

# **Luxembourg Future Fund 2 ("LFF 2")**

## **Financial Report of the Facility and Report of the Manager**

**As at 31 December 2024 and for the period  
from 24 February 2023 (date of the  
Agreement) to 31 December 2024**

The financial report of LFF 2 as at 31 December 2024 has been audited by KPMG Audit S.à r.l., as Réviseur d'Entreprises Agréé, 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") and the Institut des Réviseurs d'Entreprises ("IRE").

Since the audit report is prepared in accordance with the ISA 800, it is subject to restrictions in its use and distribution to the intended users for whom the financial report is prepared (EIF and SNCI) and should not be used by or distributed to any other party. The audit opinion for the period from 24 February 2023 (date of the Agreement) to 31 December 2024 is unqualified.

## **Luxembourg Future Fund 2 (“LFF 2”)**

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# Luxembourg Future Fund 2 (“LFF 2”)

## Management and Administration

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<b>Fiduciary Manager</b>	European Investment Fund (“EIF”) 37B, avenue J.F. Kennedy L-2968 Luxembourg
<b>Registered office</b>	European Investment Fund (“EIF”) 37B, avenue J.F. Kennedy L-2968 Luxembourg
<b>Investment Committee*</b>	Vincent Thurmes Geneviève Schlink Carole Brückler Uli Grabenwarter Jacques Darcy (until 25 June 2025) Rémi Charrier (from 25 June 2025)
<b>Technical Evaluation Committee*</b>	Eva Kremer Marc Niederkorn (until 10 October 2023) Marco Goeler (from 10 October 2023 until 20 June 2024) Guilhem Davezac (from 20 June 2024) Mario Grotz (until 1 March 2025) Michèle Bley (from 1 March 2025) Pablo Millán Cantero (until 24 June 2025) Ghislain Terrier (from 24 June 2025) Patric Gresko
<b>Bank</b>	Banque et Caisse d’Épargne de l’État 1-2, Place de Metz L-1930 Luxembourg
<b>Réviseur d’Entreprises Agréé</b>	KPMG Audit S.à r.l. 39, Avenue John F. Kennedy L-1855 Luxembourg

\*Unless otherwise stated, each member of Investment Committee was appointed on 11 July 2023 and each member of the Technical Evaluation Committee on 10 July 2023.

# Luxembourg Future Fund 2 (“LFF 2”)

## Report of the Manager

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The Luxembourg Future Fund 2 was launched on 24 February 2023 as a Fiduciary Agreement entered in between the Société Nationale de Crédit et d’Investissement (SNCI) and the European Investment Fund (EIF).

A successor to the Luxembourg Future Fund SICAV SIF mandate focusing on early stage, growth and mezzanine investments with a pre-defined Luxembourg angle (Luxembourg Economic Substance Criteria).

LFF 2 investments operations take place in the form of primary fund commitments as well as co-investments (via SPVs). LFF 2 is a virtual structure with a mandate bank account.

The investment period of LFF 2 corresponds to the period starting on the Effective Date and ending on the fifth anniversary of the Effective Date, being 24 February 2028, provided that EIF shall have the right to extend such period with the prior approval of the LFF 2 Investment Committee.

On the primary fund investments side, between the launch of LFF 2 and 31 December 2024, six commitments took place and five were signed. Overall signed volumes across LFF 2 fund of funds operations, amount to EUR 34m.

On the Co-Investments side, between the launch of LFF 2 and 31 December 2024, three signatures took place. Overall investment volumes across the LFF co-investments operations amount to EUR 23.6m.

Thus, as of 31 December 2024, LFF 2’s financial assets consisted of the following investments:

### Fund investments side:

- **GP Bullhound Fund VI SLP**
- **M80 Fund II CommV PLC**
- **MiddleGame Ventures Series A Fund II SCSp**
- **Shift4Good Fund I SLP**
- **Vives Inter-University Fund PLC**

### Co-Investments side:

- **Teraki Sàrl** via a special purpose vehicle alongside VC Fund Shift4Good Fund
- **Hydrosat Inc.** via a special purpose vehicle alongside OTB Fund Cooperatief U.A.
- **Lyten Inc.** via a special purpose vehicle alongside US VC fund Prime Movers Labs

LFF 2, with the support of other key actors of the Luxembourg innovation ecosystem, supported the sustainable diversification and development of the Luxembourg economy throughout 2023 and 2024 by bringing innovative activities to Luxembourg in line with the country’s strategic development priorities.

Following the year end 31 December 2024, the investor paid in EUR 11m in capital under the existing commitment to LFF 2, which was used to fund further investments and cover expenses.

**8 July 2025**

# Luxembourg Future Fund 2 (“LFF 2”)

## Investor’s Cash Operations Report

**For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

(Expressed in Euros)

Luxembourg Future Fund 2 - Investor's Cash Operations Report as at 31 December 2024 (in EUR)	
	<b>Cumulated: From 24.02.2023 to 31.12.2024</b>
	<b>EUR</b>
<b><u>OPENING CASH BALANCE</u></b>	-
<b><u>COMMITMENT</u></b>	
Contributions by the investor	35 100 000
Distributions to the investor	-
<b>TOTAL COMMITMENT</b>	35 100 000
<b><u>EXPENSES AND FEE</u></b>	
Set-up costs	-
Central administration costs	-
Bank fees	( 76)
Tax advisory costs	-
Legal advisory costs	( 19 755)
Audit fees	-
Management fee to the EIF	(2 518 795)
<b>TOTAL EXPENSES AND FEE</b>	(2 538 626)
<b><u>INVESTMENTS</u></b>	
Investments into underlying funds / Co-Investments	(31 710 457)
Investment returns	8 733
<b>TOTAL INVESTMENTS</b>	(31 701 724)
<b><u>INTEREST AND TREASURY INVESTMENTS</u></b>	
Treasury investments (Term deposits in/out and interest)	-
Interest earned on the Investor's Dedicated Bank Account	42 251
<b>TOTAL INTEREST AND TREASURY INVESTMENTS</b>	42 251
<b><u>CLOSING CASH BALANCE</u></b>	901 901

The accompanying notes form an integral part of the financial report.

## Luxembourg Future Fund 2 (“LFF 2”)

### Investor’s valuation report

**As at 31 December 2024**

(Expressed in Euros)

<b>Luxembourg Future Fund 2 - Investor's valuation report as at 31 December 2024 (in EUR)</b>	
Investment at cost at inception	-
Disbursements	31,710,457
Capital Repayments	-
Terminated deals	-
<b>Investment at cost as at 31 December 2024</b>	<b>31,710,457</b>
Value adjustment at inception	-
Terminated deals	-
Adjustment of the period	(1,267,254)
<b>Value adjustment as at 31 December 2024</b>	<b>(1,267,254)</b>
<b>Fair Value as at 31 December 2024</b>	<b>30,443,203</b>

The accompanying notes form an integral part of the financial report.

# **Luxembourg Future Fund 2 (“LFF 2”)**

## **Notes to the financial report**

### **For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

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#### **Note 1 – Basis of preparation**

##### ***1. General information***

LFF 2 is a virtual structure managed by EIF as fiduciary for the benefit and at the risk of SNCI under the terms of the Mandate Agreement dated 24 February 2023. LFF 2 is set up as successor to the LFF mandate, a fund incorporated in the form of a public limited company (a "société anonyme") qualifying as a société d'investissement à capital variable ("SICAV") and governed by the law of February 13, 2007 as amended relating to Specialised Investment Funds (the “SIF law”). LFF 2 investments operations will take the form of primary fund investments as well as co-investments (via holding companies or special purpose vehicles). The LFF 2 investment strategy also encompasses private equity and hybrid debt-equity strategies in addition to venture capital. Investments will focus on innovative companies across green energy technologies, general information and communication technologies, new space technologies, health-tech medical technologies as well as financial technologies.

##### ***2. Allocation key***

The Investor’s cash operations report and the Investor’s valuation report present data at the level of Luxembourg Future Fund 2 (“the Facility”), in which the Société Nationale de Crédit et d’Investissement (“SNCI”) is the sole investor and therefore do not include amounts co-invested by EIF alongside the Facility.

##### ***3. Accounting principle relating to the preparation of the Investor’s cash operations report***

The Investor’s cash operations report was prepared on a cash basis whereby transactions incurred in Luxembourg Future Fund 2 are amounts actually received and disbursed.

##### ***4. Accounting principle relating to the preparation of the Investor’s valuation report***

The Investor’s valuation report presents the transactions that occurred during the period. The captions “Disbursements, Capital Repayments and Terminated deals” represent cash amounts received or disbursed during the period.

The investment portfolio is measured initially at cost. Any capital repayments and disbursements were reflected to adjust the cost of the portfolio as defined in the Luxembourg Future Fund 2 Agreement, dated 24 February 2023. The caption “Adjustment of the period” represents the change in fair value.

The investments are accounted for at fair value derived from Luxembourg GAAP, as determined in good faith by the EIF, acting on behalf of the Facility, and as further described below.

#### ***Direct Investments in Private Equity:***

In the valuation of private equity investments (such as equity, subordinated debt and other types of mezzanine finance) the EIF, acting on behalf of the Facility, 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.

## **Luxembourg Future Fund 2 (“LFF 2”)**

### **Notes to the financial report (continued)**

**For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

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#### **Note 1 – Basis of preparation (continued)**

##### ***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 EIF, acting on behalf of the Facility, will adjust the net asset value or other valuation provided where the EIF considers such net asset value or other valuation information does not accurately reflect the fair value of the Facility's interest in such investment fund.



## Luxembourg Future Fund 2 (“LFF 2”)

### Notes to the financial report (continued)

**For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

#### Note 2 – Detailed portfolio

As at 31 December 2024, the portfolio is composed of the following investments:

**Luxembourg Future Fund 2 - participation in portfolio as at 31 December 2024 (in EUR)**

Investment	Vintage Year	Fund currency	Signature Date	Fund Size	Committed	Signed	Interest Held	Drawdowns	% of Commitment	Distributions	of which Recallable	Last Valuation Date	Fair Value	TVPI	Net IRR
Investment 1	2024	EUR	26/07/2024	268,026,007	10,000,000	10,000,000	3.73%	4,976,425	49.76%	-	-	31/12/2024	5,086,158	1.02x	7.27%
Investment 2	2024	EUR	03/05/2024	15,000,000	14,850,000	14,850,000	99.00%	14,850,000	100.00%	-	-	31/12/2024	14,355,000	0.97x	-5.37%
Investment 3	2024	EUR	29/01/2024	160,617,703	8,000,000	8,000,000	4.98%	1,387,347	17.34%	-	-	31/12/2024	1,186,254	0.86x	-24.15%
Investment 4	2024	EUR	24/04/2024	60,026,000	8,000,000	6,000,000	10.00%	1,393,351	17.42%	-	-	31/12/2024	1,291,128	0.93x	-19.29%
Investment 5	2024	EUR	27/08/2024	6,530,000	6,464,700	6,464,700	99.00%	3,336,300	51.61%	-	-	31/12/2024	3,316,748	0.99x	-2.23%
Investment 6	2024	EUR	19/12/2024	2,350,000	2,326,500	2,326,500	99.00%	2,326,500	100.00%	-	-	31/12/2024	2,281,789	0.98x	-44.58%
Investment 7	2024	EUR	31/07/2024	219,467,600	5,000,000	5,000,000	2.28%	1,690,534	33.81%	-	-	31/12/2024	1,485,709	0.88x	-28.67%
Investment 8	2024	EUR	26/06/2024	75,506,300	5,000,000	5,000,000	6.62%	1,750,000	35.00%	-	-	31/12/2024	1,440,417	0.82x	-37.39%
<b>Total</b>				<b>807,523,610</b>	<b>59,641,200</b>	<b>57,641,200</b>		<b>31,710,457</b>		-	-		<b>30,443,203</b>		

## Luxembourg Future Fund 2 (“LFF 2”)

### Notes to the financial report (continued)

For the period from 24 February 2023 (date of the Agreement) to 31 December 2024

#### Note 3 – Capital account

As at 31 December 2024, the capital account of Luxembourg Future Fund 2 is composed as follows:

Luxembourg Future Fund 2 - Capital Account as at 31 December 2024 (in EUR)									
Investor	Commitment	Cumulative Contributions from the Investor	Cumulative Distributions to the Investor	Cumulative realised portfolio gains/losses	Cumulative unrealised portfolio gains/losses	Cumulative income and expenses other than portfolio gains/losses (*)	Capital Account Fair Value	Recallable Distributions	Outstanding Contributions
SNCI	160,000,000	35,100,000	-	-	(1,267,254)	(2,487,642)	31,345,104	-	124,900,000
<b>Total</b>	<b>160,000,000</b>	<b>35,100,000</b>	<b>-</b>	<b>-</b>	<b>(1,267,254)</b>	<b>(2,487,642)</b>	<b>31,345,104</b>	<b>-</b>	<b>124,900,000</b>

\* “Cumulative operating income and expenses other than portfolio gains/losses” refers to expenses and fees or other incomes (e.g. equalisation fees) linked to the Facility and is calculated by deducting the Cumulative Contributions from the investor, net of Cumulative Distributions to the investor, and the cumulative realised/unrealised portfolio gains/losses from the Capital Account at Fair Value.

## **Luxembourg Future Fund 2 (“LFF 2”)**

### **Notes to the financial report (continued)**

#### **For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

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##### **Note 4 – Distributions**

Pursuant to Clause 5 of the Luxembourg Future Fund 2 Mandate Agreement, and subject to the remaining provisions of such, LFF 2 Investment Proceeds will be distributed quarterly to SNCI, provided that EIF will not be required to make any distribution of LFF 2 Investment Proceeds:

- (i) that are needed for the purpose of meeting EIF Advances;
- (ii) that are used to pay any amounts due and payable by SNCI pursuant to Luxembourg Future Fund 2 Mandate Agreement (including, but not limited to the Expenses and EIF Fee), or to cover a Currency Shortfall;
- (iii) that EIF decides to allocate to the Reserves;
- (iv) that EIF decides to retain pursuant to Clause 4.6 (a) of the Luxembourg Future Fund 2 Mandate Agreement.

LFF 2 Investment Proceeds which EIF decides to distribute pursuant to shall be distributed amongst SNCI and EIF as follows:

- (i) first, to SNCI until SNCI has received by way of distributions hereunder an amount equal to its Contributions plus an amount equal to 4% (four per cent) p.a. on its Contributions that have not been repaid, calculated from the date on which the relevant Contribution was paid on the LFF 2 Managed Account until the date the relevant distribution was made to SNCI (the Hurdle);
- (ii) second, to EIF (in its capacity as manager of LFF 2) until the amount distributed by EIF hereunder equals 11.111% (eleven point one hundred and eleven per cent) of the Hurdle;
- (iii) thereafter, 90% (ninety per cent) to SNCI and 10% (ten per cent) to EIF (in its capacity as manager of LFF 2).

Upon the request of EIF, SNCI will return to EIF any distributions of the LFF 2 Investment Proceeds for the purposes foreseen in the Clause 5(c) of the Luxembourg Future Fund 2 Mandate Agreement.

According to this waterfall, EUR nil has been paid to EIF in its capacity as manager of LFF 2 on distributions during the period.

As at December 31, 2024, EIF would be entitled to EUR nil in its capacity as manager of LFF 2.

Following the distribution mechanism described above, the liquidation results would follow the allocation below if the Facility was liquidated as of December 31, 2024:

- SNCI: EUR 31,345,104; and
- EIF: EUR nil in its capacity as manager.

## **Luxembourg Future Fund 2 (“LFF 2”)**

### **Notes to the financial report (continued)**

#### **For the period from 24 February 2023 (date of the Agreement) to 31 December 2024**

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##### **Note 5 – Management fees**

EIF shall be entitled to the payment of management fee for the performance of its duties, which shall be payable quarterly in advance and be calculated as follows:

- (i) during the Investment Period, 0.85% p.a. of the SNCI Commitment (i.e. Contributions by the Investor);
- (ii) thereafter, 0.80% of the portion of the SNCI Commitment paid for the purpose of acquiring LFF 2 Investments or which is legally committed to LFF 2 Investments, minus acquisition cost of LFF 2 Investments which have been fully realised or fully written-off.

For the period from 24 February 2023 to 31 December 2024, the total management fees paid to EIF amounted to EUR 2,518,795.

##### **Note 6 – Remuneration of Investment Committee and Technical Evaluation Committee members**

No member of the Investment Committee or of the Technical Evaluation Committee, their alternates or observer members, received any form of remuneration from LFF 2 for the performance of their duties in the period from 24 February 2023 to 31 December 2024.

##### **Note 7 – Subsequent events**

Subsequent to 31 December 2024, the investor has contributed an additional EUR 11,000,000 to LFF 2, which has been used to fund further investments and to cover expenses.

There have been no other material subsequent events since 31 December 2024.