

# LaCambre SCA SICAV RAIF (“LACAMBRE”)

Annual report, including audited financial statements  
for the year ended December 31, 2020

Corporate Partnership limited by shares  
– Reserved Alternative Investment Company

23 Val Fleuri  
L-1526 Luxembourg  
Grand Duchy of Luxembourg

This report does not constitute an offer of shares.

No subscription can be received on this annual report. Subscriptions are duly valid if made on the basis of the current offering memorandum supplemented by the latest available annual report.

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LaCambre SCA SICAV RAIF  
**MANAGEMENT AND ADMINISTRATION**

<b>Registered Office</b>	23 Val Fleuri L-1526 Luxembourg Grand Duchy of Luxembourg
<b>General Partner</b>	LaCambre Asset Management Luxembourg S.à r.l. 23, Val Fleuri L-1526 Luxembourg Grand Duchy of Luxembourg
<b>Board of Managers of the General Partner</b>	Marco Ricci Nabil Dahdah Marco Mennella Claudio Contini
<b>Alternative Investment Fund Manager</b>	MC Square S.A. 23 Val Fleuri L-1526 Luxembourg Grand Duchy of Luxembourg
<b>Depository</b>	Creand Wealth & Securities (formerly Banque de Patrimoines Privés) 30 Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Administrator</b>	JTC (Luxembourg) S.A. 17, Boulevard F.W. Raiffeisen Luxembourg L-2411 Grand Duchy of Luxembourg
<b>Independent Auditor</b>	Mazars Luxembourg 5, rue Guillaume J. Kroll L-1882 Luxembourg Grand Duchy of Luxembourg

LaCambre SCA SICAV RAIF  
**STATEMENT BY THE MANAGERS**

Luxembourg, 2<sup>nd</sup> of July 2021

Dear Sirs,  
Mesdames,

The General Partner of LaCambre SCA SICAV RAIF ("LACAMBRE") declares that to the best of its knowledge:

1. The financial statements contained in this report were drawn up in accordance with the applicable accounting standards and provide a true and fair view of LACAMBRE's assets, financial situation and results.
2. The Management Report below gives a true and fair view of the performance of LACAMBRE' business and of its position, as well as a description of the principal risks and uncertainties that it faces.

For LACAMBRE,



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The Board of Managers  
Represented by Mr Marco Mennella  
As General Partner representative  
LaCambre Asset Management S.à.r.l

**LaCambre SCA SICAV RAIF**  
**MANAGEMENT REPORT**

**The General Partner's management report**  
**on the annual accounts closed on 31 December 2020**

**NON-REGULATED INFORMATION**

Dear Shareholders,

The General Partner ("GP") has the honour to present to the Annual General Meeting of LaCambre SCA SICAV RAIF ("LACAMBRE" or the 'Sicav') shareholders, which will take place on the 21<sup>st</sup> of July 2021 at the Sicav's registered office at 23, Val Fleuri – L-1526 Luxembourg, this Management Report drawn up by the General Partner on the annual financial statements for LACAMBRE for the financial year ended 31 December 2020, as approved by the Board of Managers.

The GP's Management Report provides a true and fair statement of the information required under Luxembourg law and rules as per Law of 10 August 1915 on commercial companies in its version coordinated by the regulatory document of 5 December 2017, the Law of 19 December 2002 in its parts on the trade and companies register as well as the accounting and annual accounts of companies, the Law of 24 May 2011 on the exercise of certain shareholder rights at general meetings of listed companies, the Civil Code and the Criminal Code in its parts relating to companies

The results presented comply with the accounting methods and evaluation criteria imposed under the prevailing legislation and regulations.

**I. Presentation of LACAMBRE and its activities**

The Sicav was incorporated on July 2<sup>nd</sup>, 2018, as a corporate partnership limited by shares (société en commandite par actions) qualifying as an investment fund with variable capital – reserved alternative investment Fund (société d'investissement à capital variable - fonds d'investissement alternatif réservé). Therefore the Sicav is subject to the Luxembourg act of July 23, 2016 relating to Reserved Alternative Investment Funds (hereafter "RAIF"), as amended or supplemented from time to time (the "2016 Law").

The General Partner (associé commandité) of the Sicav is LaCambre Asset Management Luxembourg S.à.r.l a company currently fully owned by its management.

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

The Sicav objective is to invest in a variety of non-liquid investment strategies, each of them via a dedicated compartment of the Sicav. The reference currency of the Fund is Euro (EUR).

The first and sole compartment of the Sicav, as of today, is the internet of things (IoT) compartment (the "Compartment"). Such Compartment's objective is to invest in non-listed small and medium enterprises, mainly in Italy, active in the IoT sector with the purpose to create one of the first EU IoT integrated group.

### **I.1 Corporate governance statement**

Not being listed, LACAMBRE is not required to include a corporate governance statement in its management report.

### **I.2 Investment policy and strategy**

The Compartment has the following investment objective, policy and strategy:

#### ***Investment objective***

The purpose of the Compartment is the investment of its funds under management into assets representing risk capital in accordance with article 48 of the 2016 Law. The Compartment intends to make risk capital type of investments in non-listed companies (here after named "Targets").

Some of those investments in Targets will be performed as co-investments with some institutional "private equity" investors. Those co-investments may be performed as equity as well as loan however the aim of the Sicav is to maintain the voting control in all the Targets.

#### ***Investment strategy and approach***

The Compartment will pursue a "hands on" management strategy with the purpose to develop the relevant Targets, the main characteristics of which are described below.

Characteristics of the Compartment's strategy:

#### **a) Investment sector**

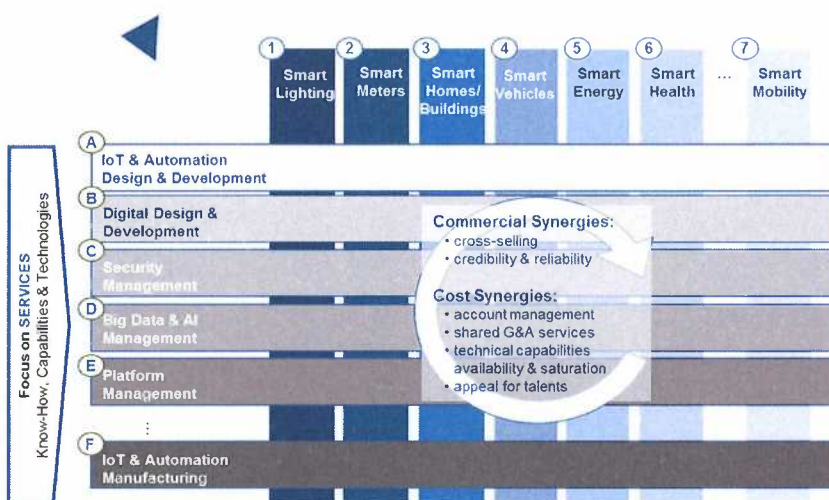
The Compartment intends to invest specifically in companies dealing with the Internet of Things (IoT) devices as well as with data management and ICT platform management. The Compartment intends to constitute a diversified portfolio of assets in the IoT sector, by investing according to the following two guidelines

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

a.1) Vertical Targets: Companies offering solutions in various areas of the IoT sector, mainly targeting:

- smart lighting
- smart meters
- smart homes
- smart vehicles
- smart energy
- smart health
- smart mobility
- smart security

a.2) Horizontal Targets: Companies providing platform and data management as well as consulting and manufacturing of IoT devices. Those companies will provide their services, not only but also, to the Vertical Targets with the aim to create a synergic group



b) Geographical zone

The Compartment will invest in Targets mainly based in Italy.

Based on identified synergic opportunities with Targets already purchased and that would be coherent with the overall investment strategy, the Compartment will also be free to invest in non-Italy based companies.

c) Investment strategy

The purpose of the Compartment is to purchase all Targets through a unique SPV and integrate within this SPV the different small and medium-sized digital service providers and devices producers with data and platform managers, active in the IoT market, in view to provide integrated and innovative E2E solutions related to the IoT business. The ultimate goal is to

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

create a major Italian integrated player of the IoT market. To that purpose the Compartment intends to take advantage of the maturity of the digital market infrastructure, the weaknesses of existing small IoT players, the lack of interference of ICT and Telecommunications companies.

The strategy of the Compartment will be to ride the incoming IoT market growth with a B2B(2C) target, focusing mainly on "Internet of Things" and "Smart Cities" opportunities.

With this aim the Compartment intends also to leverage on the Italian "Industry 4.0"<sup>1</sup> program as well as on the next Italian internet connection improvements (via Openfiber).

It must be however underlined that the GP within the limits of its sectorial commitments will maintain an opportunistic approach to the investment targets selection

a) Marketing and *hands on* management

From a marketing and commercial point of view the Compartment intends to address the business needs of large clients and governments. In addition, the Compartment will be able to create and benefit from true industrial, commercial and technological synergies between its subsidiaries, collect and monetize large quantities of customers' data by selling this data to various market participants which may use this information with a business purpose.

The Compartment intends to acquire control over those Targets through the acquisition up to 100% and not less than 51% of the voting rights of such entities. As a result, the Compartment will be best placed to negotiate optimal entry conditions, exercise a better control on the strategy of the target companies and strongly influence on the date and exit process. As a result, it will be easier to create and realize value.

Such Portfolio management approach is coherent with the GP's aim to drive the management of its subsidiaries by selecting, supervising and coordinating its own managers with the goal to implement its identified development strategy looking for a synergic development that will enhance the business goals, cash flows, costs and consequently the profitability of the overall group. Such *hands on* management strategy implies also that some or all GP's directors are actively involved in day to day decision of the purchased Targets especially in relation to strategic marketing and financial decisions

The portfolio management of all Targets is likely to be highly dynamic and vary according to the market and specific Target conditions.

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<sup>1</sup> "Industry 4.0" program is a name for the current trend of automation and data exchange in manufacturing technologies



LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

**b) Exit Strategy**

The GP observed that the M&A market for companies active in the IoT sector offers selling prices 2 or 4 times higher for integrated IoT player compared to companies offering exclusively product or services

The GP has also assessed the interest of large System Integrators, non EU large IoT integrated players as well as sectorial Private equity funds for such an integrate IoT player as far as the following parameters may be matched :

- Consolidate about €100 mlns revenues ...
- Integrate manufacturing companies, product development capacities , data analysis & platform management expertise
- Present about 15% Ebitda & 10% annual growth.....
- spread over many AAA clients none of them representing more than 20% of the total revenues

The Compartment aims to build up, by a mix of internal & external growth, such an integrated IoT player within next 5 to 7 years, from the beginning of the project, with the purpose to sell it to a large industrial conglomerate, or a large system integrator or to a large private equity fund.

Alternatively, with the aim to catch a greater value for investors the Compartment should consider to submit to investors' approval the possibility of carrying out an IPO and distributing the proceeds of the IPO to investors in the form of listed shares and cash.

If both of those exit strategies may not be implemented the Compartment will sell individually each company benefitting from the generated increase in revenues and benefits due to synergies between all acquired companies.

**Limited period of time**

The Compartment has been created for a limited period of time and will be automatically put into liquidation at the fifth anniversary of the First Closing Date which is 31 December 2018. .

The General Partner may extend the term of the Compartment by two consecutive periods of one (1) year in order to proceed with an orderly liquidation of the Compartment's assets. However, the General Partner will have the ability to liquidate the Compartment at an earlier date, if Investments have been disposed of.

**Investment Period**

The Investment Period started on the First Closing Date which was on 31 December 2018. The Final Closing Date is expected to take place on 31 December 2022 as determined by the General Partner and at the latest on January 1<sup>st</sup>, 2023

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

The GP may draw down commitments to make investments in order to pay fees and expenses at any time during the period commencing on the First Closing Date and terminating upon the earliest to occur of (a) the date on which the aggregate undrawn commitments of all investors have been contributed to the Compartment for the purpose of making investments or paying expenses of the Compartment or other obligations of the Compartment or the Sicav or have been formally reserved for such purposes or are otherwise unavailable to be so invested, (b) the date of termination of the investment period, provided that the GP may draw down Commitments to pay fees and expenses at any time during the period of the Compartment.

After the end of the Investment Period, the Compartment will not make new Investments, but, for the avoidance of doubt, it may (i) complete investments that are in process or have been formally committed to in writing as of the end of the Investment Period, (ii) fund additional investments in assets that are already investments of the Compartment provided that such additional investments will not exceed 20% of Commitments, (iii) incur fees and expenses related to restructuring or refinancing of existing investments; and (iv) continue to draw down Commitments to pay expenses. As such, investors will not be released from their Commitments as of the end of the Investment Period.

**Achievements 2020**

Digitalplatforms srl (DP) is currently the Special Purpose Vehicle that is consolidating the purchased targets in one unique holding accordingly with its goal to create a major Italian integrated player of the IoT market.

For Digitalplatforms the year ended on December 31, 2020 was a complex and articulated one, first and foremost due to the external context, disrupted by the pandemic, and the uncertainty it has introduced into the economy, politics and society.

In this context, Digitalplatforms S.p.A. has accelerated the implementation of its Business Plan, aware that the end of the pandemic, as we know it today, could arrive as early as 2021, and the "recovery" that will follow will be favourable to those who have been able to invest in this period to strengthen their market, industrial and financial positioning.

In 2020, Digitalplatforms S.p.A. has essentially completed the construction of the foundations of its business project, which enables it to create a national Internet of Things champion capable of supporting the digital transformation of the major infrastructure operators: energy/utilities, transport, communications.

To achieve this goal, in 2020 Digitalplatforms S.p.A. completed the acquisition of three companies Omicron Industriale (energy stations), System Management (IT system integration and digital/IoT platforms), El&Tec (assembly and production of IOT objects). The formalisation of the acquisition of the latter took place on January 5, 2021 through the subsidiary GIBIESSE.

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**MANAGEMENT REPORT (continued)**

These companies join those already present in the Digitalplatforms S.p.A. Group: Gibiesse (assembly and design of IOT objects), Umpi - Rimini (remote control systems branch of electrical infrastructures), Umpi - Legnano (development branch of IOT domotics products, and engineering consulting).

Digitalplatforms S.p.A. today consists of six companies/BUs, employs about 200 peoples including engineers, researchers, developers, program managers, and production staff, and has a turnover of over €20 million, an EBITDA of over €4 million, and a growth rate in the order of 100% per year, such growth rate is mainly driven by external acquisitions.

From a financial standpoint, this important growth path was made possible through the support of the sole shareholder, LaCambre, which provided up to June 2021, equity financing for about € 9 millions and managerial resources and expertise, and by debt financing through RiverRock Hybrid Capital Fund, which granted Digitalplatforms S.p.A. a €14 million acquisition loan line of credit, the maximum allowed under its bylaws.

Digitalplatforms S.p.A. is currently engaged in the industrial management of the Group, with the aim of achieving double-digit growth on the market and with customers, exploiting the synergies and complementarities that can be developed within the Group and, in concrete terms, implementing the budgets assigned to the individual operating companies.

On 23 December 2020, Digitalplatforms resolved to transform itself into a limited company ( Società per Azioni).

**Group information details**

As already stated each company of the Group operates mainly in the electronics and software industry that are part of a project representing a national Internet of Things (IOT) champion capable of supporting the digital transformation of large infrastructure operators: energy/utilities, transport, communications.

Although the Group's companies operate in similar markets, they do not form a chain and therefore the economic relations between them are very limited.

**UMPI S.R.L.**

*100% shareholdership*

It was the first company to join the DigitalPlatforms Group, already in 2018. It has recently moved its registered office from Cattolica to Rimini. UMPI's activity is aimed at developing remote control systems for electrical infrastructures mainly for public administrations and large companies. Since 2019 it has also operated a secondary office in Legnano focused on engineering consultancy for the design and production of pre-series of IOT products mainly for the smart cities, home & building automation, infrastructure monitoring sectors and for the creation of innovative IOT platforms, systems and products/services.

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**MANAGEMENT REPORT (continued)**

GIBIESSE DI GUERRINI & C. S.R.L.

*100% shareholdership*

It was acquired during 2019. It is based in Seriate (BG) in its own factory where it carries out the design and production of electronic boards with very high quality standards thanks to the application of increasingly reliable and strict production methods. Today Gibiesse has 25 years of experience in the field of board assembly for the electro-medical, oil and automotive sectors as well as for industrial automation systems in general. In January 2021 GIBIESSE acquired the control (80%) of the company El&Tec S.r.l. based in Melzo (MI) which carries out the same activity.

OMICRON INDUSTRIAL S.R.L.

*100% shareholdership*

The controlling interest in OMICRON was acquired during 2020. The company is based in Rome (RM). It carries out activities of design and construction of energy stations for telecommunication systems (fixed and mobile networks). Through constant investments in research and development of cutting-edge technologies, the company is able to cover, in the energy field, the entire range of needs of telecommunication and transmission plants as well as special telecommunication equipment, proposing technologically advanced solutions for specific customer needs.

SYSTEM MANAGEMENT S.P.A.

*75% shareholdership*

The controlling interest in SYSEM MANAGEMENT was acquired in 2020. The company has its headquarters in Naples (NA) and operating units in Rome (RM) and Milan (MI). The company operates mainly in the IT sector and services related to the design and implementation of IT solutions for the evolution of business processes. It offers organisational, technological and digital support for the business, develops research and innovation projects for Digital Transformation, independently or in collaboration with other subjects, such as Universities and Research Centres, monitors the evolution of basic IT research and uses it as a tool for the development of new technologies.

From a subscription point of view, at 31/12/2020, LaCambre collected €5.274.390 subscriptions from investors and registered assets for a total assets value of €11.160.076 corresponding to a NAV of €10.767.947 or to a NAV of €2,042 per share. Such NAV represents a 23.6% capital gain over 2019 NAV on each issued share gross from of the carried interest due on carried interest shares.

## **II. NOTES ON LACAMBRE' ANNUAL ACCOUNTS**

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### **II.1 Information on LACAMBRE annual accounts**

The market value of investments will be valued at least once a year in accordance with applicable laws, regulations and customary market practice (the Annual Valuation). As reflected in the Memorandum, the annual valuation will be used for valuing the relevant

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

investments in connection with calculating the Net Asset Value ("NAV") as of each valuation date during the following 12 (twelve) month period unless in the AIFM's or the General Partner's opinion there is a material change in the general economic situation or in the condition of relevant investment(s) which requires a new valuation, which will also be carried out in accordance with applicable laws, regulations and customary market practice as further determined in the valuation policy.

The NAV of the Fund will be computed up to three decimal places in accordance with the articles of incorporation of the Fund.

The AIFM and the General Partner may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any asset or liability of the Fund in accordance with Luxembourg Law. This method will then be applied in a consistent manner.

*Investment income*

Interest income is recorded on an accrual basis, net of any withholding tax.

*Transaction fees*

Transaction fees include custodian transaction fees and settlement fees linked to transactions on portfolio securities.

*Formation expenses*

Formation expenses are recognized during their period of occurrence in the profit and loss account.

*Financial assets*

Financial assets owned by the Sicav have been valued at fair value determined on the basis of criteria which comply with the international private equity and venture capital valuation (IPEV) guidelines developed by the Association Française des Investisseurs en Capital (AFIC), the British Venture Capital Association (BVCA) and the European Private Equity and Venture Capital Association (EVCA). The change in fair value is recorded in profit and loss.

*Debtors*

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

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**MANAGEMENT REPORT (continued)**

*Cash and cash equivalents*

Cash and cash equivalents are carried at face value. Highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

*Provisions*

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial period under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

*Creditors*

Creditors are recorded at the reimbursement value.

*Related parties*

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

i) Information on the representation of LACAMBRE capital from incorporation

In July 2018, LaCambre was incorporated with a fully paid share capital of EUR 30.000 fully subscribed by the General Partner.

In December 2018 LaCambre increased its capital by EUR 1.005.000 subscription mainly from its directors and 2 non directors for an amount of EUR 265.000

During 2019 LaCambre increased its capital of EUR 1.090.000 from non-directors subscription, resulting to EUR 2.465.000 at 2019-end.

During 2020 LaCambre increased its capital of EUR 2.809.390 of which EUR 15.000 have been subscribed by a Director

On December 31, 2020, the subscribed and fully paid capital recognised in the annual accounts amounted to EUR 5.274.390 and was represented by 5.274.388 ordinary no-par shares and 2 management shares.

LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

ii) Change in LaCambre's shareholder base

On December 31, 2020 Fund's main shareholder was EFG Bank AG who held about 30% of outstanding shares although the General Partner had, and still has, 100% of voting rights in the Fund.

**II.2 Changes in LACAMBRE' business, results and situation**

i) LACAMBRE' net turnover

LACAMBRE has had no turnover in the past financial year.

ii) Significant events during the financial year

No significant events have been registered during 2020 financial year except those mentioned in section I.2

iii) Information relating to environmental issues

LACAMBRE has not encountered any environmental issues.

iv) Information relating to personnel matters

LACAMBRE has no particular information relating to its personnel since it currently has no employees. LACAMBRE only works with independent service providers and had entrusted its entire day-to-day management to the AIFM as well as the GP

v) Description of the principal risks and uncertainties faced by LACAMBRE

The GP draws the attention of shareholders to the fact that the main risks and uncertainties have been illustrated in the Offering Circular. Nevertheless the GP would like to underline some of those risks

Default of subscription: The GP envisage an investment deployment of about EUR 50 millions including co-investments. If the GP will not succeed in identifying financing up to EUR 50 millions it will not be able to finalise its IoT consolidation project and therefore LACAMBRE would face a potential brake in the investment exit strategy and returns

Non identification of appropriate managers: LaCambre been an *hands on* fund the GP actively manages the Targets and therefore recruits local managers for each Target. The capacity to recruit the appropriate manager is a critical point to the success of the IoT consolidation process and therefore for the exit strategy.

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**MANAGEMENT REPORT (continued)**

Default in Targets purchasing: While the GP has already identified a short list of potential Targets that should fit with the consolidation project it cannot guarantee to be able to finalise all the envisaged acquisitions. The capacity to finalise the full consolidation as per the matrix illustrated under section I 2 a.1) here above will depend from many factors not all of them under the control of the GP

i) Key financial and non-financial performance indicators

The GP indicates that, to its knowledge, there is no key financial or non-financial performance indicator that would point to LACAMBRE's situation being anything other than that reflected in the annual accounts closed on 31 December 2020 and in the notes attaching thereto and presented in this management report.

### **II.3 Material events after the close of the financial year**

In 2020, Digitalplatforms S.p.A. participated in the tender for the acquisition of SELTA S.p.a., which operates in the sector in which it operates, from the *extraordinary administration procedure*. Such *extraordinary administration procedure* is a specific bankruptcy procedure under the control of the Italian government dedicated to company considered critical for the Italian system. Selta is considered critical for the Italian energy distribution system as well as for the Italian military cyber control system. SELTA S.p.A., which operates in sectors in which the Digitalplatforms Group operates and, specifically, deals with "Energy Automation", "Telecommunication" and "Cyber Security", and, at the date of this writing, Digitalplatforms S.p.A. is waiting for formal communications from the prime Ministers offices regarding the final outcome of the sale following the purchase offer proposed by Digitalplatforms, such communication is expected by end of July 2021.

If awarded, SELTA's entry into the Group will involve a major financial commitment. The investment and the related expected cash flows are constantly monitored. The funding of the acquisition transaction, if successful, will be achieved through capital contributions by LaCambre which, to that purpose proceeded in 2021 to a fund raising of about €6.000.000, and by external finance through a professional investor. To this purpose Digital platforms on May 2021 performed a capital increase of €8.944.412 of which €2.000.000 from a third professional party and €6.944.412 from LaCambre.

With the closing of this transaction Digitalplatforms S.p.A. presents itself as an integrated, "Italian" Group, capable of credibly dominating all the phases of the implementation of an IOT solution, from the design and production of the sensors, through the structuring of the architectures and communication technologies to the development and integration of the IOT platforms.



LaCambre SCA SICAV RAIF  
**MANAGEMENT REPORT (continued)**

**II.4 Circumstances likely to have a material impact on the development of LACAMBRE**

With the exception of the circumstances mentioned in the previous chapters and sections, and primarily Chapter I, Section II.2 and Section II.3, to the best of the knowledge of the GP, there are no circumstances that are likely to have a material impact on the development of LACAMBRE.

**II.5 Information relating to research and development activities**

LACAMBRE does not undertake directly any research and development activities.

**II.6 Additional Information**

i) Conflicting interests of a financial nature

During 2020 no-conflict of interest to be mentioned related to the GP and its managers occurred.

**II.7 Use of financial instruments**

The General Partner confirms that LACAMBRE did not use financial instruments that are relevant for the purposes of assessing its assets, liabilities, financial situation, losses or profits.

**II.8 The Company's exposure to price risk, credit risk, liquidity risk and treasury risk**

The Company's exposure to price risk, credit risk, liquidity risk and treasury risk

LACAMBRE is a company whose main objective is to acquire and manage illiquid asset. To this end, LACAMBRE issues shares and indirectly negotiated credit facilities; the proceeds of which are used to acquire the identified Targets. The proceeds coming from the trade sales of the Targets as well as the distributions from the Targets are used to cover its expenses, repay its credit line and the balance will be distributed, hopefully as a capital gain, to its shareholder. In view of its activity, LACAMBRE is exposed to various risks as follows

- Price risk: LACAMBRE has a high exposure to price risk as its activity consist in purchasing and selling its investments looking for a capital gain. This price risk is clearly linked to market circumstances and even more to the capacity of the GP to deliver better results than the previous management of the Targets;
- Credit-Access Risk: LACAMBRE acquisitions are normally performed through newly incorporated Special Purpose Vehicles (SPVs). Those SPVs, normally, have a limited access to credit lines in order to finance their working capital. Therefore LACAMBRE,

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**MANAGEMENT REPORT (continued)**

- is heavily exposed to the credit access risk; the management mitigate such risk through a cash pooling policy between all Targets
- Credit Risk: LACAMBRE normally provides owned companies with loans, other than shareholder capital, to finance its activities and/or acquisitions. In such extent it is exposed to the risk of default on a debt that may arise from its borrower failing to make required payments
- Liquidity risk: LaCambre has a high exposure to liquidity risks considering that its main objective is to acquire and manage illiquid assets. Its capacity to reimburse the Targets' credit lines as well as to deliver the envisaged IRR to its subscribers will totally depend from its capacity to resell those assets. Currently the GP observes a great interest from Institutional and Private investors, confirmed by several third parties analysis, in purchasing Companies and assets related to the IoT sector which should mitigate LACAMBRE liquidity Risk since its investments seem to be appealing to the market. Said that, the GP is unable to assess if this situation will remain as such for the next 5 to 7 years which are the envisaged timeframe to perform the trade sale of LACAMBRE assets.
- Treasury risk: To date, Digital Platforms' cash position have been mainly covered by the Sicav's subscription and the credit facilities obtained by its Targets. Therefore LACAMBRE treasury risk is essentially linked to the capacity of Sicav's Targets to generate enough cashflows to repay their credit facilities as well as to the capacity of LACAMBRE to continue raising subscription.

## **II.9 Expected trend for the company and prospects for the future**

LACAMBRE will continue its fund raising activity as well as its acquisition activity. For 2021 LACAMBRE acquisition activity will follow the following 2 lines

- Consolidate its current position in the smart lighting sector by new acquisitions of competitors;
- Enhance the revenues and profit of its current participation through the acquisition of synergic service providers to those participation – Horizontal sector acquisition.

## **II.10 Proposal for the allocation of LACAMBRE' results**

The General Partner proposes to the LACAMBRE Annual General Meeting convened to approve the financial statements closed on December 31, 2020 that the revenues have to be allocated as follows:

Revenues equals to Eur 5.667.8250 to be carried forward

The sum of "2018 Accumulated losses" and "2019 Revenues" will be then equal to Eur 5.493.557.

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**MANAGEMENT REPORT (continued)**

**II.11 Fees received by the statutory auditor for tasks unrelated to the statutory audit mandate for the company**

The statutory auditor for LACAMBRE received fees for examining the policy of investment in risk capital of the reserved alternative investment fund for the year ended 31 December 2020 amounting to Eur 1.575,00

**II.12 LACAMBRE's General Partner AIFM and statutory auditor**

On the date of this management report, the General Partner is composed of the following persons:

- Mr Marco Mennella;
- Mr Marco Ricci
- Mr Claudio Contini

**II.13 Table of the key figures (EUR)**

net asset value 1<sup>st</sup> January 2018 98.395  
net asset value 1<sup>st</sup> January 2019 3.850.117  
net asset value 1<sup>st</sup> January 2020 10.767.947

subscribed Capital 5.274.390

unrealized capital gain 5.932.500

For LACAMBRE,



The General Partner Represented  
by Mr. Marco Mennella  
Luxembourg, the 2<sup>nd</sup> of July 2020

To the Shareholders of  
**LaCambre SCA SICAV RAIF**  
**Société en Commandite par Actions**

R.C.S. Luxembourg B 225.927

23, Val Fleuri  
L-1526 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **LaCambre SCA SICAV RAIF** (the «Company»), which comprise the balance sheet as at December 31, 2020, and the profit and loss account 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 present fairly, in all material respects the financial position of the Company as at December 31, 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 financial statements.

#### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession ("Law of July 23, 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 July 23, 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 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 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 Managers of the General Partners is responsible for the other information. The other information comprises the information stated in the management 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 Managers of the General Partner of the Company**

The Board of Managers of the General Partner of the Company is responsible for the preparation and fair presentation of the 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 Managers of the General Partner of the Company 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 Managers of the General Partner is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the General Partner of the Company 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 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 July 23, 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 dated July 23, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the General Partner of the Company
- Conclude on the appropriateness of Board of Managers of the General Partner of the Company 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 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 Company 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.

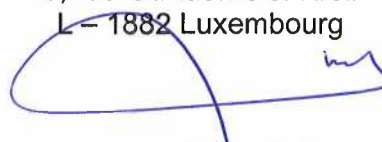
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

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

Luxembourg, July 2, 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé  
5, rue Guillaume J. Kroll  
L - 1882 Luxembourg



Imad BENHAMOU  
Réviseur d'entreprises agréé

LaCambre SCA SICAV RAIF

**STATEMENT OF NET ASSETS**  
As at December 31, 2020

		LaCambre SCA SICAV-RAIF December 31, 2020 EUR	LaCambre SCA SICAV-RAIF December 31, 2019 EUR
	Notes		
<b>Assets</b>			
Formation expenses		7,162	10,027
Financial fixed assets	3	10,067,500	3,814,384
Other assets - Loan provided to participation	4	740,000	240,000
Cash at bank		323,783	171,417
Prepaid expenses	5	12,314	12,346
Interest receivable	4	9,317	3,233
<b>Total assets</b>		<b>11,160,076</b>	<b>4,251,407</b>
<b>Liabilities</b>			
Creditors	9	(35,525)	(382,350)
Intercompany loan	10	(356,604)	(18,940)
<b>Total liabilities</b>		<b>(392,129)</b>	<b>(401,290)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>10,767,947</b>	<b>3,850,117</b>

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

LaCambre SCA SICAV RAIF

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended December 31, 2020

		LaCambre SCA SICAV-RAIF EUR From January 1, 2020 to December 31, 2020	LaCambre SCA SICAV-RAIF EUR From January 1, 2019 to December 31, 2019
	Notes		
<b>Income</b>			
Interest income		6,083	3,233
Interest charge on Catch-up contribution	11	217,837	-
Other Income		7,500	-
<b>Total income</b>		<b>231,420</b>	<b>3,233</b>
<b>Expenses</b>			
Administration fees	6	(31,140)	(31,540)
Accounting fees		(24,570)	-
AIFM fees	8	(29,029)	(30,044)
Audit fees		(18,641)	(16,521)
Bank charges		(823)	(1,075)
Custodian fees	7	(15,210)	(15,210)
Domiciliation fees		(3,003)	(2,997)
GP loan interest		(511)	(94)
Insurance fees		(2,220)	-
Legal and professional fees	12	(299,938)	(16,791)
Set-up costs		(2,865)	-
Taxation expense		(4,873)	(4,815)
Travelling fees		(52,650)	-
Other expenses		(10,623)	(1,808)
<b>Total expenses</b>		<b>(496,096)</b>	<b>(120,895)</b>
<b>Result of operations</b>		<b>(264,676)</b>	<b>(117,662)</b>
Net unrealised result on financial assets		4,373,116	1,559,385
<b>Results on investment</b>		<b>4,373,116</b>	<b>1,559,385</b>
<b>Subscriptions</b>			
Committed capital	11	2,809,390	2,310,000
Called up and unpaid capital	11	-	-
<b>Called up and paid capital</b>		<b>2,809,390</b>	<b>2,310,000</b>
<b>Total changes in net assets for the year</b>		<b>6,917,830</b>	<b>3,751,722</b>
<b>Net assets at the beginning of year</b>		<b>3,850,117</b>	<b>98,395</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>10,767,947</b>	<b>3,850,117</b>

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



LaCambre SCA SICAV RAIF

**STATEMENT OF CHANGES IN NUMBER OF SHARES OUTSTANDING**

For the year ended December 31, 2020

	LaCambre SCA SICAV-RAIF January 1, 2020 to December 31, 2020	LaCambre SCA SICAV-RAIF January 1, 2019 to December 31, 2019
<b>Shares outstanding – opening balance</b>	<b>2,465,000</b>	<b>35,000</b>
Shares issued – ordinary shares	2,809,390	2,430,000
Shares issued – management shares	-	-
Shares redeemed – ordinary shares	-	-
Shares redeemed – management shares	-	-
<b>Shares outstanding – closing balance</b>	<b>5,274,390</b>	<b>2,465,000</b>

**FINANCIAL DETAILS RELATING TO THE YEAR**

	December 31, 2020	December 31, 2019
Total net assets	EUR 10,767,947	EUR 3,850,117
Shares outstanding – ordinary shares	5,274,388	2,464,998
Net asset value per ordinary share	EUR 2.042	EUR 1.562
Shares outstanding – management shares	2	2
Net asset value per management share	EUR 1.000	EUR 1.000

**STATEMENT OF INVESTMENTS AND OTHER ASSETS**

	As at December 31, 2020	
Description	In EUR	% of NAV
Financial fixed assets	10,067,500	93.50
Other assets – Loan provided to participation	740,000	6.87
Cash at banks	323,783	3.01
Other net liabilities	(363,337)	(3.38)
<b>Total</b>	<b>10,767,946</b>	<b>100.00</b>

	As at December 31, 2019	
Description	In EUR	% of NAV
Financial fixed assets	3,814,384	99.07
Other assets – Loan provided to participation	240,000	6.23
Cash at banks	171,417	4.45
Other net liabilities	(375,684)	(9.76)
<b>Total</b>	<b>3,850,117</b>	<b>100.00</b>

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

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2020

**Note 1- General Information**

The Company was incorporated under the name of LaCambre SCA SICAV RAIF (hereafter "the Fund") on July 2, 2018, as a corporate partnership limited by shares (société en commandite par actions) qualifying as an investment fund with variable capital – reserved alternative investment Fund (société d'investissement à capital variable - fonds d'investissement alternatif réservé). The Fund is subject to the Luxembourg act of July 23, 2016 relating to Reserved Alternative Investment Funds (hereafter "RAIF"), as amended or supplemented from time to time (the "2016 Law"). The Fund is neither licensed nor authorized nor supervised by the CSSF or any other regulatory authority. The Articles were published in the Luxembourg gazette (Recueil des Sociétés et Associations) on July 12, 2018 and they provide that the Fund is subject to the provisions of the 2016 Law. The Fund is registered with the Registre de Commerce et des Sociétés, Luxembourg under number B. 225927.

The Fund expects to invest in a variety of non-liquid investment strategies, each via a dedicated compartment of the Fund.

The reference currency of the Fund is Euro (EUR).

Unless otherwise provided for in the relevant Special Section of the Fund's Private Placement Memorandum (the "Memorandum"), Shareholders are not entitled to request the redemption of their Shares. Compartments of the Fund are established for a limited period of time and Shareholders will have their Shares redeemed at the term of the relevant compartment, as determined in the applicable Special Section of the Memorandum.

Shares may be redeemed at the initiative of the General Partner in accordance with, and under the circumstances set out in the Articles of Incorporation and the Memorandum.

The Fund qualifies as an Alternative Investment Fund ("AIF") as it raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors.

For the purpose of the Luxembourg law of July 12, 2013 on AIFMs (the "AIFM Law") and the 2016 Law, MC Square S.A. was appointed as the Authorised Alternative Investment Fund Manager ("AIFM") on July 2, 2018 effective from the incorporation of the Fund.

**Strategy of the Compartment LaCambre – Internet of Things**

According to the relevant Special Section of the Funds Private Offering Memorandum, the Fund's first compartment, LaCambre – Internet of Things (the "Compartment") has the following investment objective, strategy and approach:

**Investment objective**

The purpose of the Compartment is the investment of its funds under management into assets representing risk capital in accordance with article 48 of the 2016 Law.

The Compartment intends to make risk capital type of investments in non-listed companies.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 1- General Information (continued)**

**Strategy of the Compartment LaCambre – Internet of Things (continued)**

**Investment strategy and approach**

The Compartment will pursue a strategy of development of the relevant target companies, the main characteristics of which are described below.

Characteristics of the Compartment's strategy:

*a) Investment sector*

The Compartment intends to invest specifically in companies mainly dealing with the Internet of Things (IoT) sector as well as with data management and ICT platform management.

*b) Geographical zone*

The Compartment will invest in target companies mainly based in Italy in any case, based on identified opportunities, the Compartment will be free to invest in companies not based in Italy with no limitation.

*c) Investment strategy*

The purpose of the Compartment is to purchase and integrate different small and medium-sized digital service providers with data and platform managers, active in the IoT market, in view to provide integrated and innovative E2E solutions related to the IoT business. The ultimate goal is to create a major European integrated player of the IoT market.

The Compartment intends to take advantage on the maturity of the digital market infrastructure, the weaknesses of existing small IoT players, the lack of interference of ICT and Telecommunications companies. The strategy of the Compartment will be to ride the incoming IoT market growth with a B2B(2C) target, focusing mainly on "Internet of Things" and "Smart Cities" opportunities.

The Compartment intends to leverage on the "Industry 4.0" program as well as on the next Italian internet connection improvements (via Openfiber). "Industry 4.0" program is a name for the current trend of automation and data exchange in manufacturing technologies.

The Compartment intends to address the business needs of large clients and governments. In addition, the Compartment will be able to create and benefit from true industrial, commercial and technological synergies between its target companies and collect and monetize large quantities of customers' data by selling this data to various market participants which may use this information with a business purpose.

The Compartment intends to constitute a diversified portfolio of assets in the IoT sector, by investing in companies offering solutions in various areas of the IoT sector, mainly targeting: smart lighting, smart meters, smart homes, smart vehicles and smart energy in addition to platform and data management and consulting and manufacturing of IoT devices.

The Compartment intends to acquire control over such entities through the acquisition of 100% or more than 50% of the voting rights of such entities. As a result, the Compartment will be best placed to negotiate optimal entry conditions, exercise a better control on the strategy of the target companies and strongly influence on the date and exit process. As a result, it will be easier to create and realize value.

The portfolio management of participations or projects is likely to be highly dynamic and vary according to the market and specific target conditions.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 1- General Information (continued)**

**Strategy of the Compartment LaCambre – Internet of Things (continued)**

**Limited period of time**

The Compartment has been created for a limited period of time and will be automatically put into liquidation at the fifth anniversary of the Final Closing Date.

The General Partner may extend the term of the Compartment by two consecutive periods of one (1) year in order to proceed with an orderly liquidation of the Compartment's assets. However, the General Partner will have the ability to liquidate the Compartment at an earlier date, if Investments have been disposed of.

**Investment Period**

The Investment Period started on the First Closing Date. The Final Closing Date is expected to take place on December 31, 2021 as determined by the General Partner.

The Fund may draw down Commitments to make Investments and to pay fees and expenses at any time during the period commencing on the First Closing Date and terminating upon the earliest to occur of (a) the date on which the aggregate Undrawn Commitments of all Investors have been contributed to the Compartment for the purpose of making Investments or paying expenses of the Compartment or other obligations of the Compartment or the Fund or have been formally reserved for such purposes or are otherwise unavailable to be so invested, (b) the date of termination of the Investment Period, provided that the Fund may draw down Commitments to pay fees and expenses at any time during the period of the Compartment.

After the end of the Investment Period, the Compartment will not make new Investments, but, for the avoidance of doubt, may (i) complete Investments that are in process or have been formally committed to in writing as of the end of the Investment Period, (ii) fund additional investments in assets that are already Investments of the Compartment provided that such additional investments will not exceed 20% of Commitments, (iii) incur fees and expenses related to restructuring or refinancing of existing Investments; and (iv) continue to draw down Commitments to pay expenses. As such, Investors will not be released from their Commitments as of the end of the Investment Period.

**Note 2 - Basis of preparation and significant accounting policies**

**a) Preparation of the financial statements**

The financial statements of the Fund have been prepared in accordance with generally accepted accounting principles and with legal and regulatory requirements applicable to RAIF in Luxembourg, which qualifies as AIF managed by an authorised AIFM and the 2016 Law. The financial statement of the Fund is expressed in EUR.

**b) Valuation**

The market value of investments is valued at least once a year in accordance with applicable laws, regulations and customary market practice (the Annual Valuation) as further determined in the valuation policy of the AIFM for the Fund.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 2 - Basis of preparation and significant accounting policies**

**b) Valuation (continued)**

The AIFM and the General Partner may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any asset or liability of the Fund in accordance with Luxembourg Law. This method is applied in a consistent manner.

**c) Investment income**

Interest income is recorded on an accrual basis, net of any withholding tax.

**d) Transaction fees**

Transaction fees include custodian transaction fees and settlement fees linked to transactions on portfolio securities.

**e) Formation expenses**

Formation expenses are amortised over a period of five years.

**f) Financial assets**

Financial assets are initially recorded at purchase price including the expenses incidental thereto. They are subsequently valued at fair value determined on the basis of criteria which comply with the international private equity and venture capital valuation (IPEV) guidelines developed by the Association Française des Investisseurs en Capital (AFIC), the British Venture Capital Association (BVCA) and the European Private Equity and Venture Capital Association (EVCA). The change in fair value is recorded in profit and loss.

**g) Debtors**

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

**h) Cash and cash equivalents**

Cash and cash equivalents are carried at face value. Highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

**i) Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial period under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

**j) Creditors**

Creditors are recorded at the reimbursement value.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 2 - Basis of preparation and significant accounting policies (continued)**

**k) Foreign currency translation**

The acquisition cost of securities expressed in a currency other than Euro is translated at the exchange rates prevailing on the date of purchase. Income and expenses expressed in currencies other than Euro are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in currencies other than Euro are converted at exchange rates prevailing at year-end. The realized or unrealized gains and losses on foreign exchange are recognized in the profit and loss account.

**l) Related parties**

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

**m) Taxation**

The Fund is not subject to any annual subscription tax (taxe d'abonnement).

The Fund (including its Compartments) is a fully taxable corporation in Luxembourg, both for corporate income tax and municipal business tax purposes at the current aggregate rate of twenty-four point nine-four per cent (24.94%) (statutory common rate for companies having their registered office in Luxembourg City). Any income arising from the securities (valeurs mobilières) held by the Fund in risk capital as well as any income arising from the sale, contribution or liquidation of the securities held by the Fund does not constitute taxable income.

Income arising from short term investments held pending investment in risk capital does not constitute taxable income, it being understood that this exemption is only applicable if the proceeds are only held for a maximum period of 12 months before their investment in risk capital and where it can be established that the funds have effectively been invested in risk capital.

In accordance with current legislation in Luxembourg, dividends paid by the Fund are exempt from withholding tax.

Investment income from dividends and interest received by the Fund may be subject to withholding taxes at varying rates in the country of source of such investment income.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 3 – Financial fixed assets**

The movements on financial assets for the year are as follows:

	December 31,2020 EUR	December 31,2019 EUR
<b>Acquisition cost – opening balance</b>	<b>2,255,000</b>	<b>10,000</b>
Additions for the year	1,880,000*	2,245,000
Disposals for the year	-	-
Transfers for the year	-	-
<b>Acquisition cost – closing balance</b>	<b>4,135,000</b>	<b>2,255,000</b>
<b>Accumulated fair value adjustments – opening balance</b>	<b>1,559,384</b>	<b>-</b>
Fair value adjustments for the year	4,373,116	1,559,384
<b>Accumulated fair value adjustments – closing balance</b>	<b>5,932,500</b>	<b>1,559,384</b>

\*During the year, company increased its share capital in DigitalPlatforms S.r.l as follows:

- On 25 August 2020, the Company acquired additional share capital for a contribution of EUR 150,000.
- On 22 September 2020, the Company acquired additional share capital for a contribution of EUR 1,730,000.

As at 31 December 2020 the financial fixed assets are presented as follows:

Registered office	Name	Ownership	Currency	December 31, 2020 Cost	December 31, 2020 Fair Value	Result for 2020 year	December 31, 2020 Net Equity
Roma (RM) Piazzale Delle Medaglie D'oro 7 Cap 00136	Digital Platform Srl	100.00%	EUR	4,135,000	10,067,500	(274,751)	3,563,593**

As at 31 December 2019 the financial fixed assets are presented as follows:

Registered office	Name	Ownership	Currency	December 31, 2019 Cost	December 31, 2019 Fair Value	Result for 2019 period	December 31, 2019 Net Equity
Roma (RM) Piazzale Delle Medaglie D'oro 7 Cap 00136	Digital Platform Srl	100.00%	EUR	2,255,000	3,814,384	(899,741)	1,418,345**

\*\*Audited financial information

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 4 – Other assets - Loan provided to participation**

The Fund entered into a loan agreement with Digital Platforms s.r.l. (Borrower). The initial loan amount amounted to EUR 240,000 with a further EUR 500,000 transfer to the borrower during the current financial year.

Details of the loan is reflected in the below table

	<b>Loan 1</b>	<b>Loan 2</b>
<b>Currency</b>	EUR	EUR
<b>Principal Amount:</b>	240,000.00	500,000.00
<b>Date cash paid:</b>	20/06/2019	15/12/2020
<b>Interest rate (p.a.):</b>	2.50%	0.00%
<b>Default interest rate (p.a.):</b>	7.50%	0.00%
<b>Day Count Basis</b>	360	360
<b>Payment frequency:</b>	Semi-Annual - 15 days after 6 month period	
<b>First amount payable:</b>	30/06/2020	
<b>Term:</b>	2 years	
<b>Purpose:</b>	Investment in Umpi, Setup costs.	
<b>Other:</b>	Unsecured	

**Note 5 – Prepaid expenses**

An amount of EUR 12,314 (2019: EUR 12,346) comprises prepaid expenses in respect of domiciliation fees and management fees for the 2020 year.

**Note 6 - Administration costs**

The administrator, JTC (Luxembourg) S.A ("JTC") is entitled to an administration fee based on the Shareholder's commitments of the relevant compartment at the following rates:

**LaCambre – Internet of Things**

- Administration annual fee of 3 bps of the total net assets, subject to a minimum of EUR 20,000.
- Annual fee of EUR 3,000 per annum for the preparation of the financial statements.
- A fee of EUR 2,000 per event for each Capital Call or distribution (up to 25 investors).

The administration fee for the year ended December 31, 2020 amounted to EUR 31,140 (2019: EUR 31,540).



LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 7 – Custody fees**

The custodian, Creand Wealth & Securities (formerly known as Banque De Patrimoines Privés S.A.) is entitled to a custodian fee based on the NAV of the Sub-Fund at the following rates.

**LaCambre – Internet of Things**

Assets under management	Fee based on NAV
<EUR 50,000,000	0.07% p.a
>EUR 50,000,000	0.06% p.a

A minimum of EUR 15,000 p.a. is to be paid to the bank for each Sub-Fund.

The custodian fee for the year ended December 31, 2020 amounted to EUR 15,210 (2019: EUR 15,210).

**Note 8 - AIFM fees**

The AIFM receives a management fee from LaCambre – Internet of Things (first compartment of the Fund).

**LaCambre – Internet of Things**

The AIFM receives a once-off initial set-up fee of EUR 10,000 and a quarterly management fee (the "AIFM Fee") calculated at between 6 bps and 10 bps (depending on the NAV of the Compartment), subject to a monthly minimum fee of EUR 1,000 per month. In addition, certain fixed transactional fees will apply in relation to investments and divestments.

The AIFM fee for the year ended December 31, 2020 amounted to EUR 29,029 (2019: EUR 30,044).

**Note 9 – Creditors**

	December 31, 2020 EUR	December 31, 2019 EUR
Custodian fees	1,268	7,500
Administration fees	14,481	14,405
AIFM fees payable	6,221	-
Audit fees	13,555	10,145
Accrued fees payable on purchase of investments	-	350,000
Other payables	-	300
	<u>35,525</u>	<u>382,350</u>

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 10 – Intercompany loan**

Various costs totalling EUR 351,000 have been paid by LaCambre Asset Management Luxembourg S.à.r.l. ("the GP") during the year (2019: EUR 14,896), all of which remains payable to the GP at the end of the year.

Furthermore, on 29 March 2019 the Company received a loan of EUR 5,000 from LaCambre Asset Management Luxembourg S.à.r.l. ("the GP"). Interest on the loan accrues at 2.5% per annum. As at year end both the loan and the interest, totaling EUR 5,604 (2019: EUR 4,044), remains payable to the GP.

**Note 11 – Committed capital**

	Committed Amount EUR	Called up and paid capital EUR	Called up and Unpaid capital EUR
Management shares	2	2	-
Ordinary shares	5,274,388	5,274,388	-
	<b>5,274,390</b>	<b>5,274,390</b>	<b>-</b>

There are two classes of shares will be issued with respect to the Compartment – management shares and ordinary shares

**Management shares**

Management shares will be issued to the General Partner (the "GP") only, in its capacity as sole unlimited shareholder (associé commandité) of the Fund. Management shares can be issued at any time. The GP is not required to enter into a Subscription Agreement. Management shares are issued fully paid up at a fixed issue price of one euro (EUR 1).

**Ordinary Shares**

Ordinary Shares will be issued to Investors who qualify as Eligible Investors in accordance with the provisions of the Compartment Terms. Investors subscribing for Ordinary Shares will be required to enter into a Subscription Agreement. Subscriptions for Ordinary Shares will only be accepted during the Offering Period as defined by the GP.

When the GP formally accepts a particular subscription agreement, then such subscriber shall be admitted as an Investor in the Compartment.

**Carried Interest Shares**

Carried Interest Shares will only be issued to such persons as designated by the GP. Any person being issued Carried Interest Shares will not be required to enter into a Subscription Agreement. Carried Interest Shares will be issued fully paid up at a fixed issue price of one euro (EUR 1). Carried Interest Shares can be issued at any time. There were no Carried Interest Shares in issue at year end (2019: Nil).

**Distributions**

Distributions will be made in cash and will be decided by the GP at its own discretion on the basis of Net Cash Flow available for Distribution.

The distributable amounts cannot exceed the amount of the Net Cash Flow.

The GP is authorised to declare, as often as it deems appropriate and at any moment in time during the financial year, Distributions.

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 11 – Committed capital (continued)**

Distributions will be made in the following order of priority:

- first, to the holders of Ordinary Shares and to the holders of Carried Interest Shares, pro rata, in proportion to their Contributed Commitment, until each holder of Ordinary Shares and to the holders of Carried Interest Shares has been paid an amount equal to its Contributed Commitment;
- second, to the holders of Ordinary Shares, pro rata, in proportion to their holding of Ordinary Shares, until the holders of Ordinary Shares have received the Preferred Return; and;
- third, to the GP, until the GP has been paid an amount equal to of ten thousand euros (10.000 euros) per year;
- fourth, the balance seventy percent (70%) to the holders of Ordinary Shares, pro rata, in proportion to their respective in proportion to their holding of Ordinary Shares, and thirty percent (30%) to the holders of Carried Interest Shares, in proportion to their holding of Carried Interest Shares

**Capital calls on Subsequent Closing Date**

Any Subsequent Investor whose first Commitment has been accepted after 31/12/2019 and at a Subsequent Closing held prior to the end of the Commitment Period or any Prior Investor increasing its Commitment after 31/12/2019 and at a Subsequent Closing held prior to the end of the Commitment Period, as the case may be, will at its admission, and further to the applicable Capital Call being proceeded with, be required to make payments on or about the relevant Subsequent Closing Date equal to:

- the aggregate amount of its Commitment that such Subsequent Investor would have been required to pay-in had it been admitted at the First Closing Date, or in the case of a Prior Investor, the aggregate incremental amount of Contributed Commitment that such Prior Investor would have been required to make had the increase been included in its initial Commitment at the Closing at which such initial Commitment would have been accepted (the "Catch-Up Contribution"); and
- An Interest Charge on the Catch-Up Contribution, compounded daily at an annual effective rate of ten percent (10 %) per annum, on the basis of the number of days elapsed (based on a 365 day year) between Catch-Up Contribution Date and the respective dates on which such Commitment was deemed to have been made. The Interest Charge is to be paid to the Company and will be reflected in the Statement of Operations and Changes in Equity.

The Interest Charge on the Catch-Up Contribution for the year ended December 31, 2020 amounted to EUR 217,836 (2019: Nil).

**Note 12 – Legal and professional fees**

	December 31, 2020 EUR	December 31, 2019 EUR
Legal and professional fees	109,004	8,048
Consulting fees	190,934	8,743
	<u>299,938</u>	<u>16,791</u>

LaCambre SCA SICAV RAIF  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended December 31, 2020

**Note 13 – Off balance sheet commitments**

As at December 31, 2020 there were no further off-balance sheet commitments.

**Note 14 – Employees**

The Fund has no employees for the year ended December 31, 2020 (2019: Nil).

**Note 15 – Advances or credit granted to the Board of Managers of the General Partner**

No manager received any credit or advance from the Fund during the period ended December 31, 2020 (2019: Nil).

**Note 16 - Subsequent event**

At the date of this report, no material events have been noted since December 31, 2020.

**Note 17 – Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter “SFTR”) (unaudited information)**

During the reporting year, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

**LaCambre SCA SICAV RAIF**  
**AIFM Disclosure – Remuneration (not audited):**

**I. Remuneration**

MC Square S.A. has implemented a remuneration policy to define the conditions relating to the remuneration and the assessment of the employees of MC Square S.A. in its capacity as management company governed by chapter 15 of the Luxembourg Law of December 17, 2010 on undertakings for collective investments and as authorized alternative investment fund manager under the Luxembourg law of July 12, 2013 on alternative investment fund managers.

MC Square S.A. established a remuneration policy which is consistent and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile and articles of incorporation of the UCITS/AIFs that MC Square S.A. manages.

MC Square S.A. ensures that where remuneration is performance-related:

- The total amount of remuneration is based on a combination of the assessment of the performance of:
  - a. The individual
  - b. The business unit concerned
  - c. And the overall results of MC Square S.A. and
- The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors
- When assessing individual performance, financial as well as non-financial criteria are taken into account.

**II. Quantitative information**

The table below provides aggregated information on the remuneration of all staff employed on December 31, 2020 which is the financial year end of MC Square S.A., and performing activities for MC Square S.A. during the year 2020, including all identified staff.

The figures are expressed and based on the Funds managed by MC Square S.A.

**Aggregate fixed and variable remuneration for the performance year 2020:**

Fixed and variable remuneration awarded in relation to the performance year 2020 and on basis of the AuMs of AIFs managed by MC Square S.A.		
Amounts in EUR and gross	Identified staff (1)	All staff
Number of employees	6	15
Fixed remuneration	478.344,28	832.110,93
Variable remuneration	N/A	17.180
Aggregate of fixed and variable remuneration	478.344,28	849.290,93

(1) Identified staff : categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages.

(ESMA Guidelines on sound remuneration policies under the UCITS Directive ESMA/2016/575)