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LRI INVEST S.A.
Société Anonyme

Annual accounts and Report of the Réviseur d'Entreprises agréé
31 December 2020

Address

9A, rue Gabriel Lippmann

L-5365 Munsbach

R.C.S. Luxemburg: B 28.101



LRI INVEST S.A.

Annual accounts and Report of the Réviseur d'Entreprises agréé as at 31 December 2020

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Management Report as at 31 December 2020

Structural development of the Company

LRI Invest S.A. (the Company) was founded on 13 May 1988.

The Company and the funds it manages are subject to the law of 17 December 2010 on undertakings for collective investments (Investment Act) as amended, the law of 13 February 2007 on special funds as amended (Special Funds Act) and the law on alternative investment fund managers of 12 July 2013 (AIFM Act). The Company has the status of a UCITS IV Management Company according to Article 101 of the amended law of 17 December 2010. Effective 26 November 2013, it was also one of the first management companies to be granted the authorisation as an AIFM according to chapter 2 of the AIFM Act.

The Company is headquartered in the office building at 9A, rue Gabriel Lippmann, Munsbach, Luxembourg.

In addition to managing Luxembourg funds, the Company is authorised to manage investment funds that comply with regulations by way of providing cross-border services in Germany and Spain (EU passport for management companies). Thanks to this EU passport, a fund can be managed and marketed by a management company that is authorised and supervised in a different EU member state than the country in which the fund is based.

During the financial year 2019 LRI Invest was integrated successfully into Apex Group, a global financial service provider with over 45 offices worldwide and more than 4.000 employees.

In this context, the two Apex Group management companies LRI Invest S.A. and LRI Capital Management (former Warburg Invest Luxembourg S.A. renamed Augeo Capital Management SA) have completed the legal merger under one single legal entity, LRI Invest S.A., as of 2 December 2019.

As of 1 December 2020 the Company has partially segregated its Central Administration Activity to Apex Fund Services S.A., Luxembourg. Defining Central Administration Activity as activity of central administration within the meaning of Annex II, second indent of the law of 17 December 2010 concerning undertakings for collective investment as amended (“UCITS Law”), and/or Annex I 2. a) of the law of 12 July 2013 on alternative investment fund managers, as amended (“AIFM Law”), as well as the ancillary services pertaining to such activity including but not limited to domiciliation, corporate secretary, AML, FATCA, CRS, tax services, reporting.

The Company did not acquire any of its own shares, has no branch and has no activities in the field of research & development.

Risk report

The Company is subject to various internal and external risks which can affect every level of the organisation. The aim of the risk assessment is to identify the main risks and risk areas in a structured manner. Risk identification is based on the targets set by the company's management. Risk assessment is carried out as part of the risk management process and influences the design and adaptation of the internal control system.

The company's business activities expose it to default, counterparty, market, liquidity, operational and general business risks. The risks the company is exposed to are identified, analysed, quantified and presented to the Managing Board in the course of a comprehensive risk monitoring and management system. The funds managed by the company are also directly exposed to the abovementioned risks, which can in turn have an impact on the management company via possible revenue losses due to a decline in assets under management. The diversification of the company's product portfolio enabled it to continue to perform well in 2020 even in an environment of further regulatory changes and pandemic constraints as described hereafter.

COVID-19

Due to the effects of COVID-19 and in accordance with the advice of the government in Luxembourg, LRI Invest S.A. (hereinafter "LRI") has put into effect its plans to ensure continuity of service and to avoid interruptions. In order to maintain "business as usual", to protect the health and welfare of LRI's employees and to avoid any interruption or impact on the services provided, the majority of LRI's employees have moved to the home office since March 2020. The regulatory requirements on teleworking have been implemented by LRI and its employees accordingly.

At the current time and in line with developments and in compliance with the regulations of the Luxembourg health authorities, LRI is planning to gradually let its employees return to LRI offices once the conditions will safely allow this. Additionally, LRI continues to monitor the situation closely and will continue to adjust its plans to the current developments in order to ensure the safety of its employees and the continued provision of all services during this challenging period.

During the COVID-19 pandemic there have been significant impacts on stock markets worldwide, especially in February and March 2020. However, overall, the financial markets recovered during 2020. COVID-19 did not have a major impact on the assets and financial position of the funds managed but may have an impact after the end of the fiscal year that cannot be predicted at this time. The potential effects are strictly monitored for each investment in the portfolio. Overall, the impact on the revenues in 2020 was only moderate due to robust business model of LRI.

Although the vaccination campaigns started worldwide the pandemic persists, so that all effects can still not be finally assessed. Considering that the potential effects are widespread, persistent and pervasive to the worldwide situation it is however, difficult, if not impossible to isolate the effects of the COVID-19 pandemic on the financial results.

Development of assets under management

The number of investment funds serviced amounted to 623 at the end of the financial year (including subfunds), with total assets of EUR 60,5bn (prior year: 759 units, EUR 88,1bn).

The decrease was mainly due to the partially transfer of the Central Administration Activity to Apex Fund Services S.A. as of 1 December 2020 as described above (s. Structural development of the Company). This effect was partly compensated by the launch of new investment funds, the migration of funds from competitors to the Company.

Earning position

The profit after tax of the Company for the financial year 2020 amounts to EURk 7.716 (prior year: EURk 8,688, out of which EURk 4,964 resulted from the sale of shares in affiliated undertakings and other business activities during the financial year 2019).

As in the past, the areas driving new mandates are both real assets – such as real estate, private equity, renewable energies and debt – as well as financial asset (UCITS and other liquid funds).

Post balance sheet events after 31 December 2020

Thomas Grünwald, acting as managing director of the Company, resigned with effective date as of 28 February 2021. There are no other significant post balance sheet events.

Outlook for 2021

LRI Invest S.A. acts as a so called “Super ManCo” having licences both as an alternative investment fund manager (AIFM) and as a management company for UCITS.

The ManCo-solutions can be supplemented through a range of administrative and middle office, banking, depositary and custody services offered by Apex Group.

With a considerable number of fund initiators having once more taken advantage of the services of the LRI Invest S.A. as an AIFM or management company in 2020, and



despite the wish of some clients to change their service providers, a further slight increase in assets under management is to be expected in 2021.

Within the completed integration into Apex Group and the concentration on ManCo/AIFM business the Company will continue to attract further investment fund mandates in 2021. Apex Group has continually grown and evolved its service suite to offer a single-source solution through establishing the broadest range of solution in the industry across fund solutions, financial solutions and corporate solutions.

Luxembourg, March 2021

A handwritten signature in blue ink, appearing to read 'Frank Alexander de Boer', with a long horizontal stroke extending to the right.

Frank Alexander de Boer
Managing Director

A handwritten signature in blue ink, appearing to read 'Utz Schüller', with a long horizontal stroke extending to the right.

Utz Schüller
Managing Director



To the Shareholders of
LRI Invest S.A.
9a, Rue Gabriel Lippmann
L-5356 Munsbach
Grand Duchy of Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual accounts

Opinion

We have audited the annual accounts of LRI Invest S.A. (the “Company”), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the 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 Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “*Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Annual accounts*” section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Annual accounts , and have fulfilled our other ethical

responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

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

Responsibilities of the Management Board and Those Charged with Governance for the Annual accounts

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

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

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Annual accounts

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

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

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

opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual accounts, including the disclosures, and whether the Annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

For Deloitte Audit, *Cabinet de révision agréé*


Jan van Delden

Jan van Delden, *Réviseur d’entreprises agréé*
Partner

5 March 2021

Annual accounts as at 31 December 2020

BALANCE SHEET

		31.12.2020	31.12.2019
ASSETS		EUR	EUR
A. Fixed assets		1.767.393,72	2.272.198,93
I. Intangible assets	3	683.597,57	573.758,93
1. Concessions, patents, licences, trade marks and similar rights and assets, if they were			
a) acquired for valuable consideration		683.597,57	573.758,93
II. Tangible assets	4	1.052.480,75	1.466.485,60
1. Plant and machinery		434.903,17	637.489,22
2. Other fixtures and fittings, tools and equipment		617.577,58	828.996,38
III. Financial assets		31.315,40	231.954,40
1. Investments held as fixed assets	5	31.315,40	231.954,40
B. Current assets	6	33.325.348,91	36.458.527,05
II. Debtors		18.836.994,25	14.753.517,23
1. Trade debtors			
becoming due and payable within one year		17.338.544,46	12.912.820,11
2. Amounts owed by affiliated undertakings			
becoming due and payable within one year		200.688,77	0,00
4. Other debtors			
becoming due and payable within one year		1.297.761,02	1.840.697,12
IV. Cash at bank and in hand		14.488.354,66	21.705.009,82
C. Prepayments		1.102.711,43	140.247,46
TOTAL (ASSETS)		<u>36.195.454,06</u>	<u>38.870.973,44</u>

The notes form an integral part of these financial statements

Annual accounts as at 31 December 2020

CAPITAL, RESERVES AND LIABILITIES	31.12.2020 EUR	31.12.2019 EUR
A. Capital and reserves	19.554.492,00	22.442.385,73
I. Subscribed capital	7 10.000.000,00	10.000.000,00
II. Reserves	8 2.283.149,29	3.793.922,52
1. Legal reserve	1.000.000,00	472.580,65
2. Other reserves, including the fair value reserve	1.283.149,29	3.321.341,87
a. other available reserves	<i>237.574,29</i>	<i>3.063.966,87</i>
b. other non available reserves	<i>1.045.575,00</i>	<i>257.375,00</i>
III. Profit or loss brought forward	1.255.403,49	460.718,44
IV. Profit or loss for the financial year	9 7.715.939,22	8.687.744,77
V. Interim dividends	-1.700.000,00	-500.000,00
B. Provisions	10 11.208.141,37	10.633.993,81
1. Provisions for pensions and similar obligations	79.220,18	73.773,27
2. Provisions for taxation	5.869.141,00	5.536.582,25
3. Other provisions	5.259.780,19	5.023.638,29
C. Creditors	11 5.432.820,69	5.794.593,90
1. Trade creditors	3.177.853,01	3.696.945,38
a) becoming due and payable within one year	3.177.853,01	3.696.945,38
2. Amounts owed to affiliated undertakings	598.535,70	62.813,78
a) becoming due and payable within one year	598.535,70	62.813,78
3. Other creditors	1.656.431,98	2.034.834,74
a) Tax authorities	1.131.095,67	760.586,42
b) Social security authorities	525.336,31	887.043,25
c) Other creditors	0,00	387.205,07
	<u>36.195.454,06</u>	<u>38.870.973,44</u>

The notes form an integral part of these financial statements

Annual accounts as at 31 December 2020

Profit and loss account for the financial year from 1 January 2020 to 31 December 2020

		31.12.2020	31.12.2019
		EUR	EUR
1. Net turnover	12	66.619.398,86	38.886.482,00
2. Other operating income	13	1.920.859,31	3.654.796,69
3. Raw materials and consumables and other external expenses	14		
a) Other external expenses		-20.391.319,74	-14.602.857,80
4. Staff costs		-22.298.922,43	-12.674.278,07
a) Wages and salaries		-19.189.170,08	-11.215.662,46
b) Social security costs			
i) relating to pensions		-1.029.872,15	-1.140.112,72
ii) other social security costs		-2.079.880,20	-318.502,89
5. Value adjustments		-622.211,60	-401.941,14
a) in respect of formation expenses and of tangible and intangible assets		-622.211,60	-401.941,14
6. Other operating expenses	15	-14.718.000,15	-12.841.387,14
7. Income from participating interests		0,00	5.189.572,07
a) derived from affiliated undertakings		0,00	5.189.572,07
8. Income from other investments and loans forming part of the fixed assets		0,00	128.956,55
a) other income not included under a)		0,00	128.956,55
9. Other interest receivable and similar income		0,00	17.096,59
a) derived from affiliated undertakings		0,00	17.054,43
b) other interest and similar income		0,00	42,16
10. Value adjustments in respect of financial assets and of investments held as current assets	16	-111.370,80	-600.964,36
11. Interest payable and similar expenses		-111.370,80	-600.964,36
a) concerning affiliated undertakings		-133.950,15	-112.902,38
b) other interest and similar expenses		-29.426,90	-25.275,78
12. Tax on profit or loss		-104.523,25	-87.626,60
13. Profit or loss after taxation		-2.448.544,08	-300.300,00
14. Other taxes not shown under items 1 to 16		7.815.939,22	6.342.273,01
15. Profit of the merger		-100.000,00	-685.053,61
16. Profit or loss for the financial year		0,00	3.030.525,37
		7.715.939,22	8.687.744,77

The notes form an integral part of these financial statements



Annual accounts as at 31 December 2020

Notes to the annual accounts as at 31 December 2020

Note 1 - General information

LRI Invest S.A. (hereafter “the Company”), a public limited liability company (société anonyme), existing under the laws of the Grand Duchy of Luxembourg, was incorporated pursuant to a notarial deed dated 13 May 1988 for an unlimited duration.

The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg) (district court of Luxembourg) under the registration no. B 28.101.

The articles of association were last amended by deed of the notary Henri Hellinckx on 30. December 2019, published in RESA_2020_020 on 31 January 2020.

The Company is headquartered in Munsbach (municipality of Schuttrange), Luxembourg. The financial year corresponds with the calendar year.

The Company’s main activity is the establishment and/or management of Luxembourg and/or foreign undertakings for collective investments in transferable securities (UCITS) in accordance with Directive 2009/65/EC and the management of other Luxembourg and/or foreign undertakings for collective investments (UCI) not covered under this directive as well as the establishment and/or management of Luxembourg and/or foreign alternative investment funds (AIF) that are legitimate according to Directive 2011/61/EC of the European Parliament and the Council of 8 June 2011 on the management of alternative investment funds (AIFM Directive). The Company can conduct of all other activities in line with the restrictions of the law of 17 December 2010 on undertakings for collective investments (hereafter referred to as the “law of 17 December 2010”) and the law of 12 July 2013 on alternative investment fund managers (hereafter referred to as the “law of 12 July 2013) as amended. Further, the Company may also perform administrative activities for Luxembourg and/or foreign institutions for occupational retirement provision (“EbAV”).

The Company is authorised as a management company under chapter 15 of the law of 17 December 2010 and as an AIFM in accordance with chapter 2 of the law of 12 July 2013 from the regulatory authority (CSSF).

Due to the merger of LRI Invest S.A. and LRI Capital Management SA as of 2 December 2019 and that all operations and transactions of LRI Capital Management SA were considered for accounting purposes as being carried out on behalf of LRI Invest S.A. as of 1 November 2019, comparisons with the previous year's figures are only possible to a limited extent.



Annual accounts as at 31 December 2020

As of 1 December 2020 LRI Invest S.A. partially segregated its Central Administration Activity to Apex Fund Services S.A., Luxembourg. Defining Central Administration Activity as activity of central administration within the meaning of Annex II, second indent of the law of 17 December 2010 concerning undertakings for collective investment as amended (“UCITS Law”), and/or Annex I 2. a) of the law of 12 July 2013 on alternative investment fund managers, as amended (“AIFM Law”), as well as the ancillary services pertaining to such activity including but not limited to domiciliation, corporate secretary, AML, FATCA, CRS, tax services, reporting.

The annual accounts of LRI Invest S.A. are included in the consolidated financial statements of Apex Group Limited, Bermuda. The consolidated financial statements are available on request.

Note 2 - Accounting policies

2.1. General principles

The financial statements have been drawn up in accordance with the laws and regulations applicable in Luxembourg using the historical cost convention. The accounting and valuation policies are, with the exception of the provisions of the Law of 19 December 2002, laid down and implemented by the Board of Directors.

The Management Board makes assumptions and produces estimates which affect the Company’s financial position in the next financial year. Estimates and judgements are continuously reviewed and developed and are based on past experience as well as other factors, including expectations for future events which appear realistic against the above backdrop.

The Management Board believes that the underlying assumptions are reasonable and that the financial statements therefore represent a true and fair view of the company’s net assets, financial position and profitability.

The Company maintains its books and records in Euro (EUR). There are no assets or liabilities in foreign currencies.

For the purpose of a clear presentation in accordance with article 26 paragraph 2 of the law of 19 December 2002 and in accordance with article 34 resp. article 46 of the abovementioned law, the Company waives to disclose the items in the balance sheet and the profit and loss account with the amount of zero.

2.2. Principal valuation methods

The Company’s main valuation methods are as follows:

Annual accounts as at 31 December 2020

2.2.1 Intangible assets

Intangible assets are measured at historical cost including ancillary costs of purchase, less cumulative amortisation and impairments. Impairments are no longer recognised if the reasons for the impairment cease to apply.

The methods and rates of amortisation are as follows:

	Amortisation rate	Amortisation method
Licences	20 – 33%	Linear

2.2.2 Tangible assets

Tangible assets are measured at acquisition cost, including the ancillary costs of purchase, or at manufacturing cost. They are depreciated over their expected useful lives.

The depreciation rates and methods used are as follows:

	Depreciation rate	Depreciation method
IT equipment	14 – 33%	Linear
Vehicle pool	25%	Linear
Other fixtures & fittings	10 – 20%	Linear

If the Company believes that the value of a fixed asset has been impaired on a sustained basis, a further impairment is recognised through profit or loss. Such impairments are no longer recognised if the reasons for the impairment cease to apply.

2.2.3 Financial assets

Shares in affiliated undertaking and securities held as fixed assets are valued at the lower of purchase price including the expenses incidental thereto or market or recovery value.

Market value and recovery value corresponds to:

- the last available quote on the valuation day for securities listed on a stock exchange or traded on another regulated market;
- the probable market or recovery value estimated with due care and in good faith by the Managing Board, for unlisted securities or securities that are not traded on another regulated market, for securities listed on a stock exchange or traded on another regulated market where the latest quote is not representative, as well as for the loans shown under “Assets”.

Annual accounts as at 31 December 2020

2.2.4 Debtors

Debtors are recognised at their nominal value. They are written down if their collection is at risk. These write-downs are derecognised if the reasons for the write-down no longer apply.

2.2.5 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.2.6 Provisions

Provisions are recognised to cover the risk of loss or uncertain liabilities which are definite in terms of their nature and are probable or certain on the balance sheet date, but are uncertain as regards the amount or the date at which they will be incurred.

- Provisions for pensions and similar obligations:

The Company provides a defined contribution pension plan for its employees. Defined contribution pension plans involve regular contributions by the Company to funds or pension schemes, whereby the Company has no legal or contractual obligation to pay any amounts in addition to those paid out by the fund or pension scheme, should the latter have insufficient funds to meet the pension entitlements of employees. Pension contributions are recognised as an expense in the financial year in which they are paid. The Company's liability is limited to the payments made on behalf of its employees.

- Provisions for taxation:

Tax provisions, which represent the differential between the tax expense calculated by the Company and the payments on account for the relevant financial years, are reported under "Provisions for taxation".

2.2.7 Liabilities

Liabilities are recognised at the repayment amount.

2.2.8 Net turnover

Net turnover consist primarily of management fees, performance-related fees, domiciliation fees and reporting fees.

2.2.9 Currency translation

The Company maintains its books in EUR. All transactions in a currency other than EUR are converted into EUR at the exchange rate applying on the transaction date.

Annual accounts as at 31 December 2020

Note 3 - Intangible assets

Changes during financial year 2020 were as follows:

	Concessions, patents, licences, trademarks and similar rights EURk	Total EURk
Gross value at beginning of financial year	6,196	
Additions	360	
Disposals	0	
Gross value at end of financial year	6,556	
Cumulative valuation allowances at beginning of financial year	5,622	
Additions	250	
Reversals	0	
Cumulative valuation allowances at end of financial year	5,872	
Net value at end of financial year		684
Net value at beginning of financial year		574

Note 4 - Tangible assets

Changes during financial year 2020 were as follows:

	Plant and machinery EURk	Other assets, fixtures and fittings EURk	Total EURk
Gross value at beginning of financial year	1,338	6,028	
Additions	102	0	
Disposals	-155	-75	
Gross value at end of financial year	1,285	5,953	
Cumulative valuation allowances at beginning of financial year	701	5,199	
Additions	188	184	
Disposals	-60	-48	
Reversals	22	0	
Cumulative valuation allowances at end of financial year	851	5,335	
Net value at end of financial year	434	618	1,052
Net value at beginning of financial year	637	829	1,466

Annual accounts as at 31 December 2020

For the 2019 financial year, an amount of EURk 464 was reclassified from the item "Other assets, fixtures and fitting" to the item "Plant and machinery" to provide a better comparison of the items.

In the context of the transfer of the Central Administration Activity to Apex Fund Services S.A. as of 1 December 2020 as described above (Note 1: General Information). LRI Invest S.A. has transferred to Apex Fund Services S.A. Plants and Machinery with net book value of EURk 95 and other assets with net book value of EURk 27. The reversals of valuation allowances in the amount of EURk 22 relate to sales of the companies cars.

Note 5 - Financial assets

Changes during financial year 2020 were as follows:

	Investments held as fixed assets EURk	Total EURk
Gross value at beginning of financial year	232	232
Additions	0.3	0,3
Disposals	-201	-201
Gross value at end of financial year	31	31
Cumulative valuation allowances at beginning of financial year	0	0
Additions	0	0
Reversals	0	0
Cumulative valuation allowances at end of financial year	0	0
Net value at end of financial year	31	31
Net value at beginning of financial year	232	232

The company does not hold any own shares in the reporting period.

Annual accounts as at 31 December 2020

Note 6 - Debtors

	2020 EURk	2019 EURk
Trade debtors	17,339	12,912
Affiliated undertakings	201	0
Other debtors	1,298	1,841

The trade debtors relate to receivables for management services including performance-related fees for the funds managed and administered by the Company.

Receivables of affiliated undertakings relate to group recharge regarding IT Services and other services.

The reported bank balances relate to current account balances. EURk 3,359 (prior year: EURk 3,965) of this is held with affiliated financial institutions.

Note 7 - Subscribed capital

As at 31 December 2020 the subscribed and fully paid-in capital of the Company amounts to EURk 10,000, divided into 6,200 registered shares with no par value.

Movements in subscribed capital during the financial year/period were as follows:

	2020 EURk	Registered shares
Subscribed capital at beginning of financial year	10,000	6,200
Transfer to reserves	0	
Subscribed capital at end of financial year	10,000	6,200

Note 8 - Reserves

1.1. Legal reserves

Each year a minimum of 5% of the net profit must be allocated to legal reserves prior to any other allocations; this requirement lapses once the legal reserves amount to 10% of the company's capital, but is reinstated if they fall back below the 10% threshold. Legal reserves cannot be distributed.

Legal reserves were fully provisioned at the balance sheet date.

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1.2. Other reserves

According to resolution of Annual General Meeting of the Shareholders of the Company from 20. February 2020, the Company has allocated an additional amount of EURk 788 to non-distributable reserves.

In addition the Company has other reserves amounting to EURk 237 (prior year: EURk 3,064).

Note 9 - Movements in capital and reserves in the financial year

In EUR k	Subscribed capital	Legal reserves	Other tied reserves	Other reserves	Retained earnings	Net profit for the year	Interim-dividend	Total
31.12.2019	10,000	473	257	3,064	461	8,687	-500	22,442
Allocation to Reserve accounts		527	788	2,977	795	-5,087		
Transfer to Apex Fund Services S.A.*			896					896
Release of reserves to shareholder				-6,700				-6,700
Dividend						-3,600	500	-3,100
Interimdividend							-1,700	-1,700
Profit of the period						7,716		7,716
31.12.2020	10,000	1,000	1,941	-659	1,256	7,716	-1,700	19,554

*due to the partial transfer of Central Administration Activity of LRI Invest S.A. to Apex Fund Services S.A.

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Note 10 - Provisions

The breakdown of provisions is as follows:

	31.12.2020 EURk	31.12.2019 EURk
Pension provisions	79	74
Tax provisions	5,869	5,536
Other provisions	5,260	5,024
	11,208	10,634

The tax provisions relate to for financial year 2017-2020. The Company has received its final tax assessment up to 2016.

Other provisions mainly relate to personnel (EURk 3,068; prior year: EURk 2,246), material costs for advisory services and others (EURk 2,150; prior year: EURk 2,748) and preparation of the annual financial statements (EURk 42; prior year EURk 30).

Note 11 – Creditors

	Less than 1 year	Over 1 year and less than 5 years	Over 5 years	Total 2020 EURk	Total 2019 EURk
Trade creditors	3,178			3,178	3,697
Credit institutions	0			0	0
Affiliated undertakings	598			598	63
Other creditors	1,656			1,656	2,035

The trade creditors consist largely of outstanding payments to cooperation partners arising from investment management and investment advisory contracts.

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Note 12 - Net turnover

The breakdown of net revenues by area of activity is as follows:

	2020 EURk	2019 EURk
Activity:		
Management and administration fee	38,001	22,824
Commissions	2,802	2,553
Other services	5,425	3,233
Forwarding commission	20,391	10,276
	66.619	38.886

Due to the merger with LRI Capital Management SA in December 2019 the prior year figures are not comparable with 2020. The net turnover of the two merged companies LRI Invest S.A. and LRI Capital Management SA for the period from 1 January 2019 to 31 December 2019, as if all operations and transactions of the absorbed entity LRI Capital Management SA would have been considered as being carried out on behalf of the absorbing entity LRI Invest S.A. as of 1 January 2019 would have amounted to EURk 71.087.

Note 13 - Other operating income

Other operating income includes rental income EURk 96 (prior year: EUR k 40), Directors fee EURk 335 (prior year: EURk 119), reversal of provision of EURk 442 (prior year: EURk 675).

Note 14 - Other external expenses

The commission expenses of EURk 20,391 (prior year: EURk 14,603) represent payments to external investment managers and investment advisors.

Note 15 - Other operating expenses

Other operating expenses of EURk 14,718 (prior year: 12,841) mainly include administrative expenses such as IT costs with amount of EURk 5,155 (prior year: EURk 4,048), costs for market data amounting of EURk 1,796 (prior year: EURk 1,122), costs for rent with amount of EURk 1,216 (prior year: EURk 610), professional services incl. outsourcing, consulting, tax services with amount of 1,749 (prior year: EURk 332), costs for office and office suppliers EURk 451 (prior year: EURk 454), costs related to staff with amount of EURk 450 (prior year: EURk 509), costs for group recharge EURk 1,795 (prior year: EURk 900), Government fee with the amount EURk 108 (prior year: EURk 92), costs related to COVID 19 pandemic with amount EURk 52 (prior year 0).

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Note 17 - Value adjustment of investments

Within the financial year 2020 the Company realised a loss from selling of the investment of fix assets with amount of EURk 111.

Note 18 - Auditor's fee

The fee for the Company's audit for financial year 2020 was EURk 73 (prior year: EURk 48).

Note 19 – Emoluments granted to management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The Managing Board of the Company received a remuneration for the activities performed. The members of the Supervisory Board are entitled to remuneration amounting to EURk 30 (prior year EURk 46) per annum in total.

The Company uses the exemption of Art. 65 (2) of the Law of 19 December 2002.

The Company's remuneration policy follows the following principles:

The Company's remuneration policy applies to all employees, the Management Board and the Supervisory Board of LRI Invest S.A..

The remuneration policy serves to attract and retain highly qualified employees, reward excellent performance, promote the contributions of each and every individual and motivate employees to keep developing professionally.

In addition, the remuneration policy serves to support sound and effective risk management, as well as to ensure that no incentives to take overly high risks are created. The remuneration policy is to offer employees a fair combination of fixed and variable remuneration which takes the importance and responsibility of the respective function into account and contributes to fostering appropriate conduct while avoiding conflicts of interest.

The remuneration policy has an important role in the implementation of the Company's corporate goals regarding sustainable growth aspects and is of central significance for the further development of the employee and the quality of service for the client as well as for the protection of investors. It is also consistent with the interests of the clients and managed funds.

The remuneration policy provides for fixed and variable remuneration components. Every employee is appropriately paid with the fixed remuneration; the variable remuneration is therefore merely an additional payment.

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In addition, a balance is maintained between fixed and variable remuneration components.

Complete information about the remuneration policy is available on request and at no cost from LRI Invest S.A.

The Company has no commitments in respect of retirement pensions for former members of the Management and supervisory body.

Note 20 Note - Advances and loans granted to members of the Management and Supervisory bodies

There were no loans or advances to, or other liabilities on behalf of members of the Management Board and Supervisory Board.

Note 21 - Staff

As at 31 December 2020 the Company employed 125 employees, thereof 3 Managing Directors and 122 Staff.

Note 22 - Off-balance-sheet commitments

The Company has issued a guarantee towards a credit institution for the office rent (EURk 453).

Note 22 – Transactions with related parties

Within the financial year there has been a Group recharge of cost amounting to EURk 2,391.

Note 23 - Events after the financial year-end

Thomas Grünewald, acting as managing director of the Company, resigned with effective date as of 28 February 2021.

Although after the end of the financial year the vaccination campaigns started worldwide the pandemic persists, so that all effects can still not be finally assessed. Considering that the potential effects are widespread, persistent and pervasive to the worldwide situation it is however, difficult, if not impossible to isolate the effects of the COVID-19 pandemic on the financial results. COVID-19 did not have a major impact on the assets and financial position of the funds managed, but may have an impact after the end of the fiscal year that cannot be predicted at this time. The potential effects are strictly monitored for each investment in the portfolio.