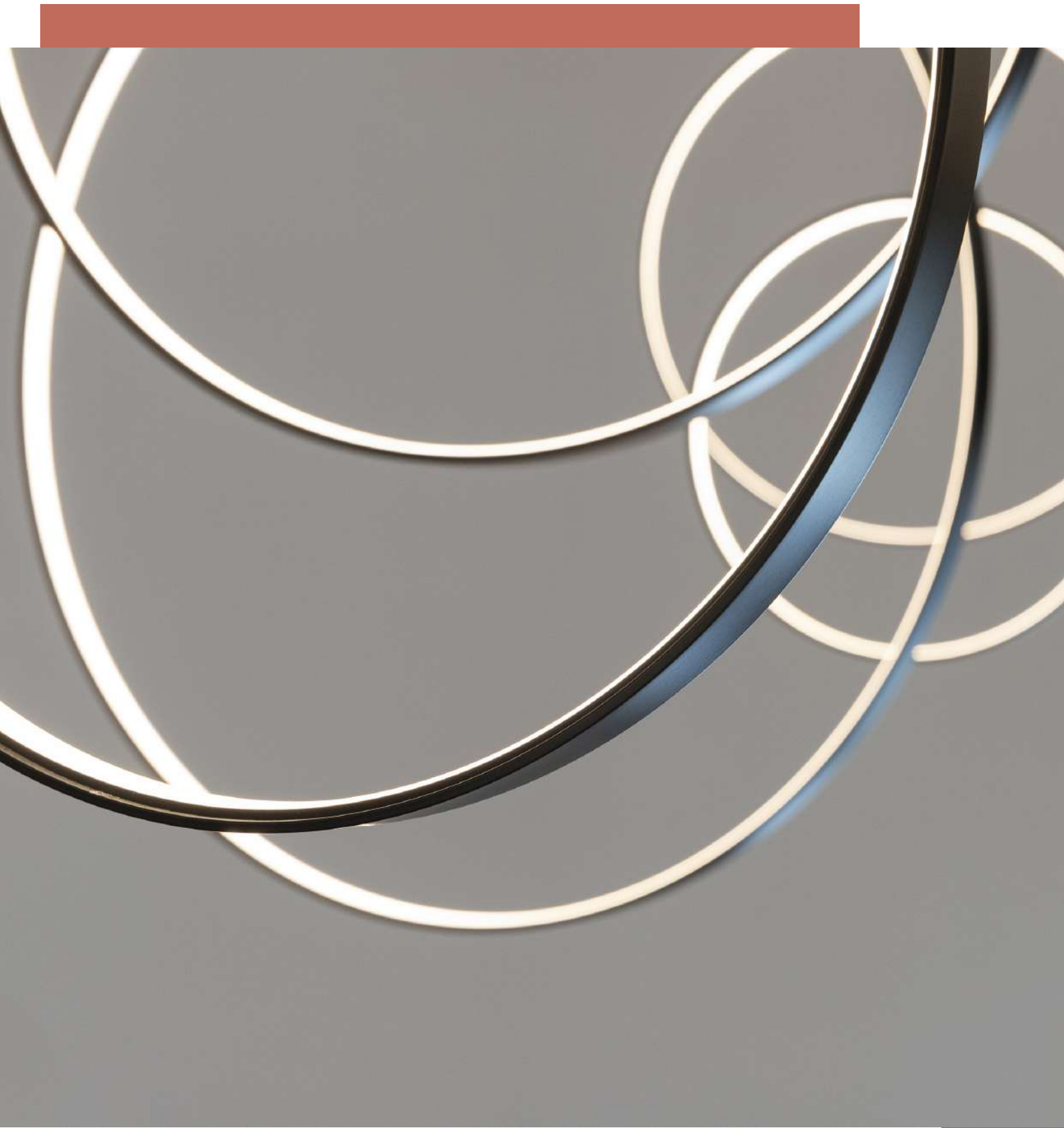


Half-Yearly Report
2020





Half-Yearly Report 2020





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Company Information

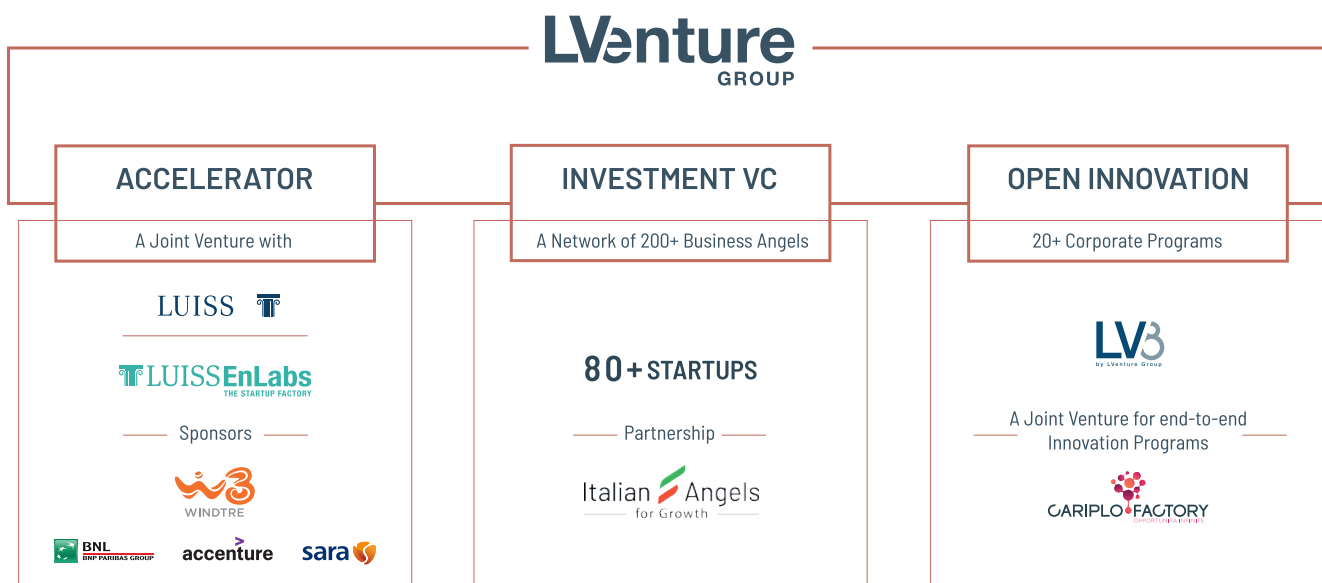
Registered Office

LVenture Group S.p.A.
Via Marsala 29h
00185 ROMA
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

Corporate Structure as at 30.06.2020



OUR EQUITY SHARES IN OTHER ACCELERATORS

2.92%



12.30%

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

50+

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

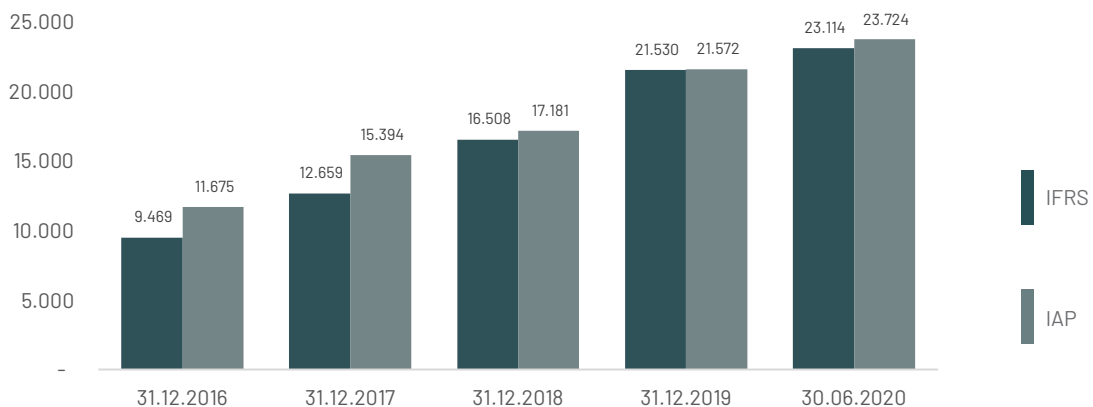
every year
in our deal flow

80+

Startups

in our portfolio

Total value of investments



€18M

Invested
by LVenture Group

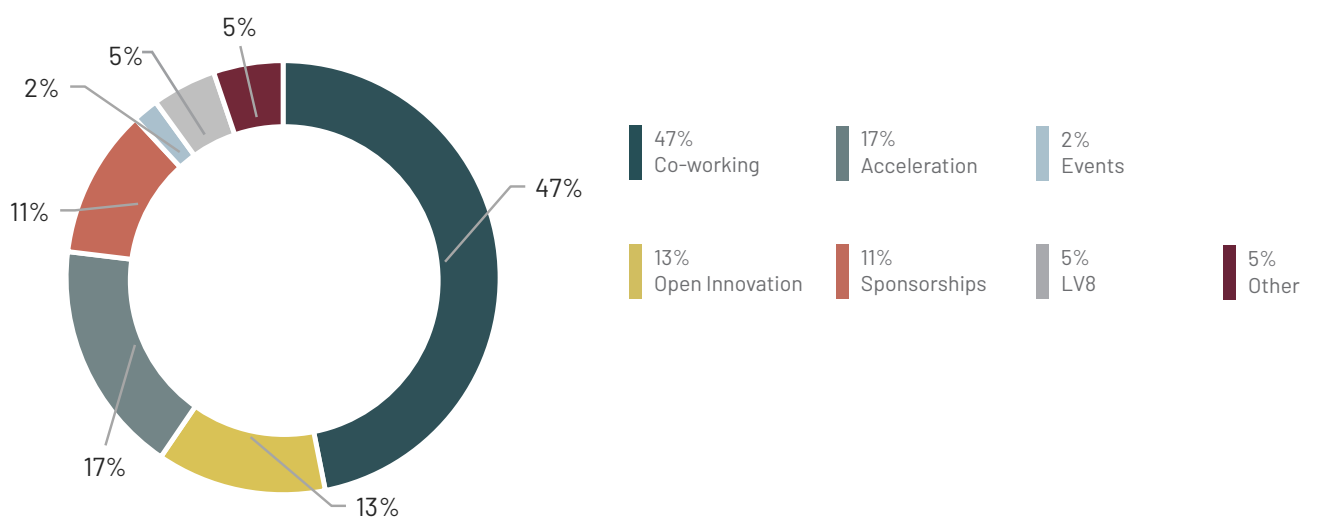
€68M

Invested
by other investors

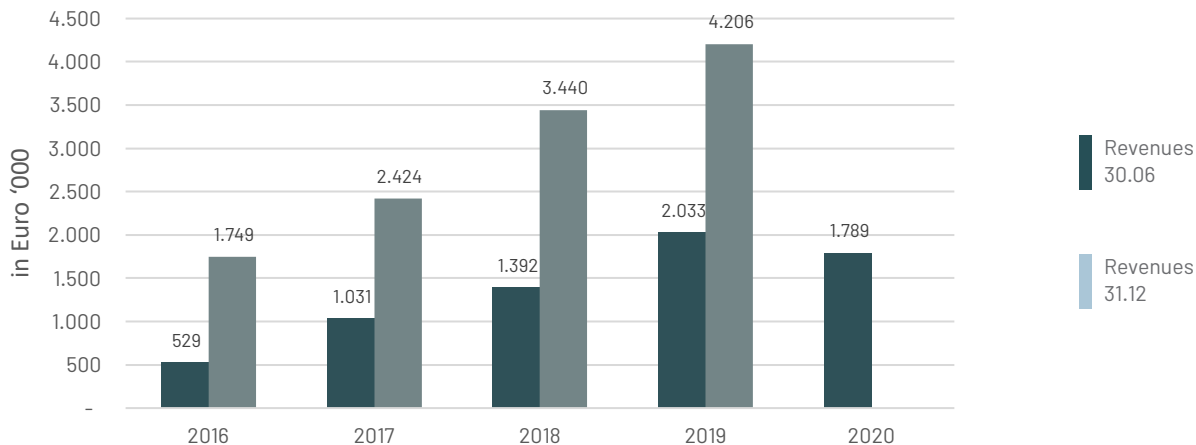
€86M

Invested
in our startups

Revenues by type of service at 31.12.2019



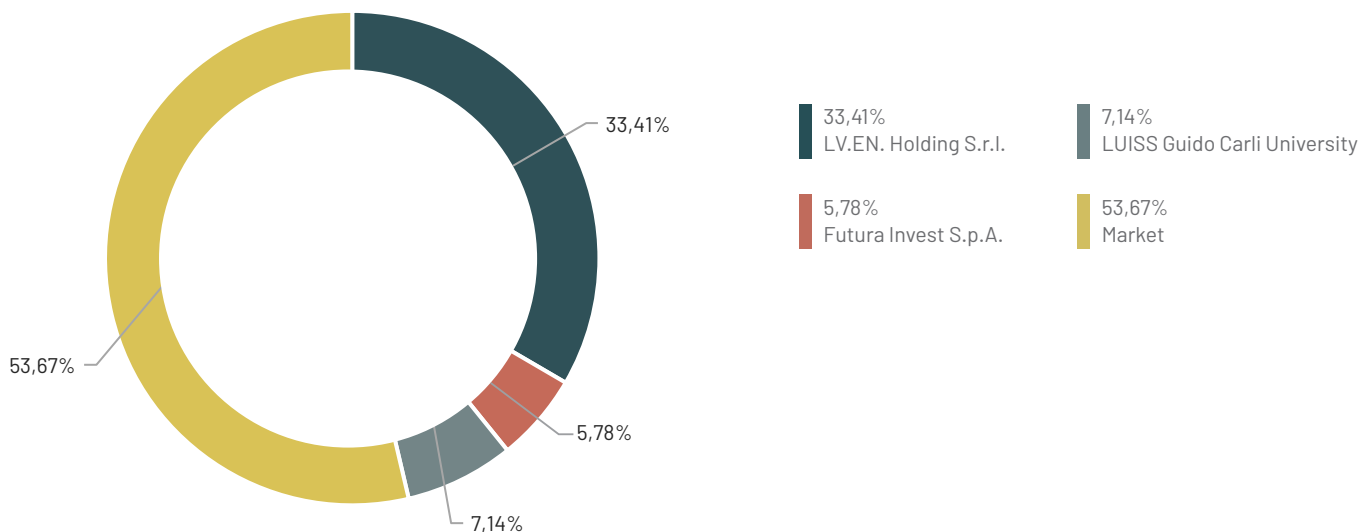
Trend in Revenues



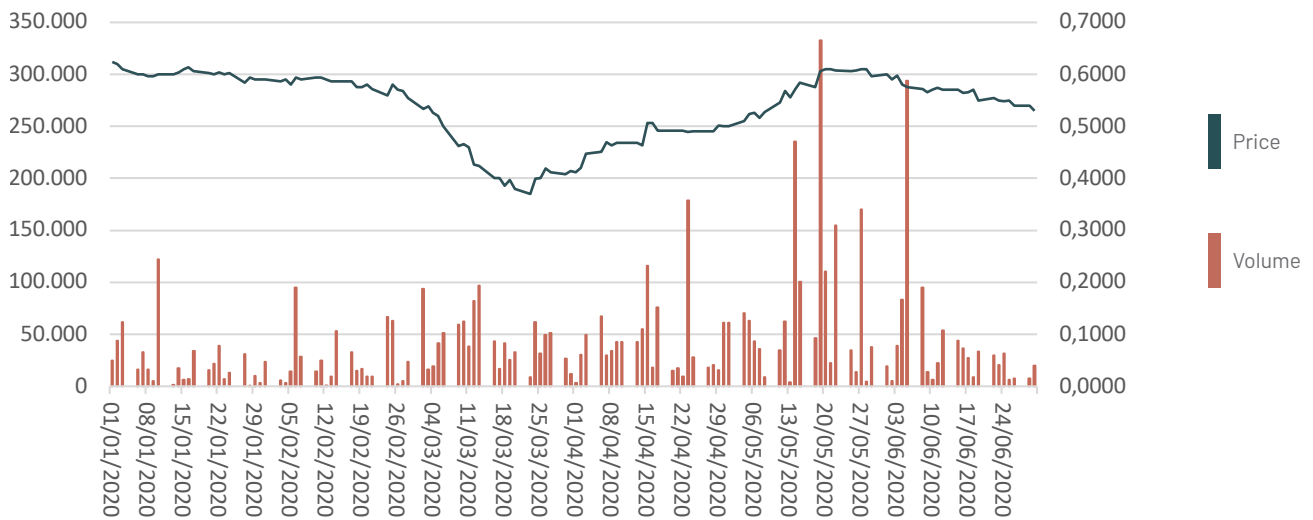
MAIN STOCK EXCHANGE INDICATORS (EURO)

Official price as at 1-Jan-2020	0.6240
Official price as at 30-Jun-2020	0.5300
Minimum price during the year	0.3700
Maximum price during the year	0.6240
Stock market capitalisation 1-Jan-2020	27,843,810
Stock market capitalisation 30-Jun-2020	24,391,390
No. of shares outstanding at 1-Jan-2020	44,621,491
No. of shares outstanding as at 30-Jun-2020	46,021,491

Breakdown of the Share Capital of LVenture Group at 30.06.2020



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

BigProfiles is a Big Data platform for Customer Intelligence insights.

www.bigprofiles.it

confir^{mo}

Confir^{mo} is a GDPR compliant LegalTech software that digitises the whole process of informed consent ensuring users correctly understand the information provided.

www.confir^{mo}.it

Dynamitick

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

www.dynamitick.com

edilgo

EdilGo is an e-procurement software for the construction industry that automates the purchase process of building supplies thanks to AI.

www.edilgo.com

eN^otiva

Emotiva is an AI software that analyses people's emotional responses in real-time, according with their micro-facial expressions with a common webcam.

www.emotiva.it

GenomeUp

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

www.genomeup.com

KPI6

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

www.kpi6.com

myAEDES

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

www.myaedes.com

my tutela

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

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

www.overbookingapp.com

COMMUNITY & EDUCATION

saally

Saally is a platform that automates the Facebook Page management for SME's and local businesses, increasing their customer base.

www.saally.com

stip

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

www.stip.io

avvocato flash

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

www.avvocatoflash.it

{CODEMOTION}

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

www.codemotionworld.com

GEC

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

www.gec.gg

DESIGN & FASHION

SOCIAL ACADEMY

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

www.socialacademy.com

tutored

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

www.tutored.me

AMBIENSVR

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

www.ambiensvr.com

DEESUP

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

www.deesup.com

DREXCODE

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

www.drexcodex.com

DEV TOOLS

GoPillar

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

www.gopillar.com

PLAY WOOD IT

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

www.playwood.it

hakuna cloud

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

www.hakuna.cloud

lexiqa

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

www.lexiqa.net

Majeeko

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



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

ENTERTAINMENT



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



Ipervox is an online platform that helps anyone to create voice applications in minutes, helping companies to increase their customers engagement.

www.ipervox.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



Wesual is a web on-demand platform for ordering and receiving professional photos and videos within 48 hours.

www.wesual.com



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

www.apical.org

EVENTS & TRAVEL



Babaiola is an online travel platform for the LGBT community.

www.babaiola.com



Besafe Rate is a digital service for hoteliers that activates a prepaid hotel rate with travel insurance included, protecting hotels and guests.

www.besaferate.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

FINTECH & LOYALTY



Monugram is an app that recognise and describe every monument using the smartphone camera and offering the best-connected tourism activities.

www.monugram.com



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

www.parcy.co



eShoppingAdvisor is a secure online shopping reference web platform helping people to find the product desired and assuring visibility to small e-commerces.

www.eshoppingadvisor.com



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 that revolutionizes food and beverage distribution.

www.direttoo.it



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



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

www.leonardsystem.com



Wineowine is 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

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

IOT & SMART MOBILITY



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

www.shampora.com



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



acquired by



www.baasbox.com



acquired by



www.netlexweb.com



acquired by



www.ufirst.com



acquired by



www.voverc.com



acquired by



www.paperlit.com



secondary trade

www.zappyrent.com



secondary trade

www.fortune.fm

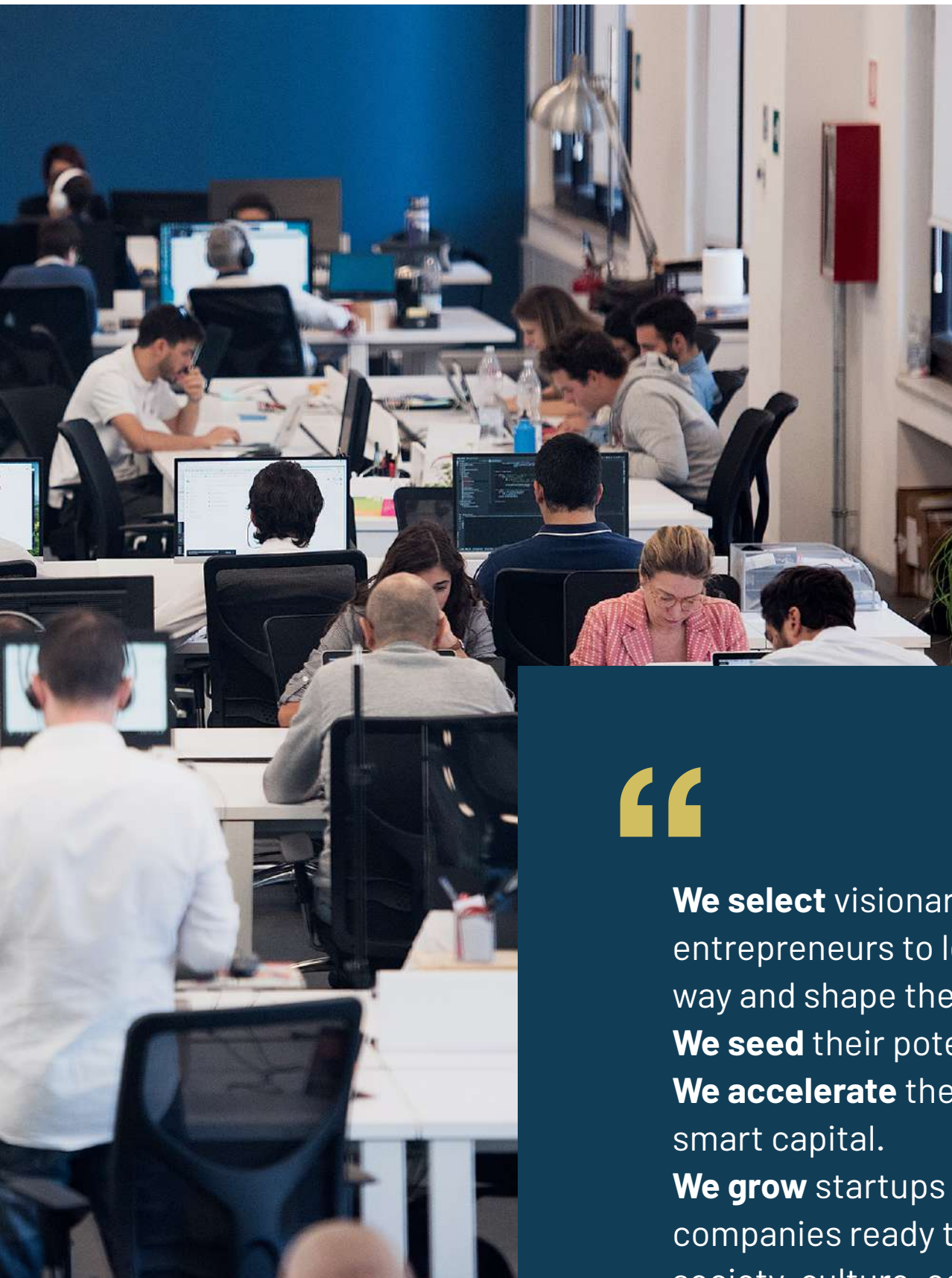


acquisita da



www.lybra.tech





“

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





Directors' Report


Company Operations

LVenture Group is a holding company listed on the Borsa Italiana S.p.A. MTA market and operates in the Venture Capital sector. The majority shareholder of LVenture Group is LV.EN. Holding S.r.l. which, as at 30 June 2020, 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 continuous support. In particular, in addition to financial resources, the Company provides:

- managerial skills and a network of Advisors to support the strategy and the business development of startups;
- assistance for startups in searching for potential investors and making sales contacts.





LVenture Group's goal is to enable talents and startups with high scalability potential to reach the exit stage and thus produce a benefit for their shareholders.

The Company's strategy is to increase the success rate of startups and mitigate investment risk through the following main actions:

- limited initial investments in startups, working alongside any option rights for the subscription of subsequent share capital increases;
- broad diversification of the Investment Portfolio;
- shareholders' agreements to protect the Company's investment in startups, through the signing of investment agreements with clauses such as, by way of a non-exhaustive example, veto rights on extraordinary operations, *liquidation preference* 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 has developed a business model based on three fundamental pillars: Accelerator, Capital and Eco-system and Know-how.



Accelerator

The LVenture Group startup Accelerator, LUISS EnLabs, developed 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 part of the Global Accelerator Network (GAN), the largest global network of accelerators that shares international best practices and sets the global standards for the valuation criteria and investment terms (termsheet).

The Accelerator's activities are subdivided into two Acceleration Programmes, one for each half of the year. Each Accelerator Programme is divided into the following phases of activity:

- *"Application & Selection"*: the period in which the collection and selection of new business projects takes place;
- *"Acceleration Program"*: the period of 5 months during which the business idea is developed with the help of the Accelerator;
- *"Demo Day"*: the concluding day of the Acceleration Programme during which the startups selected by the Company present their project to potential investors.

The deal-flow for participation in the 2020 Summer Programme reached around 500¹ projects viewed, marking an increase of 8.47% compared to the previous Programme (Winter 2019-2020). It is important to underline that the application to take part in the Company's Acceleration Programme is a particularly complex process in that it is an important initial selection step.

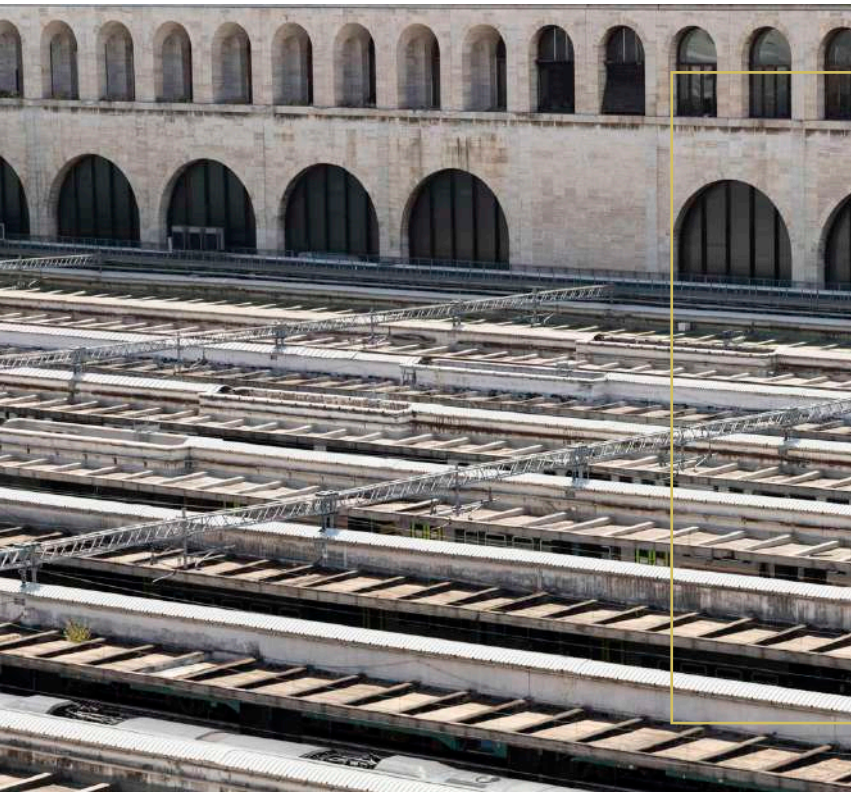
Since 2013, roughly 90%² of the startups that took part in the Acceleration Programme completed it successfully; of these, around 80% have closed the first round of fund raising.

On 11 June 2020, the Demo Day of the Winter 2019-2020 Programme was streamed, in which investors, corporate players and the press participated, to learn more about the most promising startups that completed the Programme. The CEOs of the young companies presented a five-minute pitch outlining the results achieved over the last five months. At the end of the live recording, the startups were able to meet privately with institutional investors and business angels.



¹ Applications made on the F6S portal

² Startups that receive funding from LVenture Group

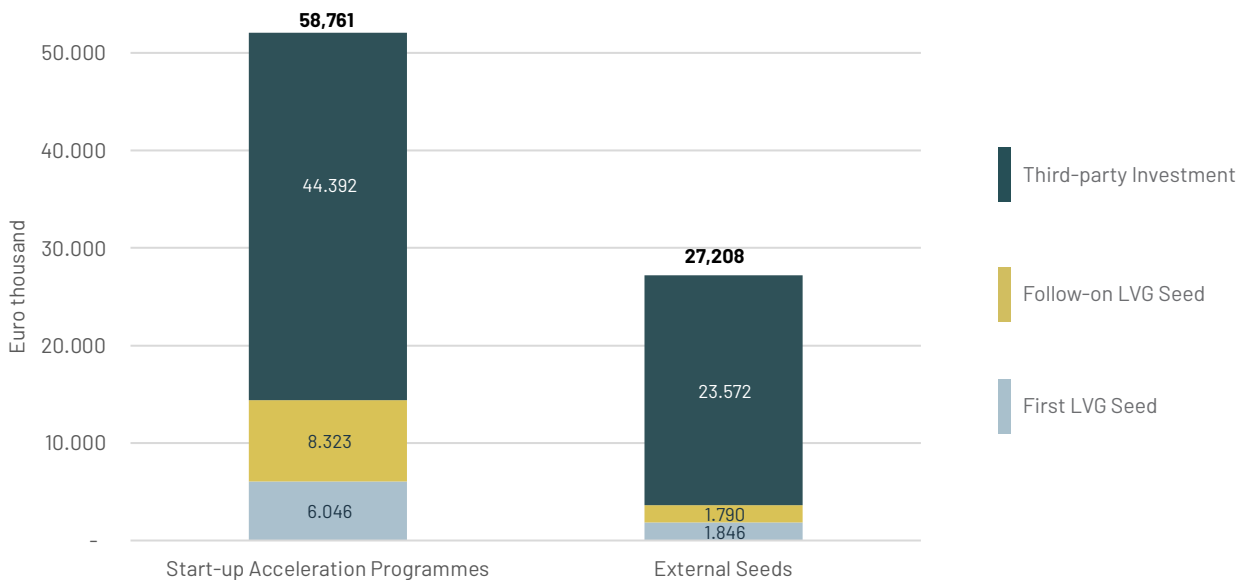


Capital

LVenture Group invests initial financial resources in the startups of the Acceleration Programme and also in the subsequent phases of the achievement of results. The resources invested during the Programme are necessary for developing the first business metrics, while the subsequent investment, seed, is needed to support the startups in the business development phase. The seed investment may also be made in startups that have not taken part in the Acceleration Programme provided that they are in the same development phase and present at least the equivalent results.

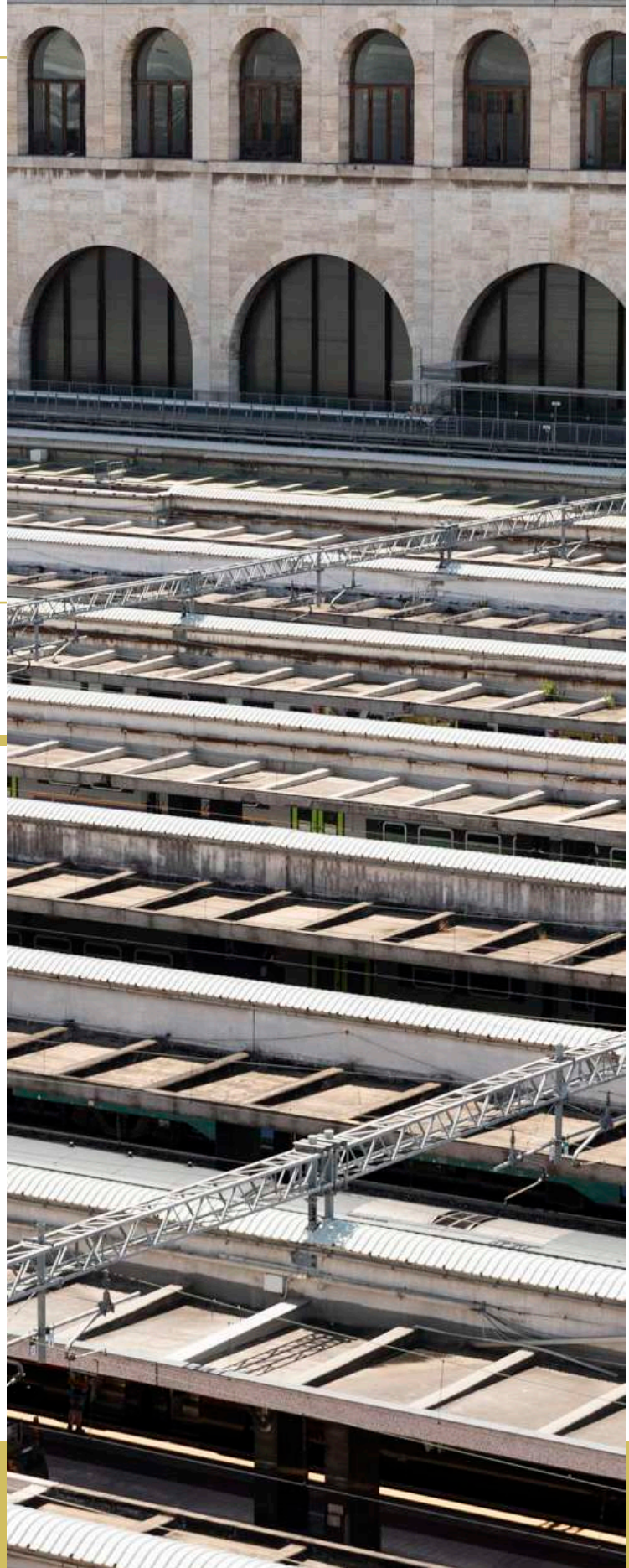
From 2013 until 30 June 2020, the Company invested capital of Euro 18 million in more than 120 startups and attracted numerous co-investors for Euro 68 million for an overall total of Euro 86 million, as follows:

Total Investments 2013-2020



The Summer 2020 batch (June - November 2020) is characterised by the presence of the Investor Innova Venture, with whom a framework agreement was signed for regulating co-investments and 3 startups out of 8 participating in the Programme defined a co-investment agreement with Innova Venture.

The investments made in the first half of 2020 are provided in further detail in the section "the results of the first half of 2020".





Ecosystem & Know-how

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.

It has also developed the following support activities connected with innovation in favour of corporates and startups:

Open Innovation

The Open Innovation programmes are aimed at offering advisory services to Corporates, supporting them in the process of opening to the Italian startup ecosystem by using our know-how and leveraging the network of stakeholders that we have structured over the years. More specifically, our Open Innovation activities are structured as follows:

- Strategic Partnership:

activities dedicated to the strategic positioning of the partner in the world of innovation with services that include: branding to raise the partner's exposure in the ecosystem, value-added Open Innovation services and on-site presence with a dedicated office in our Rome Hub.

- Internal Open Innovation:

programmes aimed at stimulating the development of a business culture in the organisation through modular formats, that cover various phases of development of the project, from conception of the idea until validation on the market. Our internal innovation programmes are designed to involve human resources at all levels, from top management to talented young people, in order to make the people involved genuine pivots of innovation within the organisation.

- External Open Innovation:

Incubation and Pre-Acceleration programmes aimed at creating and supporting the development of digital startups, also on the verticals defined. These initiatives are implemented in partnerships with Corporates, Institutions and Universities to involve stakeholders that can draw benefits from guided interactions between the different players.

- **Tailored Innovation Roadmap:**
innovation plan designed ad hoc for corporate partners that aims to realise transformative medium/long-term activities, such as: triggering processes of Digital Transformation, creating Business Accelerators in partnership, structuring Corporate Venture Capital activities within partner organisations.

In the first half of 2020, the Open Innovation team launched important new collaborations with players like ANIA, ENI, Merck and Telepass, while it maintained its relations with LaziInnova, Invitalia, Sapienza, SKSK365, Unindustria Reggio Emilia. In the last year, partnerships were then strengthened with some strategic players like LUISS, LUISS Business School, Sara Assicurazioni, BNL and Cariplo Factory.

Furthermore, the Company also has a programme called Growth-LV8 in place, to provide marketing and technological development support to assist startups post acceleration and speed up their growth.

Institutional and Corporate events at the Hub and Communication

In the first two months of 2020, the Company hosted some meetings at its Hubs with important companies, with the participation of:

- **Filomena Floriana Ferrara** – IBM Italia, CSR Leader. Director of the IBM Foundation;
 - **Massimiliano Garri** – Acea SpA, Chief Innovation & Information Officer. Acea Innovation, Chief Executive Officer;
 - **Stefano Quintarelli** – Entrepreneur, Internet pioneer. Member of the Group of high-level experts on Artificial Intelligence at the European Commission.
- Due to the Covid-19 pandemic and the restrictions imposed, office activities were temporarily suspended.

However, the Company converted some of its formats into an on-line version – like Pills for Growth and #Aperitech – and created two new formats of meetings to keep the community active and support the ecosystem:

- **The Hubinar** by LVenture Group: 7 on-line dates dedicated to training, updating and sharing of best practices, case studies and tools for startups and corporates.
- **Hubout:** 7 interviews live on Instagram and Facebook for the main players in the innovation ecosystem, startups, corporates and Venture Capital, including:
 - **Massimiliano Magrini** – Co-founder & Managing Partner of United Venture;
 - **Giorgio Pinci** – Director Strategy & Innovation di Merck;
 - **Massimiliano Bianco** – Chief Executive Officer of IREN;
 - **Davide Cervellin** – Chief Marketing and Data Officer of Telepass.

In the first half of 2020, roughly 1,200 news items appeared in the media regarding the Company's activities and the objectives reached by the portfolio startups. For the second consecutive year, the company was also listed in the Financial Times as one of 1,000 European companies with the highest growth rate, in the article published on 23 March, and by the Global Finance Magazine as one of the best 34 "Financial Innovation Hubs" in the world, in the article published on 12 June.

The significant exit concluded on the startup LybraTech was analysed in depth in the articles which appeared on 1 and 25 May respectively in the national publications Corriere della Sera and La Repubblica Affari & Finanza.

Il Corriere della Sera also highlighted the role played by the company as a valuable asset for development of the city of Rome, with an article published on 12 February. The ability to adapt to crisis situations and the speed in developing business models in the post Covid-19 scenario of the LVenture Group startups was analysed by the articles which appeared on 11 and 20 April in La Repubblica and Il Corriere della Sera, while on 29 June, CEO Luigi Capello described to La Repubblica Affari & Finanza the ecosystem developed in the company's hub, in an interview on the work spaces of the future.



Co-working

The Company has two spaces in Italy covering an area of roughly 9,000 square metres, the first in the commercial area of Termini Station in Rome (the “HUB of Lventure Group”) and the second in Milan Luiss HUB (the Milan “HUB”), whose lease generates revenues. The Lventure Group’s HUB in Rome is structured as follows:

- Open Space, with more than 110 workstations including those dedicated to startups that participate in the Acceleration Programme;
- Offices, meeting rooms and classrooms for training on the 3rd and 4th floors;
- Chiostrina, covering a total of around 900 square metres, which houses Facebook’s competence centre (co-called Binario F) in order to meet digital training objectives.

The Milan HUB is structured as follows:

- Open space, with more than 40 workstations including those dedicated to startups that participate in the Acceleration Programme;
- Offices, dedicated to Company personnel, startups of the Company’s Investment Portfolio or external companies.

The startups and corporates located in the Company’s spaces (except for the startups participating in the Acceleration Programme) pay the Company a monthly fee, including, among other things, wi-fi services, use of printers, cleaning and janitor services.

Business Angels and Special Projects

Lastly, in 2020, the Company continued to have a close relationship with the **Business Angel** associations close to its own Ecosystem, composed of professionals, managers and entrepreneurs that, by investing directly in startups, believe in the driving force of entrepreneurs for the country’s growth. The group of Business Angels closest to the Company is Italian Angels for Growth (IAG) with more than 200 Business Angels.

The Company also backs three **Special Projects**, Loveitaly, HiTalk and Code Your Future Italy, with a view to developing a positive synergy with the entire Ecosystem community and promote economic and social change that will bring real value.

HiTalk, due to the Covid-19 pandemic and the restrictions imposed, the planned events were temporarily postponed.

Loveitaly, special project of LVenture Group - undertook various initiatives in the first few months of 2020. In February, Palazzo Dama in Rome hosted the event "I Love Italy 2020 | Valentine Cocktail Party", an event targeted at the international community to contribute to the restoration of Loggia di Galatea in Villa Farnesina, the work of Maestro Raffaello Sanzio. September is expected to see the launch of the crowdfunding campaign for the restoration of part of the frescos of the Vault of the Presbytery in the Basilica di San Francesco d'Assisi in Umbria.

With a view to continuing to promote Italian artistic, archaeological and architectural heritage, "Cornucopia | Treasures beyond the Grand Tour" was conceived, a format that makes it possible to explore our country's hidden treasures on-line, through the voices of archaeologists, art historians, museum directors and curators, including:

- **Richard Hodges OBE** - Archaeologist, President of the American University of Rome;
- **Maxwell L. Anderson** - President of the Souls Grown Deep Foundation;
- **Giuseppe Albano M.B.E** - Curator of Keats-Shelley House of Rome;
- **Fernanda Giulini** - House-museum Villa Medici Giulini, Briosco;
- **Kristina Kappelin** - Director of Villa San Michele in Capri;
- **Dianne Hales** - Journalist and author;
- **Paula Nuttall** - Art Historian and Director of "Medieval and Renaissance Year Course" at Victoria&Albert Museum of London.

CodeYourFuture Italy ha concluso la sua prima edizione il 25 gennaio. 12 studenti di talento provenienti da 7 Paesi diversi - Italia, Russia, Iran, Siria, Egitto, Nigeria, ed Eritrea - hanno completato con successo il programma di coding gratuito rivolto a rifugiati, richiedenti asilo e persone in condizione di difficoltà economica, realizzato dall'organizzazione no profit UK CodeYourFuture in partnership con LVenture Group. Grazie al network sviluppato dalla società sono state generate più di 30 job opportunity per gli studenti diplomati.



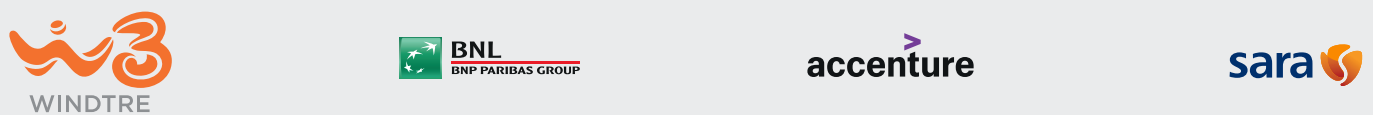
Ecosystem

LVenture Group has created a unique and thriving ecosystem, relying on the strength of a network of exceptional stakeholders. Interactions and synergies within the ecosystem are essential for the growth and development of startups.

Key Partners of LVenture Group



Sponsors of LVenture Group's Accelerator LUISS EnLabs



Partners & Corporates



Universities & Institutional Bodies



Investors Network



Advisors

50+ INTERNATIONAL MANAGERS & EXPERTS

Special Projects



Company Organization

As at 30 June 2020, the Company's **Team** was comprised of 39 people; the composition and changes are indicated in Note 17 of the Explanatory Notes.

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



ROBERTO MAGNIFICO
Board Member

BOARD OF DIRECTORS

9 members



STEFANO PIGHINI
Chairman



FRANCESCA BARTOLI
Administration



LUIGI CAPELLO
CEO



LUDOVICO PEIRCE
Organization & HR



GIULIO MONTOLI
Accelerator



LUIGI MASTROMONACO
Investment & Growth



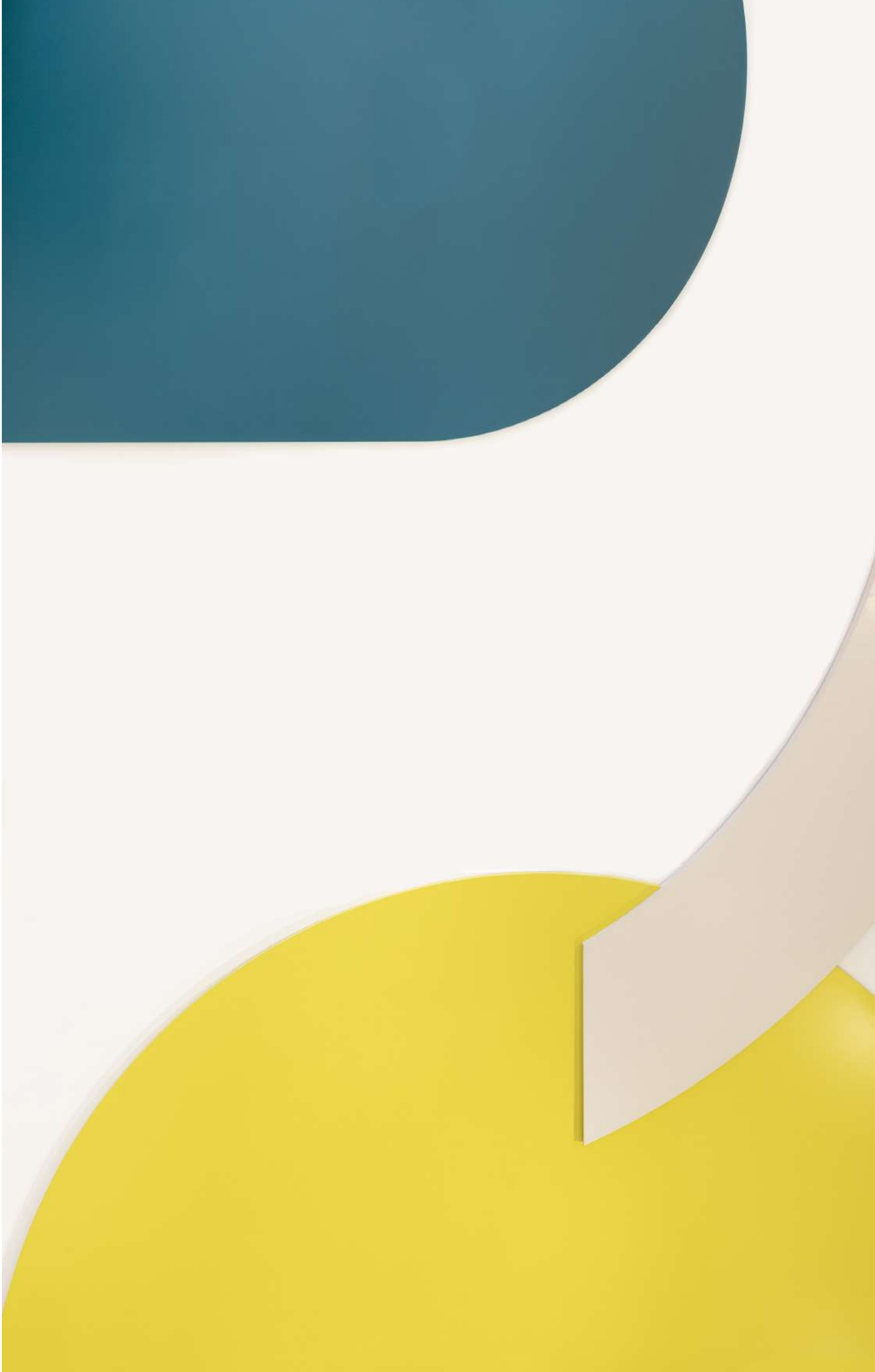
ANTONELLA ZULLO
Open Innovation



MONICA CASSANO
Communication



GIOVANNI GAZZOLA
Operations



Results in the First Half of 2020

Covid-19

In March 2020, the health emergency connected with the Coronavirus spread extensively and the Company, right from the outset of the emergency, managed the situation proactively on various fronts:

- a Cash Flow Committee ("Committee") was set up, in which the Chief Executive Officer, the CFO, the HR Manager and the Controller participate. Said Committee immediately took practical steps and targeted activities at the preparation of economic and financial simulations in relation to the effects of the crisis and the measures taken by the Government. The Committee initially met via video-conference on a weekly basis in order to define the operating plans that are applied on the basis of the development of the situation and prepare extraordinary measures to tackle the emergency, and from May meetings have been held every two weeks. The Committee is supported by the Management Committee, composed of all division managers: its job is to constantly monitor the situation, identify measures for supporting and developing the Company's activities and guaranteeing constant information to employees;
- it has quickly allowed the use of smart working, enabling almost all workers to perform their jobs remotely and leaving only supervisors in the offices to oversee said workers;
- it has optimised the layout of physical spaces to take account of the social distancing guidelines from May 2020, on the return of workers and co-workers to offices;
- it has published a Company Anti-Virus Protocol and made it available to the entire company population, containing the principles and rules adopted and to be adopted;
- it has acquired the necessary personal protective equipment, distributed masks and hand gel to the company population and installed spray dispensers in the offices.

It has arranged for sanitisation of work environments in coordination with the company doctor, the responsible authorities and Heads of Safety;

- it has evaluated the adequacy of the measures adopted and their compliance with the principles of the privacy legislation.

Disclosures have been provided to the corporate control bodies and the Internal Board Committees on the initiatives implemented, also in order to acknowledge the guidelines for the direction of the strategies to be adopted, both in the onset of the epidemic emergency and at the phase of preparation of the gradual return of workers to offices.

It should be noted that the Company has commenced an analysis of the organisational models and the processes in order to capitalise on current experiences and use them to achieve permanent benefits in terms of the



efficiency of some solutions adopted and planned (e.g. digitalisation, computerisation and smart working activities first and foremost).

In addition to the actions indicated, the Company has implemented a number of initiatives targeted at containing the impacts on its results deriving from the health emergency (and from the measures to contain said emergency) and safeguard its own economic-financial profile. To this end, the Company:

- has launched actions to contain and reduce operating costs, also by renegotiating contracts and revising tariffs, with a total saving of €85 thousand for the half;
- has taken steps to reduce the cost of labour, estimated at roughly €159 thousand for the half, by using previous holidays and the Wages Guarantee Fund in derogation (Cassa Integrazione in Deroga), as well as by suspending remuneration and hiring policies;

- has taken a targeted and precise approach to optimising working capital (with specific actions targeted at customers and suppliers).

In addition, with respect to the various business activities:

- Acceleration: it has restructured the acceleration programme in progress and the Demo Day in digital format;
- Open Innovation and LV8: the necessary actions have been implemented to restructure the courses already under way in remote mode. Training webinars have been added, replacing the in-person events;
- CoWorking: a discount plan has been implemented to meet the needs of customers;
- Investments: the plan of investments was maintained, also in order to support high-performing startups in the portfolio.



Investments

During the year, the Company made investments using a range of instruments (direct investment in the capital of startups, participating financial instruments, convertible investments), shown in various items in the financial statements. The total investments made by the Company valued by applying the IFRS accounting standards as well as the Alternative Performance Indicator are shown below, to enable the reader to appreciate the growth in investments between 31 December 2019 and 30 June 2020. 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. informativa completa sui due metodi valutativi (IFRS e IAP). During 2020, the Company made Micro Seed investments relating to the Acceleration Programmes and follow-ons through participation in the share capital increases in startups already invested in.

In the first half of 2020, LVenture Group concluded investments for a total of €1.6 million, against an investment budget of €3.03 million for the whole year. In addition, there were three disinvestment operations for €1.05 million.

The investments for 2020 are summarised below, also broken down by investment type:

(€ THOUSANDS)	MICROSEED	FOLLOW-ON	SEED	TOTAL
Winter 2019 Acceleration Programme: <i>BESAFERATE, EDILGO, EMOTIVA, ESHOPPINGADVISOR, IPERVOX, MONUGRAM, SAALLY, WEESUAL</i>	880	0	0	880
Follow-on of start-up of previous acceleration programmes: <i>BIGPROFILE, YAKKYO, VIKEY, PUNCHLAB, PLAYWOOD, MYAEDES, BLOOVERY, MYLAB NUTRITION, PARCY, RIDE, INKDOME</i>	0	749 ³	0	749
Total	880	749	0	1,629

³ Does not include the disbursement, in the first half of 2020, of the shareholders' loan repayable to AVVOCATO FLASH for €20 thousand.

In the first half of 2020, there were also 4 investments in portfolio startups, in which the Company did not participate:

- **Codemotion:** in April 2020, the startup announced a round for a total of €6 million, in two tranches. In the first tranche of €5 million, €2.5 million of participating financial instruments were converted by Primomiglio and CDP Venture Capital and €2.5 million were invested by P101.

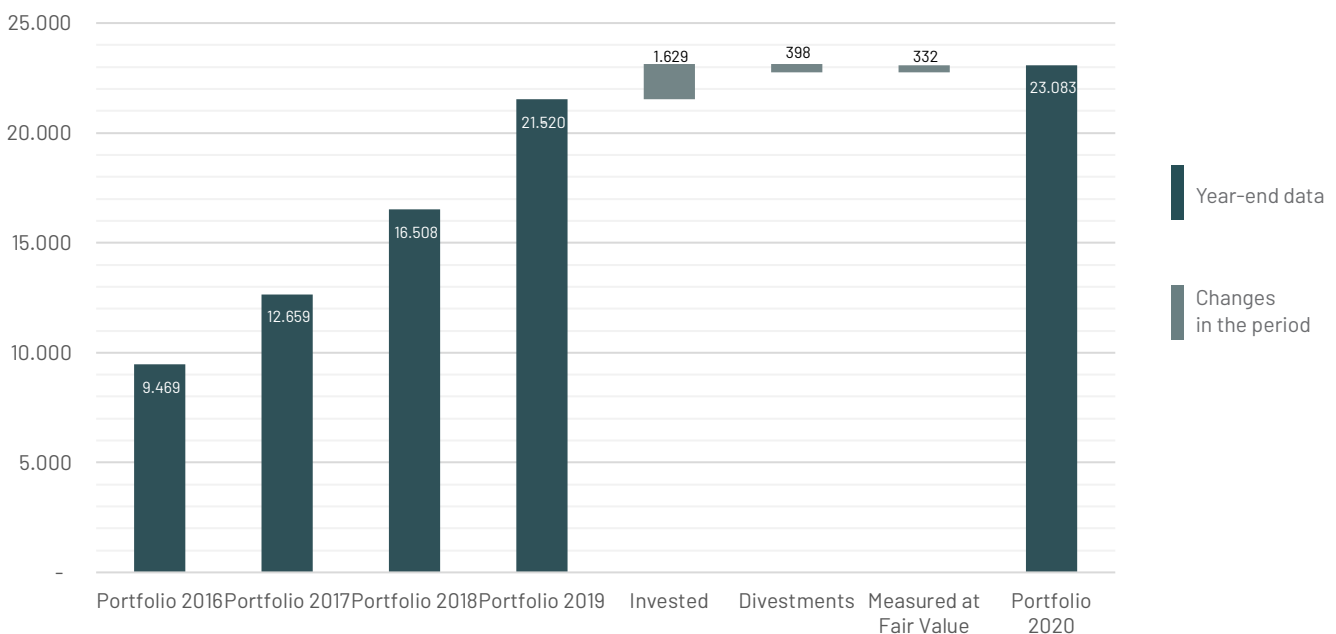
- **Soundreef:** in April 2020, the startup concluded the final share capital increase, collecting €3 million, fully paid up by Immobiliare S.p.A.

- **Shampora:** in February 2020, the startup resolved a share capital increase for a total of €2.4 million, of which €300 thousand paid in the period by third party investors.

- **Genomeup:** in February 2020, third-party investors invested €250 thousand through participating financial instruments.

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

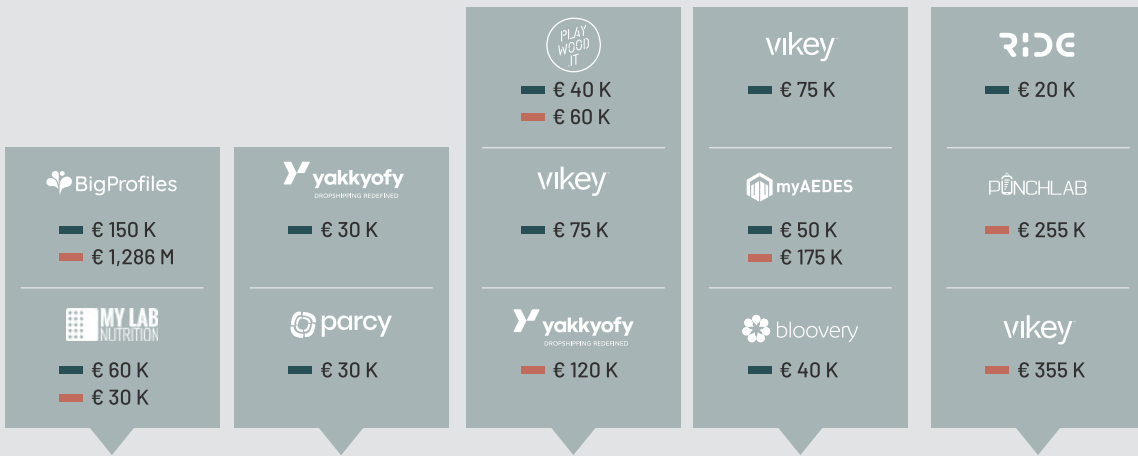


The investments indicated above do not take account of the financial receivables for loans repayable, amounting to €31 thousand as at 30 June 2010. This amount was increased in the first half of 2020, by a shareholders' loan repayable to AVVOCATO FLASH for €20 thousand.

The two pages that follow represent the startups forming the object of the aforementioned investment transactions, broken down by investment type.

Semester Activities

Operations with the participation of LVG



Winter Batch 2020

MONUGRAM eVotiva IPERVOX edilgo eshoppingadvisor SHARE THE DIFFERENCE saally Besafe Rate.com WESUAL

Jan. Feb. Mar. Apr. May.

Operations without the participation of LVG





€ 15 K
€ 15 K

PUNCHLAB

€ 45 K

INKDOME

€ 20 K

avvocato flash

€ 100 K
€ 126 K

yakkyofy

€ 338 K



€ 196 K

bloovery

€ 106 K

Summer Batch 2020

homeU

SLYMETRIX

99bros
Simply Insured

CAMICIA
ONDEMAND

SellInToChina

Jungler

PINV

Wapi

Jun.

Jul.

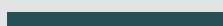
Aug.

Sept.

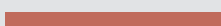
Oct.

Nov.

Dec.



Invested by
LVG



Invested by
other investors



Exit

Gross Operating Margin

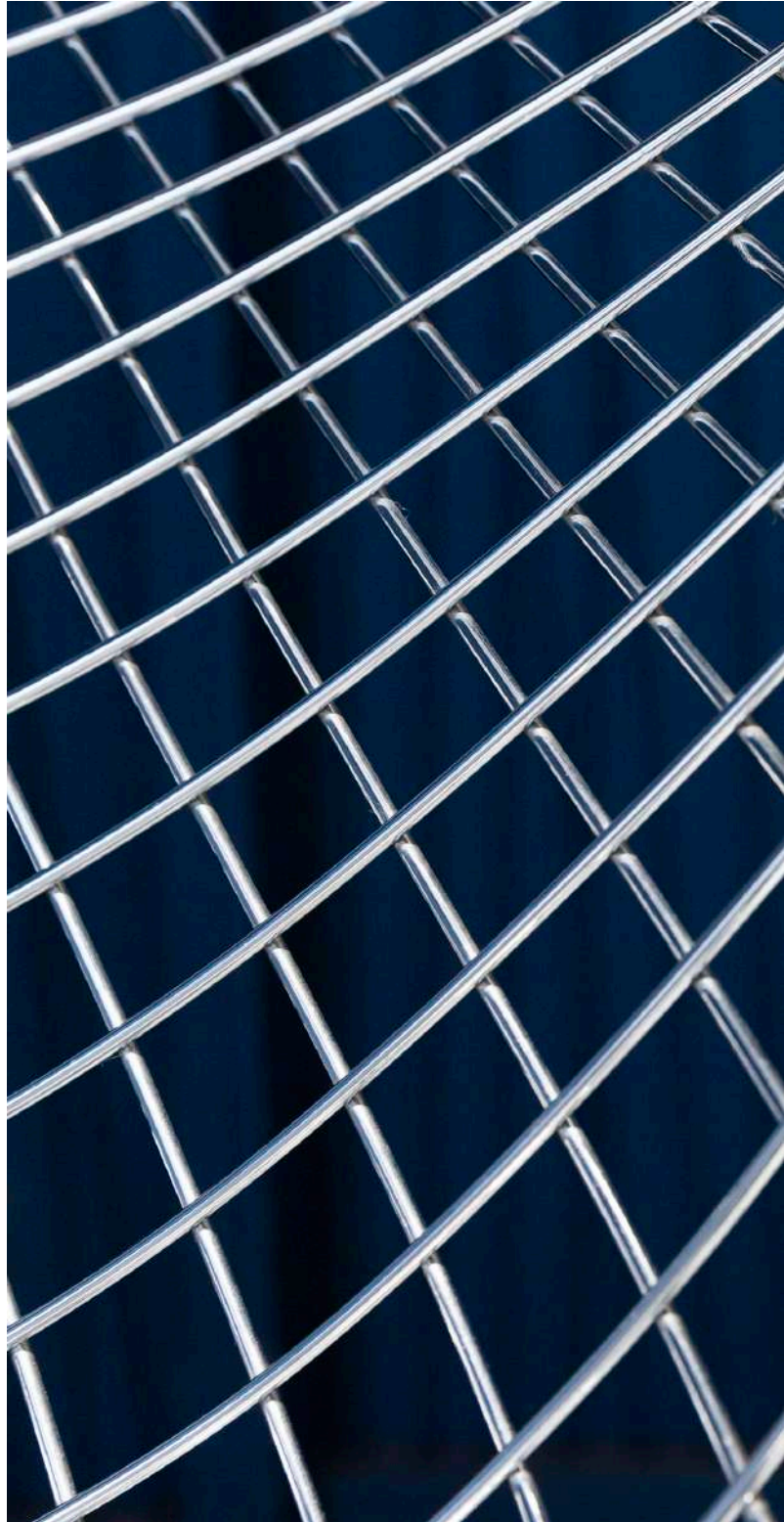
In 2020, the "Net income from investment management" was reclassified under the Gross Operating Margin, similar to the main European competitors. The "Net income from investment management" includes the revaluations and write-downs from the measurement at fair value of the startup portfolio, as well as the capital gains/losses realised. The data of the previous year were reclassified. The Gross Operating Margin of the first half of 2020 recorded a profit of €471 thousand (€256 thousand as at 30 June 2019); this result incorporates the Net income from investment management that, as at 30 June 2020, amounted to €953 thousand (€704 thousand as at 30 June 2019).

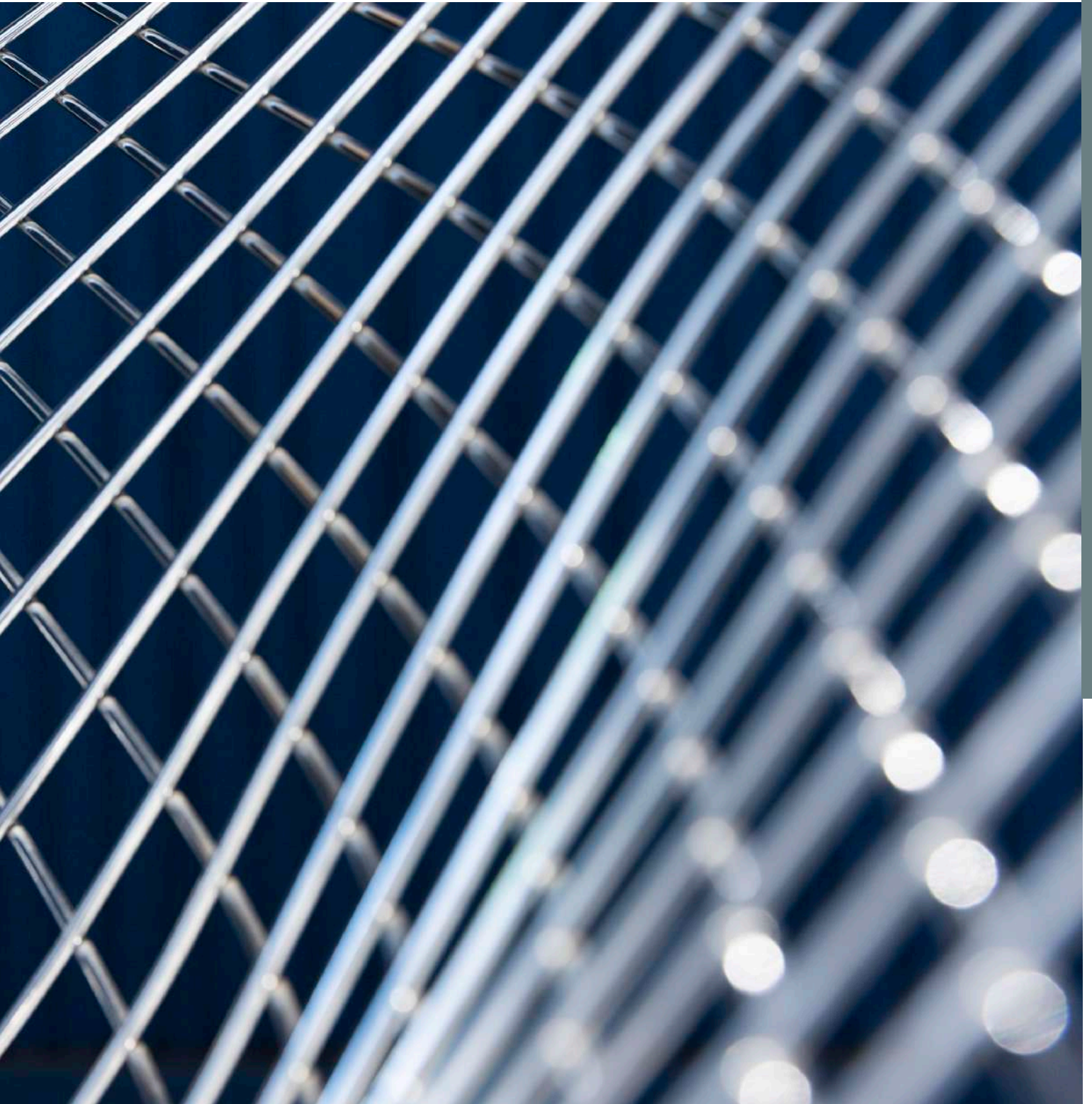
Net Income from Investment Management

Net income from investment management includes the capital gains/losses realised in the period, due to the disposal or liquidation of the startup, with respect to the fair value measurement and positive/negative fair value measurements.

The first half of 2020 closed with a profit of €953 thousand, compared to €704 thousand as at 30 June 2019. Details of the item are provided in Note 17.

This result was positive influenced by the capital gain of €629 thousand realised on the exit of LYBRA TECH and the positive fair value measurements of some startups that closed important share capital increases in the first half of 2020.





Operating Revenues and Income

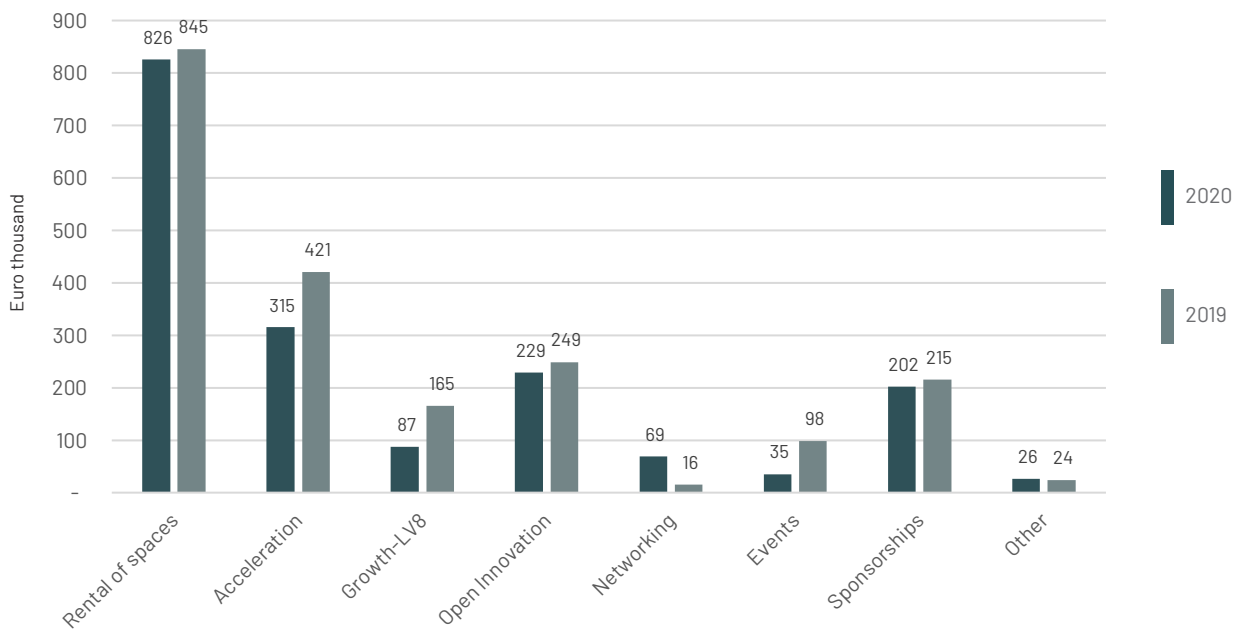
Operating revenues and income in the first half of 2020 came to €1,789 thousand compared to €2,033 thousand as at 30 June 2019. Operating revenues were 12% lower than the same period of the previous year. The reduction in Acceleration revenues is due to the smaller number of startups accelerated in the first half of 2020 (one startup less) compared to the same period of the previous year and the one-month postponement of the second 2020 Acceleration Programme; while the Open Innovation activities, with the adaptation of the customer offer in view of digital communication and transformation, managed to achieve similar results as the same period of the previous year. Lastly, the cancellation of in-person events at LVenture Group's Hub also had a negative impact.

Costs

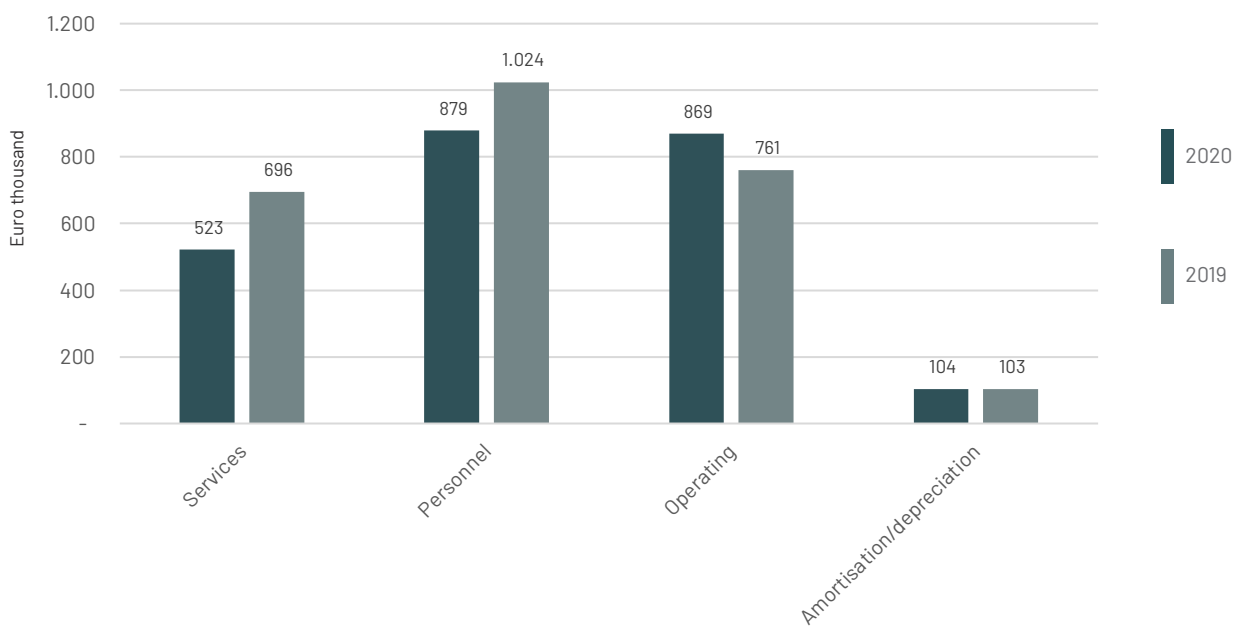
Total costs were 8% lower than the same period of the previous year. The Company managed and contained the costs of non-essential contracts, terminating said contracts and asking suppliers, where possible, for discounts or an extension of services based on the same financial conditions. In addition, personnel costs were reduced with the request for employees to use up holidays and use of the Wages Guarantee Fund in derogation for the months of April, May and June. The rise in operating costs is attributable to the increase in spaces with the additional rental of the 4th floor of the Rome HUB from June and higher accessory costs in respect of their management.



Revenue Comparison



Cost Comparison



Net Financial Position and Cash Flow Trends

The net financial position as at 30 June 2020 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 as at 30 June 2020 and 31 December 2019.



Net Financial Position

(€ THOUSANDS)	30-JUN-20	31-DEC-19	DIFF. BETWEEN 2019 AND 2020	
			CHANGE	CHANGE %
Net fixed assets	22,202	20,198	2,004	10%
Operating net working capital	-1,845	-775	-1,070	138%
Cash flows from financing activities	2,336	2,361	-25	-1%
Employee benefits - severance indemnity	0	0	0	n.a.
NET INVESTED CAPITAL	22,694	21,784	910	4%
FINANCED BY:				
Own funds	23,175	21,938	1,237	6%
Net Financial Debt	-481	-154	-328	213%
of which medium/long-term	-2,245	-2,526	281	n.a.
<i>Debt/Equity Ratio</i>	<i>0.10</i>	<i>0.12</i>		
<i>Net financial position/net profit (loss) ratio</i>	<i>-1.98</i>	<i>0.31</i>		
* Payables to related parties	72	42		



Net invested capital rose from €21,784 thousand as at 31 December 2019 to €22,694 thousand as at 30 June 2020, marking an increase of €910 thousand. This result relates to the net effect of:

- the decrease of €2,004 thousand in the item "Net fixed assets", given by the investments made in startups and their fair value measurement.;
- the decrease of €1,070 thousand in the item "Operating net working capital" owing to the trend in short-term receivables and payables in the reference year;
- the decrease of €25 thousand in the item "Cash flows from financing activities".

As at 30 June 2020, there were payable items to related parties of €72 thousand (€42 thousand at 31 December 2019). La voce "Mezzi propri" registra un incremento di Euro 1.237 The item "Own funds" recorded an increase of €1,237 thousand in the first half of 2020, due mainly to the market share capital increase transaction.

"Net financial debt", represented by cash and cash equivalents in bank deposits and credit/debt lines with financial institutions, went from €-154 thousand at 31 December 2019 to €-481 thousand as at 30 June 2020; the decrease of €327 thousand is attributable to the net balance between inflows from share capital increases against outflows of resources for investments in startups and loan instalments, and, lastly, the Company's ordinary operations. As at 30 June 2020, the Company had cash and cash equivalents totalling €2,817 thousand at the end of the period and a bank payable for four unsecured mortgage loans received from Banca Popolare di Sondrio and Banca Intesa San Paolo respectively totalling €2,221 thousand. The Company is up to date with its payments of instalments to the two banks.

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

CASH FLOW STATEMENT (€ THOUSANDS)	30-JUN-20	31-DEC-19
Cash flow from operations (A)	233	-1,905
Cash flow from investments (B)	-600	-3,111
Cash flow from financing (C)	669	5,754
FREE CASH FLOW OBTAINED (USED)	302	737
OPENING NET CASH AND CASH EQUIVALENTS	2,516	1,778
CLOSING NET CASH AND CASH EQUIVALENTS	2,817	2,516

Main Corporate transactions in the First Half of 2020

In 2020, the Company completed significant corporate transactions, thanks to which it intends to acquire new resources to continue to support its business model and the growth of portfolio startups.

Reserved Share Capital Increase

On 13 February 2020, the Board of Directors passed a resolution to partially execute the mandate granted to said Board, pursuant to art. 2443 of the Italian Civil Code, by the Company's Extraordinary Shareholders' Meeting on 18 April 2019, increasing the Company's share capital, against payment and in tranches, for a maximum of €1,015 thousand, of which up to €507.5 thousand to be allocated as par value and €507.5 thousand for the share premium, with the exclusion of the option right pursuant to article 2441, paragraphs 5 and 6 of the Italian Civil Code, by issuing up to 1,400,000 new ordinary shares of the Company, with no nominal value, having the same dividend entitlements and characteristics as those outstanding at the issue date and reserved for the shareholder Libera Università Internazionale degli Studi Sociali ("LUISS"). The subscription price of the newly issued shares was €0.725 each. The shares were issued on 21 February 2020 and the certification that the share capital increase had been completed pursuant to art. 2444 of the Italian Civil Code was filed with the Rome Business Register on 24 February 2020.

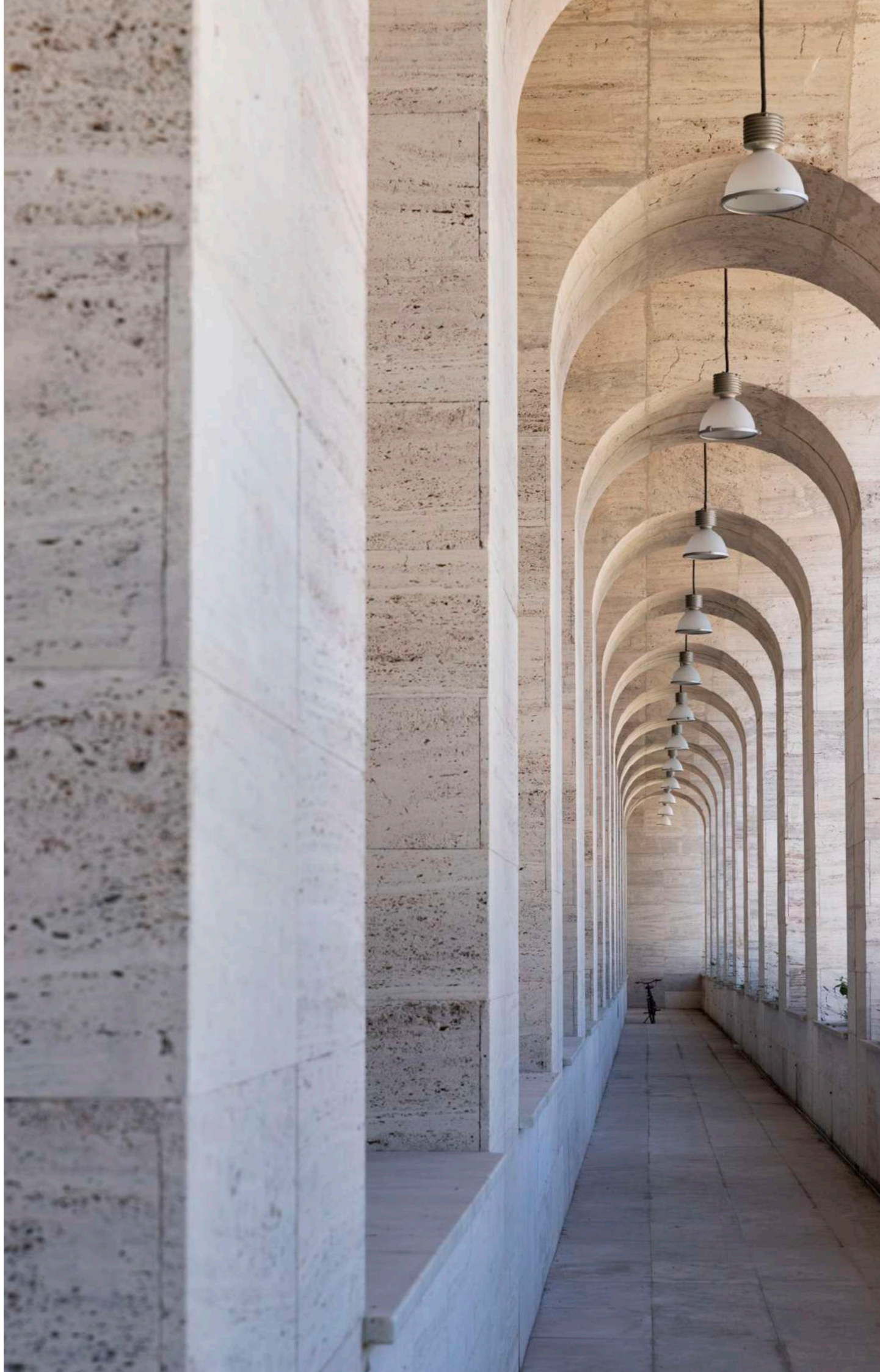
Company Shareholders' Meeting

On **29 May 2020**, the Ordinary Shareholders' Meeting resolved:

- the approval of the Company's Financial Statements as at 31 December 2019;
- the approval of the first section of the Remuneration Report drafted by the Board of Directors pursuant to articles 123-ter, paragraphs 3-bis and 3-ter of Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments ("TUF" - Consolidated Finance Act) and 84-quater of Consob Regulation no. 11971/1999 and subsequent amendments (the "Issuers' Regulation") which illustrates the general policy defined by the Board of Directors regarding the remuneration of members of administration and control bodies, with reference at least to 2020, and without prejudice to the provisions of art. 2402 of the Italian Civil Code;
- favourably on the second section of the Remuneration Report, taking into account the non-binding nature of the resolution, pursuant to art. 123-ter, paragraph 6 of the Consolidated Finance Act;
- the approval of the change to the "2017-2020 Employee Incentive Plan".

On **29 May 2020**, the Extraordinary Shareholders' Meeting resolved:

- the approval of the change of the resolution of the Extraordinary Shareholders' Meeting of 2 August 2017 relating to the authorisation to increase share capital attributed to the Board of Directors in order to extend, until 1 January 2022, the duration of the authorisation attributed to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital, through payment, effective from 1 August 2017 and until 1 January 2021, to service the implementation of the "LVG 2017/2020 Incentive Plan".
- the approval of the modification of Association to make them consistent, inter alia, with the provisions set forth by the entry into force of Italian Budget Law no. 160/2019 and the subsequent amendment to articles 147-ter and 148 of the Consolidated Finance Act (Italian Legislative Decree no. 58 of 24 February 1998), regarding gender balance in the composition of the Board of Directors and the Board of Statutory Auditors. The Company took the opportunity presented by the amendment required by the new legislation to revise additional paragraphs of the Articles of Association.



Other Informations

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

As at 30 June 2020, the share capital of LVenture Group is broken down into 46,021,491 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 2020, 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 platform fully internally 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 as at 30 June 2020. LV.EN. Holding, the majority shareholder of LVenture Group, holds 32.57% of the Company's share capital as at 30 June 2020 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 no.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: therefore, in fact, 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.

Sustainability

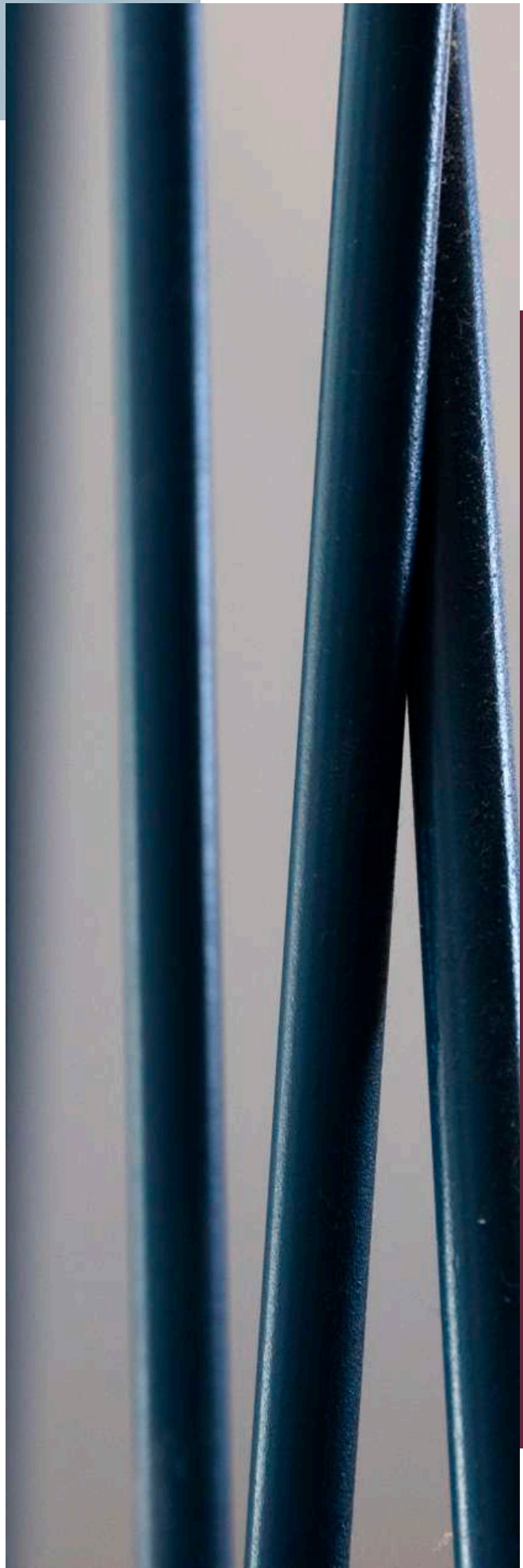
The Company pays special attention to the pursuit of its long-term interests and sustainability, in line with the guidelines of the Corporate Governance Code of listed companies.

It is already largely compliant with the 17 Sustainable Development Goals (SDGs) agreed by the UN, starting from the Company's core business. In fact, support for young entrepreneurs and innovation, which represents Goal no. 9 "Industry, Innovation and Infrastructure", constitutes the Company's core business.

In addition, by way of a non-exhaustive example, Goal no. 5 "Gender Equality", is fully satisfied given that, from a less represented gender point of view, there is full gender equality on the Company's management.

The Company has taken steps to achieve additional objectives, by preparing a separated waste collection system, providing the entire HUB with a water dispenser and water bottles for all users of the spaces.

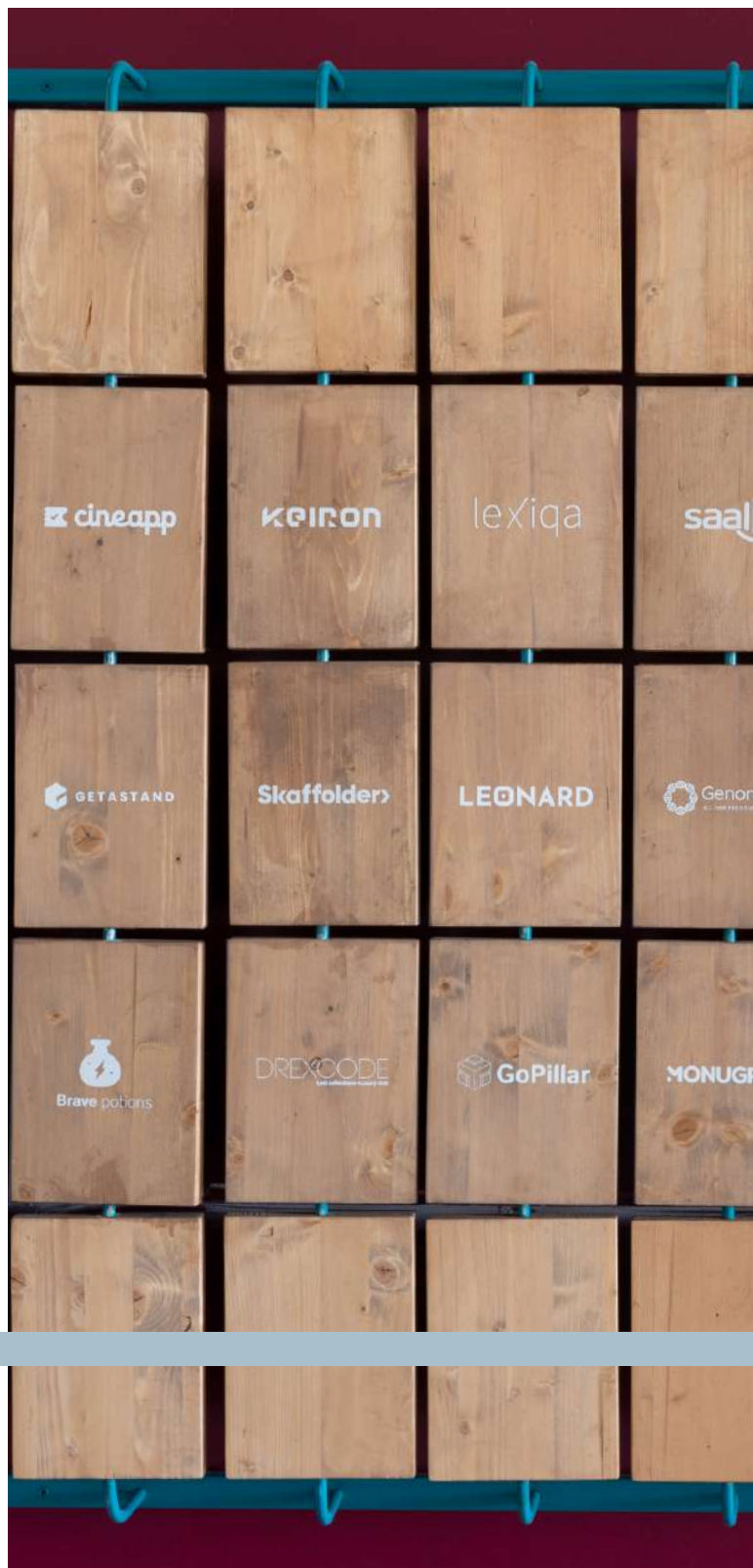
The Company has already set the objective of drafting a Sustainability Report as soon as possible in order to certify the activities it has already implemented in terms of company sustainability. The arrival of Covid 19 pushed this project back. However, at present, the Company is not required to draft a Non-Financial Statement. The legislation in force (Italian Legislative Decree no. 254 of 30 December 2016) makes provision for the preparation of the Non-Financial Statement in the presence: of a number of employees exceeding 500 and where, simultaneously, at least one of the following two size limits are exceeded, at the reporting date: a) balance sheet total: €20 million; b) total net revenues from sales and services: €40 million.



Business Outlook

In consideration of the constantly evolving health emergency, its effects and the relevant provisions that will be adopted by the Government, the Committee will continue to monitor the situation and update its forecasts, with the goal of promptly providing adequate responses, also preventively. Even though the health emergency has determined a context of general uncertainty, the potential effects of the crisis on the Company's economic and financial performance are constantly monitored, as well as the possible effects in terms of the impairment of its assets. In particular, at the date of this Report, operating revenues roughly 25% lower than those expected in the Business Plan for the current year are forecast, while as regards the income from investment management, the Company is confident of obtaining a result in line with the Business Plan. The Company has been proactive in its attempts to reduce costs, therefore, on said front it predicts a reduction of roughly 17% compared to the expectations of the Business Plan for the current year.

Nonetheless, the Company expects to close 2020 with a profit, confirmation that it has adequate financial resources to deal with the scenarios that are foreseeable as of today.





IAS 36 "Impairment of assets" (IAS 36 paragraphs 9 and 12) requires the Company to evaluate whether the effects of the COVID-19 epidemic constitute indicators of impairment as such to call for specific testing of the recoverability of the assets. From said perspective, the disclosure deemed relevant with reference to the satisfaction of said requirement is provided below:

- **measurement of derivative instruments** – 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. The Company believes that the disclosure provided in the Notes is adequate;
- **estimated credit losses** – the Company has continued to keep a watchful eye on the evolution of the collection of receivables and has not noted any particular situations of criticality;
- **measurement at fair value of investments in startups** – extremely careful monitoring of the economic and financial performances of the portfolio startups has been carried out, both to pick up on any worrying signs, and to offer assistance in the case of the most difficult problems.

Approval of the Half-Yearly Report

The Half-Yearly Report as at 30 June 2020 of LVenture Group was approved by the Board of Directors today.

Rome, 10 September 2020

On behalf of the Board of Directors

Stefano Pighini
Chairman









**Condensed
Half-Yearly
Financial Statements
30 June 2020**

FINANCIAL STATEMENTS

NOTES	STATEMENT OF FINANCIAL POSITION IN EURO '000	30-JUN-20	31-DEC-19
	ASSETS		
	NON-CURRENT ASSETS		
	Property, plant and equipment and other machinery	589	601
	Goodwill and other intangible assets	86	100
	Right of use of leased assets	137	0
6	Securities and equity investments	20,874	19,055
7	Receivables and other non-current assets	2,447	2,475
8	Deferred tax assets	205	39
	TOTAL NON-CURRENT ASSETS	24,138	22,270
	CURRENT ASSETS		
9	Trade receivables	557	730
	Current financial assets	78	256
	Other receivables and current assets	283	118
10	Cash and cash equivalents	2,817	2,516
	TOTAL CURRENT ASSETS	3,735	3,619
	TOTAL ASSETS	27,873	25,889
	LIABILITIES		
11	SHAREHOLDERS' EQUITY		
	Share capital	14,507	14,000
	Other reserves	8,424	7,433
	Profit (loss) carried forward	0	0
	Net profit (loss)	244	505
	TOTAL SHAREHOLDERS' EQUITY	23,175	21,938
	NON-CURRENT LIABILITIES		
12	Non-current payables to banks	1,615	1,918
	Other non-current financial liabilities	0	0
	Other non-current liabilities	116	13
	Provisions for risks and charges	0	56
	Provisions for employee benefits	0	0
14	Deferred tax liabilities	205	85
	TOTAL NON-CURRENT LIABILITIES	1,936	2,072
	CURRENT LIABILITIES		
13	Current payables to banks	607	608
	Other current financial liabilities	32	31
15	Trade and other payables	914	724
	Tax payables	45	67
	Other current liabilities	1,165	449
	TOTAL CURRENT LIABILITIES	2,763	1,879
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	27,873	25,889

NOTES	INCOME STATEMENT in Euro '000	30-JUN-20	30-JUN-19
16	Operating revenues and income	1,789	2,033
17	Net income from investment management	953	704
18	Costs for services	-523	-696
19	Personnel costs	-879	-1,024
20	Other operating costs	-869	-761
	GROSS OPERATING MARGIN	471	256
	Depreciation and impairment losses on tangible assets	-104	-103
	Amortisation and impairment losses on intangible assets	-7	-8
	Provisions and write-downs	-35	-13
	OPERATING RESULT	325	132
	Financial income	0	0
	Financial expenses	-46	-49
	Other income and expenses	-112	-82
	PRE-TAX PROFIT (LOSS)	166	1
21	Income taxes	78	6
	NET PROFIT (LOSS)	244	7

	STATEMENT OF COMPREHENSIVE INCOME in Euro '000	30-JUN-20	30-JUN-19
	NET PROFIT (LOSS)	244	7
	<u>Other comprehensive income net of taxes</u>		
	- Effect of the effective portion of gains and losses on hedging instruments in a cash flow hedge	-1	-11
	TOTAL OTHER COMPREHENSIVE INCOME NET OF TAXES	-1	-11
	COMPREHENSIVE INCOME	243	-4

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 AS 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 linked to share capital increase	-	-307	-	-	-	-	-	-	-307
Coverage of losses	-	-934	-	-	-	-	-	-	-934
Fair Value Measurement of financial instruments and Stock Options	-	-	-5	77	-	-	-	-	72
Profit (loss) from previous years	-	-	-	-	-	-	-3,960	-401	-4,361
Profit (loss) for the year	-	-	-	-	-	20	934	505	1,459
BALANCE AS AT 31/12/2019	13,999	2,978	-31	125	4,341	20	0	505	21,938
Share capital issue	508	508	-	-	-	-	-	-	1,016
Expenses linked to share capital increase	-	-44	-	-	-	-	-	-	-44
Allocation of result of previous year	-	-	-	-	480	25	-	-505	0
Fair Value Measurement of financial instruments and Stock Options	-	-	-1	23	-	-	-	-	22
Net profit (loss) for the period	-	-	-	-	-	-	-	244	244
BALANCE AS AT 30/06/2020	14,507	3,442	-32	148	4,821	45	0	244	23,175

CASH FLOW STATEMENT IN EURO '000	30-JUN-20	31-DEC-19
CASH FLOW FROM OPERATIONS		
Collections from customers	3,280	4,243
Other collections	13	54
(Payments to suppliers)	-1,397	-3,032
(Payments to personnel)	-1,137	-2,682
(Other payments)	-113	-273
(Legally mandatory/tax charges)	-413	-215
Interest collected/(paid)	0	0
CASH FLOW FROM OPERATIONS (A)	233	-1,905
CASH FLOW FROM INVESTMENTS		
PROPERTY, PLANT AND EQUIPMENT		
(Investments)	-110	-80
Divestment sale price	0	0
INTANGIBLE ASSETS		
(Investments)	0	0
Divestment sale price	0	0
FINANCIAL FIXED ASSETS		
(Investments)	-1,650	-3,267
Divestment sale price	1,160	236
CASH FLOW FROM INVESTMENTS (B)	-600	-3,111
CASH FLOW FROM FINANCING		
THIRD-PARTY FUNDS		
New loans	0	0
(Repayment of loans)	-308	-313
(Interest paid on loans)	-34	-87
(Lease repayment)	-5	0
OWN FUNDS		
Share capital increase against payment	1,015	6,154
Sale (purchase) of treasury shares	0	0
Dividends (and advances on dividends) paid	0	0
CASH FLOW FROM FINANCING (C)	669	5,754
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	301	739
OPENING CASH AND CASH EQUIVALENTS	2,516	1,778
CLOSING CASH AND CASH EQUIVALENTS	2,817	2,516

EXPLANATORY NOTES

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 start-ups 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.

As at 30 June 2020, 33.41% of the share capital of LVenture Group is held by LV.EN. Holding Srl.

The Condensed Half-Yearly Financial Statements as at 30 June 2020 were approved by the Board of Directors of LVenture Group on 10 September 2020 and were subject to a limited audit by the Independent Auditors Baker Tilly Revisa S.p.A.

2. Use of Estimates and Causes of Uncertainty

The Condensed Half-Yearly 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.

The Directors evaluated the applicability of the going concern assumption in drafting the Condensed Half-Yearly Financial Statements, also taking account of the particular situation that emerged in the first few months of 2020, analysed in both the Report on Operations under point "Business Outlook" and in Note "41. Significant Events After the Close of the Year", concluding that said assumption is adequate as there are no doubts surrounding business continuity.

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 start-ups, 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 Condensed Half-Yearly 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 Condensed Half-Yearly 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 Condensed Half-Yearly Financial Statements are 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 2020, the "Net income from investment management" was reclassified under the Gross Operating Margin, similar to the main European competitors. The Net income from investment management" includes the revaluations and write-downs from the measurement at *fair value* of the start-up portfolio, as well as the capital gains/losses realised. The data of the previous year were reclassified. The Gross Operating Margin of the first half of 2020 recorded a profit of €470 thousand (€256 thousand as at 30 June 2019); this result incorporates the Net income from investment management that, as at 30 June 2020, amounted to €953 thousand (€704 thousand as at 30 June 2019).

The income statement shows, as interim results, the Gross Operating Margin and the Operating Result, indicators considered representative of the Company's performances. 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 balance sheet, 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 start-up;
- in the presence of a share capital increase, or another transaction on the share capital of the start-up not completely finalised or which takes place in tranches or another transaction on the start-up'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 of the transaction is used plus the cash inflows paid in at the *cut-off* date, as an indicator of a market value of the start-up;
- 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 start-up 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 Condensed Half-Yearly Financial Statements as at 30 June 2020, 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 as 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 Condensed Half-Yearly Financial Statements are not mentioned.

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 that 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 to, or from, investment property only when there is evidence of a change in use, ii) the redefinition 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 that 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 eliminated, 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 decision 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 that 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 Financial Statements are measured by using the currency of the main economic environment in which the entity operates (functional currency). The 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. During the first half of 2020, there were no transactions in foreign currency.

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 *cash generating unit*.

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%

	RATE
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. Right of Use of Leased Assets (IFRS 16)

On 13 January 2016, the IASB (International Accounting Standard Board) published IFRS 16 Leases, which replaces IAS 17; this document was adopted by the European Union on 9 November 2017.

IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of leases (contracts that give the right to use third-party assets) and requires lessees to account for all leases in accordance with the methodology set forth for finance leases by the old IAS 17, actually eliminating the distinction between operating and finance leases.

The Company applies IFRS 16 from 30 June 2020 for the first time, having opted to acquire the investments for the 4th floor of via Marsala, Rome under a lease.

As regards the assets subject to lease agreements, the Company recognised a right-of-use asset and a liability for leased assets in relation to fixed lease fees still to be paid. The right of use of leased assets is initially measured at cost, and subsequently amortised over the duration of the lease defined at the time of the analysis. The cost of right-of-use assets includes the value initially recorded of the lease liability, the initial direct costs incurred, the estimate of any restoration costs to be incurred at the end of the lease and the advance payments relating to the lease made at the date of first-time transition net of any lease incentives received. The lease liability is measured at the present value of payments due for fixed lease fees still not paid, discounted using the interest rate of 0.23% (EURIBOR in June 2020).

IN EURO '000	LEASED FURNITURE AND FIXTURES	LEASED GENERIC PLANTS	TOTAL
- historical cost	99,705	38,456	138,161
- Accumulated depreciation and impairment losses	855	219	1,074
Net value as at 30 June 2020	98,850	38,237	137,087

Depreciation relating to leased assets as at 30 June 2020 came to €1,074, interest paid to the lease company came to €186 while interest deriving from the application of the standard amounted to €261.

5.5 Equity investments in start-ups (IFRS 9 and IFRS 13)

Equity investments in start-ups, 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 that 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.

From 2018, for the purposes of the measurement of portfolio start-ups, the Company has profited from using the *International Private Equity and Venture Capital Valuation Guidelines (the Guidelines)*. The Guidelines provide different valuation methods, define how and when the various methodologies can be applied and the good sense that must be applied in using 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 start-up;
- market multiples or benchmarks for similar transactions;
- *discounted* cash flow;
- shareholders' equity.

The valuation of the individual start-ups 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 start-up in which there are relevant third-party investors, the *post-money* valuation is used as an indicator of a market value of the start-up;

- in the presence of a share capital increase, or another transaction on the share capital of the start-up 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 start-up;
- 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 start-up 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, the interpretation, has anti-evasion purposes 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 controlled, 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.

5.6. Receivables and Other Non-Current Assets (IFRS 9 and IFRS 13)

The Company classifies financial assets and investments in start-ups under this item when they are granted in the form of special types of convertible notes (PFIs) or convertible financing, 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 start-up, 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.

5.7. 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*).

5.8. Receivables and Payables (IAS 32)

Receivables are recognised at their presumed 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.

5.9. 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 values 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.

5.10. 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 cancelled.

5.11. 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.

5.12. 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.

5.13. 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.

5.14. Other Non-Current and Current Liabilities

The item mainly includes payables due to lease companies.

IN EURO '000	30-JUN-20	31-DEC-19
Current payables due to lease companies	23,227	0
Non-current payables due to lease companies	93,148	0
Total	116,375	0

5.15. Revenues and Costs (IFRS 15 and IAS 18)

Revenues for the provision of 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.

5.16. Employee Benefits (IAS 19)

Employee benefits are paid to the "Fondo Insieme" managed by Allianz S.p.A., which Company employees have subscribed to. Each employee has their position in the Fondo Insieme and autonomously defines the methods for investing the sums paid by the Company. For each employee, the Company pays the amount calculated on the basis of the rules governing employee severance indemnity in force in Italy. Therefore, the financial statements present the annual cost of employee severance indemnity relating to their personnel in the income statement, but do not present any balance sheet item given the payment is made quarterly to the provision.

5.17. Impairment Losses

IAS 36, in the presence of indicators, events or changes in circumstances that suggest the existence of impairment, requires intangible and tangible assets to be tested for *impairment*, in order to ensure that assets are not booked in the financial statements at a value higher than the recoverable value. 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* less 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.

5.18. 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.

It should be noted that the Company did not receive Government grants in the years 2020 and 2019.

5.19. 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.

5.20. Cash Flow Statement (IAS 7)

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

5.21. 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 both acceleration activities and investing in start-ups;
- other activities, which include consulting, *Open Innovation* activities, *Co-working*, events and *sponsorships* in favour of the HUB.

Since 2020, "Income from investment management" was reclassified under the Gross Operating Margin, similar to the main European competitors. The item "Income from investment management" includes the net revenues realised and from the *fair value* measurement of the start-up portfolio. The data of the previous year were reclassified.

IN EURO '000	VENTURE CAPITAL 30-JUN-20	OTHER ACTIVITIES 30-JUN-20	TOTAL 30-JUN-20	VENTURE CAPITAL 30-JUN-19	OTHER ACTIVITIES 30-JUN-19	TOTAL 30-JUN-19
Operating revenues and income	388	1,400	1,789	924	1,109	2,033
Net income from investment management ⁴	953	0	953	704	0	704
TOTAL REVENUES	1,341	1,400	2,741	1,628	1,109	2,737
Costs for services	-343	-180	-523	-400	-296	-696
Wages and salaries	-550	-329	-879	-609	-415	-1,024
Other operating costs	-324	-545	-869	-409	-351	-761
TOTAL OPERATING COSTS	-1,218	-1,053	-2,271	-1,419	-1,062	-2,480
GROSS OPERATING MARGIN	123	347	470	210	47	257
Depreciation, amortisation and provisions	-140	-6	-146	-119	-5	-124
Financial income/expenses	-45	0	-45	-49	0	-49
Other income and expenses	-84	-28	-112	-78	-4	-82
NET PROFIT (LOSS) BEFORE TAXES	-146	312	166	-37	38	1

5.22. 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 €3,034 thousand (non-current financial assets + trade receivables).

⁴ Details of the item "Net income from investment management" are analysed in Note 17.

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.

As at 30 June 2020, the net financial position was a positive €481 thousand, consisting of liquid assets for €2,817 thousand and net financial liabilities for €2,335 thousand.

Management of Covid-19 Emergency

Please refer to the paragraph of the report on operations "Business Outlook" for a more detailed examination of the Covid-19 health emergency, with reference to the plans put in place by the Company to tackle it, the analysis of the effects it could have, and the disclosure also provided with reference to the provisions of IAS 36. As regards the latter aspect, it should be noted that, from an accounting perspective, the Company has taken account of the effects of the COVID-19 epidemic to determine whether these constitute indicators of impairment as such to require specific checks on the recoverability of the assets.

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 value* of "Securities and equity investments" outstanding at 30 June 2020 (Note 8) and "Receivables and other non-current assets" (Note 9) is 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 amounts in the Condensed Half-Yearly Financial Statements.

6. Securities and Equity Investments

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

IN EURO '000	30-JUN-20	31-DEC-19
BALANCE AT THE END OF THE PREVIOUS YEAR	19,055	15,203
Investments in the period	604	1,062
Conversion of PFIs/convertible loans to equity	805	540
Divestments at fair value	-348	-137
Capital gains/(losses)	0	-213
Impairment losses at fair value	-969	-1,631
Revaluations at fair value	1,526	4,231
BALANCE AT THE END OF THE PERIOD	20,673	19,055

The table above shows an increase in the portfolio of €1,618 thousand compared to the close of the previous year.

The value of the investment (historical cost and percentage stake owned), the fair value and the value of the Alternative Performance Indicator (previously described in Note 4) of the main portfolio start-ups 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 30-JUN-20	CUMULATIVE INVESTMENT AS AT 30-JUN- 20	IFRS VALUE AS AT 30- JUN-20	API value as at 30-JUN-20
WHOOSNAP (INSOORE)	11.84%	315	1,894	1,894
GAMEPIX	20.58%	310	1,832	1,832
SOUNDREEF	5.95%	398	1,429	1,429
MOOVENDA	8.08%	326	753	753
FILO	15.14%	398	1,089	1,089
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	5.94%	160	921	921
PLAYWOOD	13.61%	320	476	653
YAKKYO	13.06%	359	1,137	1,137
TUTORED	12.22%	280	280	280
MAJEEKO	13.66%	205	103	103
SHAMPORA	11.41%	290	1,358	1,358
VIKEY	14.72%	400	516	516
WINEOWINE	15.93%	250	63	63
BIGPROFILES (DATAFALLS)	10.82%	325	696	696
KARAOKE ONE	15.85%	240	240	240
GOPILLAR	10.69%	212	212	212
2HIRE	9.54%	374	935	935
DEESUP	12.52%	150	200	200
GENOMEUP	11.29%	140	140	140
OTHER INVESTMENTS		4,110	3,801	4,235
TOTAL		10,859	20,674	21,284

Divestments in the first half of 2020:

BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	YEAR OF EXIT	EXIT TYPE	TOTAL INVESTED IN EURO '000	TOTAL REALISED IN EURO '000	MULTIPLE
LYBRA TECH	2018	2020	Exit	230	977	4.25

LYBRA TECH

In the fourth quarter of 2019, Lybra Tech had received a purchase offer from Zucchetti S.p.a. for the acquisition of 51% of the company with the commitment to negotiate a series of aspects connected with guaranteeing the founders of Lybra Tech with business continuity as well as the definition of a *break option* in favour of Zucchetti on the remaining 49%, which will continue to be owned by the Founding Partners based on a 'now for then' valuation. In December 2019, a preliminary agreement was signed for the acquisition and the transaction, subject to the successful outcome of *due diligence* started in the middle of

February. As a result of the Covid-19 pandemic and subsequent crisis that has had a major impact, on the tourist/hotel sector in particular, Zucchetti halted all M&A transactions it had in progress, while it wanted to continue with Lybra Tech. In light of the above aspects, the purchasing counterparty deemed it appropriate to value Lybra Tech at a price that took account of the impact that the crisis may have on the business and on its growth projections, which formed the basis of the calculation of the reference "enterprise value". The Company and the Investing Shareholders of Lybra Tech therefore negotiated an offer, based on a 100% Enterprise Value of €7.75 million, for a value of €2.267 million. The Company held 12.61% and had invested €230 thousand (of which €80 thousand in acceleration and €150 thousand in the Seed round). The payment for the entire share of the Company was €977 thousand, for a surplus value with respect to the invested value of €747 thousand (a Cash on Cash (CoC) Multiple of 4.25x) and a capital gain with respect to the latest fair value measurement of €629 thousand.

Qurami/UFIRST

In 2019, the partial transfer of shares and transfer of Qurami Srl to UFirst Srl was completed. The transaction, initiated in 2018, made provision for a valuation of Qurami totalling €3.02 million, of which €650 thousand in cash to be paid to the Investing Shareholders through the partial purchase of shares and €2.370 million in indirect equity through the transfer of assets. Before the transaction, the Company held a share of 18.93% and had invested a total of €264 thousand in the start-up. As regards the part in cash, the Company carried out the partial sale of the shares (equal to 8.32%) for a total value of €159.7 thousand. This amount was reduced by €64.7 thousand due to contractual disputes for a total of €95 thousand. The Company collected €37.6 thousand in 2019 and €28.7 thousand in the first half of 2020; an additional €28.7 thousand remains to be collected. To partially offset the price reduction of €64.7 thousand incurred by the Company, the Founding Partners will transfer 2.62% of its shares in Qurami Srl to the Company by September 2020. Therefore, on completion of the transaction, LVenture Group will hold an indirect stake of 1.45% in UFirst Srl (equal to 13.22% of Qurami Srl).

The table below indicates the amounts invested in Portfolio start-ups 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 AS AT 30-JUN-20
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	0.38%

7. Receivables and Other Non-Current Assets

IN EURO '000	30-JUN-20	31-DEC-19
Other non-current receivables	37	10
PFI	1,335	1,400
Convertible shareholder loans from start-ups	1,075	1,065
Total	2,447	2,475

The item "Other non-current receivables" includes the disbursement, in the first half of 2020, of the shareholders' loan repayable to AVVOCATO FLASH for €20 thousand.

The item "Participating financial investments" recorded the following changes:

IN EURO '000	30-JUN-20	31-DEC-19
BALANCE AT THE END OF THE PREVIOUS PERIOD	1,400	700
Investments in the period	480	1,360
Conversion to equity	-320	-240
Reimbursements	0	-80
Divestments at fair value	-50	0
Measurement at fair value	-175	-340
BALANCE AT THE END OF THE PERIOD	1,335	1,400

On 21 January 2020, the Company completed the divestment in the start-up Fortune. The divestment was defined as a partial reimbursement of €50 thousand of the participating financial instrument disbursed by LVenture Group in favour of the start-up, following the investment in the 13th Acceleration Programme. LVenture Group, in respect of a total investment of €80 thousand, concluded the transaction with a partial recovery on the investment of 0.625x.

The table below lists the investments through participating financial instruments outstanding as at 30 June 2020; the IFRS valuation is performed on the basis of the possibility of converting the participating financial instruments also in relation to the time elapsed. If the participating financial instrument is still recognised, albeit at a nil value, this means that there is a still a possibility of it being converted:

BRAND (COMPANY NAME) (€ THOUSANDS)	TRANSACTION	CUMULATIVE INVESTMENT AS AT 30-JUN-20	IFRS VALUE AS AT 30-JUN-20	API value as at 30-JUN-20
BESAFE RATE	PFI	60	60	60
CALL ME SPA (WELLNESS)	PFI	60	15	15
CONFIRMO	PFI	80	80	80
EDILGO	PFI	60	60	60
EMOTIVA	PFI	60	60	60
ESHOPPING ADVISOR	PFI	60	60	60
FLAMINGO	PFI	80	40	40
GEC (ESPORTS)	PFI	80	0	0
GETASTAND	PFI	80	80	80
HAKUNA	PFI	80	40	40
IPERVOX	PFI	60	60	60
KEIRON	PFI	80	40	40
LEONARD	PFI	80	40	40
MONUGRAM	PFI	60	60	60
MYTUTELA	PFI	80	80	80
ORAL3D	PFI	80	80	80
OVERBOOKING	PFI	80	80	80
PARCY	PFI	80	80	80
PIGRO	PFI	80	20	20
SAALLY	PFI	60	60	60
SKAFFOLDER	PFI	80	40	40
STIP	PFI	80	80	80
TIRO LIBRE	PFI	80	20	20
UXGO	PFI	80	40	40
WESUAL	PFI	60	60	60
TOTAL		1,820	1,335	1,335

The item "Convertible shareholder loans to start-ups" recorded the following changes:

IN EURO '000	30-JUN-20	31-DEC-19
BALANCE AT THE END OF THE PREVIOUS PERIOD	1,065	580
2020 investments	545	835
Conversion to <i>equity</i>	-485	-300
Reimbursements	0	-10
Measurement at Fair Value	-50	-40
BALANCE AT THE END OF THE PERIOD	1,075	1,065

The table below lists the investments through convertible loans outstanding as at 30 June 2020; the IFRS valuation is performed on the basis of the possibility of converting them:

BRAND (COMPANY NAME) (€ THOUSANDS)	TRANSACTION	CUMULATIVE INVESTMENT AT 30-JUN-20	IFRS VALUE AT 30-JUN-20	API value at 30-JUN-20
BESAFE RATE	Convert. Loan	50	50	50
CINEAPP	Convert. Loan	80	0	0
CONFIRMO	Convert. Loan	65	65	65
DIRETTOO	Convert. Loan	100	70	70
EDILGO	Convert. Loan	50	50	50
EMOTIVA	Convert. Loan	50	50	50
ESHOPPING ADVISOR	Convert. Loan	50	50	50
GETASTAND	Convert. Loan	65	65	65
INKDOME	Convert. Loan	20	20	20
IPERVOX	Convert. Loan	50	50	50
KIWI	Convert. Loan	10	10	10
MONUGRAM	Convert. Loan	50	50	50
MYTUTELA	Convert. Loan	65	65	65
NEXTWIN	Convert. Loan	100	100	100
ORAL3D	Convert. Loan	65	65	65
OVERBOOKING	Convert. Loan	65	65	65

BRAND (COMPANY NAME) (€ THOUSANDS)	TRANSACTION	CUMULATIVE INVESTMENT AT 30-JUN-20	IFRS VALUE AT 30-JUN-20	API value at 30-JUN-20
PARCY	Convert. Loan	30	30	30
RIDE	Convert. Loan	20	20	20
SAALLY	Convert. Loan	50	50	50
TOGETHER PRICE	Convert. Loan	100	100	100
WESUAL	Convert. Loan	50	50	50
TOTAL		1,185	1,075	1,075

Lastly, the Company has *call* options in place in the various investment agreements with the start-ups, which provide the Company the right to invest at a discount in the start-ups' 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 start-ups concerned are summarised below:

TYPE OF OPTION	NO. START-UPS CONCERNED
Convertible loan with 20% discount and conversion cap	2
Convertible loan with conversion cap	1
Call option for 9% plus a 20% discount of the valuation of additional <i>follow-on</i> investments	10
Convertible loan with right of reimbursement	1
Call option for 9% plus a 25% discount on the valuation of the investment and a discount of up to 20% of the valuation of the <i>follow-on</i> investment	8
SAFE (equivalent of the PFI used in the USA) with conversion cap	3
Call option for 6% fully diluted and convertible with 25% discount on the follow-on round	8

8. Deferred Tax Assets

Deferred tax assets amounted to €39 thousand as at 31 December 2019, updated to what is set forth in the 2020-2022 Business Plan. Deferred tax assets were used for €25 thousand to cover the IRES expense calculated as at 30 June 2020.

Consistent with the requirements of IAS 12 and the amount of tax losses that the Company carries forward with no maturity, provision was made to make deferred tax assets equal to deferred tax liabilities as at 30 June 2020, based on the *fair value* measurements on the investment portfolio.

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

IN EURO '000	TAX LOSSES/ACE (aid for economic growth)	IRES AT 24%	30-JUN-20	31-DEC-19
IRES - Tax losses	6,200	1,488	164	39
ACE (aid for economic growth)	1,371	329	41	0
TOTAL	7,571	1,817	205	39

9. Trade Receivables

IN EURO '000	30-JUN-20	31-DEC-19
Trade receivables	557	730
TOTAL	557	730

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

10. Cash and Cash Equivalents

IN EURO '000	30-JUN-20	31-DEC-19
Cash	0	0
Demand deposits	2,813	2,495
Payables to company credit cards	4	21
TOTAL	2,817	2,516

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 SanPaolo.

11. Shareholders' Equity

IN EURO '000	30-JUN-20	31-DEC-19
Share capital	14,507	14,000
Share premium reserves	3,442	2,978
Fair value reserve on Cash Flow Hedges	-32	-31
Other reserves	5,014	4,486
Profit (loss) carried forward	0	0
Net profit (loss) for the period	244	505
TOTAL	23,175	21,938

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.

11.1 Classification of Reserves

NATURE / DESCRIPTION IN EURO '000	AMOUNT	POSSIBILITY OF USE (*)	AVAILABLE PORTION	USES MADE IN 3 PREV. YEARS TO COVER LOSSES	USES MADE IN 3 PREV. YEARS FOR OTHER REASONS
Share capital	14,507		0	0	0
Share premium reserve (**)	3,442	A, B, C	3,442	4,050	0
Legal reserve	45	B	0	0	0
Fair Value Reserve	-32		0	0	0
Reserve for Stock Option Plan	148		0	0	0
Reserve for retained earnings (restricted part)	4,821		0	0	0
TOTAL	23,175		3,442	4,050	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.

11.2 Share Capital

IN EURO '000	30-JUN-20	31-DEC-19
Share capital	14,507	14,000
TOTAL	14,507	14,000

On 21 February 2020, the Company issued 1,400,000 LVenture ordinary shares, with no nominal value, in favour of the strategic investor **Università LUISS Guido Carli** ("Luiss"), at the close of the paid share capital increase, in tranches, with the exclusion of the option right pursuant to art. 2441, paragraphs 5 and 6 of the Italian Civil Code, reserved to Luiss. The share capital increase - which made provision for the issue of up to 1,400,000 new shares for a maximum amount of €1,015 thousand, of which up to €507.5 thousand at nominal value and up to €507.5 thousand as share premium, at a unit price of €0.725 - was resolved by the Company's Board of Directors on 13 February 2020, in partial execution of the power conferred to it in accordance with art. 2443 of the Italian Civil Code by the Company's extraordinary shareholders' meeting on 18 April 2019. Taking into account that the New Shares, jointly with the shares already issued in the 12-month prior to the transaction under review, 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"), set forth in art. 1, paragraph 5, letter a) of Regulation (EU) 2017/1129, the Company availed itself of the exemption from the obligation to publish a prospectus on the admission of the New Shares to trading on the MTA. The certification that the share capital increase had been completed pursuant to article 2444 of the Italian Civil Code was filed with the Rome Business Register on 25 February 2020.

As at 30 June 2020, the share capital of the Company was broken down as follows:

SHARES/UNITS	30-JUN-20 NUMBER	31-DEC-19 NUMBER	NOMINAL VALUE
Ordinary listed	46,021,491	44,621,491	none
Ordinary unlisted	0	0	none
TOTAL	46,021,491	44,621,491	

The Company held no treasury shares on the date on which this report was prepared.

Increased Vote

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

"[...] each share gives the right to a double vote (and, therefore, two votes for each share), where both the following conditions are met:

- the share belongs to the same subject, based on a real right that legitimately entitles the holder to exercise the voting right (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for a continuous period of at least twenty-four months;
- the satisfaction of the conditions sub (a) is certified by the continuous registration, for a continuous period of at least twenty-four months, in the special list pursuant to art. 6 quater ("Special List"), as well as the appropriate communication certifying ownership of the shareholding on the date on which the continuous period ended, issued by an intermediary at which the account was opened on which the shares were registered pursuant to the applicable legislation".

On 10 May 2017, the Issuer adopted the "Regulation for the management of the special list pursuant to art. 127-quinquies, paragraph 2, of the Consolidated Finance Act, and art. 143-quater of the Issuers' Regulation" to govern the criteria for keeping and updating the special list ("Special List") as well as the terms and methods for the registration, modification and cancellation of legitimate subjects.

The table below lists the shareholders, recorded in the "Section relating to subjects pending an increase" as at 30 June 2020:

SHAREHOLDER	NUMBER OF SHARES PENDING AN INCREASE	% (OF TOTAL VOTING RIGHTS) PRE-INCREASE	DATE OF REGISTRATION OF THE SHARES IN THE LIST PENDING THE INCREASE	DATE FROM WHICH THE INCREASE MAY BE REQUESTED
LV. EN. Holding S.r.l.	1,784,860	3.878%	3 March 2020	3 March 2022
LV. EN. Holding S.r.l.	1,784,913	3.878%	6 February 2019	6 February 2021
Stefano Pighini	864,000	1.877%	12 March 2019	12 March 2021
Stefano Pighini	7,000	0.015%	26 July 2019	26 July 2021
Mario Venezia	204,667	0.445%	2 December 2019	2 December 2021

As at 30 June 2020, there were no shareholders recorded in the "Section relating to subjects that obtained the benefit of the increase".

11.3 Share Premium Reserve

IN EURO '000	30-JUN-20	31-DEC-19
Share premium reserve	3,442	2,978
TOTAL	3,442	2,978

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.

11.4 Other Reserves, Measurement of Equity Investments at Fair Value and Profit (Loss) Carried Forward

IN EURO '000	30-JUN-20	31-DEC-19
Other reserves	5,014	4,486
Fair value reserve on Cash Flow Hedges	-32	-31
Profit (loss) prev. years	0	0
TOTAL	4,982	4,455

The other reserves include:

- the legal reserve for €45 thousand;
- the reserve for retained earnings for €4,821 thousand, containing the profits deriving from the first-time application of IFRS 9 and the amounts of profits not distributed pursuant to Legislative Decree 38/2005;
- the amounts of the two *stock option* plans, which include both the part connected with employees (€108 thousand) and that relating to directors (€40 thousand).

The structure of the two *stock option* plans is reported below:

- **stock option plan in favour of employees:** On 14 November 2017, the Company's Board of Directors resolved to execute the incentive plans for Company Employees called the "LVG 2017/2020 Incentive Plan", approved by the Shareholders' Meeting on 2 August 2017, identifying the beneficiary subjects and the number of shares to be allocated to each beneficiary. 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. Each tranche of options is

assigned a strike price, which, in each case, will be equal to the arithmetical 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. The Company subsequently 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 First Tranche of 739,110 options at a strike price of €0.6042. The Company subsequently assigned to new employees the options freed up by outgoing employees, under the same conditions;

On 29 May 2020, the Shareholders' Meeting approved the amendment to the Plan proposed by the Board of Directors, in order to make provision for a second exercise period. The options may be exercised by the beneficiaries, including partially, at the end of the *vesting period*, i.e. the period from 31 July 2021 to 31 December 2021. The options must be exercised, under penalty of forfeiture, by that final date. The options must be exercised, under penalty of forfeiture, by that final date.

Stock option plan in favour of 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 some 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, including 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 AS AT THE VALUATION DATE IN EURO	ANNUAL VOLATILITY	EXPECTED DIVIDEND RATE	EXIT RATE
1st plan - Employees	522,950	30.7.2021	31/12/2021	0.7266	0.596	30%	0%	0%
2nd plan - Employees	689,110	30.7.2021	31/12/2021	0.6042	0.596	30%	0%	0%
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 envisages 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. That amount is recorded as a balancing entry under “*Other current financial liabilities*”.

12. Non-Current Payables to Banks

IN EURO '000	30-JUN-20	31-DEC-19
Non-current payables to banks	1,615	1,918
TOTAL	1,615	1,918

Bank loans disbursed by Banca Popolare di Sondrio:

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

Bank loans disbursed by Banca Intesa San Paolo:

- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, resolved on 7 June 2016 for a total of €430 thousand, disbursed in full in 6 tranches. The 5-year repayment plan has a 6-month floating EURIBOR rate plus a spread of 3%;
- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, resolved on 16 October 2017 for a total of €800 thousand, disbursed in full on 16 October 2017. The 5-year repayment plan with a grace period of 24 months has a 1-month floating EURIBOR rate plus a spread of 2.5%;
- unsecured loan with guarantee of Banca del Mezzogiorno - Mediocredito Centrale, resolved on 14 March 2018 for a total of €800 thousand, disbursed in full on 29 March 2018. The 7-year repayment plan with a grace period of 24 months has 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* hedges, with the same principal and maturities, acquired from Banca Intesa on behalf of the Company.

13. Current Payables to Banks

IN EURO '000	30-JUN-20	31-DEC-19
Current payables to banks	607	608
TOTAL	607	608

The item includes the principal portion expiring in the next 12 months relating to *Non-current payables due to banks*.

14. Deferred Tax Liabilities

IN EURO '000	30-JUN-20	31-DEC-19
Deferred tax liabilities	205	86
TOTAL	205	86

Deferred tax liabilities are calculated in relation to the *fair value* measurements of investments in start-ups. The *fair value* measurements give rise to both deferred tax assets and to deferred tax liabilities; the Company has offset the two items in consideration of the fact that they have the same nature and average time of presumed realisation.

15. Trade and Other Payables

IN EURO '000	30-JUN-20	31-DEC-19
Trade payables	914	724
TOTAL	914	724

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

IN EURO '000	30-JUN-20	31-DEC-19
Board of Statutory Auditors	50	42
Directors' fees	22	0
<i>Internal Audit / Surveillance Body</i>	11	18
Independent Auditors	26	29
Suppliers	755	635
Others	50	0
TOTAL	914	724

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

16. Operating revenues and income

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Revenues for rental of spaces	826	845	-19
Revenues for Acceleration Programme services	315	421	-106
Revenues from Growth-LV8 programmes	87	165	-78
Open Innovation revenues	229	249	-20
External networking revenues	69	16	53
Event revenues	35	98	-63
Sponsorship revenues	202	215	-13
Other revenues	26	24	3
TOTAL	1,789	2,033	-244

Operating revenues and income in the first half of 2020 came to €1,789 thousand compared to €2,033 thousand as at 30 June 2019.

Operating revenues, based on a constant analysis perimeter, were 12% lower than the same period of the previous year. The business units most affected by the Covid-19 emergency were the rental of *Coworking* spaces and the cancellation of in-person events at the LVenture Group Hub. The reduction in Acceleration revenues is due to the smaller number of start-ups selected and admitted to the winter Acceleration programme; while the Open Innovation activities, with the adaptation of the customer offer in view of digital communication and transformation, managed to achieve similar results as the same period of the previous year.

17. Net income from investment management

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Values realised by investment management			
Gains on start-ups	629	0	629
Losses on start-ups	-9	-198	189
SUB-TOTAL	620	-198	818
Fair value measurements of investments			
Revaluations of start-ups at fair value	1,526	1,746	-220
Impairment of start-ups at fair value	-969	-706	-263
Impairment of PFIs at fair value	-175	-100	-75
Impairment of convertible loans at fair value	-50	-39	-11
SUB-TOTAL	332	902	-570
TOTAL	953	704	249

The item "Values realised from investment management" includes the difference between the realisable value of the portfolio start-ups and the latest *fair value* measurement carried out. In the specific case, there are 2 start-ups for which the Company has completed the Exit procedure:

BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	YEAR OF EXIT	EXIT TYPE	LATEST FAIR VALUE IN EURO '000	TOTAL REALISED IN EURO '000	GAIN/(LOSS) REALISED IN EURO '000
LYBRA TECH	2018	2020	Exit	348	977	629
MENTHA	2019	2020	Exit	50	50	0
TOTAL				398	1,027	629

The item "Fair value measurement of investments" contains the *fair value* measurements on the portfolio start-ups, on PFIs (participating financial instruments) and convertible loans according to IFRS 9.

Based on the measurement rules indicated in the "Measurement criteria and accounting standards applied" (Note 5.5), the main revaluations in the first half of 2020 concerned:

- SHAMPORA: for €998 thousand;
- CODEMOTION: for €358 thousand;
- MYAEDES: for €100 thousand;
- VIKEY: for €59 thousand;

while the main write-downs concerned:

- RIDE: for €157 thousand;
- BIGPROFILES (DATAFALLS): for €150 thousand;
- REVOTREE: for €80 thousand;
- WINEOWINE: for €63 thousand;
- INKDOME: for €60 thousand;
- AVVOCATOFLASH: for €60 thousand;
- NEXTWIN: for €58 thousand;
- MAJEEKO: for €51 thousand;
- BABAIOLA: for €50 thousand.

18. Costs for Services

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Board of Statutory Auditors	-21	-24	3
Directors' fees	-94	-113	19
Investor Relator	0	-8	8
Professional consulting	-247	-266	19
Legal consulting	-30	-22	-8
Notary services	-5	-5	1
Services related to stock exchange listing	-24	-22	-3
Independent Auditors	-17	-10	-8
Other	-84	-227	142
TOTAL	-523	-696	173

Costs for services reflect the savings policy applied by the Company as a result of Covid-19.

19. Personnel Costs

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Personnel cost	-879	-1,024	145
TOTAL	-879	-1,024	145

The decrease in the item is due to:

- the resignation of two Company employees, one of whom a manager;
- reduction in personnel costs, from March to June 2020, through the use of the Wages Guarantee Fund in derogation, use of holidays by employees and the reduction in collaboration contracts.

The table below shows the headcount as at 30 June 2020:

HEADCOUNT	30-JUN-20	31-DEC-19	CHANGE
Executives	1	2	-1
Middle Managers	6	5	1
White-collar staff	22	24	-2
TOTAL EMPLOYEES	29	31	-2
Collaborators	10	20	-10
TOTAL	39	51	-12
<i>Average employees during the year</i>	24.15	26.5	-2.35

20. Other operating costs

Details of other operating costs are shown below:

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Rent	-603	-535	-68
Stationery and printed materials	-4	-15	11
Other operating expenses	-261	-211	-50
TOTAL	-869	-761	-108

The rise in operating costs is attributable to the increase in spaces with the additional rental, from June 2020, of the 4th floor of the Rome HUB, and higher accessory costs in respect of their management.

21. Income Taxes

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
Current taxes	31	0	31
Deferred tax assets and liabilities	46	6	40
TOTAL	78	6	72

The item includes taxes, both current and deferred taxes recognised in the Company's Financial Statements as already indicated in Note 8 (Deferred Tax Assets) and Note 14 (Deferred Tax Liabilities).

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
CURRENT TAXES:			
IRES	0	0	0
IRAP	0	0	0
Tax credit pursuant to Art. 28 of the Relaunch Law Decree	31	0	31
TOTAL	31	0	31

IN EURO '000	30-JUN-20	30-JUN-19	CHANGE
DEFERRED TAX ASSETS AND LIABILITIES:			
IRES	46	6	40
IRAP	0	0	0
TOTAL	46	6	40

22. Earnings Per Share

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

IN EURO	30-JUN-20	31-DEC-19
NET PROFIT (LOSS) FOR THE PERIOD	243,945	504,517
Ordinary shares	46,021,491	44,621,491
EARNINGS PER SHARE	0.0053	0.0113
Ordinary shares + potential ordinary shares	46,021,491	44,621,491
DILUTED EARNINGS PER SHARE	0.0053	0.0113

23. 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:

- the net financial position of the Company, highlighting the short-term components separately from medium/long-term components;
- 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.);
- transactions with related parties of the Company;
- 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;
- 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:

23.1 Net Financial Position of the Company

IN EURO '000	30-JUN-20	31-DEC-19
A Cash	0	0
B Other cash and cash equivalents	2,817	2,516
C Securities held for trading	0	0
D LIQUIDITY (A + B + C)	2,817	2,516
E OTHER CURRENT FINANCIAL RECEIVABLES	57	199
F Current payables to banks	0	0
G Current portion of non-current debt	-630	-608
H Other current financial payables	0	0
I CURRENT FINANCIAL DEBT (F + G + H)	-630	-608
J NET CURRENT FINANCIAL DEBT (D + E + I)	2,244	2,107
K.1 Other non-current financial receivables	0	0
K.2 Non-current payables to banks	-1,615	-1918
L Bonds issued	0	0
M Other non-current payables	-148	-34
N NON-CURRENT FINANCIAL DEBT (K.1 + K.2 + L + M)	-1,763	-1,953
O NET FINANCIAL POSITION (J + N)	481	154

23.2 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	30-JUN-20	31-DEC-19
Financial Payables	0	0
Tax Payables	0	0
Social Security Payables	0	0
Due to Employees	0	0
Trade Payables	395	391
Other Payables	0	0

IN EURO '000	30-JUN-20	31-DEC-19
TOTAL PAST-DUE PAYABLES	395	391

23.3 Transactions with Related Parties

Transactions with related parties are described in Note 24.

23.4 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.

23.5 Implementation Status of Any Business and Financial Plans, with an Indication of Variances Between Actual and Forecast Data

With the rapid spread of Covid-19 in Italy, the Company implemented all the procedures indicated by the Ministry of Health. The workers all shifted into *smart working* mode, even if the Company's office was not closed and only an extremely limited number of people remained there.

In relation to the 2020-2022 Business Plan (the "Plan"), it is observed that:

- **Operating revenues and income** as at 30 June 2020 came to €1,789 thousand, -32% compared to €2,630 thousand expected in the Business Plan. In particular, the business lines that underwent the biggest slowdown are:
 - o Events due to the cancellation of planned events from March to October;
 - o *Co-working* for discounts granted in relation to the *lock-down* period;
 - o Open Innovation for delays in activities strictly related to in-person events, while communication and digital transformation of activities continued;
- **Net income from investment management** stood at €953 thousand, down 26% compared to €1,298 thousand expected as at 30 June 2020. Start-up capitalisation transactions were implemented, despite the lockdown period. The Company is continuing with activities to increase the value of its portfolio - with particular regard to the portfolio start-ups considered "High Potential" or "Star" -, which present the best return opportunities. In the first half of 2020, the Exit on the portfolio start-up Lybra tech was concluded, with a capital return of 4.25x and a capital gain of €629 thousand. The net revaluations relating to the first half of 2020 amounted to €332 thousand;
- the Company implemented a plan to reduce **costs** which came to €2,271 thousand, -25% compared to €3,045 thousand expected as at 30 June 2020.

The actions taken helped to reduce the worsening in the operating margin, which settled at €471 thousand compared to €883 thousand expected for the first half of 2020.

The table below shows the summary data as at 30 June 2020 compared with the data set forth in the 2020-2022 Business Plan for the same period:

IN EURO '000	ACTUAL 30-JUN-20	BUSINESS PLAN 30- JUN-20	CHANGE
Operating revenues and income	1,789	2,630	-841
Net income from investment management ⁵	953	1,298	-345
Costs	-2,271	-3,045	-774
GROSS OPERATING MARGIN	471	883	-412
PRE-TAX PROFIT (LOSS)	166	684	-518
INVESTMENTS IN START-UPS	1,629	1,615	+14

24. 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:

⁵ Details of the item "Income from investment management" as at 30 June 2020 is analysed in Note 17, as regards the figures of the Business Plan they are estimated only as overall figures.

- 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.

24.1 Main Transactions Concluded During the Period

In 2020, no additional transactions with related parties other than those reported below were carried out.

24.2 Related Party Transactions in Place as at 30 June 2020

In 2020, 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.

24.3 Trade Transactions with Related Entities - Revenues

There were no transactions generating revenues in 2020.

24.4 Trade Transactions with Related Entities - Costs

There were no transactions generating costs in 2020.

24.5 Trade Transactions with Related Entities - Receivables and Payables

There were no transactions generating receivables or payables in 2020.

24.6 Financial Transactions with Related Entities - Investments

There were no relevant transactions in 2020.

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.

24. Significant Events After the Period Close

No significant events occurred after period close.

Certification of the Condensed Half-Yearly 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 30 June 2020.

The assessment of the adequacy of the administrative and accounting procedures for the formation of the Condensed Half-Yearly Financial Statements as at 30 June 2020 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 Condensed Half-Yearly 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 interim directors' report includes a reliable analysis of the references to important events that took place in the first six months of the year and their impact on the condensed half-yearly financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of the information on significant transactions with related parties.

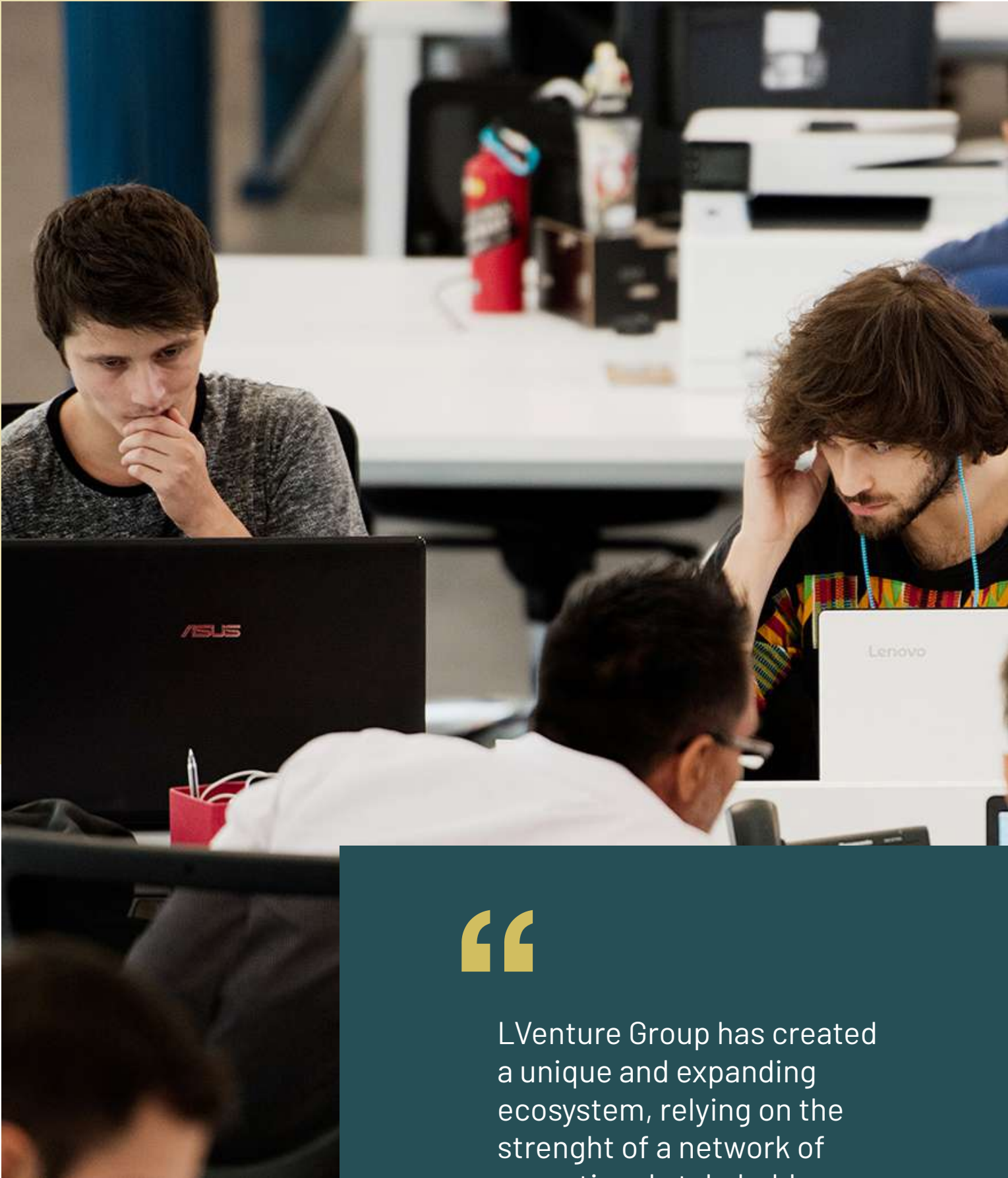
Rome, 10 September 2020

Francesca Bartoli

*Corporate officer in charge of
preparing the accounting documents*

Stefano Pighini

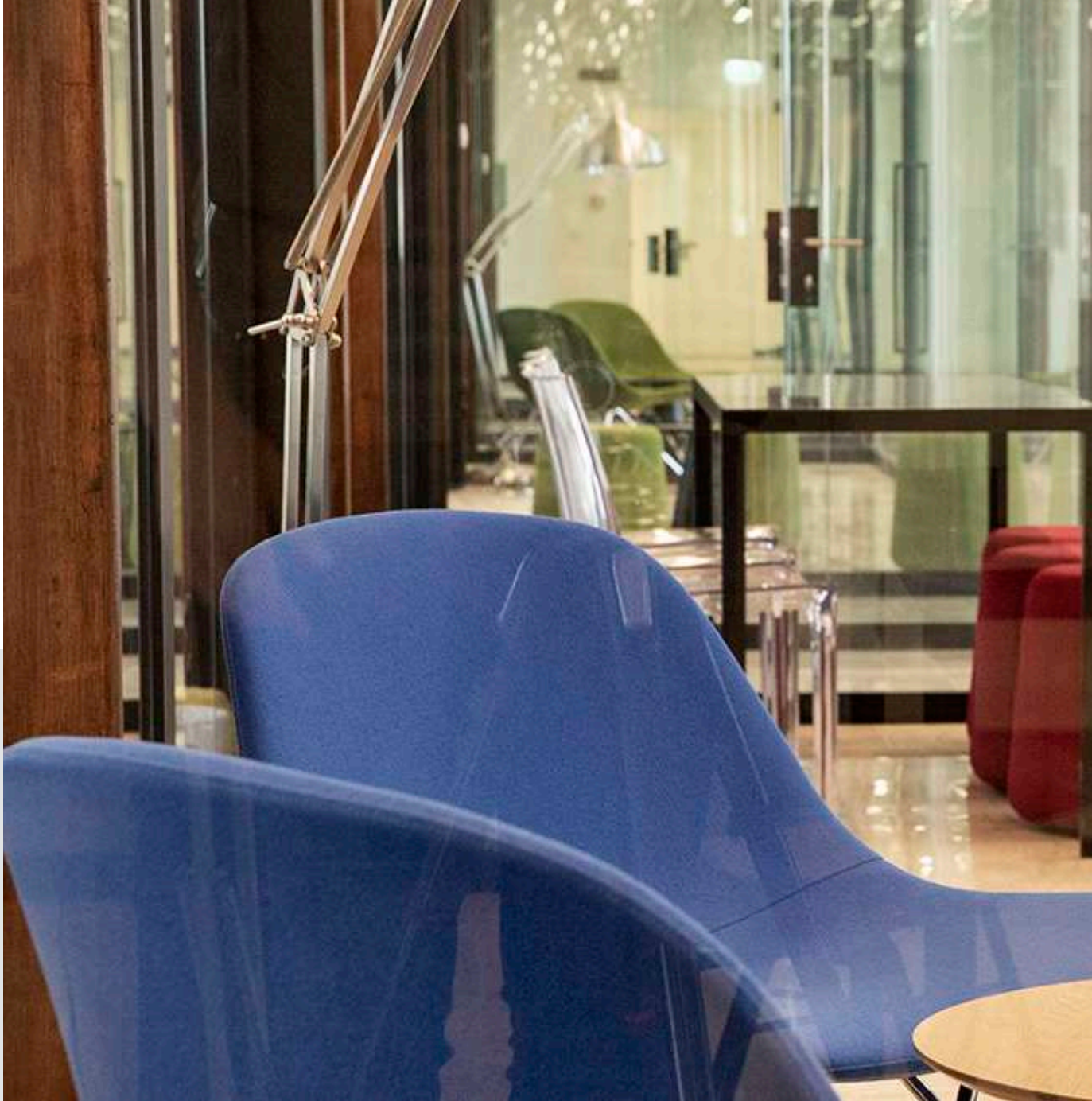
Chairman of the Board of Directors



“

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

”





Report of the Indipendent Auditors



**REPORT ON REVIEW
OF THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS
(Translation from the original Italian text)**

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

Baker Tilly Revisa S.p.A.

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Introduction

We have reviewed the condensed half-yearly financial statements of LVenture Group S.p.A. as of June 30, 2020, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes. The directors of LVenture Group S.p.A. are responsible for the preparation of the condensed half-yearly financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half-yearly financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob (the Italian Stock Exchange Regulatory Agency) in Resolution No. 10867 dated 31 July 1997. A review of condensed half-yearly financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed half-yearly financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly financial statements of LVenture Group S.p.A. as of June 30, 2020 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Verona, Italy

September 10, 2020

Baker Tilly Revisa S.p.A.

Signed by: Pierpaolo Gallonetto - Partner

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



Glossary

Accelerator	The <i>start-up</i> accelerator of the Company that operates with the <i>brand</i> "Luiss EnLabs - the <i>start-up</i> factory".
Advisor	Person with special managerial and/or entrepreneurial experience and skills in the digital sector.
Corporate Businesses or Corporates	Undertakings and business groups to which the Company offers its services.
Business Angel	The business angel, or informal investor in risk capital, is a natural person with a passion for <i>start-ups</i> , finances and assists it, bringing not only capital but his/her experience, knowledge, contacts. Business angels, unlike investment funds, invest their own resources and their motivation is often not purely financial.
Ministerial Decree of 30 January 2014	Ministerial Decree of 30 January 2014 (implementing art. 29 of Decree Law no. 179 of 18 October 2012, converted, with amendments, from Law no. 221 of 17 December 2012) regarding tax incentives for investment in innovative <i>start-ups</i> .
Deal Flow	Investment proposals.
Decreto Crescita 2.0 (Growth 2.0 Decree)	Decree Law no. 179 of 18 October 2012 - approved under Law no. 221 of 17 December 2012 - containing, inter alia, provisions regarding innovative <i>start-ups</i> and certified incubators, as amended by Decree Law no. 76 of 28 June 2013.
Ecosystem	This refers to a dense network of contacts between investors, companies, experts, entrepreneurs, <i>partners</i> and <i>sponsors</i> that are involved on an ongoing basis in the Company's activities in order to learn about and interact with the <i>start-ups</i> .
Exit	Term used to identify the divestment of the Company's equity investment in the <i>start-up</i> .
Fair Value	The consideration at which an asset can be exchanged, or a liability settled, between informed and willing parties, in a transaction between independent third parties.
Follow-On	Company investments in <i>start-ups</i> that have completed the Acceleration Programme carried out in order to support their growth and development.
Hackathon	Neologism deriving from a combination of " <i>hacking</i> " and " <i>marathon</i> ", or an event in which the participants immerse themselves in an idea-generating marathon (in the majority of cases split into <i>teams</i> or challenges on chosen themes, in order to create innovative projects/solutions in a quick turnaround (24/48 hours).
Holding Period	The average time <i>start-ups</i> remain in the Company's investment portfolio.
Rome HUB	The company offices in Rome, Via Marsala 29h.
Milan HUB	The Company offices in Milan, Via D'Azeglio n. 3.
Indirect investments	These relate to investments made in <i>start-ups</i> , based on a profit-sharing agreement.
LUISS	LUISS - Libera Università Internazionale degli Studi Sociali Guido Carli di Roma (The Guido Carli Free International University for Social Studies of Rome).
LUISS ENLABS	Luiss EnLabs is the <i>brand</i> with which the Company operates for activities of certified incubator of innovative <i>start-ups</i> .
Lean Methodologies	The process of product development and creation that is based on frequent interactions, constant and continuous acquisition of data, product optimisation, including the grand visions and lofty ambitions of the entire <i>team</i> .
Micro Seed Financing or Micro Seed or Micro-Seed	Company investment of limited financial resources in the majority of cases, incorporated in the Acceleration Programme.
Nesta	"National Endowment for Science, Technology and the Arts", is an independent <i>non-profit</i> organisation that works to increase the innovation capacity of the United Kingdom. The organisation acts through a combination of practical programmes, investments, policy, research and formation of <i>partnerships</i> to promote innovation through a wide range of sectors.

Open Innovation or Open Innovation Programme	The exclusive programme of the Company dedicated to <i>Corporate Enterprises</i> .
Partner	Carefully selected professionals based on their professional skills, experiences similar to the Company's <i>core business</i> , as well as based on their <i>network</i> , with the goal of collaborating in the development of the Ecosystem, plus the development of relations with national and international investors for the benefit of the Company and the Start-ups.
Investment Portfolio or Portfolio	The management term used by the Company with reference to the direct and indirect investments made in start-ups (Micro Seed and Seed).
<i>Acceleration Programme</i>	The start-up formation process, lasting 5 months, organised by the Accelerator, which aims to turn a project, to be developed in the Accelerator's premises, into a company.
Incubation Programme	The programme dedicated to the validation of start-ups' entrepreneurial ideas, usually financed by <i>sponsorships</i> by leading Italian businesses or associations.
Growth-LV8 Programme	The Growth-LV8 Programme, aimed at providing support on the themes of <i>marketing</i> and technological development of Start-ups and companies in order to accelerate their growth.
Average Return	The average return of Seed, Micro Seed and Follow-On investments.
Seed Financing or Seed	Company investments in start-ups in the post-Acceleration Programme phases or obtained on the market.
Start-up	The companies (digital and innovative) in the first phases of development in which the Issuer assumes equity investments, represented by securities or not. Following the investment, the Company takes a <i>hands on</i> approach to the investments.
Participating Financial Instruments or PFIs	This term 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- <i>bis</i> of the Italian Civil Code.
SAFE	SAFE (Simple Agreement For Future Equity) is an investment contract mainly used in the USA, similar to the KISS (Keep It Simple Security), comparable to a convertible loan without right of reimbursement and that gives the investor the future right to acquire shareholdings in a start-up normally of the privileged type as part of a first liquidity event (share capital increase, sale, etc.).
Pre Money Valuation	This is the valuation of a company (shares or holdings) before the contribution of new financial resources through investment.
Post Money Valuation	This is the valuation of a company (shares or holdings) following the contribution of new financial resources through investment. The Post Money Valuation is equal to the Pre Money Valuation to which the amount of aforementioned investments is added.
<i>Venture Capital</i>	This refers to the activity of institutional financial investment in the launch and development phases of a new business with potential for considerable growth, with the assumption of high investment risk.
<i>Venture Capitalist</i>	Institutional operators working in the <i>Venture Capital</i> sector.
Write-off	Reduction of the value of the equity investment held by the Company following impairment of the start-up.





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