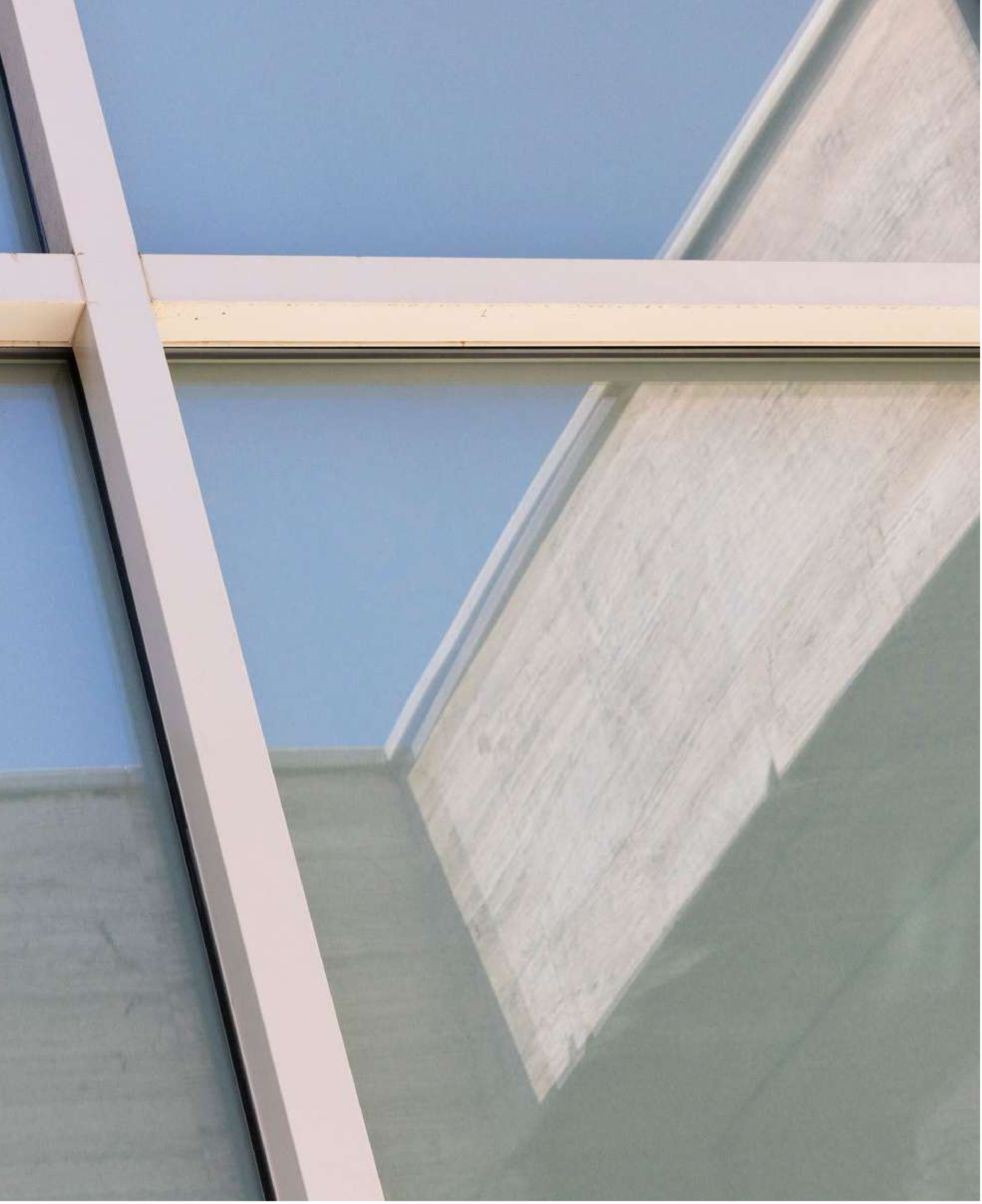
LVenture GROUP

Annual Financial Report
2019

Annual Financial Report 2019

This report has been translated into the English language
for the sole convenience of international readers.



Contents

Letter from the Chairman

Dear Shareholders,

First of all, for you who have been following us closely for seven years, I wish to thank you for the success of our public capital increase of €6.135 million, 99.99% subscribed by over 460 investors, the fourth in this seven-year period, which has brought the capital raised to about 25 million, in line with the stock market capitalisation and total shareholders' equity, as well as with the IFRS valuation of our portfolio, now with over 70 investments (some of which are no longer startups, but real scale-ups).

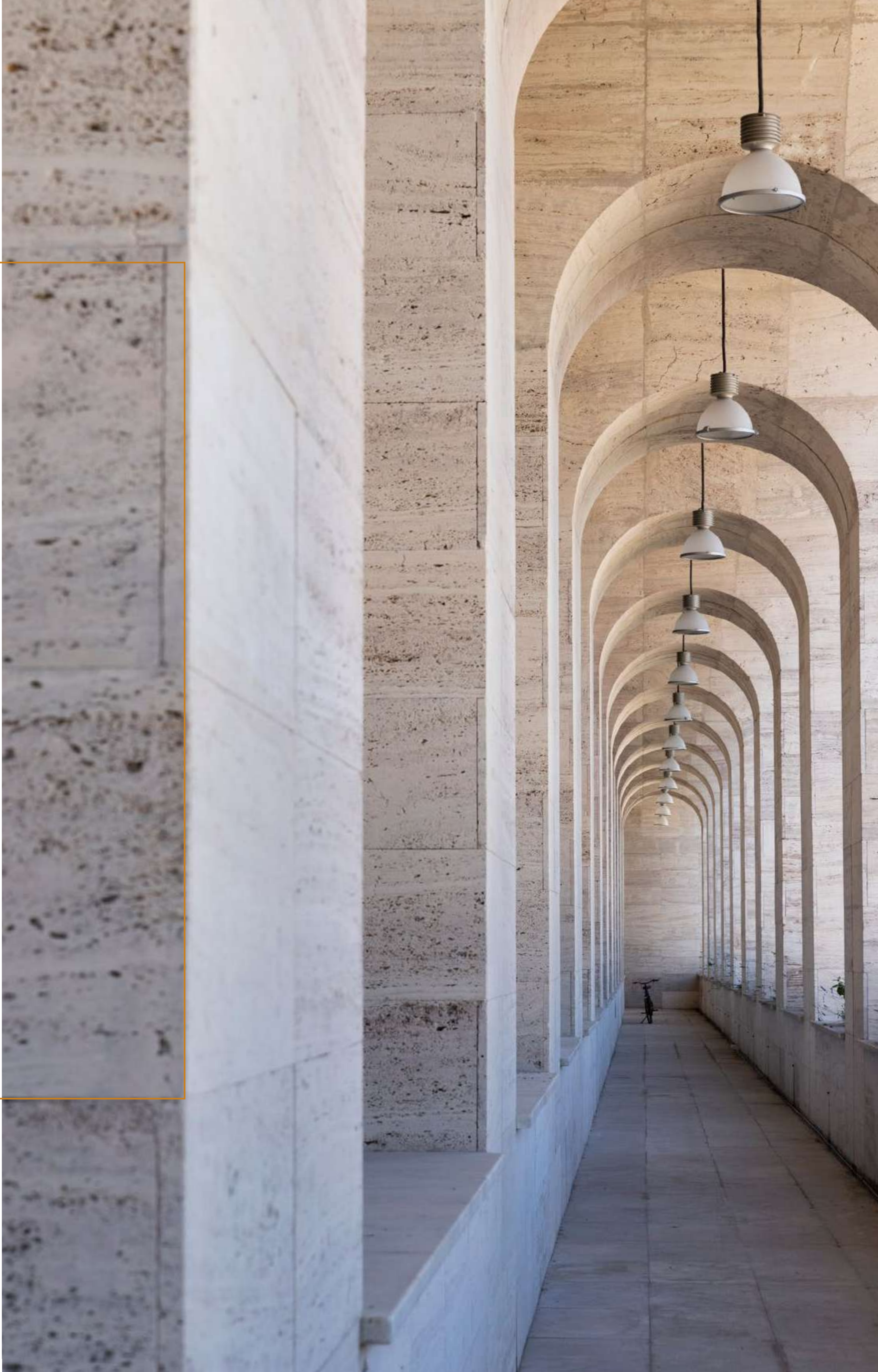
Our investments are growing at a steady pace, thanks to the greater availability of capital on the Italian market, with over 75 million invested by us and by third parties. The only blip in this scenario is the stock market valuation, which still has not accounted for this acceleration and remains cautious on prospective valuation for the moment. We are confident that despite the effects of Covid-19 (which we cannot yet quantify, but which led us to review our own management and organisational models successfully), the excellent signs of these initial months of 2020, three significant capital increases in startups and negotiations for an important exit, will bring back confidence in the Stock Exchange as well.

The contract signed on 31 July 2019 with Grandi Stazioni Rail SpA to rent the fourth floor is in underway and we expect availability of the new 3000 m2 by June, already entirely reserved by our associates and new sponsors. Thanks above all to the Open Innovation team, recently strengthened, our 22% growth in turnover in 2019 placed us in the Financial Times ranking of 1000 highest growing European companies for the second year running, and drove the net result to €505 thousand, up 26% on the prior year.

Our HUB in Rome, thanks to the many events it hosts, amounting to over 400 in 2019 alone, is increasingly well-known and the destination of numerous official visits from foreign delegations interesting in learning about and exporting our model. We are therefore confident in the path undertaken, and certain to soon provide the satisfaction you are all expecting.

Duc in altum!

Stefano Pighini
Chairman



Company Information

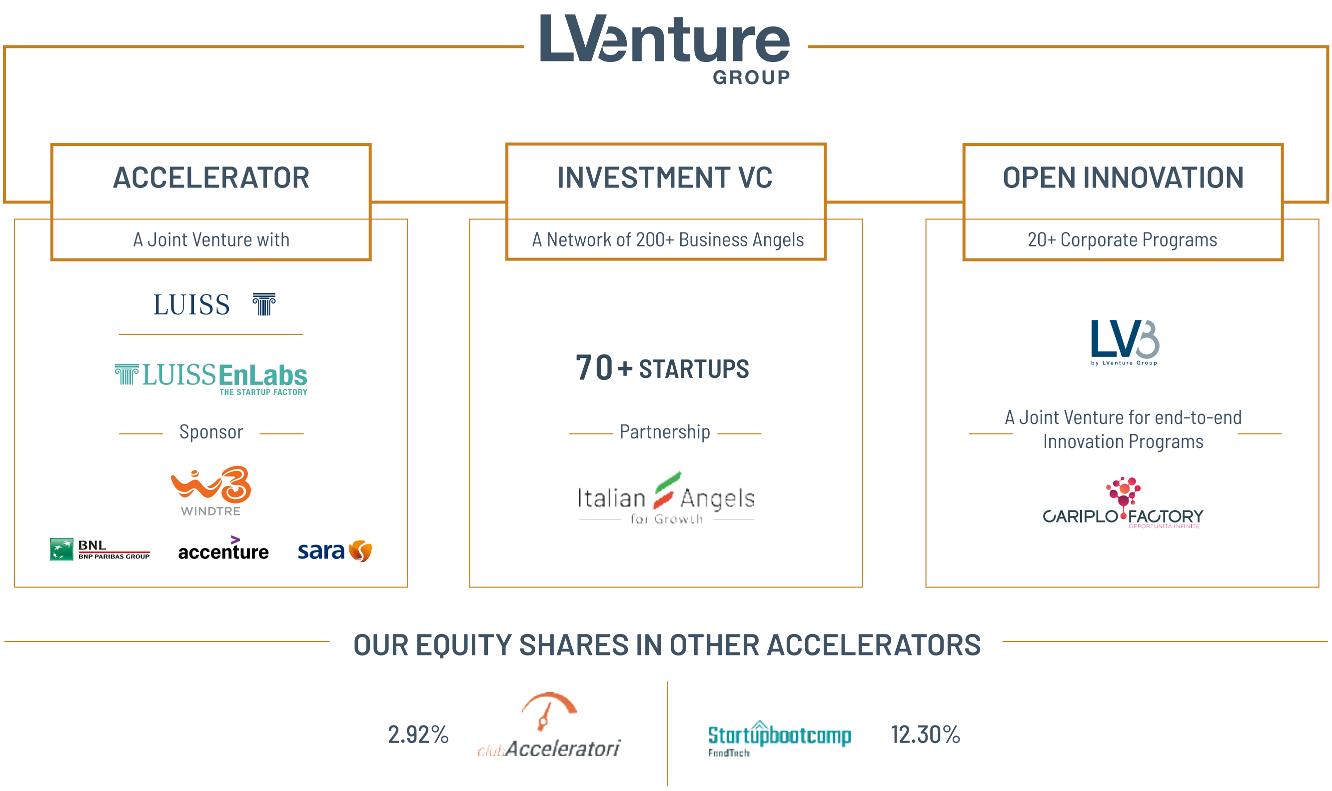
Registered Office

LVenture Group S.p.A.
Via Marsala 29h
00185 ROME
Tel. +39 06 4547 3124

Legal Information

Subscribed and paid-up share capital €14,507,401
Tax Code and Rome Business Reg. no.: 81020000022
VAT no.: 01932500026
Rome Chamber of Commerce Economic and Administrative Index no. 1356785
Enrolled in the special section of the Rome Chamber of Commerce reserved for the CERTIFIED INCUBATORS AND ACCELERATORS
LEI Code 8156001F4745B0CB0760
Certified email: lventuregroup.pec@legalmail.it

Organisational Chart at 31/12/2019



Corporate Offices

Board of directors in office until approval of the 2020 financial statements

ROLE	NAME AND SURNAME
Chairman	Stefano Pighini
Deputy Chairman and Chief Executive Officer	Luigi Capello
Director	Roberto Magnifico
Director	Valerio Caracciolo
Independent Director	Claudia Cattani
Independent Director	Maria Augusta Fioruzzi
Independent Director	Marco Giovannini
Independent Director	Maria Mariniello
Independent Director	Pierluigi Pace

Board of statutory auditors in office until approval of the 2021 financial statements

ROLE	NAME AND SURNAME
Chairman	Fabrizio Palma
Standing Auditor	Giovanni Crostarosa Guicciardi
Standing Auditor	Giorgia Carrarese

INTERNAL CONTROL SYSTEM DIRECTOR

Luigi Capello

CONTROL AND RISK AND RELATED PARTY TRANSACTIONS COMMITTEE

Claudia Cattani (Chairperson)

Maria Mariniello

Maria Augusta Fioruzzi

REMUNERATION COMMITTEE

Claudia Cattani (Chairperson)

Marco Giovannini

Maria Mariniello

SURVEILLANCE BODY

Bruno Piperno (Chairman)

Cristiano Cavallari

Giorgia Carrarese

INDEPENDENT AUDITORS ENGAGED UNTIL APPROVAL OF THE 2021 FINANCIAL STATEMENTS

Baker Tilly Revisa Spa

CORPORATE OFFICER IN CHARGE OF PREPARING THE ACCOUNTING DOCUMENTS

Francesca Bartoli

Highlights of Results

Our numbers

2
CITIES
Rome and Milan

200+
CORPORATES
in our ecosystem

80%
SUCCESS RATE
accelerated startups

9K
SQUARE METRES
of offices in Rome and Milan

2
ACCELERATION PROGRAM
every year

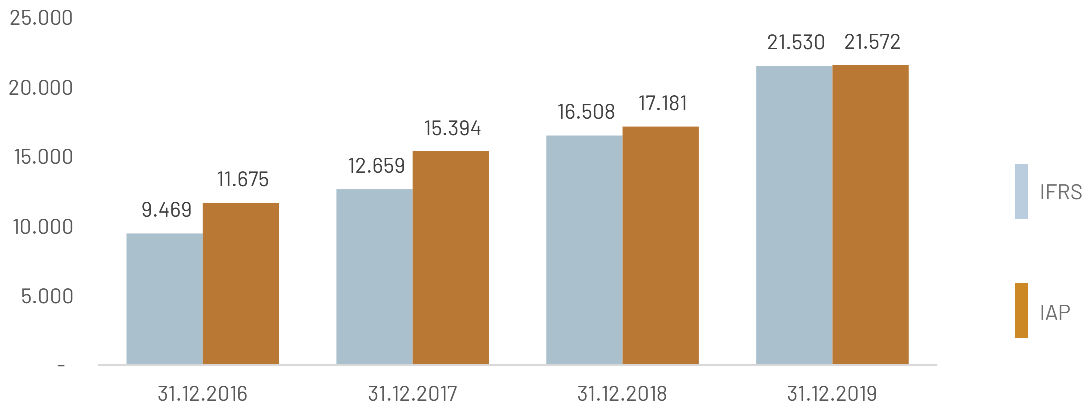
200+
INVESTORS
in our network

400+
EVENTS
every year gathering 20K+ guests

800+
APPLICATIONS
every year
in our deal flow

70+
STARTUPS
in our portfolio

Total value of investments

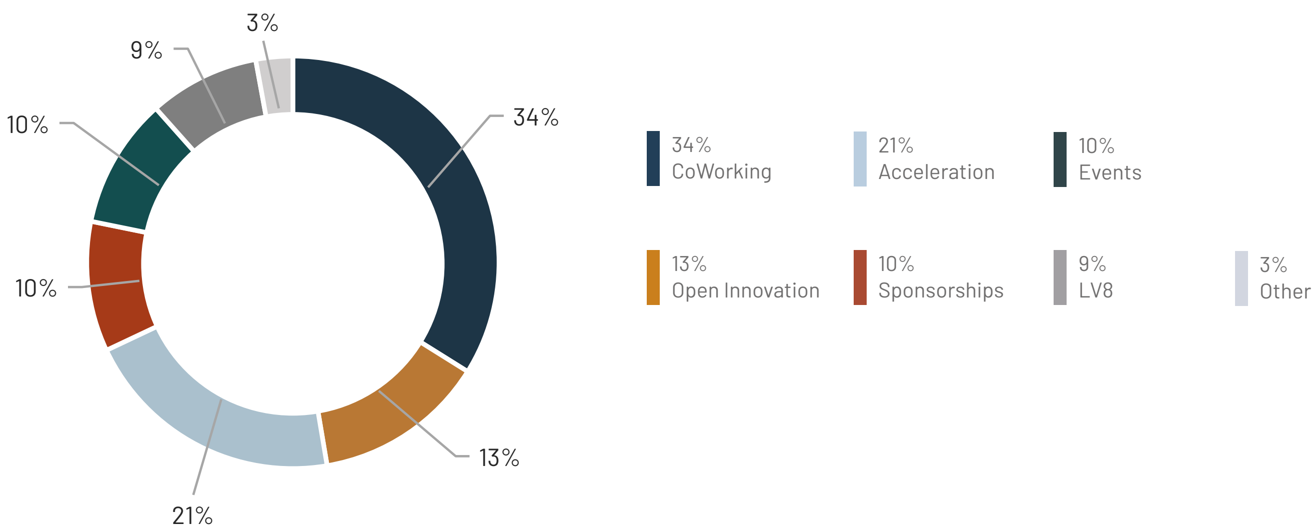


€16.4M
INVESTED
by LVenture Group

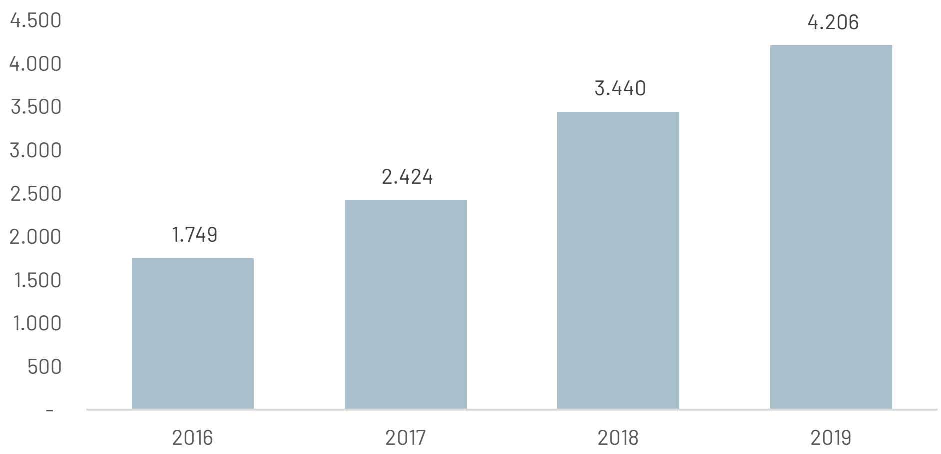
€58.9M
INVESTED
by other investors

€75.3M
INVESTED
in our startups

Revenues by type of service at 31/12/2019

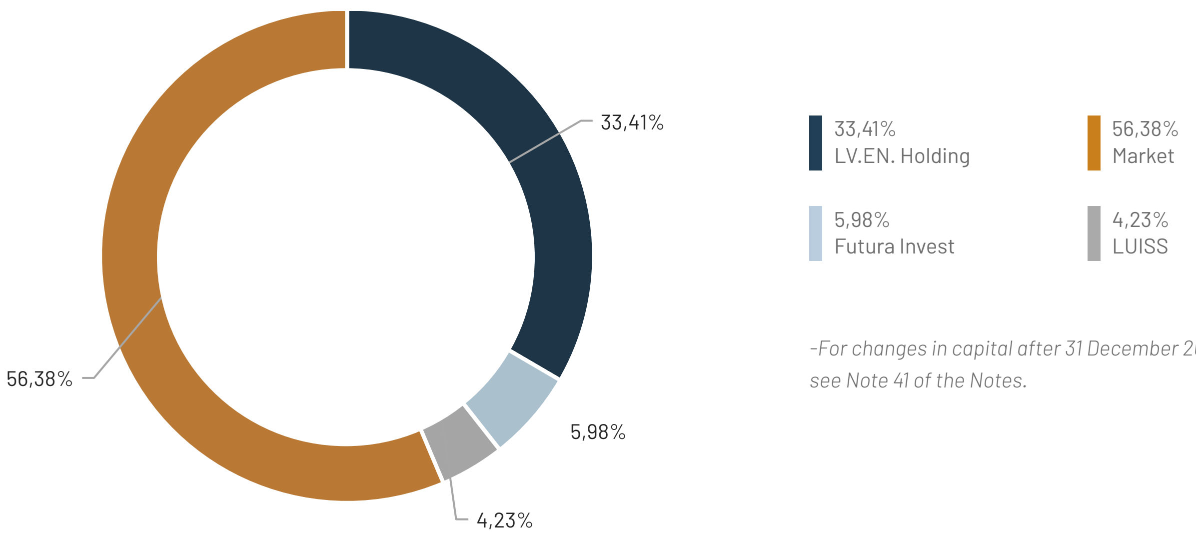


Trend in Revenues



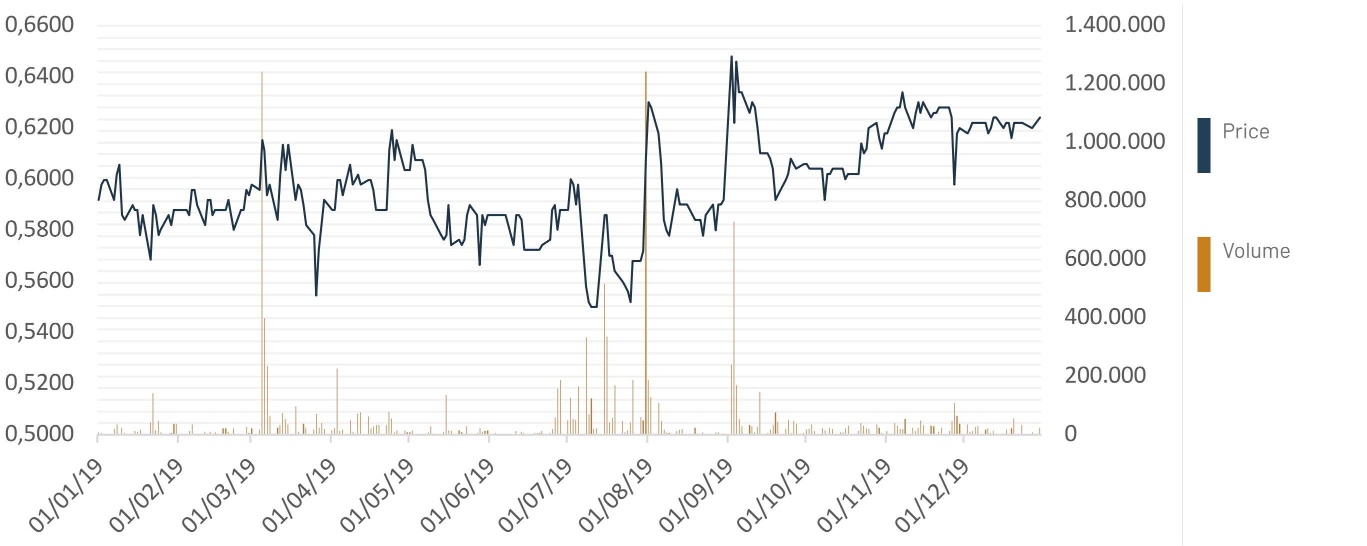
MAIN STOCK EXCHANGE INDICATORS (EURO)	
Official price at 1-Jan-2019	0.592
Official price at 30-Dec-2019	0.624
Minimum price during the year	0.550
Maximum price during the year	0.648
Stock market capitalisation 1-Jan-2019	18,750,995
Stock market capitalisation 30-Dec-2019	27,843,810
Total capitalisation 1-Jan-2019	19,809,188
Total capitalisation 30-Dec-2019	27,843,810
No. of listed shares outstanding at 1-Jan-2019	31,679,330
No. of listed shares outstanding at 30-Dec-2019	44,621,491
No. listed shares outstanding at 01-Jan-2019	33,467,119
No. listed shares outstanding at 30-Dec-2019	44,621,491

Breakdown of the Share Capital of LVenture Group at 31/12/2019

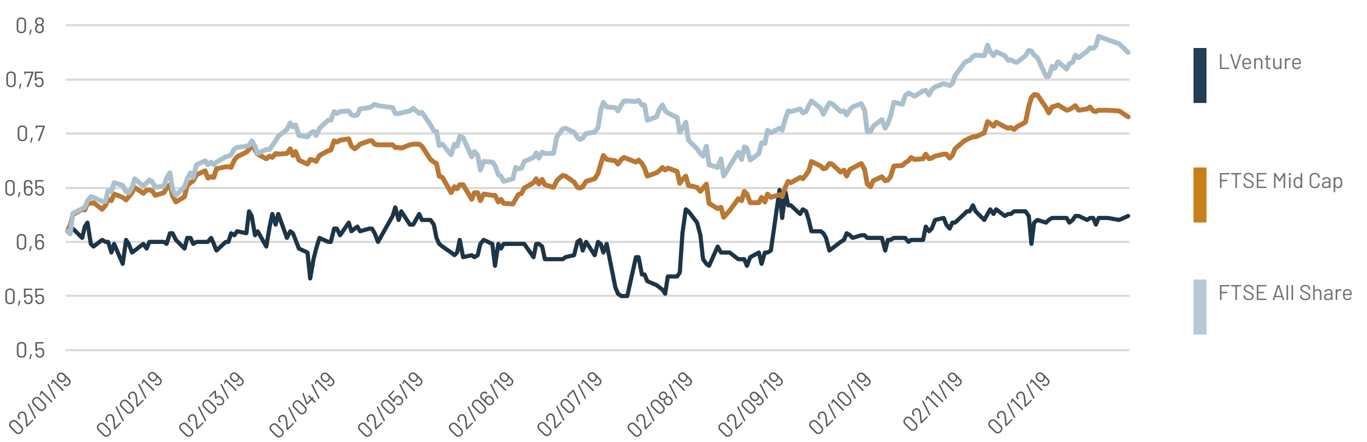


-For changes in capital after 31 December 2019, see Note 41 of the Notes.

Performance of the stock



Performance of the stock compared to the indexes: FTSE Italia All Share and FTSE Italia Small CAP



Our Startups

ANALYTICS & BIG DATA

BigProfiles is a Big Data platform for Customer Intelligence insights.

www.bigprofiles.it

Confirmo is a GDPR compliant LegalTech software that digitises the whole process of informed consent ensuring users correctly understand the information provided.

www.confirmo.it

Dynamitick is a dynamic pricing engine for the entertainment and travel industry.

www.dynamitick.com

GenomeUp uses AI to support the diagnosis and therapy of patients by analysing their DNA.

www.genomeup.com

KPI6 is an AI-powered Software as a Service for social media marketing.

www.kpi6.com

Lybra Tech is a B2B SaaS platform with a machine learning algorithm for hotel revenue management.

www.lybra.tech

myAEDES is a ConTech management platform for construction sites and workflows wherever you are.

www.myaedes.com

MyTutela is a LegalTech GDPR compliant app to record, archive and retrieve calls, SMSs and chats, certifies their authenticity and proof of evidence in legal proceedings.

www.mytutela.app

Overbooking is a TravelTech platform for hotels to manage and re-distribute overbookings.

www.overbookingapp.com

Stip is a platform to prioritise customer care requests on social networks by automating ticket management.

www.stip.io

COMMUNITY & EDUCATION

Avvocato Flash is a 2-sided LegalTech platform that connects clients that need specialised lawyers to quickly resolve legal disputes.

www.avvocatoflash.it

Codemotion is an event format and a digital platform that connects developers with corporates.

www.codemotionworld.com

Gec is the first Italian e-sports network, with its own e-learning platform called GETPRO.

www.gec.gg

Social Academy is an e-learning and career coaching platform.

www.socialacademy.com

Tutored is a social network and hiring platform for university students.

www.tutored.me

DESIGN & FASHION

AmbiensVR is a virtual reality platform that creates immersive and interactive 3D interior design experiences.

www.ambiensvr.com

Deesup is the marketplace for authentic second-hand design furniture.

www.deesup.com

Drexcode is an online platform to rent exclusive fashion and design collections.

www.drexcode.com

GoPillar is an interior design crowdsourcing platform that connects designers and customers.

www.gopillar.com

Playwood is an online assembly design system to combine connectors with boards and create custom furniture.

www.playwood.it

DEV TOOLS

Hakuna Cloud is a software to start and stop cloud servers to avoid inactivity costs.

www.hakuna.cloud

LexiQA is a cloud-based quality control platform for language services.

www.lexiqa.net

Majeeko automatically creates and synchronises customisable websites from client Facebook pages.

www.majeeko.com

Pigro is a virtual assistant that automatically turns content from corporate knowledge bases into user-friendly chatbots.

www.pigro.ai

Skaffolder is a platform for developers to create web applications with less time and effort.

www.skaffolder.com

ENTERTAINMENT

Snapback is a Software Development Kit to create innovative gesture control interfaces.

www.snapback.io

UXGO automatically creates websites by using 56 physical cards and an app to translate them into code.

www.uxgo.io

Yakkyo is an online platform to source and ship goods from China.

www.yakkyo.com

Cineapp is an app to choose a movie and buy the tickets for any cinema in less than a minute.

www.cineapp.it

Gamepix is an online platform to publish and promote HTML5 videogames.

www.gamepix.com

Karaoke One is a social network that records and shares your karaoke experiences.

www.karaokeone.tv

Keiron is the first Virtual Reality training solution for gyms to perform free body workouts.

www.keiron.fit

Nextwin is a social game for tipsters and Invictus is their AI-powered advisor for sports betting.

www.nextwin.com

Soundreef is a royalty collecting and license issuing digital platform for musicians and authors.

www.soundreef.com

Tirolibre is a digital platform for the football market dedicated to players, clubs and agents.

www.tirolibre.it

EVENTS & TRAVEL

Apical is a professional tool for tour operators and individuals to design and sell travel experiences.

www.apical.org

Babaiola is an online travel platform for the LGBT community.

www.babaiola.com

DiveCircle is a booking platform for travel experiences dedicated to sea lovers and scuba divers.

www.divecircle.com

Flamingo is an app to design tailor-made experiences for holiday villages, campings, resorts and hotels.

www.flamingoanimazione.it

Getastand is a marketplace dedicated to events and fairs to help discover, book and manage exhibition spaces and related services.

www.getastand.com

Parcy is a B2B SaaS platform to assist event professionals and automate their workflow.

www.parcy.co

FINTECH & LOYALTY

In Time Link enables digital payments on vending machines with smartphones.

www.intimelink.com

Together Price is an online platform designed to share digital subscription services and split costs.

www.togetherprice.com

FOODTECH

Direttoo is an HORECA supply-chain platform than revolutionizes food and beverage distribution.

www.direttoo.it

Leonard is a software dedicated to restaurants that lets customers interact directly with waiters.

www.leonardsystem.com

Foodys.it is a food delivery platform for culinary excellence.

www.myfoodys.it

MyFoody is a platform to reduce food waste for supermarkets and consumers.

www.myfoody.it

Wineowine in an online club to discover and buy quality wines from small producers.

www.wineowine.com

HEALTH & BEAUTY

Bloovery is a B2B marketplace to connect flower exporters with florists, revolutionising and optimising the whole distribution chain.

www.bloovery.com

Brave Potions is an augmented reality app to help children trust doctors and dentists.

www.bravepotions.com

Call Me Spa offers wellness, fitness and beauty services on demand at your doorstep.

www.callmespa.com

EpiCura is a digital health platform that lets you book healthcare services directly from your phone.

www.epicuramed.it

Fitprime is an all-in-one subscription app to access gyms and fitness classes.

www.fitprime.com

Inkdome is a virtual tattoo studio that uses Artificial Intelligence to connect tattoo lovers with the best artists.

www.inkdome.com

Medyx reminds discharged patients of their medications and dosages.

www.medyxcare.com

MyLab Nutrition is a platform for sports to customize and purchase their food supplements online.

www.mylabnutrition.net

Oral3D is a MedTech hardware and software solution for dentists to design and manufacture models with 3DPrinting.

www.oral3d.eu

Punchlab is a SportsTech app that turns punching bags into an interactive device to measure and track performance.

www.punchlab.net

Shampora provides a virtual assistant to create tailor-made hair products analysing the needs of every user.

www.shampora.com

IOT & SMART MOBILITY

2hire is a plug-and-play device that changes the way users interact, manage and track their vehicles.

www.2hire.io

Filo produces miniature device to track all valuables.

www.filotrack.com

Insoore is a community based platform for insurance companies to improve claims management.

www.insoore.com

Kiwi is a robot delivery platform that revolutionises the food delivery experience.

www.kiwicampus.com

Manet is a personal concierge smartphone designed to revolutionise hospitality and travel experience.

www.manetmobile.com

Powahome is a retrofit smart home solution to connect the home remotely.

www.powahome.com

Revotree is an AI - powered device for the remote control of irrigation.

www.revotree.it

Ride is a multi-vehicle sharing service for urban mobility with electric portable batteries.

www.rideapp.eu

Scuter is a mobility sharing three-wheeled electric scooter system.

www.scuter.co

Tiassisto24 is a digital vehicle management and concierge service.

www.tiassisto24.it

UFirst is a queue management and booking agenda app that improves customer experience.

www.ufirst.com

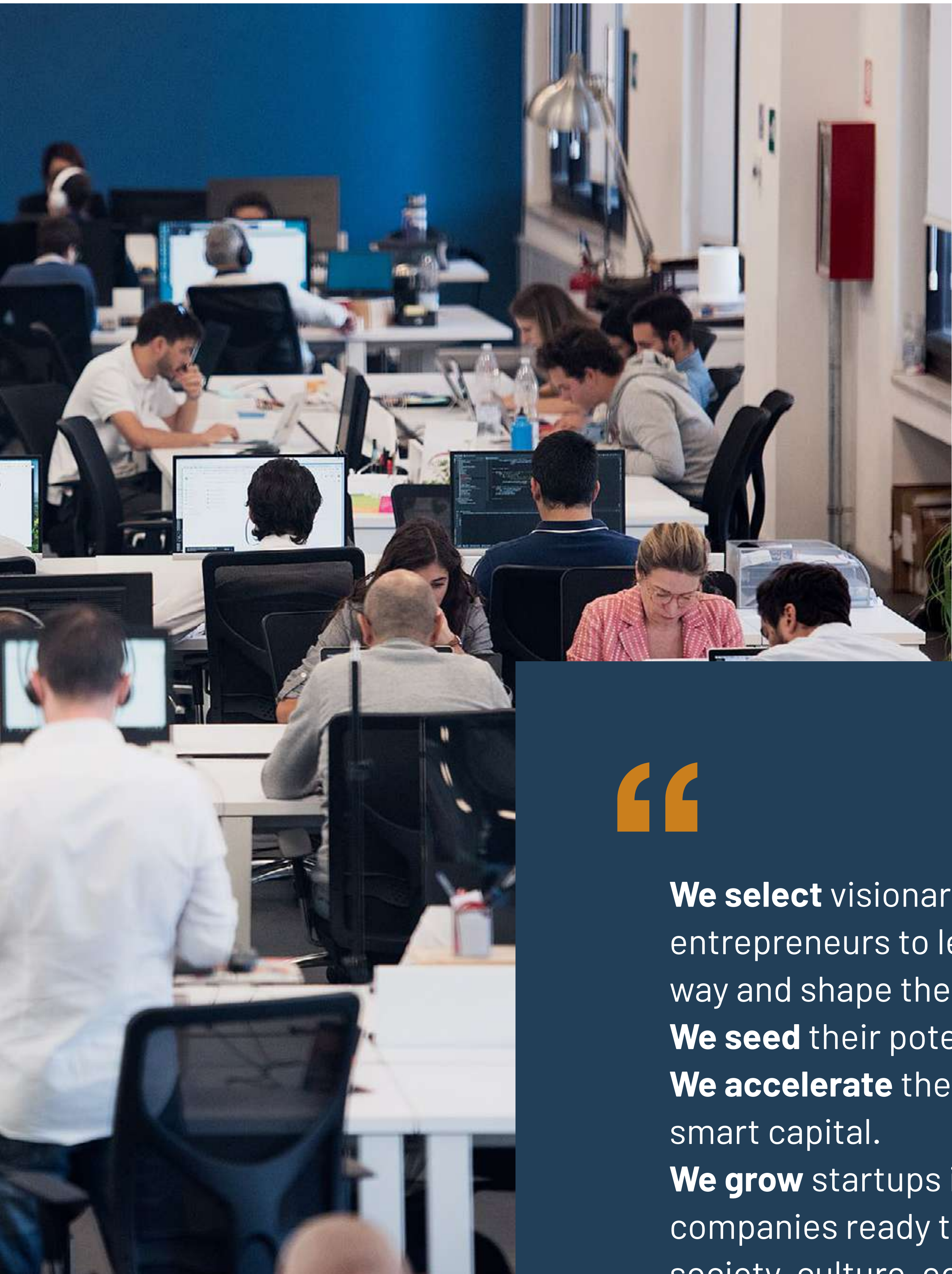
Vikey is a hardware and software solution to remotely manage vacation apartments.

www.vikey.it

EXITS

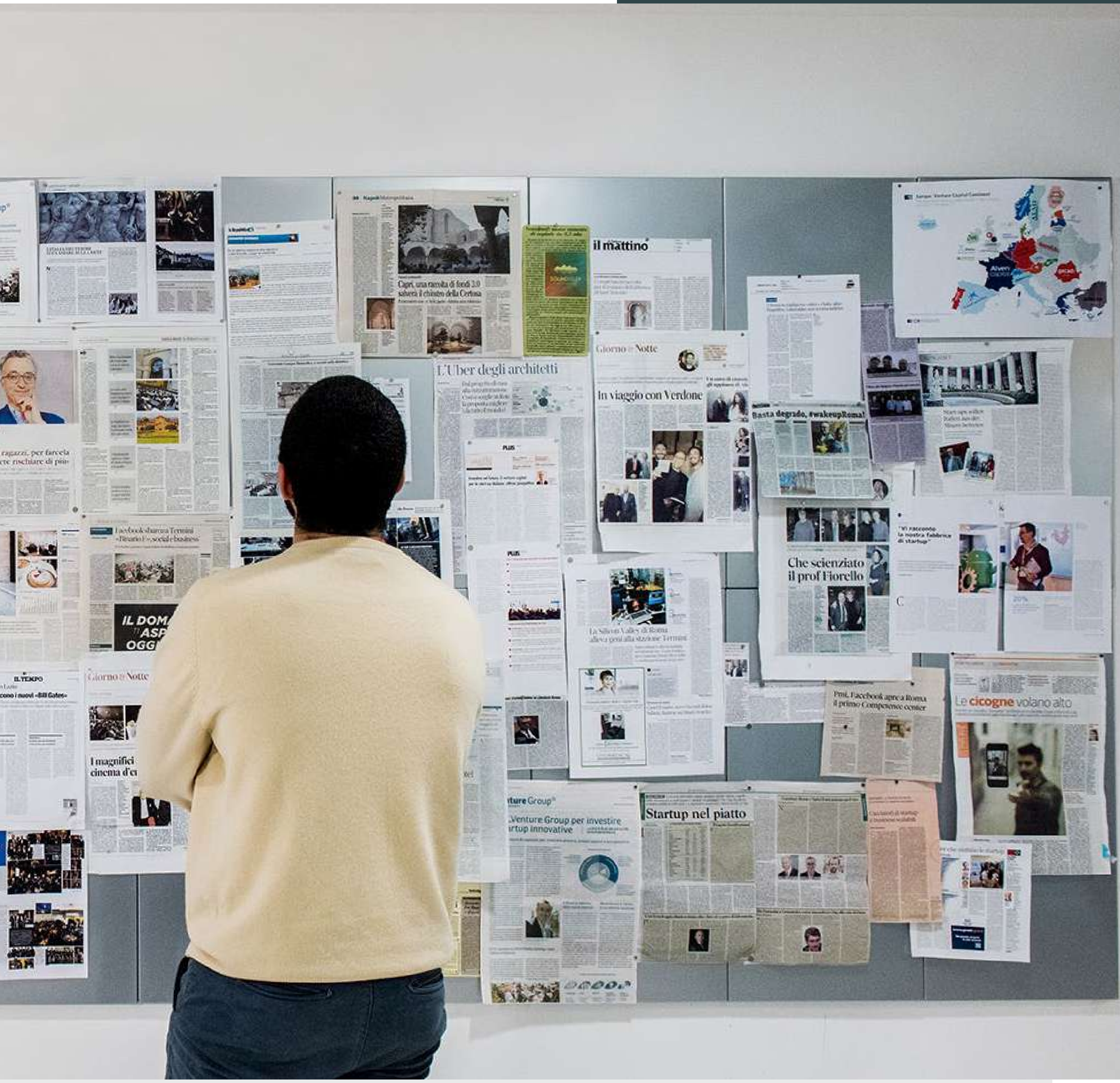
Company	Exit	Acquirer	Website
BAASBOX	acquired by	LIQUID BUSINESS GROUP	www.baasbox.com
netlex	acquired by	TeamSystem	www.netlexweb.com
QURAMI	acquired by	ufirst	www.ufirst.com
voverc	acquired by	Wildix	www.voverc.com
paperlit	acquired by	datrix	www.paperlit.com
ZappyRent	secondary trade		www.zappyrent.com
FORTUNE	secondary trade		www.fortune.fm


BigProfiles
WASH OUT



We select visionary entrepreneurs to lead the way and shape the world.
We seed their potential.
We accelerate them with smart capital.
We grow startups into companies ready to change society, culture, economy and to meaningful **exits.**


LVenture
GROUP
PRESS
Forbes
"Non abituiamoci al degrado"
Società
RomaCapoccia
DON CHISCIOTTE
CREATING VALUE
PANORAMA
A NEW YORK
L'ORGOGLIO DELL'ITALIA



Directors' Report

Directors' Report

Introduction

The Directors' Report on operations is based on the Separate Financial Statements of LVenture Group at 31 December 2019, prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the IASB and endorsed by the European Union on the same date, based on the going concern assumption. The IFRSs also include all the revised international accounting standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC). The Report should be read in conjunction with the Financial Statements and the related Notes, which are an integral part of the 2019 Separate Financial Statements. These documents include the additional disclosures required by CONSOB, based on the measures issued in implementation of art. 9 of Italian Legislative Decree 38/2005 (resolutions 15519 and 15520 of 27 July 2006 and communication DEM/6064293 of 28 July 2006), as well as any subsequent financial reporting communications).

In order to provide stakeholders with an alternative measure for Portfolio performance, the financial reporting was supplemented with an Alternative Performance Indicator (API), which represents the Portfolio value on the basis of the most recent capital transactions taking place in the reference period, also considering the issue of hybrid financial instruments. For the purposes of accuracy, this indicator is a useful parameter to provide an indicative Portfolio valuation, in line with sector best practices, but it does not replace IAS/IFRS valuation criteria applied to determine the value of the investment Portfolio recognised in the Separate Financial Statements (Note 8 of the Notes "Securities and equity investments"). The Separate Financial Statements have been prepared based on the assumption of the Company's ability to continue as a going concern. The Company is not aware of any profit and loss, balance sheet, cash flow or organisational indicators (as defined in paragraph 25 of IAS 1) such as to cast significant doubt on the Company's ability to continue as a going concern. In this regard, please refer to the "Business Outlook" section below. The Separate Financial Statements were approved by the Board of Directors of LVenture Group on 22 April 2020.

Impact of market conditions

The Issuer operates in the Venture Capital sector with a proprietary accelerator, investing in digital startups.

The digital economy is taking on an increasingly important role in the world: it is now the main factor in growth of the economy, and the only strategic path to take in order to keep pace with one's competitors. According to the report by Anitec-Assinform in collaboration with Confindustria, the Italian digital market reached €70.5 billion in 2018, up 2.5% compared to the previous year. The same growth is envisaged for 2019 (pending the official data), while an acceleration is actually expected for the subsequent two years, with growth rates of 2.8% and 3.1%, bringing the market to €76.5 billion. The Digital Enabler component - with technologies such as Artificial Intelligence, Blockchain, Internet of Things and Big Data - will certainly play a leading role with double-digit growth rates.

Various measures have been undertaken by the institutions as well, in the attempt to encourage investments by Italian companies in favour of the development of new technologies. Among the initiatives promoted, it is important to highlight the following:

• the 9% reduction in income taxes for profits reinvested into the company and designated to increase the investment in new operating assets and employment;
• extension of hyper and super amortisation, in order to continue supporting investments by companies with a view to Industria 4.0;
• extension of the tax credit for research and development activities (although with a reduction in the rate) and training of employees for the acquisition of technological skills in the areas of big data, cybersecurity, virtual/augmented reality, etc.

It is on the wave of digital innovation that new companies and new employment opportunities are created.

A new record was achieved for Italian startups in 2019. According to the estimates of the Hi-tech Startup Observatory, conducted by the Politecnico di Milano's School of Management in collaboration with Italia StartUp, overall investments in startups amounted to an estimated €700 million (+100 million compared to 2018), with the foreign investment component reaching 33% of total investments. Within this component, the weight of the United States dropped sharply compared to 2018, from approximately 73% to 41% in 2019, while Europe recorded the opposite trend, going from 23% in 2018 to 46% in 2019.

This growth was certainly impacted by the legislative changes introduced by the 2019 Budget, including the following:

• extension of the tax deduction rate for investments in innovative startups up to 2021;
• increase from 5% to 10% of the component of assets under management by social security funds and pension funds to allocate to alternative asset classes, such as Venture Capital;
• launch of the Fondo Nazionale Innovazione (National Innovation Fund) by Cassa Depositi e Prestiti.

However, the growth objectives that the institutions had set for themselves were not met, and there is still a lot of work to be done to develop the Italian Venture Capital market and thus bridge the gap with other European countries. Indeed, despite its growth, Italy still holds a very distant position compared to the other major European countries in terms of investments. In particular, estimates by Atomico Venture indicate that in 2019, approximately €11 billion was invested in Great Britain, over €6 billion in Germany and nearly €5 billion in France.

Growth is also demonstrated by the high number of innovative startups enrolled in the special section of the Register of Companies, pursuant to Italian Law Decree 179/2012. According to a report by the Ministry of Economic Development in collaboration with Unioncamere and Infocamere available as at 31 December 2019, the number of innovative startups was 10,882 units, up 272 units (+2.6%) compared to September 2019 and 1,124 units compared to the end of the prior year. In terms of sectoral breakdown, 73.7% of the innovative startups provide services to businesses (in particular, in the following specialist areas: software manufacture and IT consultancy, 35.6%; R&D activities, 13.9%; information services, 9.2%).

In addition to this phenomenon, there are also some metrics on employment trends and, more generally, size trends. According to the same report, at the end of September, 4,372 of the startups had at least one employee (equal to 41.2% of the total), with the total number of employees down by 781 units to 13,803 people, an average of 3.2 employees per company. Moreover, innovative startups comprising predominantly young people (under 35) amount to 2,153 or 19.8% of the total, higher by three percentage points compared to the figure for new non-innovative companies. At the end of December 2019, the number of members of the startups for which this figure is available amounted to 50,816, some 2,799 more than the prior quarter.

The explosion of the Covid-19 epidemic has generated much concern over the expected economic and financial consequences. Development forecasts for the Italian economy drawn up by the International Monetary Fund (IMF) prior to the epidemic's arrival were not particularly encouraging, but they did indicate a slight recovery during this two-year period. In 2020, GDP had been expected to grow by 0.5% and in 2021 by 0.7%, showing timid signs of recovery. As at the date of this report, however, the new IMF forecasts leave no room for doubt with regard to the negative impact of the virus epidemic: Italian GDP is expected to drop by 9%, the biggest recession since the 1930s.

The company is not currently able to envisage what the direct impact will be on its reference market, nor on the startups in its portfolio. Like all companies, the activities of startups are also impacted by the national lock-down, as well as by the anti-epidemic prevention measures. However, the unique feature of startups is their very capacity to use innovative business models and to find growth opportunities even during the most difficult times. Therefore, the Company is confident that the startups in which it has invested will succeed in continuing their activities or in finding alternative solutions to leave this crisis behind as soon as possible.

Company Operations

LVenture Group is a holding company listed on the Borsa Italiana S.p.A. MTA market and which operates in the Venture Capital sector. The majority shareholder of LVenture Group is LV.EN. Holding S.r.l. which, at 31 December 2019, holds 33.41% of its share capital. Currently, however, LVenture Group has full decision-making autonomy and is not subject to management and coordination by LV. EN. Holding S.r.l.

The company has its registered office in Rome and mainly handles investments in digital startups in the seed and micro-seed phases, supporting their growth through direct and ongoing support. In particular, in addition to financial resources, the Company provides:

- managerial skills and a network of advisors to support the strategy and business development of startups;

- assistance to the startup in searching for potential investors and concluding commercial contracts.

Accelerator

The startups admitted to the Acceleration Programme develop their project within the LVenture Group HUB, where they receive five months of support - from product or service conception up to market launch - and monitoring as regards progress and the achievement of their objectives.

Capital & Know-How

With pre-seed investments, LVenture Group provides initial financial resources to the Acceleration Programme startups, which they need to develop their first business metrics, while with seed investments, the Company supports startups at the end of the Acceleration Programme, or finances startups outside the Programme that are at a more advanced phase of development. Furthermore, the Company also has a programme called Growth-LV8, to provide marketing and technological development to startups post acceleration and speed up their growth.

LVenture Group's mission is to enable talents and startups with high scalability potential to reach the exit stage and thus produce a benefit for their shareholders. LVenture Group aims to increase the success rate of startups and mitigate investment risk through the following main strategies:

• limited initial investments in startups, working alongside any option rights for the subscription of subsequent share capital increases;

• broad diversification of the Investment Portfolio;

• shareholder agreements to protect the Company's investment in startups, through the signing of investment agreements with clauses including but not limited to veto rights on extraordinary operations, liquidation preferences and clauses protecting the Company's exit;

• search for co-investors through the creation of important relationships with a large number of investors (Business Angels and Venture Capitalists);

• support and assistance for startups during the launch phase and the development of the relative business activities.

In order to achieve its objective, the Company's business model is built around three main cornerstones which bring added value to the growth of the startups: Accelerator, Capital & Know-How and Ecosystem.

Ecosystem

Over the years LVenture Group has developed an ideal Ecosystem for the development and growth of its startups, consisting of collaborations and relationships with investors, companies, business and digital economy experts, universities, sponsors and partners.

Support Activities

Alongside the above-mentioned cornerstones, "Support Activities" are performed which include, inter alia, the provision of a series of services and consulting for companies and/or startups. In particular, these include:
- the Open Innovation Programme, which consists of a series of advisory services dedicated to companies, in particular Scouting and Incubation Programmes (including vertical programmes, focused on specific issues selected in agreement with the corporate sponsors);
- Co-working services;
- the Events organised by the Company with the aim of creating relationships between parties within the Ecosystem by acting as a "sounding board" for their activities.

The Company also backs three Special Projects - Loveitaly, HiTalk and Code Your Future - through which it aims to positively influence the entire Ecosystem community and promote economic and social change that will bring real value.

Finally, in 2019 the Company continued to strengthen its close relationships with Business Angel Associations associated with its Ecosystem, made up of professionals, managers and entrepreneurs who, investing directly in startups, believe in the driving force of entrepreneurship for the country's growth. The Business Angel group closest to the Company continues to be Italian Angels for Growth (IAG), with over 200 Business Angels.

KEY PARTNERS

SPONSORS LUISS ENLABS

PARTNERS & CORPORATES

UNIVERSITIES & INSTITUTIONAL BODIES

INVESTORS NETWORK

ADVISORS

50+ INTERNATIONAL MANAGERS & EXPERTS

SPECIAL PROJECTS

Company Organization

At 31 December 2019, the **Company's Team** was comprised of 58 people, with the breakdown and changes outlined in Note 24 of the Notes.

The organisational chart is shown below, illustrating the functions and their managers and updated to the date of this Report:

ROBERTO MAGNIFICO
Board Member

BOARD OF DIRECTORS
9 members

STEFANO PIGHINI
Chairman

MONICA CASSANO
Communication

FRANCESCA BARTOLI
Administration

LUIGI CAPELLO
CEO

GIOVANNI GAZZOLA
Operations

LUDOVICO PEIRCE
Organization & HR

GIULIO MONTOLI
Accelerator

LUIGI MASTROMONACO
Investment & Growth

LORENZO FRANCHINI
Exit Strategy

ANTONELLA ZULLO
Open Innovation

GIUSEPPE TOMEI
Partnership Development

Activities in 2019

This section describes the Company's primary activities in 2019, broken down into the areas defined by the business model.

Accelerator

The LUISS EnLabs Accelerator, developed by LVenture Group in joint venture with LUISS University, and sponsored by Wind, BNL BNP Paribas Group, Accenture and Sara Assicurazioni, has become a true benchmark for innovation in Italy.

Since 2014, LUISS ENLABS has been a part of the Global Accelerator Network (GAN), the largest global network of accelerators that share international best practices and set global standards in terms of assessment criteria and termsheets.

Acceleration activities are broken down into two Acceleration Programmes, one for each half of the year. Each Acceleration Programme is divided into the following stages:

• "*Application & Selection*": ": the period in which the new business projects are found and selected;
• "*Acceleration Program*": the 5-month period in which the business idea is developed with the support of the Accelerator;
• "*Demo Day*": the closing day of the Acceleration Programme, when the startups selected by the Company present their projects to potential investors.

Since 2013, 100 digital startups[1] have participated in Acceleration Programmes, and 70 startups[2] have completed them. LVG has ensured adequate financial investment and a network of corporate and new investors to support them. In June 2019, the *Summer* 2019 Acceleration Programme began with 10 startups and ended in November 2019.

The deal-flow in 2019 reached around 750[3] proposals, an increase of 30.27% compared to the previous year.

It should be noted that *applying* to participate in the Company's Acceleration Programmes is a particularly complex process in that it is an important initial selection step.

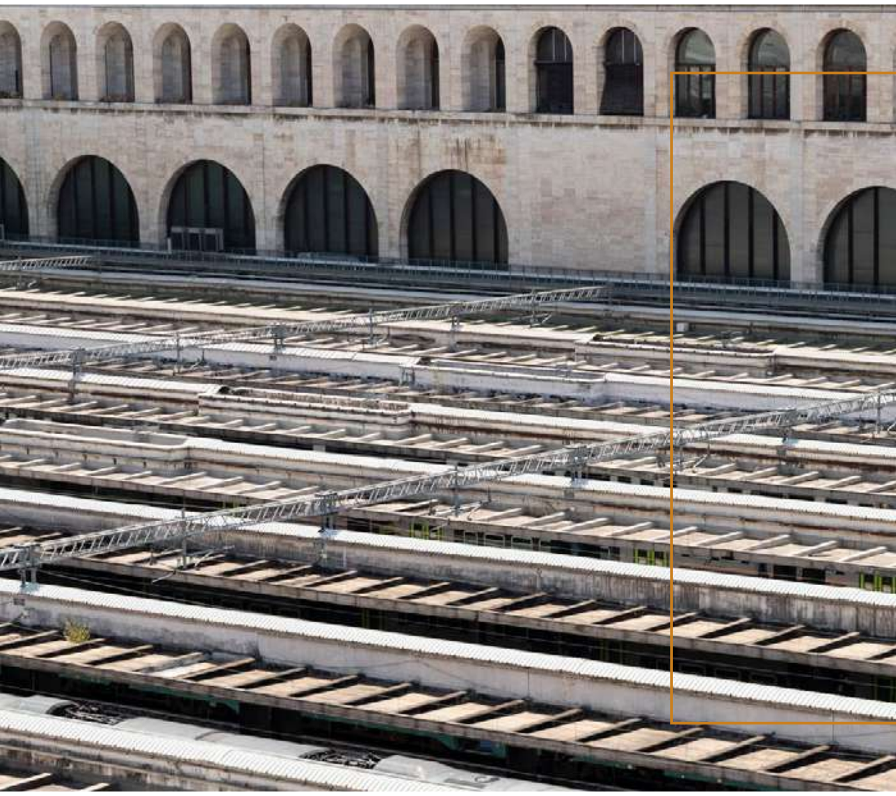
In the past, around 80%[4] of participating startups have completed the Acceleration Programme; of these, approximately 80% move on to complete the first round of *fund raising*.

[1] *Startups that began the Acceleration Programme without necessarily receiving funding from LVenture Group*

[2] *Startups that participated in Demo Day. This number does not include startups participating in the batch underway (W2019-20)*

[3] *Applications submitted on the F6S portal*

[4] *Of startups that receive funding from LVenture Group*

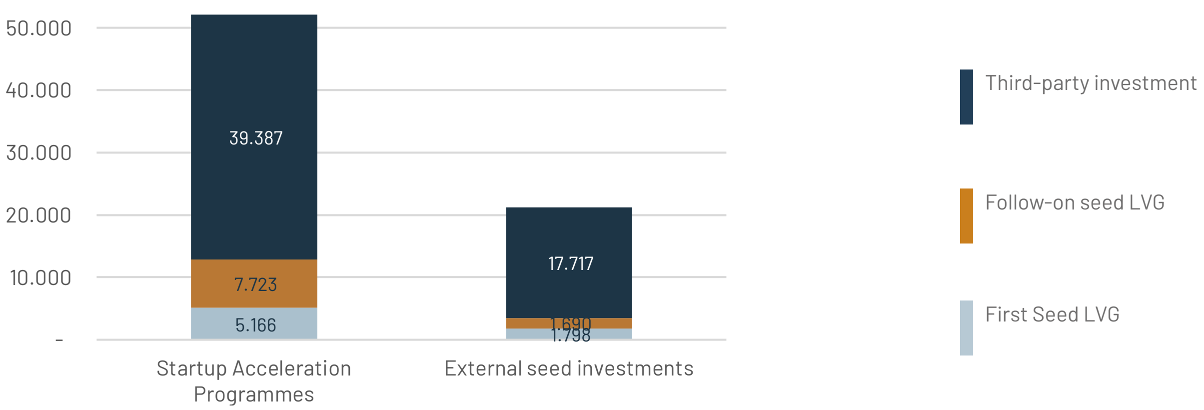


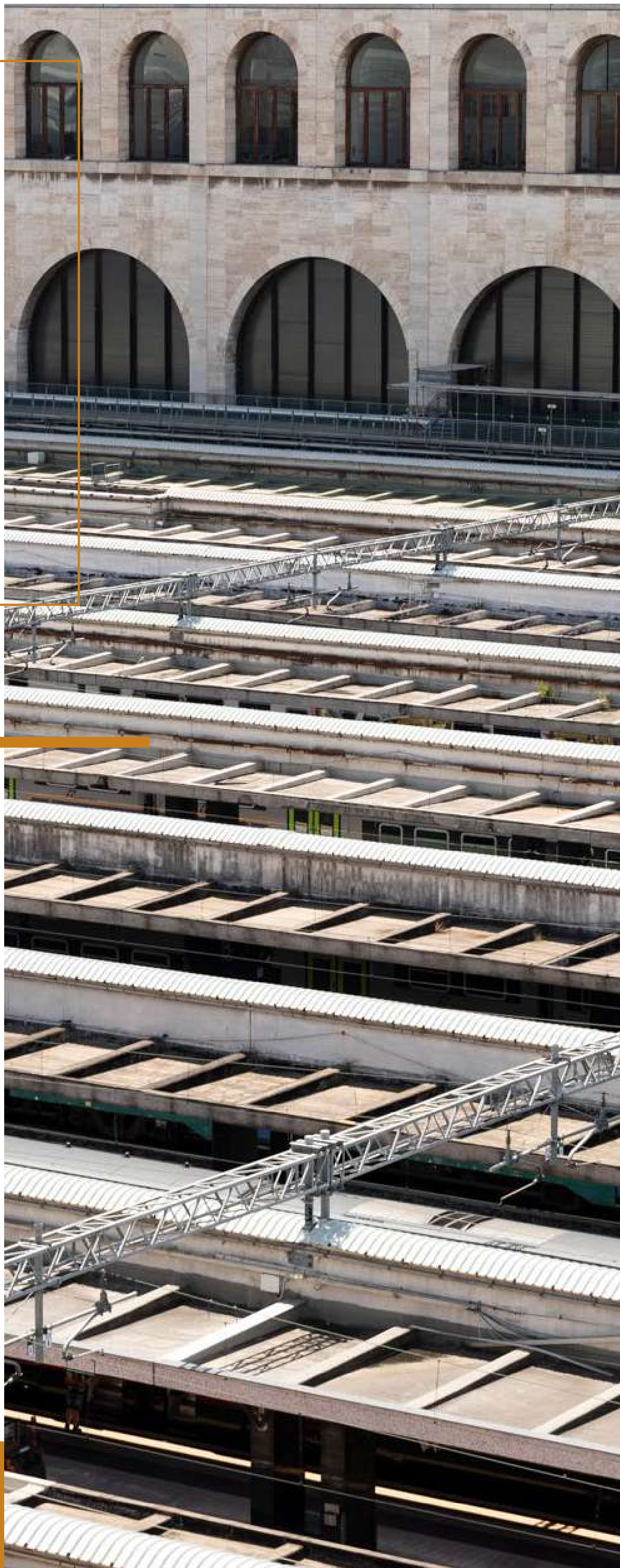
Three Demo Days were held in 2019, specifically on 17 January 2019, 30 May 2019 and 28 November 2019. A format that is now consolidated and with which LVenture Group invites investors, corporates and press to the head office in Rome, Via Marsala, to get to know the most promising startups from among those who have completed the Programme. The CEOs of the young companies gave a 5-minute pitch in which they presented the results achieved over the five months, sharing the stage with successful entrepreneurs such as **Matteo Berlucchi**, CEO and Co-founder of Your MD, **Giorgio Ponticelli**, formerly JUST EAT and formerly Treatwell, and **Ivan Farneti**, Managing Partner of Five Seasons Ventures.

Capital & Know-How

From 2013 to 31 December 2019, the Company invested in over 100 startups and attracted numerous co-investors, as follows:

Total Investments from 2013 to 2019





Investor Night was held was held on 20 March 2019, which welcomed **Jeffrey Hedberg**, CEO of WIND Tre, to the stage and attracted the support of over 80 investors and corporate representatives, who came to the Milano LUISS Hub to get to know 15 new enterprises already active on the market.

The investments made in 2019 are outlined in further detail in the section “2019 results”.

Open Innovation

The Open Innovation programmes aim to offer business services for Corporates, supporting them in their innovation processes through methodologies, best practices and synergies with the entire Ecosystem of the LVenture Group. Specifically, Open Innovation activities are structured as follows:

- Creation of Startups:
  - Pre-Acceleration sponsored by corporates on a high potential market vertical;
  - Acceleration sponsored by third parties for startups or corporate spin-offs;
- Business and Contamination:
  - stimulate innovation, the birth of new ideas and their implementation within corporates;
  - introduce top management of Corporates to Lean Methodologies;
- Digital Marketing Training (powered by LV8)
- Innovation Positioning:
  - coordination of activities to support innovative positioning of Corporate Partners: sponsorship of the LUISS EnLabs Accelerator, Brand Placement of the corporate logo in the Hub, physical presence in the Hub with a specially-branded room.

During 2019, Open Innovation concluded important new partnerships and strengthened pre-existing business connections (such as: Linkem, Toyota Motors Italia, Amazon Web Services, Sara Assicurazioni, Poste Italiane, Regione Lazio, Cisco and Cariplo Factory).

Open Innovation also worked with LUISS Business School, Università La Sapienza, Unindustria Reggio Emilia and Invitalia.

Institutional and Corporate Events at the HUB

In 2019, the Company hosted over 400 events, also in synergy with its main partners. Around 180 meetups in both Rome and Milan were organised as #Aperitech events with startup Codemotion, investee of the LVenture Group. These events now set the standard for training and dialogue in the Italian tech *communities*.
The HUB of LVenture Group and LUISS EnLabs has also captured the interest of Italian and international institutional and corporate representatives of high standing, including:

- **Sheryl Sandberg**, COO of Facebook;
- **Fabrizio Palermo**, Chief Executive Officer and General Manager of Cassa Depositi e Prestiti;
- **Pier Luigi Gilibert**, Chief Executive Officer of the European Investment Fund;
- **Davide Rota**, Chairman and Chief Executive Officer of Linkem;
- **Alberto Tosti**, General Manager of Sara;
- **Donato Santoro**, Head Of Innovation, Digital & Mobility Toyota;
- **Catia Bastioli**, CEO of Novamont and Matrìca and Chairperson of Terna;
- **Guido De Vecchi**, General Manager of Intesa Sanpaolo Innovation Center.

Press & Media Relations

LVenture Group's media presence was consolidated in 2019, with over 2,700 news items appearing in the media regarding the accomplishments achieved by the company and its extensively expanding ecosystem.
Of significant mention is the piece by SuperQuark entitled "Startup Digitali" (Digital Startups), dedicated to the activities of the company and its role in creating the business of the future, which aired on 3 July on Rai1 during prime time, with an interview of CEO Luigi Capello.
Mention also goes to:

- the episode of "Startup e lavoro" of the TG1 television news on 25 February, with an interview of CEO Luigi Capello;
- the Financial Times article of 1 March, which named the company in its ranking of 1,000 European companies with the highest growth in turnover in the three-year period 2014-2017;
- the TG3 television news segment of 3 March, with an interview of CEO Luigi Capello;
- the Corriere della Sera articles of 10 April, 12 June and 19 December, and the articles in La Repubblica on 15 December, which highlighted the company's leading role in generating innovation, business and new employment in the country;
- the article in Global Finance Magazine of 5 June, which included LUISS EnLabs in the ranking of the 25 **"World's Best Financial Innovation Labs"**.

Special Projects

HITalk, held 3 events during the year: "Communicating without intermediaries" in partnership with Università LUISS and WindTre, "New Plastic Revolution" with the participation of The Jackal, Never again, against violence towards women.
For the spin-off "Let's HITalk About", 5 events were held in 2019 for a total of approximately 300 attendees. The issues covered included: Artificial Intelligence and Creativity, Design Sprint methodology and Growth Mindset.

LoveItaly, implemented numerous initiatives in 2019. Thanks to the generous support of the Ruth Stanton Foundation of New York, the restoration work on the mural La corsa dei Barberi by Corrado Cagli at the National Academy of Dance (AND) was completed. Restoration work in the Sant'Antonio Basilica of Padua was also completed. With an event organised in collaboration with Eataly, funds were raised for the restoration of a valuable artifact preserved at the National Etruscan Museum of Villa Giulia. Lastly, the most important activities included the definition of a new partnership with Ciceroni Travel - a UK agency specialising in cultural tourism - to support the restoration works on Villa Farnesina, with a view to a model of sustainable tourism promoted by AITO - The Specialist Travel Association.

Code Your Future Italy is the free coding programme for refugees and low-income Italian citizens launched by LVenture Group in partnership with the international non-profit organisation of the same name. The objective of the programme is to develop digital skills, leveraging diversity to give rise to multiple new talents for companies operating in the field of new technologies. The course, which started in April, provided students with the IT training needed to become junior developers, along with English courses and development of soft skills that are crucial for success in the workplace.

Co-Working

The Company has two spaces in Italy, the first at the Termini Station in Rome, with a commercial surface area of around 5,000 m2 (the "Rome Hub"), and the second at the Milan Luiss HUB of around 300 m^2 (the "Milan Hub"), whose leases generate revenues. The Rome HUB is structured as follows:

• Open Space with 110 workstations, including those dedicated to startups participating in the Acceleration Programme;

• Offices for personnel of the Company, of the startups in the Company's Investment Portfolio or of external companies;

• Courtyard, totalling around 900 m2, which since January 2019 exclusively hosts the Facebook competence centre ("Binario F"), opened in the second half of 2018 for the purpose of achieving digital training objectives.

The Milan HUB is structured as follows:

• Open Space with 40 workstations, including those dedicated to startups participating in the Acceleration Programme;

• Offices for personnel of the Company, of the startups in the Company's Investment Portfolio or of external companies.

The startups and the companies hosted in the Company's spaces (with the exception of the startups participating in the Acceleration Programme) pay the Company a monthly fee that includes, inter alia, the WI-FI service, use of printers, cleaning services and reception services.
The Company had an occupation rate of its spaces of around 99% at 31 December 2019.

Moreover, on 31 July 2019 the Company signed a rental contract with Grandi Stazioni Rail S.p.A., owner of the building complex at Termini Station in Rome, for the fourth floor of the building located in Via Marsala 29h, with a total commercial surface area of 3,000 m2 (the "New Spaces"). The handover of the New Spaces is planned for May 2020.

Results in 2019

Investments

During the year, the Company made investments using a range of instruments (direct investment in the capital of startups, special type of convertible notes, convertible instruments), shown in various items in the financial statements. The total investments made by the Company valued by applying the main IFRS as well as the Alternative Performance Indicator are shown below, to enable the reader to appreciate the growth in investments between 31 December 2018 and 31 December 2019.

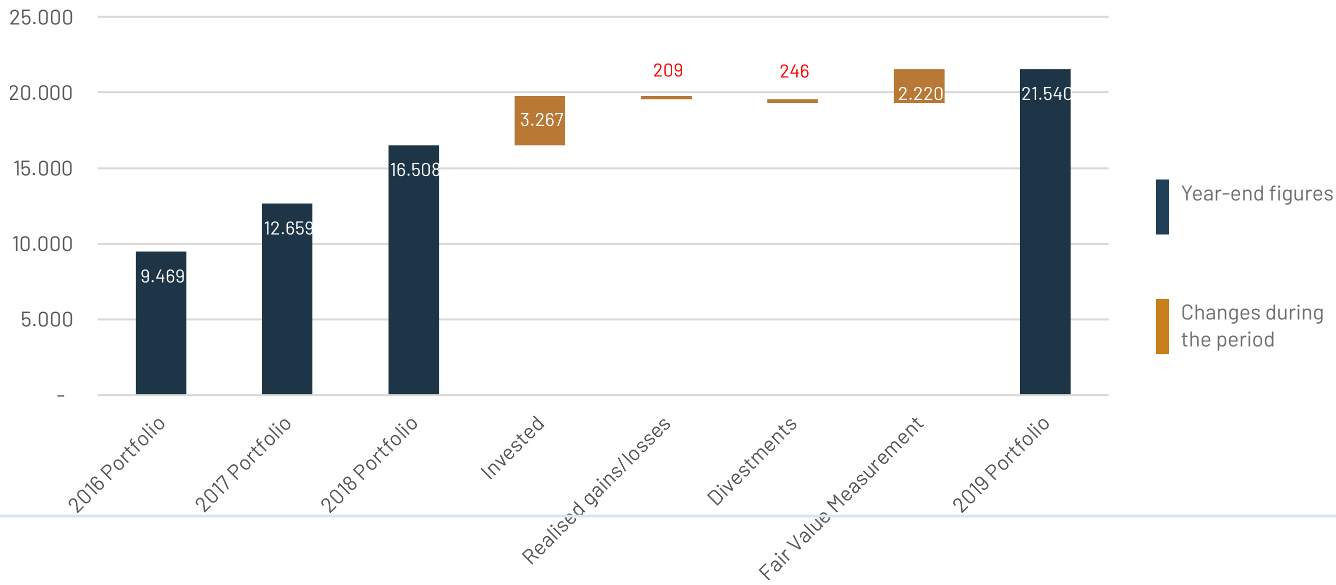
The individual categories are discussed separately and a complete disclosure is provided on the two valuation methods (IFRS and API) in the following paragraphs as well as in the Notes. During 2019, the Company made Micro Seed investments relating to the Acceleration Programmes and follow-ons through participation in share capital increases in startups in which investments have been made. The Company made only one external seed investment in 2019 (for the details, refer to the paragraphs below).

The investments for 2019 are summarised below, also broken down by investment type:

(€ THOUSAND)	MICRO SEED	FOLLOW-ON	SEED	OTHER	TOTAL
Summer 2019 Acceleration Programme	640	200	0	0	**840**
Winter 2019 Acceleration Programme	1,305	0	0	0	**1,305**
Follow-on of startups from past acceleration programmes	0	939	0	0	**939**
Seed for new market startups	0	0	100	0	**100**
Follow-on of seed startups	0	73	0	0	**73**
Other investments	0	0	0	10	**10**
Total	**1,945**	**1,212**	**100**	**10**	**3,267**

The figure below illustrates startup portfolio growth, highlighting the contribution of net investments and that of the increase in fair value measurements (the Notes specify the portfolio valuation method).

Startup Portfolio Growth



The following two pages show the subject startups of the aforementioned investments, divided by type of investment.

Annual Activities

Financial Operations with LVG's Partecipation

tiassiste24
€ 5 K
€ 102 K

Lybra
€ 150 K
€ 560 K

epiCura
€ 100 K
€ 1 M

Together Price
€ 90 K
€ 414 K

Winter Batch 2019

flamingo · hakuna cloud · Keiron · LEONARD · apical · RIDE · UXGO · stip

Jan. · Feb. · Mar. · Apr. · May

Financial Operations without LVG's Partecipation

INKDOME
€ 8,6 K
€ 173 K

parcy
€ 45 K
€ 70 K

GenomeUp
€ 90 K
€ 300 K

DREXCODE
€ 383 K

KPI6
€ 180 K
€ 500 K

foodys.it
€ 4,305 M

{codemotion}
€ 2,5 M

Insoore
€ 1 M

DEESUP SECOND-HAND DESIGN EXPERIENCE
€ 20 K
€ 150 K

SOCIAL ACADEMY
€ 10 K
€ 183 K

filo
€ 50 K
€ 1,04 M

vikey
€ 50 K
€ 50 K

2hire
€ 219 K
€ 2,3 M

DIVECIRCLE
€ 30 K
€ 200 K

foodys.it
€ 45 K
€ 315 K

QURAMI you are next
€ 13 K

Startupbootcamp FoodTech
€ 10 K
€ 80 K

SHAMPORA
€ 100 K
€ 530 K

Together Price
€ 100 K
€ 498 K

filo
€ 50 K
€ 1,04 M

filo
€ 80 K
€ 1,04 M

Summer Batch 2019

avvocato flash · bloovery · confirmo · GETASTAND · myAEDES · PUNCHLAB

Jun. Jul. Aug. Sept. Oct. Nov. Dec.

Fit PRIME
€ 517 K

SOUNDREEF ROYALTIES MADE EASY
€ 2,5 M

parcy
€ 25 K
€ 70 K

kiwi
€ 2,264 M

LVG Investment

Total Round

2019 Fundraising

Operating Result

The 2019 operating result shows a profit of €819 thousand (€533 thousand at 31 December 2018), and incorporate the fair value measurements of the startups, recorded in the income statement as from 1 January 2018 as provided for by IFRS 9. The operating result at 31 December 2019 benefited from this positive net measurement in the amount of €2,220 thousand (€2,272 thousand at 31 December 2018).

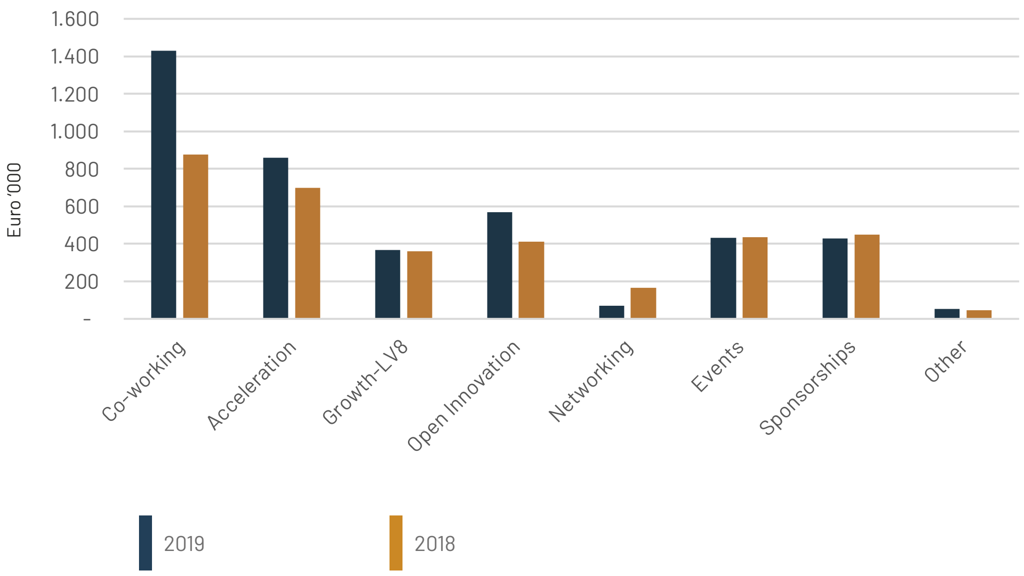
Revenues

For 2019, revenues totalled €4,206 thousand, with growth of about 22% compared to the same period in the prior year. Revenues relating to Co-working are up as a result of the letting and full utilisation of spaces in Rome and Milan. The growth in revenues related to Acceleration activities is due to the higher number of startups participating in the Acceleration programme and to the increase in qualitative services offered by the programme. Revenues from Open Innovation (which includes the vertical programmes) were up compared to the same period of the previous year.

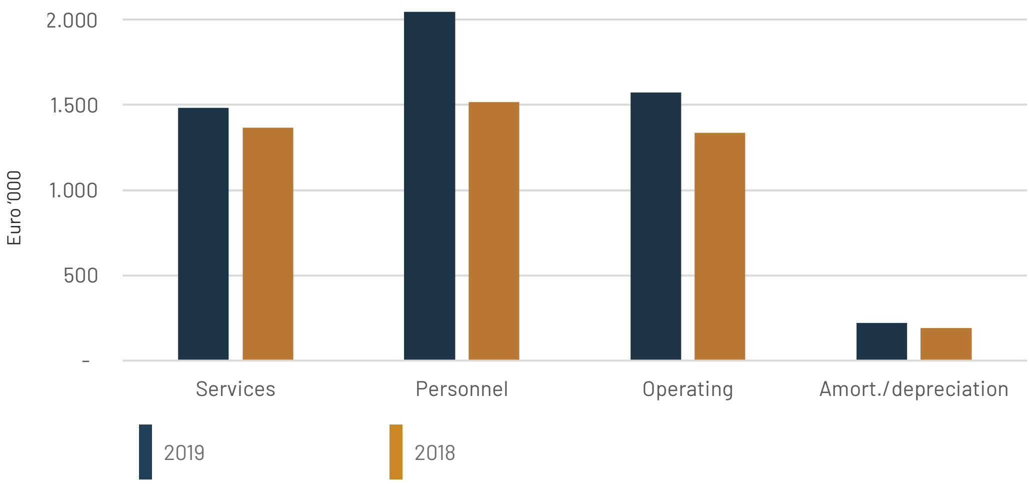
Costs

The Company has had a year of organic growth and has continued strengthening the organisational structure, in terms of the resources used, skills and experience. Indeed, there was a rise in the cost of personnel due to the increase in number of professionals useful to the process of growth and development that the Company is undergoing, as well as the incentive-based remuneration policy aimed at retaining the team's resources while attracting the best talents on the labour market. The increase in operating costs is attributable to the contractual increase in rent on the Rome HUB and the higher accessory costs for its management.

Revenue Comparison



Cost Comparison



Net financial position and cash flow trends

The net financial position at 31 December 2019, calculated in compliance with the provisions concerning net financial debt in paragraph 127 of the CESR/05-054b recommendations implementing EC Regulation 809/2004, and in line with the Consob provisions of 28 July 2006, is included in the Notes. The table below shows the main data relating to the net financial position at 31 December 2019 and 31 December 2018.

Net Financial Position

(€ THOUSAND)	31-DEC-19	31-DEC-18	DIFF. BETWEEN 2018 AND 2019 CHANGE	% CHANGE
Net fixed assets	20,201	14,512	5,689	39%
Operating net working capital	-779	-756	-23	3%
Cash flows from financing activities	2,670	2,591	79	3%
Employee benefits - severance indemnity	0	0	0	n.a.
NET INVESTED CAPITAL	**22,092**	**16,347**	**5,745**	**35%**
FINANCED BY:				
Own funds	21,938	15,533	6,405	41%
Net Financial Debt	**-154**	**812**	**-658**	**81%**
of which medium/long-term	-2,526	-2,833	307	n.a.
Debt/Equity Ratio	*0.12*	*0.18*		
Net financial position/net profit (loss) ratio	*0.31*	*2.03*		
* Payables to related parties	*42*	*62*		

Net invested capital rose from €16,347 thousand at 31 December 2018 to €22,092 thousand at 31 December 2019, marking an increase of €5,745 thousand. This result was the net effect of:

• the increase of €5,689 thousand in the item "Net fixed assets", due to investments in startups and their measurement at fair value;

• the decrease of €23 thousand in the item "Net working capital" due to the trend in current receivables and payables during the reference year;

• the increase of €79 thousand in "Cash flows from financing activities".

At 31 December 2019, there were payable items to related parties of €42 thousand (€62 thousand at 31 December 2018).

The item "Own funds" rose by €6,405 thousand in 2019, following the share capital increase on the market.

"Net financial debt", represented by cash and cash equivalents in bank deposits and credit/debt lines with financial institutions, went from €812 thousand at 31 December 2018 to €-154 thousand at 31 December 2019: of this decrease, €658 thousand is attributable to the net balance between inflows from share capital increases, outflows of resources for investments in startups and mortgage instalments and, lastly, the Company's ordinary operations. At 31 December 2019, the Company had cash and cash equivalents totalling €2,516 thousand and a bank payable for five unsecured mortgage loans received from Banca Popolare di Sondrio and Banca Intesa San Paolo totalling €2,526 thousand. The Company is up to date with its payments of instalments to the two banks.

The Company prepares the Cash Flow Statement using the direct method. A summary of the results of the cash flow statement is shown below, while the detailed statement is shown in the "Financial Statements" section:

CASH FLOW STATEMENT (€ THOUSAND)	31-DEC-19	31-DEC-18
Cash flow from operations (A)	-1,905	-103
Cash flow from investments (B)	-3,111	-2,877
Cash flow from financing (C)	5,754	3,699
FREE CASH FLOW OBTAINED (USED)	**739**	**719**
OPENING NET CASH AND CASH EQUIVALENTS	**1,778**	**1,058**
CLOSING NET CASH AND CASH EQUIVALENTS	**2,516**	**1,778**

Main corporate transactions in 2019

During 2019, the Company completed important corporate transactions, based on which it intends to obtain new resources to continue to support its business model and growth of the startups in the portfolio.

Company Shareholders' Meeting

On **22 February 2019**, the Ordinary and Extraordinary Shareholders' Meeting approved a share capital increase, divisible, against payment and in tranches (divisible from each other and individually) for a maximum of €1,450 thousand, as from 31 July 2019 and by 15 February 2020, at an issue price of €0.725, of which €0.3625 to be allocated to share capital and €0.3625 to the share premium, with the exclusion of the option right pursuant to art. 2441, paragraphs 5 and 6 of the Italian Civil Code, by issuing 2,000,000 ordinary shares with no indication of nominal value, with the same characteristics of the shares outstanding at the issue date and with regular entitlement, to be offered in subscription to Futura Invest S.p.A.

On **18 April 2019**, the **Ordinary Shareholders' Meeting** resolved:

1. to approve the Company's separate financial statements at 31 December 2018;

2. to appoint the Board of Statutory Auditors for the three-year period 2019-2021, which is composed of: Fabrizio Palma as Chairman, elected from the minority list submitted by the shareholder Futura Invest S.p.A. which holds 5.98% of the share capital, Giorgia Carrarese and Giovanni Crostarosa Guicciardi as Standing Auditors, and Simona Caricasulo and Massimo Nardinocchi as Alternate Auditors, elected from the majority list submitted by the majority shareholder LV.EN. Holding S.r.l., which holds 32.03% of its share capital. The Shareholders' Meeting also approved the remuneration of the Board of Statutory Auditors;

3. to approve the first section of the Remuneration Report prepared by the Board of Directors pursuant to art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, as amended (the "Consolidated Finance Act") and art. 84-quater of Consob Regulation no. 11971/1999, as amended (the "Issuers' Regulations"), concerning the Company's remuneration policy for members of the Board of Directors and the Company's Key Managers and the procedures used to adopt and implement this policy.

On **18 April 2019**, the **Extraordinary Shareholders' Meeting** resolved:

I.Capital Increase Delegation 2019

The assignment to the Board of Directors of a delegation, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital, against payment, for a maximum amount of €8,000 thousand, inclusive of any share premium, to be carried out in one or more tranches, within five years of the date of the resolution, through the issue of dematerialised ordinary shares, with no nominal value, with the same characteristics of the shares outstanding and with regular entitlement, with the exclusion of the option right pursuant to paragraphs 4, first section, and 5 of art. 2441 of the Italian Civil Code. The share capital increase shall be carried out: i) through contribution in kind; and/or ii) in favour of parties identified by the Board of Directors; all with the right to define the terms and conditions of the increase, in compliance with all legislative and regulatory provisions in force.

II.Share Capital Increase 2019

1. to approve the proposed share capital increase for a maximum of €8,000 thousand, inclusive of any share premium, in tranches and against payment, through the issue of ordinary dematerialised shares, with no nominal value, with the same characteristics as those outstanding and with regular entitlement, to be offered under option to the Company's Shareholders pursuant to art. 2441, paragraph 1 of the Italian Civil Code;

2. to schedule the final deadline of 31 March 2020 for executing the above-mentioned share capital increase and to establish, pursuant to art. 2439, paragraph 2, of the Italian Civil Code, that if not fully subscribed the share capital increase would be limited to the amount resulting from the subscriptions made by that deadline;

3. to grant to the Board of Directors all of the most extensive powers to:

a) define, near the launch of the offer under option, the final amount of the share capital increase;

b) determine - as a result of what is set forth under point a) - the number of newly issued shares and the issue price (inclusive of any share premium), taking into account, inter alia, in order to set the latter, the market conditions in general and the security performance, and considering market practice for similar operations;

c) determine the timing for the execution of the share capital increase resolution, in particular to launch the offer of rights under option, as well as the subsequent offer in the stock exchange of any rights that remain unopted at the end of the subscription period, in keeping with the final deadline of 31 March 2020;

4. to grant the Board of Directors, and for it, to the Chairman and the Chief Executive Officer, severally, within the limits set out by law, the widest powers and rights to carry out all that is necessary to implement the resolutions passed.

Share Capital Increase 2019

On 26 June 2019, the Company's Board of Directors established the definitive methods, terms and conditions of the aforementioned share capital increase offered in option. In particular, it set the Offer Period from 8 July 2019 to 25 July 2019 (inclusive) and the exercise period for the Option Rights on the MTA market from 8 July 2019 to 19 July 2019.

The share capital increase offered in option closed on 5 August 2019 for €6,135 thousand, with subscription of 99.99%.

The following table summarises the key data of the Share Capital Increase 2019:

KEY FIGURES	
Number of shares offered in the option	maximum of 11,155,706 Shares
Option ratio	1 Share for every 3 ordinary shares of the Company held
Offer Price	€0.550 per Share

Other Information

Financial risk disclosure

The disclosure on financial risks required under art. 2428 of the Italian Civil Code is provided in Note 5.21.

Information on the share capital

At 31 December 2019, the share capital of LVenture Group is broken down into 44,621,491 ordinary shares with no nominal value, all representative of the same portion of the share capital, as set forth in art. 5 of the Articles of Association; each ordinary share gives the right to one vote in the Company's ordinary and extraordinary shareholders' meetings.
The Company does not directly and/or indirectly hold shares of LV. EN. Holding S.r.l.
LVenture Group has no treasury shares in its portfolio.

Health, safety and environment

In compliance with the provisions of art. 2428, paragraph 2, of the Italian Civil Code, please note that the Company carries out its activities in compliance with environmental regulations.

Research and development

In 2019, LVenture undertook a series of technical and market analyses with the aim of fully understanding where and how investments should be made in order to streamline the delivery of the services provided.
Various surveys were carried out in order to harmonise and reduce the distances between Acceleration, Open Innovation, Investments&Growth and Communication and Coworking, with the aim of transforming the experience of Corporates, SMEs and startups that interact with LVenture, making it fully immersive and potentially without geographical barriers.
Specifically, all the tools available on the market were analysed with the aim of identifying the most appropriate open source tools. In addition, an analysis was carried out to develop an understanding of the feasibility, in technological and economic terms, of building a fully internally platform that is able to respond to the needs of the market.

Management and Coordination

LVenture Group is controlled, pursuant to art. 93 of the Consolidated Finance Act, by Luigi Capello, through LV.EN. Holding, in which he holds a 50.68% stake of the share capital at 31/12/19. LV.EN. Holding, the major shareholder of LVenture Group, holds 33.41% of the Company's share capital at 31/12/19 and exercises de facto control over it pursuant to art. 2359, paragraph 1, no. 2 of the Italian Civil Code.
Although LVenture Group is subject to the control (pursuant to art. 93 of Italian Legislative Decree 58/1998) of LV.EN. Holding, neither the latter nor any other party was involved in policy-making and/or interfered in the management of LVenture Group: indeed, de facto, the management of the Company is not influenced at all by any third parties external to LVenture Group.
LVenture Group is not subject to management and coordination by the holding company LV.EN. Holding, or any other party, pursuant to articles 2497 et seq. of the Italian Civil Code.
In compliance with principles of conduct, transactions of LVenture Group of particular strategic, economic, capital and financial significance must be jointly examined and exclusively approved by the Board of Directors of LVenture Group, which is made up of directors meeting the requirements of (non-executive and) independent directors, in light of the criteria laid out in art. 3 of the Corporate Governance Code.
It is deemed that the competence and expertise of the non-executive and independent directors and their significant weight in taking board decisions constitutes a further

guarantee that all decisions of the Board of Directors will be adopted in the exclusive interest of LVenture Group and in the absence of instructions or interference from third-party stakeholders from outside the Company.

Sustainability

The Company pays particular attention to the pursuit of long-term interests and sustainability, pursuant to the guidelines of the Corporate Governance Code for listed companies. It is already largely compliant with the 17 Objectives for Sustainable Development - Sustainable Development Goals, SDGs - agreed upon by the UN, starting from the Company's core business. Indeed, support of entrepreneurship and innovation by the younger generations, which represents objective no. 9 "Industry, Innovation and Infrastructure", is the Issuer's primary business.

Furthermore, as another example but certainly not the last, objective no. 5 regarding "Gender Equality" is fully satisfied, since there is absolute gender equality with regard to the Company's line managers.

The Company has endeavoured to achieve further objectives by setting up a waste sorting system, providing the entire HUB with a water dispenser and water bottles for everyone.

As a further measure for employee involvement in environmental sustainability, the Company used Treedom during the Christmas holidays, the only web platform in the world that allows you to plant a tree remotely and keep track of it online, giving all members of the HUB a tree to plant as a Christmas gift.

In any case, the Company has set an objective to draw up a Sustainability Report by the end of the current year, in order to certify the activities it already carries out in terms of corporate sustainability, despite the fact that it is not currently required to draw up a Non-Financial Statement (Dichiarazione non Finanziara or DNF). The regulations in force (Italian Legislative Decree no. 254 of 30 December 2016) require a Non-Financial Statement to be prepared in the following case: more than 500 employees and, at the same time, exceeding of at least one of the following two thresholds, as at the reporting date: a) total balance sheet: €20 million; b) total net revenues from sales and services: €40 million.

Corporate governance

The Governance Model

The Company's corporate governance is based on the traditional "Latin model" system. The corporate bodies are:
• the Shareholders' Meeting, responsible for resolving in ordinary and extraordinary session on the matters placed under its responsibility by the law or the Articles of Association;
• the Board of Directors, vested with the most extensive powers for the ordinary and extraordinary management of the Company, with no limitation, with the right to carry out all deeds it deems appropriate for the enactment and achievement of the corporate purpose, excluding only those which the law places under the responsibility of the shareholders' meeting;
• the Board of Statutory Auditors, which by law is responsible for supervising i) observance of the law and the Articles of Association and compliance with the principles of proper management; ii) the adequacy of the organisational structure for the aspects within its remit, its internal control and risk management system and the administrative/accounting system, as well as the reliability of the latter to properly represent operational transactions; iii) the adequacy of the instructions provided in relation to the information to be provided to meet communication obligations; iv) the methods for actual implementation of the corporate governance rules laid out by the Corporate Governance Code for listed companies, which the Company follows. Italian Legislative Decree no. 39/2010, in the consolidated text of Legislative Decree no. 135/2016, assigns the Board of Statutory Auditors the duty of supervising, in particular, the financial reporting process, the effectiveness of the internal control, internal audit, if applicable, and risk management systems, as well as the independent audit of the annual and consolidated accounts and the independence of the independent Auditors.

In addition to the corporate bodies, there is also a Corporate officer in charge of preparing the accounting documents.

In turn, the Board of Directors formed two board committees, made up only of independent directors: i) the Control and Risk and Related Party Transactions Committee, and ii) the Remuneration Committee.

The governance model adopted by the Company is inspired by the Corporate Governance Code for listed companies promoted by the Borsa Italiana S.p.A. *Corporate Governance Committee*, which the Company follows, as well as the reference models represented by international *best practice*.

Disclosure pursuant to art. 123-bis of Italian Consolidated Act no. 58/1998 (the Consolidated Finance Act)

At its meeting on 22 April 2020, the Board of Directors of LVenture Group S.p.A. approved the Annual Report on corporate governance and ownership structures for the year 2019, which provides, inter alia, the disclosure pursuant to art. 123-bis, par. 1 of the Consolidated Finance Act: the report illustrates in detail the LVenture Group corporate governance system and includes, aside from the information pursuant to art. 123-bis, paragraph 2, of the Consolidated Finance Act, a broad examination of the implementation status of the governance principles recommended by the Corporate Governance Code for listed companies, in keeping with the "comply or explain" rule.

The Annual Report on corporate governance and ownership structures, which is hereby referenced in its entirety, is made available to the public in conjunction with this Directors' Report and the financial statement documentation. It may be consulted in the "Investor Relations/Corporate Governance/Shareholders' Meetings" section of the website www.lventuregroup.com.

Disclosure pursuant to art. 123-ter of Italian Consolidated Act no. 58/1998 (the Consolidated Finance Act)

Also on 22 April 2020, the LVenture Group Board of Directors approved, in observance of art. 123-ter of the Consolidated Finance Act, as well as art. 84-quater of the Issuers' Regulations, the Remuneration Report.

The Report has two sections:
• the first, dedicated to the illustration of the remuneration policy for members of the management body and key and

managers with reference to the year 2019, as well as the procedures used to adopt and implement that policy;

• the second, intended to provide a representation of each of the items making up remuneration and describe the remuneration paid in 2019 to members of the management and control bodies and key managers.

The Report will be submitted to the Shareholders' Meeting, called for 28 May 2020 on first call and 29 May 2020 on second call, which will be asked to provide its binding approval of the first section and its non-binding approval of the second section.

The Remuneration Report is available at the Company's registered office and on the website www.lventuregroup.com.

Disclosure pursuant to Consob resolution no. 17221 of 12 March 2010 (Related Party Regulation)

In 2019, the Company did not carry out transactions of greater relevance or which significantly influenced its balance sheet or profit and loss with related parties, nor were there changes or developments in the transactions described in the annual report for 2019 that generated the same effects.

All information relating to transactions with related parties in 2019 is provided in the Notes.

Business Outlook

On 5 February 2020, the Company's Board of Directors approved the update to the 2020-2022 Business Plan (the "Business Plan").

The updated Business Plan is based on the same economic-financial growth drivers of the previous Business Plan, approved by the Board of Directors on 4 March 2019, specifically:

- continuity in the activity of investment in high-potential digital startups, also through the Acceleration Programme, with a CAGR on the value of the portfolio of approximately 10%;
- potential Exit operations on over 10 startups, with the possibility to generate total value of nearly €10 million;
- organic growth in revenues, with a CAGR of approximately 20% thanks to the opening of new areas on the 4th floor of the Rome office on Via Marsala, which will enable the creation of a single technological innovation centre in Italy, and to the renewed offer in Open Innovation, strategic activity for the Company in support of the Ecosystem;
- strengthening of the organisational structure, with the addition of new resources and growth in talent already present within the company with regard to all business lines.

The main estimates of the Business Plan envisage:

- investments by the Company for an average of €3.5 million, for a total of €27 million invested by the end of the Plan;
- active management of the portfolio is expected to generate net revaluations of €2 million per year on average, permitting the portfolio to reach an IFRS value of over €34 million before the value decreases from the Exit operations;
- these Exit operations could generate revenues for a total of nearly €10 million over the course of the Plan, with a higher impact expected for 2022 with nearly €5.5 million;
- strong growth in revenues, from €5.7 million envisaged for 2020 up to nearly €7 million for 2022, driven by the increase in space in the Rome office and strengthening of the Open Innovation activities;
- EBITDA improving throughout the entire Business Plan, with forecasts of a positive value within 2022;
- positive net profit for €1.7 million in 2020 and growth to over €5.8 million in 2022.

In March 2020, the health emergency linked to the Coronavirus reached widespread dissemination and, right from the start, the Company handled the situation pro-actively under various aspects. First of all, it set up a cash flow committee ("Committee") comprised of the Chief Executive Officer, CFO, Head of HR and the Controller. This Committee immediately undertook concrete measures and directed activities to the preparation of economic and financial simulations of the effects of the crisis and of the measures taken by the Government. The Committee meets through weekly video conferences with the objective of drawing up the operating plans based on development of the situation and defining the extraordinary measures to handle the emergency. The Committee is supported by the Management Committee, consisting of all division managers: its task is to constantly monitor the situation, identifying measures to support and develop the Company's activities and ensure regular information for colleagues, through a digital communication channel accessible by the entire LVenture Group Team.

Protection of Workers

The measures implemented to protect the Company's Team, in accordance with the guidelines of the health authorities, include the activation of home working for all employees, to ensure continuity of service, the cancellation of events, usage of one's accrued holiday time and use of the extraordinary redundancy fund. Sanitisation measures at the registered office were also undertaken. As at 22 April 2020, no Company employees had been infected or were in quarantine.

Suppliers and Purchases

Suppliers were invited to comply with the same measures of protection adopted by the Company for their own employees and the criteria for access to the company's offices were reviewed. To provide continuity to the measures for protection of workers, purchases of cleaning and disinfection products were intensified, and stocks of individual protection devices (sanitising gel, masks and disposable gloves) were increased. To limit costs for the year 2020, the Company did not renew or promptly terminated any non-essential contracts and asked suppliers, where possible, for discounts or extension of contracts at the same economic conditions.

Customers and Startups

Customers and the startups in which the Company invests were asked to prefer digital channels to keep in touch with their teams.

Communication to Stakeholders

Communication with stakeholders is constant and ongoing, also through press releases on the web site and in social media. Lastly, an operational plan was put in place that takes into account a possible escalation of the situation, with a breakdown of the continuity plans for the provision of services and updating of the economic and financial sensitivity analyses. As at the current date, based on the observations made, the Company believes that it has implemented all of the initiatives to mitigate the effects of the emergency.

Potential Impacts on Business, on the Financial Situation and on Economic Performance

Given the constant evolution of the health emergency, its effects and the relative measures to be undertaken by the Government, the Committee will continue to monitor the situation and update its forecasts, aiming to provide prompt responses even on a preventive basis. While the health emergency has resulted in a situation of general uncertainty, the possible effects of the crisis on the Company's economic and financial performance are monitored continuously, as well as the possible effects in terms of *impairment* of its *assets*. In particular, as at the date of this Report, and assuming a gradual reopening, an impact on the Company's revenues is envisaged, although we cannot currently quantify such effect in a sufficiently reliable manner. The Company has taken proactive measures on the cost containment front, aiming to maintain expected profitability.

In terms of portfolio value, the Company is carefully monitoring performance of the startups and is in a position to confirm the expected positive performance.

The Company has sufficient resources to meet the scenarios currently envisaged.

The Section "Economic performance in the first three months of 2020" includes the summary economic figures at 31 March 2020 and the Disclosure pursuant to art. 114, paragraph 5 of Italian Legislative Decree no. 58/98.

Considerations with regard to the Accounting Profiles

From the accounting standpoint, the Company has deemed that the health emergency triggered by Covid-19, which appeared for the first time in China in January and only recently in our country as well, constitutes a non-adjusting event, according to the provisions of IAS 10, and, therefore, was not taken into account in the measurement processes for the items included in the Financial Statements at 31 December 2019.

The aforementioned accounting standard IAS 10 also requires companies to include in their financial statement reporting the estimated impact of events that have not resulted in adjustment of financial statement items (*non-adjusting event*). Under this profile, the disclosure deemed relevant with regard to satisfaction of this requirement is provided below:

- *impairment test* – to measure the exposure to risk of non-recoverability of the financial statement item subject to impairment test, namely the goodwill recorded (as outlined in greater detail in Note 7 of the Notes to the Financial Statements), a sensitivity analysis on the margin of the Acceleration CGU was developed, which highlights a wide margin between the carrying amount and the recoverable value. More specifically, only a significant reduction of the revenues of the CGU for all years of the business plan (and therefore without assuming any recovery after the reduction in 2020) would result in an essential alignment of carrying amount and recoverable value of the *asset;*
- measurement of derivatives - the Company uses the Interest Rate Swap to manage the risk of interest rate fluctuations. Contracts relating to derivative financial instruments are entered into with counterparties selected from the most financially solid in order to reduce the risk of contractual default to the minimum. The Company does not use derivative financial instruments for purposes of mere trading, but for economic hedging of risks identified. The Company believes that the disclosure provided in the Notes is adequate;
- estimate of losses on receivables - it is not currently possible to make any forecasts with regard to the potential impacts that could arise from the estimated recoverability of receivables. The Company will continue to closely monitor the situation with regard to this aspect.

Approval of the Financial Statements beyond the deadline set by art. 2364 of the Italian Civil Code

Following the global impact of the COVID-19 virus pandemic, the Board of Directors, on 19 March 2020, resolved that approval of the Draft Financial Statements at 31 December 2019 would take place on 22 April 2020. On 22 April 2020, the Company's Shareholders' Meeting was convened, originally scheduled for 24 April 2020, to be held on first call on 28 May 2020 and on second call on 29 May 2020.

Deferral of the convocation of the Shareholders' Meeting was resolved in accordance with the provisions of art. 106 of Law Decree no. 18 of 17 March 2020 - so-called "Cura Italia" - which, in derogation from the provisions of article 2364, paragraph two, of the Italian Civil Code or other provisions of the Articles of Association, permits listed companies to call ordinary shareholders' meetings within one hundred and eighty days from the end of the year.


OPEN INNOVATION
WHAT WE DO
LVenture
INVESTMENTS
ACCELERATION
GROWTH
OUR MISSION

Proposed resolution

Dear Shareholders,

We invite you to approve the following resolution.

"The Shareholders' Meeting:
- acknowledging the Report of the Board of Directors on operations;
- acknowledging the Report of the Board of Statutory Auditors;
- acknowledging the Report of the Independent Auditors;
- having examined the Financial Statements at 31 December 2019, which closed with a profit for the year of €504,516.90 (profit of €401,094.49 at 31 December 2018);

resolves
- to approve the Statement of Financial Position, Income Statement and Notes to the Financial Statements for the year ending 31 December 2019, which show a profit for the year of €504,516.90, as presented by the Board of Directors overall, in terms of the individual items and with the provisions proposed;
- to allocate 5% of the profit for the year, in the amount of €25,225.85, to the "Legal reserve";
- to allocate the remaining part of the profit for the year, in the amount of €479,291.06, to the "Undivided profits reserve".

Rome, 22 April 2020

Stefano Pighini
Chairman

Financial Statements at 31 December 2019

FINANCIAL STATEMENTS

NOTES	STATEMENT OF FINANCIAL POSITION IN EURO '000	31-DEC-19	31-DEC-18
	ASSETS		
	NON-CURRENT ASSETS		
6	Property, plant and equipment and other machinery	601	662
7	Goodwill and other intangible assets	100	105
8	Securities and equity investments	19,055	15,203
9	Receivables and other non-current assets	2,475	1,305
10	Deferred tax assets	39	148
	TOTAL NON-CURRENT ASSETS	**22,270**	**17,423**
	CURRENT ASSETS		
11	Trade receivables	730	926
12	Current financial assets	256	272
13	Other receivables and current assets	118	188
14	Cash and cash equivalents	2,516	1,778
	TOTAL CURRENT ASSETS	**3,619**	**3,163**
	TOTAL ASSETS	**25,890**	**20,586**
	LIABILITIES		
15	**SHAREHOLDERS' EQUITY**		
	Share capital	14,000	10,932
	Other reserves	7,433	1,174
	Profit (loss) carried forward	0	3,026
	Net profit (loss)	505	401
	TOTAL SHAREHOLDERS' EQUITY	**21,938**	**15,533**
	NON-CURRENT LIABILITIES		
16	Non-current payables to banks	1,914	2,507
	Other non-current financial liabilities	0	0
	Other non-current liabilities	13	3
	Provisions for risks and charges	56	0
	Provisions for employee benefits	0	0
18	Deferred tax liabilities	86	75
	TOTAL NON-CURRENT LIABILITIES	**2,069**	**2,585**
	CURRENT LIABILITIES		
17	Current payables to banks	612	326
	Other current financial liabilities	31	26
19	Trade and other payables	724	875
20	Tax payables	67	141
21	Other current liabilities	449	1,100
	TOTAL CURRENT LIABILITIES	**1,883**	**2,468**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**25,890**	**20,586**

NOTES	**INCOME STATEMENT** IN EURO '000	**31-DEC-19**	**31-DEC-18**
22	Revenues and other income	4,206	3,440
23	Costs for services	-1,490	-1,367
24	Personnel costs	-2,027	-1,516
25	Other operating costs	-1,575	-1,336
	GROSS OPERATING MARGIN	**-885**	**-779**
26	Depreciation and impairment losses on tangible assets	-204	-175
	Amortisation and impairment losses on intangible assets	-18	-18
27	Provisions and write-downs	-85	-54
28	Realised gains/losses on investments	-209	-651
29	Revaluations/Impairment at fair value	2,220	2,210
	OPERATING RESULT	**819**	**533**
30	Financial income	19	0
31	Financial expenses	-98	-89
32	Other income and expenses	-115	-16
	PRE-TAX PROFIT (LOSS)	**624**	**428**
33	Income taxes	-119	-27
	NET PROFIT (LOSS)	**505**	**401**

STATEMENT OF COMPREHENSIVE INCOME IN EURO '000	**31-DEC-19**	**31-DEC-18**
NET PROFIT (LOSS)	**505**	**401**
Other comprehensive income net of taxes		
- Effect of the effective portion of gains and losses on hedging instruments in a cash flow hedge	-5	-17
TOTAL OTHER COMPREHENSIVE INCOME NET OF TAXES	**-5**	**-17**
COMPREHENSIVE INCOME	**499**	**384**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY IN EURO '000	SHARE CAPITAL	SHARE-PREMIUM RESERVE	FAIR VALUE RESERVES	RESERVE FOR STOCK OPTION PLAN	UNDIVIDED PROFITS RESERVE	LEGAL RESERVE	PROFIT (LOSS) CARRIED FORWARD	PROFIT (LOSS) FOR THE YEAR	TOTAL
BALANCE AT 31/12/2017	**9,731**	**1,274**	**3,951**	**5**	**0**	**0**	**-566**	**-1,642**	**12,753**
Change according to the provisions of IAS 8	-	-	-3,959	-	-	-	2,989	972	-
Share capital issue	1,201	1,152	-	-	-	-	-	-	2,353
Coverage of losses	-	-1,274	-	-	-	-	603	670	-1
Increase/Decrease in Fair Value Reserve	-	-	-17	43	-	-	-	-	26
Profit (loss) from previous years	-	-	-	-	-	-	-	-	0
Total profit (loss) for the year	-	-	-	-	-	-	-	401	401
BALANCE AT 31/12/2018	**10,932**	**1,152**	**-26**	**48**	**0**	**0**	**3,026**	**401**	**15,533**
Change according to the provisions of IAS 8	-	-	-	-	4,341	-	-	-	4,341
Share capital issue	3,067	3,067	-	-	-	-	-	-	6,134
Expenses liked to share capital increase	-	-307	-	-	-	-	-	-	-307
Coverage of losses	-	-934	-	-	-	-	-	-	-934
Fair Value Measurement financial instruments and Stock Option	-	-	-5	77	-	-	-	-	72
Profit (loss) from previous years	-	-	-	-	-	-	-3,960	-401	-4,361
Profit (loss) for the year	-	-	-	-	-	20	934	505	1,459
BALANCE AT 31/12/2019	**13,999**	**2,978**	**-31**	**125**	**4,341**	**20**	**0**	**505**	**21,938**

CASH FLOW STATEMENT IN EURO '000	**31-DEC-19**	**31-DEC-18**
CASH FLOW FROM OPERATIONS		
Collections from customers	4,243	4,682
Other collections	54	44
(Payments to suppliers)	-3,032	-2,712
(Payments to personnel)	-2,682	-1,824
(Other payments)	-273	-191
(Legally mandatory/tax charges)	-215	-102
Interest collected/(paid)	0	0
CASH FLOW FROM OPERATIONS (A)	**-1,905**	**-103**
CASH FLOW FROM INVESTMENTS		
Property, plant and equipment	0	
(Investments)	-80	-345
Divestment sale price	0	0
Intangible assets	0	
(Investments)	0	0
Divestment sale price	0	0
Financial fixed assets	0	
(Investments)	-3,267	-2,825
Divestment sale price	236	293
CASH FLOW FROM INVESTMENTS (B)	**-3,111**	**-2,877**
CASH FLOW FROM FINANCING		
Third party funds	0	0
New loans	0	1,588
(Repayment of loans)	-313	-210
(Interest paid on loans)	-87	-80
Own funds	0	
Share capital increase against payment	6,154	2,402
Sale (purchase) of treasury shares	0	0
Dividends (and advances on dividends) paid	0	0
CASH FLOW FROM FINANCING (C)	**5,754**	**3,699**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**739**	**719**
OPENING CASH AND CASH EQUIVALENTS	**1,778**	**1,058**
CLOSING CASH AND CASH EQUIVALENTS	**2,516**	**1,778**

NOTES TO THE FINANCIAL STATEMENTS

1. General notes

LVenture Group operates at national and international level in the Venture Capital sector. The Company's mission is to generate value for its shareholders by transforming young startups into successful companies.

LVenture Group, with registered office in Via Marsala 29H, Rome, is listed on the MTA market of Borsa Italiana S.p.A.

At 31 December 2019, 33.41% of the share capital of LVenture Group is held by LV.EN. Holding Srl.

The Financial Statements at 31 December 2019 were approved by the Board of Directors of LVenture Group on 22 April 2020 and were audited by the Independent Auditors Baker Tilly Revisa S.p.A.

2. Use of estimates and causes of uncertainty

The Financial Statements were prepared in accordance with IAS/IFRS, which require the directors to develop estimates, opinions and assumptions that have an effect on the amount of assets and liabilities, the disclosure relating to contingent assets and liabilities and the value of revenues and costs reported in the period presented. The estimates and assumptions used are based on elements known at the reporting date, historical experience and any other elements deemed relevant.

Directors evaluated the applicability of the going concern assumption in drawing up the separate financial statements, also taking into account the particular situation that emerged in early 2020, analysed in the Directors' Report under the section "Business outlook", as well as in Note "41. Significant events after year-end close", concluding that this assumption is adequate, as there are no doubts as to the company continuing as a going concern.

The situation caused by the current phase of economic and financial uncertainty has made it necessary to make assumptions regarding future trends. Therefore, it cannot be ruled out that the coming year may bring different results to those estimated and hence that adjustments, which currently cannot be estimated or predicted and may turn out to be significant, may need to be made in the carrying amounts of items relating to equity investments in startups, and more specifically Securities and equity investments. In particular, with regard to:

- the use of estimates of Level 3 fair value (lacking active markets for the cases in point) which, by definition involve greater uncertainty in determining the fair value;
- the uncertainty regarding the exit timing and the resulting possibility that the fair value estimates are impacted by that situation.

3. General reporting criteria

The Separate Financial Statements were drawn up in compliance with the IAS/IFRS (International Accounting Standards – IAS – and International Financial Reporting Standards – IFRS) issued by the IASB, on the basis of the text published in the Official Journal of the European Community (OJEC). The IFRSs also include all the revised international accounting standards ("IAS") and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The Notes to the Financial Statements were supplemented with the additional disclosures required by CONSOB and the measures issued in implementation of art. 9 of Italian Legislative Decree 38/2005 (resolutions 15519 and 15520 of 27 July 2006 and communication DEM/6064293 of 28 July 2006, pursuant to art. 114, paragraph 5 of the Consolidated Finance Act), art. 78 of the Issuers' Regulations and the EC document of November 2003 and, when applicable, the Italian Civil Code. In line with the Financial Statements from last year, some information is contained in the Directors' Report on operations.

The Separate Financial Statements have been prepared based on the assumption of the Company's ability to continue as a going concern and include the statement of financial position, income statement, statement of comprehensive income, cash flow statement, statement of changes in shareholders' equity and the relative notes. The Separate Financial Statements were drafted in thousands of Euro.

For the presentation of profit and loss results, the Company uses an income statement that recognises components of revenues and costs by nature. In the income statement, as in the interim reports, EBITDA (earnings before interest, taxes, depreciation and amortisation) and EBIT (earnings before interest and taxes) are shown, as indicators deemed representative of company performance. In addition, the statement of comprehensive income is also prepared, which also includes the economic items that are not recognised in the income statement and directly impact the specific items of shareholders' equity. The transactions represented in the statement of comprehensive income are shown net of the relative tax effect.

In the statement of financial position, the Company presents current assets and liabilities, which are expected to be realised or settled during the normal operating cycle, separately from non-current items. The statements outlined above, appropriately supplemented by the Notes, accompanied by the Directors' Report, are deemed those which are capable of best providing a structured representation of the financial position and profit and loss of the Company. If, due to a new standard, a change in the nature of transactions or a restatement of the financial statements, it is necessary or appropriate to make a change in the financial statement items to provide reliable and more relevant information for users of the financial statements, the comparative data will be reclassified accordingly in order to improve the comparability of information from different years. In this case, if significant, an appropriate disclosure will be provided in the notes.

Pursuant to art. 3 of Consob Resolution no. 18079 of 20 January 2012, please note that the Company relied on the exemption laid out in arts. 70, paragraph 8 and 71, paragraph 1-bis of Consob Reg. no. 11971/99 (as amended) with reference to the provision to the public at the registered office of documentation concerning mergers, spin-offs, share capital increases, acquisitions and disposals.

4. Alternative Performance Indicator (API)

In order to provide stakeholders with an alternative measure for Portfolio performance, it was deemed important to supplement the financial reporting with an Alternative Performance Indicator (API) which represents the Portfolio value on the basis of the most recent capital transactions taking place in the reference period, also considering the issue of hybrid financial instruments. Please note that although this indicator represents a useful parameter to provide an indicative Portfolio valuation in line with sector best practices, it does not replace IAS/IFRS valuation criteria applied to determine the value of the investment portfolio recognised in the financial statements. Therefore, that alternative valuation of the investment portfolio is used by the Company only for the purpose of monitoring the performance of the Portfolio and enabling a comparison with competitors.

The Company determines the Alternative Performance Indicator as follows:

- in the presence of any share capital increase (fully subscribed and paid up, even partially, but with the obligation to pay) in which there are third-party investors, the post-money valuation is used as an indicator of a market value of the startup;
- in the presence of a share capital increase, or another transaction on the share capital of the startup not completely finalised or which takes place in tranches or another transaction on the startup's share capital (also including the issue of convertible debt financial instruments) in which there are third-party investors not complying with the previous clauses, the pre-money valuation is used plus the cash inflows paid in at the cut-off date, as an indicator of a market value of the startup;
- if in the last 12 months no transaction took place on the share capital and there are no negative performance indicators, the previous valuation is maintained;
- in the previous case and if there are negative performance indicators, the startup is valued at cost or at a value lower than cost on the basis of the possibility for the Company to recover its investment.

5. Measurement criteria and accounting standards

The accounting standards adopted in preparing these Financial Statements are consistent with those applied to prepare the Separate Financial Statements at 31 December 2018, to which reference should be made, with the exception of what is laid out below with respect to the new accounting standards, amendments and interpretations applicable as of 1 January 2019.

As required by Consob communication no. 0007780 of 28 January 2016 and the public statement published on 27 October 2015 by ESMA, "European common enforcement priorities for 2015 financial statements", in relation to the disclosure that listed companies must provide in financial reporting at 31 December 2015 and subsequently, specific information is provided below on the accounting standards, the policies adopted and the measurements made by the Company, by providing, for example, a detailed description of relevant and directly applicable accounting standards, specifying how these standards were adopted by the Company and avoiding the mere reproduction of what is established in the standards. As a result, the accounting standards not adopted by the Company in the preparation of the Separate Financial Statements are not mentioned.

Accounting standards, amendments and interpretations endorsed by the European Union and applicable at 1 January 2019 that are applied for the first time in the Company's Financial Statements for the year ended 31 December 2019:

IFRS 15 - "Revenue from Contracts with Customers". On 28 May 2014, IASB published the document that requires a company to recognise revenues at the moment that control over the assets or services is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for such products or services. To this end, the new model for the recognition of revenues defines a five-step process:

- identification of the contract with a customer;
- identification of the performance obligation;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations;
- recognition of revenue when (or as) the entity satisfies a performance obligation.

The new standard also requires additional information about nature, amount, timing and uncertainty concerning revenues and cash flows deriving from agreements with customers. The IASB expects the new standard to be adopted in 2018 and it was validated by the European Union on 22 September 2016. Moreover, IASB published amendments to the standard of 12 April 2016: Clarifications to IFRS 15 "Revenue from Contracts with Customers", also applicable from 1 January 2018. The purpose of these amendments is to clarify the methods for identifying the company as the "Principal" or as the "Agent" and determining whether revenues from licensing must be discounted for the duration thereof.

The Company has adopted the new standard, but no changes were made to the annual data compared to previous periods, as the Company was already operating in line with the instructions of IFRS 15.

IFRS 16 – Leases. On 13 January 2016 the IASB published a document on the accounting of leases. With the removal of the distinction between operating leases and financial leases as per IFRS 17, this new standard, in force as from 1 January 2019, results in a substantial alignment from an accounting point of view between the aforementioned two types of lease.

Compared to the previous accounting standard IAS 17, the most notable change lies in the distinction (to be carried out on initial recognition of the lease in the financial statements) between lease agreements and service agreements, an assessment of which must be made each time that the terms and conditions of the agreement are modified/integrated with respect to the original.

The Company has identified only one contract to which IFRS 16 applies, which currently has an annual cost of approximately €800 thousand. Following the analysis of said contract regarding the lease of the Rome HUB, the decision was made not to adopt that accounting standard, due to the right of lessor to fully or partially replace the leased properties based on its needs. This means that one of the underlying requirements of IFRS 16, i.e. the objective identification of the asset, is not met, even if the lessor controls it. Due to this contractual condition, the Company decided not to adopt IFRS 16.

Accounting standards, amendments and interpretations published by the IASB but not yet endorsed by the European Union:

- **Amendments to IFRS 10 and IAS 28**: "Sale or Contribution of Asset between an Investor and its Associate or Joint Venture" (issued on 11 September 2014). The purpose of the document is to resolve a conflict between the provisions of IFRS 10 and IAS 28 in the event that an investor sells or contributes a business to its associate or joint venture, requiring the recording of the gain or loss resulting from the loss of control in full at the time of the sale or contribution of the business, or partially in the event that this involves only individual assets. IASB deferred the adoption of this amendment until its project on the equity method has been completed. Based on an initial examination, the possible future adoption of this standard should not have a significant impact on the Company's financial statements.
- **Amendments to IAS 40**: "regarding transfers of investment property". Document issued by IASB on 8 December 2016 with effective date of 1 January 2018. The amendment entails the following: i) amendment of paragraph 57 of IAS 40 to state that an entity shall transfer a property from, or to, investment property only when there is evidence of a change in use, ii) designation of the list of evidence in paragraph 57 (a) – (d) as a non-exhaustive list of examples. Based on an initial examination, the possible future adoption of that standard should not have a significant impact on the Company's financial statements.
- **IFRIC 22**: "Foreign Currency Transactions and Advance Consideration". Document issued by IASB on 8 December 2016 which covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. The interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. The IASB expects to adopt this on 1 January 2018. Based on an initial examination, the possible future adoption of this interpretation should not have a significant impact on the Company's financial statements.
- **"Annual improvements to IFRSs: 2014-2016 Cycle"**. Document issued by IASB on 8 December 2016 with effective date of 1 January 2018. The work involved the following accounting standards: i) IFRS 1 - the short-term exemptions set out in paragraphs E3-E7 have been deleted, because they have now served their intended purpose; ii) IFRS 12 - the scope of the standard has been clarified by specifying that the disclosure requirements, except for those in paragraphs B10-B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5; iii) IAS 28 - it was clarified that the election to measure at fair value through profit and loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation is available for each investment in an associate or joint venture upon initial recognition. Based on an initial examination, the possible future adoption of this standard should not have a significant impact on the Company's financial statements.

5.1. Transactions in foreign currency

i. Functional and presentation currency. All items included in the Company's Separate Financial Statements are measured by using the currency of the main economic environment in which the entity operates (functional currency). The Separate Financial Statements are presented in Euro (rounded to the nearest thousand), as this is the currency in which the majority of the Company's transactions are carried out.

ii. Transactions in foreign currency. The Company's Separate Financial Statements were prepared in the functional currency of the business. In preparing the financial statements, transactions in foreign currency are converted to the functional currency by applying the exchange rate in force at the transaction date. Monetary assets and liabilities in foreign currency existing at the reporting date are converted using the exchange rate in force at the closing date; non-monetary assets and liabilities, measured at historical cost in foreign currency, are converted using the exchange rate in force at the transaction date.

Foreign exchange differences deriving from the conversion of monetary assets and liabilities at the reporting date are recognised in the income statement.

The rates applied are shown in the table below:

	CLOSING EXCHANGE RATE	AVERAGE EXCHANGE RATE
US dollar/euro	1.1234	1.1195

5.2. Intangible assets (IAS 38)

INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets consist of identifiable non-monetary elements with no physical consistency, which may be controlled and can generate future economic benefits. These elements are recognised at acquisition and/or production cost, inclusive of directly attributable expenses to make the asset ready for use, net of cumulative amortisation and any impairment losses. Amortisation begins at the moment in which the asset is available for use and is broken down systematically over the remaining period during which it will be possible to use the asset, i.e., based on its estimated useful life.

GOODWILL

Goodwill represents the difference between the cost incurred for the acquisition of a controlling interest (of a set of assets) and the fair value of the assets and liabilities identified upon acquisition. Goodwill is not amortised, but is tested for impairment at least once per year. Any decline in the value of goodwill is recognised if the recoverable amount of the goodwill is lower than its carrying amount in the financial statements. Recoverable amount refers to the higher of the fair value, net of costs to sell, and the relative value in use. Any impairment losses recognised on goodwill cannot be reversed subsequently.

The goodwill recognised in the consolidated financial statements in 2013 due to the purchase price allocation (PPA) caused by the merger by incorporation of LVenture S.r.l. (single shareholder) into the Company was attributed to the subsidiary EnLabs. After the merger by incorporation of the subsidiary, the goodwill was maintained and allocated to the Acceleration CGU.

5.3. Property, plant and equipment (IAS 16)

Property, plant and equipment are recognised at the acquisition price, inclusive of directly attributable accessory costs necessary to make the asset ready for the use for which it was acquired. Assets consisting of components of a significant amount and with different useful lives are considered separately in the determination of depreciation. Depreciation is calculated on a straight-line basis based on the estimated useful life of the asset for the company, which is reviewed every year. The following depreciation rates are used:

	RATE
Furnishings	12%
IT hardware	20%
Leasehold improvements	20% (duration of the lease agreement)
Other assets	12% – 20%

Upon the occurrence of events which make it reasonable to believe that the asset value has declined, its relative carrying amount is verified by comparing it with the "recoverable" amount, represented by the greater of the fair value and the value in use. The fair value is defined on the basis of the values in the active market, recent transactions or the best information available in order to determine the potential amount that could be obtained from the sale of the asset.

The value in use is determined by discounting the cash flows deriving from the expected use of the asset, applying the best estimates concerning the remaining useful life and a rate that also takes into account the implicit risk of the specific business segments in which the company operates. This evaluation is carried out at the level of individual asset or the smallest identifiable set of independent cash generating assets (CGU).

In the case of negative differences between the values noted above and the carrying amount, a write-down is recognised. If the reasons for the impairment loss no longer apply subsequently, it is reversed. Write-downs and reversals are recognised in the income statement.

5.4. Equity investments in startups (IFRS 9 and IFRS 13)

Equity investments in startups, consisting of non-current financial assets that are not held for trading, are classified under the item "Securities and equity investments" and recognised at fair value. These stakes are typically lower than 20% of the share capital. In exceptional cases in which the threshold is marginally exceeded, the investee in any event is not considered an associate insofar as all other prerequisites laid out by the reference accounting standard are not met.

Since 2018, the Company has used the "International Private Equity and Venture Capital Valuation Guidelines" (the "Guidelines") for the purpose of measuring the startups in the portfolio. The Guidelines provide various measurement methods, define how and when the various methods are applicable, and issues to bear in mind in applying the various methods. In particular, the methods identified in the Guidelines are:

- post-money value related to the most recent equity investment received by the startup;
- market multiples or benchmarks for similar transactions;
- discounted cash flow;
- shareholders' equity.

The valuation of the individual startups is classified under FVH 3 (Fair Value Hierarchy, hereinafter also "**FVH**"), with the following general rules:

- in the presence of a significant share capital increase (fully subscribed and paid up), or another transaction on the share capital of the startup in which there are relevant third-party investors, the post-money valuation is used as an indicator of a market value of the startup;
- in the presence of a share capital increase, or another transaction on the share capital of the startup not completely finalised or which takes place in tranches in which there are third-party investors not complying with the previous clauses pursuant to point a), the pre-money valuation is used plus the cash inflows paid in at the cut-off date, as an indicator of a market value of the startup;
- if in the last 24 months no transaction took place on the share capital and there are positive performance indicators, the Company uses a valuation that is benchmarked to the revenue multiples that would be generated by an analysis of similar transactions carried out by companies that operate in the same sector as the relevant startup and/or the discounted cash flow;
- in the previous case and in the presence of negative performance indicators, the company shall carry out an impairment test.

The above-mentioned valuation parameters may change, including significantly, due to the conditions at which similar transactions may close in the future.

Gains and losses deriving from changes in fair value are recognised directly in the income statement for the period, under "Revaluations/Impairment at fair value".

The difference in value during the sale stage (Exit/liquidation) with respect to the most recent fair value measurement is charged to the income statement under "Realised gains/losses on investments".

SIC 12, an interpretative standard, aims to combat tax evasion and applies to vehicle companies, as defined by IFRS 3. SIC 12 handles financial asset transactions that would give rise to "off-balance sheet" vehicles because they are not subsidiaries, in accordance with the criteria established by IAS 27; these vehicles could need to be consolidated on the basis of the requirements laid out in SIC 12.

5.5. Receivables and other non-current assets (IFRS 9 and IFRS 13)

The Company classifies financial assets and investments in startups under this item when they are granted in the form of special types of convertible notes (PFIs) or convertible loans, directly or indirectly, as well as capital account payments carried out via crowdfunding platforms up until conversion into equity.

To measure receivables classified under this item, the Company determines the financial statement value based on the amount paid to the startup, decreased for any expected losses, taking into consideration:

- a suitable weighting of the probability of loss;
- reasonable and demonstrable information on past events, current conditions, and forecasts of future economic conditions.

The designation of the individual instrument in this category is final, is carried out upon initial recognition and cannot be amended.

5.6. Derivative financial instruments and recording hedging transactions

The Company's liabilities are primarily exposed to the financial risk connected with changes in interest rates.

The Company uses interest rate swaps to manage the risk of fluctuations in interest rates. Contracts relating to derivative financial instruments are entered into with counterparties selected from the most financially solid in order to reduce the risk of contractual default to the minimum. The Company does not use derivative financial instruments for purposes of mere trading, but for economic hedging of risks identified.

In line with the provisions of IAS 39, derivative financial instruments are recognised according to the methods established for hedge accounting, as:

- at the start of the hedge, the hedge is formally designated and the hedging relationship is documented, and the hedge is assumed to be effective;
- the hedge is effective in the various accounting periods for which it was designated.

For interest rate derivatives, the fair value is determined using the expected cash flows estimated based on the conditions and the maturity of each contract and using the market interest rates of similar instruments at the closing date of the year (Fair Value Level 2).

5.7. Receivables and payables (IAS 32)

Receivables are recognised at their assumed realisable value. If the financial nature of these positions is recognised, they are recorded at amortised cost. Receivables and payables in foreign currency originally accounted for at the exchange rates in force at the date on which the transaction is carried out are adjusted to current exchange rates at year-end and the relative foreign exchange gains and losses are recognised in the income statement. Receivables and payables expected to be paid or collected beyond the subsequent year are discounted in accordance with market risk free rates at the reporting date, possibly increased by the intrinsic risk rate evaluated based on the position.

5.8. Cash and cash equivalents (IAS 32 and IAS 39)

Cash and cash equivalents include cash in hand, sight deposits and short-term highly liquid financial investments which are readily convertible into cash and which are subject to an irrelevant risk of price fluctuations. All cash and cash equivalents in current accounts are measured at their nominal value; other cash and cash equivalents and short-term financial investments are measured, based on data availability, at their fair value determined as the market value at year-end close.

5.9. Income taxes (IAS 12)

Current taxes are recognised and calculated on the basis of a realistic estimate of taxable income in compliance with tax regulations in force and taking into account any applicable exemptions. Deferred taxes are determined on the basis of the taxable or deductible temporary differences between the carrying amount of assets and liabilities and their tax value. They are classified as non-current assets and liabilities.

Art. 23, paragraph 9 of Law Decree 98/11, converted by Law 111/11, by the amendment of art. 84 of the Income Tax Consolidation Act, introduced significant amendments to the tax regime of corporate losses for IRES purposes. Corporations may carry forward the tax loss of a tax period with no time limits, allocating it as a deduction from taxable income in subsequent years, to an extent not exceeding 80% of the taxable income of each year and for the entire amount of the loss that can be offset with that amount (art. 84, paragraph 1 of the Income Tax Consolidation Act).

Deferred tax assets are recognised when there is reasonable certainty of the existence, in the years in which the deductible temporary differences will be reversed, of taxable income no lower than the amount of the differences that will be offset.

5.10. Share-Based Payment - Stock Option (IFRS 2)

In the event of transactions with share-based payment settled with instruments representing the capital of the Company, the fair value at the date of assignment of the options on shares granted to employees is recognised among personnel costs, with a corresponding increase in Shareholders' equity under "Other reserves and indivisible profits", over the vesting period for the employees. The amount recognised as a cost is adjusted to reflect the actual number of incentives (options) for which the length of service conditions have vested and the "non-market conditions" have been fulfilled so that the final amount recognised as a cost is based on the number of incentives that shall definitively vest. Likewise, in estimating the fair value of the options assigned, all the non-vesting conditions must be considered. With regard to the non-vesting conditions, any differences between the assumptions at the date of assignment and those occurring shall not have any impact on the financial statements.

Fair value is determined using the binomial approach. The essential data of the Stock Option Plans and the parameters used by the actuary for their valuation are indicated in Note 15.2.

5.11. Shareholders' equity

The total value of the shares issued by the Company is fully classified in shareholders' equity, as the shares represent the capital.

The "Share premium reserve" includes the excess of the share issue price with respect to the nominal value, net of expenses incurred during the share capital increase.

The "Undivided profits reserve" includes the allocation of profits arising from the fair value measurement of investments and is not available for distribution until those profits have actually been achieved.

The item "Profit (loss) carried forward" includes cumulative results and the transfer from other reserves of shareholders' equity when they are released from any restrictions to which they are subject. This item also recognises any cumulative effect of changes in accounting standards and/or any error corrections accounted for in accordance with IAS 8.

5.12. Other non-current and current assets

This item includes receivables not associated with other items in the balance sheet assets. These items are recognised at nominal value or at the recoverable amount if lower, based on assessments concerning their future collectability. This item also includes accrued income and prepayments for which it has not proved possible to adjust the respective assets to which they refer.

5.13. Other non-current and current liabilities

This item includes items not associated with other liability items in the balance sheet, in particular primarily trade payables, such as payables to suppliers and withholdings to be paid, as well as accrued liabilities and deferred income which cannot be recognised as a direct adjustment of other liability items.

5.14. Revenues and costs (IAS 15 and IAS 18)

Revenues from services are recognised at the moment that control over the assets or services is transferred to customers, at an amount that reflects the consideration expected to be received in exchange for such products or services. To this end, the model for the recognition of revenues defines a five-step process:

- identification of the contract with a customer;
- identification of the performance obligation;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations;
- recognition of revenue when (or as) the entity satisfies a performance obligation.

Costs are recognised when they are incurred. Costs and revenues directly associated with financial instruments measured at amortised cost and which can be determined since their origin irrespective of the moment in which they are settled, are recognised in the income statement by applying the effective interest rate method.

Any impairment losses are recognised in the income statement in the year in which they are identified.

5.15. Employee benefits (IAS 19)

Employee benefits are paid into the "Fondo Insieme" managed by Allianz S.p.A., to which the Company's employees have subscribed. Each employee has their own position in Fondo Insieme and independently decides how the amounts paid in by the Company are invested. The Company pays, for each employee, the amount calculated on the basis of the rules governing employee severance indemnity in force in Italy. Therefore, the Separate Financial Statements present the annual cost of the employee severance indemnity in the income statement, but do not present any balance sheet item, as amounts are paid to the Fund by 31 December.

5.16. Impairment losses

In the presence of indicators, events or changes of circumstance which make it reasonable to assume the existence of impairment losses, IAS 36 requires impairment testing on intangible assets and property, plant and equipment, in order to ensure that assets are not recognised in the financial statements with a value exceeding their recoverable amount. This test is carried out at least on an annual basis for Assets and Goodwill with an indefinite useful life.

The recoverability of the values recognised in the Financial Statements is determined by comparing the carrying amount at the reporting date and the higher of either the fair value net of costs to sell (if available) and the value in use. The value in use of property, plant and equipment or an intangible asset is determined on the basis of estimated future cash flows expected from the asset and discounted at a discount rate net of taxes, which reflects the current market valuation of the present value of money and the risks correlated with the Company's activities.

If it is not possible to estimate an independent cash flow for an individual asset, the cash generating unit to which the asset belongs is identified, with which it is possible to associate future objectively determinable cash flows independent from those generated by other operating units. Cash generating units were identified in line with the Company's organisational and operational architecture.

If impairment testing brings to light an impairment loss on an asset, its carrying amount is reduced to the recoverable amount through direct recognition in the income statement.

When there is no longer justification to maintain a write-down, the carrying amount of the asset (or of the cash generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable amount, but not beyond the net carrying amount that the asset would have had if no impairment loss had ever been recognised. The reversal is recognised in the income statement immediately.

5.17. Government grants (IAS 20)

This Standard must be applied for the recognition and disclosure of government grants and for the disclosure regarding other types of public assistance. These grants are provided by the government, government entities and analogous local, national or international entities. Government grants are those that take the form of transfers of resources to a company provided it has respected, or undertakes to respect, certain conditions relating to its operating activities. Those forms of public assistance with which a value cannot be reasonably associated and transactions with public entities that cannot be distinguished from the normal commercial activities of the company are excluded.

Government grants should be recognised until there is reasonable certainty that: the company will respect the established conditions; and the grants will be received. Government grants must be recognised systematically in the statement of profit (loss) for the year in the years in which the entity recognises the relative expenses that the contributions are intended to offset as costs.

The recognition of government grants follows the income method, based on which a grant is recognised in the statement of profit (loss) for the year in one or more years. With the income method, it is fundamental for government grants to be recognised systematically in the statement of profit (loss) for the year in the years in which the entity recognises the relative expenses that the contributions are intended to offset as costs. The recognition of government grants in the statement of profit (loss) for the year at the moment of collection does not respect the adoption of the applicable accounting standards (see IAS 1 Presentation of Financial Statements) and may be acceptable only if there is no method for allocating the grant to years other than that in which it was received. A government grant that can be collected as compensation for costs or losses already incurred in order to provide immediate financial support to the entity without correlated future costs should be recognised in the statement of profit (loss) for the year in which it becomes collectable.

Note that the Company did not receive any government grants in 2018 or 2019.

5.18. Earnings per share (IAS 33)

Basic earnings per share is determined as the ratio between the net profit for the period attributable to Shareholders and the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to take into account any potential ordinary shares.

5.19. Cash Flow Statement (IAS 7)

The Company draws up the Cash Flow Statement using the direct method according to the instructions of IAS 7.

5.20. Segment reporting

The Company operates exclusively in Italy; therefore, there is no reclassification of the income statement by geographical areas.

The operating activities of the Company and the relative strategies are broken down into two product lines:

- the venture capital activity, which includes acceleration activities as well as the activity of investing in startups;
- other activities, which include consulting, Open Innovation activities, Co-working, events and sponsorships in favour of the HUB.

For the purposes of subdivision by segment, the income statement was reclassified in line with the presentation of data carried out by the main European competitors, recognising "Unrealised gains/(losses) on investments from fair value measurement" among revenues and showing an "Adjusted EBITDA".

The reclassified form was presented in the separate financial statements for the first time, and the data relative to the prior year were consequently reclassified:

NOTES	IN EURO '000	VENTURE CAPITAL 31-DEC-19	OTHER ACTIVITIES 31-DEC-19	TOTAL 31-DEC-19	VENTURE CAPITAL 31-DEC-18	OTHER ACTIVITIES 31-DEC-18	TOTAL 31-DEC-18
22	Operating revenues and income	989	3,217	4,206	886	2,554	3,440
29	Unrealised gains/(losses) on investments from fair value measurement	2,220	0	2,220	2,272	0	2,272
	TOTAL REVENUES	**3,209**	**3,217**	**6,426**	**3,158**	**2,554**	**5,712**
23	Costs for services	-807	-683	-1,490	-785	-582	-1,367
24	Wages and salaries	-1,249	-778	-2,027	-1,091	-426	-1,516
25	Other operating costs	-536	-1,039	-1,575	-449	-887	-1,336
	TOTAL OPERATING COSTS	**-2,592**	**-2,499**	**-5,091**	**-2,325**	**-1,894**	**-4,219**
	ADJUSTED EBITDA	**617**	**718**	**1,335**	**833**	**660**	**1,493**
26/27	Depreciation, amortisation and provisions	-294	-13	-307	-238	-9	-247
28	Realised gains/(losses) on investments	-209	0	-209	-714	0	-714
30/31	Financial/extraordinary operations	-187	-8	-195	-104	0	-104
	NET PROFIT (LOSS) BEFORE TAXES	**-73**	**697**	**624**	**-224**	**652**	**428**

5.21. Information about financial risks

The Company has a system for monitoring the financial risks to which it is exposed. In line with its policy, the financial risks connected with operations are periodically monitored, so as to evaluate their potential negative effects beforehand and take the best actions to mitigate them. An analysis of the risks in question is provided below, highlighting the level of exposure and, for interest rate risk, conducting a sensitivity analysis in order to quantify the potential impact on actual results deriving from theoretical fluctuations in the reference parameters.

Credit risks

Credit risk represents the Company's exposure to potential losses deriving from the failure of counterparties to meet their obligations. The Company does not have a significant concentration of credit risk and has adopted procedures to minimise risk exposure.

The maximum theoretical exposure to credit risk for the Company is represented by the carrying amount of financial assets recognised in the financial statements, equal to €3,165 thousand (non-current financial assets + trade receivables).

Positions for which an objective condition of partial or total non-collectability has been identified are subject to individual write-downs. To determine the assumed recoverable amount and the amount of the write-downs, an estimate of recoverable cash flows and the relative collection date, costs and future collection expenses are taken into account.

In addition, operating criteria are used to quantify the presence of any guarantees (personal and collateral) and/or the existence of bankruptcy proceedings.

Within its operations, LVenture Group may grant loans to investee companies as part of a broader business/financial project. In this context, credit risk is deferred over a limited number of positions which are continuously monitored.

Processes concerning lending and investment in the sector in which the Company operates are subject to specific procedures. Process mapping is in the completion phase and procedures are in the redefinition and implementation phase.

LVenture Group periodically, and, in any case, each time the accounts are closed, analyses its receivables (financial and trade) in order to identify those that demonstrate objective evidence of a possible loss in value. Any value adjustment is recognised in the income statement.

The original value of the receivables is restored in subsequent years to the extent to which the reasons that caused the adjustment no longer apply, provided this valuation may be objectively connected with an event that took place subsequent to the adjustment. The write-back is recognised in the income statement and in any event cannot exceed the amortised cost that the receivable would have had in the absence of previous adjustments.

Interest rate risk

The objective of interest rate management is to ensure control of financial expenses and their volatility. This makes it possible to determine the financial expenses in advance over a time horizon consistent with the equity structure and future cash flows.

Interest rate risk hedging derivatives were acquired to hedge floating rate debt (for which an increase in interest rates would result in an increase in financial expenses) directly from the bank that disbursed the mortgage.

Liquidity risk

Liquidity risk is represented by the possibility that the Company may find itself in the condition of not being able to meet its payment commitments in cash or for delivery, expected or unexpected, due to a lack of financial resources, jeopardising its day-to-day operations and/or its financial position.

Liquidity risk may arise from the difficulty of being able to promptly obtain loans to support operations and may take the form of the inability to obtain the necessary financial resources at affordable conditions.

Short and medium/long-term liquidity requirements are monitored with a view to promptly guaranteeing that financial resources can be obtained or an adequate investment of cash and cash equivalents.

The two main factors that determine the Company's liquidity situation are, on one hand, the resources generated or absorbed by operating and investment activities and, on the other hand, the debt maturity and renewal characteristics or the liquidity of financial investments and market conditions.

At 31 December 2019, the net financial debt was €-154 thousand, consisting of liquid assets for €2,516 thousand and net financial liabilities for €2,378 thousand.

Lastly, to further support the development of LVenture Group, a capital increase on the market was completed on 5 August 2019 for €6,135 thousand.

Management of Covid-19 emergency

See the "Business outlook" paragraph of the Directors' Report for a more detailed examination of the health emergency triggered by Covid-19, with regard to the plans implemented by the Company to handle the situation, to the analysis of possible impacts, and to the disclosure provided also with respect to the provisions of IAS 10. Regarding the last aspect, note that - from the accounting standpoint - the Company has deemed that the aforementioned health emergency, which appeared for the first time in China in January and only recently in our country as well, constitutes a non-adjusting event, according to the provisions of the above standard, and, therefore, was not taken into account in the measurement processes for the items included in the financial statements at 31 December 2019.

Fair value disclosure

Following the issue of IFRS 13 by the international accounting bodies, in order to improve the disclosure on the fair value measurement associated with financial instruments, the concept of the fair value hierarchy ("FVH") was introduced, which is broken down over three different levels (Level 1, 2 and 3) in decreasing order of observability of the inputs used to estimate fair value.

The FVH levels are:

Level 1: prices listed on active markets for identical instruments (i.e., with no modifications or repackaging).

Level 2: prices listed on active markets for similar asset or liability instruments or calculated through valuation techniques in which all significant inputs are based on observable market parameters.

Level 3: valuation techniques in which any significant input for the fair value measurement is based on non-observable market data.

The fair values of "Securities and equity investments" outstanding at 31 December 2019 (Note 8) and of "Receivables and other non-current assets" (Note 9) are classified in Level 3. There are no other financial instruments measured at fair value. For the assets and liabilities valued at amortised cost, given their nature, it is reasonable to believe that the fair value is not significantly different from the carrying amounts.

6. Property, plant and equipment and other machinery

The breakdown of property, plant and equipment net of the relative provisions is shown below:

IN EURO '000	31-DEC-19	31-DEC-18
Furnishings	266	382
IT hardware	49	36
Leasehold improvements	110	124
Other assets	112	121
Assets under construction	64	0
TOTAL	**601**	**662**

The breakdown of this item is shown below with the relative changes during the year:

IN EURO '000	FURNISHINGS	IT HARDWARE	OTHER ASSETS	LEASEHOLD IMPROVEMENTS
- historical cost	683	70	156	146
- Accumulated depreciation and impairment losses	-301	-34	-33	-25
NET VALUE AT 31 DECEMBER 2018	**382**	**36**	**123**	**121**
CHANGES 2019:				
- increases	16	26	2	33
- decreases	0	0	0	0
- depreciation and impairment losses	-132	-13	-15	-42
TOTAL CHANGES 2019	**-116**	**13**	**-14**	**-9**
- historical cost	699	96	158	179
- Accumulated depreciation and impairment losses	-433	-47	-48	-67
NET VALUE AT 31 DECEMBER 2019	**266**	**49**	**110**	**112**

The most significant item of property, plant and equipment refers to furnishings and fixtures amounting to €266 thousand, net of the relative accumulated depreciation.

7. Goodwill and other intangible assets

IN EURO '000	31-DEC-19	31-DEC-18
Goodwill	67	67
Software	33	39
TOTAL	**100**	**105**

Impairment test pursuant to IAS 36 on the value of goodwill

Goodwill recorded in the Company's financial statements since 2013 was recognised upon the merger of LVenture Srl into LVenture Group and amounts to €66,950.

This goodwill referred to the value in use of all assets constituted by EnLabs Srl.

Following the merger of EnLabs into LVenture Group on 20 December 2016, the cash generating unit (CGU) to which that goodwill properly related was identified as the Acceleration business line.

The value to be tested for impairment was determined as roughly €237 thousand and consists of the sum of goodwill (€67 thousand) and investments relating to the business line (€170 thousand).

As regards the value of goodwill specifically, IAS 36 establishes that, as it is an intangible asset with an indefinite useful life, it is not subject to amortisation, but rather tested for impairment at least once per year. As goodwill does not generate independent cash flows nor can it be sold autonomously from the assets to which it relates, IAS 36 requires its recoverable amount to be verified on a residual basis, by determining the cash flows generated by a set of assets making up the business unit to which it belongs: the cash generating unit (CGU).

The analysis in question was conducted on the basis of the cash flows reflected in the Company's 2020-2022 Business Plan (approved by the Board of Directors on 5 February 2020) and the best available information.

The documents used to carry out the impairment test reflect the best estimates that could be made with respect to the main assumptions at the basis of company operations (macro-economic performance, business development assumptions). These assumptions and the corresponding financials were deemed suitable to conduct the impairment test by the LVenture Group Board of Directors, which approved the relative results on 19 March 2020.

In this regard, please recall that IAS 36 defines the recoverable amount as the higher of the fair value of an asset or a cash generating unit, less costs to sell, and its value in use. The recoverable amount pursuant to IAS 36 was estimated with reference to the value in use, i.e., the present value of future cash flows that the Company expects from the asset, calculated as specified below.

This being said regarding the identification of the CGUs, note that the value in use of invested capital recognised in the financial statements at 31 December 2019 was determined based on the following aspects:

- cash flows as set forth in the 2020-2022 Business Plan for the Acceleration business line;
- use of the pre-tax Unlevered Discounted Cash Flow method;
- determination of a gross "market base" discount rate, i.e., determination of the pre-tax WACC;
- exclusion, as required by IAS 36, of the future cash inflows or outflows potentially deriving from future company restructurings, improvements or optimisations of business performance, other than those linked to the normal course of business.

The WACC was calculated as 11.61% on the basis of the following primary assumptions:

- calculating the average (levered) "beta" parameter at 0.542, on the basis of Company data (source: Bloomberg, monthly calculation frequency);
- applying a risk-free interest rate of 1.62%, represented by the yield on 10-year Italian treasury bonds which, as such, already includes the "country risk" component; in this case, the average yields of the last 2 auctions at the end of the month were considered with respect to the date of impairment testing, due to the high volatility of rates on Italian government bonds: the use of the quarterly average made it possible to reduce the effect of this volatility;
- applying a "market risk premium" of 7.37%, on the basis of studies on the average yield spread of the stock markets with respect to the risk free rate (Damodaran 2019 update);
- adding an additional risk premium of 6.0%;
- considering a pre-tax cost of debt capital of 3.13%, the future impact of debt was assumed to be 5%, as shown in the 2020-22 Business Plan;
- the tax rate applied to determine the WACC gross of tax was 24%, and was estimated on the basis of the tax rates currently expected taking into account a share of minimal non-deductible costs on a permanent basis.

A sensitivity analysis was also conducted, adding an additional risk premium of 2%, which demonstrates the robustness of the value in use.

The results of the impairment testing conducted are shown below (€ thousands):

CGU	GOODWILL	INVESTMENTS	TOTAL	VALUE IN USE	SURPLUS
Acceleration	67	170	237	3,904	3,667

The impairment test conducted pursuant to IAS 36 brought to light no need to recognise impairment losses.

8. Securities and equity investments

The item "Securities and equity investments" recorded the following changes:

IN EURO '000	31-DEC-19	31-DEC-18
BALANCE AT THE END OF THE PREVIOUS YEAR	**15,203**	**12,099**
Investments during the period	1,062	1,583
Conversion into equity of PFIs (special type of convertible notes)/convertible loans	540	105
Divestments	-204	-472
Realised gains/losses	-146	-479
Measurement at fair value	2,600	2,367
BALANCE AT THE END OF THE YEAR	**19,055**	**15,203**

The table above shows an increase in the portfolio value of €3,825 thousand compared to the end of the previous year.

Note that the item "Realised gains/(losses)" presented in the table is a net value that does not include a gain of €22k relative to the partial Exit of Qurami that began in 2018 and ended in 2019.

The value of the investment (historical cost and percentage ownership of the equity investment), the fair value and the value of the Alternative Performance Indicator (previously described in Note 4) of the main portfolio startups are shown below. Once again, note that the purpose of the Alternative Performance Indicator is exclusively to monitor the performance of the Portfolio and allow for a comparison with competitors, and it does not replace the values determined in compliance with the IAS/IFRS and posted in the financial statements.

BRAND (COMPANY NAME) (€ THOUSANDS)	% INVESTMENT AT 31-DEC-19	CUMULATIVE INVESTMENT AT 31-DEC-19	IFRS VALUE AT 31-DEC-19	API VALUE AT 31-DEC-19
Whoosnap (Insoore)	11.84%	315	1,894	1,894
Gamepix	20.58%	310	1,832	1,832
Soundreef	6.79%	398	1,428	1,428
Yakkyo	13.43%	330	1,137	1,137
Filo	15.14%	398	1,089	1,089
2Hire	9.54%	374	935	935
BigProfiles (Datafalls)	10.82%	175	696	696
Manet	9.24%	350	678	678
KPI6	16.53%	310	661	661
TogetherPrice	11.58%	264	632	632
Fitprime (Checkmoov)	15.07%	373	628	628
Codemotion	9.01%	160	563	563
Playwood	13.62%	280	435	435
Lybratech	12.61%	230	348	348
Shampora	13.32%	190	260	260
Vikey	9.35%	200	256	256
Other investments		5,023	5,581	5,623
TOTAL		**9,679**	**19,055**	**19,097**

The partial Exit transaction of Qurami which began at the end of 2018 was completed during 2019. Furthermore, 5 startups were placed into liquidation.

BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	EXIT YEAR	EXIT TYPE	TOTAL INVESTED IN EURO '000	TOTAL ACHIEVED IN EURO '000	MULTIPLE
Pubster	2013	2019	Liquidation	30	0	0
Le Cicogne	2013	2019	Liquidation	100	0	0
Spotonway	2014	2019	Liquidation	160	0	0
Verticomics	2015	2019	Liquidation	160	0	0
Spidchain	2017	2019	Liquidation	50	0	0

The table below indicates the shares invested in Portfolio startups by members of the LVenture Group Board of Directors:

BRAND (COMPANY NAME)	MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY	TRANSACTION SUBMITTED TO CONTROL AND RISK AND RELATED PARTY TRANSACTIONS COMMITTEE	% INVESTMENT AT 31-DEC-19
BravePotions	Valerio Caracciolo (Director)	no	1.62%
CoContest Inc.	Stefano Pighini (Chairman)	no	1.60%
CoContest Inc.	Valerio Caracciolo (Director)	no	1.36%
Moovenda	Valerio Caracciolo (Director)	no	0.52%
Manet Mobile Solutions	Roberto Magnifico (Director)	no	0.83%
Ambiens VR	Roberto Magnifico (Director)	no	0.70%
Scuter	Valerio Caracciolo (Director)	no	3.20%
Tutored	Valerio Caracciolo (Director)	no	0.49%
Scuter	Stefano Pighini (Chairman)	no	1.01%
Qurami	Pierluigi Pace (Director)	no	0.87%
Powahome	Roberto Magnifico (Director)	no	0.37%

9. Receivables and other non-current assets

IN EURO '000	31-DEC-19	31-DEC-18
Other non-current receivables	10	0
Receivables from ZMV	0	25
PFIs (special type of convertible notes) and convertible shareholder loans from startups	2,465	1,280
Total	**2,475**	**1,305**

The item "PFIs (special type of convertible notes) and convertible shareholder loans from startups" underwent the following changes:

IN EURO '000	31-DEC-19	31-DEC-18
BALANCE AT THE END OF THE PREVIOUS YEAR	**1,280**	**510**
Investments during the period	2,195	1,722
Conversion into equity of PFIs (special type of convertible notes)/convertible loans	-540	-560
Redemptions	-90	0
Realised gains/losses	0	-235
Measurement at fair value	-380	-157
BALANCE AT THE END OF THE YEAR	**2,465**	**1,280**

The divestment transactions carried out in 2019 are outlined below:

- on 19 September 2019, LVG completed the divestment in the startup **ZappyRent**. The transaction was defined as a disposal of Participating Financial Instruments (PFIs) subscribed by the Company during the acceleration programme. These instruments were sold to three Business Angels interested in investing in the startup at the total issue value, equal to €80 thousand;
- the Company held an indirect investment of 0.72% of the share capital of **Paperlit** through ZMV, with a total investment of €25 thousand. During 3rd quarter 2019, the startup received a purchase offer from United Ventures SGR for 100% of the company, for a total value of €800 thousand. The transaction was completed on 6 August 2019 for a value of €6.4 thousand.

The table below lists the investments via PFIs in place at 31 December 2019; the IFRS measurement was made based on the possibilities for conversion of the PFIs also in relation to the time elapsed. If the PFI is still recognised, albeit at null value, it means there is still a possibility for it to be converted:

BRAND (COMPANY NAME) (€ THOUSANDS)	PROGRAMME / YEAR OF ACCELERATION	CUMULATIVE INVESTMENT AT 31-DEC-19	IFRS VALUE AT 31-DEC-19	API VALUE AT 31-DEC-19
Parcy	P 13 - 2018	80	80	80
Uxgo	P 14 - 2019	80	80	80
Avvocato Flash	P 15 - 2019	80	80	80
Bloovery	P 15 - 2019	80	80	80
Confirmo	P 15 - 2019	80	80	80
GetAStand	P 15 - 2019	80	80	80
MyAEdes	P 15 - 2019	80	80	80
MyTutela	P 15 - 2019	80	80	80
Oral3d	P 15 - 2019	80	80	80
Overbooking	P 15 - 2019	80	80	80
Punchlab	P 15 - 2019	80	80	80
Skaffolder	P 12 - 2018	80	60	60
Flamingo	P 14 - 2019	80	60	60
Hakuna	P 14 - 2019	80	60	60
Keiron	P 14 - 2019	80	60	60
Leonard	P 14 - 2019	80	60	60
STIP	P 14 - 2019	80	60	60
For Tune (Mentha Srl)	P 13 - 2018	80	50	50
Pigro	P 13 - 2018	80	40	40
Tirolibre	P 13 - 2018	80	40	40
Iwelnness	P 12 - 2018	60	30	30
GEC	P 13 - 2018	80	0	0
TOTAL		**1,740**	**1,400**	**1,400**

The table below shows the changes in convertible loans disbursed to the startups during 2019:

BRAND (COMPANY NAME) (€ THOUSANDS)	VALUE IFRS AT 31-DEC-18	INCREASES	DECREASES FOR CONVERSION	FAIR VALUE MEASUREMENT	LOAN REPAYMENT	VALUE IFRS AT 31-DIC-19
GODIRETTI srl	100	-	-	-	-	**100**

BRAND (COMPANY NAME) (€ THOUSANDS)	VALUE IFRS AT 31-DEC-18	INCREASES	DECREASES FOR CONVERSION	FAIR VALUE MEASUREMENT	LOAN REPAYMENT	VALUE IFRS AT 31-DIC-19
Nextwin	100	-	-	-	-	**100**
Shampora	-	100	-	-	-	**100**
Together Price	-	100	-	-	-	**100**
Avvocato Flash	-	65	-	-	-	**65**
Bloovery	-	65	-	-	-	**65**
Confirmo	-	65	-	-	-	**65**
GetAStand	-	65	-	-	-	**65**
MyAEdes	-	65	-	-	-	**65**
MyTutela	-	65	-	-	-	**65**
Oral3d	-	65	-	-	-	**65**
Overbooking	-	65	-	-	-	**65**
Punchlab	-	65	-	-	-	**65**
Vikey	-	50	-	-	-	**50**
CineApp	60	-	-	-40	-	**20**
Kiwi Campus inc.	10	-	-	-	-	**10**
Fitprime	150	-	-150	-	-	**-**
Qurami	10	-	-	-	-10	**-**
Yakkyo srl	150	-	-150	-	-	**-**
TOTAL	**580**	**835**	**- 300**	**- 40**	**- 10**	**1,065**

Lastly, the Company has call options in place in the various investment agreements with the startups, which provide the Company the right to invest at a discount in the startups' subsequent share capital increases. These options are not currently valued as it is not possible to determine their fair value in a sufficiently reliable manner. The categories of options and the number of startups involved are listed below:

OPTION TYPE	NUMBER STARTUPS INVOLVED
Convertible loan with 20% discount	1
Convertible loan with 30% discount	1
Convertible loan with conversion cap	1
Call option for 9% plus a 20% discount on the measurement of further follow-on investments	11
Convertible loan with variable discount (20%-30%)	1
Call option for 9% plus a 25% discount on measurement of the investment and a discount of up to 20% on measurement of the follow-on investment	8
SAFE (equivalent to PFI used in the USA) with conversion cap	1

10. Deferred tax assets

Deferred tax assets amount to €39 thousand, updated to what is set forth in the 2020-2022 Business Plan.

Deferred tax assets were recognised based on the actual recoverability according to the results envisaged by the business plan. Consequently, the amount decreased by 109 thousand compared to last year.

The tax losses carried forward in their entire amount and the relative deferred tax assets are specified below:

IN EURO '000	TAX LOSSES	IRES AT 24%	DEFERRED TAX ASSETS
TOTAL	**6,284**	**1,508**	**39**

11. Trade receivables

IN EURO '000	31-DEC-19	31-DEC-18
Trade receivables	730	926
TOTAL	**730**	**926**

Trade receivables are measured at fair value and were adjusted to their assumed realisable value. These receivables all mature within 12 months.

12. Current financial assets

IN EURO '000	31-DEC-19	31-DEC-18
Current financial assets	256	272
TOTAL	**256**	**272**

The item "Current financial assets" includes:

- the receivable from the purchaser of Voverc Srl for the second tranche of €132 thousand, collected in January 2020;
- the receivable from the purchaser for the partial sale of Qurami Srl, for €122 thousand. For this item, an amount of €56 thousand was allocated in the Provision for risks and charges, due to the dispute by the purchaser itself.

13. Other receivables and current assets

IN EURO '000	31-DEC-19	31-DEC-18
Other receivables and current assets	118	188
TOTAL	**118**	**188**

The breakdown of Other current assets is shown below:

IN EURO '000	31-DIC-19	31-DIC-18
Financial receivables	0	2
Tax receivables	30	10
Receivables from others	79	0
Accrued income and prepayments	9	176
TOTAL	**118**	**188**

Tax receivables are represented by the balance of the Company's VAT credit in 2019. "Receivables from others" include advances that the Company is making for the examination and realisation of a "parallel fund", useful in achieving the company mission. These amounts will be charged back to said parallel fund at the beginning of operations.

14. Cash and cash equivalents

IN EURO '000	31-DEC-19	31-DEC-18
Cash	0	0
Demand deposits	2,524	1,786
Payables to company credit cards	-8	-8
TOTAL	**2,516**	**1,778**

Cash and cash equivalents refer primarily to the positive balances of bank current accounts at the date of year-end close. Liquid funds are deposited at Banca Popolare di Sondrio and Banca Intesa San Paolo.

15. Shareholders' equity

IN EURO '000	31-DEC-19	31-DEC-18
Share capital	14,000	10,932
Share premium reserves	2,978	1,152
Fair Value Reserve on Cash Flow Hedging	-31	-26
Other reserves	4,486	48
Profit (loss) carried forward	0	3,026
Net profit (loss) for the period	505	401
TOTAL	**21,938**	**15,533**

Details of the classification of reserves are provided below. Please refer to the statement of changes in shareholders' equity for details on changes in the course of the year.

15.1. Classification of reserves

NATURE / DESCRIPTION IN EURO '000	AMOUNT	POSSIBILITY OF USE (*)	AVAILABLE PORTION	USES IN THE PREVIOUS 3 YEARS TO COVER LOSSES	USES IN THE PREVIOUS 3 YEARS FOR OTHER REASONS
Share capital	14,000		0	0	0
Share premium reserve (**)	2,978	A, B, C	2,978	-6,404	0
Legal reserve	20	B	0	0	0
Fair Value Reserve	-31		0	0	0
Stock Option Plan reserve	125		0	0	0

NATURE / DESCRIPTION IN EURO '000	AMOUNT	POSSIBILITY OF USE (*)	AVAILABLE PORTION	USES IN THE PREVIOUS 3 YEARS TO COVER LOSSES	USES IN THE PREVIOUS 3 YEARS FOR OTHER REASONS
Undivided profits reserve (restricted portion)	4,341		0	0	0
TOTAL	**21,433**		**2,978**	**-6,404**	**0**

(*) A: for share capital increase; B: to cover losses; C: for distribution to shareholders.
(**) The share premium reserve is available but not distributable until the legal reserve reaches 1/5 of the share capital pursuant to art.2341 of the Italian Civil Code.

15.2. Share capital

IN EURO '000	31-DEC-19	31-DEC-18
Share capital	14,000	10,932
TOTAL	**14,000**	**10,932**

The extraordinary shareholders' meeting of 18 April 2019 approved the proposed share capital increase for a maximum of €8,000 thousand, inclusive of any share premium, in tranches and against payment, through the issue of ordinary dematerialised shares, with no nominal value, with the same characteristics as those outstanding and with regular entitlement, to be offered under option to the Company's Shareholders pursuant to art. 2441, paragraph 1 of the Italian Civil Code. On 26 June 2019, the Company's Board of Directors established the definitive methods, terms and conditions of the aforementioned share capital increase offered in option. In particular, it set the Offer Period from 8 July 2019 to 25 July 2019 (inclusive) and the exercise period for the Option Rights on the MTA market from 8 July 2019 to 19 July 2019.

The share capital increase offered in option closed on 5 August 2019 for €6,135 thousand, with subscription of 99.99%.

At 31 December 2019, the share capital of the Company was broken down as follows:

SHARES/UNITS	31-DEC-19 NUMBER	31-DEC-18 NUMBER	NOMINAL VALUE
Ordinary listed	44,621,491	31,679,330	*none*
Ordinary unlisted	0	1,787,789	*none*
TOTAL	**44,621,491**	**33,467,119**	

The Company held no treasury shares on the date on which the Financial Statements were prepared.

Vote increase

Art. 6-bis of the Issuer's Articles of Association states as follows:

"[...] each share entitles the holder to a double vote (and, therefore, two votes per share), where both of the following conditions are met:

- the share has belonged to the same party, by virtue of a real right legitimising the exercise of the right to vote (full ownership with right to vote or bare ownership with right to vote or usufruct with right to vote) for an uninterrupted period of at least twenty-four months;
- fulfilment of the condition under point (a) is certified by the uninterrupted registration, for a period of at least twenty-four months, in the specific list pursuant to art. 6 quater (the "Specific List"), as well as by specific communication certifying the shareholding, referring to the start date of the continuous period, issued by the intermediary at which the account where the shares are recorded was opened, pursuant to the regulations in force".

On 10 May 2017, the Issuer adopted the "Regulations for managing the specific list pursuant to art. 127-quinquies, paragraph 2 of the Consolidated Finance Act and art. 143-quater of the Issuers' Regulations" to govern the criteria for keeping and updating the specific list (the "Specific List"), as well as the terms and methods for recording, amending and eliminating entitled parties.

The table below lists the shareholders recorded in the "Section regarding Parties awaiting vote increase" at 31 December 2019:

SHAREHOLDER	NUMBER OF SHARES AWAITING VOTE INCREASE	% (OF TOTAL VOTING RIGHTS) PRIOR TO INCREASE	DATE OF RECORDING IN THE LIST OF SHARES AWAITING VOTE INCREASE	DATE ON WHICH THE INCREASE MAY BE REQUESTED
LV. EN. Holding S.r.l.	1,784,913	4.00%	6 February 2019	6 February 2021
Stefano Pighini	864,000	1.94%	12 March 2019	12 March 2021
Stefano Pighini	7,000	0.02%	26 July 2019	26 July 2021
Mario Venezia	204,667	0.46%	2 December 2019	2 December 2021

At 31 December 2019, there were no shareholders recorded in the "Section regarding Parties that have obtained the vote increase".

15.3. Share premium reserve

IN EURO '000	31-DEC-19	31-DEC-18
Share premium reserve	2,978	1,152
TOTAL	**2,978**	**1,152**

The reserve includes the amount allocated to the share premium reserve defined upon the issue of shares, net of expenses incurred during the share capital increase. This increase is due to this last transaction during the year and to use of the reserve for the portion designated to cover losses from prior years (for further details, see the Statement of Changes in Shareholders' Equity).

15.4. Other reserves, measurement of equity investments at fair value and profit (loss) carried forward

IN EURO '000	31-DEC-19	31-DEC-18
Other reserves	4,486	48
Fair Value Reserve on Cash Flow Hedges	-31	-26
Profit (loss) prev. years	0	3,026
TOTAL	**4,455**	**3,048**

Other reserves comprise:

- the legal reserve of €20 thousand;
- the undivided profits reserve of €4,341 thousand, including profits from first-time adoption of IFRS 9 and the portion of non-distributable profit pursuant to Italian Legislative Decree 38/2005;
- the units of two stock option plans, which include both the portion linked to employees (€98 thousand) and that referring to directors (€27 thousand). The structure of the two Stock Option plans is shown below:

- Stock option plan for Employees: The Company assigned option rights, free of charge, to subscribe shares of the Company in favour of certain employees. The plan allows the Company to assign options in several tranches, and does not set a maximum number of options that can be assigned each year. The total maximum number of options that can be assigned through the plan is 1,478,110. The options may be exercised by the beneficiaries, fully or partially, at the end of the vesting period, i.e. the period from 31 July 2020 to 31 December 2020. The options must be exercised, under penalty of forfeiture, by that final date. Each tranche of options is assigned a strike price, which, in each case, will be equal to the arithmetic average of the official prices of the shares recorded on the MTA market in the month prior to each assignment date. The plan was assigned in two Tranches:

- on 14 November 2017, the Board of Directors assigned the First Tranche of 739,000 options at a strike price of €0.7266. In 2018, the Company assigned to new employees the options freed up by outgoing employees, under the same conditions.
- on 12 September 2019, the Board of Directors assigned the Second Tranche of 739,110 options at a strike price of €0.6042.

- Stock option plan for Directors and Strategic Consultants: On 12 December 2018, the Board of Directors assigned 1,478,110 options at a strike price of €0.62, for the subscription of shares of the Company, in favour of certain Directors and Consultants. The total number of options that can be assigned through the plan is 1,478,110. The options may be exercised by the beneficiaries, fully or partially, at the end of the vesting period, i.e. the period from 1 April 2021 to 31 December 2021. The options must be exercised, under penalty of forfeiture, by that final date. The exercise of the options is conditional on the fulfilment of the qualifying condition, which foresees an increase between the strike price and the earn-out amount equal to or greater than +15%.

The valuation was carried out reflecting the characteristics of "no arbitrage" and "risk neutral framework" common to fundamental option pricing models (such as the binomial approach, the Black & Scholes, etc.).

The main parameters used for the valuation are summarised below:

	NUMBER OF OPTIONS	VESTING DATE	MATURITY DATE	STRIKE PRICE IN EURO	PRICE AT THE VALUATION DATE IN EURO	ANNUAL VOLATILITY	EXPECTED DIVIDEND RATE	EXIT RATE
1st plan - Employees	739,000	30.7.2020	31.12.2020	0.7266	0.684	40%	0%	5%
2nd plan - Directors	739,110	30.7.2020	31.12.2020	0.6042	0.620	32%	0%	5%
Plan - Directors	1,478,110	01.4.2021	31.12.2021	0.620 (*)	0.594	40%	0%	5%

(*) The exercise of the options is conditional on the fulfilment of the qualifying condition, which foresees an increase between the strike price and the earn-out amount equal to or greater than +15%.

Lastly, the Cash Flow Hedge Reserve includes the Level 2 fair value valuation (mark-to-market drawn up by Banca Intesa at 31 December 2019) of the IRS hedging interest rate risk on mortgages entered into with Banca Intesa. This amount is recorded as a balancing entry under "Other current financial liabilities".

16. Non-current payables to banks

IN EURO '000	31-DEC-19	31-DEC-18
Non-current payables to banks	1,914	2,507
TOTAL	**1,914**	**2,507**

Bank loans disbursed by Banca Popolare di Sondrio:

- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, for a total of €500 thousand, disbursed in full in May 2015, with a floating interest rate of 3.75% and a five-year repayment plan;
- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, approved on 21 February 2018 for a total of €800 thousand, disbursed in full on 29 March 2018, with a fixed interest rate of 3.95% and a five and a half year repayment plan, with a grace period of 15 months.

Bank loans disbursed by Banca Intesa San Paolo:

- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, approved on 7 June 2016 for a total of €430 thousand, disbursed in full in 6 tranches. The repayment plan is set for 5 years, with a 6-month floating EURIBOR rate plus a spread of 3%;
- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, approved on 16 October 2017 for a total of €800 thousand, disbursed in full on 16 October 2017. The repayment plan is set at 5 years with a grace period of 24 months, and a 1-month floating Euribor rate plus a spread of 2.5%;
- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, approved on 14 March 2018 for a total of €800 thousand, disbursed in full on 29 March 2018. The repayment plan is set at 7 years with a grace period of 24 months, and a 1-month floating Euribor rate plus a spread of 2.3%.

The loans disbursed by Banca Intesa San Paolo were converted to a fixed rate using specific IRS (Interest Rate Swap) hedges, with the same principal and maturities, acquired by Banca Intesa on behalf of the Company.

17. Current payables to banks

IN EURO '000	31-DEC-19	31-DEC-18
Current payables to banks	612	326
TOTAL	**612**	**326**

The item comprises the portion of principal maturing over the next 12 months relating to Non-current payables to banks.

18. Deferred tax liabilities

IN EURO '000	31-DEC-19	31-DEC-18
Deferred tax liabilities	86	75
TOTAL	**86**	**75**

Deferred tax liabilities are calculated in relation to the fair value measurements of investments in startups.

19. Trade and other payables

IN EURO '000	31-DEC-19	31-DEC-18
Trade payables	724	875
TOTAL	**724**	**875**

Trade payables refer to the amount accrued during the year for the following items:

IN EURO ‘000	31-DEC-19	31-DEC-18
Board of Statutory Auditors	42	35
Directors’ fees	0	27
Investor Relator	0	1
Internal Audit / Surveillance Body	18	18
Independent Auditors	29	24
Suppliers	635	721
Others	0	49
TOTAL	**724**	**875**

The balance of trade payables follows the organic growth of the Company's activities.

20. Tax payables

IN EURO '000	31-DEC-19	31-DEC-18
IRAP payables	0	0
IRES/IRPEF payables	57	44
TOTAL	**57**	**44**

Tax payables include the balance at 31 December 2019 of the IRAP payable and the IRPEF/IRES tax payables on behalf of employees and professionals. The latter were paid to the Tax Authorities on 16 January 2020.

21. Other current liabilities

IN EURO '000	31-DEC-19	31-DEC-18
Other current payables	449	1,100
TOTAL	**449**	**1,100**

Other current liabilities consist of:

- €130 thousand in payables to employees for holidays accrued but not used, deferred charges and contractual bonuses for 2019 to be paid in 2020;
- €66 thousand for payables to social security institutions for accidents in the workplace paid in January 2020;
- €12 thousand for payables to provisions for personnel;
- €94 thousand for other payables regarding payment of the employee severance indemnity amount to "Fondo Insieme Allianz", following collective participation by Company personnel;
- €165 thousand for deferred income, of which €158 thousand are attributable to advance billing in relation to the partnership with Facebook.

22. Revenues and other income

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Revenues for rental of co-working workstations	1,430	876	554
Revenues for Acceleration Programme services	860	697	163
Revenues from Growth-LV8 programmes	366	359	7
Open Innovation revenues	567	413	154
External networking revenues	70	166	-96
Event revenues	431	434	-3
Sponsorship revenues	430	450	-20
Other revenues	52	46	6
TOTAL	**4,206**	**3,440**	**766**

Revenues at 31 December 2019 totalled €4,206 thousand, with a growth rate of about 22% compared to the same period in the prior year.

Revenues from Co-working achieved the best results, thanks to the development, higher visibility and opportunities provided by the Rome HUB, considered a reference point for the many startups seeking to grow and create a network.

Revenues from Open Innovation (which include both vertical programmes as well as sponsorships for the Company) continue to growth, thanks to the new incubation/acceleration programmes, with numerous corporate partners.

23. Costs for services

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Board of Statutory Auditors	-45	-40	*-5*
Directors' fees	-227	-211	*-16*
Investor Relator	0	0	*0*
Professional consulting	-501	-604	*103*
Legal consulting	-47	-77	*30*
Notary services	-8	-14	*6*
Services related to stock exchange listing	-81	-77	*-4*
Independent Auditors	-22	-27	*5*
Other	-559	-316	*-243*
TOTAL	**-1,490**	**-1,367**	**-124**

Costs for services was essentially stable in absolute terms compared to 2018.

24. Personnel costs

IN EURO '000	31-DIC-19	31-DIC-18	CHANGE
Personnel cost	-2,027	-1,516	*-511*
TOTAL	**-2,027**	**-1,516**	**-511**

The increase in this item is due to the following factors:

- increase in the number of professionals useful to the process of growth and development that the Company is undergoing;
- the incentive-based remuneration policy aimed at retaining the team's resources while attracting the best talents on the labour market.

The table below shows the personnel on staff at 31 December 2019.

HEADCOUNT	31-DEC-19	31-DEC-18	CHANGE
Executives	2	2	*0*
Middle Managers	5	4	1
Staff	24	19	5
TOTAL EMPLOYEES	**31**	**25**	**6**
Collaborators	20	24	-4
TOTAL	**51**	**49**	**2**
Average employees during the year	*26.5*	*25.2*	

25. Other operating costs

Details of other operating costs are shown below:

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Rent	-1,068	-871	-215
Stationery and printed materials	-27	-31	4
Other operating expenses	-479	-434	-45
TOTAL	**-1,575**	**-1,336**	**-239**

The increase in "Other operating costs" is due to:

- contract-based increase in the Rome lease rentals and accessory expenses;
- higher costs for maintenance and renovation of the Rome and Milan offices.

26. Depreciation and impairment losses on tangible assets

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Depreciation and impairment losses on tangible assets	-204	-175	-29
Amortisation of intangible assets	-18	-10	-8
TOTAL	**-222**	**-185**	**-37**

27. Provisions and write-downs

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Provisions and write-downs	-85	-54	*-31*
TOTAL	**-85**	**-54**	**-31**

This item includes the fair value adjustment of trade receivables at 31 December 2019 and the allocation to the Provision for risks and charges for the dispute on the partial sale price of Qurami Srl. This dispute is still in the definition phase at the date of this Report; therefore, the amount of potential loss on the transaction was allocated.

28. Realised gains/losses on investments

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Gains on startups	22	63	*-41*
Losses on startups	-213	-479	*266*
Losses on PFIs	0	-185	*185*

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Losses on convertible financing	-19	-50	*31*
TOTAL	**-209**	**-651**	**442**

This item includes the difference between the realisable value of the startups in the portfolio and the latest fair value measurement made. In the specific case, 5 startups have begun the liquidation process, which has resulted in a negative value:

BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	EXIT YEAR	EXIT TYPE	TOTAL INVESTED IN EURO '000	LAST FAIR VALUE IN EURO '000
Pubster	2013	2019	Liquidation	30	15
Le Cicogne	2013	2019	Liquidation	100	100
Spotonway	2014	2019	Liquidation	160	0
Verticomics	2015	2019	Liquidation	160	48
Spidchain	2017	2019	Liquidation	50	50
TOTAL				**500**	**213**

29. Revaluations/Impairment at fair value

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Revaluations of startups at fair value	4,231	3,419	*812*
Impairment of startups at fair value	-1,631	-1,052	*-578*
Revaluations of PFIs at fair value	0	0	*0*
Impairment of PFIs at fair value	-340	-78	*-263*
Revaluations of convertible loans at fair value	0	0	*0*
Impairment of convertible loans at fair value	-40	-80	*40*
TOTAL	**2,220**	**2,210**	***11***

The item Revaluations/impairment at fair value contains the fair value measurements on the startups in the portfolio, on PFIs (special type of convertible notes) and on convertible loans according to IFRS 9.

The main revaluations include:
- Whoosnap for €922 thousand, determined on the basis of the capital increase concluded in 2019;
- Yakkio for €674 thousand, determined on the basis of the capital increase that began in 2019 and concluded in 2020;
- 2Hire for €516 thousand, determined on the basis of the capital increase concluded in 2019;
- BigProfiles for €450 thousand, determined on the basis of the capital increase concluded at the beginning of 2020.

30. Financial income

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Financial income	19	0	*19*
TOTAL	**19**	**0**	***19***

This item includes proceeds from the auction of unopted rights, carried out by the Company pursuant to art. 2441, paragraph 3, of the Italian Civil Code, during the share capital increase in July/August 2019.

31. Financial expenses

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Financial expenses	-98	-89	-9
TOTAL	**-98**	**-89**	**-9**

The item includes interest expense on mortgage loans taken out by the Company, and the expenses, IRS hedging differentials and bank fees on ordinary operations.

32. Other income and expenses

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Other income and expenses	-115	-16	-99
TOTAL	**-115**	**-16**	**-99**

33. Income taxes

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
Current taxes	0	0	0
Deferred tax liabilities	-119	-27	-92
TOTAL	**-119**	**-27**	**-92**

This item includes taxes, both current and deferred, recognised in the financial statements of the Company.

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
CURRENT TAXES:			
IRES	0	0	0
IRAP	0	0	0
Substitute taxes	0	0	0
TOTAL	**0**	**0**	**0**

IN EURO '000	31-DEC-19	31-DEC-18	CHANGE
DEFERRED TAX LIABILITIES:			
IRES	-119	-27	-92
IRAP	0	0	0
Substitute taxes	0	0	0
TOTAL	**-119**	**-27**	**-92**

The amounts recognised are for taxes for the year, as envisaged in the 2020-22 Business Plan.

33.1. Reconciliation between the tax charge from the financial statements and the theoretical tax charge (IRES)

The taxes recognised represent the change in deferred tax assets posted based on the 2019-22 Business Plan. The reconciliation between the theoretical charge resulting from the financial statements of the Company and the actual tax charge is provided below:

IN EURO '000	VALUE	TAXES
Pre-tax profit (loss)	624	0
Theoretical tax charge (%)	24%	
Temporary differences taxable in subsequent years	0	0
Temporary differences deductible in subsequent years	167	40
Reversal of temporary differences from previous years	-30	-7
Differences that will not be reversed in subsequent years:	-1,856	-445
- Non-deductible expenses	2,410	578
- Non-taxable income	-4,266	-1,024
TAXABLE INCOME	**-1,095**	
CURRENT TAXES ON INCOME FOR THE YEAR		0
Actual tax charge (%)		irrelevant

33.2. Determination of the IRAP tax base

IN EURO '000	VALUE	TAXES
Difference between value and costs of production	709	
Costs not relevant for IRAP purposes	379	
Revenues not relevant for IRAP purposes	0	
Theoretical tax charge (%)		5.57%
Temporary difference deductible in subsequent years	**0**	**0**
IRAP TAX BASE	**1,088**	
Employee deduction	-1,658	
CURRENT IRAP FOR THE YEAR	**-570**	**0**
Actual tax charge (%)		irrelevant

33.3. Deferred tax assets and liabilities

Deferred tax assets were recognised in that there is reasonable certainty of the existence in the years in which the deductible temporary differences will be reversed of taxable income no lower than the amount of the differences that will be offset.

34. Earnings per share

As required by IAS 33, please note the following regarding earnings per share:

IN EURO '000	31-DEC-19	31-DEC-18
NET PROFIT (LOSS) FOR THE PERIOD	**504,517**	**401,094**
Ordinary shares	44,621,491	33,467,119
EARNINGS PER SHARE	**0.0113**	**0.0120**
Ordinary shares + potential ordinary shares	44,621,491	33,467,119
DILUTED EARNINGS PER SHARE	**0.0113**	**0.0120**

35. Disclosure obligations pursuant to art. 114, paragraph 5 of Italian Legislative Decree no. 58/98

In a letter dated 12 July 2013, Consob notified the Company that to replace the monthly disclosure requirements established by note dated 27 June 2012, it must, pursuant to the referenced regulation, supplement the annual financial reports, as well as press releases concerning the approval of the above-mentioned accounting documents, with the following information:

a. the net financial position of the Company, highlighting the short-term components separately from medium/long-term components;

b. the past-due payables of the Company broken down by nature (financial, trade, tax and social security) and any associated reaction initiatives of Company creditors (reminders, injunctions, supply suspensions, etc.);

c. transactions with related parties of the Company;

d. any failure to comply with covenants, negative pledges and any other Company debt clause entailing limits on the use of financial resources, with an updated indication of the degree of compliance with such clauses;

e. the implementation status of any business and financial plans, with an indication of variances between actual and forecast data.

With respect to the information required by Consob, the net financial position of the Company is reported below, highlighting the short-term components separately from medium/long-term components:

35.1. Net Financial Position of the Company

	IN EURO '000	31-DEC-19	31-DEC-18
A	Cash	0	0
B	Other cash and cash equivalents	2,516	1,778
C	Securities held for trading	0	0
D	**LIQUIDITY (A + B + C)**	**2,515**	**1,778**
E	**OTHER CURRENT FINANCIAL RECEIVABLES**	**198**	**272**
F	Current payables to banks	0	0
G	Current portion of non-current debt	-612	-326
H	Other current financial payables	0	0
I	**CURRENT FINANCIAL DEBT (F + G + H)**	**-612**	**-326**
J	**NET CURRENT FINANCIAL DEBT (D + E + I)**	**2,101**	**1,724**
K.1	Other non-current financial receivables	0	0
K.2	Non-current payables to banks	-1,914	-2,507
L	Bonds issued	0	0
M	Other non-current payables	-34	-29
N	**NON-CURRENT FINANCIAL DEBT (K.1 + K.2 + L + M)**	**-1,948**	**-2,536**
O	**NET FINANCIAL POSITION (J+N)**	**154**	**-812**

35.2. Past-due payables of the Company broken down by nature

The past-due payables of the Company broken down by nature (financial, trade, tax and social security) and any associated reaction initiatives of Company creditors (reminders, injunctions, supply suspensions, etc.) are reported below.

IN EURO '000	31-DEC-19	31-DEC-18
Financial Payables	0	0
Tax Payables	0	0

IN EURO '000	31-DEC-19	31-DEC-18
Social Security Payables	0	0
Due to Employees	0	0
Trade Payables	391	473
Other Payables	0	0
TOTAL PAST-DUE PAYABLES	**391**	**473**

35.3. Transactions with related parties

Transactions with related parties are described in Note 39.

35.4. Covenants, negative pledges and any other Company debt clause entailing limits on the use of financial resources

At the date on which the Financial Statements were prepared, the Company had no covenants, negative pledges or other debt clauses entailing limits on the use of financial resources.

35.5. Implementation status of any business and financial plans, with an indication of variances between actual and forecast data

In relation to the **2019-2022 Business Plan** (the "**Plan**"), the following are noted: (i) Revenues at 31 December 2019 are 16% lower than those envisaged by the Plan, despite growth of 22% compared to 31 December 2018; (ii) a negative shift of the gross operating margin of €897 thousand with respect to the Plan; (iii) a negative shift of the Pre-tax profit (loss) of €167 thousand compared to the Plan.

The table below shows the summary data as at 31 December 2019 compared with the data set forth in the 2019-2022 Business Plan for the same period:

IN EURO '000	ACTUAL 31-DEC-19	BUSINESS PLAN 31-DEC-19	CHANGE
Revenues	4,206	5,022	-816
Costs	-5,092	-5,011	-81
GROSS OPERATING MARGIN	**-885**	**11**	**-897**
Portfolio valuations	2,220	1,149	1,071
PRE-TAX PROFIT (LOSS)	**624**	**792**	**-167**
INVESTMENTS IN STARTUPS	**3,267**	**3,005**	**262**

36. Commitments and guarantees

In December, startups were chosen for the Winter 2019 Acceleration Programme (December 2019 - May 2020). *BeSafeRate, EdilGo, Emotiva, eShoppingAdvisor, Igregstudio, Ipervox, Monugram, Saally.*

The investment method envisages a maximum investment of €160 thousand per startup, subdivided as follows:

- €60 thousand disbursed through the subscription of PFIs convertible into a non-dilutable 6% interest in the startup's capital;
- €50 thousand disbursed through convertible loan during the acceleration programme, in 5 tranches of €10 thousand. This convertible loan may be converted into stakes of the startup's share capital, applying a 25% discount on the company's Pre-Money value;
- up to an additional €50 thousand may be disbursed through convertible loan, if the startup achieves satisfactory results during or subsequent to the Acceleration Programme. In such case, the Company will have the right to convert the Pre-Money value of the company in the subsequent round, with a 25% discount.

IN EURO '000	PFI TO BE DISBURSED	CONVERTIBLE TO BE DISBURSED	TOTAL
BeSafeRate	60	50	**110**
EdilGo	60	50	**110**
Emotiva	60	50	**110**
eShoppingAdvisor	60	50	**110**
Igregstudio	60	50	**110**
Ipervox	60	50	**110**
Monugram	60	50	**110**
Saally	60	50	**110**

IN EURO '000	PFI TO BE DISBURSED	CONVERTIBLE TO BE DISBURSED	TOTAL
TOTAL	**480**	**400**	**880**

37. Non-recurring significant events and transactions

Pursuant to Consob Communication no. DEM/6064293 of 28 July 2006, please note that in 2019 the Company did not carry out any significant non-recurring transactions.

38. Transactions deriving from atypical and/or unusual transactions

Pursuant to Consob Communication no. DEM/6064293 of 28 July 2006, please note that in 2019 the Company did not carry out any atypical and/or unusual transactions as defined by the Communication.

39. Related party transactions

The Company carries out transactions with related parties in compliance with the formal procedure and implementation methods laid out by the Procedure on transactions with related parties, adopted by the LVenture Group Board of Directors in implementation of the Regulation on related party transactions, adopted by Consob with resolution no. 17221 of 12 March 2010, as amended.

In compliance with its traditional application of market best practices, the related party transactions carried out by the Company are subject to a procedure which includes, inter alia:

a. the complete and timely transmission of relevant information to the Control and Risk and Related Party Transactions Committee. This Committee consists exclusively of independent directors who in exercising their functions may also rely on the support of independent experts;

b. the issue of an opinion (binding or non-binding, depending on the case) before the approval of the transaction by the Board of Directors.

All transactions - connected with the Company's normal activities - were carried out in its exclusive interest, applying contractual conditions consistent with those that could theoretically be obtained in a negotiation with third parties.

39.1. Main transactions concluded during the period

In 2019, no transactions with related parties other than those reported below were carried out.

39.2. Related party transactions in place at 31 December 2019

In 2019, no transactions with related parties requiring reporting were carried out. The transactions that were already in place with Related Parties continued, in particular transactions with members of the Board of Directors, the Board of Statutory Auditors and the Corporate Officer in charge of preparing the accounting documents.

39.3. Trade transactions with related entities - Revenues

There was no transaction generating revenues in 2019.

39.4. Trade transactions with related entities - Costs

There was no transaction generating costs in 2019.

39.5. Trade transactions with related entities - Receivables and Payables

There was no transaction generating receivables or payables in 2019.

39.6. Trade transactions with related entities - Investments

There was no relevant transaction in 2019.

Considering the insignificant nature of related party transactions, they were not separately indicated in the Financial Statements pursuant to Consob resolution no. 15519 of 27 July 2006.

39.7. Directors' and Statutory Auditors' Fees

In accordance with the law, the total fees due to directors, members of the Board of Statutory Auditors and the Independent Auditors are specified below (art. 2427, paragraph 1, no. 16 and 16-bis of the Italian Civil Code).

BOARD OF DIRECTORS	FROM	TO	REMUNERATION FOR OFFICE	REMUNERATION FOR PARTICIPATION IN COMMITTEES	OTHER REMUNERATION	TOTAL	2ND STOCK OPTION PLAN NO. OPTIONS ASSIGNED
Stefano Pighini[5]	01/01/19	31/12/19	39,000	0	0	39,000	296,000
Luigi Capello[6]	01/01/19	31/12/19	76,000	0	0	76,000	590,110
Valerio Caracciolo[7]	01/01/19	31/12/19	9,000	0	0	9,000	0
Claudia Cattani[7]	01/01/19	31/12/19	9,000	7,000	0	16,000	0
Maria Augusta Fioruzzi[7]	01/01/19	31/12/19	9,000	2,104	0	11,104	0
Marco Giovannini[7]	01/01/19	31/12/19	9,000	2,000	0	11,000	0
Roberto Magnifico[8]	01/01/19	31/12/19	39,000	0	0	39,000	296,000
Maria Mariniello[7]	01/01/19	31/12/19	9,000	5,000	0	14,000	0
Pierluigi Pace[7]	01/01/19	31/12/19	9,000	0	0	9,000	0
TOTAL			**208,000**	**16,104**	**0**	**224,104**	**1,182,110**

BOARD OF STATUTORY AUDITORS (IN OFFICE UNTIL 18 APRIL 2019)	FROM	TO	REMUNERATION FOR OFFICE	REMUNERATION FOR PARTICIPATION IN COMMITTEES	OTHER REMUNERATION	TOTAL
Carlo Diana	01/01/19	18/04/2019	4,397	0	0	**4,397**
Giovanni Crostarosa Guicciardi	01/01/19	18/04/2019	2,932	0	0	**2,932**
Benedetta Navarra	01/01/19	11/04/2019	2,740	1,100	0	**3,840**
TOTAL			**10,068**	**1,100**	**0**	**11,168**

BOARD OF STATUTORY AUDITORS (IN OFFICE FROM 18 APRIL 2019)	FROM	TO	REMUNERATION FOR OFFICE	REMUNERATION FOR PARTICIPATION IN COMMITTEES	OTHER REMUNERATION	TOTAL
Fabrizio Palma	19/04/2019	31/12/2019	12,625	0	0	**12,625**
Giovanni Crostarosa Guicciardi	19/04/2019	31/12/2019	8,416	0	0	**8,416**
Giorgia Carrarese	19/04/2019	31/12/2019	8,416	2,805	0	**11,222**
TOTAL			**29,458**	**2,805**	**0**	**32,263**

40. Fees to the Independent Auditors

Pursuant to art. 149-duodecies of the Consob Issuers' Regulations, the fees due to the Independent Auditors net of VAT and accessory expenses are specified below:

IN EURO '000	31-DEC-19
Independent audit of the accounts - Audit of the financial statements	17
Other auditing services	23
TOTAL	**40**

41. Significant events after year-end

Reserved Share Capital Increase

On 15 January 2020, the period of time at the disposal of **Futura Invest S.p.A.** ("Futura"), already shareholder of the Company, to subscribe the reserved capital increase resolved by the Extraordinary Shareholders' Meeting on 22 February 2019 (the "Meeting") ended. The Meeting, in an extraordinary session, had resolved to increase the Company's share capital for a maximum amount of €1,450 thousand, including premium, by issuing 2,000,000 new ordinary shares, with the same characteristics as those outstanding at the issue date, setting the subscription price at €0.725. The capital increase had been resolved excluding the option right, pursuant to art. 2441, paragraphs 5 and 6, of the Italian Civil Code, as it was to be offered to Futura. Indeed, the increase in capital was aimed at taking advantage of the opportunity represented by the non-binding expression of interest received on 12 December 2018 by the Company from Futura, as per press release issued by the Company on 13 December 2018.

On 21 February 2020, the Company issued 1,400,000 ordinary shares of LVenture, with no nominal value, in favour of strategic investor **Università LUISS Guido Carli** ("Luiss"), to complete the share capital increase against payment, in tranches, excluding the option right pursuant to art. 2441, paragraphs 5 and 6, of the Italian Civil Code, reserved for Luiss. The capital increase - which envisaged the issue of a maximum of 1,400,000 New Shares for a maximum amount of €1,015 thousand, of which up to

[5] Chairman
[6] Chief Executive Officer
[7] Director
[8] Director with powers

€507.5 thousand allocated as nominal and up to €507.5 thousand as premium, at the unit price of €0.725 - was resolved by the Company's Board of Directors on 13 February 2020, in partial execution of the mandate granted to it pursuant to art. 2443 of the Italian Civil Code by the Company's Extraordinary Shareholders' Meeting of 18 April 2019. Taking into account that the New Shares, along with the shares already issued during the 12-month period prior to the subject transaction, represent less than 20% of the shares of the same class already admitted to trading on the *Mercato Telematico Azionario* organised and managed by Borsa Italiana S.p.A. ("MTA"), pursuant to art. 1, paragraph 5, letter a), of Regulation (EU) 2017/1129, the Company availed itself of the exemption from the obligation of publishing a prospectus for admission to trading of the New Shares on the MTA.

The certificate of completion of the Share Capital Increase pursuant to art. 2444 of the Italian Civil Code was filed with the Rome Business Register on 25 February 2020.

	CURRENT SHARE CAPITAL			SHARES ISSUED		PREVIOUS SHARE CAPITAL		
	EURO	NO. OF SHARES	UNIT NOMINAL VALUE	EURO	NO. OF SHARES	EURO	NO. OF SHARES	UNIT NOMINAL VALUE
Total of which	14,507,401	46,021,491	-	1,015,000	1,400,000	13,999,901	44,621,491	-
Ordinary shares	14,507,401	46,021,491	-	1,015,000	1,400,000	13,999,901	44,621,491	-

Economic performance in the first three months of 2020

With the rapid dissemination of Covid-19 in Italy, the Company implemented all of the procedures recommended by the Ministry of Health. Employees all began to work from home, although the Company office never closed and a very limited number of people continued to work from there.

On the revenues front, a decline was recorded as a result of cancellation of events planned for the months of March, April, May and June, and discounts were granted for coworking. For the Open Innovation portion, activities closely linked to the possibility of physical events were postponed, while any activities that could be held virtually were indeed held.

Revenues at 31 March 2020 amounted to €958 thousand, -15% compared to €1,132 thousand at 31 March 2019: the business lines that suffered the greatest slowdowns were Events, Open Innovation and the LV8 Growth services. Despite the containment of costs in first quarter 2020, a decrease was recorded in the gross operating margin, amounting to €-260 thousand, compared to €31 thousand in first quarter 2019.

LVG continues in its activity of developing its portfolio - with particular regard to the startups considered "*High Potential*" or "*Star*" -, which have the best return opportunities. Starting in 2020, the valuation of startups has gone from a half-yearly valuation to a quarterly valuation, and net revaluations for first quarter 2020 amount to €394 thousand.

During the first three months of 2020, the Company has defined investments for which it has disbursed a total of €1,035 thousand. In this regard, it is noted in particular that:

- Winter Program 2019 continued, and €650 thousand was disbursed to the startups participating in the programme;
- Big Profiles completed a capital increase for €1,435 thousand, in which the Company participated with an investment of €150 thousand;
- Yakkyo is closing a capital increase resolved in 2019, Equity crowdfunding portal Mamacrowd. The fundraising is still underway and has exceeded the minimum threshold of €150 thousand, of which €30 thousand invested by LVenture Group;
- Playwood resolved a capital increase still in progress on the Equity crowdfunding portal Mamacrowd. The fundraising is still underway and has nearly exceeded the minimum threshold of €200 thousand, of which €40 thousand invested by LVenture Group;
- MyLab Nutrition resolved to collect financial resources through a convertible loan for €115 thousand, of which €60 thousand subscribed by LVenture Group;
- MyAEdes resolved a capital increase still underway for €400 thousand, in which the Company participated with an investment of €50 thousand;
- Parcy resolved to collect financial resources through a convertible loan for €100 thousand, of which €30 thousand subscribed by LVenture Group;
- Vikey resolved a capital increase still underway for a total of €800 thousand, in which the Company participated with an investment of €75 thousand, in addition to a further €50 thousand paid in 2019;
- Codemotion, international tech conference and e-learning platform for developers, completed the first tranche of €5 million of a total round of €6 million, with the participation of P101 as lead investor.

DISCLOSURE PURSUANT TO ART. 114, PARAGRAPH 5 OF ITALIAN LEGISLATIVE DECREE NO. 58/98

The information pursuant to and in accordance with art. 114, paragraph 5 of Italian Legislative Decree 58/98, in accordance with Consob request of 12 July 2013 and to replace the monthly disclosure requirements established by Consob note dated 27 June 2012, is provided below.

Net financial position of the Company

IN EURO '000		31-MAR-20	31-DEC-19
A	Cash	0	0
B	Other cash and cash equivalents	3,171	2,516
C	Securities held for trading	0	0
D	**Liquidity (A + B + C)**	**3,171**	**2,515**
E	**Other current financial receivables**	**66**	**198**
F	Current payables to banks	0	0
G	Current portion of non-current debt	-612	-612
H	Other current financial payables	0	0
I	**Current financial debt (F + G + H)**	**-612**	**-612**
J	**Net current financial debt (D + E + I)**	**2,625**	**2,101**
K.1	Other non-current financial receivables	0	0
K.2	Non-current payables to banks	-1,078	-1,914
L	Bonds issued	0	0
M	Other non-current payables	-729	-34

IN EURO '000		31-MAR-20	31-DEC-19
N	**Non-current financial debt (K.1 + K.2 + L + M)**	**-1,807**	**-1,948**
O	**NET FINANCIAL POSITION (J+N)**	**818**	**154**

Past-due payables of the Company broken down by nature

IN EURO '000	31-MAR-20	31-DEC-19
Trade Payables	335	391
Other Payables	0	0
Total past-due payables	**335**	**391**

At the date on which this disclosure was prepared, the Company had no covenants, negative pledges or other debt clauses entailing limits on the use of financial resources.

TRANSACTIONS WITH RELATED PARTIES

In first quarter 2020, no additional transactions with related parties other than those reported as at 31 December 2019 were carried out. The Company carries out transactions with the following related parties: members of the Board of Directors, members of the Board of Statutory Auditors and the Corporate officer in charge of preparing the accounting documents.

IMPLEMENTATION STATUS OF ANY BUSINESS AND FINANCIAL PLANS, WITH AN INDICATION OF VARIANCES BETWEEN ACTUAL AND FORECAST DATA

In relation to the 2020-2022 Business Plan (the "Plan"), Revenues at 31 March 2020 are 22% lower than those envisaged by the Plan, and highlight a decrease of 15% compared to the first three months of 2019. There is a negative variance both in EBITDA (of €61 thousand compared to the Plan), as well in the Pre-tax profit (loss) (€317 thousand compared to the Plan).

The table below shows the summary data at 31 March 2020 compared with the data outlined in the Plan for the same period:

IN EURO '000	ACTUAL 31-MAR-20	BUSINESS PLAN 31-MAR-19	CHANGE
Revenues	958	1,229	-270
Costs	-1,218	-1,427	209
GROSS OPERATING MARGIN	**-260**	**-198**	**-61**
Portfolio valuations	394	649	-255
PRE-TAX PROFIT (LOSS)	**34**	**351**	**-317**
INVESTMENTS IN STARTUPS	**1,035**	**1,238**	**-203**

Certification of the Separate Financial Statements

PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

The undersigned, Stefano Pighini, as Chairman of the Board of Directors of LVenture Group, and Francesca Bartoli, as Corporate Officer in charge of preparing the accounting documents of LVenture Group, hereby certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998 as amended:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the formation of the Separate Financial Statements in the period from 1 January to 31 December 2019.

The assessment of the adequacy of the administrative and accounting procedures for the formation of the separate financial statements at 31 December 2019 is based on a process defined by LVenture Group S.p.A. In this regard, no significant aspects emerged.

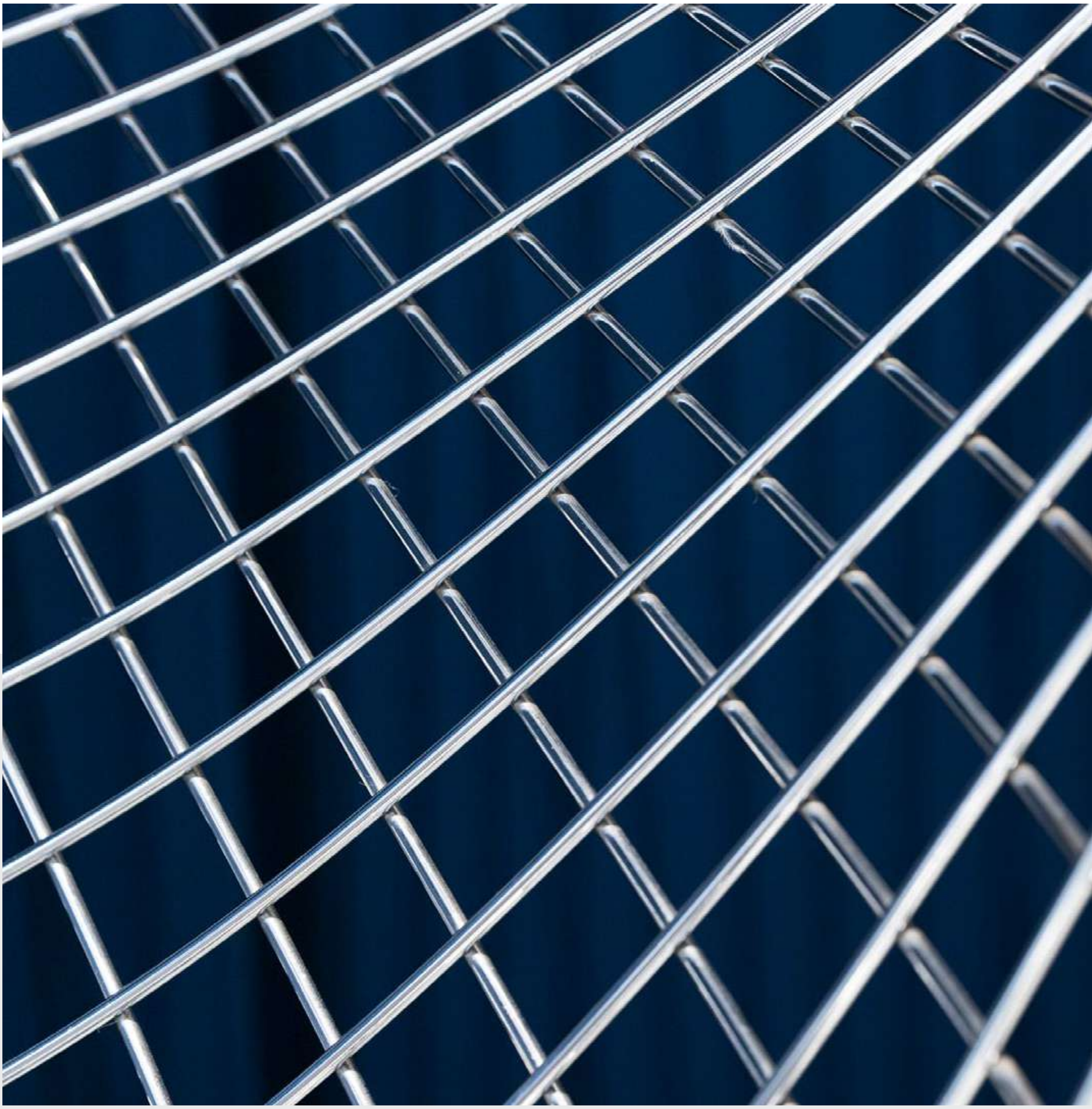
It is also certified that the Separate Financial Statements:

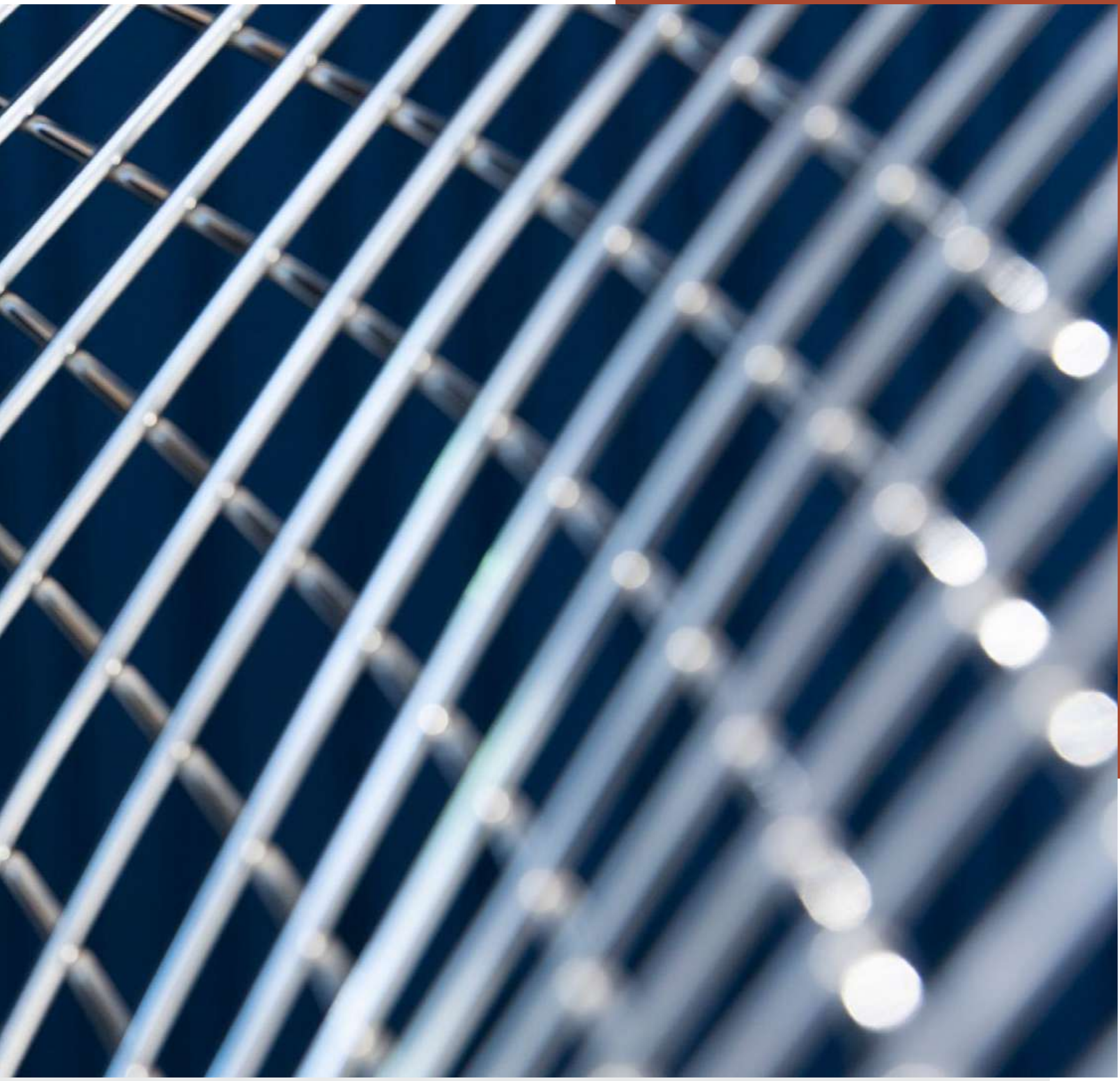
- have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the accounting records and entries;
- are suitable to provide a true and fair view of the Company's financial position, profit and loss and cash flows.

The directors' report contains a reliable analysis of management performance and results, as well as the Company's situation, along with a description of the main risks and uncertainties to which it is exposed.

Rome, 22 April 2020

Francesca Bartoli	**Stefano Pighini**
Corporate officer in charge of preparing the accounting documents	*Chairman of the Board of Directors*





Report of the Board of Statutory Auditors

LVENTURE GROUP S.p.A.
Registered Office in Rome, Via Marsala no. 29 h
Share Capital: €14,507,401 fully paid-up
Rome Business Register, Tax Code: 81020000022 and VAT number: 01932500026
Rome Economic and Administrative Index no. 1356785

REPORT OF THE BOARD OF STATUTORY AUDITORS
on the SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2019
pursuant to art. 153 of Italian Legislative Decree no. 58 of 24 February 1998 and
pursuant to art. 2429, paragraph 3 of the Italian Civil Code

Dear Shareholders,
This report, drawn up pursuant to art. 153 and art. 154-ter, paragraph 1 of Italian Legislative Decree no. 58/98 (the Consolidated Finance Act), reports on the activity carried out by the Board of Statutory Auditors of LVenture Group S.p.A. ("LVG" or also the "Company") during the year ended at 31 December 2019, in compliance with the relevant regulations, also taking into account what is laid out in the Rules of conduct of boards of statutory auditors of listed companies recommended by the Italian accounting profession and Consob communications on the matter of corporate controls and activities of the Board of Statutory Auditors. The company Baker Tilly Revisa S.p.A. has been engaged to audit the accounts, whose report on the 2019 Separate Financial Statements we hereby reference.

1. Introduction: Appointment and activities of the Board of Statutory Auditors
The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting of 18 April 2019, and its term of office ends with the Shareholders' Meeting to approve the Financial Statements as at 31 December 2021. It consists of Fabrizio Palma, Chairman, and Giorgia Carrarese and Giovanni Crostarosa Guicciardi, standing auditors.
During 2019:

- the company's Board of Directors held twelve meetings, of which eight subsequent to appointment of the new Board of Statutory Auditors in office, and which the Board of Statutory Auditors always attended;
- the Control and Risk and Related Party Transactions Committee met fifteen times, of which eight subsequent to appointment of the Board in office; at least one member of the Board of Statutory Auditors was always present at these meetings, depending on the topics discussed;
- The Remuneration Committee met six times, of which four subsequent to appointment of the Board in office; at least one member of the Board of Statutory Auditors was always present at these meetings;
- the Board of Statutory Auditors itself met eight times after its appointment, as well as three times in 2020 up to the date of preparation of this Report.

The control body also participated in the company's Shareholders' Meetings on 22 February 2019 and 18 April 2019.

2. Supervision of observance of the law and the Articles of Association
During the year ended at 31 December 2019, we supervised observance of the law and the articles of association and we obtained information from the Directors at least every quarter on the activity carried out and on the most relevant transactions in terms of profit and loss, cash flows and the financial position resolved and carried out by the Company during the year. These transactions are described in detail in the Directors' Report, which should be referred to. Based on the available information, the Board of Statutory Auditors may reasonably guarantee that the operations carried out are compliant with the law and the articles of association and are not openly imprudent, in conflict with the resolutions passed by the Shareholders' Meeting or in conflict of interest and are inspired by the principles of proper administration. The significant events of the year which the Board of Statutory Auditors deems important to note in consideration of their significance and consistency with the management choices include:

- Capital Increases: on 18 April 2019, the Extraordinary Shareholders' Meeting resolved:
    - the proposed share capital increase for a maximum of €8 million, inclusive of any share premium, in tranches and against payment, within and no later than 31 March 2020, through the issue of ordinary dematerialised shares, with no nominal value, with the same characteristics as those outstanding and with regular entitlement, to be offered under option to the Shareholders pursuant to art. 2441, paragraphs 1 and 3 of the Italian Civil Code;
    - granting of a mandate to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for further share capital increases, against payment and for a maximum of €8 million, inclusive of any share premium, in tranches, within five years from the date of resolution, through the issue of ordinary dematerialised shares, with no nominal value, with the same characteristics as those outstanding and

with regular entitlement, excluding the option right pursuant to art. 2441, paragraphs 5 and 6 of the Italian Civil Code, reserved for any strategic investors or partners.

Following said resolution, the Company's Board of Directors:

- On 26 June 2019, approved the conditions of said capital increase, resolving to increase the share capital, against payment and in tranches, for a maximum of €6,135,638.30 with the issue of up to 11,155,706 new ordinary shares with no nominal value and with regular entitlement, to be offered under option to the Shareholders at a price per share of €0.55 (of which €0.275 for the share premium); this operation was definitively completed on 5 August 2019 and, at the end of the offer periods, 33,463,116 option rights were exercised and, therefore, 11,154,372 New Shares were subscribed, equal to 99.99% of the total New Shares, equal to €6,134,904.60.

- Exit of investee startups: during 2019, 1 exit was completed (partial, begun in 2018), while 2 divestment transactions were carried out;

Subsequent events following the end of 2019 include:

- Capital increase: on 13 February 2020, the Company's Board of Directors resolved to partially exercise the mandate granted to it by the Extraordinary Shareholders' Meeting of 18 April 2019, and increase the Company's share capital, in tranches and against payment, for a maximum of €1,015,000.00, to be offered for subscription by Libera Università Internazionale degli Studi Sociali ("LUISS"), concluded on 21 February 2020 with the allocation of €1,015,000 of which €507,500 to share capital and €507,500 to share premium reserve.
- Covid-19 Emergency (discussed in the relative paragraph of this Report)

3. Supervision of compliance with the principles of proper management and the adequacy of the organisational structure

We acquired knowledge of and supervised, insofar as we are responsible, the adequacy of the organisational structure of the Company and compliance with the principles of proper administration. To this end, we obtained information by participating in meetings of the Board of Directors and the Control and Risk Committee, meeting with top management, the Independent Auditors and the heads of the company functions and carrying out additional inspection and control activities; we have no observations to make in this regard. The organisational structure is adequate overall in relation to the size of the company and the type of business conducted. With regard to the Company's compliance with the Corporate Governance Code issued by the Borsa Italiana Corporate Governance Committee, please refer to paragraph 3 (Compliance) of the "Annual Report on corporate governance and ownership structures" for 2019, noting that the Company has resolved to adhere to the simplification regime pursuant to articles 70 paragraph 8 and 71 paragraph 1-bis of the Issuers' Regulations; for our part, we carried out, upon appointment, verification of the independence of the members of this Board of Statutory Auditors and supervised the proper application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its members. In this regard, there are no findings to be reported. The Director's Report, the information received by participating in the meetings of the Board of Directors and that received from the Chief Executive Officer, the Corporate officer in charge of preparing the accounting documents and the Independent Auditors did not show any atypical and/or unusual transactions with third parties or related parties.

4. Supervision of the internal control and risk management system

The Board of Statutory Auditors, identified as the "Committee for Control and Risk and for Accounting Audit" within the meaning of Italian Legislative Decree 39/2010, also as a result of the changes introduced by Italian Legislative Decree 135/2016, supervised the adequacy of the internal control and risk management systems through:

- Meetings with top management of LVG to examine the internal control and risk management system;
- Meetings with the Internal Audit function in order to assess the method of planning work, based on identifying and assessing the main risks present in the processes and verifying the outcomes of the controls;
- Regular participation in the sessions of the LVG Control and Risk and Related Party Transactions Committee and, when the issues required so, joint handling of the issues with said committee;
- Discussion of the results of the work of the Independent Auditors;
- A constant flow of information to and from the Surveillance Body, an exchange of information which was also facilitated by the presence of a member of the Board of Statutory Auditors on the Body itself.

In carrying out its control activities, the Board of Statutory Auditors maintained a continuous dialogue with the control functions.

We participated in the 2019 meetings of the Control and Risk and Related Party Transactions Committee, which on 19 March 2020 submitted its Annual Report to the Board of Directors, indicating that the Internal control and risk management system of the Company is adequate with respect to the company's circumstances.
For all of 2019, we maintained a constant flow of information with the head of the internal audit function. We acknowledge that the head of the internal audit function has an adequate level of independence and suitable resources for carrying out the function. We acknowledge that the head of the internal audit function regularly prepared periodic reports containing information on his activities, on the methods whereby risk management is conducted and on compliance with plans for limiting risk, in addition to having verified the suitability of the internal control and risk management system and the reliability of the information systems, including the accounting systems, promptly transmitting reports to the chairmen of the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors. We acknowledge that on 7 January 2020, the head of the internal audit function issued his annual report on the activities carried out, finding that the organisational and management procedures and operational practices are substantially compliant with reference sector regulations and that no elements emerged which may compromise the overall adequacy of the Company's Internal Control System.
On 11 February 2020, the Surveillance Body issued its annual report in which, acknowledging the individual audits conducted on the various areas, it confirmed the absence of any significant findings. With specific reference to newly hired employees, the Surveillance Body - continuing the activity carried out in the previous year - has indicated that each new employee and each counterparty of the company is made aware of the Code of Ethics, Model 231 and the procedures and offers an express statement of said awareness. With regard to newly hired employees, the Surveillance Body considers it necessary for the company to provide training on risk issues and on the 231 prevention model adopted by the company, in keeping with what was already done in 2019 for these recipients; the presence of a member of the Board of Statutory Auditors with the Surveillance Body has ensured a constant flow of information between the two bodies.
During the course of the year, the Director responsible for the internal control and risk management system monitored and implemented said system, with constant verification of its adequacy and efficiency and adaptation to the changing operating conditions and legislative and regulatory framework, as outlined in the annual report submitted to the Board of Directors on 19 March 2020, which also reports on the activities planned for 2020, stating that the 2020 plan will be supplemented with the risk management measures implemented by the Company to limit the impact of Covid-19.
Based on the activity carried out, the information acquired and the content of the reports of the control functions, the Board of Statutory Auditors deems the structure of the internal control and risk management systems as a whole to be substantially adequate, noting that there are no findings to be submitted to the Shareholders' Meeting.

5. Supervision of the administrative/accounting system and the financial reporting process

As the committee for internal control and accounting audit, the Board of Statutory Auditors monitored the process and controlled the effectiveness of the internal control and risk management systems as regards financial reporting.
The Board of Statutory Auditors has established the existence of an adequate process for the "formation" and "dissemination" of financial information including during regular meetings with the Corporate Officer in charge of preparing the accounting documents.
We supervised the adequacy of the administrative/accounting system by obtaining information, examining the company documents and holding periodic meetings with the managers of the Independent Auditors and the Corporate officer in charge of preparing the accounting documents, and we believe that, insofar as we have found and confirmed, the administrative/accounting system accurately provides a true and fair value of operations, also with reference to the positive opinion pursuant to the Report on the Separate Financial Statements issued by the Independent Auditors.
In periodic meetings with the Board of Statutory Auditors, pursuant to art. 2409-septies of the Italian Civil Code, the managers of the Independent Auditors did not report any critical situations that could harm the internal control system pertaining to administrative/accounting procedures.

6. Supervision of related party transactions

We acknowledge that we acquired the necessary information on transactions with third parties, related parties and group companies, based on which we found that:

- the Company did not carry out atypical and/or unusual transactions with third parties or with related parties;
- in 2019, transactions with related parties - connected with the Company's normal activities - were carried out in its exclusive interest, applying contractual conditions consistent with those that could theoretically be obtained in a negotiation with third parties.
- The Company carries out transactions with related parties in compliance with the formal procedure and implementation methods laid out by the Procedure on transactions with related parties, adopted by the

LVenture Group Board of Directors in implementation of the Regulation on related party transactions, adopted by CONSOB with resolution no. 17221 of 12 March 2010, as amended.

The Board acknowledges that the Risk and Related Party Transactions Committee has indicated that following the entry into force of Directive 2017/828, referred to as "Shareholders' Rights II" and once CONSOB has issued the new Related Party Transactions Regulations, it will be necessary to update the Company's Related Party Transactions procedure.

7. Supervision of independent audit of the accounts

Pursuant to art. 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors is also identified as the Committee for Internal Control and Accounting Audit, and conducted the required supervisory activity on the independent audit of the annual accounts. The Board of Statutory Auditors periodically met with the managers of the Independent Auditors, Baker Tilly Revisa S.p.A., with which the planned exchange of information has been put in place. During these meetings, we were informed about the fundamental issues arising during audit,
and no facts deemed objectionable or irregularities such as to require reporting pursuant to art. 155, paragraph 2, of the Consolidated Finance Act emerged.
The Board of Statutory Auditors periodically met with the Independent Auditors to exchange information on the share capital increase, on application of IFRS 16, on the progress of work on the half-yearly financial statements and on occasion of drawing up the 2019 draft financial statements. On 12 September 2019 the Independent Auditors issued a report on the limited audit of the Condensed Half-Yearly Financial Statements without highlighting any findings.
The draft Financial Statements for the year ended 31 December 2019, accompanied by the Directors' Report as well as the certification by the Corporate officer in charge of preparing the accounting documents, was submitted for the approval of the Board of Directors at the meeting of 22 April 2019 and was made available to the Board of Statutory Auditors on the same date. The Board of Statutory Auditors supervised observance with provisions of law and those to which the law makes reference, which govern the preparation of the above-mentioned documents, through audits and the acquisition of information from the Directors, the Administration and Finance function and the Independent Auditors. In relation to the later deadline used by the Board of Directors for convocation of the Shareholders' Meeting to approve the Financial Statements at 31 December 2019, reference is made to the comments by the Management Body in the relative paragraph of the Directors' Report, in line with the provisions of art. 106 of Law Decree no. 18 of 17 March 2020 - so-called "Cura Italia" - which, in derogation from the provisions of article 2364, paragraph two, of the Italian Civil Code or other provisions of the Articles of Association, permits listed companies to call ordinary shareholders' meetings within one hundred and eighty days from the end of the year.
We acknowledge that:
The following financial statements adopted IFRS 9 and 13 for the measurement of equity investments, while with regard to the standards applicable from 1 January 2019, the company deemed IFRS 16 not to be applicable to the existing contracts, agreeing on the conclusions with the Independent Auditors, upon consulting with the Board of Statutory Auditors.
We also acknowledge that the company tested the value of the intangible assets, specifically goodwill, recognised in the financial statements for impairment in compliance with IAS 36. The Company's separate financial statements at 31 December 2019, which show a profit for the year of €504,516.90, were prepared in compliance with the international accounting standards ("IAS/IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.
On 29 April 2020, the Independent Auditors issued their Report on the separate financial statements for the year ended 31 December 2019, pursuant to articles 14 and 16 of Italian Legislative Decree 39/2010 and art. 10 of Regulation EU 537/2014, which does not highlight any findings.
On 29 April 2020, the Independent Auditors also presented to the Board of Statutory Auditors the additional report pursuant to art. 11 of Regulation EU 537/2014, based on which there are no significant shortcomings in the internal control system relating to the financial reporting process worth bringing to the attention of the parties responsible for governance. The Additional Report also includes the declaration regarding independence pursuant to art. 6, paragraph 2 a) of Regulation EU 537/2014, based on which there are no situations which could compromise independence.

8. Remuneration Policies

Note that on 27 April 2018, the Board of Directors established a Remuneration Committee, which is entrusted with the investigation, consultation and proposal duties referred to in art. 6 of the Corporate Governance Code.
The Remuneration Committee prepared the Annual Report on 28 February 2020, in accordance with aforementioned art. 6 of the Corporate Governance Code, as last updated in January 2020, and the Remuneration Committee Regulations adopted by the Company's Board of Directors on 27 April 2018.

In its meeting of 28 February 2020, the Remuneration Committee approved the Remuneration Policy to be submitted to the Board of Directors (approved in the meeting of 22 April 2020) and to the Shareholders' Meeting for the respective resolutions.

9. Omissions or objectionable events, opinions provided and initiatives taken

During 2019, the Board of Statutory Auditors did not receive reports pursuant to art. 2408 of the Italian Civil Code, nor did it receive statements from third parties.

On 5 March 2019, the Board of Statutory Auditors pro tempore in office issued its opinion in favour of granting a mandate to the company Baker Tilly Revisa S.p.A., in accordance with the provisions of Italian Legislative Decree no. 135/2016 and pursuant to art. 5 par. 4 of Regulation EU 537/2014, on occasion of the mandate that LVG was required to grant to obtain a report, from an independent auditor, certifying the forecast or estimate of profits included in the listing prospectus.

During the activities carried out and based on the information obtained, no omissions, objectionable events, irregularities or significant circumstances were detected which would require reporting to the Supervisory Authorities or mention in this report.

10. Covid-19 health emergency

On this point, the Board refers to the disclosure in the Directors' Report and in the Notes to the financial statements with regard to the measurements made and conclusions reached on the assumption of the company continuing as a going concern and the relative applicable accounting profiles. To this end, the Board of Statutory Auditors, favourably acknowledging the timely and specific measures implemented by the Management Body (Cash Flow Committee and Management Committee) and the actions taken up to this point, recalls the recommendations made in relation to the necessity for constant and timely monitoring by the Management Body - already performed on a weekly basis - with regard to development of the health emergency underway, in terms of the balance sheet, profit and loss and cash flows.

11. Conclusions

Taking account of all of the above, considering the content of the reports drawn up by the Independent Auditors and acknowledging the certification issued by the Corporate officer in charge of preparing the accounting documents, the Board of Statutory Auditors hereby issues a favourable opinion on the approval of the Separate Financial Statements of LVenture Group S.p.A. at 31 December 2019, which show a profit of €504,516.90, and the proposal of the Board of Directors formulated as follows:

- to allocate 5% of the profit for the year, in the amount of €25,225.85, to the "Legal reserve";
- to allocate the remaining part of the profit for the year, in the amount of €479,291.06, to the "Undivided profits reserve".

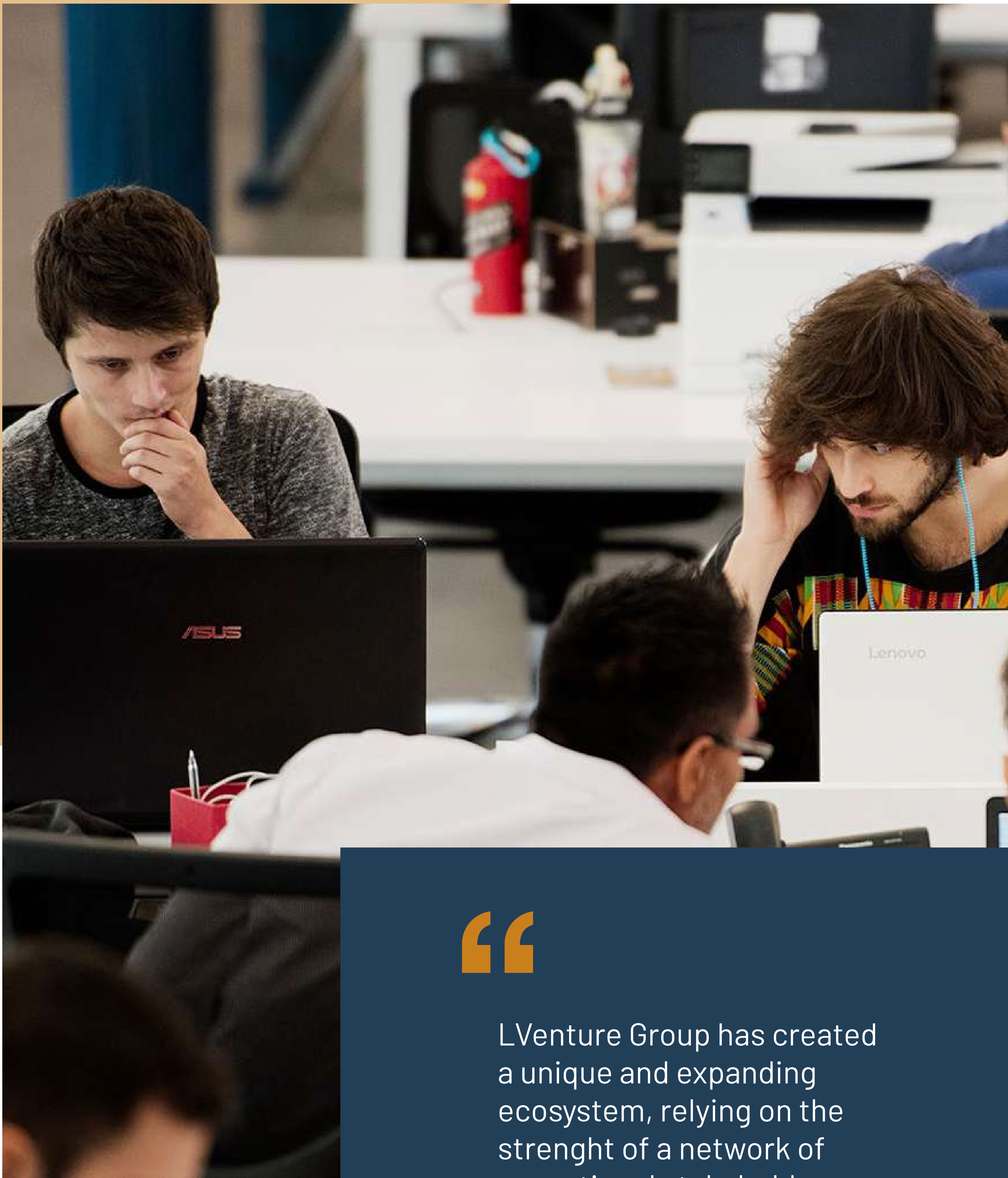
Rome, 29 April 2020

The Board of Statutory Auditors

Fabrizio Palma

Giorgia Carrarese

Giovanni Crostarosa Guicciardi



“LVenture Group has created a unique and expanding ecosystem, relying on the strenght of a network of exceptional stakeholders.”

Report of the Indipendent Auditors

Baker Tilly Revisa S.p.A.
Società di Revisione e
Organizzazione Contabile
20121 Milano - Italy
Via Senato 20

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ART. 14 OF LEGISLATIVE DECREE N. 39 DATED JANUARY 27, 2010 AND ART. 10 OF REGULATION (EU) N. 537/2014

(Translation from the original Italian text)

To the Shareholders of LVenture Group S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LVenture Group S.p.A. (the Company), which comprise the statement of financial position at December 31, 2019, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flows statement for the year then ended, and the explanatory notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true e fair view of the financial position of the Company at December 31, 2019, and of the economic result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued to implement article 9 of Legislative Decree N. 38/2005.

Basis for opinion

We conducted our audit in accordance with international standards on auditing (ISA Italia). Our responsibilities under those standards are described in detail in the section of this report titled *Auditor's responsibilities for the audit of the Financial Statements*. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Securities and equity investments

The non-current assets of the financial statements at December 31, 2019, include the item "*Securities and equity investments* " for a total amount of 19.1 millions euro, corresponding to 73.6% of the total assets. This item includes the equity investments (*micro seed financing* e *seed financing*) in startup companies operating in the digital world (*Information & communication tecnology*, *Online media*, *Apps*, *E-commerce*, *Gaming on line*), admitted to acceleration programs activated by the Company with the aim of supporting its growth, through an active investment management, in order to realize capital gains from their subsequent sale over a medium-long term period.

Investments in startups have been considered a key audit matters both for the importance of the value recorded in the financial statements in relation to total assets, and for the significant risks of errors inherent in their fair value measurement (level 3), whose determination implies use of estimation processes that take into consideration parameters and indicators characterized by a high level of uncertainty, as they depend on assumptions for the realization of future events and are based on general nature assumptions that will not surely occur. The main parameters taken into consideration are the acquisition cost and the values underlying the subsequent capital increases with or without the participation of third-party investors, while the indicators mainly depend on the achievement of the objectives established in terms of development of the startup business as well as any situations of difficulties manifested by the same.

Information relating to the item " Securities and equity investments" has been provided by the directors in the explanatory notes to the financial statements and in particular at Paragraph 2. *Use of estimates and causes of uncertainty*, at Paragraph 5.4 *Measurement criteria and accounting standards – Equity investments in startups*, and at Paragraph 8. *Securities and equity investments*.

The main audit procedures performed to address the key audit matters described above are listed below:

- examination of the document on the startups evaluation adopted by Board of Directors and testing that the assessment methods defined are in line with the industry best practice and comply with the relevant accounting standards;
- analysis of the composition of the startup investments portfolio at December 31, 2019, and of the variances from the prior year's figures, with the involvement of the responsible corporate functions;
- testing on a sample basis of the changes in the startup investments portfolio, both for new acquisitions or disposals and for the adjustment of the previous valuation, with the documentation underlying the specific investment transactions and the other evidences and information acquired;
- testing on a sample basis of the correct application of the evaluation methods defined in the startups evaluation document adopted by Board of Directors;
- testing of the correct representation of the investments in startups in the financial statements in accordance with the applicable financial reporting regulatory framework.

Responsibilities of the directors and the statutory audit committee ("collegio sindacale") for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued to implement article

9 of Legislative Decree N. 38/2005 and, in the terms prescribed by law, for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the application of the going concern assumption, and for appropriate disclosure thereof. The directors prepare financial statements on a going concern basis unless they either intend to liquidate the Company or to cease trading, or have no realistic alternative but to do so.

The statutory audit committee ("collegio sindacale") is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance that, but is not a guarantee that an audit performed in accordance with international standards on auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these financial statements.

As part of the audit in accordance with international standards on auditing (ISA Italia), we exercised professional judgement and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures in response to those risks; we obtained sufficient and appropriate audit evidence on which to base 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;
- We obtained an understanding of the 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;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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. Where a material uncertainty exists, we are required to draw attention, in our auditor's

report, 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 auditor's report. However, subsequent events or conditions may cause the Company to cease to continue as a going concern;

- We evaluated 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 such a manner as to give a true and fair view.

We communicated to those charged with governance, identified at an appropriate level as required by ISA Italia, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated to them any circumstances that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to those charged with governance, we identified those that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We described these matters in our auditor's report.

Additional information pursuant to art. 10 of Regulation (EU) N. 537/2014

The shareholder's general meeting of LVenture Group S.p.A. on May 6, 2013 engaged us to perform the statutory audit of the company's separate and consolidated financial statements for the years ending 31 December 2013 to 31 December 2021.

We declare that we have not provided prohibited non-audit services, referred to art. 5, par. 1, of Regulation (EU) N. 537/2014, and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the content of the additional report to the audit committee ("collegio sindacale"), in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation (EU).

REPORT ON COMPLIANCE WITH OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2, letter e) of Legislative Decree N. 39/2010 and art. 123-bis, paragraph 4, of Legislative Decree N. 58/1998

The Directors of LVenture Group S.p.A. are responsible for preparing the report on operations and the report on corporate governance and ownership structure of LVenture Group S.p.A. at December 31, 2019, including their consistency with the related financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in art. 123-bis, paragraph 4, of Legislative Decree N. 58/1998, with the financial statements of LVenture Group S.p.A. at December 31, 2019 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of LVenture Group S.p.A. at December 31, 2019 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N. 39/2010, issued on basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, Italy
April 29, 2020

Baker Tilly Revisa S.p.A.
Signed by: Nicola Fiore - Partner

This report has translated into the English language solely for the convenience of international readers.

Glossary

Accelerator	The Company's startup accelerator operating under the brand "*Luiss EnLabs – the startup factor*".
Advisor	Person with particular experience and managerial and/or entrepreneurial expertise in the digital sector.
Corporate Companies or Corporates	Companies and industrial groups to which the Company offers its services.
Business Angel	The business angel, or informal investor in the risk capital of a company, is an individual who becomes interested in a startup, finances it and helps it by contributing not only capital but their own experience, knowledge and contacts as well. Contrary to investment funds, the business angel invests their own resources, and their motivation is not exclusively financial.
Ministerial Decree 30 January 2014	Ministerial Decree of 30 January 2014 (implementing article 29 of Law Decree no. 179 of 18 October 2012, converted with amendments from Law no. 221 of 17 December 2012) on tax incentives for investment in innovative startups.
Deal Flow	Investment proposals.
Decreto Crescita 2.0	Law Decree no. 179 of 18 October 2012 - approved with Law no. 221 of 17 December 2012 - including, among other things, provisions with regard to innovative startups and certified incubators, as amended by Law Decree no. 76 of 28 June 2013.
Ecosystem	This refers to a complex network of contacts such as investors, companies, experts, entrepreneurs, partners and sponsors which are involved on an ongoing basis in the Company's activities, in order to learn about and interact with the startups.
Exit	Term that identifies the Company's divestment from the equity investment in the startup.
Fair Value	The amount for which an asset may be exchanged, or a liability settled, between informed and willing parties, in a transaction between independent third parties.
Follow-On	Investments by the Company in startups that have completed the Acceleration Programme, in order to support their growth and development.
Hackathon	Neologism deriving from the union of "hacking" and "marathon", namely an event in which participants try their hand at a marathon of idea generation (mostly divided into teams) or challenges on specific topics, in order to define innovative projects/solutions in a very short time (24/48 hours).
Hatcher+	Hatcher Plus Pte Ltd, Venture Capital fund of Singapore, specialised in early stage startup investment with the use of big data.
Holding Period	The average period in which startups are held in the Company's Investment Portfolio.
Rome HUB	The company's offices in Rome, at Via Marsala 29h.
Milan HUB	The company's offices in Milan, at Via D'Azeglio 3.
Indirect Investments	Investments in startups based on a partnership agreement, through ZMV.
LUISS	LUISS - Libera Università Internazionale degli Studi Sociali Guido Carli di Roma.
LUISS ENLABS	The brand with which the Company operates as certified incubator for innovative startups.
Lean Methodologies	The process of product development and creation based on frequent interactions, constant and continuous acquisition of data and product optimisation, including broad visions and high ambition of the entire team.
Micro Seed Financing or Micro Seed or Micro-Seed	Investment by the Company of limited financial resources in the majority of cases, included in the Acceleration Programme.
Nesta	"*National Endowment for Science, Technology and the Arts*", an independent non-profit organisation committed to promoting an increase in innovation capacity in the United Kingdom. The organisation operates through a combination of practical

	programmes, investments, policy, research and the establishment of partnerships to promote innovation through a wide range of sectors.
Open Innovation or Open Innovation Programme	The Company's exclusive programme dedicated to Corporate Businesses.
Partners	Professionals carefully selected based on their professional expertise, their experience related to the Company's core business, as well as based on their network, with the objective of collaborating in the development of the Ecosystem and of relations with national and international investors to benefit the Company and the Startups.
Investment Portfolio or Portfolio	The operating term used by the Company to refer to direct and indirect investments in startups (Micro Seed and Seed).
Acceleration Programme	The training programme for startups, lasting 5 months and organised by the Accelerator, aimed at transforming a project, to be developed with the Accelerator's areas, into a company.
Incubation Programme	The programme dedicated to validation of the business ideas of startups, generally financed by sponsorships by leading industries or Italian associations.
Growth-LV8 programme	Programme aimed at providing marketing and technological development support to Startups and companies to accelerate their growth.
Average Return	The average return on Seed, Micro Seed and Follow-On investments.
Seed Financing or Seed	Investments by the Company in startups that are in the post Acceleration Programme phases or identified on the market.
Startups	Companies (digital and innovative) in the initial phases of development, in which the Issuer acquires stakes, comprising securities or not. After the investment, the Company carries out active management (hands on) of the investments.
PFIs (Special type of convertible notes)	This refers to the instruments issued pursuant to Italian Legislative Decree 179/2012 and art. 2346, paragraph 6 of the Italian Civil Code, which have property rights or also administrative rights, excluding the right to vote in the company's shareholders' meeting, and any other loan also associated with rights of conversion into capital pursuant to articles 2467, 2483 and 2420-bis of the Italian Civil Code.
Pre Money Valuation	This is the valuation of a company (shares or units) before the contribution of new financial resources through investment.
Post Money Valuation	This is the valuation of a company (shares or units) after the contribution of new financial resources through investment. Post Money Valuation is equal to Pre Money Valuation plus the amount of the aforementioned investments.
Venture Capital	The activity of institutional financial investment in the launch and development phases of a new business with strong growth potential, with the assumption of high investment risk.
Venture Capitalist	Institutional operators in the Venture Capital sector.
Write-offs	Reduction of the value of the investment held in the Company following impairment in value of the startup.

LVenture
GROUP

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