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Luxembourg Future Fund

Société anonyme

Société d'investissement à capital variable - Fonds d'investissement spécialisé

Financial statements and report of the Réviseur d'Entreprises
agrée as at and for the year ended March 31, 2024

15, Boulevard F.W. Raiffeisen, L - 2411 Luxembourg
RCS Luxembourg: B196318

LUXEMBOURG FUTURE FUND

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LUXEMBOURG FUTURE FUND

Management and Administration

Registered office

15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Mr. Ulrich Grabenwarter, Deputy Director, European Investment Fund

Mr. Jacques Darcy, Departmental Director, European Investment Fund, until 30 June 2024.

Mr Rémi Charrier, Director, European Investment Fund, from 03 July 2024.

Mr. Romain Bausch, Independent Director

Mr. Vincent Thurmes, President, Société Nationale de Crédit et d'Investissement

Ms. Carole Brückler, Vice President , Société Nationale de Crédit et d'Investissement

Advisor

European Investment Fund
37B, avenue J.F. Kennedy
L-2968 Luxembourg
Grand Duchy of Luxembourg

Depositary

Alter Domus Depositary Services S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Administrative, Registrar and Transfer Agent

Alter Domus Alternative Asset Fund Administration S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Grand Duchy of Luxembourg

Réviseur d'Entreprises Agréé

KPMG Audit S.à r.l.
39, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal advisor

A&O Sherman, Société en commandite simple
5, avenue J.F. Kennedy
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Grand Duchy of Luxembourg

LUXEMBOURG FUTURE FUND

Board of Directors' report for the year ended March 31, 2024

The Luxembourg Future Fund, S.A. SICAV-SIF (“LFF” or the “Fund”) was incorporated on 20 April 2015 as an umbrella investment company with variable capital – specialised investment fund (Société d'investissement à capital variable – fonds d'investissement spécialisé) and was established as a public limited liability company (société anonyme). The Fund is governed by the Luxembourg act of February 13, 2007 relating to specialised investment funds, as amended, the Luxembourg commercial companies act of August 10, 1915, as amended, and its articles of association. The Fund is approved by the Luxembourgish financial sector supervision authority, the Commission de Surveillance du Secteur Financier (“CSSF”).

For the purpose of the AIFM Directive and the Luxembourg act of July 12, 2013 (the “2013 Act”) on alternative investment fund managers, the Fund is an “internally managed AIF”. The Fund is exempted from the full requirements of the AIFM Directive under article 3.2(b) of the AIFM Directive as long as the total assets of the Fund do not exceed EUR 500m. The Fund is currently only subject to the “de minimis” obligations applicable to AIFMs under article 3.2(b) of the 2013 Act.

The final closing took place at EUR 150m on 20 April 2016 with the investors Société Nationale de Crédit et d'Investissement (“SNCI”) and European Investment Fund (“EIF”) overall committing EUR 120m and EUR 30m, respectively. In addition to its role as investor, the EIF acts as LFF’s advisor (the “Adviser”), performing investment advisory, operational, reporting and execution tasks.

The Fund invests in early and growth innovative technology SMEs as well as in Venture Capital funds (i.e. companies active in the ICT, clean-tech and other technology sectors excluding health technologies and life sciences sectors) targeting to bring value added activities to Luxembourg. Its objective is to provide its investors with a risk commensurate return on investments while at the same time fostering the sustainable development and diversification of the Luxembourg economy. The Fund applies restrictions to its investment policy in relation to certain economic sectors, which are considered not to be compatible with the ethical or social basis of the LFF mission.

LFF currently has an umbrella structure consisting of two sub-funds as of 31 March 2024, following the liquidation of Luxembourg Future Fund – Business Angels and Family Offices Co-Investments sub-fund (“LFF BAFO”) due to a re-organisation targeting a structure with two sub-funds for efficiency reasons without any impact on the strategy of the Fund. Following the reallocation of the undrawn commitments of LFF BAFO, Luxembourg Future Fund – VC Fund of Funds sub-fund’s aggregate commitments amount to EUR 59.6m (SNCI: EUR 47.6m; EIF: EUR 12m). Luxembourg Future Fund – Co-Investments sub-fund’s aggregate commitments amount to EUR 90m (SNCI: EUR 72m; EIF: EUR 18m).

The investment period of LFF was originally ending in April 2020, however, it was extended for one year until April 2021 to increase deployment levels. Furthermore, in June 2021 the LFF Board of Directors decided to start the legal process to further extend the LFF investment period by additional 18 months, until October 2022. The extended LFF investment period ended on 20 October 2022.

On the VC Fund of Funds sub-fund’s side, during the fiscal year which ended on 31 March 2024, no additional commitment took place. Overall commitment volumes across LFF fund of funds operations, amount to EUR 58.83m.

LUXEMBOURG FUTURE FUND

Board of Directors' report (continued) for the year ended March 31, 2024

On the Co-Investments sub-fund's side, during the fiscal year which ended on 31 March 2024, no additional commitment took place. Overall investment volumes across the LFF co-investments operations, including terminated investments, amount to EUR 67.37m.

Thus, as of 31 March 2024, LFF's financial assets consisted of the following investments:

VC Fund of Funds sub-fund:

- Fabric Ventures Fund 2021, Luxembourg: Blockchain, crypto technologies.
- GP Bullhound V, SCSp, Luxembourg: Generalist Growth Fund.
- Middlegame Ventures Fund I SCSp, Luxembourg: Early-Stage Fintech.
- Paladin European Cyber Fund SCSp-SIF, Luxembourg; Early-Stage Cyber Security

Co-Investments sub-fund:

- GP Bullhound Fund IV SCSp - Lendinvest: Publicly-listed Non-bank mortgage financing platform.
- OTB Fund Cooperatief U.A. - ICEYE Oy: new space company providing Earth observation solutions.
- Lakestar II LP - SolarisBank AG: Fintech company operating a banking-as-a-service platform.
- OTB Fund Cooperatief U.A. - ClearSpace: new space company developing orbit correction and space depollution solutions.
- Paladin European Cyber Fund – Cyberhedge: Provides cybersecurity risk assessment and insurance solutions.
- Prime Ventures IV – Pagantis: Fintech providing instalment payment solutions, exit process ongoing.
- RRE Leaders Fund - Spire Global: Publicly-listed new space company providing Earth observation solutions.
- Lakestar III LP - Crosslend GmbH: FinTech company providing a digital platform for end-to-end loan portfolio transactions.
- Telesystem – NorthStar: new space company developing space situational awareness solutions.

In 2022, Lendinvest listed on the London AIM stock exchange and Spire Global listed on the New York Stock Exchange. The shares of these companies are subsequently publicly traded, and their valuation is subject to daily market volatility. The LFF co-investment in Crosslend GmbH is in earn out status and thus no longer forms part of the active co-investments holdings of LFF. Furthermore, the distribution proceeds from the exit of the co-investment into Pagantis were received in 2024.

LUXEMBOURG FUTURE FUND

**Board of Directors' report (continued)
for the year ended March 31, 2024**

During the year ended 31 March 2024, LFF continued to strengthen the financial soundness of its portfolio and to contribute further to the development of the strategic Cybersecurity, FinTech and Space sectors among other ICT verticals.

The Board of Directors of LFF made the decision to recognize a full impairment on the valuation of the investment 2 of the LFF Co-Investments Sub-Fund as at 31 March 2024 considering the difficult operational and financial situation that the company is facing.

The Board of Directors

Luxembourg, 27 November 2024



Rémi Charrier
Class A Director



Carole Brückler
Class B Director



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To the Shareholders of
Luxembourg Future Fund S.A. SICAV-SIF
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Luxembourg Future Fund S.A. SICAV-SIF ("the Fund") and each of its sub-funds, which comprise the statement of net assets as at 31 March 2024 and the statement of operations and the statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Luxembourg Future Fund S.A. SICAV-SIF and each of its sub-funds as at 31 March 2024, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

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 "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund 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 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.



Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 of the Fund for the financial statements

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

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund’s and each of its sub-funds’ 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 of the Fund either intends to liquidate the Fund or any of its sub-fund 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 financial statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 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 financial statements.



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 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 Fund'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 of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's 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 Fund's or any of its sub-funds' 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 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 Fund or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

Luxembourg, 27 November 2024

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

V. Ehx
Partner

LUXEMBOURG FUTURE FUND

Statement of Net Assets
as at March 31, 2024

		VC Fund of Funds	Co-Investments	Combined
	Notes	EUR	EUR	EUR
ASSETS				
Financial assets				
Investments	3	75 562 090	64 668 638	140 230 728
Current assets				
Cash at bank		353 224	1 086 168	1 439 392
Prepaid expenses		5 564	5 564	11 128
Total assets		75 920 878	65 760 370	141 681 248
LIABILITIES				
Other creditors	8	61 339	84 040	145 379
Total liabilities		61 339	84 040	145 379
NET ASSETS		75 859 539	65 676 330	141 535 869

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

Statement of Net Assets
as at March 31, 2023

	Notes	VC Fund of Funds EUR	Co-Investments EUR	Combined EUR
ASSETS				
Financial assets				
Investments	3	69 409 237	79 903 096	149 312 333
Current assets				
Cash at bank		2 820 054	631 746	3 451 800
Prepaid expenses		5 564	5 564	11 128
Total assets		72 234 855	80 540 406	152 775 261
LIABILITIES				
Other creditors	8	51 256	74 046	125 302
Total liabilities		51 256	74 046	125 302
NET ASSETS		72 183 599	80 466 360	152 649 959

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

**Statement of Operations
for the year ended March 31, 2024**

	Notes	VC Fund of Funds EUR	Co-Investments EUR	Combined EUR
INCOME				
Other financial income	3	-	877 841	877 841
Total income		-	877 841	877 841
EXPENSES				
Advisory fees	9	(504 973)	(547 849)	(1 052 822)
Professional fees	10	(47 012)	(62 849)	(109 861)
Administration fees	11	(51 770)	(67 556)	(119 326)
Subscription tax	2.6	(7 136)	(7 285)	(14 421)
Other Expenses	12	(14 991)	(13 837)	(28 828)
Foreign exchange loss		(79)	-	(79)
Total expenses		(625 961)	(699 376)	(1 325 337)
Net variation of unrealised results:	3			
- from investments		3 719 926	(17 827 587)	(14 107 661)
- on foreign exchange		81 975	359 092	441 067
Net variation of unrealised results for the year		3 801 901	(17 468 495)	(13 666 594)
Results from operations		3 175 940	(17 290 030)	(14 114 090)

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

**Statement of Operations
for the year ended March 31, 2023**

	Notes	VC Fund of Funds EUR	Co-Investments EUR	Combined EUR
INCOME				
Other financial income		80 396	1 054 699	1 135 095
Foreign exchange gain		10 685	-	10 685
Total income		91 081	1 054 699	1 145 780
EXPENSES				
Advisory fees	9	(470 687)	(644 321)	(1 115 008)
Professional fees	10	(40 942)	(127 787)	(168 729)
Administration fees	11	(39 251)	(60 767)	(100 018)
Subscription tax	2.6	(9 124)	(9 689)	(18 813)
Other Expenses	12	(17 470)	(16 113)	(33 583)
Foreign exchange loss		-	(351 968)	(351 968)
Total expenses		(577 474)	(1 210 645)	(1 788 119)
Realised loss on investments		-	(5 202 206)	(5 202 206)
Net variation of unrealised results:	3			
- from investments		(8 212 846)	(4 297 751)	(12 510 597)
- on foreign exchange		242 878	(308 972)	(66 094)
Net variation of unrealised results for the year		(7 969 968)	(4 606 723)	(12 576 691)
Results from operations		(8 456 361)	(9 964 875)	(18 421 236)

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

**Statement of Changes in Net Assets
for the year ended March 31, 2024**

	Notes	VC Fund of Funds	Co-Investments	Combined
		EUR	EUR	EUR
Net assets at the beginning of 2023	4	67 939 960	80 931 235	148 871 195
Result from operations		(8 456 361)	(9 964 875)	(18 421 236)
Capital issued during the year		12 700 000	9 500 000	22 200 000
Net assets at the end of 2023		72 183 599	80 466 360	152 649 959
Result from operations		3 175 940	(17 290 030)	(14 114 090)
Capital issued/(redeemed) during the year		500 000	2 500 000	3 000 000
Net assets at the end of the year		75 859 539	65 676 330	141 535 869
	7	As at March 31, 2024 EUR	As at March 31, 2023 EUR	As at March 31, 2022 EUR
VC Fund of Funds				
<u>Net assets</u>		75 859 539	72 183 599	67 939 960
<u>Number of shares</u>				
Class A shares		11 487 786	11 254 415	8 664 053
Class CI shares		1	1	1
Class B shares		45 951 149	45 017 664	34 656 214
<u>Net asset value per share*</u>				
Class A shares		1.29	1.26	1.51
Class CI shares		1 593 917	1 536 326	2 461 966
Class B shares		1.29	1.26	1.51
Co-Investments				
<u>Net assets</u>		65 676 330	80 466 360	80 931 235
<u>Number of shares</u>				
Class A shares		16 008 615	15 508 615	13 608 615
Class CI shares		1	1	1
Class B shares		64 034 464	62 034 464	54 434 464
<u>Net asset value per share*</u>				
Class A shares		0.82	1.04	1.17
Class CI shares		0.82	1	1 032 585
Class B shares		0.82	1.04	1.17

* Calculated in accordance with the portfolio and distribution entitlements disclosed in note 7.

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

**Changes in the number of shares
for the year ended March 31, 2024**

	Number of shares at the beginning of the year	Number of shares issued	Number of shares redeemed	Number of shares at the end of the year
VC Fund of Funds				
Class A shares	11 254 415	620 000	(386 629)	11 487 786
Class CI shares	1	-	-	1
Class B shares	45 017 664	2 480 000	(1 546 515)	45 951 149
Co-Investments				
Class A shares	15 508 615	500 000	-	16 008 615
Class CI shares	1	-	-	1
Class B shares	62 034 464	2 000 000	-	64 034 464

The accompanying notes form an integral part of these financial statements.

LUXEMBOURG FUTURE FUND

Notes to the financial statements (continued) for the year ended March 31, 2024

Note 1 – General Information

1.1 The Fund

Luxembourg Future Fund, including all of its Sub-Funds, (the “Fund”) is an investment company organised under the laws of the Grand Duchy of Luxembourg in the form of a public limited company (a "société anonyme") qualifying as a société d'investissement à capital variable ("SICAV"). It is governed by the law of February 13, 2007 as amended relating to Specialised Investment Funds (the “SIF law”).

The Fund’s registered office is located at 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg.

The Fund was set up for an unlimited duration on April 20, 2015. The Articles of Incorporation were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on April 28, 2015 and were filed with the Chancery of the District Court. The Fund is registered in the Luxembourg Register of Commerce under number B 196 318.

The Fund is an umbrella structure consisting of two Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment policy applicable to that Sub-Fund.

The Fund incorporated three Sub-Funds:

- Luxembourg Future Fund – VC Fund of Funds
- Luxembourg Future Fund – Co-Investments
- Luxembourg Future Fund – Business Angels & Family Offices Co-Investments (liquidated on February 07, 2020)

The objective of the Fund and each of its Sub-Funds is to obtain a financial return while at the same time fostering the sustainable development and diversification of the Luxembourg economy by making investments (primarily of a (quasi-)equity nature) in target funds and final beneficiaries expected to have a high spill-over relevance for Luxembourg by meeting the spillover criteria. Investments by the Fund and any Sub-Fund shall be made on a strict commercial basis with risk-commensurate financial performance objectives.

The financial year of the Fund starts on April 1 of each year and ends on March 31 of the next year.

For the purpose of the Alternative Investment Fund Manager (“AIFM”) Directive, the Fund is registered with the Commission de Surveillance du Secteur Financier (“CSSF”) as an internally managed Alternative Investment Fund (“AIF”). Neither of the Sub-Funds will be leveraged and Investors in any Sub-Funds do not have redemption rights exercisable during a five-year period following the date of their initial investment in the relevant Sub-Fund.

LUXEMBOURG FUTURE FUND

Notes to the financial statements (continued) for the year ended March 31, 2024

Note 1 – General Information (continued)

1.2 Sub-Funds

As at March 31, 2024, three Sub-Funds had been incorporated:

Sub-Funds	Currency	Date of incorporation	Maturity
Luxembourg Future Fund - VC Fund of Funds	EUR	April 20, 2015	April 2032
Luxembourg Future Fund - Co-Investments	EUR	April 20, 2015	April 2025
Luxembourg Future Fund - Business Angels & Family Offices Co-Investments	EUR	April 20, 2015	February 2020 (Liquidated)

Investment policy of the Sub-Fund Luxembourg Future Fund – VC Fund of Funds

The Sub-Fund will seek to build a balanced portfolio of target funds so as to provide its investors with a risk commensurate return on investments while at the same time fostering the sustainable development and diversification of the Luxembourg economy by making investments in target funds expected to have a high spill-over relevance for Luxembourg by meeting the spillover criteria. Investments by the Sub-Fund shall be made on a commercial basis with risk-commensurate financial performance objectives.

The Sub-Fund is expected to make investments into early and growth stage target funds engaging or contributing actively to the Luxembourg venture capital ecosystem.

The Sub-Fund will seek to build a balanced portfolio of three to six target funds targeting early to growth stage innovating technology companies. The targeted target funds will be managed by established management teams (and to a lesser extent emerging management teams) which are preferably located/domiciled in Luxembourg and include Luxembourg in their investment focus. The target funds and target funds managers will also be expected to engage actively in the Luxembourg venture capital ecosystem. Venture capital inherent investment risks will be mitigated through sound diversification (sector, stage, geography, number of target funds and underlying portfolio companies) which although having an impact on the upside is expected to provide a sound financial contribution to the Sub-Fund.

Investment policy of the Sub-Fund Luxembourg Future Fund – Co-Investments

The Sub-Fund will seek to provide its investors with a risk commensurate return on investments with a focus on co-investments alongside co-investors in final beneficiaries while at the same time fostering the sustainable development and diversification of the Luxembourg economy by making investments in final beneficiaries expected to have a high spillover relevance for Luxembourg by meeting the spillover criteria. Investments by the Sub-Fund shall be made on a commercial basis with risk-commensurate financial performance objectives.

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 1 – General Information (continued)

1.2 Sub-Funds (continued)

The Sub-Fund's investment strategy is focused on investments in final beneficiaries with outstanding financial performance prospects. Investments in final beneficiaries will be made alongside co-investors. The Sub-Fund is expected to have a well-diversified portfolio of around 9 co-investments. Co-investors will have the power to decide to proceed with an exit or disposal of a final beneficiary for the account of the Sub-Fund.

Note 2 – Basis of Preparation

The financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements ("Luxembourg GAAP"). The preparation of the financial statements requires the Board of Directors to make estimates and assumptions that affect certain amounts reported in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates and the difference could be material. The financial statements have been prepared on a going concern basis and assumes that the Fund will keep its activities for at least twelve-month period from the reporting date.

2.1 Valuation of financial assets

Financial assets (hereafter referred to as "Investments") are accounted for at fair value as determined in good faith by the Board of Directors. The acquisition date of investments is based on the date where the subscription agreement is signed.

Direct Investments in Private Equity:

In the valuation of private equity investments (such as equity, subordinated debt and other types of mezzanine finance) the Board of Directors takes into account recognised valuation methods such as those foreseen by the International Private Equity and Venture Capital Valuation Guidelines, as published by Invest Europe.

Investments in Funds:

Investments in target funds are valued at their latest official and available net asset value, as reported by such funds or their agents, or at their last unofficial net asset value if more recent than their last official net asset value. The official or unofficial net asset value may be adjusted for subsequent capital calls and distributions where appropriate. The Board of Directors will adjust the net asset value or other valuation provided where the Board of Directors considers such net asset value or other valuation information does not accurately reflect the fair value of the Fund's interest in such investment fund.

Investments in listed securities:

The value of assets, which are listed or dealt in on any stock exchange, is based on the available price on the stock exchange, which is normally the principal market for such assets.

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 2 – Basis of Preparation (continued)

2.2 Net realised profit/(loss) on sales of investments.

The net gain/(loss) on sales of investments is determined on the basis of the average cost of the investments sold.

2.3 Foreign Currency Translation

The combined financial statements of the Fund are established in Euro (“EUR”). The combined financial statements are the sum of the Sub-Fund’s net assets. The reference currency of each Sub-Fund is EUR.

Income and expenses expressed in currencies other than EUR are translated into EUR at the rate prevailing on the date of transaction.

All assets and liabilities denominated in currencies other than the EUR are translated into EUR at the exchange rate prevailing at the statement of net assets date.

Realised and unrealised exchange gains and losses are recognised in the statement of operations.

2.4 Interest income and dividend income

Interest income is recognised on a time-proportionate basis and includes interest income from cash accounts and time deposits.

Dividend income is recognised when the right to receive payment is established.

2.5 Formation expenses

Formation expenses are expenses related to the set-up of the Fund and its Sub-Funds and are amortised on a straight-line basis over a period of 5 years. Formation expenses were fully amortised by March 31, 2021.

2.6 Taxation

The Fund is subject to an annual subscription tax (“taxe d’abonnement”), which is payable quarterly and is calculated on the aggregate net asset value (“NAV”) of the Fund as valued on the last day of each quarter. As the Fund is a specialised investment company, regulated under the Law of February 13, 2007 (as amended by the law of March 26, 2012), the applicable rate for the subscription tax is 0.01%.

No subscription tax is payable on the value of the assets represented by units or shares held in other Luxembourg investment companies to the extent that such investment companies have already been subject to the annual subscription tax.

Under current legislation in force, the Fund is not liable to any Luxembourg income or capital gains tax, nor are dividends paid by it subject to any Luxembourg withholding tax.

Notes to the financial statements (continued)

for the year ended March 31, 2024

Note 3 – Investments

The Fund's financial assets as of March 31, 2024 are as follows:

Name	CCY	Cost (in CCY)	Cost (in EUR)	Fair Value (in EUR)	Unrealised gain/(loss) (in EUR)
VC Fund of Funds					
Investment 1	USD	14 790 226	13 103 098	30 578 286	⁽¹⁾ 17 475 188
Investment 2	EUR	18 133 249	18 133 249	23 450 223	** 5 316 974
Investment 3	EUR	13 236 741	13 236 741	12 809 067	** (427 674)
Investment 4	EUR	7 346 405	7 346 405	8 724 514	** 1 378 109
Total			51 819 493	75 562 090	23 742 597
Co-Investments					
Investment 1 ⁽⁷⁾	EUR	-	-	-	-
Investment 2	EUR	4 298 444	4 298 444	-	** (4 298 444)
Investment 3	USD	17 499 995	15 053 524	6 879 604	⁽²⁾ (8 173 920)
Investment 4	EUR	2 312 953	2 312 953	3 715 745	** 1 402 792
Investment 5	EUR	9 974 225	9 974 225	14 022 891	** 4 048 666
Investment 6	GBP	4 384 042	4 923 512	870 694	⁽³⁾ (4 052 818)
Investment 7	USD	11 999 995	10 755 575	22 807 156	⁽⁴⁾ 12 051 581
Investment 8 ^{***}	CAD	23 633 017	16 338 600	16 107 555	⁽⁵⁾ (231 045)
Investment 9	EUR	4 999 999	4 999 999	264 993	⁽⁶⁾ (4 735 006)
Total			68 656 832	64 668 638	(3 988 194)
Total			120 476 325	140 230 728	19 754 403

(1) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 577 621 and an unrealised gain on fair value EUR 16 897 567 since inception.

(2) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 1 133 689 and an unrealised loss on fair value EUR 9 307 609 since inception.

(3) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 203 423 and an unrealised loss on fair value EUR 4 256 241 since inception.

(4) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 344 226 and an unrealised gain on fair value EUR 11 707 355 since inception.

(5) Unrealised gain/(loss) is entirely composed of an unrealised foreign exchange loss of EUR 231 045.

(6) Unrealised gain/(loss) is entirely composed of an unrealised loss on fair value EUR 4 735 006 since inception.

(7) The investment has been exited and it therefore has been removed from the portfolio.

** Unrealised gain / (loss) is entirely composed of an unrealised gain / (loss) on fair value.

*** The cost for investment 8 includes EUR 877 841 of accrued interest which were capitalised as at 31 March 2024. Capitalised interest in the financial year are included under "Other financial income" in the Statement of Operations.

LUXEMBOURG-FUTURE FUND

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 3 – Investments (continued)

The Fund's financial assets as of March 31, 2023 are as follows:

Name	CCY	Cost (in CCY)	Cost (in EUR)	Fair Value (in EUR)	Unrealised gain/(loss) (in EUR)
VC Fund of Funds					
Investment 1	USD	14 627 307	12 954 751	25 857 856	⁽¹⁾ 12 903 105
Investment 2	EUR	17 136 579	17 136 579	25 028 864	** 7 892 285
Investment 3	EUR	12 951 939	12 951 938	10 991 911	(1 960 027)
Investment 4	EUR	6 425 273	6 425 273	7 530 606	** 1 105 333
Total			49 468 541	69 409 237	19 940 696
Co-Investments					
Investment 1 ⁽⁶⁾	EUR	-	-	-	-
Investment 2	EUR	4 298 444	4 298 444	16 241 304	** 11 942 860
Investment 3	USD	17 499 995	15 053 524	3 045 689	⁽²⁾ (12 007 835)
Investment 4	EUR	2 312 952	2 312 952	4 273 767	** 1 960 815
Investment 5	EUR	9 974 225	9 974 225	14 034 868	** 4 060 643
Investment 6	GBP	4 384 042	4 923 512	2 966 022	⁽³⁾ (1 957 490)
Investment 7	USD	11 999 995	10 755 575	20 525 898	⁽⁴⁾ 9 770 323
Investment 8 ^{***}	CAD	20 359 974	14 104 564	13 815 549	⁽⁵⁾ (289 015)
Investment 9	EUR	4 999 999	4 999 999	4 999 999	-
Total			66 422 795	79 903 096	13 480 301
Total			115 891 336	149 312 333	33 420 997

(1) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 495 646 and an unrealised gain on fair value EUR 12 407 459 since inception.

(2) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 1 038 426 and an unrealised loss on fair value EUR 13 046 261 since inception.

(3) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 62 887 and an unrealised loss on fair value EUR 2 020 377 since inception.

(4) Unrealised gain/(loss) is composed of an unrealised foreign exchange gain EUR 278 903 and an unrealised gain on fair value EUR 9 491 420 since inception.

(5) Unrealised gain/(loss) is entirely composed of an unrealised exchange loss of EUR 289 015.

(6) The investment has been exited and it therefore has been removed from the portfolio. The realised loss from this investment has been booked in the Statement of Operations as at March 31, 2023 under the caption "Realised loss on investments".

** Unrealised gain / (loss) is entirely composed of an unrealised gain on fair value.

*** The cost for investment 8 includes EUR 192 995 of accrued interest which were capitalised as at 31 March 2023. Capitalised interest in the financial year are included under "Other financial income" in the Statement of Operations.

Notes to the financial statements (continued)

for the year ended March 31, 2024

Note 3 – Investments (continued)

The Fund's commitments and co-investments as at March 31, 2024 are as follows:

Name	CCY	Commitment (in CCY)	Drawn amount (in CCY)	Undrawn commitment (in CCY)
VC Fund of Funds				
Investment 1	USD	15 000 000	14 790 226	209 774
Investment 2	EUR	19 956 680	19 201 968	754 712
Investment 3	EUR	15 000 000	13 236 741	1 763 259
Investment 4	EUR	10 000 000	7 346 405	2 653 595
Co-Investments				
Investment 1	EUR	-	-	-
Investment 2	EUR	4 298 444	4 298 444	-
Investment 3	USD	17 499 995	17 499 995	-
Investment 4	EUR	2 312 953	2 312 953	-
Investment 5	EUR	9 974 225	9 974 225	-
Investment 6	GBP	4 384 042	4 384 042	-
Investment 7	USD	11 999 995	11 999 995	-
Investment 8	CAD	23 633 017	23 633 017	-
Investment 9	EUR	4 999 999	4 999 999	-

Notes to the financial statements (continued)

for the year ended March 31, 2024

Note 3 – Investments (continued)

The Fund's commitments and co-investments as at March 31, 2023 are as follows:

Name	CCY	Commitment (in CCY)	Drawn amount (in CCY)	Undrawn commitment (in CCY)
VC Fund of Funds				
Investment 1	USD	15 000 000	14 627 307	372 693
Investment 2	EUR	19 956 680	18 205 299	1 751 381
Investment 3	EUR	15 000 000	12 951 939	2 048 061
Investment 4	EUR	10 000 000	6 425 275	3 574 725
Co-Investments				
Investment 1	EUR		-	
Investment 2	EUR		4 298 444	
Investment 3	USD		17 499 995	
Investment 4	EUR		2 312 953	
Investment 5	EUR		9 974 225	
Investment 6	GBP		4 384 042	
Investment 7	USD		11 999 995	
Investment 8	CAD		20 359 974	
Investment 9	EUR		4 999 999	

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 4 – Share capital

The capital of the Fund is represented by fully paid shares with no par value and may be represented by different classes within each Sub-Fund.

Within a Sub-fund, the Board of Directors may, at any time and upon advice from the European Investment Fund, decide to issue one more classes of shares provided that the Fund may issue in each Sub-fund one or more CI Shares which are reserved for subscription by the European Investment Fund. Redeemable shares are exclusively reserved for subscription by well-informed investor within the meaning of article 2 of the SIF Law (Well-Informed Investors).

The capital of the Fund is at all times equal to the value of its net assets. The Fund was incorporated with an initial capital of EUR 52 500. The share capital of the Fund must reach at least EUR 1 250 000 within a period of 12 months following its authorisation by the CSSF.

Within each Sub-Fund, the Board of Directors may decide to issue one or more Classes of shares which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class.

The Fund issued two types of shares which are available in each Sub-Fund:

- Ordinary shares are reserved to eligible investors and entitle their holders to the Preferred Return in the waterfall.
- CI shares are reserved for subscription and holding by European Investment Fund (“EIF”), limited to one share in each Sub-Fund but give their holders the right to receive the Carried Interest, in accordance with the “Distributions and Waterfall” section of the Private Placement Memorandum of the Fund.

Luxembourg Future Fund – VC Fund of Funds

As at March 31, 2023 investors subscribed 11 364 053 Class A Ordinary shares for EUR 11 364 053, 1 Class C1 share for EUR 1 and 45 456 214 Class B Ordinary shares for EUR 45 456 214. Investors redeemed 109 638 Class A Ordinary Shares for EUR 160 000 and 438 550 Class B Ordinary Shares for EUR 640 000.

During the year, 620 000 Class A Ordinary shares for EUR 620 000 and 2 480 000 Class B Ordinary shares for EUR 2 480 000 have been issued, and 386 629 Class A Ordinary Shares for EUR 520 000 and 1 546 515 Class B Ordinary Shares for EUR 2 080 000 had been distributed.

As at March 31, 2024 investors subscribed 11 984 053 Class A Ordinary shares for EUR 11 984 053, 1 Class C1 share for EUR 1 and 47 936 214 Class B Ordinary shares for EUR 47 936 214. Investors redeemed 496 267 Class A Ordinary Shares for EUR 680 000 and 1 985 065 Class B Ordinary Shares for EUR 2 720 000.

Luxembourg Future Fund – Co-Investments

As at March 31, 2023 investors subscribed 15 508 615 Class A Ordinary Shares for EUR 15 508 615, 1 Class C1 share for EUR 1 and 62 034 464 Class B Ordinary Shares for EUR 62 034 464.

During the year, 500 000 Class A Ordinary shares for EUR 500 000 and 200 000 Class B Ordinary shares for EUR 2 000 000 have been issued.

LUXEMBOURG FUTURE FUND

**Notes to the financial statements (continued)
for the year ended March 31, 2024**

Note 4 – Share capital (continued)

Luxembourg Future Fund – Co-Investments (continued)

As at March 31, 2024 investors subscribed 16 008 615 Class A Ordinary Shares for EUR 16 008 615, 1 Class C1 share for EUR 1 and 64 034 464 Class B Ordinary Shares for EUR 64 034 464.

Note 5 – Determination of Net Asset Value

The Net Asset Value (“NAV”) per share is calculated on a quarterly basis by dividing the NAV of each Class of Shares of each Sub-Fund by the total number of shares in the relevant Class of Shares.

Note 6 – Investor commitments

As at March 31, 2024 the investors’ commitments are as follows:

Luxembourg Future Fund – VC Fund of Funds

	Total Commitment	Drawn Commitment	Outstanding Commitment
Class A Ordinary shares	11 923 299	11 984 053	619 246*
Class B Ordinary shares	47 693 200	47 936 214	2 476 986*
Class CI shares	1	1	-

*Outstanding commitment includes recallable distribution, Class A Ordinary Shares for EUR 680 000 and Class B Ordinary Shares for EUR 2 720 000.

Luxembourg Future Fund – Co-Investments

	Total Commitment	Drawn Commitment	Outstanding Commitment
Class A Ordinary shares	17 999 999	16 008 615	1 991 384
Class B Ordinary shares	72 000 000	64 034 464	7 965 536
Class CI shares	1	1	-

As at March 31, 2023 the investors’ commitments are as follows:

Luxembourg Future Fund – VC Fund of Funds

	Total Commitment	Drawn Commitment	Outstanding Commitment
Class A Ordinary shares	11 923 299	11 364 053	719 246*
Class B Ordinary shares	47 693 200	45 456 214	2 876 986*
Class CI shares	1	1	-

*Outstanding commitment includes recallable distribution, Class A Ordinary Shares for EUR 160 000 and Class B Ordinary Shares for EUR 640 000.

Luxembourg Future Fund – Co-Investments

	Total Commitment	Drawn Commitment	Outstanding Commitment
Class A Ordinary shares	17 999 999	15 508 615	2 491 384
Class B Ordinary shares	72 000 000	62 034 464	9 965 536
Class CI shares	1	1	-

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 7 – Distributions and Carried Interest

All Net Distributable Cash will, unless recycled, be distributed to Investors pro rata semi-annually as soon as reasonably practicable after the issue of each semi-annual Investor Report provided that:

- (a) the Board may, upon advice from the EIF, make more frequent distributions of Net Distributable Cash when appropriate;
- (b) no distribution will in principle be made if the Net Distributable Cash amount is de minimis (e.g., below EUR 100 000) but the Board reserves the right to distribute Net Distributable Cash notwithstanding that such threshold is not met.

Distributions of Net Distributable Cash will be made in accordance with the following waterfall:

- (a) Firstly, 100% pro-rata to the holders of Ordinary Shares and EIF CI Share in proportion to their Commitments until each such holder will have received distributions equal to its Commitment;
- (b) Secondly, 100% to the holders of Ordinary Shares in proportion to their Commitments until each such holder will have received distributions under this item (b) equal to 5% per annum compound interest calculated annually (the Preferred Return) on the Contributions at any time outstanding, from the date of payment of the same up to the date of reimbursement upon distributions;
- (c) Thirdly (Catch Up), 100% to the holder of EIF CI Share until it has received in aggregate an amount equal to 11.111% of the aggregate amounts distributed under item (b) above; and
- (d) Fourthly, 90% to the holders of Ordinary Shares and 10% to the holder of the EIF CI Share.

The Catch Up and the 10% payment under item (d) to the EIF CI Share holder represent the Carried Interest. For the avoidance of doubt, the Commitment as referred to in item (a) above is the Commitment of each Investor as such Commitment may be adjusted or re-allocated.

According to this waterfall, no Carried Interest has been paid on distributions during the year. As at March 31, 2024, the Class CI shares would be entitled to the following carried interest: EUR Nil (Co-Investments) and EUR 1 593 917 (VC Fund of Funds).

Following the distribution mechanism described above, the liquidation results would follow the allocation below if the funds were liquidated as of March 31, 2024:

- Class A Shares: EUR 13 135 265 or EUR 0.82 Net Asset Value per share (Co-Investments), EUR 14 853 124 or EUR 1.29 Net Asset Value per share (VC Fund of Funds);
- Class B Shares: EUR 52 541 065 or EUR 0.82 Net Asset Value per share (Co-Investments), EUR 59 412 498 or EUR 1.29 Net Asset Value per share (VC Fund of Funds).

LUXEMBOURG FUTURE FUND

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 8 – Other creditors

As at March 31, 2024, other creditors are composed as follows:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Professional fees	43 636	58 118	101 754
Administration fees	13 990	22 042	36 032
Subscription tax	1 787	1 859	3 646
Other fees	1 926	2 021	3 947
Total	61 339	84 040	145 379

As at March 31, 2023, other creditors are composed as follows:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Professional fees	36 841	45 416	82 257
Administration fees	10 733	24 211	34 944
Subscription tax	1 861	2 091	3 952
Other fees	1 821	2 328	4 149
Total	51 256	74 046	125 302

Note 9 – Advisory fees

The European Investment Fund (“the Advisor”) is entitled to receive an annual advisory fee from each Sub-Fund (the “Advisory fee”) determined as follows:

- (a) 0.72% of the aggregate Sub-Fund commitments during the investment period;
- (b) Thereafter, in respect of each Sub-Fund, 0.72% of the invested capital of the relevant Sub-Fund where invested capital will include any amounts committed by the Sub-Fund to investments or reserved in respect of investments that are approved for investment and will be reduced by the amounts committed by the Sub-Fund to investments which are (i) fully liquidated or closed or (ii) sold (in whole or in part).

The Advisory fee rate will be adjusted annually following the evolution of the monetary union index of consumer prices.

The Advisory fee will accrue quarterly as from the first closing date of each Sub-Fund and separately in respect of each Sub-Fund based on each Sub-Fund’s aggregate Sub-Fund commitments and invested capital. The Advisory fee will be paid quarterly in advance.

For the year ended March 31, 2024, the total Advisory fees of the Fund amounted to EUR 1 052 822 (2023: EUR 1 115 008).

LUXEMBOURG FUTURE FUND

Notes to the financial statements (continued)
for the year ended March 31, 2024

Note 10 – Professional fees

During the year ended March 31, 2024, professional fees included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Legal fees	-	-	-
Audit fees	25 330	29 029	54 359
Tax Consulting fees	12 155	18 233	30 388
Other professional fees	9 527	15 587	25 114
Total	47 012	62 849	109 861

During the year ended March 31, 2023, professional fees included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Legal fees	4 652	87 644	92 296
Audit fees	30 237	29 335	59 572
Tax Consulting fees	-	1 810	1 810
Other professional fees	6 053	8 998	15 051
Total	40 942	127 787	168 729

Note 11 – Administration fees

During the year ended March 31, 2024, administration fees included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Administrative fees	38 003	51 324	89 327
Custody fees	8 019	10 484	18 503
Register fees	5 748	5 748	11 496
Total	51 770	67 556	119 326

During the year ended March 31, 2023, administration fees included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Administrative fees	29 248	45 432	74 680
Custody fees	6 903	11 579	18 482
Register fees	3 100	3 756	6 856
Total	39 251	60 767	100 018

LUXEMBOURG FUTURE FUND

**Notes to the financial statements (continued)
for the year ended March 31, 2024**

Note 12 – Other expenses

During the year ended March 31, 2024, other expenses included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Insurance fees	8 380	8 380	16 760
CSSF fees	4 625	4 625	9 250
Other fees	1 986	832	2 818
Total	14 991	13 837	28 828

During the year ended March 31, 2023, other expenses included the following:

	VC Fund of Funds	Co- Investments	Combined
	EUR	EUR	EUR
Insurance fees	8 379	8 380	16 759
CSSF fees	4 456	4 456	8 912
Other fees	4 635	3 277	7 912
Total	17 470	16 113	33 583

Note 13 – Remuneration of Board members

During the year ended March 31, 2024, the Board members did not receive any remuneration, nor did they in the year ended March 31, 2023.

Note 14 – Subsequent events

Subsequent to year end, for Luxembourg Future Fund – VC Fund of Funds, a call for EUR 500 000 occurred on May 10, 2024, and a call for EUR 1 000 000 occurred on August 12, 2024.

For Luxembourg Future Fund – Co Investments, a distribution for EUR 13 500 000 occurred on July 31, 2024.

As noted in Note 1.2, the Luxembourg Future Fund – Co Investments Sub-Fund is due to mature in April 2025. An extension to the Sub-Fund beyond that date is currently under consideration.