

LaCambre SCA SICAV RAIF (“LACAMBRE”)

Annual report, including audited financial statements
for the year ended December 31, 2019

Corporate Partnership limited by shares
– Reserved Alternative Investment Company

94, rue du Kiem
L-1857 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

Registered Office	94, Rue du Kiem L-1857 Luxembourg Grand Duchy of Luxembourg
General Partner	LaCambre Asset Management Luxembourg S.à r.l. 94, Rue du Kiem L-1857 Luxembourg Grand Duchy of Luxembourg
Board of Managers of the General Partner	Marco Ricci Nabil Dahdah Marco Mennella Claudio Contini
Alternative Investment Fund Manager	MC Square S.A. 94, Rue du Kiem L-1857 Luxembourg Grand Duchy of Luxembourg
Depository	Banque de Patrimoines Privés 30 Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
Administrator	JTC (Luxembourg) S.A. 68/70, Boulevard de la Pétrusse L-2320 Luxembourg Grand Duchy of Luxembourg
Independent Auditor	Mazars Luxembourg 5, rue Guillaume J. Kroll L-1882 Luxembourg Grand Duchy of Luxembourg

LaCambre SCA SICAV RAIF
STATEMENT BY THE MANAGERS

Luxembourg, 24 July 2020

Dear Sirs,
Mesdames,

The General Partner of LaCambre SCA SICAV RAIF ("LACAMBRE" or the "Company" or the "Sicav") 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,

Marco Mennella

M Ricci

The Board of Managers
Represented by Mr Marco Mennella and Marco Ricci
As General Partner representative
LaCambre Asset Management Sàrl

LaCambre SCA SICAV RAIF

MANAGEMENT REPORT

The General Partner's management report on the annual accounts closed on 31 December 2019

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 August 7th 2020 at 4pm CET, at the Sicav's registered office at 94, rue du Kiem – L-1857 Luxembourg, this Management Report drawn up by the General Partner on the annual financial statements for LACAMBRE for the financial year ended 31 December 2019, as approved by the Board of Directors.

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 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 2nd, 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 Sàrl a company currently fully owned by its management.

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.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

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:

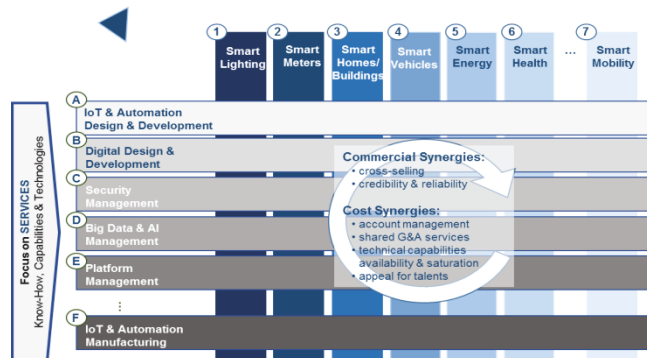
a) Investment sector

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:

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

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



LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

b) Geographies

The Compartment will invest in Targets mainly based in Italy.

Based on identified opportunities synergic 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 through a unique SPV and integrate within this SPV 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 create a major European 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" 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.

d) 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 manage the 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 participations or projects is likely to be highly dynamic and vary according to the market and specific Target conditions.

e) 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.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

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

- Consolidation of about €100 mlns revenues ;
- Effective Integration between manufacturing activities, product development capacities, data analysis & platform management expertise;
- an EBITDA level of around 15% couple with about 10% of annual growths rate;
- A diversified customer base with no single client representing more than 20% of the total revenues

The Compartment aims at building up such an integrated IoT player within 5 to 7 years' timeframe, through a mix of internal & external growth having as final goal the selling all the Targets consolidate in a unique Spv a large industrial conglomerate operating in the IoT sector, to a large system integrator or to a large private equity fund.

Alternatively, with the aim to achieve a greater value for its investors, the GP will also 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/or cash.

If both of those exit strategies may not be implemented the Compartment will, then, sell individually each company benefitting from the generated increase value of each of them.

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 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 December 2021 as determined by the General Partner.

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.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

Achievements 2018 and 2019

During December 2018 LaCambre took over 100% of an Italian limited company Digitalplatforms srl (DP) with the purpose to have DP becoming the Italian Special purpose vehicle that will consolidate the purchased targets in one unique holding accordingly with its goal to create a major European integrated player of the IoT market.

During December 2018 LaCambre took over 100% of the outstanding share capital of 2 SPVs with the purpose to implement 2 acquisitions within the context of their Group debt restructuring procedure:

- Intooition as SPV leased the activity of MRDCompany (MRD Group), an Italian leading Research & Development company in the IoT sector, and additionally signed a preliminary sale and purchase agreement for the same company;
- Smartfabers as SPV was incorporated since it was planned it should lease the activity of Freelink (MRD Group), an Italian IoT manufacturing company, and additionally signed a preliminary sale and purchase agreement for the same company.

While Intooition finalised the leasing agreement as well as the preliminary purchasing agreement for €1.500.000, Smartfabers leasing agreement was submitted to some suspensive condition that never took place.

During the leasing terms, Intooition performed particularly well finalising few major contract and identifying a very robust business growing path. Due to those success recruited managers of Intooition, jointly with other investors, built-up a hostile takeover bid for €6.800.000 on all activities and assets of MRDCompany and Freelink. Therefore, in February 2019, Intooition withdrew from its investment proposal since the leasing contract was terminated by the other party in April 2019. As a consequence, the GP decided to put into liquidation Intooition in April 2019.

It must be highlighted that the bidder (our competitor) was proven unable to pay price for the MrdCompany and Freelink it was committed to and therefore both companies, MRDCompany and Freelink, after few months went bankrupted.

Since Intooition suffered a potentially fraudulent prejudice from this aborted MRD Group's companies takeover, on June 31 2019 a claim against its competitor was introduced to the Court of Milan (Italy).

On September 4th, 2019 LaCambre transferred Intooition (in liquidation) and Smartfabers (not activated) from Digital Platforms (DP) to LaCambre as condition for DP to receive Eur 12.000.000 credit facility, from RiverRock Italian Hybrid Capital Fund, an Alternative Investment Fund managed by the Alternative Investment Fund Manager RiverRock European Capital Partners LLP, registered in UK which operates in Italy by its Italian branch in Milan, to purchase other Sicav's Targets.

For what concerns UMPI, which remained as a 100% owned by DP, in 2019 it finalised its turn-over increase started in 2018. In fact at 2019 year-end Umpi registered, in its Audited Annual Report, revenues for €5.432.865, doubling 2018 figures, with an adjusted EBITDA of Eur 733.714 and with a net profit of €243.402 (2018: loss of Eur 10.208). Moreover it has to be mentioned that UMPI in the second half of 2019 Umpi also finalised 2 important agreements with major Italian companies whose effects will be spread between 2019 and 2020:

- The first one with Acea SpA., which is a multi-service company active in the management and development of networks and services in the water, energy and environment-related sectors For which Umpi is developing a new electricity meter
- The second one with Enel S.p.A., which is a multinational energy-provider as well as an integrated operators in the electricity and gas sectors. ENEL is the Italian incumbent as electricity suppliers with over 80% of market share.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

In September 2019, as said before, Digital Platforms finalised a credit facility agreement up to €12.000.000 with RiverRock Italian Hybrid Capital Fund. Such credit facility will be fully dedicated to new acquisition with the aim to use such leverage to increase the expected IRR of Sicav's investors.

In September 2019 the Sicav, then, through its fully owned Digital Platforms Srl, finalised the acquisition of Gibiesse di Guerini & Co srl ("GBS").

GBS is a highly skilled printed circuit board ("PCB") producer dedicated to niche market production mainly servicing the medical market industry with IoT applications. The specificity of GBS is reflected in its high profitability largely above its competitors. The acquisition of GBS is in line with the purpose of the Fund to build up the integration between device producers and with data management and ICT platform management.

From a subscription point of view, at 31/12/2019, LaCambre collected €2.465.000 subscriptions from investors and registered assets for €3.814.384 corresponding to a NAV of 3.850.117. Such NAV then, shows a 56% capital gain for each issued shares gross of the carried interest due on carried interest shares.

The aim of the GP for the second half of 2020 is to increase the Sicav fund-raising.

II. NOTES ON LACAMBRE' ANNUAL ACCOUNTS

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 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.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

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.

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

In July 2018, LaCambre was incorporated with a fully paid share capital of EUR 300.000, fully subscribed by the General Partner.

In December 2018 LaCambre increased its capital by EUR 1.005.000 subscriptions from the GP Directors and by EUR 265.000 from 2 other investors, non-Directors of the GP.

During 2019 LaCambre increased its capital of EUR 1.165.000 from non-directors subscription, resulting to EUR 2.465.000 at 2019-end.

On December 31, 2019, the subscribed capital shown in the annual accounts amounted to EUR 2.465.000 and was represented by 2.464.998 Ordinary shares and 2 Management shares corresponding whose purchasing price has been EUR 1,000 per share and whose fair-value is EUR 1,562.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

ii) Change in LaCambre's shareholder base

On December 31, 2019 Fund's main shareholder was Clearstream Banking S.A. who held 24,7% of outstanding shares although the General Partner, LaCambre Asset Management Luxembourg Sàrl 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 2019 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

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 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 million including co-investments. If the GP will not succeed in identifying financing up to EUR 50 million 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 a 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.

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

vi) 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 2019 and in the notes attaching thereto and presented in this management report.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

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

Since December 2019 the GP has identified and started negotiation with 5 additional targets with the aim to close at least 2 additional acquisitions in 2020. To that purpose, starting from the 3rd quarter 2020 the GP's resources will be more dedicated to the fund raising activities.

In connection with the COVID-19 Emergency which strongly impacted Italian economy in the first half of 2020 the GP clarifies that:

- both UMPI and GBS did not stop their activity and adequate activities and protections have been put in place to protect company's employees in full compliance with Italian law;
- while GBS, thanks to its strong and professional management did not received any significant impact from COVID-19 emergency consequences a part from a slight reduction of liquidity due to some payment delays of some clients, UMPI suffered the closure of its customers' offices which caused the impossibility to deliver its already available final products and, consequently, caused the impossibility to issue the related invoices to be anticipated by the Banks to get liquidity. In this situation, GBS supported UMPI by providing a short term loan to face the shortage of liquidity while waiting for the approval of requested COVID-19 related Bank loan (which will be provided according to Italian law).

It should also be mentioned that UMPI Srl Management, in April, adopted a revised Commercial plan in order to recover the slow-down of company's turn-over by leveraging on COVID-19 companies needs to adopt people's temperature scanner, by launching a new Thermo-scanner product among its commercial offer.

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.8 Additional Information

i) Conflicting interests of a financial nature

It is reminded, as included in Management report for the 2018 Year-end, that in 2018 the GP's Directors mentioned a potential conflict of interests in connection with the decision by LaCambre SCA Sicav Raif to purchase 100% the share capital of the following companies (the "Companies"):

- Umpi Srl
- Smartfabers Srl
- Intooition Srl
- Digital Platform Srl

GP's directors had directly and/or indirectly a patrimonial interest which may be opposed to the one of LaCambre in the context of the purchasing decision.

This interest, which was possibly opposed to the one of LaCambre, resulted in particular from the fact that the Directors were directly or indirectly shareholder of the Companies as well as they were, and still are, personally directors of those Companies.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

More precisely

Claudio Contini was the sole manager of the Companies and a shareholder of Digital Holding SRL, which held:

- 20% of Umpi srl
- 13,89% of Intooition Srl
- 13,89% of Smartfabers Srl

Mr Marco Ricci held directly:

- 13,89% of Intooition Srl
- 23,89% of Smartfabers Srl

Marco Mennella was a director and shareholder, in the minority, of Weghsteen Capital Advice SA, which held:

- 80% of Umpi

Mr Marco Mennella also held directly:

- 72,22% of Intooition Srl
- 72,22% of Smartfabers Srl
- 100% of Digital Platform SRL

In this context, and in accordance with the Luxembourg law concerning commercial companies, the concerned GP's Directors duly informed the Investor Committee as well as the Board of Directors of LACAMBRE of this potential conflict of interests.

It must be underlined that the GP received a note previously to the acquisition transactions on the conflict of interest from its legal adviser which suggested the following actions to avoid any possible conflict of interest:

- *... review the valuation of the assets and ensured that the asset transaction was made on arm's length commercial terms*
- *make appropriate disclosures to prospective investors in the RAIF ...*

The GP followed strictly the advice from its lawyers and therefore the purchasing of UMPI, Intooition & Smartfabers was clearly disclosed in the Private Placement Memorandum ("PPM") of LaCambre SCA Sicav RAIF ("LACAMBRE") and therefore accepted by all the current and future investors.

Coherently the Investment Committee, as well the Board of Directors and any relevant party did not foresee any conflict of interest due to the following considerations:

All the targets, including Digital Platform were purchased at a price that corresponds to the capital contribution invested by the Directors in those targets net from any transaction cost. Therefore it was undisputable that those transactions were in the interest of third parties prospective shareholders considering that the Directors lost all the amounts invested in costs and did not get any remuneration for the dedicated time, effort and work.

The GP draw the attention of the shareholders that 100% of the proceeds received by the Directors from the sale of the Companies have been invested by the Directors as subscription in LaCambre.

During 2019 no-conflict of interest to be mentioned related to the GP and its managers occurred.

II.9 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.

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

II.10 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 consists 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, 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 is by essence exposed 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 interests 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 seems 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, the LaCambre's cash position has been mainly covered by the Sicav's subscriptions and the credit facilities obtained by its SPV DigitalPlatforms Srl. Therefore LACAMBRE treasury risk is essentially linked to the capacity of Sicav's SPVs participations to generate funds to repay the credit facilities called and to the capacity of LACAMBRE to continue raising subscription.

II.12 Expected trend for the company and prospects for the future

LaCambre will continue its fund raising activity as well as its acquisition activity.

For 2020 LaCambre acquisition activity will follow the following 2 lines

- Consolidate its current position in the smart lighting sector as well as in the printed circuits board through 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

LaCambre SCA SICAV RAIF
MANAGEMENT REPORT (continued)

II.13 Proposal for the allocation of LACAMBRE' results

The General Partner proposes to the LACAMBRE Annual General Meeting convened to approve the accounts closed on 31 December 2019 that the revenues have to be allocated as follows:

Revenues equals to EUR 1.441.722 to be carried forward.

The sum of "2018 Accumulated losses" and "2019 Revenues" will be, then, equal to EUR 1.385.117.

II.14 Fees received by the statutory auditor for tasks unrelated to the statutory audit mandate for the company

The statutory auditor for LACAMBRE did receive a fee of EUR 16.521 related to his statutory audit mandate.

II.15 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
- Mr Nabil Dahdah

The Annual General Meeting, convened on 17 July 2018, appointed as the statutory auditor Mazar , a civil-law trading partnership in the form of a limited liability cooperative society, with its offices at 5, rue Guillaume Kroll, L - 1882 Luxembourg, represented by Mr. Eric Decoster in his capacity as statutory auditor, for a three-year term of office. This office will therefore expire after the Annual General Meeting that will take place in 94, rue du Kiem, L - 1857 Luxembourg. The General Meeting has set the remuneration of the statutory auditor at a fixed sum of EUR 7,000 for the years 2018 to 2020. The annual fees for the statutory auditor do not include VAT, sundry disbursements and the Belgian Institute of Corporate Auditors membership fee. These fees will be adapted annually in line with changes in the consumer price index or based on an agreement between the parties.

II.16 Table of the key figures (EUR)

Net assets 31 December 2018	98,398
Net assets 31 December 2019	3,850,117
Subscribed capital	2,465,000
Unrealised capital gain (56%)	1,559,384

For LACAMBRE,

The General Partner
Represented by
Luxembourg, 24 July 2020

AIFM Report

Overview of the activities of the Company and its performance

As at 31 December 2019, the Fund is still in the kick-off period and investment period and has no funding gap.

The Fund has drawn from the limited partners EUR 125,000 which had not as yet at year end been invested, representing 5.13% of total commitment equal to EUR 2,435,000. The net asset value at that date stands at EUR 3,850,117 and the NAV per share is equal to EUR 1.562.

The fund has two investments in its portfolio.

To the Shareholders of,
LaCambre S.C.A. SICAV RAIF

R.C.S. Luxembourg B 225.927

94, rue du Kiem
L-1857 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 S.C.A., SICAV RAIF** (the "Fund"), which comprise the balance sheet as at December 31, 2019, 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 Fund as at December 31, 2019, 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 Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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 Partner 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 Fund for the Financial Statements

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

In preparing the financial statements, the Board of Managers of the General Partner of the Fund is responsible for assessing the Fund’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 Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’Entreprises Agréé” for the Audit of the Financial Statements

Our objectives 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 dated 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the General Partner of the Fund.
- Conclude on the appropriateness of Board of Managers of the General Partner' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Fund 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 24, 2020

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, 2019

		LaCambre SCA SICAV-RAIF	LaCambre SCA SICAV- RAIF
		December 31, 2019	December 31, 2018
	Notes	EUR	EUR
Assets			
Formation expenses		10,027	12,892
Financial fixed assets	3	3,814,384	10,000
Other assets - Loan provided to participation	14	240,000	-
Receivable on transfer of securities	3	-	995,000
Cash at bank		171,417	126,785
Prepaid expenses	4	12,346	12,314
Interest receivable		3,233	-
Total assets		4,251,407	1,156,991
Liabilities			
Creditors	8	(382,350)	(1,043,700)
Intercompany loan	9	(18,940)	(14,896)
Total liabilities		(401,290)	(1,058,596)
NET ASSETS AT THE END OF THE YEAR/PERIOD		3,850,117	98,395

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, 2019

		LaCambre SCA SICAV-RAIF EUR	LaCambre SCA SICAV-RAIF EUR
	Notes	From January 1, 2019 to December 31, 2019	From July 2, 2018 to December 31, 2018
Income			
Interest income		3,233	-
Total income		3,233	-
Expenses			
Administration fees	5	(31,540)	(13,500)
Audit fees		(16,521)	(7,000)
Bank charges		(1,075)	(390)
Custodian fees	6	(15,210)	(7,500)
Domiciliation fees		(2,997)	(1,500)
Legal and professional fees	9	(8,048)	(14,896)
AIFM fees	7	(30,045)	(10,386)
Set-up costs		-	(1,433)
Other expenses		(15,460)	-
Total expenses		(120,895)	(56,605)
Result of operations		(117,662)	(56,605)
Net unrealised result on financial assets		1,559,385	-
Results on investment		1,559,385	-
Subscriptions			
Committed capital	10	2,310,000	1,300,005
Called up and unpaid capital	10	-	(1,145,005)
Called up and paid capital		2,310,000	155,000
Total changes in net assets for the year/period		3,751,722	98,385
Net assets at the beginning of year/period		98,395	-
NET ASSETS AT THE END OF THE YEAR/PERIOD		3,850,117	98,395

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, 2019

	LaCambre SCA SICAV-RAIF January 1, 2019 to December 31, 2019	LaCambre SCA SICAV-RAIF July 2, 2018 to December 31, 2018
Shares outstanding – opening balance	35,000	-
Shares issued – ordinary shares	2,430,000	34,998
Shares issued – management shares	-	2
Shares redeemed – ordinary shares	-	-
Shares redeemed – management shares	-	-
Shares outstanding – closing balance	2,465,000	35,000

FINANCIAL DETAILS RELATING TO THE YEAR/PERIOD

	December 31, 2019	December 31, 2018
Total net assets	EUR 3,850,117	EUR 98,395
Shares outstanding – ordinary shares	2,464,998	34,998
Net asset value per ordinary share	EUR 1.562	EUR 2.811
Shares outstanding – management shares	2	2
Net asset value per management share	EUR 1.000	EUR 2.811

STATEMENT OF INVESTMENTS AND OTHER ASSETS

	As at December 31, 2019	
Description	In EUR	% of NAV
Formation expenses	10,027	0.26
Financial fixed assets	3,814,384	99.07
Other assets – Loan provided to participation	240,000	6.23
Loan and interest receivable	3,233	0.09
Cash at banks	171,417	4.45
Prepaid expenses	12,346	0.32
Other net liabilities	(401,290)	(10.42)
Total	3,850,117	100.00

	As at December 31, 2018	
Description	In EUR	% of NAV
Formation expenses	12,892	13.10
Financial fixed assets	10,000	10.16
Receivable on transfer of securities	995,000	1,011.23
Cash at banks	126,785	128.85
Prepaid expenses	12,314	12.52
Other net liabilities	(1,058,596)	(1,075.86)
Total	98,395	100.00

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, 2019

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, 2019

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, 2019

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, 2019

Note 2 - Basis of preparation and significant accounting policies

b) Valuation (continued)

As reflected in the Memorandum, the annual valuation is used for valuing the relevant 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 is carried out in accordance with applicable laws, regulations and customary market practice as further determined in the valuation policy. The NAV of the Fund is 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2019

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-six point zero-one per cent (26.01%) (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.

Note 3 – Financial fixed assets

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

	December 31,2019 EUR	December 31,2018 EUR
Acquisition cost – opening balance	10,000	-
Additions for the year/period	2,245,000*	1,005,000
Disposals for the year/period	-	-
Transfers for the year/period	-	(955,000)
Acquisition cost – closing balance	2,255,000	10,000
Accumulated fair value adjustments – opening balance	-	-
Fair value adjustments for the year/period	1,559,384	-
Accumulated fair value adjustments – closing balance	1,559,384	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2019

Note 3 – Financial fixed assets (continued)

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

- *On 3 January 2019, the Company converted the loan provided to DigitalPlatforms S.r.l for EUR 250,000 as well as the credit generated by agreed price of the transfer of the shares of UMPI S.r.l, INTOITION S.R.L and SMARTFABERS S.R.L to DigitalPlatforms S.r.l for EUR 995,000 into shareholder capital of DigitalPlatforms S.r.l. These transactions resulted in an aggregate contribution of EUR 1,245,000.*
- *On 13 November 2019, the Company acquired additional share capital for a contribution of EUR 200,000.*
- *On 2 December 2019, the Company acquired additional share capital for a contribution of EUR 450,000.*
- *On 31 December 2019, the Company acquired additional share capital for a contribution of EUR 350,000. The amount of the purchased shares of EUR 350,000 has not been paid and has been recorded at balance sheet date as a payable on purchase.*

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 year	December 31, 2019 Net Equity
Piazzale Biancamano 2 – 20121 Milano (MI)	Digital Platform Srl	100.00%	EUR	2,255,000	3,814,384	(899,741)	1,418,345**

As at 31 December 2018 the financial fixed assets are presented as follows:

Registered office	Name	Ownership	Currency	December 31, 2018 Cost	December 31, 2018 Fair Value	Result for 2018 period	December 31, 2018 Net Equity
Piazzale Biancamano 2 – 20121 Milano (MI)	Digital Platform Srl	100.00%	EUR	10,000	10,000	(132,168)	(126,913)**

*** Audited financial information*

Note 4 – Prepaid expenses

An amount of EUR 12,346 (period 2 July 2018 to 31 December 2018: EUR 12,314) comprises prepaid expenses in respect of domiciliation fees and management fees for the 2019 year/period.

Note 5 - 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 – Interest 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, 2019 amounted to EUR 31,540 (period 2 July 2018 to 31 December 2018: EUR 13,500).

LaCambre SCA SICAV RAIF
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2019

Note 6 – Custody fees

The custodian, Banque De Patrimoines Prives S.A. is entitled to a custodian fee based on the NAV of the Sub-Fund at the following rates.

LaCambre – Interest 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, 2019 amounted to EUR 15,210 (period 2 July 2018 to 31 December 2018: EUR 7,500).

Note 7 - 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, 2019 amounted to EUR 30,045 (period 2 July 2018 to 31 December 2018: EUR 10,386).

Note 8 – Creditors

	December 31, 2019 EUR	December 31, 2018 EUR
Formation expenses	-	3,000
Management fees	-	7,700
Custodian fees	7,500	7,500
Administration fees	14,405	13,500
Audit fees	10,145	7,000
Accrued fees payable on purchase of investments	350,000	1,005,000
Other payables	300	-
	382,350	1,043,700

LaCambre SCA SICAV RAIF
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2019

Note 9 – Intercompany loan

Notary costs totalling EUR 13,846 have been paid by LaCambre Asset Management Luxembourg S.à r.l. (“the GP”) during the year (period 2 July 2018 to 31 December 2018: EUR 14,896), all of which remains payable to the GP at the end of the year/period.

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 5,094, remains payable to the GP.

Note 10 – Committed capital

	Committed Amount EUR	Called up and paid capital EUR	Called up and Unpaid capital EUR
Management shares	2	2	-
Ordinary shares	2,464,998	2,464,998	-
	2,465,000	2,465,000	-

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 (period 2 July 2018 to 31 December 2018: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2019

Note 10 – Committed capital (continued)

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.

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

Note 11 – Off balance sheet commitments

The shares of Digital Platforms Srl ("DP") and Gibiesse di Guerini & Co srl ("GBS") and Umpi Srl ("Umpi") were pledged to RiverRock Italian Hybrid Capital Fund as condition for DP to receive the Eur 12.000.000 credit facility.

As at December 31, 2019 there were no further off-balance sheet commitments.

Note 12 – Employees

The Fund has no employees for the year ended December 31, 2019 (period 2 July 2018 to 31 December 2018: Nil).

Note 13 – 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, 2019 (period 2 July 2018 to 31 December 2018: Nil).

Note 14 - Subsequent event

The post year-end coronavirus outbreak is impacting the global economy and the market environment. The final impact of the coronavirus outbreak on the investments of the Fund is hard to predict. Therefore, the financial statements do not include any impacts related to this event. Considering post year-end market conditions however, the future values retained for the investments in the financial statements may differ significantly from the current values of the investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2019

Note 14 - Subsequent event (continued)

On 20 June 2019, the Company invested EUR 240,000 to provide a loan to DigitalPlatforms S.r.l. Subsequent to year end, this loan has been converted into DigitalPlatforms S.r.l. shareholding Capital

At the date of this report, no material events have been noticed since December 31, 2019.

Note 15 – Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter “SFTR”)

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.

AIFM Disclosure – Remuneration (not audited):

I. Remuneration

MC Square has implemented a remuneration policy to define the conditions relating to the remuneration and the assessment of the employees of MC Square 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 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 manages.

MC Square 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 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, 2019 which is the financial year end of MC Square, and performing activities for MC Square during the year 2019, including all identified staff.

The figures are expressed and based on the AIFs managed by MC Square pro rata to the total AuM managed by MC Square.

Aggregate fixed and variable remuneration for the performance year 2019:

Amounts in EUR and gross	Identified staff	All staff – excluding identified staff
Number of employees	7	15
Fixed remuneration	EUR 456,693	EUR 709,812
Variable remuneration	N/A	N/A
Aggregate of fixed and variable remuneration	EUR 456,693	EUR 709,812

Aggregate fixed and variable remuneration for the performance year 2018:

Amounts in EUR and gross	Identified staff	All staff – excluding identified staff
Number of employees	6	4
Fixed remuneration	EUR 451,320	EUR 566,365
Variable remuneration	N/A	N/A
Aggregate of fixed and variable remuneration	EUR 451,320	EUR 566,365