite EUR 4.5m integration costs. Also in 2023, Nexus achieved a solid free cash flow conversion of 41.6% (vs 63.9% in FY22) despite higher capex and ramp-up in working capital.

The company reconfirmed its mid-term outlook until 2026 with an organic sales CAGR of 9-10% (21-26) and an EBITDA margin of 25-27%. In addition, the company aims to acquire sales of c. EUR 60m. The results of 2023 confirm the positive trajectory to reach those goals.

+15.1%

YOY GROUP SALES

20.9%

EBITDA MARGIN

¹) as per latest voting rights notification (09/09/2022)

“The strong 2023 results and a favourable market environment reinforce our confidence in the continued success of Nexus and its capable management team.”



SALICE

Percentage of interest **6.7%**

Business Sector **INDUSTRIALS/ FURNITURE COMPONENTS**

Investment Year **2022**

Registered office **NOVEDRATE, ITALY**

www.salice.com

Salice is a leading Italian manufacturer of furniture hinges and related components for the high-end furniture industry. It started as a specialised hinges producer focused on the premium furniture segment, and successfully entered in adjacent markets for guides, sliding systems and accessories, thereby creating a comprehensive offering for kitchen furniture manufacturers, and producers of furniture cabinets and wardrobes. It holds a well-established position worldwide with a balanced sales mix across Europe, North America, and Asia. It benefits from a premium «Made in Italy» positioning, thanks to a fully vertically integrated production footprint which is located exclusively in Italy.

LATEST DEVELOPMENTS

In agreement with the Salice family, in April 2023, Salice embarked on a transformative journey with Andrea Marcellan joining as CEO, a pivotal move in the context of a primary operation. Andrea brings 30 years of international experience across various sectors and has already successfully accomplished several corporate transformations. He will lead Salice into a new era of growth and innovation. His roadmap, with shareholders' support, is to unlock the company's full potential. In the first few months of his tenure, he has already set a clear direction defining solid value creation avenues.

His strategy focuses on three main objectives: rethinking the whole company organisation including the manufacturing process and the sales team with a lean approach, intensifying innovation and product portfolio enlargement efforts, and fortifying the control and support functions.

In 2023, Salice garnered acclaim at the Interzum trade fair, winning the «High Product Quality» Award for their Connecta concealed hinge.

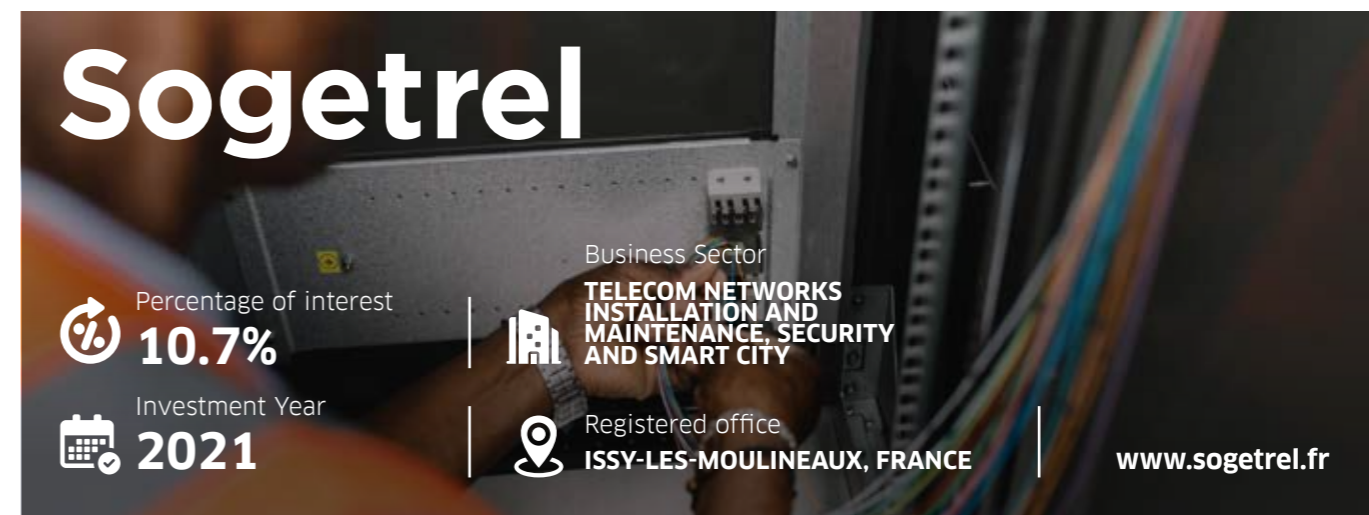
3

PRODUCTION SITES IN ITALY

11

FOREIGN SUBSIDIARIES

“With the appointment of Andrea Marcellan as CEO, Salice embarks on an exciting transformative journey.”



Sogetrel

Percentage of interest **10.7%**

Business Sector **TELECOM NETWORKS INSTALLATION AND MAINTENANCE, SECURITY AND SMART CITY**

Investment Year **2021**

Registered office **ISSY-LES-MOULINEAUX, FRANCE**

www.sogetrel.fr

Created in 1985 and based in Issy-les-Moulineaux, Sogetrel is a leading French specialist in the design, installation, and maintenance of outdoor communication networks (Fiber and Copper networks) present on the whole national territory as well as in Belgium and in Germany. The group has established itself as the preferred partner of major public and private telecommunication operators, as well as local authorities, notably for the deployment of very high-speed networks. In addition, Sogetrel has diversified its activities in the fields of connected security solutions but also digital infrastructure services (smart city, charging solutions for electric vehicles, smart sensors etc.).

LATEST DEVELOPMENTS

In 2023, the operating performance of the group was negatively impacted by the volume decreases in the historical telecom activities and difficulties to efficiently operate projects due to a scarcity of qualified resources.

Sogetrel is pursuing its transformation plan, transitioning from historical fibre installation activities to segments with higher growth potential such as security, smart city, electricity, and IT services while increasing the recurrence of its revenue base.

The percentage of total order intake originating from growth drivers activities is more and more gaining in importance compared to telecom installation projects.

> EUR 700m

SALES

> 5%

EBITDA MARGIN

“Sogetrel is well engaged to successfully execute its transformation plan owing to the ramping up of the new growth initiatives.”

technotrans

Business Sector
INDUSTRIAL THERMAL MANAGEMENT EQUIPMENT / INDUSTRIAL MACHINERY

Registered office
SASSENBERG, GERMANY

Percentage of interest
20.1%¹

Investment Year
2016

Listed on
FRANKFURT STOCK EXCHANGE
ISIN: DE000A0XYGA7

www.technotrans.de

Technotrans is an internationally leading manufacturer of application-specific thermal management solutions. The group has emerged from a supplier for the printing-press manufacturers to a highly diversified, internationally leading supplier of cooling solutions to diverse end markets incl. plastics processing, laser/ machine tools, energy management and healthcare/ analytics. Its technology portfolio is complemented by a higher margin service/ spare parts offering. With c. 1,500 employees and 17 locations globally, Technotrans generates sales mainly in Germany (c. 59%), Europe, the Americas and Asia.

LATEST DEVELOPMENTS

2023 was marked by a solid topline development but temporary negative effects impacting EBIT margin. Revenues are expected to reach EUR 255-265m (+7% to 11% compared to last year), driven by a positive development in energy management, print, plastics and laser/ machine tools. In line with the overall sector, healthcare/ analytics developed below expectations especially during H1-23, with demand however having picked up again in Q3/Q4.

EBIT margin is expected around 5.0-6.0%, with transitional negative effects such as costs for temporary staff working on the high order backlog, additional burden from the ramp-up of a new location and expenses for an external strategy review impacting profitability throughout the first half of the year. These effects have, however, largely been overcome in Q3-23, resulting in improved margins in H2 and giving confidence for a positive development in 2024. FY24 guidance will be released in March 2024 with the publication of the FY23 annual report.

“As an anchor shareholder holding 20%, we continue supporting management in the further development of the company. The appointment of Florian Herger to the Supervisory Board has been an important milestone in this context.”

EUR 255-265m

GROUP SALES ²

5.0-6.0%

EBIT MARGIN ²

1) as per latest voting rights notification (08/03/2022)

2) FY23 guidance as per Q3-23 figures earnings report (release date 07/11/2023), FY23 final figures incl. FY24 guidance to be released on 21/03/2024

tonies

Business Sector
CONSUMER ELECTRONICS

Registered office
DÜSSELDORF, GERMANY

Percentage of interest
3.9%

Investment Year
2019

Listed on
FRANKFURT STOCK EXCHANGE
ISIN: LU2333563281

www.tonies.com

Tonies, a category-defining audio streaming system for children, comprises a smart speaker box (Toniebox) and accompanying small figurines (Tonies), delivering content through a cloud infrastructure. As the world’s largest interactive audio platform for children, it boasts over 5.7 million Tonieboxes and 72 million Tonies sold. This award-winning system has transformed independent play and learning for young children with its intuitive, child-safe, wireless, and screen-free design. Activated and running in over 100 countries, Tonieboxes offer a diverse content portfolio, featuring more than 800 Tonies figurines.

LATEST DEVELOPMENTS

In 2023, Tonies continued its robust growth trajectory, with group sales reaching EUR 358m, reflecting a significant 39% year-over-year increase. Notably, the US market saw remarkable growth, contributing EUR 138m compared to the EUR 66m in 2022, with Tonies products now available in over 8,500 US retail outlets. Q3 marked a milestone as Tonies sold more boxes in the US than in its home DACH market for the first time.

Beyond impressive top-line growth, Tonies demonstrated commendable progress in profitability during 2023. The company achieved a positive adjusted EBITDA, benefiting from strategic growth investments in previous years and the successful ramp-up in the US market.

Effective 1 January 2024, Tobias Wann became Tonies’ new CEO. As a former founder with a track record of leading profitable high-growth companies, he succeeds Marcus and Patric, the founders who stepped back after 10 years of steering the company to its current position as a brand and market leader.

+39%

GROUP SALES

+110%

SALES IN USA

“Tonies continues to grow in an impressive manner while showing already a solid base for near future profitability. The success of its US expansion remains a key milestone and serves as a blueprint for future internationalisation efforts.”

AEB[®]

Business Sector: **INDUSTRIALS/INGREDIENTS**

Investment Year: **2019**

Percentage of interest: **6.3%**

Registered office: **BRESCIA, ITALY**

www.aeb-group.com

AEB is a one-stop-shop provider to winemakers and brewers offering ingredients that can be bundled with detergents and equipment. The company develops formulas, assembles raw materials, and distributes its advice and products globally.

LATEST DEVELOPMENTS

In 2023, despite difficulties stemming from poor harvest in both the northern and southern hemispheres, the group achieved a higher EBITDA than last year in both value and percentage terms. The year was marked by the appointment of SimonPietro Felice as the new CEO, effective September 1st, 2023. He has a strong knowledge of the wine making industry, having been instrumental in the success of both privately held and private equity-backed wine companies, cementing his reputation as a results-driven executive. Additionally, Innotec, AEB's non-core large equipment division, has been sold to a strategic player in August 2023 at an attractive valuation to refocus the business on Ingredients.

AEB will continue to (i) expand oenology in underpenetrated markets, (ii) accelerate in the beer segment by meeting a wider range of customer needs, (iii) strengthen its presence in spirits and (iv) expand in the ingredients segment, possibly through add-ons.

campings.com

Business Sector: **HOSPITALITY**

Investment Year: **2018**

Percentage of interest: **11%**

Registered office: **FRANCE**

www.campings.com

Campings.com is the European leader in online bookings for outdoor accommodations. Blending tourism and technology, the group lists around 4,500 establishments in 10 different countries, ranging from unclassified to 5-star complexes, both independent and network-affiliated. Annually, it records over 22 million visits and more than a million customers trust it for booking their holidays. Campings.com's multichannel distribution model – direct on their websites and through travel agency partners, company committees, online travel agents, and retail networks – is a significant source of clientele for accommodation providers.

LATEST DEVELOPMENTS

During the past year, Campings.com has consolidated its leading position as a marketplace offering outdoor vacation stays. The company recorded a strong performance at sales and EBITDA level with both metrics growing by more than 50%, driven by strong consolidated organic growth (c. 20%) and by the successful integration of Bungalow Booker acquired in December 2022. In 2023, Campings.com continued to invest in its platform and product offering with among others the release of empty pitches on its booking engine and the continuous development of its European presence.

FX
Shoulder Solutions

Business Sector: **HEALTHCARE EQUIPMENT**

Investment Year: **2017**

Percentage of interest: **19.1%**

Registered office: **FRANCE**

www.fxshouldersolutions.fr

FX Solutions specialises in the design, manufacture and distribution of shoulder implants and surgical instruments. The company's product offering is comprised of shoulder prostheses meeting all existing needs in shoulder arthroplasty.

LATEST DEVELOPMENTS

2023 was another record year for FX Solutions. The company grew more than 25% at top line level, reinforcing its position as one of the leaders in the shoulder arthroplasty joint trauma (accident, shock) or degenerative disease (body ageing, osteoarthritis...). France and US, the two core markets of the company, saw both a strong increase in sale and gains in market share. This growth further allowed FX Solutions to post both a significant increase in EBITDA to boost EBITDA margin but also to further invest in R&D.

MARLINK

Business Sector: **TMT**

Investment Year: **2016**

Percentage of interest: **2.3%**

Registered office: **FRANCE**

www.marlink.com

Marlink is a leading provider of smart network solutions, combining satellite communications and terrestrial telecoms for global remote operations connectivity. Specialising in hybrid networks, IT, cloud, and cyber services, Marlink empowers digital transformation in diverse end markets.

LATEST DEVELOPMENTS

Marlink reported a solid performance in 2023 with both revenues and ongoing EBITDA expected to grow double digits. All business units demonstrated strong traction, notably the digital services division driven by a growing pipeline of significant cybersecurity, IT, Internet Of Things deals. Besides, Starlink's LEO (Low Earth Orbit) solution has been further integrated into Marlink's existing offering providing an edge versus traditional SNO (Satellite Network Operators) competitors. Several acquisitions are under study to further strengthen and scale the maritime, enterprise or digital services business units.

2023 EBITDA
REACHED A RECORD HIGH

>50%
SALES GROWTH

25%
SALES GROWTH

high teens
SALES GROWTH

Unternehmensgruppe Pflegebutler

Business Sector **HEALTHCARE**

Investment Year **2021**

Percentage of interest **11.5%**

Registered office **FRIEDEBURG, GERMANY**

www.pflegebutler.de

Pflegebutler is a leading ambulatory care operator combining serviced living, day care and ambulatory care. It benefits from strong market growth supported by secular trends (demographics and growing preference towards ambulatory care).

LATEST DEVELOPMENTS

In 2023, Pflegebutler underwent a significant transition, marked by the appointment of Jan Zimmerschied, founder and experienced CEO of Onesta, as the group CEO in June. The leadership team saw further reinforcement with the addition of a new CFO in September, alongside the elevation of the former Onesta COO to a group-wide role.

Operationally, Pflegebutler achieved approximately 20% sales growth through organic expansion, opening 3 new houses with 151 additional rooms. As the new year commences, the management's strategic focus will shift towards maximizing Pflegebutler's operational potential and consolidating the group. The growth plan for 2024 outlines a deliberate approach, with only a limited number of new homes slated for opening.

>EUR 100m

SALES 2023

quip

Business Sector **B TO B SERVICES**

Investment Year **2008**

Percentage of interest **53.7%**

Registered office **BAESWEILER, GERMANY**

www.quip.de

Quip has been our first investment in Germany. What started as an MBO for a regional temporary staffing agency has led us on an entrepreneurial journey which included the development and subsequent sale of Talbot, the leading German railway MRO, while we developed the original Quip into an industrial services provider for the German Mittelstand with a strategic focus on the assembly of high-end machines.

Its business model leverages the synergies between industrial services and temporary staffing allowing customers to quickly scale up their production efforts while allowing Quip to smooth its capacity utilisation and increase the qualification and employability of its temp staffers.

LATEST DEVELOPMENTS

Quip's industrial services business line has continued its growth trajectory on the back of strong market growth in the semiconductors industry while management is working on accelerating the shift towards the assembly of high-end machines.

The temporary staffing business line encountered a challenging market environment, characterized by slowing client demand as well as stubbornly high sickness rates. Management is continuing to modernise the business in order to take advantage of a future rebound in the market.

“We support Quip in its strategic shift towards assembly of high-end machines”

RATTAY GROUP

Business Sector **INDUSTRIALS**

Investment Year **2017**

Percentage of interest **39.9%**

Registered office **HÜNXE, GERMANY**

www.rattay.de

Rattay Group is a leading supplier of mission critical components in harsh and demanding environments with a focus on metal hoses and compensators. Headquartered in Hünxe, Rattay generates sales in excess of EUR 45m and exports its products worldwide.

The company is capitalising on its strong engineering expertise and wide range of product and supplier certifications to adapt to specific customer requirements in various industries (except automotive).

LATEST DEVELOPMENTS

After several more difficult years due to external (Covid-19) as well as internal factors (streamlining of production footprint), Rattay has seen significant growth over the last 2 years due to its exposure to several growth industries while leveraging its more efficient production set-up.

The company has a positive outlook as it continues to strengthen its product portfolio in high growth industries (e.g. semi-conductors, hydrogen), increases the automation of production processes and continues to digitalize back-end processes. We see continued inflationary pressures on input prices and personnel expenses that need to be managed going forward.

>20%

SALES GROWTH

RIMED

Business Sector **HEALTHCARE**

Investment Year **2016**

Percentage of interest **5.5%**

Registered office **ZUG, SCHWEIZ**

www.rimed.ch

RIMED is one of the leading medical radiology groups in Switzerland and operates 16 radiology centres across the German- and Italian-speaking parts of Switzerland.

LATEST DEVELOPMENTS

2023 was characterized by the ongoing integration into the Unilabs universe. Despite the ongoing integration, Rimed continued to successfully execute its Buy & Build strategy by acquiring the ADUS Radiologie AG adding three more radiology centres in Zurich to its group. Rimed has continued to grow its revenue in 2023 despite a market environment that remained challenging with new important competitors in the Bern and Zurich regions and new stringent regulations in Ticino. Inflation remained present but stable in 2023 compared to 2022, as most of its radiology centres benefit from long-term energy contracts extending to 2024.

16

RADIOLOGY CENTRES IN SWITZERLAND

Investment Funds

Overview of the Investment Funds portfolio as at 31/12/2023

CORE PORTFOLIO: BUYOUTS AND GROWTH EQUITY



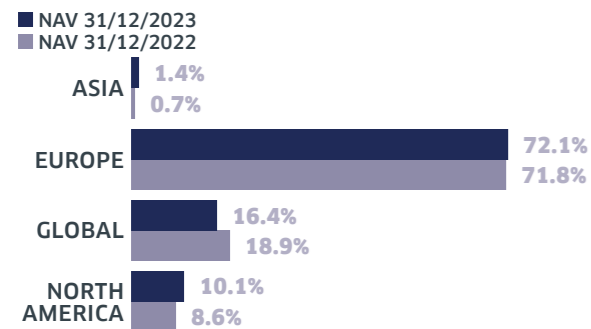
| SECONDARIES | VENTURE CAPITAL | ASIA |
|--|--|-------------------|
| <p>COMMITTED ADVISORS</p> <p>LGT CAPITAL PARTNERS</p> <p>Rothschild & Co</p> | <p>QUADRILLE</p> <p>Headline</p> <p>Uncork CAPITAL</p> <p>468 Capital</p> <p>MANGROVE CAPITAL PARTNERS</p> <p>felix CAPITAL</p> <p>NEA</p> | <p>Blackstone</p> |

Investment Funds portfolio as at 31 December 2023

BREAKDOWN PER GEOGRAPHY

Luxempart's Investment Funds portfolio currently consists of 48 funds managed by 24 General Partners, in Europe, the US and marginally in Asia. In terms of NAV, the European portfolio is more mature than the US portfolio as our US allocation has been developed since 2021 only. The current NAV stands at EUR 509m.

Portfolio NAV by geography



From an uncalled commitment perspective however the US is catching up and will turn into NAV over the next years. The uncalled commitments amount to EUR 244m.

Portfolio undrawn commitments by geography

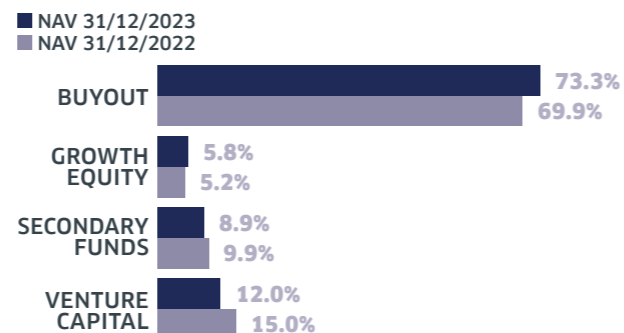


It should be noted that the global portfolio includes approximately 50% of US commitments.

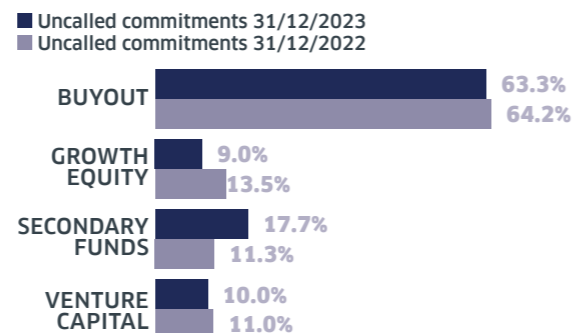
BREAKDOWN PER STRATEGY

Our program is skewed towards buyout, growth, and secondaries funds. Venture is currently mostly invested through a fund of funds which will not be renewed. Indeed, buyout is closest to Luxempart's DNA as our nearly 30 years history has been marked by investing into companies to develop them. Growth equity refers to resilient growth mostly in software companies. The exposure to secondaries reflects the attractiveness of this strategy in terms of cash generation, risk profile and broader exposure to trophy assets managers want to keep and continue with the support of secondary funds. This segment is also financially attractive due to the acquisition of limited partners stakes at discounted valuations.

Portfolio NAV by strategy



Portfolio undrawn commitments by strategy



The current portfolio construction is transitioning away from both sponsored funds and from large brand names to selected top performing and specialised managers who excel in value creation in their investment domain. In specific situations Luxempart will continue supporting existing or new emerging teams mainly in Europe when synergies with our Direct Investment strategy are possible, mainly through club deals. This will lead to a more focused funds portfolio in terms of strategies (buyouts, growth and secondaries), geographies (US and selected European markets) and sectors (healthcare, software and industrials-B to B services). Target fund sizes will decrease and specific partnerships will be developed such as to build out co-investment opportunities at favourable and return-enhancing conditions. This is of course a long-term endeavour as it takes time to extend our manager portfolio, build trust and select co-investment opportunities over time. Meanwhile attractive returns and cash distributions can be expected from our more mature European relationships with further promising exits from Ekkio, Bravo and Armira.

Since 2022 efforts have started to reshape our portfolio with:

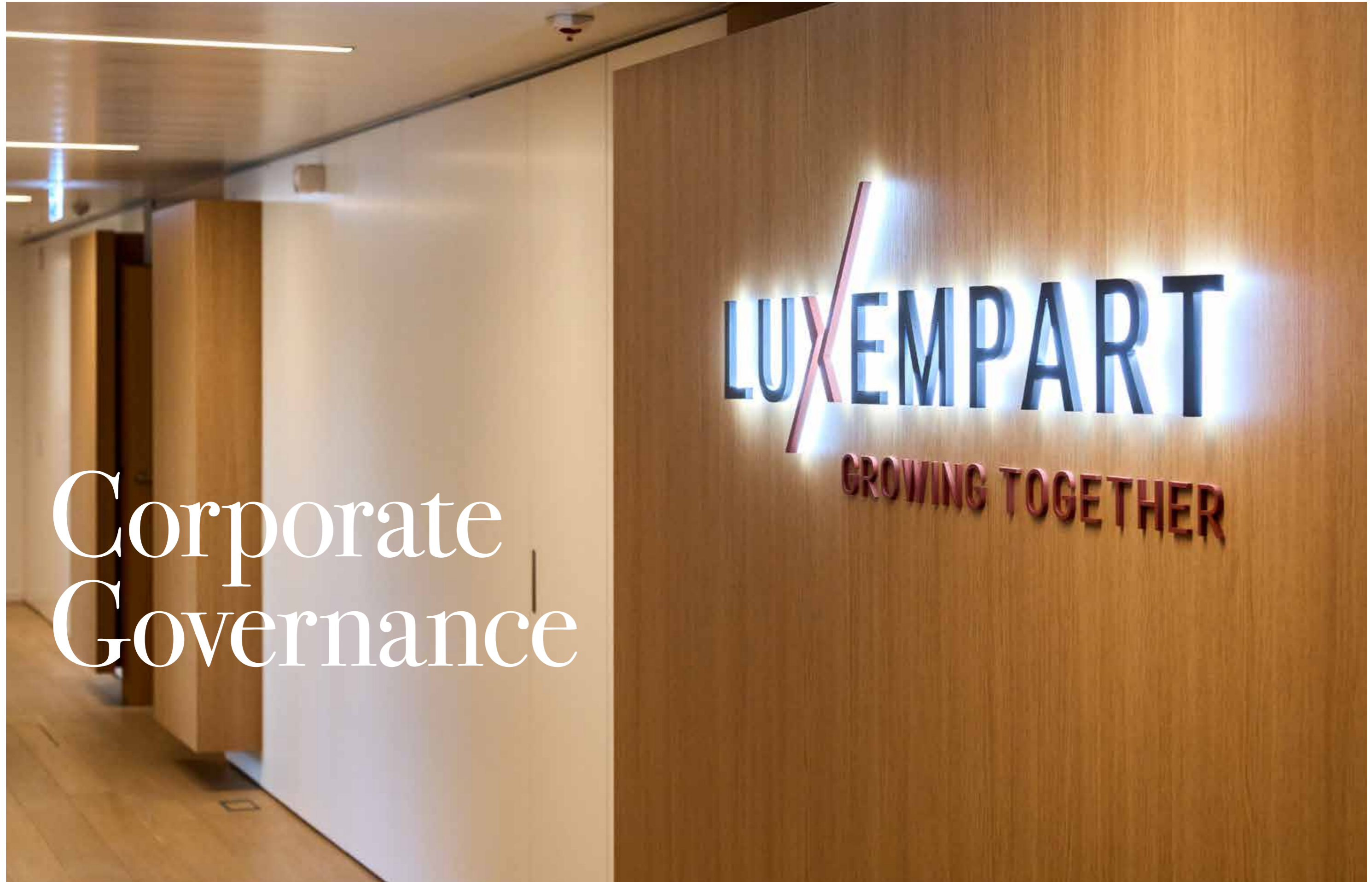
- Lowering commitments in former sponsored funds
- New commitments in sector focused funds (Webster in healthcare, Pfungsten and Bertram in Industrials, STG in software, Headline in growth)
- Decision to reduce exposure in large brand fund managers
- No new investments in Asia
- Targeted mapping campaigns with promising contacts to oversubscribed managers willing to onboard Luxempart at their next fund raising.

“We are passionate every day about shaping a diversified fund portfolio in a selective and focused way and don’t miss out any opportunity to support and challenge our fund managers in Europe and the US so as to remain the best performers in their sectors and strategies.”

ALAIN HUBERTY



Alain Huberty, Kevin Le Floc'h, Laurent Zandona



Corporate Governance

Founders and Honorary Chairmen

François Tesch, Gaston Schwertzer and André Elvinger (“**The Musketeers**”) were the initiators of the Luxempart success story in 1992, buying out BIL Participations, a portfolio of primarily investments in Luxembourg, belonging to Banque Internationale in Luxembourg (BIL).

Honorary Chairmen

Gaston Schwertzer and François Tesch alternatively Chairman and CEO, were the driving forces behind the successful development of Luxempart over the past decades. They led the transformation of the company, from a small investment company in Luxembourg to a professional private equity investor active in multiple markets in Europe.

They put a strong emphasis on building up professional internal capabilities and setting up a strong governance to safeguard best practices.

In order to recognise their exceptional contribution to the success of Luxempart, the Board of Directors has granted both of them the title of Honorary Chairman.



Founder members

Gaston Schwertzer, André Elvinger, François Tesch

Honorary Chairmen

Gaston Schwertzer, François Tesch

Statement of Corporate Governance

Introduction

This Statement of Corporate Governance forms a specific section of the Management Report.

The publication of the Company's information on corporate governance is organised in two documents:

- The Corporate Governance Charter, published on the website of the Company; and
- The present Statement of Corporate Governance.

Corporate Governance Charter

Luxempart's Corporate Governance Charter, which has factored-in the X Principles of Corporate Governance of the Luxembourg Stock Exchange, focuses on the following aspects:

- Luxempart's organisational structure; this section describes the organisation of the Company's management process;
- a description of Luxempart's share capital, shareholder structure and share liquidity;
- the role and mode of operation of the General Meeting and the shareholder information policy;
- the role, composition, chairmanship and mode of operation of the Board of Directors;
- the delegation of day-to-day management;
- the specialised committees of the Board of Directors, in particular the Audit, Compliance, and Risk Committee, the Nomination and Remuneration Committee and the Sustainability Committee; the role of these committees, their composition and operating procedures;
- the role and composition of the Group Executive Committee and the functions of the Managing Director(s) and other members of the Group Executive Committee;
- Luxempart's external audit process.

The Corporate Governance Charter also includes the following information:

- A definition of Director independence;
- A definition of the expertise of the Board of Directors;
- The prevention of transactions involving insider trading or market manipulation;
- The remuneration policy for Directors and members of the Executive Committee;
- The framework for the definition of the sustainability strategy
- The application of corporate governance principles and exceptions to these principles.

INFORMATION EXCHANGE ON CORPORATE GOVERNANCE

The Company communicates transparently with its shareholders via the corporate governance section of its website and through the dedicated e-mail address investors@luxempart.lu. In line with Luxembourg law, the Company allows shareholders to receive all corporate documentation, including the documents for shareholder meetings, in electronic format.

In this context, the website of the Company¹ contains a regularly updated stream of information, such as the latest version of the Company's main governance documents, including the Articles of Association, the Corporate Governance Charter, the Dealing Code, the Code of Good Conduct and separate sections on the composition and the mission of the Board of Directors, the Specialised Committees, and the Group Executive Committee. The website also contains the financial calendar and any other information that may be of interest to the Company's shareholders.

1) <https://www.luxempart.lu/governance/corporate-governance>

Shares and Capital

Capital structure

The shares issued by the Company are in registered or dematerialised form and are admitted to trading on the Luxembourg Stock Exchange, under the ISIN code LU2605908552. As of 31 December 2023, the share capital of the Company amounted to EUR 51,750,000, represented by 20,700,000 fully paid-up ordinary shares without indication of nominal value.

There are no categories of shares, and all the issued shares of the Company grant the same rights and bear the same obligations. Each share issued by the Company gives the right to one vote, except for shares held by the Company, for which the voting rights are suspended by virtue of the law.

Shareholding

Foyer Finance S.A. is the reference shareholder of the Company and owns 50.41 % of the share capital. As at 31 December 2023, Foyer Finance S.A., as it was already the case in the previous years, waived the voting rights attached to 1,600,000 shares, thereby bringing its voting participation to 47.68%. Aside from

There exists no share or other security granting any special controlling rights over the Company. There is no shareholding system in place for members of the personnel of the Company apart from the stock option attribution policy in place for the members of the Group Executive Committee and various staff members as further detailed in the Remuneration Report. The Company decides freely whether there are grounds to allot stock options every year. Where applicable, the stock options are allotted annually depending on the relevant individual's achievement of performance targets. The stock options are subject to a vesting period of four years and must be exercised within a period of ten years as from their allotment.

the important shareholders listed above, the Company has no knowledge of any other shareholder, either alone or in concert having reached the initial threshold of 5% requiring a transparency declaration in accordance with the law. The most recent transparency declarations are available on the website of the Company¹.

| Shareholding structure as of 31 December 2023 | Number of shares | Voting participation | Share capital participation |
|---|-------------------|--|-----------------------------|
| Foyer Finance S.A. | 10,434,240 | 47.68 % (waiver of part of voting rights) | 50.41 % |
| Sofina Capital S.A. | 1,257,500 | 6.79 % | 6.07 % |
| Stable shareholder (directly and indirectly via Socipar S.A. and Actinor S.à r.l.) | 1,193,723 | 6.44% | 5.77% |
| Stable shareholder (directly and indirectly via MMS Participations S.A. and Nikla S.A.) | 1,153,900 | 6.23% | 5.39% |
| Stable shareholder (indirectly via MAGA S.A. and Tregast S.à r.l.) | 1,115,702 | 6.02% | 5.57% |
| Public | 4,974,253 | 26.85 % | 24.03 % |
| Treasury shares | 570,682 | 0% (voting rights suspended by law) | 2.76 % |
| Total | 20,700,000 | 100% | 100% |

1) <https://www.luxempart.lu/medias/legal-publication>

General Meeting of Shareholders

SHARE TRANSFER RESTRICTIONS

There exist no restrictions on the transfer of shares issued by the Company other than those which are provided by law. Stock options issued within the framework of the Luxempart stock option plan(s) may be exercised by their respective holder in accordance with the terms and conditions of the applicable plan as further described in the Remuneration Report. When exercising a stock option, its holder has the right to purchase one share issued by the Company. Any intended transfer of stock options issued by the Company within the framework of a stock option plan is subject to a pre-emption right in favour of the Company.

The Company has no knowledge of any agreement of any of its shareholders which could lead to restrictions on the transfer of securities or the exercise of voting rights attached to the Company's shares.

SHARE BUYBACKS AND DISPOSALS OF OWN SHARES

Pursuant to Luxembourg law and its Articles of Association, the Company may acquire, on or outside the stock market, its own shares subject to the authorisation of the General Meeting of Shareholders with a majority of votes validly cast. The Annual General Meeting of 24 April 2023 authorised the Board of Directors to acquire own shares under the following terms, with the option to delegate to the Group Executive Committee to ensure the execution of this authorisation:

- The par value of the own shares purchased, including the shares previously acquired by the Company and still held by it, may not exceed 30% of the subscribed capital;
- The authorisation is valid from 24 April 2023 until the Annual General Meeting to be held in 2024;
- Minimum price per share: EUR 1.00 / Maximum price per share: EUR 150.00; and
- The price may be paid in kind (e.g. exchange of shares).

During the financial year 2023, the Company bought back 117,633 own shares and disposed of 87,364 own shares. The share buybacks were carried out in order to notably cover the stock option plans issued for the benefit of some members of the personnel of the Luxempart Group and the disposals of own shares relate to the exercise of stock options, as further described in the Remuneration Report and in the Note 15 of the financial statements. As of 31 December 2023, the Company held 570,682 own shares representing 2.76% of its share capital.

CONSEQUENCE OF A POTENTIAL TAKEOVER BID

The Company has not entered into any major agreement containing amendment or termination clauses linked to its own change of control following a takeover bid, which would be subject to mandatory disclosure by virtue of the law.

The Company has not entered into any agreement with the members of the Board of Directors or the Group Executive Committee or its staff, providing for compensation if they resign or are dismissed without just cause, or if their employment is terminated as a result of a takeover bid.

LIQUIDITY AGREEMENT

A liquidity agreement with KBC was signed in 2021 for an indetermined period.

TRANSACTIONS IN LUXEMPART SECURITIES

The Company publishes notifications of dealings in Luxempart securities conducted by Directors and members of the Group Executive Committee and their closely associated persons on its website. In 2023 the Company published 24 notifications of such dealings.

The General Meeting of Shareholders represents the entire body of shareholders of the Company and has the broadest powers to carry out or ratify actions concerning the Company, including the powers reserved to it by law and the Company's Articles of Association. Resolutions passed at General Meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

Each share gives the right to one vote. There are no restrictions on the voting rights attached to the shares of the Company except for those provided by law and the articles of association of the Company. Accordingly, the voting rights attached to shares held in treasury by the Company are suspended. The Company has no knowledge of any agreement of any of its shareholders which could lead to restrictions on the exercise of voting rights attached to shares issued by the Company.

The Board of Directors is responsible for convening meetings. The Annual General Meeting is held on the last Monday of April while Ordinary and Extraordinary General Meetings are convened whenever necessary.

The Extraordinary General Meeting may amend the Articles of Association of the Company in all their provisions and approve any increase or decrease of the share capital in accordance with the provisions of Luxembourg law. At least 50% of the Company's share capital must be present or represented in the Extraordinary General Meeting and resolutions require a majority of 2/3 of the votes validly cast, except for any increase in shareholders' commitments which requires unanimity.

The role, functioning of the General Meeting and rights of shareholders are addressed in detail in Luxembourg legislation, the Company's Articles of Association and Corporate Governance Charter.

On 24 April 2023, an Extraordinary General Meeting was held to approve the amendment of the Company's Articles of Association in order to revoke the Company's authorised capital and approve the compulsory conversion of bearer shares into dematerialized shares and voluntary dematerialisation of shares in registered form, and the Annual General Meeting was held thereafter on the same day and approved the annual and consolidated accounts, the allocation of results of the financial year 2022, the renewal of certain Directors' terms of office, and the remuneration policy and report. No other General Meetings were held in 2023.

1) <https://www.luxempart.lu/medias/legal-publication/>

Board of Directors

The Company has opted for a one-tier governance structure. Therefore, the Board of Directors is responsible for the general running of the Company's business and is accountable for its management in accordance with Luxembourg law.

Mission of the Board of Directors

The Board of Directors is responsible for the management of the Company and is vested with the broadest powers to take any decisions and take any measures 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 task of the Board of Directors is to ensure the long-term development of the Company and of its business activities in the interests of all the shareholders, while considering interests of other stakeholders, such as creditors, employees and, more generally, 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. In this context, in addition to overseeing the tasks performed by the Committees, the Board of Directors approves the annual accounts and half-year accounts and the management report, decides on the proposed allocation of results, the publication of financial information, strategy (including sustainability strategy), investment policy and matters relating to Group investments and divestments. It monitors the Group's portfolio investments to assess the extent to which they are in line with the strategy it has adopted.

Composition of the Board of Directors

The Directors of the Company are appointed by the General Meeting upon proposal by the Board of Directors made on the recommendation of the Nomination and Remuneration Committee for a renewable period of up to 6 years. The term of office of 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. Directors may always be removed from office by the General Meeting with or without cause. The Company's Articles of Association provide for the possibility of co-opting a Director in the event of a vacancy.

As of 31 December 2023, the Board of Directors comprised 12 members, including 1 executive and 11 non-executive Directors. 7 Directors qualified as independent Directors in accordance with the independence criteria contained in detail in the Company's Corporate Governance Charter.

At the Annual General Meeting of 24 April 2023, Mr. François Tesch retired as Director and Executive Chairman of the Board, after having served for many years as Director and Managing Director of the Company. His immense contribution to the success and shaping of today's Luxempart, his charisma and his communicative passion for business will long remain a source of inspiration for Luxempart's teams and Board Directors. He was also keen to establish strong governance within the Company, which he did with great professionalism. The Board of Directors and the Group Executive Committee warmly thank Mr. François Tesch for his passion and hard work over the years.

The Board of Directors appointed Mr. François Gillet as new non-executive Chairman of the Board on 24 April 2023 after the Annual General Meeting. Mr. François Gillet has been a member of the Board of Directors of the Company since 1992 and chaired the Audit, Compliance, and Risk Committee in the past five years. He has an excellent knowledge of Luxempart and fully shares its vision and strategy.

BOARD APPOINTMENTS

The Annual General Meeting of 24 April 2023 approved the reappointment of the following persons as Directors for a 3-year term ending at the Annual General Meeting to be held in 2026:

| Name | Expiry of Board mandate |
|---|-------------------------|
| Mrs. Kay Ashton, Independent, non-executive Director | 2026 |
| Mr. Frank Donck, Independent, non-executive Director | 2026 |
| Mr. Jacques Elvinger, Independent, non-executive Director | 2026 |
| Mr. Jürgen Vanselow, Independent, non-executive Director | 2026 |

On 9 October 2023, Mr. Olaf Kordes departed from the Company by mutual consent and resigned from his position as Managing Director. His vacancy has not yet been replaced as of 31 December 2023.

The Annual General Meeting of 24 April 2023 also appointed the following persons as new Directors of the Company for a 3-year term ending at the Annual General Meeting to be held in 2026:

- **Mr. Owen Tesch** was appointed as non-executive Director, representing the interests of one of the Company's major shareholders. Mr. Owen Tesch has acquired solid experience in the investment field through various positions with funds and consultancy firms.
- **Mr. Xavier Coirbay** was appointed as non-executive Director. He is a member of the Executive Committee of another important shareholder of the Company, the Belgian listed holding company Sofina, and has extensive expertise in private equity investments and investment funds, notably through his seat on the Board of Cambridge Associates.

The term of office of the Directors Mr. François Gillet, Mr. Jacquot Schwertzer, Mrs. Michèle Detaille, Mrs. Madeleine Jahr and LIDA SAS (represented by Mr. Grégoire

Chertok as its permanent representative) will expire at the Annual General Meeting to be held in 2024.

The mandates of Mr. François Gillet and Mr. Jacquot Schwertzer will be proposed for renewal for a 3-year term, ending at the end of the Annual General Meeting of 2027. The mandates of Mrs. Michèle Detaille, Mrs. Madeleine Jahr and LIDA SAS (represented by Mr. Grégoire Chertok as its permanent representative) will be proposed for renewal for a 1-year term, ending at the end of the Annual General Meeting of 2025.

Provided that the Annual General Meeting of 2024 renews her term of office, as from 29 April 2024, Mrs. Michèle Detaille will no longer meet the independence criteria after having served as a Director for more than twelve years.

HONORARY CHAIRMEN

The Board of Directors may grant to a former Director the title of "Honorary Director" or "Honorary Chairman". This title is reserved for to Directors who have provided the Company with important services. The Honorary Directors and the Honorary Chairman do not have any term of mandate and are not members of the Board of Directors. Mr. François Tesch and Mr. Gaston Schwertzer have been granted the title of the Honorary Chairman.

DIVERSITY AT THE LEVEL OF THE BOARD OF DIRECTORS

The Company is committed to ensuring the diversity of its Board of Directors. The Board of Directors includes representatives of many different nationalities (Luxembourgish, Belgian, German, French, and British) and is made up of 3 women and 9 men. The Company also strives to ensure that the profiles of its Directors are varied and complementary in terms of professional and sectoral experience (investment bankers, entrepreneurs, lawyers, investment professionals, human resources and compensation), in line with its diversified portfolio.

MEMBERS OF THE BOARD OF DIRECTORS



**FRANÇOIS
GILLET**

Non-Executive
Chairman of the Board

François Gillet has been a Non-Executive Director of Luxempart since 1992, and was the Chair of our Audit, Compliance, and Risks Committee for the last five years.

The Board elected François Gillet as Non-Executive Chairman of Luxempart after the retirement of François Tesch in April 2023, because of his extensive knowledge of Luxempart, and of the extremely relevant investment experience he built at Sofina over the same period.

He has recently retired from Sofina which he had joined in 1988, and where he held various positions before becoming member of the Executive Committee and Director in several investee companies.

François Gillet holds a sales and management engineer diploma (Louvain School of Management) and has an international directors programme certificate in corporate governance from INSEAD.



**JACQUOT
SCHWERTZER**

Vice-Chairman
of the Board

Jacquot Schwertzer was a member of the Luxempart Group Executive Committee from 2001 to 2017, and acted as Chairman of the Executive Committee from 2017 to 2020.

He is also an independent director at Wendel Luxembourg and a director of Foyer Finance. He has been running the business of Socipar, its family holding (petrol stations, refurbishing of pressure vessels, gas business, real estate) since 1981.

He holds a master's degree in economics, business administration.



**JOHN
PENNING**

Managing Director,
Member of the Board

John Penning joined Luxempart in May 2017 and is Managing Director since 2020.

He currently serves as a director in several companies, in particular: Foyer Finance, Foyer SA and Atenor.

After working as a senior manager in corporate finance at Deloitte in Luxembourg, John co-founded in 2009 Saphir Capital Partners SA, a corporate finance and private equity consultancy firm based in Luxembourg and London.

During his career, John gathered investment experience in several sectors including financial services, business aviation, consumer goods, real estate and healthcare services.

He holds a degree in political science and international relations from the Université Libre de Bruxelles (ULB), and a MBA from Otago University and the University of North Carolina at Chapel Hill.



**KAY
ASHTON**

Member of the Board

Kay Ashton has been a Non-Executive and Independent Director of Luxempart since 2020.

She chairs the Audit, Compliance, and Risk Committee.

In 1992, Kay joined Silverfleet Capital, a leading European private equity firm, becoming a partner in 1996. She was responsible for some of the firm's most successful investments in several sectors including leisure and business services. She also served as deputy chair of the investment committee for 14 years.

She read Natural Sciences at Jesus College, Cambridge University.



**GRÉGOIRE
CHERTOK**

Member of the Board

Grégoire Chertok has been a Non-Executive and Independent Director of Luxempart since 2016.

He is a member of the Group Executive Committee of Rothschild & Co, which he joined in 1991.

In this role, he has advised numerous major European companies in their external development, such as GDF Suez, Casino, Bouygues, Accor, Suez Environment or Kering. He has built a tremendous M&A experience over time, as well as extensive networks on the French market.

He earned a degree from ESSEC in 1988 and obtained an advanced degree in financial analysis from SFAF in 1990 and a MBA from INSEAD in 1993.



**XAVIER
COIRBAY**

Member of the Board

Xavier Coirbay has been appointed as a Non-Executive Director of Luxempart in April 2023.

After a first experience in the asset management division of Generale Bank (now part of BNP Paribas Fortis), he joined Sofina in 1992 where he now is a member of the executive committee, with a focus on direct investments in the digital sector.

He is a director and chair of the remuneration committee of Cambridge Associates, an investment management firm based in Boston (USA).

He holds business engineering (1988) and tax management (1990) degrees from Solvay Brussels School, an international directors programme certificate in corporate governance from INSEAD (2013) and a corporate director certificate from Harvard Business School (2019).



MICHÈLE DETAILLE

Member of the Board

Michèle Detaille has been a Non-Executive and Independent Director of Luxempart since 2012.

She acts as Chair of the Sustainability Committee of Luxempart.

She is the founder and CEO of ALIPA Group, and is active in various SMEs as founder and CEO.

Acting as chair of the FEDIL (Luxembourgish Business Federation), and serving as a member of the board of the Banque Centrale du Luxembourg (BCL), she is a key driving force in the Luxembourgish economic landscape.

She holds a degree in political science, started her career as a political advisor for the presidency of the Liberal Party in Belgium. In 1983, she was the youngest mayor of Belgium, before serving as a member of parliament between 1985 and 1987.



FRANK DONCK

Member of the Board

Frank Donck has been a Non-Executive and Independent Director of Luxempart since 2020.

He has been acting as managing director of the family-owned investment company 3D investors NV since 1998. He has more than 30 years of experience as a professional investor and is active as either chairman or director of 3 listed companies and non-listed companies. He currently serves as a chairman of Barco and Atenor Group, as non-executive director of KBC Group and as independent director of Elia Group. Frank is also a member of Belgium's Corporate Governance Commission.

He holds a master's degree in law from the university of Ghent (Belgium) and a master in financial management from the Vlerick Business School.



JACQUES ELVINGER

Member of the Board

Jacques Elvinger has been a Non-Executive and Independent Director of Luxempart since 2015.

He is the Chair of the Nomination and Remuneration Committee of Luxempart.

He is a lawyer admitted to the Luxembourg Bar since 1984. He is a partner in the law firm Elvinger Hoss Prussen and a member of the high committee for the development of the financial centre lead by the Luxembourg Minister of Finance and a member of the committee of experts on investment funds of the Commission for the Supervision of the Financial Sector (CSSF).

He is also a member of a number of committees of the Association of the Luxembourg Fund Industry (ALFI).



MADELEINE JAHR

Member of the Board

Madeleine Jahr has been a Non-Executive and Independent Director of Luxempart since 2018.

She started her career in an international audit firm. In 2016, she joined Houlihan Lokey, a Los Angeles headquartered investment advisory group with 38 offices in 18 countries. As Managing Director, she is heading the food and beverage sector in the DACH region as well as the advisory for family-owned companies.

She is also the co-founder of Radi Pekseg, the fifth largest bakery chain in Hungary.

She holds a master's degree in finance from the University of St. Gallen, Switzerland.



OWEN TESCH

Member of the Board

Owen Tesch has been a Non-Executive Director of Luxempart since 2023.

After a consulting career at EY in Luxembourg, he has been working for Ekkio Capital since 2018, a private equity fund specialised in SMEs in Europe with a strong sectorial expertise in tourism & leisure, healthcare & beauty, securing & control, and sustainability. He is responsible for origination and business development.

He earned a master's degree in science of management at Boston University in 2012.



JÜRGEN VANSELOW

Member of the Board

Jürgen Vanselow has been a Non-Executive and Independent Director of Luxempart since 2017.

He joined Egon Zehnder International in 1995, elected to Partner in 2001, with a focus on executive search in the financial services and private equity sectors. In 2017, he joined Russell Reynolds Associates in Frankfurt as a Senior Partner. Today, he is at the heart of the firm's recruitment activities in the financial services sector, specialised in leadership advisory in private equity, asset management and family offices.

He has a master's degree in management from ESCP Europe in 1987 and attended the PMD programme at Harvard Business School in 1999.

Operation of the Board of Directors

The Board of Directors meets at least four times a year and ad hoc meetings are convened whenever circumstances require. Meetings are convened by the Chairman of the Board who sets the agenda together with the Managing Director(s) and the Secretary of the Board of Directors. Resolutions of meetings are passed by majority of the votes of the Directors present or represented. The rules for convening and conducting meetings of the Board of Directors and for passing Directors' resolutions are addressed in detail in the Company's Articles of Association and Corporate Governance Charter.

ACTIVITIES IN 2023

The Board of Directors met 7 times in 2023. The average attendance rate of the 7 Board meetings was 93%, a testament to the active involvement of all the Directors of the Company.

In 2023, the Board considered more specifically:

- Review of the annual financial statements and of the consolidated financial statements for the 2022 financial year, as well as of the 2023 interim report, and approval of the related press releases;
- Preparation of the Annual General Meeting held on 24 April 2023;
- Review of the conclusions and recommendations issued by the Specialised Committees;
- Review and discussions around the portfolio;
- Investment and disposal decisions;
- 2024 budget and business plan 2024-2026;
- Investment of the cash position, and external financing;
- Review of the Group's risk matrix and related action plans;
- Looking back on the Group's strategy execution on the last 4 years, and discussions around the strategic evolutions for the next 4 years;
- Replacement of Mr. Olaf Kordes, and Group Executive Committee composition;
- Governance;
- Compliance;
- Sustainability strategy.

CONFLICTS OF INTEREST

During 2023, the Directors dealt with the following conflicts of interest at meetings of the Board of Directors, related to Mr. Frank Donck's position as chairman of the board of directors and shareholder of Atenor SA:

- At the meeting of the Board of Directors on 13 June 2023, Mr. Frank Donck did not take part in the discussions and decisions concerning the Company's commitment to participate in a possible capital increase of Atenor SA.
- At the meeting of the Board of Directors on 13 September 2023, Mr. Frank Donck did not take part in the discussions and decisions concerning an increased subscription commitment in the capital increase of Atenor SA, which finally took place on 30 November 2023.

BOARD ASSESSEMENT

The Corporate Governance Charter provides for periodic assessments of the Board of Directors, the Specialised Committees, and of the interactions with the Group Executive Committee. The assessments are performed by the Board of Directors with the assistance of the Nomination and Remuneration Committee. They cover the size, composition and performance of the Board, its Specialised Committees and the governance structure of the Company. An assessment of the Board of Directors was launched at the end of 2023 with results expected by mid of 2024.

Specialised Committees

The Board of Directors has set up 3 Specialised Committees made up of members chosen from among its members: an Audit, Compliance, and Risk Committee, a Nomination and Remuneration Committee and a Sustainability Committee.

Each of these three Specialised Committees carries out its duties in accordance with the Corporate Governance Charter and, where applicable, its internal regulations, which govern its missions and mode of operation. In 2023, the Specialised Committees systematically reported to the Board of Directors on their meetings and submitted recommendations for approval.

Audit, Compliance, and Risk Committee

The Audit, Compliance, and Risk Committee assists the Board of Directors in overseeing the financial reporting process, the internal and external audit process, and the internal control process, as described in detail in the Company's Corporate Governance Charter and in the newly updated Audit Charter. The Committee meets at least four times a year and whenever circumstances require.

COMPOSITION

All the members of the Audit, Compliance, and Risk Committee are non-executive Directors and two of them are independent Directors, in compliance with the X principles of the Corporate Governance of the Luxembourg Stock Exchange. The Audit, Compliance, and Risk Committee has the requisite expertise in accounting, auditing, IFRS, and investment matters, thanks in particular to its members' experience in financial and industrial companies.

The composition of the Audit, Compliance, and Risk Committee in 2023 is set out below:

| Name | Expiry of Board mandate |
|---|-------------------------|
| Mrs. Kay Ashton, Chair of the Committee, Non-Executive and independent Director | 2026 |
| Mr. Frank Donck, Non-Executive and Independent Director | 2026 |
| Mr. Owen Tesch, Non-Executive Director | 2026 |
| Mr. Jacquot Schwertzer, Vice-Chairman of the Board and Non-Executive Director | 2024 |

The Chairman of the Board, the Managing Director(s) and the Group's CFO are not members of the Committee but are invited to attend its meetings. This allows essential interaction between the Committee on the one side

and the Board of Directors and the Group Executive Committee on the other side.

ACTIVITIES IN 2023

The Audit, Compliance, and Risk Committee met 5 times in 2023 with an attendance rate of 100%. The Auditor (*Réviseur d'Entreprises Agréé*) of the Company attended 4 meetings.

In accordance with its powers under the Corporate Governance Charter and the Audit Charter, the Committee discussed and/or reviewed the following main topics in 2023:

- Review of the 2022 annual results and 2023 interim results, the notes to the financial statements and the related management reports
- Audit program
- Valuation of the portfolio
- External review of the financial statements
- 2024 budget and 2024-2026 business plan
- The Statutory Auditor's independence
- Review and follow up of the auditor's non audit missions
- Update of the risk matrix and related action plan
- Update on tax matters
- Update on compliance matters and adequacy with regulations
- Review of policies and procedures
- Related parties' transactions
- Ongoing litigations
- IT infrastructure and security

Nomination and Remuneration Committee

The Nomination and Remuneration Committee combines the Nomination Committee and the Remuneration Committee referred to in the X Principles of Corporate Governance of the Luxembourg Stock Exchange. It 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 Group Executive Committee, as described in detail in the Company's Corporate Governance Charter. In particular, it is tasked by the Board of Directors with proposing a critical assessment and review of the performance of the Group Executive Committee and the Managing Director(s), and with submitting a detailed report thereon to the Board of Directors which then decides on the assessment. The Committee meets in principle once a year and whenever circumstances so require.

COMPOSITION

The Nomination and Remuneration Committee is made up of four non-executive Directors, two of whom are independent.

The composition of the Nomination and Remuneration Committee in 2023 is set out below:

| Name | Expiry of board mandate |
|---|-------------------------|
| Mr. Jacques Elvinger, Chair of the Committee, Non- Executive and Independent Director | 2026 |
| Mr. Jürgen Vanselow, Non-Executive and Independent Director | 2026 |
| Mr. Owen Tesch, Non-Executive Director | 2026 |
| Mr. Jacquot Schwertzer, Vice-Chairman of the Board and Non-Executive Director | 2024 |

The membership of the Committee is extended to include the Managing Director(s) and the Chairman of the Board of Directors when the Committee is examining issues relating to the appointment or dismissal of one or more Directors. In such cases, the Managing Director(s) and the Chairman of the Board participate in the deliberations with the right to vote.

ACTIVITIES IN 2023

The Nomination and Remuneration Committee met 3 times in 2023 with an average attendance rate of 100% and discussed the following main items:

- Proposal to nominate Mr. François Gillet as new Non-Executive Chairman of the Board
- Proposal to grant the title of Honorary Founding Chairman to Mr. François Tesch
- Proposal to appoint Mr. Owen Tesch and Mr. Xavier Coirbay as new Board Directors
- Proposal of Chairman and Vice Chairman remuneration increases
- Board and Committees composition
- Launch of a Board assessment
- Search for a new Executive committee member
- Annual remuneration report
- Executive bonus payments and stock option attributions
- Review of the stock option plan and Long Term Incentive Plan systems
- International salary benchmarking
- Human resources organisation
- Significant HR topics

The Nomination and Remuneration Committee will carry out an assessment of its own effectiveness during 2024.

Sustainability Committee

The Sustainability Committee assists the Board of Directors in the fields of the Company's sustainability strategy, corporate and portfolio sustainability policies and non-financial reporting, as described in detail in the Company's Corporate Governance Charter. Its main missions are to:

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

The Committee meets in principle once a year and whenever circumstances require.

COMPOSITION

As of 31 December 2023, the Sustainability Committee was made up of four non-executive Directors, including two independent Directors.

The composition of the Sustainability Committee in 2023 is set out below:

| Name | Expiry of board mandate |
|---|-------------------------|
| Mrs. Michèle Detaille, Chair of the Committee, non-executive and Independent Director | 2024 |
| Mr. Frank Donck, non-executive and independent Director | 2026 |
| Mr. Owen Tesch, non-executive Director | 2026 |
| Mr. Jacquot Schwertzer, Vice-Chairman of the Board, non-executive Director | 2024 |

The Chairman of the Board, the Managing Director(s) and the Group's ESG Manager are not members of the Committee but are invited to attend its meetings. This allows essential interaction between the Committee on the one side and the Board of Directors and the Group Executive Committee on the other side.

ACTIVITIES IN 2023

The Sustainability Committee met 2 times in 2023 with an average attendance rate of 100%.

The Sustainability Committee discussed mainly around two main topics: the potential impact of the general ESG context and the regulatory frameworks might have on Luxempart and its portfolio, and the sustainability strategy and action plans for the Direct investments.

The attention point in terms of legislation is the new Corporate Sustainability Reporting Directive (CSRD) adopted in November 2022. CSRD shall apply to Luxempart, being a listed SME, from 1 January 2026, with a first sustainably report due in 2027.

The Sustainability oversaw the due diligence and ESG reviewed performed on the Direct Investment portfolio. These results are presented in the Sustainability statement on pages 36-37.

Group Executive Committee

Mission

The Board of Directors has entrusted the day-to-day management of the Company to the Managing Director(s), who is(are) assisted in this task by the Group Executive Committee.

Accordingly, the Board of Directors delegated the following duties to the Managing Director(s) and the Group Executive Committee:

- Day-to-day management of Luxempart and its subsidiaries;
- Implementation of the strategy and decisions taken by the Board of Directors;
- Research and analysis of new investment opportunities and divestment proposals;
- Decisions or recommendations on investments and divestments;
- Portfolio monitoring;
- Human resources management and coordination

Composition

APPOINTMENT AND REPLACEMENT OF GROUP EXECUTIVE COMMITTEE MEMBERS

The Group Executive Committee is made up of members appointed by the Board of Directors upon recommendation of the Nomination and Remuneration Committee. The Managing Directors are also members of the Group Executive Committee. Members can be removed from office by the Board of Directors with or without cause.

As of 31 December 2023, the Group Executive Committee was composed of four members, including the Managing Director.

Mr. Rudolf Ohnesorge joined the Group in 2022 and was appointed as new member of the Committee on 23 March 2023.

Mr. Olaf Kordes departed from his position as Managing Director on 9 October 2023 by mutual consent with the Company for personal reasons. Luxempart thanks him for his great contribution to the Group over the last years. He has been instrumental in implementing the Group's strategy and in developing the Direct Investments activity in France.

DIVERSITY AT THE LEVEL OF THE GROUP EXECUTIVE COMMITTEE

As it is the case at the level of the Board of Directors, the Company is willing to ensure diversity at the level of its Group Executive Committee. This diversity is reflected in the various nationalities and professional backgrounds of the members of the Committee.



Group Executive Committee: John Penning, Alain Huberty, Rudolf Ohnesorge, Lionel de Hemptinne

MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

John Penning

John joined Luxempart in May 2017 and is a Managing Director since 2020.

He currently serves as a director in several companies, in particular: Foyer Finance, Foyer SA and Atenor.

After working as a senior manager in Corporate Finance at Deloitte in Luxembourg, John co-founded in 2009 Saphir Capital Partners, a corporate finance and private equity consultancy firm based in Luxembourg and London. During his career, John gathered investment experience in several sectors including financial services, business aviation, consumer goods, real estate, and healthcare services.

John holds a degree in political science and international relations from the Université Libre de Bruxelles (ULB), and an MBA from Otago University and the University of North Carolina at Chapel Hill.

Alain Huberty

Alain is heading our Investment Funds activity, fostering its successful and continuing internationalisation.

He joined Luxempart more than 25 years ago after a previous career in the steel industry and at the Luxembourg bar. He occupied several functions such as Investment Manager, General Secretary and CFO. Throughout his career at Luxempart, he gained experience in managing direct private equity investments and listed portfolio lines where he sat on the board of directors.

Alain holds master's degrees in law and economics from Aix-Marseille and the LSE.

Rudolf Ohnesorge

Rudolf joined Luxempart in 2022 as Member of the Group Executive Committee focused on developing Luxempart's presence in the DACH region. He is drawing on international private equity experience in leveraged buyouts, growth capital and PIPE investments across fast-growing technology, industrial, consumer and service sectors.

He started his professional career co-founding a venture capital unit at Infineon Technologies AG and investing into technology companies primarily in the Silicon Valley before moving on to manage and profitably grow a worldwide business unit for Infineon. Starting 2008, he focused on investments into mid-sized industrial companies with an environmental angle as Managing Partner of Siemens Venture Capital and later as Partner of European PE firm, Ambienta. Most recently, he was a Partner at a Germany based single family office.

Rudolf holds a master's degree in industrial engineering & business management from KIT and completed post-graduate studies in Strategic Management at HEC.

Lionel de Hemptinne

Lionel joined Luxempart in 2022 as a Member of the Group Executive Committee and Chief Financial Officer. He also oversees the group's investments in financial services, and seats at the board of directors of Foyer SA and iM Global Partners.

He started his career in 2003 at ING as Senior Account Manager. He thereafter successfully assumed various CEO and CFO positions in listed and non-listed companies such as Floridienne Group and Droia Oncology Ventures in Belgium.

He holds a master's degree in Business and Sciences from Louvain School of Management and an Executive Master in Finance from Solvay Business School.

Rules of operation

The Group Executive Committee is headed by the Managing Director(s) and meets at the company's registered office in principle every week. Ad hoc meetings are convened whenever circumstances require. Decisions are passed unanimously. In the event of disagreement, the decision may be taken by the Managing Director(s), as further detailed in the Corporate Governance Charter.

Activities in 2023

The Group Executive Committee met 49 times in 2023. The average attendance rate of the meetings was close to 100%.

In 2023, the Group Executive Committee worked more specifically on the following tasks:

- Sourcing and execution of new deals and add-ons, more specifically Kestrel Vision, Coutot-Roehrig, Alphacaps, MTWH and Atenor
- Exits of TCM, Ascom, SNP, and Süss Microtec
- Regular monitoring and value creation of portfolio companies
- Developing and monitoring the Investment Fund activity
- Management of human resources and organisation chart
- Replacement of Mr. Olaf Kordes in the Group Executive Committee
- Looking back on the execution of Luxempart strategy over the last 4 years
- Preparation of 2024 budget and 2024-2026 business plan
- Cash management
- Negotiation of bank financings
- Dematerialisation of Luxempart shares
- Validation of important contracts
- Compliance/ AML
- GDPR
- Risk management
- Communication and roadshows.

Principles of Corporate Governance

Luxempart follows the X Principles of Corporate Governance adopted by the Luxembourg Stock Exchange as revised in December 2017 and applies the recommendations contained therein in accordance with the “comply or explain” principle. The X Principles of Corporate Governance are available on the website of the Luxembourg Stock Exchange. The Company’s governance rules will be reviewed in 2024 in light of the new version of the X Principles published and effective as from January 2024.

BOARD OF DIRECTORS REMIT AND COMPOSITION

The Company 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. The Corporate Governance Charter provides that the Board of Directors shall perform self-assessments at least every three years with the assistance of the Nomination and Remuneration Committee. This frequency is considered appropriate for the Board’s mode of operation and the Company’s activities.

The independence criteria (principle 3, recommendation 3.5.) are laid out in the Company’s Corporate Governance Charter. 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 of Directors are appointed by the General Meeting upon proposal drawn up on the recommendation of the Nomination and Remuneration Committee (principle 4 and recommendation 7.7). One of the members of the Committee has extensive human resources skills, being a partner of an international HR consultancy and recruitment firm.

PROFESSIONAL ETHICS

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, in order to comply with principle 5: «ethics». The procedure for managing conflicts of interest is described in detail in the Corporate Governance Charter, and notably requires the involvement of the Chairman of the Board. The involvement of Audit, Compliance, and Risk Committee in an advisory capacity, is currently not foreseen considering that any conflict of interest is already dealt with by the Board of Directors in strict compliance with Luxembourg legislation.

EXECUTIVE MANAGEMENT

The Group Executive Committee is composed of high-level professionals with complementary skills (principle 6) appointed by the Board of Directors upon recommendation of the Nomination and Remuneration Committee in accordance with a nomination procedure defined on a case by case basis considering the Group Executive Committee’s specific mission, which is to assist adequately the Managing Director(s) in the day-to-day management of the Company. Meetings of the Group Executive Committee are presided by the Managing Director(s). Controversial debate and respect for critical opinions are cultivated in the Group Executive Committee.

The internal rules of the Board of Directors, the specialised Committees and the Group Executive Committee are set out in the Corporate Governance Charter and in the case of the Audit, Compliance, and Risk Committee, they are further specified in an internal charter dedicated to this committee.

REMUNERATION POLICY

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

The fixed remuneration is in line with market practice. The 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 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 are published, including the status of

the stock options. The compensation policy was vetted by a specialised firm and the calculations are regularly reviewed by the auditor.

FINANCIAL AND REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

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. They all act under the supervision of an experienced Chief Financial Officer, who is also a member of the Group Executive Committee. The Audit, Compliance, and Risk Committee is chaired by a specialist with extensive knowledge in audit and finance. Given the Company’s size, no independent internal audit function has been set up at the Company to date. The Audit, Compliance, and Risk Committee assesses the need to commission one-off assignments entrusted to an external service provider on an annual basis. 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.

SHAREHOLDERS

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.

Internal control and risk management

Internal environment

The quality of the internal environment is a major factor in our Group's culture, since it sets the right levels of trust, accountability and awareness to our team, needed to monitor and manage risks. It forms the first and most important layer in all our internal control management system.

Factors that have an impact on the internal environment specifically include:

- Purpose, integrity, and ethics
- Alignment on key values
- Clearly defined procedures and responsibilities
- Open communication
- Management style
- Team's expertise
- Training.

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 to 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 a regular basis. The last review of this risk map was performed in 2023.

The risks relating to our 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 Committees, or via other means.

Definition of targets, the assessment of risks, and response to risks

INVESTMENT RISKS

The core business of Luxempart is to invest in small to mid-cap companies, either directly, or indirectly through third party funds. This alternative asset class contains, by its nature and by its illiquidity pattern, a high level of risk. We indeed are exposed, for significant amounts, to individual companies that can suffer from economic downturns or other negative effects. This is why we carefully select the companies we invest into, analysing their competitive positioning and market trends. We perform in-depth due diligences to lower the likelihood of unforeseen negative outcomes. We pay special attention to the people we partner with, being the management or our co-shareholders, making sure we share a strong alignment and common values. Besides this, we try to diversify our investments across various geographies and non-correlated sectors, in order to avoid concentration risks and to mitigate the impact of one unsuccessful investment on our whole portfolio. Finally, remaining disciplined in our investment criteria, favoring resilient businesses with strong fundamentals, buying companies at fair prices, and structuring the acquisitions with reasonable levels of leverage, are the safeguards to a sound portfolio management.

FINANCIAL RISKS

Financial risks, and especially market risks, are other risks to which Luxempart is exposed. The financial risks are set out in note 24 to the consolidated financial statements.

- Equity market volatility can affect the valuation of our listed portfolio companies, even though this asset class represents less than 10% of our total Net Asset Value, and the valuation of our non-listed portfolio companies. A sensitivity analysis of this class of assets is presented in the note 10 of the financial statements
- Broader financial markets evolutions (bonds, monetary markets...) can also affect some of our portfolio com-

panies, especially in the insurance sector, or our own cash and deposit positions, that are partially invested in bonds and other monetary instruments. In this respect we take care to invest in high quality counterparts, and with a high level of diversification.

- Credit risk on cash: Our cash and treasury assets are invested in various banks, with concentration limits defined in function of the banks' ratings and systemic patterns. Those limits are regularly reviewed, in function of the market evolutions.

LIQUIDITY RISKS

Our investments are illiquid by nature. It is therefore of foremost importance to have a close monitoring of our cash flows projections under various scenarios, and to maintain sound financial liquidity on our balance sheet. Maintaining these liquid positions provide us with the flexibility to address unexpected situations. At Luxempart, we aim to keep around 10% of financial liquidity, composed of cash, deposit accounts and liquid bonds portfolios, on our balance sheet. In 2023, we decided to complement this liquidity position with a program of committed credit facilities, of different maturities with various banks. Those credit facilities serve as an extra buffer to mitigate our liquidity risk. They were totally unused by end of 2023.

INTEREST RATE RISKS

Rising interest rates have put a new light on the cost of financing risk, for many companies in the world. Even though reasonable in general, our portfolio companies often use leverage to finance their growth. As such, they can be exposed, in certain cases, to higher costs of financing. This risk is closely monitored in our portfolio.

CURRENCY RISKS

Our Investment Funds portfolio is getting increasingly invested in the US, in USD currencies. Our strategy of diversification explicitly includes the US market as a key element, leading to the strategic decision not to hedge our USD exposure. As such, the performance of our USD funds might be adversely affected by a weakening of the USD in the future.

RISKS RELATING TO THE PREPARATION OF FINANCIAL INFORMATION

The preparation of financial information involves several risks, due to the complexities of accounting standards and compliance requirements, potential for human error, and risks of technological failures. To mitigate those risks, Luxempart's accounting team is trained and organised to minimise human errors and misstatements. Robust internal controls over financial reporting, especially on the sensitive valuations of private equity investments, are implemented and regularly reviewed to detect and prevent inaccuracies. Luxempart leverage financial software and technologies that automate calculations and control financial data quality.

RISK RELATING TO NON-COMPLIANCE WITH THE LEGISLATION

Luxempart pays attention to complying with applicable legislation and regulations. The processing of specific transactions is 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 risk. Management is working on better monitoring and managing the ESG risk in general and the climate-related risk in particular. More details on ESG can be read in the Sustainability report pages 32-37.

Control activities

Day-to-day tasks relating to internal control are under the supervision of the CFO and the Audit, Compliance, and Risk Committee.

Luxempart has implemented a policy that aims at separating tasks and delegating authority to make it hard to intentionally carry out fraud and to make identifying any mistakes easier.

As part of its assignment for reviewing the Group's financial statements, the statutory auditor reviews 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.

Role of the Audit, Compliance, and Risk Committee

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.

More information on the Audit, Compliance, and Risk Committee can be read on page 89.

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 the relevant information required for its proper operation. Fostering efficient internal and external communication is a priority for Luxempart. 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 and communication of management data.

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. Given Luxempart's size, no independent internal audit function has been set up at the Company to date. The Audit, Compliance, and Risk Committee evaluates the necessity of contracting external consultants for specific engagements on an annual basis.



Remuneration report

The remuneration policy of Luxempart is defined by the Board of Directors on a proposal formulated by the Nomination and Remuneration Committee. Such policy including long term incentive schemes, it is intended to last for several years, and not to be changed too often. The last time our remuneration policy was substantially reviewed was in 2019, with the help of an external consultant. Our remuneration policy is nevertheless regularly benchmarked, to make sure that it remains aligned with market standards, and small updates are implemented regularly over time. The full remuneration policy is part of the Governance Charter. The present report describes the main remuneration mechanisms in place at Luxempart and the remunerations paid in 2023.

Remuneration scheme

The remuneration scheme applicable to Luxempart's employees and to the Group Executive Committee consists of three main components: a base salary package, an annual variable remuneration, and a stock option plan.

BASE SALARY PACKAGE

The base salary package is composed of a gross salary and other advantages, depending on the employee's function and seniority. Other advantages can include a company car, a mobile device, pension plans... This base salary package intends to be in line with the market standard for our industry, taking into account the cost of life in our various home markets. This package is reviewed regularly and career evolutions provide for more significant salary increases.

VARIABLE REMUNERATION: PERFORMANCE UNITS

The second element of our remuneration package is the annual variable remuneration, called the PU (performance units) system. It is built up in a way as to get a maximum alignment with our shareholders, emphasizing collective performance, but with positive or negative adjustments for individual performance.

At Luxempart, we don't measure the performance of our teams on the nominal increase of our NAV, but relatively to a benchmark index constituted of listed comparables.

After careful analysis of comparable indexes, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, has decided that the MSCI Europe Mid Cap Net Return index was the most relevant benchmark index to us, given our strong exposure to European small and mid-caps.

In order to flatten volatile market behaviors and to align the team with the objective of long-term value creation, we compare this relative performance over a period of 4 years, on the year N-3 to N (year of attribution). We measure the annual performance of our NAV over the last 4 years, adjusted for the distributed dividends, and compare it to the performance of our benchmark index over the same period. A bonus is paid if over the reference period the net asset value per share (adjusted for the dividends paid) increased more than the reference index. This creates a strong alignment with our shareholders who invest in Luxempart to generate better returns than if they were investing in a market index with a comparable scope. In 2023, we added an individual coefficient into the bonus formula, in order to introduce some individual performance ponderation into our bonus schemes.

The bonus is calculated, based on the following formula : $PU * ANAV * \% \text{ vesting} * \text{individual coefficient}$, where :

- PU = number of PUs attributed at the beginning of the year to an employee, based on its function and seniority level;
- ANAV = Net Asset Value per share at the end of year N (year of attribution), adjusted for the dividends distributed over the years N-3 to N;
- % vesting = percentage of realization of the target outperformance, comprised between 20% and 100%, for ANAV outperformances over the reference index between 0% and 4% annually, over the years N-3 to N. The outperformance is capped at 4%.
- Individual coefficient : percentage of individual performance, comprised between 80% and 120%, depending on under- or over-realization of personal objectives during the year.

The PU system can be complemented with a discretionary bonus in specific cases.

LONG-TERM INCENTIVE: STOCK OPTION PLAN

The third layer of our remuneration packages is the stock option plan. The stock option plan, which is reserved to the senior team members, creates a strong incentive over rolling periods of ten years to increase the market value of Luxempart. The underlying value of the options is aligned on the value of the stock price of Luxempart shares. It creates alignment between management and the shareholders.

At Luxempart, the stock options have a lock-up period of 4 years and a maximum exercise period of 6 years as from the end of said lock-up 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, to receive one Luxempart share against a pre-defined strike price.

The strike price of the options is calculated as the average stock price of the Luxempart share over the 60 days prior to the approval date, by the Board of Directors, of the number of options granted for a given year.

PENSION BENEFITS

In line with market practice, Luxempart pays a defined contribution into a pension fund up to 8% of the yearly gross salary. For Group Executive Members a top up plan of defined contributions of an additional 12% of the gross annual salary is applicable and the corresponding contributions are supported by the beneficiaries themselves.

Group Executive Committee

DEPARTURE OLAF KORDES

We had to regret the departure of one of our Managing Directors, Olaf Kordes, in 2023. His termination agreement was signed on 9 October 2023, with a notice period until 31 December 2023. As such, Olaf Kordes was entitled to his full fixed and variable (PU) remuneration for 2023. As part of the leaver agreement, Luxempart agreed to buy back the last stock option plan granted to Olaf Kordes on 30 March 2023, at market value.

MANAGING DIRECTORS REMUNERATION

| Amounts in € 000 | 2023 | 2022 |
|-----------------------------------|---------|---------|
| Gross fixed salary | 656.3 | 619.7 |
| Variable remuneration/ LTIP* | 1,834.4 | 1,743.8 |
| Pension plan (fixed contribution) | 124.6 | 184.3 |
| Benefits in kind | 11.5 | 11.5 |

In 2023, the 2 Managing Directors were paid in total (gross amount) EUR 656,304 as a fixed remuneration. No Board fees were paid or kept. Each Managing Director has a monthly car leasing budget of EUR 1,200 or a car allowance of the same amount. Fuel costs for professional trips are paid by the Company. They also benefit from pension plans.

The 2 Managing Directors benefit from an annual variable remuneration (PU). They were attributed Performance Units Cohort 2020-2023 ("PU 20-23") which measure the outperformance of Luxempart's NAV (dividends paid out reintegrated) over the cohort period 2020-2023 compared to the performance of the MSCI Europe Mid Cap net return over same period.

Due to a strong outperformance over the cohort period, the PU 20-23 were totally vested and will entitle to a cash bonus payment for both Managing Directors in April 2024.

*relative to the year N but actually paid in N+1. Provision amount based on the company's best knowledge when writing this report. 2022 comparables restated accordingly.

The Managing Directors are also entitled to stock options of the Company, as described here above.

The following number of options were attributed to the Managing Directors for the year 2023:

| | 2023 | 2022 |
|--------------|--------|--------|
| John Penning | 20,000 | 22,000 |
| Olaf Kordes | 20,000 | 22,000 |

The options can be exercised over a six-year period and for the first time four years after attribution.

The stock options for 2023 were granted in March 2023. The strike price of these options is EUR 75.50.

The stock options for 2022 were granted in March 2022. The strike price of these options is EUR 76.29.

As part of his leaver agreement, Olaf Kordes decided to sell back his 20,000 stock options received for 2023 to Luxempart, at market value.

The Managing Directors didn't receive any other benefits in 2023. The difference in variable remuneration between 2022 and 2023 is linked to the impact of the Luxempart performance through the Performance Unit scheme: increase in NAV/share and outperformance of the MSCI Europe Mid Cap.

OTHER MEMBERS REMUNERATION

The 3 other members of the Executive Committee have a remuneration composed of:

- A fixed yearly gross salary of around EUR 325,000 per year, the increase compared to last year is due to indexation;

- An annual variable remuneration (PU)
 - The attribution of stock options
 - A monthly car leasing budget of EUR 1,200 or a car allowance of the same amount
 - Contribution to a pension plan

| Amounts in € 000 | 2023 | 2022 |
|-----------------------------------|---------|---------|
| Gross fixed salary | 968,4 | 661,2 |
| Variable remuneration/ LTIP | 2,323.5 | 1,379.0 |
| Pension plan (fixed contribution) | 184,0 | 157,1 |
| Benefits in kind | 12,8 | 10,6 |

| The following number of options were granted | 2023 | 2022 |
|--|--------|--------|
| Alain Huberty | 20,000 | 22,000 |
| Lionel de Hemptinne | 12,000 | n/a |
| Rudolf Ohnesorge | n/a | n/a |
| Jo Santino | n/a | 4,400 |

The number of GEC members in 2023 was stable (outside of the Managing Directors): 3

The stock options for 2022 were granted in March 2022. The strike price of these options is EUR 76.29.

The stock options for 2023 were granted in March 2023. The strike price of these options is EUR 75.5.

Remuneration of the Directors

Members of the Board of Directors receive a fixed annual fee of EUR 50,000 and attendance fees of EUR 2,500 per Board or specialized Committee meeting (EUR 5,000 for the Chair of respective Committees). They are not entitled to any variable remuneration or stock options.

with attendance fees of respectively EUR 5,000 and EUR 2,500 per meeting. The Chairman and Vice-chairman are, since 1 May 2023, not entitled anymore to any variable remuneration or stock options.

The fixed remunerations of the Chairman and Vice-Chairman of the Board have been increased, as from 1 May 2023, respectively to EUR 180,000 and EUR 90,000,

The level of the Board remuneration is adapted according to market standards every 3 years.

The total remuneration paid to the Members of the Board amounted to EUR 1,074,267 for 2023.

| Amounts in € 000 | 2023 | | 2022 | |
|---------------------------------------|-----------|----------------|-----------|----------------|
| | meetings | remuneration | meetings | Remuneration |
| Fixed remuneration | | 738.6 | | 706.3 |
| Attendance fees | | | | |
| Board of Directors | 7 | 217.7 | 7 | 224.6 |
| Audit, Compliance, and Risk Committee | 5 | 57.5 | 4 | 38.3 |
| Nomination and Remuneration Committee | 3 | 35.0 | 3 | 33.8 |
| Sustainability Committee | 2 | 25.4 | 1 | 10.8 |
| Total | 17 | 1,074.2 | 15 | 1,013.8 |

CHAIRMAN AND VICE-CHAIRMAN

Executive Chairman (until 24 April 2023)

Mr. François Tesch, who acted as Executive Chairman of Luxempart until the Annual General Meeting of 24 April 2023, was entitled to the following remuneration during this period:

| Amounts in € 000 | 2023 | 2022 |
|--|-------|-------|
| Gross fixed salary | 100,4 | 316,5 |
| Variable remuneration/ LTIP | 107,0 | 362,9 |
| Benefits in kind | 9,4 | 28,3 |
| Directors' allowance and fees (gross) | 49,3 | 131,6 |

The Executive Chairman has transferred part of his variable remuneration and his Director's allowance in full to Foyer Finance.

Non Executive Chairman (as from 24 April 2023)

Mr. François Gillet, who was nominated as the new Non-Executive Chairman of Luxempart as from 24 April 2023, received a total compensation in 2023 of:

| Amounts in € 000 | Board member (until 24/04/2023) | Non executive Chairman (as from 24/04/2023) | Total 2023 |
|------------------------------|------------------------------------|--|------------|
| Directors' allowance (gross) | 16.7 | 120.0 | 136.7 |
| Attendance fees | 17.5 | 20.0 | 37.5 |

Vice-Chairman

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

| Amounts in € 000 | 2023 | 2022 |
|---------------------------------|------|------|
| Director's allowance (gross) | 81.6 | 76.0 |
| Attendance fees | 32.5 | 20.5 |

The Executive Chairman and Vice-Chairman were granted the following stock options for their mandate until 24 April 2023:

| | 2023 | 2022 |
|--------------------|-------|-------|
| Executive Chairman | 1,833 | 5,500 |
| Vice-Chairman | 1,833 | 5,500 |

The stock options for 2023 were granted in March 2023. The strike price of these options is EUR 75.50.

The stock options for 2022 were granted in March 2022. The strike price of these options is EUR 76.29.

Stock options

EXERCISE OF OPTIONS

The number of options exercised by the members of the Executive Committee, the Executive Chairman and the Vice Chairman in 2022 and 2023 was as follows:

| | 2023 | Strike price EUR | 2022 | Strike price EUR |
|--------------------|--------|------------------|--------|------------------|
| Jacquot Schwertzer | 14,000 | 56.50 | 10,500 | 52.61 |
| François Tesch | 14,489 | 34.51 | 8,625 | 22.50 |
| François Tesch | - | - | 7,997 | 31.20 |
| Alain Huberty | 12,000 | 52.50 | 7,531 | 34.51 |
| Alain Huberty | 12,000 | 56.50 | 7,700 | 33.99 |
| Alain Huberty | 12,000 | 52.61 | - | - |
| Jo Santino | - | - | 7,200 | 52,61 |

OUTSTANDING STOCK OPTIONS

The number of unexercised options at 31 December 2023 amounts to 511,491, with an average strike price of EUR 58.66/share. This represents 2.47% of the total shares in circulation. Of this number of options, 96,825 were free to exercise at 31 December 2023, while 414,666 were still in the lock up period. Luxempart disposes from largely enough own shares to be able to fulfill its obligations in this respect.

Consolidated financial statements



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Camille Ginglinger, Stephanie Craincourt, Philippe Liska

Consolidated statement of profit or loss

FOR THE YEAR ENDED 31 DECEMBER 2023

| In thousands of € | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|----------------|---------------|
| Dividend income | 6 | 36,398 | 58,213 |
| Net gains / (losses) on financial assets | 10 | 166,963 | 7,912 |
| Profit on investment activities | | 203,361 | 66,126 |
| Services / recovery of services | | 2,584 | 1,498 |
| Staff costs | 5 | -13,984 | -14,829 |
| Operating expenses | 4 | -5,953 | -6,822 |
| Depreciation and amortisation of non-current assets | 9 | -2,658 | -85 |
| Profit from operating activities | | 183,350 | 45,888 |
| Financial income | 7 | 2,344 | 2,213 |
| Financial expenses | 7 | -628 | -537 |
| Profit before tax | | 185,066 | 47,564 |
| Tax expenses | 8 | -1,543 | -1,161 |
| Profit / (loss) for the year | | 183,523 | 46,403 |
| Attributable to the owners of the Company | | 183,523 | 46,403 |
| Earnings per share attributable to the owners of the Company | | | |
| Basic weighted average number of shares | 15 | 20,123,803 | 20,121,560 |
| Diluted number of shares | | 20,660,809 | 20,677,276 |
| Earnings per share - attributable to the owners of the Company (in €) | | | |
| Basic | | 9.12 | 2.31 |
| Diluted | | 8.88 | 2.24 |

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

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2023

| In thousands of € | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|----------------|---------------|
| Consolidated profit (loss) for the year | | 183,523 | 46,403 |
| Items that could be reclassified subsequently to profit or loss | | - | - |
| Total comprehensive income | | 183,523 | 46,403 |
| Attributable to the owners of the Company | | 183,523 | 46,403 |
| Comprehensive income attributable to the owners of the Company | | | |
| Basic weighted average number of shares | 15 | 20,123,803 | 20,121,560 |
| Diluted number of shares | | 20,660,809 | 20,677,276 |
| Comprehensive income per share attributable to the owners of the Company (in €) | | | |
| Basic | | 9.12 | 2.31 |
| Diluted | | 8.88 | 2.24 |

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

Consolidated statement of financial position

AT 31 DECEMBER 2023

ASSETS

| In thousands of € | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|------------------|------------------|
| Non-current assets | | | |
| Financial assets at fair value through profit and loss | 10 | 2,292,774 | 1,978,304 |
| Loans and receivables | 11 | 62 | 2,612 |
| Bank deposits | 13 | 25,000 | 25,000 |
| Intangible and tangible assets | 9 | 1,432 | 352 |
| Total non-current assets | | 2,319,268 | 2,006,268 |
| Current assets | | | |
| Loans and receivables | 12 | 11,534 | 8,068 |
| Cash and cash equivalents | 13 | 5,372 | 180,762 |
| Total current assets | | 16,906 | 188,830 |
| Total assets | | 2,336,174 | 2,195,098 |

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

Consolidated statement of financial position

AT 31 DECEMBER 2023

EQUITY AND LIABILITIES

| In thousands of € | Notes | 31/12/2023 | 31/12/2022 |
|---|-------|------------------|------------------|
| Equity attributable to the owners of the Company | | | |
| Capital and share premium | 14 | 66,860 | 66,860 |
| Reserves | 15 | 2,073,163 | 2,069,600 |
| Profit / (loss) for the year attributable to the owners of the Company | | 183,523 | 46,403 |
| Total equity attributable to the owners of the Company | | 2,323,546 | 2,182,864 |
| Total equity | | 2,323,546 | 2,182,864 |
| Non-current liabilities | | | |
| Non-current provisions | 17 | 3,808 | 2,253 |
| Total non-current liabilities | | 3,808 | 2,253 |
| Current liabilities | | | |
| Trade and other payables | 18 | 8,819 | 9,981 |
| Total current liabilities | | 8,819 | 9,981 |
| Total liabilities | | 12,628 | 12,234 |
| Total equity and liabilities | | 2,336,174 | 2,195,098 |
| Equity per share - attributable to the owners of the Company (in thousands of €) | | | |
| Number of outstanding shares | 15 | 20,129,318 | 20,159,587 |
| Equity per share - attributable to the owners of the Company (in €) | | 115.43 | 108.28 |

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

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2023

| In thousands of € | Notes | 31/12/2023 | 31/12/2022 |
|--|-------|-----------------|----------------|
| Profit / (loss) for the year | | 183,523 | 46,403 |
| Adjustments for: | | | |
| Depreciation and amortisation of non-current assets | | 40 | 85 |
| Stock option plan | 15 | 1,094 | 3,137 |
| Net gains / (losses) on financial assets | 10 | -165,732 | -7,912 |
| | | 18,925 | 41,713 |
| Acquisition of financial assets | 10 | -272,040 | -198,042 |
| Disposal of financial assets | 10 | 123,302 | 243,444 |
| Net change in loans and receivables | | -917 | 8,740 |
| Net change in borrowings and debts | | 393 | 3,175 |
| Net cash flows from operating activities | | -130,337 | 99,030 |
| Including: | | | |
| Taxes paid | | -1,400 | -1,906 |
| Interest paid | | - | -142 |
| Interest received | | 1,803 | 169 |
| Acquisitions / disposals of tangible and intangible assets | 9 | -1,120 | -70 |
| Net cash flows from investing activities | | -1,120 | -70 |
| Transfer from / (to) deposits accounts | 13 | - | 10,000 |
| Disposals / acquisitions of own shares | 15 | -3,991 | 448 |
| Dividends paid | 16 | -39,942 | -36,244 |
| Net cash flows from financing activities | | -43,934 | -25,796 |
| Net increase/ (decrease) in cash | | -175,391 | 73,163 |
| Cash at the beginning of the year | 13 | 180,762 | 107,599 |
| Cash at the end of the year | 13 | 5,372 | 180,762 |
| Net increase / (decrease) in cash | | -175,391 | 73,163 |

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

Consolidated statement of changes in equity

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2023

| In thousands of € | Notes | Capital and Share premium | Own shares | Legal Reserve | Other reserves | Profit for the year | Total equity attributable to the owners of the Company |
|-----------------------------------|-------|---------------------------|----------------|---------------|------------------|---------------------|--|
| Equity at 31/12/2021 | | 66,860 | -16,531 | 5,175 | 1,614,889 | 498,727 | 2,169,120 |
| Dividends paid by the Company | 16 | - | - | - | -36,244 | - | -36,244 |
| Allocation of profit | | - | - | - | 498,727 | -498,727 | - |
| Operations on own shares | 15 | - | -182 | - | 630 | - | 448 |
| Reserve stock option plan | 15 | - | - | - | 3,137 | - | 3,137 |
| Comprehensive income for the year | | - | - | - | - | 46,403 | 46,403 |
| Equity at 31/12/2022 | | 66,860 | -16,714 | 5,175 | 2,081,139 | 46,403 | 2,182,864 |
| Dividends paid by the Company | 16 | - | - | - | -39,942 | - | -39,942 |
| Allocation of profit | | - | - | - | 46,403 | -46,403 | - |
| Operations on own shares | 15 | - | -5,573 | - | 1,581 | - | -3,991 |
| Reserve stock option plan | 15 | - | - | - | 1,094 | - | 1,094 |
| Comprehensive income for the year | | - | - | - | - | 183,523 | 183,523 |
| Equity at 31/12/2023 | | 66,860 | -22,287 | 5,175 | 2,090,275 | 183,523 | 2,323,546 |

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

Notes to the consolidated financial statements

AT 31 DECEMBER 2023

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 2022 and 31 December 2023 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 26 March 2024, the Board of Directors approved the consolidated financial statements as at 31 December 2023. The consolidated financial statements will be submitted for approval and publication authorisation during the Annual General Meeting to be held on 29 April 2024.

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 2022 and 31 December 2023 and are presented before allocation of the Company's profit. The allocation of profit for the year 2023 will be proposed at the Annual General Meeting on 29 April 2024.

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 segments: the Direct Investments and the Investment Funds. The Direct Investments are made with a medium to long-term perspective to grant 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, which is composed of 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 may 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 or loss, in accordance with IFRS 9.

A list of non-consolidated subsidiaries is set out in note 19.

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 19.

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 consolidated statement of profit or loss.

The following exchange rates were used for conversion of the consolidated financial statements. As at 31 December 2023, one euro is equal to:

| | |
|--------------|------------|
| US Dollar | 1.1050 USD |
| Swiss Franc | 0.9259 CHF |
| Danish Crown | 7.4528 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 |
|-------------------|---------|

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 consolidated 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 or loss

Financial assets at fair value through profit or 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 recognised in profit or loss.

Bank deposits and Cash and cash equivalents

Bank deposits are saving accounts having a maturity above three months that are less liquid than regular saving accounts due to their fixed term. They are presented under "Bank deposits" in the consolidated statement of financial position.

Cash and cash equivalents include liquidities, sight deposits, and short-term deposits with maturity within three months, as well as highly liquid, easily convertible investments.

Bank deposits and Cash and cash equivalents 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 team. 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 team performs a calibration exercise at entry date to determine the valuation model used to assess the fair value of the portfolio companies. The unaudited information used in the valuations is back-tested at each reporting date, when audited information is available. After being reviewed by the business controller and the 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 consolidated 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 end of the period.

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

A stock option plan (for more details, see the remuneration report) has been granted to the Management and some employees. Each option entitles at exercise to receive one Luxempart's share (equity-settlement), in exchange of the payment of the strike price. The fair value of the amount granted to employees with respect to the stock option plan, is recognised at attribution as an expense with the corresponding increase in equity. The fair value is determined with the Black and Scholes model at initial recognition and is not remeasured subsequently.

CURRENT AND DEFERRED TAXES

Income taxes are calculated according to the legal requirements. Advances paid are recognised as receivables and income tax expenses (corporate income tax and municipal business tax) are estimated and recognised as provisions.

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.

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 segments:

- The **"Direct Investments"** that consists in taking direct participations in companies in the target geographical regions, which primarily consist of the Belux region (Belgium, Luxembourg), France, the DACH region (Germany, Austria, and Switzerland) 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 reporting disclosing these two segments but not using any geographical segmentation.

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. The income from these services is recognised in the profit or loss based on the degree of progress.

DIVIDEND 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.

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 cash flows from and to bank deposits.

CHANGES IN ACCOUNTING METHODS

The new IAS/IFRS and their interpretations listed below, which entered into force in 2023, had no impact on the Group's consolidated financial statements:

- Amendments to IFRS 17 Insurance contracts
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting policies
- Amendments to IAS 12 Income Taxes: International Tax Reform -Pillar II

Luxempart has not anticipated the application of the new standards, interpretations and amendments to standards published by the International Accounting Standards Board (IASB) since 31 December 2023. The Group doesn't anticipate a significant impact on the consolidated financial statements.

Note 3 - Segment information

Strategic segmentation

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

- The "Direct Investments" that consists in taking direct participations in companies in the target geographical regions, which primarily consist of the Belux region (Belgium, Luxembourg), France, the DACH region (Germany, Austria, and Switzerland) 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.

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Profit or loss

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2023 |
|---|--------------------|------------------|----------------|----------------|
| Dividend income | 36,398 | - | - | 36,398 |
| Net gains / (losses) on financial assets | 125,150 | 56,376 | -14,564 | 166,963 |
| Profit on investment activities | 161,548 | 56,376 | -14,564 | 203,361 |
| Services / recovery of services | - | - | 2,584 | 2,584 |
| Staff costs | - | - | -13,984 | -13,984 |
| Operating expenses | - | - | -5,953 | -5,953 |
| Depreciation and amortisation of non-current assets | - | - | -2,658 | -2,658 |
| Profit from operating activities | 161,548 | 56,376 | -34,574 | 183,350 |
| Financial income | - | - | 2,344 | 2,344 |
| Financial expenses | - | - | -628 | -628 |
| Profit before tax | 161,548 | 56,376 | -32,859 | 185,066 |
| Tax expenses | - | - | -1,543 | -1,543 |
| Profit / (loss) for the year | 161,548 | 56,376 | -34,401 | 183,523 |

(*) 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 "Dividend income" and "Net gains / (losses) on financial assets". The investment in Foyer represents more than 10% of the total of profit on investment activities.

Assets

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2023 |
|--|--------------------|------------------|----------------|------------------|
| Financial assets at fair value through profit and loss | 1,656,502 | 503,755 | 132,518 | 2,292,774 |
| Bank deposits, loans and receivables | 62 | - | 25,000 | 25,062 |
| Intangible and tangible assets | - | - | 1,432 | 1,432 |
| Total non-current assets | 1,656,564 | 503,755 | 158,950 | 2,319,268 |
| Total current assets | - | - | 16,906 | 16,906 |
| Total assets | 1,656,564 | 503,755 | 175,855 | 2,336,174 |

Equity and liabilities

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2023 |
|-------------------------------------|--------------------|------------------|------------------|------------------|
| Total equity | - | - | 2,323,546 | 2,323,546 |
| Total liabilities | - | - | 12,628 | 12,628 |
| Total equity and liabilities | - | - | 2,336,174 | 2,336,174 |

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
Profit or loss

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2022 |
|---|--------------------|------------------|----------------|---------------|
| Dividend income | 53,636 | 4,578 | - | 58,213 |
| Net gains / (losses) on financial assets | -13,420 | 38,008 | -16,676 | 7,912 |
| Profit on investment activities | 40,216 | 42,585 | -16,676 | 66,126 |
| Services / recovery of services | - | - | 1,498 | 1,498 |
| Staff costs | - | - | -14,829 | -14,829 |
| Operating expenses | - | - | -6,822 | -6,822 |
| Depreciation and amortisation of non-current assets | - | - | -85 | -85 |
| Profit from operating activities | 40,216 | 42,585 | -36,914 | 45,888 |
| Financial income | - | - | 2,213 | 2,213 |
| Financial expenses | - | - | -537 | -537 |
| Profit before tax | 40,216 | 42,585 | -35,237 | 47,564 |
| Tax expenses | - | - | -1,161 | -1,161 |
| Profit / (loss) for the year | 40,216 | 42,585 | -36,398 | 46,403 |

(*) 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 "Dividend income" and "Net gains / (losses) on financial assets". The investment in Foyer represents more than 10% of the total of profit on investment activities.

Assets

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2022 |
|--|--------------------|------------------|----------------|------------------|
| Financial assets at fair value through profit and loss | 1,355,520 | 384,448 | 238,330 | 1,978,304 |
| Bank deposits, loans and receivables | 2,612 | - | 25,000 | 27,612 |
| Intangible and tangible assets | - | - | 352 | 352 |
| Total non-current assets | 1,358,132 | 384,448 | 263,682 | 2,006,268 |
| Total current assets | - | - | 188,830 | 188,830 |
| Total assets | 1,358,132 | 384,448 | 452,511 | 2,195,098 |

Equity and liabilities

| In thousands of € | Direct Investments | Investment Funds | Others (*) | 31/12/2022 |
|-------------------------------------|--------------------|------------------|------------------|------------------|
| Total equity | - | - | 2,182,864 | 2,182,864 |
| Total liabilities | - | - | 12,234 | 12,234 |
| Total equity and liabilities | - | - | 2,195,098 | 2,195,098 |

Geographic segmentation

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

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Profit or loss

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2023 |
|---|---------------|---------------|---------------|----------------|---------------|----------------|
| Dividend income | 31,219 | 3,187 | - | 1,837 | 155 | 36,398 |
| Net gains / (losses) on financial assets | 27,326 | 95,062 | 64,621 | -12,802 | -7,245 | 166,963 |
| Profit on investment activities | 58,545 | 98,250 | 64,621 | -10,964 | -7,090 | 203,361 |
| Services / recovery of services | 2,584 | - | - | - | - | 2,584 |
| Staff costs | -13,369 | - | -615 | - | - | -13,984 |
| Operating expenses | -5,853 | - | -100 | - | - | -5,953 |
| Depreciation and amortisation of non-current assets | -2,654 | - | -4 | - | - | -2,658 |
| Profit from operating activities | 39,252 | 98,250 | 63,903 | -10,964 | -7,090 | 183,350 |
| Financial income | 2,344 | - | - | - | - | 2,344 |
| Financial expenses | -628 | - | - | - | - | -628 |
| Profit before tax | 40,968 | 98,250 | 63,903 | -10,964 | -7,090 | 185,066 |
| Tax expenses | -1,543 | - | - | - | - | -1,543 |
| Profit / (loss) for the year | 39,425 | 98,250 | 63,903 | -10,964 | -7,090 | 183,523 |

Assets

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2023 |
|--|----------------|----------------|----------------|----------------|---------------|------------------|
| Financial assets at fair value through profit and loss | 868,205 | 504,298 | 612,509 | 219,115 | 88,648 | 2,292,774 |
| Bank deposits, loans and receivables | 25,000 | - | - | - | 62 | 25,062 |
| Intangible and tangible assets | 1,393 | - | 39 | - | - | 1,432 |
| Total non-current assets | 894,598 | 504,298 | 612,547 | 219,115 | 88,710 | 2,319,268 |
| Total current assets | 8,713 | 6,404 | 27 | 23 | 1,739 | 16,906 |
| Total assets | 903,311 | 510,702 | 612,574 | 219,138 | 90,449 | 2,336,174 |

Equity and liabilities

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2023 |
|-------------------------------------|------------------|------------|------------|----------|-----------|------------------|
| Total equity | 2,323,546 | - | - | - | - | 2,323,546 |
| Total liabilities | 12,053 | 228 | 272 | - | 75 | 12,628 |
| Total equity and liabilities | 2,335,599 | 228 | 272 | - | 75 | 2,336,174 |

CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Profit or loss

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2022 |
|---|----------------|--------------|---------------|---------------|----------------|---------------|
| Dividend income | 49,868 | 6,690 | - | 919 | 738 | 58,213 |
| Net gains / (losses) on financial assets | -82,440 | -3,426 | 56,757 | 59,199 | -22,177 | 7,912 |
| Profit on investment activities | -32,573 | 3,263 | 56,757 | 60,118 | -21,439 | 66,126 |
| Services / recovery of services | 1,498 | - | - | - | - | 1,498 |
| Staff costs | -14,764 | - | -65 | - | - | -14,829 |
| Operating expenses | -6,764 | - | -58 | - | - | -6,822 |
| Depreciation and amortisation of non-current assets | -85 | - | - | - | - | -85 |
| Profit from operating activities | -52,688 | 3,263 | 56,634 | 60,118 | -21,439 | 45,888 |
| Financial income | 2,213 | - | - | - | - | 2,213 |
| Financial expenses | -537 | - | - | - | - | -537 |
| Profit before tax | -51,012 | 3,263 | 56,634 | 60,118 | -21,439 | 47,564 |
| Tax expenses | -1,160 | - | -1 | - | - | -1,161 |
| Profit / (loss) for the year | -52,172 | 3,263 | 56,633 | 60,118 | -21,439 | 46,403 |

Assets

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2022 |
|--|------------------|----------------|----------------|----------------|---------------|------------------|
| Financial assets at fair value through profit and loss | 892,687 | 432,474 | 375,642 | 215,076 | 62,425 | 1,978,304 |
| Bank deposits, loans and receivables | 27,550 | - | - | - | 62 | 27,612 |
| Intangible and tangible assets | 352 | - | - | - | - | 352 |
| Total non-current assets | 920,589 | 432,474 | 375,642 | 215,076 | 62,487 | 2,006,268 |
| Total current assets | 181,921 | 6,482 | 39 | 23 | 365 | 188,830 |
| Total assets | 1,102,510 | 438,956 | 375,681 | 215,099 | 62,852 | 2,195,098 |

Equity and liabilities

| In thousands of € | Benelux | DACH | France | Italy | Others | 31/12/2022 |
|-------------------------------------|------------------|------------|-----------|----------|-----------|------------------|
| Total equity | 2,182,864 | - | - | - | - | 2,182,864 |
| Total liabilities | 11,705 | 443 | 34 | 1 | 52 | 12,234 |
| Total equity and liabilities | 2,194,569 | 443 | 34 | 1 | 52 | 2,195,098 |

Note 4 - Operating expenses

The following table provides details on operating expenses:

| In thousands of € | 2023 | 2022 |
|--|--------------|--------------|
| External advisors and other similar fees | 2,000 | 2,724 |
| Taxes other than income tax | 597 | 738 |
| Directors allowances | 863 | 830 |
| Rental expenses | 511 | 474 |
| Insurance premiums | 95 | 82 |
| Administrative expenses and other operating expenses | 1,887 | 1,975 |
| Total | 5,953 | 6,822 |

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 € | 2023 | 2022 |
|---------------------------------|---------------|---------------|
| Remuneration, wages and bonuses | 12,913 | 13,908 |
| Social security contributions | 518 | 455 |
| Supplementary pension plan | 552 | 466 |
| Total | 13,984 | 14,829 |

As at 31 December 2023, "Remuneration, wages and bonuses" comprised expenses amounting to € 1,094 thousand relating to the recognition of the stock options attributed to Management and employees in 2023.

In 2022, an amount of 1,780 thousand has been recognised for a bonus for which no provision has been made.

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.

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.

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

Number of employees

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

| CATEGORY | 2023 | 2022 |
|--------------|-----------|-----------|
| Managers | 5 | 6 |
| Staff | 23 | 21 |
| Total | 28 | 27 |

Note 6 - Dividends income

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

| In thousands of € | 2023 | 2022 |
|-------------------|---------------|---------------|
| Foyer | 29,096 | 47,842 |
| Atenor | 2,005 | 1,907 |
| Crealis | 1,837 | 919 |
| Others | 3,460 | 7,546 |
| Total | 36,398 | 58,213 |

Note 7 - Financial income and expenses

A. FINANCIAL INCOME

Interests and similar income are mainly composed of interests received on deposit accounts with credit institutions (€1,804 thousand), of coupons received (€ 285 thousand) and of interest on loans to participations (€ 255 thousand). As at 31 December 2023, they amount to € 2,344 thousand (2022: € 2,213 thousand).

B. FINANCIAL EXPENSES

| In thousands of € | 2023 | 2022 |
|-------------------------------------|------------|------------|
| Bank expenses and interest expenses | 301 | 394 |
| Other expenses | 327 | 143 |
| Total | 628 | 537 |

Bank expenses and interest expenses primarily include interests paid on short-term cash advances (in 2022, they also included 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 € | 2023 | 2022 |
|-------------------------------------|--------------|--------------|
| Corporate income tax (IRC) | 21 | -6 |
| Subtotal income tax expenses | 21 | -6 |
| Wealth tax | 1,522 | 1,167 |
| Total | 1,543 | 1,161 |

The international taxation reform, commonly known as "Pillar Two" and designated to establish a minimum tax rate of 15 % common to various jurisdictions, has been analysed by Luxempart, that has concluded that the Group does not fall under the scope of the directive.

B. RECONCILIATION OF INCOME TAX EXPENSES TO THE ACCOUNTING PROFIT

| in thousands of € | 2023 | 2022 |
|--|---------------|---------------|
| Profit before tax | 185,066 | 47,564 |
| Company's average tax rate | 24.94% | 24.94% |
| Theoretical tax expense | 46,155 | 11,862 |
| Effect of non-taxable capital gains | -41,334 | -1,973 |
| Effect of non-taxable dividends | -9,078 | -14,518 |
| Effect of tax adjustments relating to previous years | - | -8 |
| Other tax adjustments | 4,276 | 4,631 |
| Total tax expense | 21 | -6 |

Note 9 - Intangible and tangible assets

The movements in intangible and tangible assets that occurred during financial years 2022 and 2023 are as follows:

Cost

| In thousands of € | Software | Office and computer equipment | Vehicles | Total |
|--------------------------|-----------|-------------------------------|------------|--------------|
| as at 31/12/2021 | 61 | 620 | 129 | 810 |
| Acquisitions / Disposals | - | 70 | - | 70 |
| as at 31/12/2022 | 61 | 690 | 129 | 880 |
| Acquisitions | - | 1,236 | - | 1,236 |
| Disposals | - | -116 | - | -116 |
| as at 31/12/2023 | 61 | 1,810 | 129 | 1,999 |

Depreciation

| In thousands of € | Software | Office and computer equipment | Vehicles | Total |
|--------------------------|-----------|-------------------------------|------------|------------|
| as at 31/12/2021 | 38 | 276 | 129 | 443 |
| Depreciation / Disposals | 7 | 78 | - | 85 |
| as at 31/12/2022 | 45 | 354 | 129 | 528 |
| Depreciation | 7 | 101 | - | 108 |
| Disposals | - | -69 | - | -69 |
| as at 31/12/2023 | 52 | 387 | 129 | 568 |

Carrying amount

| In thousands of € | Software | Office and computer equipment | Vehicles | Total |
|-------------------------|-----------|-------------------------------|----------|--------------|
| as at 31/12/2022 | 16 | 336 | - | 352 |
| as at 31/12/2023 | 9 | 1,423 | - | 1,432 |

Note 10 - Financial assets at fair value through profit or loss

The following tables provide details of changes in financial assets at fair value through profit or loss in 2022 and 2023:

| In thousands of € | Financial assets at fair value through profit or loss |
|--|---|
| Fair value as at 31/12/2021 | 2,015,795 |
| Acquisitions | 198,041 |
| Disposals | -243,445 |
| Net gains/(losses) on financial assets | 7,912 |
| Fair value as at 31/12/2022 | 1,978,304 |
| Acquisitions | 272,040 |
| Disposals | -123,302 |
| Net gains/(losses) on financial assets | 165,732 |
| Fair value as at 31/12/2023 | 2,292,774 |

Financial assets at fair value through profit or loss ("AFVPL") are classified into two segments, Direct Investments and Investment Funds. During the 2023 financial year, the Group invested:

- € 234,329 thousand in Direct Investments mainly in Kestrel Vision, Coutot-Roehrig, Alphacaps, MTWH, and a total amount of € 44,463 thousand in listed companies (Nexus, Tonies...).
- € 1,595 thousand in Capital at Work portfolio and new bonds portfolio.
- € 36,116 thousand in the Investment Funds activity.

The Group sold:

- shares in Direct Investments mainly of the listed companies for € 81,875 thousand.
- bonds and shares from its Capital at Work and other bonds portfolios for € 41,427 thousand.

The net capital gains realised in 2023 correspond to the value increase since 31 December 2022.

The caption "Net gains/(losses) on financial assets" also include a compensation to be received with regards to the losses encountered on Pescanova following the criminal trial amounting to € 1,231 thousand.

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

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS

| In thousands of € | Level 1 | Level 3 | Total |
|--|----------------|------------------|------------------|
| Fair value as at 31/12/2021 | 279,889 | 1,735,906 | 2,015,795 |
| Level transfer | 12,284 | -12,284 | - |
| Acquisitions | 111,502 | 86,539 | 198,042 |
| Disposals | -4,956 | -238,489 | -243,444 |
| Net gains/(losses) on financial assets | -43,731 | 51,643 | 7,912 |
| Fair value as at 31/12/2022 | 354,988 | 1,623,315 | 1,978,304 |
| Acquisitions | 46,058 | 225,982 | 272,040 |
| Disposals | -123,149 | -153 | -123,302 |
| Net gains/(losses) on financial assets | -2,438 | 168,170 | 165,732 |
| Fair value as at 31/12/2023 | 275,459 | 2,017,315 | 2,292,774 |

Level 1: Financial assets consist of listed investments, mainly in Atenor, Technotrans, Tonies, Nexus and Capital at Work portfolio.

Level 3: Financial assets consist of private-equity investments, mainly in Foyer, Armira Holding, Evariste, Crealis, ESG Elektroniksystem- und Logistik, Kestrel Vision, and Luxempart Capital Partners SICAR.

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.

| 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 | 1,263,413 | 1,156,266 | 1,350,815 |
| Revalued net asset | The net asset value communicated to the Group | 753,901 | 685,802 | 822,000 |
| Total | | 2,017,314 | 1,842,068 | 2,172,815 |

At 31 December 2023, the valuation methods have not significantly changed since 2022.

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 resulting from the calibration of the valuation model | The higher the discount, the lower the fair value |
| Revalued net asset | For private equity funds and any similar structures as well as investments entities 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 loans and receivables with a maturity of more than one year granted to a portfolio companies. As at 31 December 2023, they amount to € 62 thousand (2022: € 2,612 thousand) including an impairment of € 2,550 thousand recorded on a loan. 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 € | 2023 | 2022 |
|--|---------------|--------------|
| Receivable from non-consolidated controlled entity | 130 | 73 |
| Tax receivables | 7,958 | 6,860 |
| Trade receivables | 1,914 | 703 |
| Accrued interest not yet due | 116 | 342 |
| Other receivables | 1,417 | 90 |
| Total | 11,534 | 8,068 |

As at 31 December 2023, Luxempart has claims of € 6,304 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 € | 2023 | 2022 |
|-------------------|---------------|---------------|
| Bank deposits | 25,000 | 25,000 |
| Total | 25,000 | 25,000 |

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 24.

| In thousands of € | 2023 | 2022 |
|---------------------------|--------------|----------------|
| Bank deposits | - | 124,000 |
| Cash and cash equivalents | 5,372 | 56,762 |
| Total | 5,372 | 180,762 |

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 24.

Note 14 - Capital and share premium

A. CAPITAL AND SHARE PREMIUM

The authorised capital amounts to € 90,000 thousand.

| In thousands of € | 2023 | 2022 |
|--------------------|---------------|---------------|
| Subscribed capital | 51,750 | 51,750 |
| Share premium | 15,110 | 15,110 |
| Total | 66,860 | 66,860 |

B. CAPITAL MANAGEMENT

As at 31 December 2023, 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 Board of Directors has the authorisation, until the 2024 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 2023, the legal reserve amounts to € 5,175 thousand (2022: € 5,175 thousand).

B. OTHER RESERVES

| In thousands of € | 2023 | 2022 |
|---------------------------|------------------|------------------|
| Consolidated reserves | 2,082,621 | 2,068,556 |
| Special reserve | 6,561 | 9,446 |
| Stock option plan reserve | 1,094 | 3,137 |
| Total | 2,090,275 | 2,081,139 |

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.

Special reserve

As at 31 December 2023, 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. The special reserve may not be distributed to the shareholders except in case of dissolution of the Company.

As at 31 December 2023, the special reserve decreased by € 2,885 thousand. The untaxed capital gain hasn't been reinvested in Luxembourg companies.

Stock option plan reserve

As at 31 December 2023, the stock option plan reserve amounts to € 1,094 thousand. This reserve relates to the recognition of the stock option attributed to Management and employees in 2023. This expense is recognised under "Remuneration, wages and bonuses" in the consolidated statement of profit or loss and disclosed in the note 5.

The fair value of the options is calculated according to the Black and Scholes model.

For financial year 2023, the Board of Directors granted 101,166 Luxempart options with an exercise price of € 75.50 per share.

The table below summarises the movements of the year:

| In thousands of € | Total |
|--|----------------|
| Number of options outstanding at 01/01/2023 | 517,689 |
| Options exercised in 2023 | -87,364 |
| Options issued in 2023 | 101,166 |
| Options buyback in 2023 (see Remuneration report) | -20,000 |
| Number of options outstanding at 31/12/2023 | 511,491 |

The average exercise price of options exercised in 2023 is € 51.22.

The table below provides the plan's characteristics:

| Tranche | Year | Exercise price | Exercise period | Share price when allotted |
|--------------------------------------|------|----------------|---------------------------|---------------------------|
| 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 | Januar 2025 - Januar 2029 | 49.00 |
| Tranche 14 | 2022 | 76.29 | Januar 2026 - Januar 2032 | 78.00 |
| Tranche 15 | 2023 | 75.50 | March 2027 - March 2033 | 73.00 |
| Dividend growth | | | | 2.4% |
| Historical volatility of share price | | | | 18.7% |

As at 31 December 2023, 96,825 options can be exercised.

C. OWN SHARES AND RESERVE FOR OWN SHARES

| | Number of shares issued | Number of own shares | Number of outstanding shares |
|---------------------------|-------------------------|----------------------|------------------------------|
| As at 31/12/2021 | 20,700,000 | 574,735 | 20,125,265 |
| Acquisition and disposals | - | -34,322 | 34,322 |
| As at 31/12/2022 | 20,700,000 | 540,413 | 20,159,587 |
| Acquisition and disposals | - | 30,269 | -30,269 |
| As at 31/12/2023 | 20,700,000 | 570,682 | 20,129,318 |

As at 31 December 2023, Luxempart holds 570,682 own shares (2022: 540,413 own shares), amounting to € -22,286 thousand (2022: € -16,714 thousand). The reserve for own shares may not be distributed to the shareholders except in case of dissolution of the Company.

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 2023 is 20,123,803 (2022: 20,121,560).

Note 16 - Dividends paid

A dividend of € 1.98 gross per share was paid during the first half of 2023 in respect of the 2022 financial year, giving a total dividend paid of € 39,942,223 (2022: € 1.80 gross per share, giving a total dividend paid of € 36,244,377).

The consolidated financial statements as at 31 December 2023 do not include the dividend that will be proposed to the Annual General Meeting of 29 April 2024. It was not recognised as a liability in the 2023 consolidated financial statements.

The Board of Directors proposes an ordinary dividend of € 2.17 gross per share. The payment terms of the dividend will be communicated during the Annual General Meeting of 29 April 2024.

Note 17 - Non-current provisions

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

| In thousands of € | 2023 | 2022 |
|-------------------|--------------|--------------|
| Tax provisions | 3,623 | 2,102 |
| Other provisions | 185 | 152 |
| Total | 3,808 | 2,254 |

The tax provisions relate to income taxes, municipal business taxes and net wealth tax for 2023 and previous years.

Note 18 - Current liabilities

| In thousands of € | 2023 | 2022 |
|----------------------|--------------|--------------|
| Tax and social debts | 791 | 605 |
| Trade liabilities | 7,554 | 8,790 |
| Other debts | 475 | 586 |
| Total | 8,819 | 9,981 |

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 provision for the 2023 bonuses, that will be paid in 2024.

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

Note 19 - 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 31/12/2023 | Percentage held in 31/12/2022 |
|------------------------------|------------------------|-------------------------------|-------------------------------|
| Luxempart Management S.à.r.l | Luxembourg | - | 100.0% |
| Luxempart Conseil SAS | France | 100.0% | 100.0% |
| Bravo Capital S.A. | Luxembourg | 80.0% | 80.0% |

Given that Luxempart meets the criteria laid down in Article 70 of the Luxembourg Law of 19 December 2002, its 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 31/12/2023 | Percentage held in 31/12/2022 |
|---|------------------------|-------------------------------|-------------------------------|
| Indufin NV | Belgium | 40.0% | 40.0% |
| M-Sicherheitsholding GmbH (Mehler) | Germany | 30.0% | 30.0% |
| Pescahold S.A. | Luxembourg | 100.0% | 100.0% |
| Luxempart Invest S.à.r.l | Luxembourg | 100.0% | 100.0% |
| Pryco GmbH (Prym) | Germany | 55.6% | 55.6% |
| Foyer S.A. | Luxembourg | 31.0% | 31.0% |
| E-Sicherheitsholding GmbH (ESG) | Germany | 23.1% | 23.1% |
| Assmann holding GmbH | Germany | 48.6% | 49.0% |
| Efesto Investment S.à.r.l (MTWH) | Luxembourg | 23.7% | 30.5% |
| Evariste Holding SAS | France | 40.0% | 40.0% |
| LuxCo Invest S.à.r.l * | Luxembourg | 80.5% | 80.5% |
| Kestrel Vision SAS | France | 27.8% | - |
| Coutot-Roehrig SAS | France | 35.8% | - |
| XV Holding GmbH | Germany | 38.1% | - |
| Luxempart Capital Partners SICAR S.A. * | Luxembourg | 100.0% | 100.0% |
| <i>Quip Holding GmbH</i> | Germany | 53.7% | 53.7% |
| <i>Bravo Capital Partners II SCA-SICAV-RAIF</i> | Luxembourg | 45.0% | 45.0% |
| Bravo Capital Partners SCA RAIF* | Luxembourg | 100.0% | 100.0% |
| <i>Bravo Luxury S.à.r.l (Vesta)</i> | Italy | 100.0% | 100.0% |
| Luxempart German Investments S.A. * | Luxembourg | 100.0% | 100.0% |
| <i>Arwe Mobility Holding (in liquidation)</i> | Germany | 50.0% | 50.0% |
| <i>Rattay Group GmbH</i> | Germany | 39.9% | 39.9% |
| <i>WDS GmbH</i> | Germany | 44.0% | 44.0% |
| Luxempart German Invest II S.à.r.l */** | Luxembourg | - | 100.0% |
| Luxempart French Investment S.à.r.l * | Luxembourg | 100.0% | 100.0% |
| D'Alba Invest S.à.r.l * (Mirato) | Luxembourg | 99.2% | 99.2% |
| Indufin Capital Partners S.A. SICAR * | Belgium | 50.0% | 50.0% |

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.

This table shows the percentage held in the holding companies, that may differ from the percentage held indirectly in the operational companies.

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

** Luxempart German Invest II S.à.r.l. was liquidated in 2023.

Note 20 - Main off-balance sheet rights and commitments

The Group has invested in investment funds through its subsidiary Luxempart Capital Partners SICAR.

The commitments represent amounts the Group has contractually committed in the investment funds but do not yet represent a cost or asset. It is an indication of committed future cash flows.

The commitments are recognised in the balance sheet at the moment of settlement.

The commitments at the year end do not impact the Group's financial results.

As at 31 December 2023, Luxempart has the following undrawn commitments towards investment funds:

| In thousands of € | 2023 | 2022 |
|---|----------------|----------------|
| Undrawn commitments in EUR | 137,266 | 132,748 |
| Undrawn commitments in USD (converted in EUR) | 106,946 | 104,243 |
| Total | 244,212 | 236,991 |

During the year, Luxempart negotiated two confirmed credit lines totalling € 100,000 thousand, of minimum 3 year tenors. As at 31 December 2023, the credit lines have the following situation:

| In thousands of € | 2023 | 2022 |
|-------------------------------|----------------|------|
| Confirmed credit lines | 100,000 | - |
| Amount drawn | - | - |
| Amount undrawn | 100,000 | - |

Note 21 - Directors' allowances and executive management remuneration

| In thousands of € | 2023 | 2022 |
|---|--------------|--------------|
| Directors' allowances and attendance fees | 1,074 | 1,014 |
| Management remuneration | 6,401 | 5,675 |
| Total | 7,476 | 6,689 |

Directors' allowances and attendance fees as well as executive management remuneration for 2023 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 2024, relating to 2023.

Note 22 - Remuneration of the *Réviseur d'entreprises agréé*

The following table shows fees paid to the *Réviseur d'entreprises agréé*.

| In thousands of € | 2023 | 2022 |
|------------------------|------------|------------|
| Audit services | 100 | 100 |
| Audit-related services | 32 | 29 |
| Tax services | 3 | 25 |
| Total | 134 | 154 |

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).

The *Réviseur d'entreprises agréé* of Luxempart is also the *Réviseur d'entreprises agréé* of some subsidiaries (Luxempart Capital Partners, Indufin Capital Partners, Bravo Capital Partners and Luxco Invest). The remuneration of the *Réviseur d'entreprises agréé* for these subsidiaries is € 104 thousand (2022: € 83 thousand).

Note 23 - Related parties

Luxempart has various related parties from relationships with entities managed by the Group:

- Subsidiaries (including unconsolidated subsidiaries held at fair value according to the investment entity exemption of IFRS 10) and other investments
- Management and Directors

The related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Subsidiaries and investments

Transactions between Luxempart and its fully consolidated subsidiaries, which are related parties of the Company, are eliminated on consolidation.

Details of related party transactions between Luxempart and its shareholding companies (1) are detailed below.

| Consolidated statement of profit or loss (in thousands of €) | 2023 | 2022 |
|--|--------|--------|
| Dividends | 32,667 | 51,797 |
| Services / recovery of services | 2,081 | 878 |
| Operating expenses | 856 | 1,204 |
| Financial income | 255 | 1,513 |
| Financial expenses | 23 | 195 |

| Consolidated statement of financial position (in thousands of €) | 2023 | 2022 |
|--|------------------|------------------|
| Financial assets at fair value through profit and loss as at 31/12/2022 | 1,515,370 | 1,678,515 |
| Movements on Financial assets at fair value through profit and loss | 409,786 | -163,146 |
| Financial assets at fair value through profit and loss as at 31/12/2023 | 1,925,156 | 1,515,370 |
| Loans and receivables as at 31/12/2022 | 2,550 | 12,730 |
| Movements on loans and receivables | -2,449 | -10,180 |
| Loans and receivables as at 31/12/2023 | 101 | 2,550 |

Management and Directors

| In thousands of € | 2023 | 2022 |
|---|-------|-------|
| Directors' allowances and executive management remuneration | 7,476 | 6,689 |

(1) Some figures as of 31/12/2022 have been restated to ensure comparability with the figures as of 31/12/2023.

Note 24 - 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 relates 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 exchanges of Luxembourg, Brussels, and Frankfurt) represent 11.9 % of the Net Asset Value as at 31 December 2023 (2022: 16.3%).

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 2023, this risk is limited due to the small amount of receivables and payables and by the absence of financial debts.

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 one investment that is designated in foreign currency for € 18,541 thousand. This investment represents 0.8% of the financial assets at fair value through profit or loss. No reasonable change in currency would have an impact on the accounts of Luxempart.

The portfolio of Luxempart Capital Partners is composed of investments in USD which represent 11.9% 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

Credit risk is the risk that contracted third parties do not meet their commitments towards the Group during transactions entered into. 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.

In 2023, there was no significant change in relation to the credit risk management. 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 working with several banking institutions, with a maximum to 7.5% of net asset value.

MANAGEMENT OF LIQUIDITY RISK

Luxempart has € 244,212 thousand undrawn commitments resulting from its investments in funds (note 20). Management follows the commitments and capital calls on a quarterly basis in order to make further cash available if necessary. As at 31 December 2023, Luxempart has contracted two credit lines of € 50,000 thousand each. The level of cash at bank, bank deposits, liquid bonds portfolios and confirmed credit lines is enough to face its commitments. Given this high level of liquidity, the risk for Luxempart is low.

Note 25 - Post closing events

On 14 March 2024, Luxempart announced having reached a 10% ownership in Nexus AG, our German portfolio company, listed on the Frankfurt Stock Exchange, and active in the development of hospital software solutions. This confirms our strong confidence in Nexus' business model and management team, that steadily delivers on its budgets.



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

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

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 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the 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 material accounting policy information and other explanatory information.

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 2023

Refer to Note 2 Consolidation principles, valuation rules, and accounting standards, Note 10 Financial assets at fair value through profit or loss and Note 24 Financial risks to the consolidated financial statements.

The Group holds financial assets which are measured at fair value in accordance with IFRS Accounting Standards as adopted by the European Union. Those financial assets represent 99% of total assets, and 88% 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 relevant IFRS Accounting Standards as adopted by the European Union. 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 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 relevant IFRS Accounting Standards as adopted by the European Union.
- 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 2023.
- For a sample of investments, involving our valuation specialists to inspect valuation model and challenge key assumptions applied by Management.
- Verifying the completeness, relevance and accuracy of the disclosures in relation to the valuation of financial assets.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual 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 IFRS Accounting Standards 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 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 General Meeting of the Shareholders on 24 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

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 consolidated management report. The information required by Article 68ter paragraph (1) letters 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 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to 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 2023, identified as Luxempart-2023-12-31.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 2023, identified as Luxempart-2023-12-31.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 28 March 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Thierry Ravasio
Partner

Glossary

BUYOUT

A buyout is the acquisition of a controlling interest in a company and is used synonymously with the term acquisition.

DACH

The DACH region refers to the three Central European countries of Germany (D), Austria (A), and Switzerland (CH).

DI

Direct Investments

EBITDA

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations.

ESG

Environmental, social, and governance (ESG) investing refers to a set of standards for a company's behavior used by socially conscious investors to screen potential investments.

Exposure / Total exposure: NAV + undrawn commitments

IF

Investment Funds

IRR

IRR, or internal rate of return, is a metric used in financial analysis to estimate the profitability of potential investments. IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

MSCI

Acronym for Morgan Stanley Capital International. The MSCI Europe Mid Cap Index captures mid cap representation across the 15 Developed Markets (DM) countries* in Europe. With 233 constituents, the index covers approximately 15% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

NAV

Net Asset Value is the net value of an investment fund's assets less its liabilities.

SFDR

Sustainable Finance Disclosure Regulation

UN PRIS

UN Principles for Responsible Investment (PRI)



FINANCIAL CALENDAR

29 April 2024: Annual General Meeting

15 May 2024: Dividend payment

13 September 2024: Half-year results 2024

28 March 2025: Annual Report 2024
publication

ANNUAL GENERAL MEETING

Luxempart's Annual General Meeting (AGM) will be held on Monday 29 April 2024 at 11:00 pm at the registered office of the Company - 12, rue Léon Laval in Leudelange.

Information regarding the AGM (including on how shareholders will be able to exercise their voting rights and on proxies) can be found on Luxempart's website www.luxempart.lu.

SHARES

Luxempart's shares are traded on the Luxembourg Stock Exchange.

ISIN: LU2605908552

ESEF ANNUAL REPORT

The official ESEF version of the Annual Report is available on Luxempart's website.

+ link to the XBRL report updated.

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