

---

**2017 ANNUAL REPORT OF THE TAMBURI INVESTMENT PARTNERS GROUP**

**(TRANSLATION FROM THE ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION)**

---

---

## CONTENTS

Corporate Boards	3
Directors' Report	4
Motion for allocation of the profit for the year of Tamburi Investment Partners S.p.A.	17
 <b>Consolidated Financial Statements</b>	
Financial Statements	18
<ul style="list-style-type: none"><li>Consolidated Income Statement</li><li>Consolidated Statement of Comprehensive Income</li><li>Consolidated Statement of Financial Position</li><li>Statement of changes in Consolidated Equity</li><li>Consolidated Statement of Cash Flows</li></ul>	
Explanatory notes to the 2017 consolidated financial statements	24
Attachments	63
<ul style="list-style-type: none"><li>Declaration of the Executive Officer for Financial Reporting</li><li>List of investments held</li><li>Changes in AFS financial assets measured at fair value</li><li>Changes in associates measured under the equity method</li><li>Independent Auditors' Report</li><li>Fees for audit services</li></ul>	
 <b>Separate Financial Statements</b>	
Financial Statements	71
<ul style="list-style-type: none"><li>Income Statement</li><li>Statement of Comprehensive Income</li><li>Statement of Financial Position</li><li>Statement of changes in Equity</li><li>Statement of Cash Flows</li></ul>	
Explanatory notes to the 2017 financial statements	77
Attachments	97
<ul style="list-style-type: none"><li>Declaration of the Executive Officer for Financial Reporting</li><li>List of investments held</li><li>2017 key financial highlights of the subsidiaries</li><li>Changes in AFS financial assets measured at fair value</li><li>Changes in investments in associated companies</li><li>Board of Statutory Auditors' Report</li><li>Independent Auditors' Report</li></ul>	

## Corporate Boards

### Board of Directors of Tamburi Investment Partners S.p.A.

Giovanni Tamburi	Chairman and Chief Executive Officer
Alessandra Gritti	Vice Chairman and Chief Executive Officer
Cesare d'Amico	Vice Chairman
Claudio Berretti	Executive Director & General Manager
Alberto Capponi (1)(2)	Independent Director *
Paolo d'Amico	Director
Giuseppe Ferrero (1)	Independent Director *
Manuela Mezzetti (1)(2)	Independent Director *
Daniela Palestra (2)	Independent Director *

### Board of Statutory Auditors

Emanuele Cottino	Chairman
Paola Galbiati	Standing Auditor
Andrea Mariani	Standing Auditor
Laura Visconti	Alternate Auditor
Fabio Pasquini	Alternate Auditor

### Independent Audit Firm

PricewaterhouseCoopers S.p.A.

(1) Member of the appointments and remuneration committee

(2) Member of the control and risks and related parties committee

\* In accordance with the Self-Governance Code

## 2017 Directors' Report of the Tamburi Investment Partners Group

The Tamburi Investment Partners Group (hereafter “TIP Group”) closed 2017 with a consolidated profit of Euro 72.1 million. This was therefore another very strong year.

Consolidated net equity exceeded Euro 647 million, increasing in 2017 over Euro 210 million on December 31, 2016, after a dividend distribution of over Euro 10 million. This increase derives from the growth in the value of the investees and, for approximately Euro 50.9 million, the exercise in June of 12,261,997 warrants, with the issue of a similar number of new TIP shares.

While the net profit in 2016 was significantly impacted by the capital gain of approximately Euro 78 million realised from the divestment from Ruffini Partecipazioni S.r.l. and the relative allocation of Moncler shares, the 2017 result benefitted from the capital gain of the investee Clubtre S.p.A., equal to approximately Euro 20.7 million, following the partial sale of Prysmian S.p.A. shares by Clubtre and the capital gain from the partial sale of Amplifon S.p.A. shares of approximately Euro 29.2 million.

Both divestments concerned approximately one-third of the holdings in the respective companies. Therefore the TIP Group continues to hold very significant holdings compared to the original investments, confirming the strong assessment of their potential.

The Amplifon transaction took place in the context of a wider medium-term partnership between the TIP Group and the Holland family, which controls Amplifon. In December 2017, based on agreements between TIP, Ampliter and Amplifon (company which controls 100% of the share capital of Ampliter), a minority stake was acquired for Euro 50 million in Ampliter by Asset Italia 2 S.r.l., the purpose vehicle established for the transaction in line with typical Asset Italia operations. The investment in Ampliter was therefore of a significantly higher amount than the liquidity received by TIP from the sale of the Amplifon shares.

The transaction finalized by Clubtre, held 43.28% by TIP on a fully diluted basis, concerned 4 million shares in Prysmian, corresponding to 1.85% of the share capital, sold for a total value of Euro 97.6 million, before commissions. Clubtre remains one of the largest shareholders of Prysmian even after this transaction, with over 4% of the share capital.

At the end of 2017, taking also in consideration the market performances and reasonable forecasts, the holding in Moncler was lightened slightly, with a further gain of approximately Euro 12 million. Simultaneously a small part of the income was invested in Moncler call options, evidence of the confidence in the future of the company.

TIP also reported strong results from other activities; advisory revenues in 2017 exceeded Euro 7 million and other financial income than the above-mentioned transactions - mainly dividends from investees and interest - amount to approximately Euro 11.3 million; the share of profit of

associated companies, other than the capital gain realised by Clubtre, amounts to approximately Euro 15.2 million.

Costs were substantially in line with preceding years, while executive director fees, as always, were linked to company performance.

At December 31, 2017, TIP Group consolidated net financial position – also taking into account the TIP 2014-2020 bond loan - was approximately Euro 115.6 million, with a significant improvement on approximately Euro 200 million at December 31, 2016.

In addition to the transactions illustrated above, in 2017 TIP invested further in Hugo Boss AG, in Gruppo IPG Holding S.p.A. (parent company of Interpump Group S.p.A.) and in Digital Magics S.p.A, subscribing - for an amount above its direct holding - to a share capital increase and exercising all the warrants held. TIP also increased its holding in Clubitaly S.p.A., which holds 19.74% of Eataly S.r.l., subscribing - also in this case for an amount above its direct holding - to a share capital increase.

Very significant investments were undertaken by the associated companies Asset Italia S.p.A. and TIPO – TIP Pre IPO S.p.A.

In June 2017 Asset Italia finalised the investment in Alpitour S.p.A subscribing to a capital increase of approximately Euro 120 million by Asset Italia 1 S.r.l., the purpose vehicle established for the transaction. Following this operation Asset Italia 1 holds 32.67% of the share capital of Alpitour. The investment, including transaction costs, was financed through a share capital increase of Euro 121 million subscribed by the shareholders of Asset Italia involved in the transaction. The investment in Alpitour by Asset Italia resulted in a cash outlay for TIP, which holds 30.91% of the tracking shares related to Asset Italia 1, in excess of Euro 37 million.

The transaction provides Alpitour with financial resources to accelerate growth, including through further acquisitions, consolidation and partnerships in Italy and abroad, in line with business plans which involve a greater leadership role in the sector, including in the international arena.

In December 2017 a stake was also acquired in Ampliter S.r.l., parent company of Amplifon S.p.A.. The investment, amounting to Euro 50 million, involved the acquisition of a minority stake in Ampliter by Asset Italia 2 S.r.l., the purpose vehicle established for the transaction. TIP holds 20.00% of the shares tracking Asset Italia 2 for a cash outlay of Euro 10.1 million.

In July 2017 TIPO acquired 20% of the Chiorino Group, a global leader in the manufacture of process and conveyor belts for industrial processes; the investment was partially financed by capital already held in TIPO - mainly from the sale of Advanced Accelerator Applications S.A. shares - and partially through recourse to a share capital increase in July 2017. The share capital increase in TIPO subscribed by TIP was Euro 5.7 million.

In September 2017 the StarTIP project was launched which was allocated up to Euro 100 million

to be invested in the coming years in initiatives in fields such as start-ups, digital and innovation, in the belief that the stand-out features of the TIP Group, of its entrepreneurial shareholders and of its investee companies, can significantly boost the development of truly innovative companies.

In 2017 the holdings in Digital Magics S.p.A., Heroes S.r.l. (company with a stake in Talent Garden S.p.A.), MyWoWo and Telesia S.p.A. were transferred to StarTIP.

The synergies generated from the integration of the professional expertise and funding of StarTIP and its network with the specific know-how of Digital Magics, the leading Italian incubator and accelerator and of Talent Garden, the largest operator of co-working spaces in Europe, has given life to a unique cluster in the sector.

During 2017 StarTIP increased its stake in Digital Magics with a further investment of Euro 1.1 million and on IPO subscribed, for approximately Euro 5 million, 7.9% of the shares in Alkemy S.p.A.

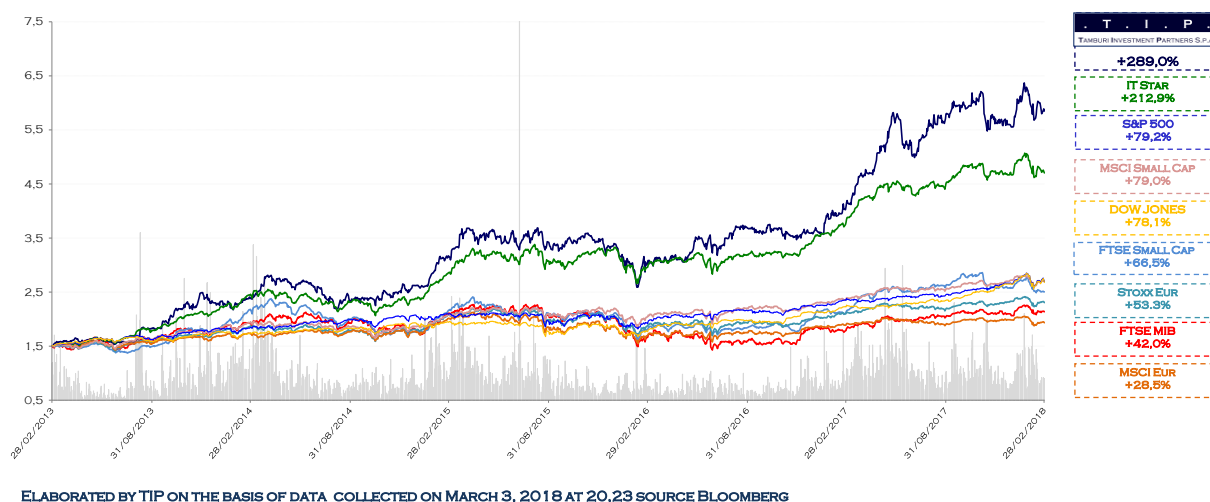
The results communicated to date by the main investees, Amplifon, FCA, Ferrari, Interpump, Moncler and Prysmian, confirm the excellent results expected for 2017. Also the other direct and indirect investee companies, including Alpitour, BE, Chiorino Digital Magics, Eataly, Furla, Roche Bobois, Talent Garden, Beta, iGuzzini and Octo are performing well.

The TIP share price in the year progressed well, outperforming nearly all the main indices and was up approximately 54.3% at December 31, 2017 compared to the beginning of the year, while the FTSE MIB was up approximately 13.6% in the same period.

The usual five-year TIP share chart (at February 28, 2018) highlights the very strong performance of the TIP share, improving +289%; the total return<sup>1</sup> for TIP shareholders over the five years was 322% (annual average of 64.5%).

---

<sup>1</sup> Performance of the TIP share price, dividends distributed and of the 2015-2020 warrants allocated without consideration to shareholders



## EQUITY HOLDINGS – PRINCIPAL INVESTMENTS AT DECEMBER 31, 2017

The financial results reported below refer, where available, to the 2017 Annual Report already approved by the Board of Directors of the investees by the current date; in the absence of such figures, reference is made to the report for the first nine months of the year or the prior year Annual Report.

### A) SUBSIDIARIES

#### StarTIP S.r.l.

TIP holding at December 31, 2017: 100%

100% subsidiary of TIP. The StarTIP project provides for the concentration in this company of the investments in the field of start-ups, digital and innovation.

In 2017, TIP transferred to StarTIP its holdings in Digital Magics S.p.A., Heroes S.r.l. (company with a stake in Talent Garden S.p.A.), MyWoWo and Telesia S.p.A.

During 2017 StarTIP increased its stake in Digital Magics with a further investment of Euro 1.1 million.

The results of Digital Magics S.p.A. are illustrated in the section on investments in listed companies.

In November, StarTIP subscribed on IPO, for approximately Euro 5 million, 7.9% of the shares of Alkemy S.p.A. Alkemy supports medium/large sized Italian and foreign companies in the digital transformation process of operations, of the relative business models and interaction with customers, through the creation, planning and activation of innovative solutions and projects aimed at the development and renewal of their digital business. Alkemy's portfolio counts over 128 clients operating in a range of sectors. In the first half of 2017 revenues totalled Euro 19.8 million, up 28.5% on Euro 15.4 million in the same period of the previous year.

StarTIP also subscribed, for Euro 0.5 million, to a convertible bond issued by Buzzoole Holding Ltd., a service platform in support of Influencer Marketing.

**TXR S.r.l (company which holds 38.34% of Furn Invest S.a.S.)**

TIP holding at December 31, 2017: 51.00%

TXR, a 51.0% subsidiary, with the residual share held by other co-investors (including a trust company) not qualifying as related parties pursuant to IAS 24, in accordance with the club deals promoted by TIP was incorporated for the purpose of acquiring a shareholding in Furn-Invest S.a.S., a company which controls 98.9% of the Roche Bobois group.

Roche Bobois is the world leader in the creation and distribution of select high quality, design and luxury furniture products. The group operates the largest chain worldwide of high-end design furniture products, with a network – direct and/or franchising – comprising approximately 325 sales points (of which 110 owned) located in prestigious commercial areas, with a presence in the most important cities worldwide, including Europe, North, Central and South America, Africa, Asia and the Middle East.

In 2017 the Roche Bobois group grew further and the preliminary results indicate aggregate revenues (including franchising stores) of approximately Euro 552 million, while consolidated revenues - which only refer to direct sales - totalled approximately Euro 267 million with a consolidated Ebitda of approximately Euro 29 million; the Group has a net cash position.

## **B) ASSOCIATED COMPANIES**

**Asset Italia S.p.A.**

TIP holding at December 31, 2017: 20.00% excluding the tracking shares related to specific investments

Asset Italia, incorporated in 2016 with the subscription, in addition to TIP, of approximately 30 family offices, with total capital funding of Euro 550 million, acts as an investment holding and gives shareholders the opportunity to choose for each proposal their individual investments and the receipt of tracking shares for the specific asset class related to the investment subscribed.

Asset Italia and TIP will combine by 2021.

TIP holds 20% of Asset Italia, and will undertake at least a pro-quota holding in all approved operations and provide support for the identification, selection, assessment and execution of investment projects.

At December 31, 2017 Asset Italia, following the two investments previously illustrated, holds through purpose vehicles the following investments.

**Alpitour S.p.A.**

Asset Italia 1, vehicle company of Asset Italia, holds 32.67% of the share capital of Alpitour.

TIP holds 30.91% of Asset Italia shares tracking Asset Italia 1.



Alpitour enjoys a leadership position in Italy thanks to its strong presence in all sectors (tour operating off line and on line, aviation, hotels, travel agencies and incoming).

The year 2017 (year ends October 31) reported consolidated revenues of over Euro 1.2 billion, growth in all divisions and an EBITDA of approximately Euro 46 million, up 28% on the previous year.

### **Ampliter S.r.l.**

Asset Italia 2, vehicle company of Asset Italia, has a stake of a little over 6% in Ampliter S.r.l., parent company of Amplifon S.p.A. TIP has a 20% stake in shares of Asset Italia tracking Asset Italia 2.

The results of Amplifon S.p.A. are illustrated in the section on investments in listed companies.

### **BE Think, Solve, Execute S.p.A. (“BE”)**

TIP holding at December 31, 2017: 23.41%

Listed on the Italian Stock Exchange - STAR Segment.

The BE group is one of the leading Italian management consultancy operators for the banking and insurance sectors and for IT and back office design services.

In the first nine months of 2017 the BE Group reported consolidated revenues of Euro 92.7 million and an EBITDA of Euro 11.7 million, up 5.5% on the first nine months of 2016.

### **Clubitaly S.p.A.**

TIP holding at December 31, 2017: 30.20%

Clubitaly was incorporated in 2014, together with some entrepreneurial families and family offices, two of which qualify as related parties pursuant to IAS 24, and acquired from Eatinvest S.r.l., a company controlled by the Farinetti family, 20% of Eataly S.r.l. Clubitaly S.p.A. currently holds 19.74% of Eataly.

Eataly, founded in 2003 by Oscar Farinetti, operates with a global reach in the distribution and marketing of Italian high-end gastronomic products integrating production, sales, catering and healthy living. The company represents a peculiar phenomenon - being the only Italian company in the food retail sector with a truly international vocation, as well as a symbol of Italian food and of high quality Made in Italy products worldwide.

In October 2017, Clubitaly S.p.A. completed a share capital increase of approximately Euro 4 million, for the purposes of the simultaneous subscription of its holding in the capital increase approved by the investee Eataly totalling Euro 20 million.

Eataly currently operate in Italy, America, the Middle and Far East and is implementing a significant store opening programme in some of the world's major cities through direct sales points and franchises. During 2017, openings took place at Trieste, the largest franchising sales point in Moscow and at the first store on the West Coast of the United States (Los Angeles). In

addition, in November FICO was launched, the largest agro-food park in the world, which concentrates Italian excellence in two open hectares of fields and stalls, eight covered hectares accommodating 40 food laboratories, but accessible to visitors, 45 eateries and 9 thousand square metres of food and kitchen design market, of the leading brands from the Italian industry.

The preliminary results of Eataly for the year 2017 report group revenues just under Euro 500 million, with further growth of over 20%, and an EBITDA of over Euro 20 million.

### **Clubtre S.p.A.**

TIP holding at December 31, 2017: 24.62% (43.28% fully diluted)

Clubtre S.p.A. is currently - except for a group of funds - the largest shareholder in Prysmian S.p.A. even after the sale of shares in 2017.

Prysmian is the world leader in the production of energy and telecommunication cables.

In 2017 Prysmian reported consolidated revenues of approximately Euro 7.901 billion, an adjusted Ebitda of approximately Euro 733 million, up 3%, and a net profit of approximately Euro 227 million.

At the end of 2017 Prysmian was successful in the acquisition, for total consideration of approximately USD 3 billion, of General Cable, third group worldwide in the sector and leading operator in the North American market.

### **Gruppo IPG Holding S.p.A.**

TIP holding at December 31, 2017: 23.64%, 33.72% fully diluted

In March 2017 Gruppo IPG Holding S.p.A. acquired - with an over the counter operation - 2,000,000 ordinary shares of Interpump Group S.p.A., thus increasing its holding to 25,406,799 shares (equal to 23.67% of the share capital) in the Interpump Group, world leader in the production of high pressure piston pumps, power take-offs (PTOs), distributors and hydraulic systems. The transaction was financed proportionally by shareholders and with an increase in bank funding by IPGH.

In 2017 Interpump Group reported consolidated revenues of Euro 1.086 billion, up 17.7%, an Ebitda of Euro 248.6 million, up 25.3% on Euro 198.5 million in 2016 and a net profit of Euro 135.6 million.

### **TIP-PRE IPO S.p.A. – TIPO**

TIP holding at December 31, 2017: 28.57%

TIPO undertakes investments in Italian or overseas companies in the industrial or services sectors, with revenues of between Euro 30 and 200 million, listed on a stock exchange or with a view to listing on a regulated equity market.

TIPO may also subscribe convertible bonds, cum warrants or other “semi-equity” similar

instruments, as well as share capital increases – including companies already listed on the stock exchange – provided that the transactions are to be considered as part of expansion projects, investments and/or growth of the respective activities.

At December 31, 2017, TIPO held the following shareholdings:

#### **Beta Utensili S.p.A.**

Following the operations on the share capital in 2017, TIPO holds directly 3.94% in the share capital of Beta Utensili S.p.A. and indirectly 30.87% through Betaclub S.r.l., a company in turn controlled by TIPO with 58.417%. Beta Utensili is the leader in Italy in the distribution and production of high quality professional utensils.

The preliminary results of the Beta Utensil Group for year 2017 report consolidated revenues above Euro 137 million, up 6% and an adjusted EBITDA above Euro 29 million, up 14%.

The company therefore continued its strong growth which also includes acquisitions aimed at strengthening its market positioning with expansion of the product range and distribution channels. In 2017 the first two acquisitions were completed relating to a supplier company and an important foreign distributor whose activities are not yet reflected in the operating results illustrated above. In January 2018 the company BM S.p.A. was acquired, an Italian company operating in a market segment in which the Group currently does not operate.

#### **iGuzzini Illuminazione S.p.A.**

TIPO holds 14.29% (15.85% on a fully diluted basis) of iGuzzini Illuminazione S.p.A., the Italian leader - and among the leaders in Europe - in the design and production of high quality internal and external architectural lighting systems. The sectors of application include the lighting of historic buildings and cultural events, retail spaces, offices, residential buildings, hotels, streets and urban areas. In 2016, TIPO, together with some members of the Guzzini family, incorporated GH S.r.l. with the purpose of acquiring some investments in Fimag S.p.A., a company which in addition to holding approximately 75% (84.15% on a fully diluted basis) in iGuzzini Illuminazione S.p.A., holds other assets.

The total investment by TIPO in this second transaction was approximately Euro 11 million, of which Euro 5.5 million in 2017.

In 2017, GH completed the planned acquisitions and in December 2017 was merged by incorporation into Fimag. Following the merger, TIPO holds 6.67% in Fimag.

The preliminary results of the iGuzzini group for the year 2017 report consolidated revenues of approximately Euro 232 million and an EBITDA of approximately Euro 31.5 million, up 9%.

In January 2018, the iGuzzini Group completed the acquisition of a Canadian company operating on the North American market in the design, production and distribution of internal and external lighting systems for residential and commercial projects. With this acquisition

iGuzzini doubles its presence on the North American market, strategically important in terms of potential expansion and improved group earnings.

#### **Sant'Agata S.p.A. - Chiorino Group**

The principal investment undertaken in 2017 by TIPO was the acquisition of a 20% holding in Sant'Agata S.p.A., parent company of the Chiorino Group, for Euro 35,031,200.

The investment was financed in part through existing resources in TIPO and from the sale of Advanced Accelerator Applications S.A. ("AAA") shares and in part through a share capital increase subscribed in July 2017 totalling Euro 20 million.

The Chiorino Group is a global leader in the manufacture of process and conveyor belts for industrial processes.

Chiorino, with expected 2017 consolidated revenues of over Euro 111 million (up approximately 9%) and an EBITDA margin around 23%, is currently present in approximately 100 countries, generates over 75% of revenues overseas through 17 direct subsidiaries and has an extensive commercial and distribution network with approximately 75% of revenues in the aftermarket segment. Group margins and cash generated - in a continually expanding market - have up to present permitted significant industrial and commercial investments.

#### **Advanced Accelerator Applications S.A. - AAA**

In 2017, TIPO realised a significant gain on the sale of AAA shares, for approximately Euro 9 million, of which approximately Euro 2.5 million for TIP's share. TIPO had invested approximately Euro 7 million in AAA, of which Euro 5 million in January 2014 and approximately Euro 2 million in November 2015 on the IPO of the company, on the NASDAQ. The instruments held (630,000 ADS) were subsequently sold, diluted over time and at different prices, concluding the sale in the weeks after the announcement, on October 30, 2017, of a purchase offer of 100% of AAA by Novartis at a price of USD 82 for ADS (USD 3.9 billion for 100%). Overall TIPO achieved a gain of approximately Euro 14.9 million from the sale of AAA shares.

#### **OTHER ASSOCIATED COMPANIES**

TIP in addition holds:

- 29.97% stake in Gatti & Co. GmbH, a corporate finance boutique with headquarters in Frankfurt (Germany), primarily operating on the cross-border M&A market between Germany and Italy;
- a 30% stake in Palazzari & Turries Ltd, a corporate finance boutique based in Hong Kong which has a long tradition of assisting numerous Italian companies in start-ups, joint ventures and corporate finance in China, building upon its extensive experience in China and Hong Kong.

## C) OTHER COMPANIES

### INVESTMENTS IN LISTED COMPANIES

#### **Amplifon S.p.A.**

TIP holding at December 31, 2017: 2.67%

Listed on the Italian Stock Exchange - STAR Segment.

The Amplifon Group is world leader in the distribution and personalised application of hearing aids with around 10,000 sales points between direct and affiliates.

In 2017 the Amplifon group reported consolidated revenues of Euro 1.266 billion (up 11.7%), an Ebitda of Euro 212.5 million (up 14%) and a net profit of over Euro 100 million, the highest in its history.

#### **Digital Magics S.p.A.**

TIP holding at December 31, 2017: 23.04%

Listed on the Alternative Investment Market (AIM) Italia

In March 2017 Digital Magics S.p.A. completed a share capital increase for approximately Euro 5 million, with the issue of 1,232,459 shares. TIP, already the largest shareholder with a stake of approximately 18%, subscribed to its share of the capital increase for approximately Euro 900 thousand, together with a further 76,883 unopted shares for a value of Euro 310 thousand.

TIP and StarTIP subsequently exercised 491,674 warrants with a further total investment of Euro 2.8 million.

Digital Magics S.p.A., with six offices in Italy, is the leading Italian incubator and accelerator of innovative digital start-ups. In 2017, the company analysed approximately 1,400 projects. From 2011 to December 2017 Digital Magics invested, directly or through club deals, over Euro 50 million in the start-ups incubated and today counts upon 61 active investments and 7 exits completed. The “incubated” start-ups have created more than 500 jobs.

Digital Magics designs and develops Open Innovation programmes to support Italian businesses in innovative processes, services and products thanks to innovative technologies, creating a strategic link with the digital start-ups; it also launched and is supporting the development, thanks to the active involvement of TIP, the largest innovative hub in partnership with Talent Garden - the largest European co-working centre - WebWorking, WithFounders, Innogest, Università Telematica Pegaso and Universitas Mercatorum. Talent Garden manages co-working spaces in Italy and in Europe in 22 campuses which houses over 600 companies and approximately 2,000 talents.

**Ferrari N.V.**

TIP shareholding at December 31, 2017: 0.16% of the ordinary share capital  
Listed on the Italian Stock Exchange and the New York Stock Exchange

Ferrari is the famous manufacturer of high-end sports cars and racing cars. The company possesses technologies and intangibles difficult to replicate; a unique combination of innovation, design, exclusivity and technology.

In 2017 Ferrari again reported record revenues of Euro 3.417 billion, up 10% on 2016, an adjusted EBITDA of Euro 1.036 billion, up 18% on the previous year and a net profit of Euro 537 million, up 34%.

**FCA – Fiat Chrysler Automobiles NV**

TIP holding at December 31, 2017: 0.18% of the ordinary share capital  
Listed on the Italian Stock Exchange and the New York Stock Exchange

The Fiat Chrysler Automobiles NV group is the seventh largest car manufacturer in the world with the brands Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, Lancia, Maserati and Ram.

In 2017, the FCA group continued to report record results with consolidated revenues of Euro 111.934 billion, an adjusted EBIT of Euro 7.054 billion, up 16% and achieving a margin on revenues of 6.4%, and an adjusted net profit of Euro 3.770 billion, up +50% on 2016.

**Hugo Boss AG**

TIP holding at December 31, 2017: 1.39%  
Listed on the Frankfurt Stock Exchange

Hugo Boss AG is market leader in the premium and luxury segment of the medium-high and high-end apparel market for men and women, with a diversified range from fashionable clothing to footwear and accessories.

Hugo Boss products are distributed in over 1,000 shops worldwide.

In 2017, the Hugo Boss Group continued its repositioning process and reported growing results. In 9M 2017 the company reported consolidated revenues of Euro 1.998 billion (+2%), an adjusted EBITDA of approximately Euro 348 million (+1%), and a net profit of approximately Euro 186 million, up 43% on the same period of 2016.

**Moncler S.p.A.**

TIP holding at December 31, 2017: 1.77%  
Listed on the Italian Stock Exchange.

Moncler is a global leader in the apparel luxury segment.

In 2017 the Moncler Group reported consolidated revenues of Euro 1,193.7 million (+15%) and an adjusted EBITDA of Euro 411.6 million (+16%). The growth in revenues and earnings therefore continued in 2017, confirming Moncler at the top end of the most prestigious global

brands, by margins.

## INVESTMENTS IN NON-LISTED COMPANIES

### **Azimut Benetti S.p.A.**

TIP holding at December 31, 2017: 12.07%

Azimut Benetti S.p.A. is one of the most prestigious constructors of mega yachts worldwide. The company has been ranked 18 times in the last 19 years as the “Global Order Book” leader, which ranks the major global constructors of yachts and mega yachts of over 24 metres worldwide. It has 6 boatyards and 138 offices in over 68 countries.

The latest accounts of the company report an increase in the value of production of around 5% to approximately Euro 726 million, breakeven EBITDA after approximately Euro 30 million of extraordinary charges; excluding these extraordinary charges earnings would have been significantly better.

## D) OTHER INVESTMENTS AND FINANCIAL INSTRUMENTS

TIP subscribed to a convertible loan of Euro 15 million issued by Furla S.p.A. that will automatically convert into Furla shares at the time of listing or, alternatively, at September 30, 2019. Furla is a global leader in the premium luxury segment in the manufacture and marketing of high-end leather handbags and accessories, with an extremely personalised style.

TIP also has a direct holding of 2.78% in Talent Garden, the leading European co-working operator. Considering also the indirect holdings, among which an 18.72% stake held by Digital Magics, TIP's total implicit holding is 15.77%.

TIP subscribed a partially convertible bond of approximately Euro 8 million in one of the holdings with an investment in Octo Telematics, the principal global provider of telematic services for the insurance and automotive market.

On the sale of shares in Noemalife in 2016, TIP reinvested over Euro 9 million in a vendor loan in Dedalus Holding, at an interest rate of 9% and with maturity on December 31, 2018.

In addition to the investments listed, TIP holds stakes in other listed and non-listed companies which in terms of amounts invested, are not considered significant; for details, reference should be made to Attachment 2.

## TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties are detailed in note 33.

## SUBSEQUENT EVENTS TO DECEMBER 31, 2017

The partial reduction in shares held in FCA and Moncler continued at very interesting prices and a further holding was acquired in Telesia - through StarTIP.

**OUTLOOK**

Given the nature of TIP's activities, it is not easy to forecast the performance for the current year. The current pipeline, together with increased market volatility, could lead to further investments at all levels: TIP, Asset Italia, TIPO and StarTIP.

**RESEARCH AND DEVELOPMENT**

During the year, the Company did not carry out any research and development activity.

**PRINCIPAL RISKS AND UNCERTAINTIES**

In relation to the principal Group risks and uncertainties, reference should be made to note 29.

**TREASURY SHARES**

The treasury shares in portfolio at December 31, 2017 totalled 2,717,689, equal to 1.698% of the share capital. At the present date, treasury shares in portfolio total 3,390,096, equal to 2.118% of the share capital.



**MOTION FOR ALLOCATION OF THE PROFIT FOR THE YEAR OF TAMBURI INVESTMENT PARTNERS S.p.A.**

Dear Shareholders,

We invite you to approve the 2017 statutory financial statements of Tamburi Investment Partners S.p.A., as presented, and we propose the allocation of the net profit of Euro 67,014,693, as follows:

- to legal reserve	Euro 1,275,247.34
- to ordinary shares, a gross dividend of Euro 0.07 per share for a total of (*)	Euro 10,966,997.16
- to retained earnings	Euro 54,772,448.50

(\*) Net of the 3,390,096 treasury shares held by the Company or any other shares held by the Company at the dividend coupon date, recording the amount necessary in the share premium reserve.

On behalf of the Board of Directors  
The Chairman  
Giovanni Tamburi

Milan, March 9, 2018

## Consolidated income statement

### Tamburi Investment Partners Group

(in Euro)	2017	2016	Note
Revenue from sales and services	7,125,373	12,206,785	4
Other revenue	88,321	206,141	
<b>Total revenue</b>	<b>7,213,694</b>	<b>12,412,926</b>	
Purchases, service and other costs	(2,018,266)	(2,177,839)	5
Personnel expense	(15,609,419)	(24,676,991)	6
Amortisation, depreciation & write-downs	(70,096)	(59,579)	
<b>Operating Profit / (loss)</b>	<b>(10,484,087)</b>	<b>(14,501,483)</b>	
Financial income	52,518,451	112,033,771	7
Financial charges	(6,394,134)	(19,874,805)	7
<b>Profit before adjustments to investments</b>	<b>35,640,230</b>	<b>77,657,483</b>	
Share of profit / (loss) of associates measured under the equity method	35,916,552	10,609,277	8
Adjustments to available-for-sale financial assets	0	(2,140,137)	
<b>Profit / (loss) before taxes</b>	<b>71,556,782</b>	<b>86,126,623</b>	
Current and deferred taxes	530,166	(493,253)	9
<b>Profit / (loss)</b>	<b>72,086,948</b>	<b>85,633,370</b>	
<b>Profit / (loss) attributable to the shareholders of the parent</b>	<b>71,765,289</b>	<b>51,486,389</b>	
<b>Profit / (loss) attributable to minority interests</b>	<b>321,659</b>	<b>34,146,981</b>	
<b>Basic earnings per share</b>	<b>0.47</b>	<b>0.35</b>	<b>23</b>
<b>Diluted earnings per share</b>	<b>0.46</b>	<b>0.34</b>	<b>23</b>
Number of shares in circulation	157,343,795	146,321,117	

# Consolidated statement of comprehensive income

## Tamburi Investment Partners Group

(in Euro)	2017	2016	Note
<b>Profit</b>	<b>72,086,948</b>	<b>85,633,370</b>	
<b>Other comprehensive income items</b>			
<b>Income through P&amp;L</b>			<b>22</b>
<b>Increase/(decrease) in non-current AFS financial assets</b>	<b>99,360,104</b>	<b>(41,509,030)</b>	
Unrealised profit/(loss)	98,626,343	(40,643,267)	
Tax effect	733,761	(865,763)	
<b>Increase/(decrease) in investees measured under the equity method</b>	<b>13,152,169</b>	<b>32,337,001</b>	
Unrealised profit	14,112,337	32,337,001	
Tax effect	(960,168)	0	
<b>Increase/(decrease) AFS current financial assets</b>	<b>521,097</b>	<b>(183,238)</b>	
Unrealised profit/(loss)	686,475	(281,338)	
Tax effect	(165,378)	98,100	
<b>Income/(loss) not through P&amp;L</b>			
Employee benefits	(3,140)	(20,087)	
<b>Total other comprehensive income items</b>	<b>113,030,230</b>	<b>(9,375,354)</b>	
<b>Total comprehensive income</b>	<b>185,117,178</b>	<b>76,258,016</b>	
<b>Total income and charges attributable to the shareholders of the parent</b>	<b>182,178,049</b>	<b>62,229,306</b>	
<b>Total income and charges attributable to minority interests</b>	<b>2,939,129</b>	<b>14,028,710</b>	

## Consolidated statement of financial position

### Tamburi Investment Partners Group

(in Euro)	December 31, 2017	December 31, 2016	Note
<b>Non-current assets</b>			
Property, plant and equipment	124,017	170,589	10
Goodwill	9,806,574	9,806,574	11
Other intangible assets	2,307	4,626	11
Associates measured under the equity method	297,133,792	235,559,227	12
AFS financial assets	443,478,469	374,267,042	13
Financial receivables	25,981,883	33,751,593	14
Tax receivables	398,082	136,116	15
Deferred tax assets	3,231,414	2,143,389	16
<b>Total non-current assets</b>	<b>780,156,538</b>	<b>655,839,156</b>	
<b>Current assets</b>			
Trade receivables	713,657	957,977	17
Current financial receivables	10,828,027	483,136	18
Current financial assets	630,687	182,701	
AFS financial assets	37,764,710	0	19
Cash and cash equivalents	3,283,840	1,286,769	20
Tax receivables	339,956	336,373	15
Other current assets	264,919	272,800	
<b>Total current assets</b>	<b>53,825,796</b>	<b>3,519,756</b>	
<b>Total assets</b>	<b>833,982,334</b>	<b>659,358,912</b>	
<b>Equity</b>			
Share capital	83,231,972	76,855,733	21
Reserves	374,654,100	234,969,155	22
Retained earnings	98,456,635	56,977,958	
Result of the parent	71,765,289	51,486,389	23
<b>Total equity attributable to the shareholders of the parent</b>	<b>628,107,996</b>	<b>420,289,235</b>	
<b>Equity attributable to minority interests</b>	<b>19,383,598</b>	<b>16,787,469</b>	
<b>Total equity</b>	<b>647,491,594</b>	<b>437,076,704</b>	
<b>Non-current liabilities</b>			
Post-employment benefits	307,384	271,667	24
Financial payables	129,129,224	133,752,298	25
Deferred tax liabilities	3,482,556	3,078,424	16
<b>Total non-current liabilities</b>	<b>132,919,164</b>	<b>137,102,389</b>	
<b>Current liabilities</b>			
Trade payables	410,991	550,303	
Current financial liabilities	39,012,505	67,380,277	26
Tax payables	331,362	429,039	27
Other liabilities	13,816,718	16,820,200	28
<b>Total current liabilities</b>	<b>53,571,576</b>	<b>85,179,819</b>	
<b>Total liabilities</b>	<b>186,490,740</b>	<b>222,282,208</b>	
<b>Total equity &amp; liabilities</b>	<b>833,982,334</b>	<b>659,358,912</b>	

## Statement of changes in Consolidated Equity

(in Euro)

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Revaluation reserve AFS Financial assets	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period shareholders of parent	Net Equity shareholders of parent	Net Equity minorities	Result for period minorities	Net Equity
<b>At January 1, 2016 consolidated</b>	76.853.713	113.531.528	14.921.969	0	90.819.062	(1.843.381)	(953.192)	(483.655)	5.060.152	41.139.559	25.233.887	364.279.642	85.301.478	(238.635)	449.342.485
Change in fair value of financial assets available-for-sale					(21.390.759)							(21.390.759)	(20.118.271)		(41.509.030)
Other comprehensive income items of associates measured under the equity method					26.933.361		5.403.640					32.337.001			32.337.001
Change in fair value of current financial assets					(183.238)							(183.238)			(183.238)
Employee benefits							(20.087)					(20.087)			(20.087)
<b>Total other comprehensive income items</b>					<b>5.359.364</b>		<b>5.383.553</b>					<b>10.742.917</b>	<b>(20.118.271)</b>		<b>(9.375.354)</b>
Profit/(loss) 2016											51.486.389	51.486.389		34.146.981	85.633.370
<b>Total comprehensive income</b>					<b>5.359.364</b>		<b>5.383.553</b>				<b>51.486.389</b>	<b>62.229.306</b>	<b>(20.118.271)</b>	<b>34.146.981</b>	<b>76.258.016</b>
Allocation profit 2015			448.774							24.785.113	(25.233.887)	0	(238.635)	238.635	0
Other changes											0	0	(82.010.084)		(82.010.084)
Distribution of dividends										(8.946.714)		(8.946.714)	(294.000)		(9.240.714)
Stock option plan effect							5.722.750					5.722.750			5.722.750
Warrant conversion	2.020	12.704										14.724			14.724
Acquisition of treasury shares						(3.010.473)						(3.010.473)			(3.010.473)
Sale of treasury shares												0			0
<b>At December 31, 2016 consolidated</b>	<b>76.855.733</b>	<b>113.544.232</b>	<b>15.370.743</b>	<b>0</b>	<b>96.178.426</b>	<b>(4.853.854)</b>	<b>10.153.111</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>56.977.958</b>	<b>51.486.389</b>	<b>420.289.235</b>	<b>(17.359.512)</b>	<b>34.146.981</b>	<b>437.076.703</b>
<b>At January 1, 2017 consolidated</b>	<b>76.855.733</b>	<b>113.544.232</b>	<b>15.370.743</b>	<b>0</b>	<b>96.178.426</b>	<b>(4.853.854)</b>	<b>10.153.111</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>56.977.958</b>	<b>51.486.389</b>	<b>420.289.235</b>	<b>(17.359.512)</b>	<b>34.146.981</b>	<b>437.076.704</b>
Change in fair value of financial assets available-for-sale					96.649.033					93.601		96.742.634	2.617.470		99.360.104
Other comprehensive income items of associates measured under the equity method					15.480.722		(2.328.553)					13.152.169			13.152.169
Change in fair value of current financial assets					521.097							521.097			521.097
Employee benefits							(3.140)					(3.140)			(3.140)
<b>Total other comprehensive income items</b>					<b>112.650.852</b>		<b>(2.331.693)</b>					<b>110.412.760</b>	<b>2.617.470</b>		<b>113.030.230</b>
Profit/(loss) 2017											71.765.289	71.765.289		321.659	72.086.948
<b>Total comprehensive income</b>					<b>112.650.852</b>		<b>(2.331.693)</b>				<b>71.765.289</b>	<b>182.178.049</b>		<b>321.659</b>	<b>185.117.178</b>
Allocation profit 2016			404							41.385.076	(41.385.480)	0	34.146.981	(34.146.981)	0
Other changes related to associates measure under the equity method							(7.691.108)					(7.691.108)			(7.691.108)
Distribution of dividends											(10.100.909)	(10.100.909)	(343.000)		(10.443.909)
Stock option plan effect											0	0			0
Warrant conversion	6.376.239	44.511.049										50.887.288			50.887.288
Acquisition of treasury shares						(7.866.609)						(7.866.609)			(7.866.609)
Sale of treasury shares		23.659				729.116	(340.725)					412.050			412.050
<b>At December 31, 2017 consolidated</b>	<b>83.231.972</b>	<b>158.078.940</b>	<b>15.371.147</b>	<b>0</b>	<b>208.829.278</b>	<b>(11.991.347)</b>	<b>(210.415)</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>98.456.635</b>	<b>71.765.289</b>	<b>628.107.996</b>	<b>19.061.939</b>	<b>321.659</b>	<b>647.491.594</b>

## Consolidated Statement of Cash Flows

### Tamburi Investment Partners Group

euro thousands	December 31, 2017	December 31, 2016
<b>A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u></b>	<b>(41,949)</b>	<b>(55,739)</b>
<b>B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit	72,087	85,633
Amortisation & depreciation	70	54
Write-downs/(revaluation) of investments	(35,917)	(8,469)
Write-downs/(revaluation) of current financial assets (doubtful debts)	0	5
Financial income and charges	(44,198)	(93,476)
Changes in "employee benefits"	36	46
Stock option charges	0	5,722
Interest on loans and bond loan	5,947	6,763
Change in deferred tax assets and liabilities	(982)	(1,847)
	<b>(2,957)</b>	<b>(5,569)</b>
Decrease/(increase) in trade receivables	244	1,624
Decrease/(increase) in other current assets	8	456
Decrease/(increase) in tax receivables	(266)	264
Decrease/(increase) in financial receivables	(806)	(9,540)
Decrease/(increase) in other current asset securities	(37,526)	21,614
(Decrease)/increase in trade payables	(139)	201
(Decrease)/increase in financial payables	(5,691)	(12,475)
(Decrease)/increase of tax payables	(98)	(1,363)
(Decrease)/increase in other current liabilities	(3,003)	10,283
<b>Cash flow from operating activities</b>	<b>(50,234)</b>	<b>5,495</b>
<b>C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u></b>		
<b>Intangible and tangible assets</b>		
Investments / divestments	(21)	(108)
<b>Financial assets</b>		
Investments	(75,349)	(242,440)
Disposals	127,861	270,016
<b>Cash flow from investing activities</b>	<b>52,491</b>	<b>27,468</b>
euro thousands	December 31, 2017	December 31, 2016

D.- **CASH FLOW FROM  
FINANCING**

**Loans**

New loans	0	39,830
Repayment of loans	(5,000)	(39,944)
Interest paid on loans and bond loan	(4,780)	(6,408)

**Share capital**

Share capital increase and capital contributions on account	50,887	14
Changes from purchase/sale of treasury shares	(7,474)	(3,007)
Payment of dividends	(10,444)	(9,241)
Change in reserves	0	(417)

<b>Cash flow from financing activities</b>	<b>23,209</b>	<b>(19,173)</b>
--	---------------	-----------------

E.- **NET CASH FLOW FOR THE YEAR** **25,466** **13. 790**

F. **CLOSING CASH AND CASH EQUIVALENTS** **(16,483)** **(41,949)**

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	3,284	1,287
Bank payables due within one year	(19,767)	(43,236)
<b>Closing cash and cash equivalents</b>	<b>(16,483)</b>	<b>(41,949)</b>

## NOTES TO THE 2017 CONSOLIDATED FINANCIAL STATEMENTS

### (1) Group activities

The TIP Group is an independent investment/merchant bank focused on Italian medium-sized companies, with a particular involvement in:

1. investments: as an active shareholder in companies (listed and non-listed) capable of achieving “excellence” in their relative fields of expertise and, with regards to the StarTIP project, in start-ups and innovative companies;
2. advisory: in corporate finance operations, in particular acquisitions and sales through the division Tamburi & Associati (T&A).

### (2) Accounting standards

The parent company TIP was incorporated in Italy as a limited liability company and with registered office in Italy.

The company was listed in November 2005 and on December 20, 2010 Borsa Italiana S.p.A. assigned the STAR classification to TIP ordinary shares.

These consolidated financial statements at December 31, 2017 were approved by the Board of Directors on March 9, 2018, who authorised their publication.

The consolidated financial statements at December 31, 2017 were prepared in accordance with the going-concern concept and in accordance with International Financial Reporting Standards and International Accounting Standards (hereafter “IFRS”, “IAS” or international accounting standards) issued by the International Accounting Standards Boards (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament.

The consolidated financial statements in accordance with IAS1 are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and the explanatory notes, together with the Directors’ Report. The financial statements were prepared in units of Euro, without decimal amounts.

The accounting policies and methods utilised for the preparation of these consolidated financial statements have not changed from those utilised for the preparation of the consolidated financial statements for the year ended December 31, 2016, except as outlined in the paragraph “new accounting standards”.

The income statement and the statement of comprehensive income for the year 2016 and the statement of financial position and statement of cash flows at December 31, 2016 were utilised for comparative purposes.



During the year, no special circumstances arose requiring recourse to the exceptions allowed under IAS 1.

The consolidated financial statements at December 31, 2017 were prepared in accordance with the general cost criterion, with the exception of derivative financial instruments measured at fair value, of the investments in associates valued under the equity method and of the current financial assets and financial assets available for sale measured at fair value.

The preparation of the consolidated financial statements requires the formulation of valuations, estimates and assumptions which impact the application of the accounting principles and the amounts of the assets, liabilities, costs and revenues recorded in the financial statements. These estimates and relative assumptions are based on historical experience and other factors considered reasonable. However, it should be noted as these refer to estimates, the results obtained will not necessarily be the same as those represented. The estimates are used to value the provisions for risks on receivables, measurement at fair value of financial instruments, impairment tests, employee benefits and income taxes.

The accounting principles utilised in the preparation of the financial statements and the composition and changes in the individual accounts are illustrated below.

### **New accounting standards**

#### **Amendments, and interpretations applicable for periods beginning January 1, 2017**

- Amendments to IAS 12 (*Income taxes*): the amendments clarify the accounting of deferred tax assets relating to debt instruments measured at fair value. The new provisions are applicable from periods beginning on or subsequent to January 1, 2017.
- Amendments to IAS 7 (*Cash flow statement*): the amendments relate to the disclosures which the companies must provide to permit the investors to measure the changes in the liabilities deriving from financing activities. The new provisions are applicable from periods beginning on or subsequent to January 1, 2017.

The application of the amendments to the existing accounting standards reported above do not have a significant impact on the Group consolidated financial statements.

#### **New standards, amendments to existing standards and interpretations applicable for periods beginning January 1, 2017 but not yet endorsed**

- IFRS 14 (*Regulatory Deferral Accounts* - Deferred accounting of regulated assets): the application of the new standard was required by the IASB from periods beginning or subsequent to January 1, 2016, although at the date of these consolidated financial statements they had not yet been endorsed by the European Union. EFRAG has decided not to commence the approval process of this standard but await the issue of the subsequent version.

The application of the new accounting standard to the existing accounting standards reported above, where endorsed by the European Union, will not have a significant impact on the Group

consolidated financial statements.

**New standards, amendments to existing standards and interpretations applicable for periods subsequent to January 1, 2018 and not yet adopted by the Group**

- IFRS 15 (*Revenue from Contracts with Customers*): the standard replaces IAS 18, IAS 11, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. Revenues are recognised when the customer acquires control of assets and services and, consequently, when having the capacity to direct usage and obtain benefits. When a company agrees to provide goods or services at a price which varies according to the occurrence of other future events, an estimate of the variable part is included in the price only where such is considered highly probable. In the case of transactions concerning the simultaneous sale of a number of assets and/or services, the sales price should be allocated on the basis of the price which the company would apply to customers where such assets and services included in the contract were sold individually. The company on occasion incurs costs, such as sales commissions, to obtain or ensure execution of a contract. These costs, where certain conditions are met, are capitalised and recognised to the income statement over the duration of the contract. The standard specifies, in addition, that the sales prices should be adjusted where containing a significant financial component. IFRS 15 will be applicable from years beginning on January 1, 2018.
- IFRS 9 (*Financial instruments*): published on July 24, 2014, includes three phases (“classification and measurement”, “impairment” and “hedge accounting”) of the IASB project substituting IAS 39 - Financial instruments: recognition and measurement. IFRS 9 introduced new requirements for the classification and measurement of financial assets. In particular the standard provides for the following criteria to determine the classification of financial assets:
  - a) the business model of the company to manage the financial assets; and
  - b) the characteristics of the contractual cash flows of the financial assets, and, based on this, identify the following three categories:
    - *amortised cost* (AC);
    - *fair value through other comprehensive income* (FVOCI);
    - *fair value through profit or loss* (FVPL).

IFRS 9 also establishes that implied derivatives within the application of the standard may no longer be separated from the principal contract and consequently their classification and measurement will be undertaken jointly with the “hosted” instrument.

With reference to the investments in equity instruments, held for trading purposes, it is possible to decide to account for the fair value changes both directly through profit and loss or in the statement of comprehensive income, with counter-entry in the equity reserve; this choice is made instrument by instrument and the decision must be taken on the initial recognition and is irrevocable.

The new impairment model introduced by IFRS 9 no longer requires a “trigger event” before recognition of an impairment and, on the contrary, places its fundamental premise on the recognition of the expected losses (ECL - expected credit losses) with the objective to guarantee a timely recognition of such, before the emergence of the incurred loss. The IFRS 9 impairment model provides for the recognition of the expected losses over the life of the receivable for all financial instruments which have incurred a significant increase in

the credit risk after initial recognition, considering all reasonable and demonstrable information, including forward looking information. IFRS 9 further aligns the accounting of hedging instruments with the risk management activities undertaken by the company in order to reduce and/or eliminate exposure to financial and non-financial risks. The new model introduced by IFRS 9 enables the utilisation of documentation produced internally as a basis for hedge accounting. IFRS 9 must be adopted from January 1, 2018. Specific disclosure and the consequent effects are illustrated in note 30 below.

- IFRS 16 - “*Leases*”: the standard replaces IAS 17, with the principal new issue concerning the obligation of the company to recognise in the statement of financial position all rental contracts as assets and liabilities, taking account of the substance of the operation and the contract. IFRS 16 must be adopted from January 1, 2019.
- Amendments to IFRS 10 and IAS 28: the amendments introduced better define the accounting treatment of gains or losses from transactions with joint ventures or associates measured at equity. At the date of these consolidated financial statements, the date from which the new provisions will apply has not been postponed indefinitely.
- Clarifications to IFRS 15: the IASB issued a document containing a number of clarifications on the application of IFRS 15 and simplifications for the adoption phase of the new standard. The application date will be the same as IFRS 15, to which it refers.
- Amendments to IFRS 2: the amendments provide clarifications with regard to the classification and measurement of share-based payment transactions. They should be adopted from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
- Amendments to IFRS 4: The amendments aim to resolve the problems deriving from the application of IFRS 9, the new standard on financial instruments. The amendments must be adopted from January 1, 2018. The amendments to the standard will permit all entities which issue insurance contracts the option to recognise in the comprehensive income statement, rather than in the income statement, the volatility which may arise when IFRS 9 will be applied before the new standard on insurance contracts is published. In addition, it will permit entities whose activities are primarily related with insurance contracts a temporary exception in the application of IFRS 9 until 2021. The entities which defer the application of IFRS 9 will continue to apply IAS 39.
- In December 2016, IASB issued an amendment to IAS 40 “Investment properties”. These amendments clarify that the change in use is a necessary condition for the transfer from/to investment properties. These amendments will be applicable from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these condensed consolidated half-year financial statements.
- In December 2016, the IAS published a series of annual amendments to IFRS 2014–2016. The amendments concern:
  - IFRS 12 “Disclosure of interests in other entities” (applicable from January 1, 2017, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements);
  - IFRS 1 - First-time Adoption of International Financial Reporting Standards

(application from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements);

- IAS 28 - Investments in associated companies and joint ventures (applicable from January 1, 2018), except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements. The amendments clarify, correct, or renew the redundant text in the related IFRS standards.

- In December 2016, the IASB issued amendments to the interpretation IFRIC 22 relating to the considerations on transactions and advances in foreign currencies. The amendment concerns the exchange rate to be utilised in transactions and advances paid or received in foreign currencies. The amendment will be adopted from January 1, 2018, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the present consolidated reporting date.
- On May 18, 2017, the IASB published IFRS 17 Insurance Contracts. The standard has the objective to improve investors' understanding of the exposure to risk, earnings and the financial position of insurers. This standard will be adopted from January 1, 2021, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the present consolidated reporting date. Advance application of this standard is permitted.
- In June 2017, the IASB issued amendments to the interpretation IFRIC 23 relating to considerations on uncertainties on the treatment of income taxes. The document has the objective to provide clarifications on how to apply the recognition and measurement criteria within IAS 12 in the case of uncertainty on the treatment for the determination of income taxes.
- In October 2017, the IASB issued the Amendment to IFRS 9 concerning some issues on the application and classification of IFRS 9 "Financial instruments" in relation to certain financial assets with the possibility of advance repayment. In addition, IASB clarified some aspects on the accounting of financial liabilities following some amendments. The Amendments to IFRS 9 are effective from periods beginning on, or after, January 1, 2019.
- In October 2017, the IASB issued the Amendment to IAS 28 which clarifies the application of IFRS 9 for long-term interests in subsidiaries or joint ventures included in investments in these entities for which the equity method is not applied. The Amendment to IAS 28 are effective from periods beginning on, or after, January 1, 2019.

The impacts of these amendments on the Group consolidated financial statements are currently being assessed. Based on a preliminary review of the potential issues, significant impacts are not expected with the exception of those deriving from the adoption of IFRS 9. The expected effects from the implementation of IFRS 9 are illustrated in note 30 below. Given the nature of the activities of the TIP Group and of the financial instruments held, the expected effects refer to "classification and measurement" and "impairment" and "hedge accounting" in relation to which no significant effects are expected.

## Consolidation principles and basis of consolidation

### Consolidation scope

The consolidation scope includes the parent TIP - Tamburi Investment Partners S.p.A. and the companies over which it exercises direct or indirect control. An investor controls an entity in which an investment has been made when exposed to variable income streams or when possessing rights to such income streams based on the relationship with the entity, and at the same time has the capacity to affect such income streams through the exercise of its power. Subsidiaries are consolidated from the date control is effectively transferred to the Group, and cease to be consolidated from the date control is transferred outside the Group.

At December 31, 2017 the consolidation scope included the companies Clubdue S.r.l., incorporated in 2017, StarTIP S.r.l. (formerly Clubuno S.r.l.) and TXR S.r.l.

The details of the subsidiaries were as follows:

<b>Company</b>	<b>Register Office</b>	<b>Share capital</b>	<b>Number of shares</b>	<b>Number of shares held</b>	<b>% held</b>
Clubdue S.r.l.	<b>Milan</b>	10,000	10,000	10,000	100%
StarTIP S.r.l.	<b>Milan</b>	50,000	50,000	50,000	100%
TXR S.r.l.	<b>Milan</b>	100,000	100,000	51,000	51.0%

The consolidation scope compared to the previous year saw the exit of Clubsette S.r.l., whose liquidation process was completed on December 29, 2016 and the entry of Clubdue S.r.l.

### Consolidation procedures

The consolidation of the subsidiaries is made on the basis of the respective financial statements of the subsidiaries, adjusted where necessary to ensure uniform accounting policies with the Parent Company.

All inter-company balances and transactions, including any unrealised gains deriving from transactions between Group companies are fully eliminated. Unrealised losses are eliminated except when they represent a loss in value.

## Accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial statements at December 31, 2017 are disclosed below.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at historical cost, including directly allocated accessory costs and those necessary for bringing the asset to the condition for which it was acquired. If major components of such tangible assets have different useful lives, such components are accounted for separately.

Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below.

Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset; useful life is reviewed annually. Any changes, where necessary, are recorded in accordance with future estimates; the main depreciation rates used are the following:

- furniture & fittings	12%
- equipment & plant	15%
- EDP	20%
- mobile telephones	20%
- equipment	15%
- automobiles	25%

The book value of tangible assets is tested to ascertain possible losses in value if events or circumstances indicate that the book value cannot be recovered. If there is an indication of this type and in the case where the carrying value exceeds the realisable value, the assets must be written down to their realisable value. The realisable value of the property, plant and equipment is the higher between the net sales price and the value in use. In defining the value of use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the activity. Losses in value are charged to the income statement under amortisation, depreciation and write-down costs. Such losses are restated when the reasons for their write-down no longer exist.

At the moment of the sale, or when there are no expected future economic benefits from the use of an asset, this is eliminated from the financial statements and any loss or gain (calculated as the difference between the disposal value and the book value) is recorded in the income statement in the year of the above-mentioned elimination.

#### GOODWILL

Business combinations are recorded using the purchase method. Goodwill represents the surplus of acquisition cost compared to the purchaser's share of the identifiable net fair value of the assets and liabilities acquired, current and potential. After initial recognition, goodwill is reduced by any accumulated losses in value, calculated with the methods described below.

Goodwill deriving from acquisitions prior to January 1, 2004 are recorded at replacement cost, equal to the value recorded in the last financial statements prepared in accordance with the previous accounting standards (December 31, 2003). In the preparation of the opening financial statements in accordance with international accounting standards the acquisitions before January 1, 2004 were not reconsidered.

Goodwill is subject to a recoverability analysis conducted annually or at shorter intervals in case of events or changes that could result in possible losses in value. Any goodwill emerging at the acquisition date is allocated to each cash-generating unit which is expected to benefit from the synergies of the acquisition. Any loss in value is identified by means of valuations based on the ability of each cash-generating unit to produce cash flows for purposes of recovering the part of goodwill allocated to it; these valuations are conducted with the methods described in the section

referring to tangible assets. If the recoverable value of the cash-generating unit is less than the attributed book value, the loss in value is recorded.

This loss is not restated if the reasons for the loss no longer exist.

#### OTHER INTANGIBLE ASSETS

Other intangible assets are recorded at cost, in accordance with the procedures indicated for tangible fixed assets.

The intangible assets with definite useful lives are recognised net of the relative accumulated amortisation and any permanent impairment in value, determined in the same manner as that for tangible assets.

The useful life is reviewed on an annual basis and any changes, where necessary, are made in accordance with future estimates.

The gains and losses deriving from the disposal of intangible assets are determined as the difference between the value of disposal and the carrying value of the asset and are recorded in the income statement at the moment of the disposal.

#### ASSOCIATED COMPANIES MEASURED UNDER THE EQUITY METHOD

Associated companies are companies in which the Group exercises a significant influence on the financial and operating policies, although not having control. Significant influence is presumed when between 20% and 50% of voting rights is held in another entity.

Investments in associated companies are measured under the equity method and initially recorded at cost. The investments include the goodwill identified on acquisition, less any cumulative loss in value. The consolidated financial statements include the share of profits and losses of the investees recognised under the equity method, net of any adjustments necessary to align accounting principles and eliminate intercompany margins not realised, on the date in which significant influence commences or the joint control until the date such influence or control ceases. The adjustments necessary for the elimination of intercompany margins not realised are recorded in the account “share of profits/loss of investments under equity”. When the share of the loss of an investment recognised under the net equity method exceeds the book value of the investee, the investment is written-down and the share of the further losses are not recorded except in the cases where there is a legal or implied contractual obligation or where payments were made on behalf of the investee.

#### NON-CURRENT AFS FINANCIAL ASSETS

AFS financial assets are comprised of other investments (generally with holdings below 20%) and are measured at fair value with changes through equity. When the reduction in value compared to the acquisition cost constitutes “loss in value”, the effect of the adjustment is recognised through the income statement. Where the conditions that resulted in the write-down no longer exist, the recovery is recorded through equity.

The fair value is identified in the case of listed investments with the stock exchange price at the balance sheet date and in the case of investments in non-listed companies utilising valuation techniques. These valuation techniques include the comparison with the values taken from similar recent operations and other valuation techniques which are substantially based on the analysis of the capacity of the investee to produce future cash flows, discounted to reflect the time value of money and the specific risks of the activities undertaken.

The investments in equity instruments which do not have a listed price on a regulated market and whose fair value cannot be reasonably valued, are measured at cost, reduced by any loss in value. The choice between the above-mentioned methods is not optional, as these must be applied in hierarchical order: absolute priority is given to official prices available on active markets (effective market quotes – level 1) or for assets and liabilities measured based on valuation techniques which take into account observable market parameters (comparable approaches – level 2) and the lowest priority to assets and liability whose fair value is calculated based on valuation techniques which take as reference non-observable parameters on the market and therefore more discretionary (market model – level 3).

In relation to equity securities listed in active markets it is considered that the Group, in relation to the nature of its investment portfolio, recognises a reduction of value in the presence of a market price at the balance sheet date lower than the purchase price by at least 50% or in the prolonged presence for over 36 months of a market value below cost. In any case, even the securities that have reported values which are within the above-mentioned threshold are subject to analysis and – where considered appropriate – written down for impairment.

#### TRADE AND FINANCIAL RECEIVABLES

Receivables are recorded at fair value and subsequently measured at amortised cost. They are adjustments for sums considered uncollectible.

#### CURRENT AFS FINANCIAL ASSETS

They concern non-derivative financial assets comprising investments made under capital management and in bond securities, made for the temporary utilisation of liquidity, valued at fair value with changes recorded through equity. When the reduction in value compared to the acquisition cost constitutes “loss in value”, the effect of the adjustment is recognised through the income statement. Where the reasons for the loss in value no longer exist, the recovery is recognised to equity in the case of equity instruments. In the case of bond securities, where the conditions resulted in the write-down no longer exists, the recovery is recognised to the income statement.

In relation to the fair value measurement methods utilised reference should be made to the previous paragraph “Non-current AFS financial assets”.

#### CURRENT FINANCIAL ASSETS

Current financial assets comprise securities which represent short-term commitments of available liquidity, held for trading purposes. These are therefore classified as trading instruments and measured at fair value with changes recorded through the income statement.

The purchases and sales of securities are recorded and cancelled at the settlement date.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include those values which are available on demand at short notice (within three months), certain in nature and with no payment expenses.

For the purposes of the Statement of Cash Flows, available liquidity is represented by cash and cash equivalents less bank overdrafts at the balance sheet date.



#### TRADE AND FINANCIAL PAYABLES

Trade payables are initially recorded at fair value and subsequently measured at amortised cost. The financial liabilities are recorded at amortised cost using the effective interest rate method.

#### EMPLOYEES BENEFITS

The benefits guaranteed to employees paid on the termination of employment or thereafter through defined benefit plans are recognised in the period the right matures. The liability for defined benefit plans, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries.

The Company recognises additional benefits to some employees through stock option plans.

According to IFRS 2 – Share-based payments, these plans are a component of the remuneration of the beneficiaries and provide for application of the “equity settlement” method. Therefore, the relative cost is represented by the fair value of the stock options at the grant date, and is recognised in the income statement over the period between the grant date and the maturity date, and directly recorded under equity. On the exercise of the options by the beneficiaries with the transfer of treasury shares against the liquidity received, the stock option plan reserve is reversed for the portion attributable to the options exercised, and the treasury shares reserve is reversed based on the average cost of the shares transferred and the residual differential is recorded as the gains/loss on treasury shares traded with counter-entry in the share premium reserve, in accordance with the accounting policy adopted.

#### TREASURY SHARES

The treasury shares held by the parent company are recorded as a reduction from equity in the negative treasury shares reserve. The original cost of the treasury shares and the income deriving from any subsequent sale are recognised as equity movements, recording the differential as the gains/loss on treasury shares traded with counter-entry in the share premium reserve, in accordance with the accounting policy adopted.

#### REVENUES

Revenues are recognised to the extent that their fair value can be reliably calculated and based on the probability that their economic benefits will be received. According to this type of operation, the revenues are recognised on the basis of the specific criteria indicated below:

- the revenues for advisory/investment banking services are recognised with reference to the stage of completion of the activities. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.
- the success fees which mature on the exercise of a significant deed are recorded under revenues when the significant deed is completed.

Where it is not possible to reliably determine the value of revenues, they are recognised up to the costs incurred which may reasonably be recovered.

**GAINS AND LOSSES DERIVING FROM THE SALE OF INVESTMENT AND SECURITIES**

The income and charges deriving from the sale of investments and shares are recorded on an accruals basis, recording changes in fair value to the income statement which were previously recognised through equity.

**FINANCIAL INCOME AND CHARGES**

Financial income and charges are recorded on an accruals basis on the interest matured on the net value of the relative financial assets and liabilities and utilising the effective interest rate.

**DIVIDENDS**

The dividends are recorded in the year in which the right of the shareholders to receive the payment arises. The dividends received from investments valued under the equity method were recorded as a reduction in the value of the investments.

**INCOME TAXES**

Current income taxes for the period are determined based on an estimate of the taxable assessable income and in accordance with current legislation. Deferred tax assets and liabilities are calculated on temporary differences between the values recorded in the financial statements and the corresponding values recognised for fiscal purposes. The recognition of deferred tax assets is made when their recovery is probable - that is when it is expected that there will be future assessable fiscal income sufficient to recover the asset. The recovery of the deferred tax asset is reviewed at each balance sheet date. Deferred tax liabilities are always recorded in accordance with the provisions of IAS 12.

**(3) Presentation**

The choices adopted by the Group relating to the presentation of the consolidated financial statements are illustrated below:

- income statement and statement of comprehensive income: IAS requires alternatively classification based on the nature or destination of the items. The Group decided to present the accounts by nature of expenses;
- statement of financial position: in accordance with IAS 1, the assets and liabilities should be classified as current or non-current or, alternatively, according to the liquidity order. The Group chose the classification criteria of current and non-current;
- statement of changes in consolidated shareholders' equity, prepared in accordance with IAS 1;
- statement of cash flows: in accordance with IAS 7 the statement of cash flows reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

**(4) Segment disclosure**

The company undertakes investment banking and merchant banking activities. Top management activity in the above-mentioned areas, both at marketing contact level and institutional initiatives and direct involvement in the various deals, is highly integrated. In addition, execution activity is also organised with the objective to render the "on-call" commitment of advisory or equity professional staff more flexible.

In relation to this choice it is almost impossible to provide a clear representation of the separate financial economic impact of the different areas of activity, as the breakdown of the personnel costs of top management and other employees on the basis of a series of estimates related to parameters which could be subsequently superseded by the actual operational activities would result in an extremely high distortion of the level of profitability of the segments of activity.

In the present consolidated financial statements at December 31, 2017 only details on the performance of the “revenues from sales and services” component is provided, related to the sole activity of advisory, excluding therefore the account “other revenues”.

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Revenue from sales and services	7,125,373	12,206,785
<b>Total</b>	<b>7,125,373</b>	<b>12,206,785</b>

Revenues reached a significant level thanks to the strong performance of the normal activities of advisory and the fees related to the transactions undertaken by Asset Italia 1 S.r.l. and Asset Italia 2 S.r.l. Revenues in the previous year were significantly influenced by fees relating to the launch of the Asset Italia project.

#### **(5) Purchases, service and other costs**

The account comprises:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
1. Services	1,397,568	1,532,337
2. Rent, leasing and similar costs	355,807	354,767
3. Other charges	264,891	290,735
<b>Total</b>	<b>2,018,266</b>	<b>2,177,839</b>

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. They include Euro 80,000 of audit fees and Euro 64,250 emoluments paid to the Board of Statutory Auditors and the Supervisory Board.

Other charges principally include non-deductible VAT.

#### **(6) Personnel costs**

The account comprises:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Wages and salaries	1,357,164	1,443,117
Social security charges	367,186	394,458
Directors' fees	13,819,654	17,054,014
Stock option charges	0	5,722,750
Post-employment benefits	65,415	62,652
<b>Total</b>	<b>15,609,419</b>	<b>24,676,991</b>

The account “Wages and salaries” and “Directors' fees” include fixed and variable remuneration matured in the period.

“Post-employments benefits” are updated based on actuarial valuations, with the gains or losses recognised through equity.

At December 31, 2017, the number of TIP employees was as follows:

	December 31, 2017	December 31, 2016
White collar & apprentices	11	11
Managers	1	1
Executives	3	4
<b>Total</b>	<b>15</b>	<b>16</b>

The Chairman/CEO and Vice Chairman/CEO are not employees either of TIP or of Group companies.

## (7) Financial income/(charges)

The account comprises:

Euro	2017	2016
1. Investment income	48,046,101	108,462,166
2. Income from securities recorded in current assets	404,910	2,311,318
2. Other income	4,067,440	1,260,287
<b>Total financial income</b>	<b>52,518,451</b>	<b>112,033,771</b>
3. Interest and other financial charges	(6,394,134)	(19,874,805)
<b>Total financial charges</b>	<b>(6,394,134)</b>	<b>(19,874,805)</b>
<b>Net financial income</b>	<b>46,124,317</b>	<b>92,158,966</b>

### (7).1. Investment income

Euro	2017	2016
Gain on withdrawal from Ruffini Partecipazioni S.r.l.	0	78,008,920
Gain on Ferrari N.V. shares	0	15,960,812
Gain on disposal of investments	42,700,640	10,514,321
Dividends	5,239,455	3,891,048
Other	106,006	87,065
<b>Total</b>	<b>48,046,101</b>	<b>108,462,166</b>

The gains realised in 2017 principally concern the partial divestment from Amplifon. In June 2017 TIP sold, through an Accelerated Bookbuilding procedure, 3.5 million Amplifon shares, corresponding to 1.55% of the share capital and 1.06% of the voting rights (existing prior to the transaction) for a total value of Euro 42 million, before charges and commissions, realising a capital gain of approximately Euro 29.2 million.

A gain of approximately Euro 12.1 million was recorded in the reduction of the Moncler position.

In 2017 the TIP Group received dividends from the following investees (Euro):

Hugo Boss AG	2,342,600
Moncler S.p.A.	1,061,704
Furn Invest Sas	757,155
Amplifon S.p.A.	667,663
Ferrari N.V.	193,509
Other	216,824
<b>Total</b>	<b>5,239,455</b>

The results in 2016 significantly benefitted from the income realised following the divestment from Ruffini Partecipazioni S.r.l. and the related assignment of Moncler shares, the recognition as income in the P&L from the value of Ferrari shares received following the spin-off from FCA (Euro 16 million) and the related negative change in the market value of the FCA convertible loan

for Euro 9 million recorded under financial charges.

## **(7).2. Income from securities recorded in current assets and other income**

This principally includes interest matured on non-current financial receivables.

## **(7).3. Interest and other financial charges**

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Unrealised losses on securities	0	8,989,959
Interest on bonds	5,048,258	6,763,447
Other	1,345,876	4,121,399
<b>Total</b>	<b>6,394,134</b>	<b>19,874,805</b>

“Interest on bonds” refers to that matured in favour of the subscribers of the 2014-2020 TIP Bond of Euro 100 million calculated in accordance with the amortised cost method applying the effective interest rate.

The “Other” account includes bank interest on loans and other financial charges.

## **(8) Share of profit / (loss) of associates measured under the equity method**

The account comprises:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Asset Italia S.p.A.	482,637	(126,688)
BE Think, Solve, Executive S.p.A.	787,725	737,195
Clubitaly S.p.A.	(133,854)	23,421
Clubtre S.p.A.	20,701,436	1,471,760
Gatti & Co. Gmbh	58,805	10,518
Gruppo IPG Holding S.p.A.	10,057,455	6,365,753
Palazzari & Turries Limited	84,510	(12,656)
TIP -Pre-IPO – TIPO S.p.A.	3,877,838	2,139,974
<b>Total</b>	<b>35,916,552</b>	<b>10,609,277</b>

For further details, reference should be made to note 12 “Investments in associates measured under the equity method” and attachment 3.

## **(9) Current and deferred taxes**

The breakdown of income taxes is as follows:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Current taxes	449,900	1,740,939
Deferred tax income	(1,088,026)	(1,318,449)
Deferred tax charge	107,960	70,764
<b>Total</b>	<b>(530,166)</b>	<b>493,254</b>

The reconciliation between the theoretical and actual tax charges is provided below:

<b>Euro</b>	<b>2017</b>		<b>2016</b>	
	<b>Amount</b>	<b>Tax</b>	<b>Amount</b>	<b>Tax</b>
<b>Profit before taxes</b>	<b>71,566,500</b>		<b>86,126,623</b>	
Theoretical tax charge	24%	<b>17,175,960</b>	27.50%	<b>23,684,821</b>
<b>Permanent decreases</b>				

Dividends	(4,348,233)	(1,043,576)	(3,652,275)	(1,004,376)
Exempt gains (*)	(36,427,424)	(8,742,582)	(75,456,982)	(20,750,670)
Tax losses	0	0	76,276	20,976
Other permanent decreases	(36,213,669)	(8,691,281)	(18,274,095)	(5,025,376)
		(18,477,439)		(26,759,446)
<b>Permanent increases</b>	3,880,317	<b>931,276</b>	26,948,083	<b>7,410,723</b>
<b>Temporary differences</b>				
Differences which will reverse in future years	6,998,263	1,679,583	(1,850,271)	(508,825)
Reversal differences from previous years	(8,753,623)	(2,100,870)	(2,442,758)	(671,758)
<b>Total temporary differences</b>		<b>(421,287)</b>		<b>(1,180,583)</b>
ACE assessable			(8,538,198)	(2,348,004)
Losses not recognised	2,689,174	645,402		
Losses carried forward	(5,367,546)	(1,288,211)	(201,540)	(55,424)
<b>Total</b>	(5,976,241)	(1,434,299)	2,734,863	752,087
IRAP regional tax		116,079		303,660
Change in deferred tax assets/liabilities		454,233		(1,247,681)
Other changes		333,821		685,188
<b>Total income taxes</b>		<b>(530,166)</b>		<b>493,254</b>

(\*) The tax charge is principally due to the application of the PEX regime on the gains realised on the equity investments.

### Deferred taxes recognised directly to equity

The company recognised directly to equity a decrease of Euro 296,169 relating to the reduction of deferred tax liabilities at fair value of the financial assets available for sale.

### (10) Property, plant and equipment

The following table illustrates the changes in the account:

<b>Euro</b>	<b>Other assets</b>
<b>NBV at December 31, 2015</b>	<b>114,094</b>
Increases	107,940
Decreases	(20,817)
Decrease depreciation provision	20,817
Depreciation	(51,445)
<b>NBV at December 31, 2016</b>	<b>170,589</b>
Increases	19,714
Decreases	0
Decrease depreciation provision	1,281
Depreciation	(67,567)
<b>NBV at December 31, 2017</b>	<b>124,017</b>

The increase in “Other Assets” mainly refers to the purchase of EDP, furniture and fittings and mobile telephones.

### (11) Goodwill and other intangible assets

“Goodwill” for Euro 9,806,574 refers to the incorporation of the subsidiary Tamburi & Associati

S.p.A. into TIP S.p.A. in 2007.

In accordance with IAS 36 the value of goodwill, having an indefinite useful life, is not amortised, but subject to an impairment test, made at least annually.

The recoverable value is estimated based on the value in use, calculated using the following assumptions:

- forecast of normalised perpetual cash flows of the advisory activity;
- terminal value based on a “perpetual” of 1.10%;
- discount rate corresponding to the cost of capital (“ke unlevered”) equal to 8.51%;

with the conclusion that the value attributed is appropriate and recoverable.

The following illustrates the changes in “Other intangible assets”:

Euro	Industrial patents and intellectual property rights	Concessions, licences and trademarks	Total
<b>NBV at December 31, 2015</b>	<b>980</b>	<b>330</b>	<b>1,310</b>
Increases	6,219	0	6,219
Decreases	0	0	0
Amortisation	(2,773)	(130)	(2,903)
<b>NBV at December 31, 2016</b>	<b>4,426</b>	<b>200</b>	<b>4,626</b>
Increases	210	0	210
Decreases	0	0	0
Amortisation	(2,423)	(106)	(2,529)
<b>NBV at December 31, 2017</b>	<b>2,213</b>	<b>94</b>	<b>2,307</b>

## (12) Associated companies measured under the equity method

The investments in associates refer to:

- for Euro 75,212,897 to the company Clubtre S.p.A. established for the purpose of acquiring a significant shareholding in the listed company Prysmian S.p.A.. TIP holds 24.62% of Clubtre S.p.A. (43.28 fully diluted). The investment of Clubtre in Prysmian S.p.A. was measured at fair value (market value at December 31, 2017) and the share of the result of Clubtre was recognised under the equity method. In January 2017, Clubtre sold 4 million shares of Prysmian S.p.A., corresponding to 1.85% of the share capital, generating a capital gain for TIP of approximately Euro 19.9 million. Part of the liquidity obtained from Clubtre was subsequently used for dividend distribution and acquisition of treasury shares from shareholders generating a reduction in the carrying value of the investment. There was also a decrease in the fair value relating to the reversal to the income statement of the fair value reserve relating to the Prysmian shares sold in 2017;
- for Euro 63,224,653 the company Clubitaly S.p.A., with a 19.74% stake in Eataly S.r.l. TIP holds 30.20% in the share capital of the company. The investment of Clubitaly in Eataly is measured at fair value in that the absence of the necessary financial information for the application of the equity method determines the current limited exercise of significant influence. The book value of the investment in Clubitaly increased on December 31, 2016 following the acquisition by TIP in June 2017 of shares representing 2.23% of the share

capital and following the share capital increase subscribed by TIP for a share above its holding in October 2017;

- for Euro 59,319,910 the investment in Gruppo IPG Holding S.p.A. (company which holds the majority shareholding in Interpump Group S.p.A., to be considered a subsidiary);
- for Euro 50,907,775 to the company Asset Italia S.p.A., which acts as an investment holding, giving shareholders the opportunity to choose for each proposal their individual investments. The book value increased on December 31, 2016 following the payments made in relation to the Alpitour and Ampliter transactions. The equity and results relating to Asset Italia 1 S.r.l., vehicle company for the investment in Alpitour, refer for 99% to the tracking shares issued in favour of the shareholders which subscribed to the initiative and for 1% to Asset Italia, or rather to all the ordinary shares. TIP's share of the shares tracking the investment in Alpitour is equal to 30.91%. Similarly, the equity and results relating to Asset Italia 2 S.r.l., vehicle company for the investment in Ampliter, refer for 99% to the tracking shares issued in 2018 in favour of the shareholders which subscribed to the initiative and for 1% to Asset Italia, or rather to all the ordinary shares. TIP's share of the shares tracking the investment in Ampliter is equal to 20%. The investment in Alpitour is measured in Asset Italia using the equity method while the investment in Ampliter is measured at fair value;
- for Euro 30,477,944, the investment TIP – Pre IPO S.p.A.. The investments in Chiorino, iGuzzini S.p.A. and Fimag S.p.A. held by TIPO are measured at fair value. In relation to Chiorino the absence of the necessary financial information for the application of the equity method determines the current limited exercise of significant influence. The investment in Betaclub S.r.l. is consolidated, while the investment in Beta Utensili S.p.A. is measured using the equity method. The book value of TIPO increased following the subscription by TIP of its share capital increase contribution of Euro 5,714,286;
- for Euro 17,206,755 the associated company BE S.p.A.;
- for Euro 783,858 the company Palazzari & Turries Limited, with registered office in Hong Kong and the company Gatti & Co GmbH, with registered office in Frankfurt.

For the changes in the investments in associated companies reference should be made to attachment 3.

### **(13) Non-current AFS financial assets**

The financial assets refer to minority investments in listed and non-listed companies.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Investments in listed companies	362,556,393	299,610,001
Investments in non-listed companies	80,922,076	74,657,041
<b>Total</b>	<b>443,478,469</b>	<b>374,267,042</b>

The changes in the investments measured at fair value are shown in Attachment 2.

In relation to the effects of the measurement of investments in listed companies, reference should be made to note (22).

The composition of the valuation methods of the non-current financial assets available for sale relating to investments in listed and non-listed companies is illustrated in the table below:



<b>Method</b>	<b>Listed companies (% of total)</b>	<b>Non-listed companies (% of total)</b>
Listed prices on active markets (level 1)	100%	0.0%
Valuation models based on market inputs (level 2)	0.0%	0.0%
Other valuation techniques (level 3)	0.0%	97.2%
Purchase cost	0.0%	2.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

The TIP group, through TXR S.r.l., currently holds 38.34% of Furn Investment S.a.s., a company which holds approximately 99% of Roche Bobois. This investment, at December 31, 2017, was not classified as an associated company, although in the presence of a holding above 20% and some indicators of significant influence. In particular, Furn Investment S.a.s. is unable to provide periodic financial information such as to permit the TIP Group to record the investment under the equity method. The unavailability of such information represents a limitation in the exercise of significant influence and consequently it was considered appropriate to qualify the investment as investment available for sale.

For the same reasons outlined above it was considered appropriate to qualify the investment in Digital Magics S.p.A., in which the TIP Group holds 23.04% through StarTIP, as an investment available for sale.

#### **(14) Financial receivables**

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Non-current financial receivables	25,981,883	33,751,593
<b>Total</b>	<b>25,981,883</b>	<b>33,751,593</b>

The non-current loans recognised at amortised cost refer to:

- for Euro 16,268,582 to the Furla S.p.A. convertible loan, subscribed on September 30, 2016;
- for Euro 9,191,680 to loans granted to Tefindue S.p.A. and the subscription of a convertible loan. Tefindue S.p.A. holds indirectly a shareholding in Octo Telematics S.p.A., international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.
- for Euro 521,621 to Buzzoole for a bond loan held by the subsidiary StarTIP S.r.l.

The interest matured on loans which will be received within one year are classified in the account current financial receivables.

#### **(15) Tax receivables**

The breakdown is as follows:

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Within one year</b>	<b>339,956</b>	<b>336,373</b>
<b>Beyond one year</b>	<b>398,082</b>	<b>136,116</b>

Current tax receivables include IRES, IRAP and withholding taxes. The non-current component principally concerns withholding taxes and IRAP reimbursement request.

#### **(16) Deferred tax assets and liabilities**

The breakdown of the account at December 31, 2017 and December 31, 2016 is detailed below:

	Assets		Liabilities		Net	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
<b>Euro</b>						
Other intangible assets	4,491	3,140	0	0	4,491	3,140
Non-curr. AFS fin. assets and investees under equity method	608	14,559	(3,308,209)	(3,069,455)	(3,307,601)	(3,054,896)
Current financial assets	0	0	(165,378)	0	(165,378)	0
Other assets	1,547,451	23,760	(8,969)	(8,969)	1,538,482	14,791
Other liabilities	1,678,864	2,101,930	0	0	1,678,864	2,101,930
<b>Total</b>	<b>3,231,414</b>	<b>2,143,389</b>	<b>(3,482,556)</b>	<b>(3,078,424)</b>	<b>(251,142)</b>	<b>(935,035)</b>

The changes in the tax assets and liabilities were as follows:

Euro	December 31, 2016	Recorded	Recorded	December 31, 2017
		through P&L	through Equity	
Other intangible assets	3,140	1,351	0	4,491
Non-curr. AFS fin. assets and investees under equity method	(3,054,896)	(121,914)	(130,791)	(3,307,601)
Current financial assets	0	0	(165,378)	(165,378)
Other assets	14,791	1,523,691	0	1,538,482
Other liabilities	2,101,930	(423,066)	0	1,678,864
<b>Total</b>	<b>(935,035)</b>	<b>980,062</b>	<b>(296,169)</b>	<b>(251,142)</b>

### (17) Trade receivables

Euro	December 31, 2017	December 31, 2016
Trade receivables (before doubtful debt provision)	881,466	1,125,786
Doubtful debt provision	(167,809)	(167,809)
<b>Total</b>	<b>713,657</b>	<b>957,977</b>
Trade receivables beyond 12 months	0	0
<b>Total beyond 12 months</b>	<b>0</b>	<b>0</b>

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues.

### (18) Current financial receivables

Current financial receivables include Euro 10,373,061 relating to the vendor loan, at an annual interest rate of 9%, granted to Dedalus Holding S.p.A. in relation to the sale of the investment in Noemalife S.p.A. and with December 2018 maturity;

### (19) Current AFS financial assets

These concern non-derivative financial assets comprising investments in bonds for the temporary utilisation of liquidity.

### (20) Cash and cash equivalents

The account represents the balance of banks deposits determined by the nominal value of the current accounts with credit institutions.

Euro	December 31, 2017	December 31, 2016
Bank deposits	3,279,543	1,281,871
Cash in hand and similar	4,297	4,898
<b>Total</b>	<b>3,283,840</b>	<b>1,286,769</b>

The composition of the net financial position at December 31, 2017 compared with the end of the previous year is illustrated in the table below.

<b>Euro</b>		<b>December 31, 2017</b>	<b>December 31, 2016</b>
A	Cash and cash equivalents	3,283,840	1,286,769
B	Current financial assets and current AFS assets	38,395,397	182,701
C	Current financial receivables	10,828,027	483,136
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>52,507,264</b>	<b>1,952,606</b>
E	Financial payables	(129,129,224)	(133,752,298)
F	Current financial liabilities	(39,012,505)	(67,380,227)
<b>G</b>	<b>Net financial position (D+E+F)</b>	<b>(115,634,465)</b>	<b>(199,179,919)</b>

The net financial position strongly improved, despite the dividends distributed and the buyback plan of TIP shares, principally thanks to the liquidity received following the exercise of the warrants in June 2017, of approximately Euro 50.9 million.

Financial payables mainly refer to the TIP 2014-2020 bond and a bank loan.

Current financial liabilities refer to bank payables and interest related to the bond loan matured and still not paid.

## **(21) Share capital**

The share capital of TIP S.p.A. is composed of:

<b>Shares</b>	<b>Number</b>
ordinary shares	160,061,484
<b>Total</b>	<b>160,061,484</b>

On June 30, 2017, the second exercise period of the TIP S.p.A. 2015-2020 Warrants concluded, with the exercise of 12,261,997 warrants and a relative share capital increase of Euro 6,376,238.44 with the issue of 12,261,997 new ordinary TIP S.p.A. shares at a price of Euro 4.15 each, for a total value of Euro 50,887,288.

The share capital of TIP S.p.A. amounts therefore to Euro 83,231,971.68, represented by 160,061,484 ordinary shares.

The treasury shares in portfolio at December 31, 2017 amounted to 2,717,689, equal to 1.70% of the share capital. The shares in circulation at December 31, 2017 total 157,343,795.

No. treasury shares at January 1, 2017	No. of shares acquired in 2017	No. of shares sold in 2017	No. treasury shares at December 31, 2017
1,478,370	1,449,319	210,000	2,717,689

**(22) Reserves****Share premium reserve**

The account amounts to Euro 158,078,940 and increased Euro 44,511,049 following the exercise of the warrants.

**Legal reserve**

This amounts to Euro 15,371,147, increasing Euro 404 following the Shareholders' Meeting motion of April 28, 2017 with regard to the allocation of the 2016 net profit.

**Valuation reserve AFS financial assets**

The positive reserve amounts to Euro 208,829,278. This is an unavailable reserve as referring to the change in the fair value compared to the acquisition value of the investments in portfolio.

The changes in the non-current AFS financial assets valuation reserve, which represents the main component of income and charges recognised directly through equity, is illustrated in the table below:

<b>Euro</b>	<b>Book value at 31.12.2016</b>	<b>Change</b>	<b>Book value 31.12.2017</b>
Non-current AFS financial assets	35,762,455	98,443,895	134,206,350
Investments measured under the equity method	65,255,929	16,473,680	81,729,609
Current AFS financial assets		686,475	686,475
Tax effect	(2,554,819)	(424,573)	(2,979,392)
<b>Total</b>	<b>98,463,565</b>	<b>115,179,477</b>	<b>213,643,042</b>
Group share	96,178,426	112,650,852	208,829,278
minority interest share	2,285,139	2,528,625	4,813,764

The table below illustrates the implicit gains/(losses) of the investments and of the current financial assets in the year which are recognised under equity in the account "Valuation reserve AFS financial assets".

For details of changes, reference should be made to attachment 2 and to note 13 (Non-current AFS financial assets) and attachment 3 and note 12 (Associates measured under the equity method).

For the changes in the year and breakdown of other equity items, reference should be made to the specific statement.

*Treasury shares acquisition reserve*

The negative reserve amounts to Euro 11,991,347. This is a non-distributable reserve.

*Other reserves*

These are negative reserves and amount to Euro 210,415. They mainly refer to the stock option plan reserve created following the allocation of options to employees and directors offset by the

negative changes in the reserves of associates measured under the equity method.

#### *Merger surplus*

The merger surplus amounts to Euro 5,060,152 and derives from the incorporation of Secontip S.p.A. into TIP S.p.A. on January 1, 2011.

#### *Retained earnings*

Retained earnings amount to Euro 98,456,635 and increased, compared to December 31, 2016, for Euro 41,385,076 following the allocation of the 2016 net profit.

During the period, dividends of Euro 10,100,909 were distributed, equal to Euro 0.069 per share.

#### *IFRS business combination reserve*

The reserve is a negative Euro 483,655, unchanged compared to December 31, 2016.

The following table shows reconciliation between Parent Company and Consolidated net equity and net profit.

Euro	Equity at January 1, 2017	2017 Result	Other changes	Group net equity at December 31, 2017	Minority interest equity	Equity at December 31, 2017
<b>Parent Company Equity as per separate financial statements</b>	<b>324,114,917</b>	<b>67,014,693</b>	<b>123,828,468</b>	<b>514,958,078</b>		<b>514,958,078</b>
Eliminations in separate financial statements	(883,626)	(31,761,019)	3,336,396	(29,308,249)		(29,308,249)
Carrying value and adjustments of investments measured under the equity method	94,599,816	35,916,552	6,327,815	136,844,183		136,844,183
Net equity and result for the year (determined in accordance with uniform accounting principles) of the companies consolidated	17,472,573	595,063	4,270,793	22,338,429	19,383,598	41,722,027
Elimination carrying value of consolidated companies	(15,014,445)		(1,710,000)	(16,724,445)		(16,724,445)
<b>Equity attributed to the shareholders of the parent from the consolidated financial statements</b>	<b>420,289,235</b>	<b>71,765,289</b>	<b>136,053,472</b>	<b>628,107,996</b>	<b>19,383,598</b>	<b>647,491,594</b>

### **(23) Net Profit for the year**

#### *Basic earnings per share*

At December 31, 2017, the basic earnings per share – net profit divided by the average number of shares in circulation in the period taking into account treasury shares held – was Euro 0.47.

#### *Diluted earnings per share*

At December 31, 2017, the diluted earnings per share was Euro 0.46. This represents the net profit for the year divided by the average number of ordinary shares in circulation at December 31, 2017, calculated taking into account the treasury shares held and considering any potential dilution effects generated from the shares servicing the stock option plan (3,290,000) and from

the newly issued shares (24,683,018) relating to the remaining warrants in circulation.

#### (24) Post-employment benefit provisions

At December 31, 2017, the balance of the account related to the Post-Employment Benefit due to all employees of the company at the end of employment service. The liability was updated based on actuarial calculations.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Opening balance</b>	<b>271,667</b>	<b>226,451</b>
Provisions in the year	65,415	67,455
Actuarial gains/losses	3,140	20,087
Transfers to pension funds and utilisations	(33,178)	(42,326)
<b>Total</b>	<b>307,384</b>	<b>271,667</b>

#### (25) Financial payables

Financial payables of Euro 129,129,224 refer to:

- a) for Euro 99,248,077 the issue of the 2014-2020 TIP Bond fully placed on the market on April 7, 2014 (nominal value of Euro 100,000,000). The loan, with an initial rights date of April 14, 2014 and expiry date of April 14, 2020 was issued at par value and offers an annual coupon at the nominal gross fixed rate of 4.75%. The loan was recognised at amortised cost applying the effective interest rate which takes into account the transaction costs incurred for the issue of the loan of Euro 2,065,689; the loan provides for compliance with financial covenants on an annual basis;
- b) for Euro 29,881,147 the portion of medium/long-term loans for an initial nominal value of Euro 40,000,000 with the following maturities;
  - 12.5% on December 31, 2017 (repaid);
  - 12.5% on December 31, 2018;
  - 12.5% on June 30, 2019;
  - 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 6, 2009 and the Bank of Italy/Consob/Isvap No. 4 of March 4, 2010, we report that this account does not include any exposure related to covenants not complied with.

#### (26) Current financial liabilities

These amount to Euro 39,012,505 and principally comprise bank payables of the parent company of Euro 35,665,048 and interest on bonds for Euro 3,347,457.

#### (27) Tax payables

The breakdown of the account is as follows:

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
IRAP	0	303,660
VAT	166,136	10,554
Withholding taxes	165,226	114,825
<b>Total</b>	<b>331,362</b>	<b>429,039</b>

**(28) Other liabilities**

The account mainly refers to emoluments for directors and employees.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Directors and employees	13,526,859	16,534,243
Social security institutions	155,204	174,297
Other	134,655	111,660
<b>Total</b>	<b>13,816,718</b>	<b>16,820,200</b>

**(29) Risks and uncertainties****Management of financial risks**

The Group, by nature of its activities, is exposed to various types of financial risks - in particular to the risk of changes in market prices of investments and, marginally, to the risk of interest rates.

The policies adopted by the Group for the management of the financial risk are illustrated below.

**Interest rate risk**

The Group is exposed to the interest rate risk relating to the value of the current financial assets represented by bonds and financial receivables.

**Risk of change in the value of investments**

The Group, by nature of its activities, is exposed to the risk of changes in the value of the investments.

In relation to the listed investments at the present moment there is no efficient hedging instrument of a portfolio such as those with the characteristics of the Group.

Relating to non-listed companies, the risks related:

- (a) to the valuation of these investments, in consideration of: (i) absence in these companies of control systems similar to those required for listed companies, with the consequent unavailability of information at least equal to, under a quantitative and qualitative profile, of those available for this later; (ii) the difficulties to undertake independent verifications in the companies and, therefore to assess the completeness and accuracy of the information provided;
  - (b) the ability to impact upon the management of these investments and drive their growth, the pre-requisite for investment, based on the Group's relationships with management and shareholders and, therefore, subject to verification and the development of these relationship;
  - (c) the liquidity of these investments, not negotiable on regulated markets;
- were not hedged through specific derivative instruments as not available. The Group attempts to minimise the risk – although within a merchant banking activity and therefore by definition risky – through a careful analysis of the companies and sectors on entry into the share capital, as well as through careful monitoring of the performance of the investee companies after entry in the share capital.

A sensitivity analysis is reported below which illustrates the effects resulting from, respectively on the income statement and on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2017 of +/-5% compared to the comparative figures for 2016.

<b>Sensitivity Analysis</b>	<b>December 31, 2017</b>			<b>December 31, 2016</b>		
	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
thousands of Euro						
Investments in listed companies	344,429	362,556	380,684	284,630	299,610	314,591
Investments in non-listed companies	76,876	80,922	84,968	70,924	74,657	78,390
<b>Non-current AFS financial assets</b>	<b>421,305</b>	<b>443,478</b>	<b>465,652</b>	<b>355,554</b>	<b>374,267</b>	<b>392,980</b>
AFS financial assets	35,877	37,765	39,653	0	0	0
Other current assets	599	631	663	173	182	191
<b>Current financial assets</b>	<b>36,476</b>	<b>38,396</b>	<b>40,316</b>	<b>173</b>	<b>182</b>	<b>191</b>
<b>Effects on the result</b>	<b>(32)</b>		<b>32</b>	<b>(9)</b>		<b>9</b>
<b>Effects on the revaluation reserve financial assets</b>	<b>(24,062)</b>		<b>24,062</b>	<b>(18,713)</b>		<b>18,713</b>

### Credit risk

The Group's exposure to the credit risk depends on the specific characteristics of each client as well as the type of activities undertaken and in any case at the preparation date of the present financial statements is not considered significant.

Before undertaking an assignment, careful analysis is undertaken on the credit reliability of the client.

### Liquidity risk

The Group approach in the management of liquidity guarantees, where possible, that there are always sufficient funds to meet current obligations.

At December 31, 2017, the Group had in place sufficient credit lines to cover the group's financial needs.

### Management of capital

Directors provide for maintaining high levels of own capital in order to maintain a relationship of trust with investors, allowing for future development.

The parent company acquired treasury shares on the market on the basis of available prices.

### Hierarchy of Fair Value as per IFRS 13

The classification of financial instruments at fair value in accordance with IFRS 13 is determined based on the quality of the input sources used in the valuation, according to the following hierarchy:

- level 1: determination of fair value based on prices listed ("unadjusted") in active markets for identical assets or liabilities. This category includes the instruments in which the TIP Group operates directly in active markets (for example investments in listed companies, listed bond securities etc.);



- level 2: determination of fair value based on inputs other than the listed prices included in “level 1” but which are directly or indirectly observable (for example recent or comparable prices);
- level 3: determination of fair value based on valuation models whose input is not based on observable market data (“unobservable inputs”). These refer for example to valuations of non-listed investments based on Discounted Cash Flow valuation methods.

In accordance with the disclosures required by IFRS 13, the types of financial instruments recorded in the financial statement at December 31, 2017 are illustrated below with indication of the accounting policies applied and, in the case of financial instruments measured at fair value, of the exposure to changes in fair value (income statement or equity), specifying also the hierarchical level of fair value attributed.

The final column of the following tables shows, where applicable, the fair value at the end of the period of the financial instrument.

Type of instrument	Accounting policies applied in accounts for financial instruments								fair value at 31.12.2017	
	fair value						Amortised cost	Invest. at cost		Book value at 31/12/2017
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	P& L	equity		1	2	3				
thousands of Euro										
AFS financial assets of which		443,478	443,478						443,478	443,478
- listed companies		362,556	362,556	362,556					362,556	362,556
- non-listed companies		80,922	80,922			78,623		2,299	80,922	80,922
Financial receivables 1							36,810		36,810	36,833
Trade receivables 1							714		714	714
Current financial assets	631		631		631				631	631
AFS financial assets		37,765	37,765	37,765					37,765	37,765
Cash and cash equivalents 1							3,284		3,284	3,284
Other current assets 1							265		265	265
Non-current financial payables 2							129,129		129,129	132,456
Trade payables 1							411		411	411
Current financial liabilities 1							39,013		39,013	39,013
Other liabilities 1							13,817		13,817	13,817

**Note**

1. For these accounts the fair value was not calculated as their carrying value approximates this value.

2. The account includes items whereby the fair value was not calculated as their carrying value approximates this value.

### (30) Adoption of new accounting standard IFRS 9

As illustrated in note 2 above, the TIP Group will adopt IFRS 9 for the preparation of the financial statements for periods which commence from January 1, 2018 and thereafter. This will result in a change in the accounting policies and criteria adopted for the preparation of the financial statements at December 31, 2017 with the consequent reclassifications and adjustments of the amounts in the financial statements.

In accordance with the transitory provisions of IFRS 9, the company has adopted the option not

to adjust the 2017 figures which will be presented for comparative purposes and therefore the adjustments in values calculated on the opening amounts at January 1, 2018 will only impact upon the net equity.

The effects expected from the transition to IFRS 9 on the statement of financial position and net equity both in terms of value and classification are illustrated below. The income statement and statement of comprehensive income for the year 2017 are also shown compared with the pro-forma data from application of IFRS 9 from January 1, 2017.

### Consolidated statement of financial position Tamburi Investment Partners Group

(in Euro)	December 31, 2017	January, 1 2018 IFRS 9	Changes	Note
<b>Non-current assets</b>				
Property, plant and equipment	124,017	124,017	0	
Goodwill	9,806,574	9,806,574	0	
Other intangible assets	2,307	2,307	0	
AFS financial assets	443,478,469	0	(443,478,469)	<b>30.1</b>
Investments measured at FVOCI	0	443,478,469	443,478,469	<b>30.1</b>
Associates measured under the equity method	297,133,792	297,133,792	0	<b>30.2</b>
Financial receivables	25,981,883	0	(25,981,883)	<b>30.3</b>
Financial receivables measured at amortised cost	0	6,460,702	6,460,702	<b>30.3</b>
Financial assets measured at FVTPL	0	20,117,473	20,117,473	<b>30.3</b>
Derivative instruments	0	0	0	
Tax receivables	398,082	398,082	0	
Deferred tax assets	3,231,414	3,231,414	0	
<b>Total non-current assets</b>	<b>780,156,538</b>	<b>780,752,829</b>	<b>596,292</b>	
<b>Current assets</b>				
Trade receivables	713,657	713,657	0	<b>30.4</b>
Current financial receivables	10,828,027	0	(10,828,027)	<b>30.3</b>
Current financial receivables measured at amortised cost	0	10,714,602	10,714,602	<b>30.3</b>
Current financial assets	630,687	0	-630,687	<b>30.3</b>
Derivative instruments	0	171,240	171,240	<b>30.3</b>
AFS financial assets	37,764,710	0	(37,764,710)	<b>30.5</b>
Current financial assets measured at FVOCI	0	37,764,710	37,764,710	<b>30.5</b>
Cash and cash equivalents	3,283,840	3,283,840	0	
Tax receivables	339,956	339,956	0	
Other current assets	264,919	264,919	0	
<b>Total current assets</b>	<b>53,825,796</b>	<b>53,252,924</b>	<b>(572,872)</b>	
<b>Total assets</b>	<b>833,982,334</b>	<b>834,005,754</b>	<b>23,420</b>	
<b>Equity</b>				
Share capital	83,231,972	83,231,972	0	
Reserves	374,654,100	374,654,100	0	<b>30.6</b>
Retained earnings	98,456,635	98,474,435	17,800	<b>30.6</b>
Profit of the parent	71,765,289	71,765,289	0	
<b>Total equity attributable to the shareholders of the parent</b>	<b>628,107,996</b>	<b>628,125,796</b>	<b>17,800</b>	
<b>Equity attributable to minority interests</b>	<b>19,383,598</b>	<b>19,383,598</b>	<b>0</b>	
<b>Total equity</b>	<b>647,491,594</b>	<b>647,509,394</b>	<b>17,800</b>	
<b>Non-current liabilities</b>				
Post-employment benefits	307,384	307,384	0	
Financial payables	129,129,224	129,129,224	0	<b>30.7</b>

Deferred tax liabilities	3,482,556	3,482,556	0
<b>Total non-current liabilities</b>	<b>132,919,164</b>	<b>132,919,164</b>	<b>0</b>
<b>Current liabilities</b>			
Trade payables	410,991	410,991	0
Current financial liabilities	39,012,505	39,012,505	0
Tax payables	331,362	336,983	5,620
Other liabilities	13,816,718	13,816,718	0
<b>Total current liabilities</b>	<b>53,571,576</b>	<b>53,577,197</b>	<b>5,621</b>
<b>Total liabilities</b>	<b>186,490,740</b>	<b>186,496,361</b>	<b>5,621</b>
<b>Total equity &amp; liabilities</b>	<b>833,982,334</b>	<b>834,005,754</b>	<b>23,420</b>

The total impact on the equity of the TIP Group at January 1, 2018 is summarised in the table below.

**Euro**

<b>Equity at December 31, 2017 IAS 39</b>	<b>647,491,594</b>	<b>Note</b>
Adjustments to financial assets measured at FVTPL	23,420	30.3
Tax effect of the adjustments	(5,620)	
<b>Equity at January 1, 2018 IFRS 9</b>	<b>647,509,394</b>	

### **(30).1. Reclassification from AFS financial assets to investments measured at FVOCI**

For the investments in equity, comprising generally investments with shareholdings below 20% which are not held for trading, classified at December 31, 2017 as AFS financial assets, the company adopted the option within IFRS 9 of accounting for the changes in the fair value through Other Comprehensive Income (FVOCI), therefore with counter-entry in an equity reserve (alternative of accounting for changes in fair value through profit or loss). The FVOCI accounting of the investments in equity does not permit the recognition through profit or loss of the gains/losses realised on sale and the relative reversal from the fair value reserve in equity. Any impairments will also not be recorded through profit or loss. Adopting the FVOCI option only the dividends received from the investments will be recognised through profit or loss.

This accounting treatment as per IFRS 9 is discretionally applicable by the company case by case for investments not held for trading and is adopted as the general accounting criterion and therefore will also be applied to any new investments in equity with the same features.

Following this reclassification the value of the investments at December 31, 2017 do not change as according to IAS 39 the AFS financial assets were measured at fair value. However a reclassification is necessary from the equity reserve relating to the accumulated fair value changes, equal to Euro 119,049,027 net of the relative tax effect, from “financial assets held for sale revaluation reserve” to the FVOCI reserve (note 30.6).

The most significant effect of the adoption of IFRS 9 relating to this category of financial assets will be, as already described, on the income statement following the non-recognition through profit or loss of the gains/losses realised on sale. Where IFRS 9 had already been adopted at January 1, 2017 the financial income in the 2017 income statement would be lower by Euro 42,700,638, equal to the non-reversal of the gain/losses in the accumulated reserve until their realisation. This gain would have been recorded under “Increases/decreases in investments measured at FVOCI” of the other comprehensive income without reversal through profit or loss. In the statement of comprehensive income, in addition, the “Increases/decreases in non-current

AFS financial assets” would have been classified as “Increases/decreases in investments measured at FVOCI” without reversal through profit or loss.

### **(30).2. Associates measured under the equity method**

The adoption of IFRS 9 does not result in direct effects on the accounting of the investments in associates measured under the equity method as per IAS 28. However, the application of IFRS 9 will have effects on the preparation of the financial statements of associates utilised for the preparation of the consolidated financial statements. In particular investee companies of the associates will be reclassified from AFS financial assets to investments measured at FVOCI as illustrated in the previous paragraph.

Similar to that described in note 30.1 this reclassification does not generate any impact on the value of the associated investments at December 31, 2017 but a different classification of the accumulated fair value changes, equal to Euro 89,259,157 net of the relative tax effect, which will be reclassified from the “AFS financial assets revaluation reserve” to the FVOCI reserve.

The gains/losses realised on the investments held by associated companies will no longer be recognised in the income statement and therefore recognised by TIP as its share of the result in the investees measured under the equity method but will be recognised under “Increases/decreases in investments measured under the equity method” as other comprehensive income without reversal through profit or loss and counter-entry in the FVOCI reserve. Where IFRS 9 had been adopted from January 1, 2017 the share of the results in investments measured under the equity method would have been lower by Euro 22,582,675 while the “Increases/decreases in investments measured under the equity method” as other comprehensive income without reversal through profit or loss would have been higher by the same amount. In the statement of comprehensive income the “Increases/decreases in investments measured under the equity method” relating to the changes in the fair value of their investees would have been reclassified under as other comprehensive income without reversal through profit and loss.

### **(30).3. Classification and recognition of financial receivables and financial assets in accordance with the categories of IFRS 9**

In order to determine the recognition criterion applicable to financial assets other than investments in equity IFRS 9 requires an analysis through several steps.

Firstly, the expected contractual cash flows generated from the financial asset must be subjected to a test (SPPI Test) which must prove that at the measurement date there are no other cash flows than the repayment of principal and interest potentially within the contract.

Subsequently the business model which the company adopts in relation to the financial assets must be established on which the accounting criteria adopted depends.

It is also necessary to verify the presence of any embedded derivatives within the principal financial asset.

Based on these analysis the company has identified the following financial asset categories as per IFRS 9.

Financial receivables measured at amortised cost

These concern financial assets acquired by the company with the intention of maintaining them until maturity in order to receive the relative interest, and the sales are incidental events. The accounting criterion required by IFRS 9 for these financial assets is the amortised cost criterion, which does not differ from that currently applied. The current portion of these receivables is represented by interest or principal which will be received within one year.

Financial assets measured at FVTPL

This concerns financial assets, generally convertible loans, which generate cash flows which provide for the allocation of shares and/or include implied derivatives relating to the conversion clauses. Differing from IAS 39 applicable to the financial statements for the year ended December 31, 2017, IFRS 9 does not separate the embedded derivatives from the host instrument but provides for the allocation of these financial assets to the category FVTPL, i.e. financial assets measured at fair value through profit and loss.

Therefore while previously as per IAS 39 in the case of accounting separation the non-derivative component of these instruments were recognised under the amortised cost method and the derivative component was separated and measured at fair value, these instruments must be completely measured at fair value through profit or loss, including the changes in fair value related to market conditions of the other components of the instruments, for example interest rates.

The adjustments in value of the financial assets measured at FVTPL at January 1, 2018 amounts to Euro 23,420 before the tax effect.

Where IFRS 9 had been adopted from January 1, 2017 other financial income would have been lower by Euro 1,307,647 while the income and fair value changes in financial assets measured at FVTPL would amount to Euro 1,370,240.

Derivative instruments

The derivative instruments not embedded in other financial instruments will be measured at fair value through profit or loss. This accounting treatment does not change from that already applied at December 31, 2017.

**(30).4. Trade receivables**

The specific nature of the receivables generated from the activities of TIP and the historical analysis of losses on receivables in recent years supports the conclusion that the adoption of IFRS 9 will not result in adjustments on the opening balances or significant subsequent impacts generated from impairment risks.

This consideration is also valid with reference to financial receivables held.

**(30).5. Reclassification from current AFS financial assets to current financial assets measured at FVOCI**

As illustrated in Note 30.3 the company carried out an SPPI test and established the business

model for the various financial asset categories. The current AFS financial assets are non-derivative financial assets comprising investments in bond securities which constitute temporary liquidity investments realised in accordance with the business model which provides for the receipt of the relative cash flows and the sale of the bonds on an opportunistic basis. The cash flows from these financial instruments comprise solely principal and interest.

The FVOCI measurement will therefore involve the recognition in an equity reserve of the fair value changes in the securities until the date of sale recognising in the income statement interest income and any impairments. Differing from the accounting of investments in equity at the time of sale the gains/losses will be recognised through profit or loss with reversal of the fair value changes through profit or loss previously recognised in the equity reserve.

As these assets already at December 31, 2017 are measured at fair value with changes recorded under equity, the reclassification required by IFRS 9 will not result in adjustments but only the corresponding reclassification of the accumulated fair value changes, amounting to Euro 521,097 net of the tax effect, from the “financial assets held for sale revaluation reserve” to the “FVOCI reserve with reversal through profit or loss”.

The financial income in the 2017 income statement would not have changed following the adoption of IFRS 9 for this category of financial assets.

### (30).6. Effect on net equity

As illustrated in the previous notes the introduction of IFRS 9 results in a reclassification between reserves as indicated below. The FVOCI reserve without reversal through profit or loss will be reclassified to the retained earnings when the accumulated fair value changes are realised, generally on the divestment. Once reclassified under retained earnings the reserve becomes distributable.

in euro	Riserva di rivalutazione attività finanziarie destinate alla vendita	Riserva FV OCI senza rigiro a conto economico	Riserva FV OCI con rigiro a conto economico	Utili / perdite portati a nuovo	Totale patrimonio netto di gruppo
<b>Al 31 dicembre 2017 consolidato</b>	<b>208.829.278</b>	<b>0</b>		<b>98.456.635</b>	<b>628.107.996</b>
Variazioni di <i>fair value</i> delle attività finanziarie disponibili per la vendita	(119.049.027)	119.049.027			0
Altre componenti di conto economico complessivo delle partecipazioni valutate al patrimonio netto	(89.259.157)	89.259.157			0
Variazioni di <i>fair value</i> delle attività finanziarie correnti	521.097		(521.097)		0
Rettifiche di valore di attività finanziarie valutate a FVTPL				17.800	17.800
<b>All'1 gennaio 2018 consolidato</b>	<b>0</b>	<b>208.308.184</b>	<b>(521.097)</b>	<b>98.474.435</b>	<b>628.125.796</b>

### (30).7. Financial liabilities

The analysis undertaken on the financial liabilities held concluded that the adoption of IFRS 9 will have no effect on the accounting of the financial liabilities already recorded at amortised cost utilising the effective interest rate method.

## Consolidated income statement

### Tamburi Investment Partners Group

(in Euro)	2017	2017 Pro Forma IFRS 9	Change	Note
Revenue from sales and services	7,125,373	7,125,373		
Other revenue	88,321	88,321		
<b>Total revenue</b>	<b>7,213,694</b>	<b>7,213,694</b>		
Purchases, service and other costs	(2,018,266)	(2,018,266)		
Personnel expense	(15,609,419)	(15,609,419)		
Amortisation, depreciation & write-downs	(70,096)	(70,096)		
<b>Operating Loss</b>	<b>(10,484,087)</b>	<b>(10,484,087)</b>		
Financial income	52,518,451	9,880,406	(42,638,045)	30.1
of which:				
Investment income	48,046,101	0	(48,046,101)	30.1
Investment income measured at FVOCI		5,345,463	5,345,463	30.1
Income from securities recorded in current assets	404,910	404,910		
Other income	4,067,440	2,579,793	(1,307,647)	30.3
Changes in fair value of financial assets measured at FVTPL	0	1,370,240	1,370,240	30.3
Financial charges	(6,394,134)	(6,384,929)	9,205	30.1
<b>Profit before adjustments to investments</b>	<b>35,640,230</b>	<b>(6,988,610)</b>	<b>(42,628,840)</b>	
Share of profit of associates measured under the equity method	35,916,552	13,333,877	(22,582,675)	30.2
Adjustments to AFS financial assets	0	0		
<b>Profit before taxes</b>	<b>71,556,782</b>	<b>6,345,267</b>	<b>(65,211,515)</b>	
Current and deferred taxes	530,166	1,735,976	1,205,810	
<b>Profit</b>	<b>72,086,948</b>	<b>8,081,243</b>	<b>(64,005,705)</b>	

## Consolidated Statement of Comprehensive Income

### Tamburi Investment Partners Group

(in Euro)	2017	2017 Pro Forma IFRS9	Changes	Note
<b>Profit</b>	<b>72,086,948</b>	<b>8,081,243</b>	<b>(64,005,705)</b>	<b>30.1/.2/.3</b>
<b>Other comprehensive income items</b>				
<b>Income through P&amp;L</b>				
<b>Increase/(decrease) in AFS non-current financial assets</b>	<b>99,360,104</b>	<b>0</b>	<b>(99,360,104)</b>	<b>30.1</b>
Unrealised profit	98,626,343	0	(98,626,343)	30.1
Tax effect	733,761	0	733,761	30.1
<b>Increase/(decrease) in investees measured under the equity method</b>	<b>13,152,169</b>	<b>0</b>	<b>(13,152,169)</b>	<b>30.2</b>
Unrealised profit	14,112,337	0	(14,112,337)	30.2
Tax effect	(960,168)	0	960,168	30.2
<b>Increase/(decrease) AFS current financial assets</b>				
Unrealised profit	<b>521,097</b>	<b>521,097</b>	<b>0</b>	
Tax effect	686,475	686,475	0	
	(165,378)	(165,378)	0	
<b>Income not through P&amp;L</b>				
<b>Increase/decrease investments measured at FVOCI</b>	<b>0</b>	<b>141,101,697</b>	<b>141,101,697</b>	<b>30.1</b>
Profit	0	141,317,776	141,317,776	30.1
Tax effect	0	(216,079)	(216,079)	30.1
<b>Increase/(decrease) in investees measured under the equity method</b>	<b>0</b>	<b>35,463,852</b>	<b>35,463,852</b>	<b>30.2</b>
Profit	0	36,695,012	36,695,012	30.2
Tax effect	0	(1,231,160)	(1,231,160)	30.2
Employee benefits	(3,140)	(3,140)	0	
<b>Total other comprehensive income items</b>	<b>113,030,230</b>	<b>177,083,506</b>	<b>64,053,276</b>	
<b>Total comprehensive income</b>	<b>185,117,178</b>	<b>185,164,749</b>	<b>47,571</b>	



**(31) Shares held by members of the Boards and Senior Management of the Group**

The following tables report the financial instruments of the parent company TIP directly and indirectly held at the end of the period, also through trust companies, communicated to the company by the members of the Board of Directors. The table also illustrates the financial instruments acquired, sold and held by the above parties in 2017.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2016	No. of shares acquired in 2017	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2017	No. of shares held at December 31, 2017
Giovanni Tamburi <sup>(1)</sup>	Chair. & CEO	11,077,151		1,000,000		12,077,151
Alessandra Gritti	Vice Chair. & CEO	1,931,943		100,000		2,031,943
Cesare d'Amico <sup>(2)</sup>	Vice Chairman	18,715,624	36,720	2,562,656		21,315,000
Claudio Berretti	Dir. & Gen. Manager	1,446,864		311,716		1,758,580
Alberto Capponi	Director	0				0
Paolo d'Amico <sup>(3)</sup>	Director	17,850,000		2,400,000		20,250,000
Giuseppe Ferrero <sup>(4)</sup>	Director	2,920,998	89,850	691,453	(356,000)	3,346,301
Manuela Mezzetti	Director	59,702		14,925		74,627
Daniela Palestra	Director	0				0
Name	Office	No of warrants held at December 31, 2016	No. of warrants assigned in 2017	No. of warrants sold in 2017	No. of warrants exercised in 2017	No of warrants held at December 31, 2017
Giovanni Tamburi <sup>(1)</sup>	Chair. & CEO	2,559,167		(190,987)	(1,000,000)	1,368,180
Alessandra Gritti	Vice Chair. & CEO	458,485			(100,000)	358,485
Cesare d'Amico <sup>(2)</sup>	Vice Chairman	4,562,656			(2,562,656)	2,000,000
Claudio Berretti	Dir. & Gen. Manager	311,716			(311,716)	0
Alberto Capponi	Director	0				0
Paolo d'Amico <sup>(3)</sup>	Director	4,400,000			(2,400,000)	2,000,000
Giuseppe Ferrero <sup>(4)</sup>	Director	691,453			(691,453)	0
Manuela Mezzetti	Director	14,925			(14,925)	0
Daniela Palestra	Director	0				0

<sup>(1)</sup>Giovanni Tamburi holds his investment in the share capital of TIP in part directly in his own name and in part indirectly through Lippiuno S.r.l., a company in which he holds 85.75% of the share capital.

<sup>(2)</sup>Cesare d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A. (a company in which he holds directly and indirectly 50% of the share capital), through the company Fi.Pa. Finanziaria di Partecipazione S.p.A. (a company which directly holds 54% of the share capital) and through family members.

<sup>(3)</sup>Paolo d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A., a company in which he holds (directly) a 50% shareholding.

<sup>(4)</sup>Giuseppe Ferrero holds his investment in the share capital of TIP directly and through family members.

The members of the Board of Statutory Auditors do not hold shares or warrants of the company.

### (32) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2017.

TIP office	Fees 31/12/2017
Directors	13,819,654
Statutory Auditors	61,250

The remuneration of the Supervisory Board is Euro 3,000.

TIP also signed two insurance policies with Chubb Insurance Company of Europe S.A. - a D&O and a professional TPL policy - in favour of the Directors and Statutory Auditors of TIP, of the subsidiaries, as well as the investees companies in which TIP has a Board representative, in addition to the General Managers and coverage for damage to third parties in the exercise of their functions.

### (33) Transactions with related parties

The table reports the transactions with related parties during the year outlined according to the amounts, types and counterparties.

Party	Type	Value/Balance at December 31, 2017	Value/Balance at December 31, 2016
Asset Italia S.p.A.	Revenue	1,001,533	476,283
Asset Italia S.p.A.	Trade receivables	250,000	251,470
Betaclub S.r.l.	Revenue	25,000	23,728
Betaclub S.r.l.	Trade receivables	25,000	23,728
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	15,000	30,000
ClubTre S.p.A.	Revenue	50,000	110,608
ClubTre S.p.A.	Trade receivables	50,000	50,608
Clubitaly S.p.A.	Revenue	30,000	30,606
Clubitaly S.p.A.	Trade receivables	30,000	30,606
Clubitaly S.p.A.	Financial receivables	324,010	220,909
Gruppo IPG Holding S.p.A.	Revenue	30,131	30,041
Gruppo IPG Holding S.p.A.	Trade receivables	30,131	30,041
TIP-pre IPO S.p.A.	Revenue	501,087	504,222
TIP-pre IPO S.p.A.	Trade receivables	125,000	253,964
Services provided to companies related to the Board of Directors	Revenue	1,045,540	2,025,835
Services provided to companies related to the Board of Directors	Trade receivables	74,820	10,810
Services received from companies related to the Board of Directors	Costs (services received)	6,462,681	7,922,858
Services received from companies related to the Board of Directors	Trade payables	5,844,584	7,306,399
Giovanni Tamburi	Revenues (services provided)	4,379	3,352

The services provided for all the above listed parties were undertaken at contractual terms and conditions in line with the market.

**(34) Subsequent events**

With reference to the subsequent events, reference should be made to the Directors' Report.

**(35) Corporate Governance**

The TIP Group adopts the provisions of the new version of the Self-Governance Code published by Borsa Italiana as its corporate governance model.

The Corporate Governance and Ownership Structure Report for the year is approved by the Board of Directors and published annually on the website of the company [www.tipspa.it](http://www.tipspa.it), in the "Corporate Governance" section.

For the Board of Directors  
The Chairman  
Giovanni Tamburi

Milan, March 9, 2018

## ATTACHMENTS

**Declaration of the Executive Officer for Financial Reporting as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements.**

1. The undersigned Alessandra Gritti, as Chief Executive Officer, and Claudio Berretti, as Executive Officer for financial reporting of Tamburi Investment Partners S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the conformity in relation to the characteristics of the company and
- the effective application during the period of the consolidated financial statements

of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended December 31, 2017.

No significant aspect emerged concerning the above.

2. We also declare that:

- a) the consolidated financial statements at December 31, 2017 correspond to the underlying accounting documents and records;
- b) the consolidated financial statements for the year ended December 31, 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) and the relative interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament and provide a true and correct representation of the results, balance sheet and financial position of Tamburi Investment Partners S.p.A.
- c) the Directors' Report includes a reliable analysis of the significant events in the year and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties. The Directors' Report also contains a reliable analysis of the significant transactions with related parties.

The Chief Executive Officer

The Executive Officer

Milan, March 9, 2018

## Attachment 1 – List of investments held

Company	Registered office		share capital	number of shares	number of shares held	% held	share of net equity	book value in accounts
<b>Associates</b>								
Asset Italia S.p.A. (1)	Milan							
	via Pontaccio, 10	Euro	2,210,000	100.000.000 (*)	20.000.000 (*)	20,00 (%)	51,169,275	50,907,775
Be Think, Solve, Execute S.p.A. (2)	Rome							
	viale dell'Esperanto, 71	Euro	27,109,165	134,897,272	31,582,225	23.41	11,840,413	17,206,755
Clubitaly S.p.A. (1)	Milan							
	via Pontaccio, 10	Euro	103,300	103,300	31,197	30.20	63,517,985	63,224,653
Clubtre S.p.A. (3)	Milan							
	via Pontaccio, 10	Euro	120,000	120,000	29,544	24.62	69,524,832	75,212,897
Gatti & Co. GmbH (2)	Frankfurt am Main							
	Bockenheimer Landstr. 51-53	Euro	35,700	35,700	10,700	29.97	148,683	313,540
Gruppo IPG Holding S.p.A. (2) **	Milan							
	via Appiani, 12	Euro	142,438	284,875	67,348	23.64	70,432,313	59,319,910
Palazzari & Turries Limited (4)	Hong Kong							
	88 Queen's Road	Euro	300,000	300,000	90,000	30.00	303,954	470,318
TIP-Pre Ipo S.p.A. (1)	Milan							
	via Pontaccio, 10	Euro	329,999	3,299,988	942,854	28.57	30,431,284	30,477,944

(1) Value relating to the net equity updated at 31.12.2017.

(2) Value relating to the net equity updated at 31.12.2016.

(3) Value relating to the net equity updated at 30.6.2017. The fully diluted % held is 43.28%.

(4) Share Capital in Hong Kong dollars. Value relating to the net equity updated at 31.12.2016. The net equity was converted at the EUR/HKD rate of 0,1223 (31.12.2016).

\* Tracking shares not included

\*\* The fully diluted % held is 33,72%

## Attachment 2 – Changes in AFS financial assets (measured at fair value)

in Euro	No. of shares	historic cost	fair value adjustments	increases (decreases)	Balance at 1.1.2017		acquisition or subscription	increases	decreases					book value 31.12.2017	
					write-downs P&L	book value fair value		reclass.	fair value increase	decreases	fair value decreases	reversal fair value	write-downs P&L		
Non-listed companies															
Azimut Benetti S.p.A.	737.725	38.990.000				38.990.000									38.990.000
Furn Invest S.a.S.	37.857.773	29.501.026	4.724.974			34.226.000			5.406.655						39.632.655
Other equity instr. & other minor		941.041		600.000	(100.000)	1.441.041	858.346								2.299.421
Total non-listed companies		69.432.067	4.724.974	600.000	(100.000)	74.657.041	858.346	0	5.406.655	0		0	0	0	80.922.076
Listed companies															
Alkemy S.p.A.	425.000					0	4.993.828		284.672						5.278.500
Amplifon S.p.A.	6.038.036	34.884.370	51.434.856			86.319.226			33.188.146	(12.800.884)		(29.178.106)			77.528.382
Digital Magic S.p.A.	1.684.719	4.906.009	(1.458.837)	19.182		3.466.354	4.996.857		4.829.222						13.292.433
Ferrari N.V. USD	304.738	17.764.789	2.134.299	(3.090.941)		16.808.147			9.831.336						26.639.483
Fiat Chrysler Automobiles N.V.	746.000	16.625.205	(1.548.105)			15.077.100			6.447.625	(9.497.387)		(904.478)			11.122.860
Fiat Chrysler Automobiles N.V. USD	2.076.925		312.958	17.656.453		17.969.411			12.925.563						30.894.974
Hugo Boss AG	978.000	62.522.390	(25.306.853)	15.159.593		52.375.130	5.439.049		11.565.141						69.379.320
Monder S.p.A.	4.498.354		5.131.567	92.368.224		97.499.791			53.862.940	(21.923.951)		(12.121.708)			117.317.072
Servizi Italia S.p.A.	548.432	2.938.289	265.566		(1.241.564)	1.962.291			1.712.203						3.674.494
Other listed companies		18.496.063	76.472	(308.594)	(10.131.389)	8.132.551	406.006	0	1.348.322	(1.885.703)	(85.161)	(487.141)	0		7.428.875
Total listed companies		158.137.115	31.041.923	121.803.917	(11.372.953)	299.610.001	15.835.739	0	135.995.171	(46.107.925)	(85.161)	(42.691.433)	0		362.556.393
Total investments		227.569.182	35.766.897	122.403.917	(11.472.953)	374.267.042	16.694.085	0	141.401.826	(46.107.925)	(85.161)	(42.691.433)	0		443.478.469

## Attachment 3 - Changes in associates measured under the equity method

in Euro	No. of shares	historic cost	write backs	revaluations (write-downs)	share of results as per equity method	shareholder loan capital advance	decreases or restitutions	Balance at 1.1.2017		Purchases	Share of results as per eq. meth.	decreases				Book value
								increase (decrease) fair value	Book value in accounts			increase (decrease) fair value reserve	increase (decrease) other reserves	(decreases) or restitutions	(write-downs) revaluations	at 31.12.2017
Asset Italia S.p.A. (1)	20.000.000 (1)	2.400.000			(126.688)			2.273.312	47.500.000		482.637	353.332	298.494			50.907.775
Be Think, Solve, Execute S.p.A.	31.582.225	16.596.460			954.434		(404.264)	(371.156)	16.775.474		787.725		110.973	(467.417)		17.206.755
Clubitaly S.p.A.	31.197	33.000.000		(181.956)	(93.128)			1.041.991	33.766.907	4.436.400	(133.854)	25.155.200				63.224.653
Clubtre S.p.A.	29.544	17.500			6.731.798	41.948.846	(9.276.498)	63.245.806	102.667.452		20.701.436	(9.561.102)		(38.594.889)		75.212.897
Gruppo IPG Holding S.p.A.	67.348	39.847.870	5.010.117	(7.597.729)	25.305.062		(2.472.406)	(1.016.945)	59.075.969	741.818	10.057.455		(10.555.332)			59.319.910
Tip-Pre Ipo S.p.A.	942.854	15.857.150			2.517.343			1.985.077	20.359.570	5.714.286	3.877.838	526.250				30.477.944
Other associates		500.000		46.218	94.325				640.543		143.315					783.858
Total		108.218.980	5.010.117	(7.733.467)	35.383.146	41.948.846	(12.153.168)	64.884.773	235.559.227	58.392.504	35.916.552	16.473.680	(10.145.865)	(39.062.306)	0	297.133.792

(1) Tracking shares not included



**Audit fees and other services provided by the audit firm pursuant to Article 149 *duodecies* of Consob Issuers' Regulation.**

In accordance with Article 149 *duodecies* of the Consob Issuer's Regulations the information in relation to the fees paid to the audit firm PricewaterhouseCoopers S.p.A. and to its related network is reported in the table below:

- 1) Audit services, which include:
  - the audit of the annual accounts for the expression of a professional opinion;
  - the audit of the interim accounts.
- 2) Certification services, which include assignments in which the auditor evaluates a specific aspect, whose scope is made by another party responsible, through appropriate criteria, in order to express a conclusion on the level of reliability in relation to this specific aspect. This category also includes services related to accounting controls.

The amounts reported in the table, relating to the year 2017, are those contractually agreed, including any inflation rises (not including travel, contributions and V.A.T.). In accordance with the regulation, fees paid to any secondary auditors or their respective networks are not included.

Type of service	Service provider	Recipient of service	Fees (Euro)
• Separate Financial statements			44,000
• Consolidated Financial statements	PWC S.p.A.	Tamburi Investment Partners S.p.A.	5,000
• Limited audit procedures on the half-year financial statements			16,000
<b>TOTAL TIP</b>			<b>65,000</b>
• Audit appointments in subsidiaries/associates	PWC S.p.A.		45,000
<b>TOTAL</b>			<b>110,000</b>

The amounts above do not include expenses and Consob contributions.



**TAMBURI INVESTMENT PARTNERS SpA**

***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

**Consolidates Financial Statements  
as of 31 December 2017**



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the shareholders of  
Tamburi Investment Partners SpA

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Tamburi Investment Partners Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the statement of consolidated changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2017, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Tamburi Investment Partners SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

#### **PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 6.890.000,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40122 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via del Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Fellissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0331285039 - **Verona** 37122 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

[www.pwc.com/it](http://www.pwc.com/it)



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

<i>Key Audit Matters</i>	<i>Auditing procedures performed in response to key audit matters</i>
<p><b>Measurement of investment accounted for under the equity method</b></p> <p><i>Note 12 to the consolidated financial statements "Associates measured under the equity method"</i></p> <p>As of 31 December 2017 investments in associates measured under the equity method amounted to Euro 297,134 thousand.</p> <p>Under the applicable financial reporting standards, on initial recognition investments in associates are recognised at cost and subsequently measured in accordance with the equity method.</p> <p>We identified the measurement of investments in associates as a focus area in consideration of the magnitude of the amounts and the complexity of the contractual arrangements governing those investments. We also considered that the high degree of judgement and the need to use complex estimates was a matter requiring special attention due to the holdings by the associates of investments in unlisted securities.</p>	<p>As part of our auditing procedures we performed, among other things, the following:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the effectiveness of the internal control, with particular reference to the procedures followed by management to define the classification and measurement of the investments in associates;</li> <li>• analysing the contractual arrangements governing the main investments, specifically agreements in place with the other investors, in order to verify the correct classification and consequently the appropriateness of the measurement policy adopted by management;</li> <li>• examining accounting documents (financial statements, accounts and reporting packages) of the associates as at the measurement date to verify their consistency with equity accounting;</li> <li>• examining the method used to measure investments in associates whose assets comprise mainly equity investments measured at fair value. Specifically, where such equity investments were in unlisted entities measured at fair value, our procedures were performed with the support of experts in business valuations belonging to the PwC network and included, among other things, re-performing the calculations</li> </ul>



### **Key Audit Matters**

### **Auditing procedures performed in response to key audit matters**

and re-tracing the method applied by management, and verifying that the data and information used by management, when compared with external sources referred to third parties (or processed by the latter), were consistent with those sources.

We also verified the absence of possible indicators that the individual investments may be impaired.

### **Measurement of non-current available-for-sale financial assets**

*Note 13 to the consolidated financial statements  
"Non-current available-for-sale financial assets"*

The Group holds significant equity investments in entities listed in regulated markets and in unlisted entities, for an amount of Euro 443,476 thousand as of 31 December 2017. Those assets are classified as available-for-sale financial assets and presented in non-current assets.

Under the applicable financial reporting standards, these assets are measured at fair value through other comprehensive income until they are derecognised. When the decline in the fair value of an investment compared with the acquisition cost is evidence of an impairment loss as defined in the applicable financial reporting standards, the impairment loss is recognised in profit or loss. If in subsequent periods the conditions that led to the recognition of the impairment loss no longer exist, the impairment charge is reversed and credited directly to equity.

The fair values of equity investments in unlisted entities are measured using valuation techniques, with particular reference to the assessment of the investee's ability to generate future cash flows.

In consideration of the magnitude of the balance and the complexity of the valuation models used, the measurement of the fair values of unlisted

With reference to investments in unlisted entities, as part of our auditing procedures we performed, among other things, the following:

- understanding and evaluating the effectiveness of the internal control, with particular reference to the procedures followed by management to define the classification and measurement at fair value of the equity investments in unlisted entities;
- analysing the contractual arrangements governing the main investments, specifically agreements in place with the other investors, in order to verify the correct classification and consequently the appropriateness of the measurement policy adopted by management;
- verifying the reasonableness of the determination of fair value by assessing the methodological correctness and reasonableness of the assumptions underlying the valuation model. In particular, we analyzed the consistency of the investee's business plans with the above-mentioned valuation models. Our procedures were performed with the support of experts in business valuations belonging to the PwC network and included, among





<i>Key Audit Matters</i>	<i>Auditing procedures performed in response to key audit matters</i>
<p>entities was identified as a focus area in the context of the audit of the Group's consolidated financial statements.</p> <p>The main items requiring a high degree of judgement in the valuation are: the assumptions underlying the expected future cash flows and the discounts rates applied in the discounting process.</p>	<p>other things, re-performing the calculations and re-tracing the method applied by management, and verifying that the data and information used by management, when compared with external sources referred to third parties (or processed by the latter), were consistent with those sources.</p> <p>We also verified the absence of possible indicators that the individual investments may be impaired.</p>

#### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, management uses the going concern basis of accounting unless management either intends to liquidate Tamburi Investment Partners SpA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.



As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

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

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





#### ***Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014***

On 9 April 2014, the shareholders of Tamburi Investment Partners SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

---

#### ***Report on Compliance with other Laws and Regulations***

---

##### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98***

Management of Tamburi Investment Partners SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Tamburi Investment Partners Group as of 31 December 2017, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements of the Tamburi Investment Partners Group as of 31 December 2017 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Tamburi Investment Partners SpA as of 31 December 2017 and are prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 28 March 2018

PricewaterhouseCoopers SpA

*Signed by*

Massimo Rota  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*

2017 SEPARATE FINANCIAL STATEMENTS OF TAMBURI INVESTMENT PARTNERS S.P.A.
--

**Income Statement****Tamburi Investment Partners S.p.A.****(in Euro)**

	<b>2017</b>	<b>2016</b>	<b>Note</b>
Revenue from sales and services	<b>7,140,373</b>	<b>12,246,785</b>	<b>4</b>
Other revenue	88,663	207,423	
<b>Total revenue</b>	<b>7,229,036</b>	<b>12,454,208</b>	
Purchases, service and other costs	(1,920,284)	(1,910,253)	<b>5</b>
Personnel expense	(15,609,419)	(24,676,991)	<b>6</b>
Amortisation, depreciation & write-downs	(70,096)	(59,579)	
<b>Operating loss</b>	<b>(10,370,763)</b>	<b>(14,192,615)</b>	
Financial income	84,615,666	73,587,621	<b>7</b>
Financial charges	(6,457,594)	(16,626,509)	<b>7</b>
<b>Profit before adjustments to investments</b>	<b>67,787,309</b>	<b>42,768,497</b>	
Adjustments to AFS financial assets	0	(2,140,137)	
<b>Profit before taxes</b>	<b>67,787,309</b>	<b>40,628,360</b>	
Current and deferred taxes	(772,616)	443,838	<b>8</b>
<b>Profit</b>	<b>67,014,693</b>	<b>41,072,198</b>	

**Statement of Comprehensive Income**  
**Tamburi Investment Partners Group**

<b>(in Euro)</b>	<b>2017</b>	<b>2016</b>	<b>Note</b>
<b>Profit</b>	<b>67,014,693</b>	<b>41,072,198</b>	
<b>Other comprehensive income items</b>			
<b>Income through P&amp;L</b>			<b>21</b>
<b>Increase/(decrease) AFS non-current financial assets</b>	<b>89,978,691</b>	<b>3,080,978</b>	
Unrealised profit	89,116,869	4,546,137	
Tax effect	861,822	(1,465,159)	
<b>Increase/(decrease) AFS current financial assets</b>	<b>521,097</b>	<b>(183,238)</b>	
Unrealised profit/(loss)	686,475	(281,338)	
Tax effect	(165,378)	98,100	
<b>Income/(loss) not through P&amp;L</b>			
Employee benefits	(3,140)	(20,087)	
<b>Total other comprehensive income items</b>	<b>90,496,648</b>	<b>2,877,653</b>	
<b>Total comprehensive income</b>	<b>157,511,341</b>	<b>43,949,851</b>	

## Statement of Financial Position

### Tamburi Investment Partners S.p.A.

(in Euro)	December 31, 2017	December 31, 2016	Note
<b>Non-current assets</b>			
Property, plant and equipment	124,017	170,589	9
Goodwill	9,806,574	9,806,574	10
Other intangible assets	2,307	4,626	10
Investments in subsidiaries	16,733,802	15,014,445	11
Investments in associates	189,588,497	141,323,803	12
AFS financial assets	384,241,501	340,041,042	13
Financial receivables	43,347,219	33,751,593	14
Tax receivables	398,082	136,116	15
Deferred tax assets	1,806,112	2,128,830	16
<b>Total non-current assets</b>	<b>646,048,111</b>	<b>542,377,618</b>	
<b>Current assets</b>			
Trade receivables	728,999	999,322	17
Current financial receivables	10,828,027	472,338	14
Current financial assets	609,687	182,701	
AFS financial assets	37,764,710	0	18
Cash and cash equivalents	3,151,412	1,195,650	19
Tax receivables	338,190	309,290	15
Other current assets	264,671	272,735	
<b>Total current assets</b>	<b>53,685,696</b>	<b>3,432,036</b>	
<b>Total assets</b>	<b>699,733,807</b>	<b>545,809,654</b>	
<b>Equity</b>			
Share capital	83,231,972	76,855,733	20
Reserves	300,297,060	172,743,518	21
Retained earnings	64,414,353	33,443,468	
Profit	67,014,693	41,072,198	
<b>Total equity</b>	<b>514,958,078</b>	<b>324,114,917</b>	
<b>Non-current liabilities</b>			
Post-employment benefits	307,384	271,667	22
Financial payables	129,129,224	133,752,298	23
Deferred tax liabilities	1,806,112	2,502,556	16
<b>Total non-current liabilities</b>	<b>131,242,720</b>	<b>136,526,521</b>	
<b>Current liabilities</b>			
Trade payables	376,523	540,611	
Current financial liabilities	39,012,505	67,380,277	24
Tax payables	329,922	429,039	25
Other liabilities	13,814,059	16,818,289	26
<b>Total current liabilities</b>	<b>53,533,009</b>	<b>85,168,216</b>	
<b>Total liabilities</b>	<b>184,775,729</b>	<b>221,694,737</b>	
<b>Total equity &amp; liabilities</b>	<b>699,733,807</b>	<b>545,809,654</b>	

## Statement of changes in Equity

(in Euro)

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Revaluation reserve AFS Financial assets	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period	Net Equity
<b>At January 1, 2016 consolidated</b>	<b>76.853.713</b>	<b>121.073.329</b>	<b>14.921.969</b>	<b>0</b>	<b>27.848.720</b>	<b>(1.843.381)</b>	<b>114.976</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>28.048.695</b>	<b>14.790.261</b>	<b>286.384.779</b>
Change in fair value of financial assets available-for-sale					3.080.978							3.080.978
Change in fair value of current financial assets					(183.238)							(183.238)
Employee benefits							(20.087)					(20.087)
<b>Total other comprehensive income items</b>					<b>2.897.740</b>							<b>2.877.653</b>
Profit/(loss) 2016											41.072.198	41.072.198
<b>Total comprehensive income</b>					<b>2.897.740</b>						<b>41.072.198</b>	<b>43.949.851</b>
Allocation profit 2015			448.774							5.394.773	(5.843.547)	0
Distribution of dividends											(8.946.714)	(8.946.714)
Stock option plan effect							5.722.750					5.722.750
Warrant conversion	2.020	12.704										14.724
Sale of treasury shares												0
Acquisition of treasury shares						(3.010.473)						(3.010.473)
<b>At December 31, 2016 consolidated</b>	<b>76.855.733</b>	<b>121.086.033</b>	<b>15.370.743</b>	<b>0</b>	<b>30.746.460</b>	<b>(4.853.854)</b>	<b>5.817.639</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>33.443.468</b>	<b>41.072.198</b>	<b>324.114.917</b>
<b>At January 1, 2017 consolidated</b>	<b>76.855.733</b>	<b>121.086.033</b>	<b>15.370.743</b>	<b>0</b>	<b>30.746.460</b>	<b>(4.853.854)</b>	<b>5.817.639</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>33.443.468</b>	<b>41.072.198</b>	<b>324.114.917</b>
Change in fair value of financial assets available-for-sale					89.978.691							89.978.691
Change in fair value of current financial assets					521.097							521.097
Employee benefits							(3.140)					(3.140)
<b>Total other comprehensive income items</b>					<b>90.499.788</b>		<b>(3.140)</b>					<b>90.496.648</b>
Profit/(loss) 2017											67.014.693	67.014.693
<b>Total comprehensive income</b>					<b>90.499.788</b>		<b>(3.140)</b>				<b>67.014.693</b>	<b>157.511.341</b>
Allocation profit 2016			404							30.970.885	(30.971.289)	0
Distribution of dividends											(10.100.909)	(10.100.909)
Stock option plan effect												0
Warrant conversion	6.376.239	44.511.049										50.887.288
Acquisition of treasury shares		23.659				729.116	(340.725)					412.050
Sale of treasury shares						(7.866.609)						(7.866.609)
<b>At December 31, 2017 consolidated</b>	<b>83.231.972</b>	<b>165.620.741</b>	<b>15.371.147</b>	<b>0</b>	<b>121.246.248</b>	<b>(11.991.347)</b>	<b>(343.865)</b>	<b>(483.655)</b>	<b>5.060.152</b>	<b>64.414.353</b>	<b>67.014.693</b>	<b>514.958.078</b>

**Statement of Cash Flow**  
**Tamburi Investment Partners S.p.A.**

euro thousands	2017	2016
<b>A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u></b>	<b>(42,040)</b>	<b>(42,624)</b>
<b>B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit	67,015	41,072
Amortisation & Depreciation	70	54
Write-downs/(revaluation) of investments	0	2,140
Write-downs/(revaluation) of current financial assets (doubtful debts)	0	5
Financial income and charges	(76,925)	(58,380)
Changes in "employee benefits"	36	46
Stock option charges	0	5,722
Interest on loans and bonds	5,947	6,763
Change in deferred tax assets and liabilities	322	(1,433)
	<b>(3,535)</b>	<b>(4,011)</b>
Decrease/(increase) in trade receivables	270	1,624
Decrease/(increase) in other current assets	8	456
Decrease/(increase) in tax receivables	(291)	189
Decrease/(increase) in financial receivables	(817)	(9,540)
Decrease/(increase) in other current asset securities	(37,506)	21,614
(Decrease)/increase in trade payables	(164)	239
(Decrease)/increase in financial payables	(5,691)	(4,584)
(Decrease)/increase in tax payables	(99)	(1,363)
(Decrease)/increase in other current liabilities	(3,004)	10,283
<b>Cash flow from operating activities</b>	<b>(50,829)</b>	<b>14,907</b>
<b>C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u></b>		
<b>Intangible and tangible assets</b>		
Investments / divestments	(21)	(108)
<b>Financial assets</b>		
Dividends from subsidiary and associates	12,585	884
Investments	(75,059)	(131,817)
Divestments	115,198	135,180
<b>Cash flow from investing activities</b>	<b>52,703</b>	<b>(4,139)</b>



euro thousands	2017	2016
<b>D.- <u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
<b>Loans</b>		
New loans	0	39,830
Repayment of loans	(5,000)	(39,944)
Interest paid on loans and bonds	(4,782)	(6,408)
<b>Share capital</b>		
Share capital increase and capital contributions on account	50,887	14
Changes from purchase/sale of treasury shares	(7,454)	(3,007)
Payment of dividends	(10,101)	(8,947)
Change in reserves	0	0
<b>Cash flow from financing activities</b>	<b>23,550</b>	<b>(18,462)</b>
<b>E.- <u>NET CASH FLOW FOR THE YEAR</u></b>	<b>25,424</b>	<b>584</b>
<b>F. <u>CLOSING CASH AND CASH EQUIVALENTS</u></b>	<b>(16,616)</b>	<b>(42,040)</b>

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	3,151	1,196
Bank payables due within one year	(19,767)	(43,236)
<b>Closing cash and cash equivalents</b>	<b>(16,616)</b>	<b>(42,040)</b>

**EXPLANATORY NOTES TO THE 2017 SEPARATE FINANCIAL STATEMENTS****(1) Activities of the Company**

TIP is an independent investment/merchant bank focused on Italian medium-sized companies, with a particular involvement in:

1. investments: as an active shareholder in companies (listed and non-listed) capable of achieving “excellence” in their relative fields of expertise;
2. advisory: corporate finance operations, in particular acquisitions and sales through the division Tamburi & Associati (T&A).

**(2) Accounting principles**

The company was incorporated in Italy as a limited liability company and with registered office in Italy.

The company was listed in November 2005 and on December 20, 2010 Borsa Italiana S.p.A. assigned the STAR classification to TIP S.p.A. ordinary shares.

The present financial statements at December 31, 2017 were prepared in accordance with IFRS as separate financial statements as presented together with the consolidated financial statements at the same date. These financial statements were approved by the Board of Directors on March 9, 2018, who authorised their publication.

The financial statements at December 31, 2017 were prepared in accordance with the going-concern concept and in accordance with International Financial Reporting Standards and International Accounting Standards (hereafter “IFRS”, “IAS” or international accounting standards) issued by the International Accounting Standards Boards (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament.

The financial statements in accordance with IAS1 are comprised of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the explanatory notes, together with the Directors’ Report. The financial statements were prepared in units of Euro, without decimal amounts.

The accounting policies and methods utilised for the preparation of these separate financial statements, for which reference should be made to the consolidated financial statements except for that indicated below, have not changed from those utilised for the preparation of the financial statements for the year ended December 31, 2016, except as outlined in the paragraph “new accounting standards” for which reference should be made to the Explanatory Notes in the consolidated financial statements. The investments in subsidiaries and associates are measured under the cost method adjusted for any loss in value.

The periodic test of the Investments, required by IAS 36, is made in the presence of an “Impairment indicator” which may consider that the assets have incurred a loss in value.

Associated companies are companies in which the Group exercises a significant influence on the financial and operating policies, although not having control. Significant influence is presumed when between 20% and 50% of voting rights is held in another entity.

The separate financial statements include, for comparative purposes, the figures of the previous year.

The presentation and disclosure relating to financial instruments are based on the provisions of IAS 32, as amended and integrated by IFRS 7.

During the year, no special circumstances arose requiring recourse to the exceptions allowed under IAS 1.

The separate financial statements at December 31, 2017 were prepared in accordance with the general cost criterion, with the exception of derivative financial instruments and current financial assets and AFS financial assets measured at fair value.

The preparation of the separate financial statements at December 31, 2017 requires the formulation of valuations, estimates and assumptions which impact the application of the accounting principles and the amounts of the assets, liabilities, costs and revenues recorded in the financial statements. These estimates and relative assumptions are based on historical experience and other factors considered reasonable. However, it should be noted as these refer to estimates, the results obtained will not necessarily be the same as those represented. The estimates are used to value the provisions for risks on receivables, measurement at fair value of financial instruments, impairment tests, employee benefits and income taxes.

The accounting principles utilised in the preparation of the financial statements and the composition and changes in the individual accounts are illustrated below.

### **(3) Presentation**

The choices adopted relating to the presentation of the financial statements is illustrated below:

- income statement and statement of comprehensive income: IAS requires alternatively classification based on the nature or destination of the items. The Company chose the classification by nature of income and expenses;
- statement of financial position: in accordance with IAS 1, the assets and liabilities should be classified as current or non-current or, alternatively, according to the liquidity order. Company chose the classification criteria of current and non-current;
- statement of changes in shareholders' equity, prepared in accordance with IAS 1;
- cash flow statement: in accordance with IAS 7 the cash flow statement reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

### **(4) Segment disclosure**

The company undertakes investment banking and merchant banking activities. Top management

activity in the above-mentioned areas, both at marketing contact level and institutional initiatives and direct involvement in the various deals, is highly integrated. In addition, execution activity is also organised with the objective to render the “on-call” commitment of advisory or equity professional staff more flexible.

In relation to this choice it is almost impossible to provide a clear representation of the separate financial economic impact of the different areas of activity, as the breakdown of the personnel costs of top management and other employees on the basis of a series of estimates related to parameters which could be subsequently superseded by the actual operational activities would result in an extremely high distortion of the level of profitability of the segments of activity.

In the present financial statements only details on the performance of the “revenues from sales and services” component is provided, related to the sole activity of advisory, excluding therefore the account “other revenues”.

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Revenue from sales and services	7,140,373	12,246,785
<b>Total</b>	<b>7,140,373</b>	<b>12,246,785</b>

Revenues reached a significant level thanks to the strong performance of the normal activities of advisory and the fees related to the transactions undertaken by Asset Italia 1 S.r.l. and Asset Italia 2 S.r.l. Revenues in the previous year were significantly influenced by fees relating to the launch of the Asset Italia project.

#### **(5) Purchases, service and other costs**

The account comprises:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
1. Services	1,341,586	1,385,809
2. Rent, leasing and similar costs	355,754	354,767
3. Other charges	222,944	169,677
<b>Total</b>	<b>1,920,284</b>	<b>1,910,253</b>

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. They include Euro 65,000 of audit fees and Euro 64,250 emoluments paid to the Board of Statutory Auditors and the Supervisory Board.

Other charges principally include non-deductible VAT.

#### **(6) Personnel expense**

The account comprises:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Wages and salaries	1,357,164	1,443,117
Social security charges	367,186	394,458
Directors' fees	13,819,654	17,054,014
Stock option charges	0	5,722,750
Post-employment benefits	65,415	62,652
<b>Total</b>	<b>15,609,419</b>	<b>24,676,991</b>

The account “Wages and salaries” and “Directors' fees” include fixed and variable remuneration matured in the period.

“Post-employments benefits” are updated based on actuarial valuations, with the gains or losses recognised through equity.

At December 31, 2017, the number of TIP employees was as follows:

	December 31, 2017	December 31, 2016
White collar & apprentices	11	11
Managers	1	1
Executives	3	4
<b>Total</b>	<b>15</b>	<b>16</b>

The Chairman/CEO and Vice Chairman/CEO are not employees either of TIP or of Group companies.

## (7) Financial income/(charges)

The account comprises:

Euro	2017	2016
1. Investment income	80,493,742	69,995,010
2. Income from securities recorded in current assets	404,910	2,311,318
Other income	3,717,014	1,281,293
<b>Total financial income</b>	<b>84,615,666</b>	<b>73,587,621</b>
4. Interest and other financial charges	(6,457,594)	(16,626,509)
<b>Total financial charges</b>	<b>(6,457,594)</b>	<b>(16,626,509)</b>
<b>Net financial income</b>	<b>78,158,072</b>	<b>56,961,112</b>

### (7).1. Investment income

Euro	2017	2016
Gains on liquidation of investments	0	39,073,771
Gain on Ferrari N.V. shares	0	15,960,812
Gain on disposal of investments	62,906,156	10,601,386
Dividends	17,587,586	4,359,041
<b>Total</b>	<b>80,493,742</b>	<b>69,995,010</b>

The gains realised in 2017 principally concern.

- a gain of approximately Euro 29.2 million realised with the partial sale of the investment in Amplifon. In June 2017 TIP sold, through an Accelerated Bookbuilding procedure, 3.5 million Amplifon shares, corresponding to 1.55% of the share capital and 1.06% of the voting rights (existing prior to the transaction) for a total value of Euro 42 million, before charges and commissions;
- a gain of approximately Euro 16.7 million realised in relation to the proportional acquisition from all the shareholders of treasury shares made by the investee Clubtre S.p.A. as described in detail in Note 12;
- a gain of approximately Euro 12.6 million realised on the reduction in the Moncler position;
- a gain of approximately Euro 2.9 million realised in relation to the transfer of investments to the subsidiary StarTIP.

In 2017, TIP received dividends from the following shareholdings:

**Euro**

Clubtre S.p.A.	11,760,555
Hugo Boss AG	2,342,600
Moncler S.p.A.	1,061,704
Amplifon S.p.A.	667,663
Other	1,755,064
<b>Total</b>	<b>17,587,586</b>

The results in 2016 significantly benefitted from the income realised following the divestment from Ruffini Partecipazioni S.r.l. and the related assignment of Moncler shares, the recognition as income in the P&L from the value of Ferrari shares received following the spin-off from FCA (Euro 16 million) and the related negative change in the market value of the FCA convertible loan for Euro 9 million recorded under financial charges.

**(7).2. Income from securities recorded in current assets and other income**

This principally includes interest matured on non-current financial receivables.

**(7).3. Interest and other financial charges**

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Unrealised losses on securities	0	8,989,959
Interest on bonds	5,048,258	6,763,477
Other	1,409,336	873,073
<b>Total</b>	<b>6,457,594</b>	<b>16,626,509</b>

“Interest on bonds” refers to that matured in favour of the subscribers of the 2014-2020 TIP Bond of Euro 100 million calculated in accordance with the amortised cost method applying the effective interest rate.

The “Other” account mainly includes bank interest on loans and other financial charges.

**(8) Current and deferred taxes**

The breakdown of income taxes is as follows:

<b>Euro</b>	<b>2017</b>	<b>2016</b>
Current taxes	449,900	988,848
Deferred tax income	322,716	(1,432,686)
<b>Total</b>	<b>772,616</b>	<b>(443,838)</b>

The reconciliation between the theoretical and actual tax charges is provided below:

	<b>2017</b>		<b>2016</b>	
<b>Euro</b>	<b>Amount</b>	<b>Tax</b>	<b>Amount</b>	<b>Tax</b>
<b>Profit before taxes</b>	<b>67,787,309</b>		<b>40,628,360</b>	
Theoretical tax charge	24%	<b>16,268,954</b>	27.50%	<b>11,172,799</b>
<b>Permanent decreases</b>				
Dividends	(16,213,907)	(3,891,338)	(4,141,089)	(1,138,799)
Exempt gains (*)	(59,923,365)	(14,381,608)	(46,968,752)	(12,916,407)
Tax losses	0	0	76,276	20,976
Other permanent decreases	(458,564)	(110,055)	(9,019,441)	(2,480,346)
		<b>(18,383,001)</b>		<b>(16,514,576)</b>

Euro	2017		2016	
	Amount	Tax	Amount	Tax
<b>Permanent increases</b>	6,955,780	<b>1,669,387</b>	8,671,073	<b>2,384,545</b>
<b>Temporary differences</b>				
Differences which will reverse in future years	6,998,263	1,679,583	8,759,006	2,408,727
Reversal differences from previous years	(8,753,623)	(2,100,870)	(2,442,758)	(671,758)
<b>Total temporary differences</b>		<b>(421,286)</b>		<b>1,736,969</b>
ACE assessable				
Losses carried forward				
<b>Total</b>	<b>(3,608,107)</b>		<b>(4,437,325)</b>	
IRAP regional tax		116,079		303,660
Change in deferred tax assets/liabilities		322,716		(1,432,686)
Other changes		333,821		685,188
<b>Total income taxes</b>		<b>772,616</b>		<b>(443,838)</b>

(\*) The tax charge is principally due to the application of the PEX regime on the gains realised on the equity investments.

### Deferred taxes recognised directly to equity

The company recognised directly to equity a net decrease in deferred tax liabilities amounting to Euro 696.444 in relation to the increase in the value of the financial assets available-for-sale.

### (9) Property, plant and equipment

The following table illustrates the changes in the account:

Euro	Other assets
<b>NBV at December 31, 2015</b>	<b>114,094</b>
Increases	107,940
Decreases	(20,817)
Decrease depreciation provision	20,817
Depreciation	(51,445)
<b>NBV at December 31, 2016</b>	<b>170,589</b>
Increases	19,714
Decreases	0
Decrease depreciation provision	1,281
Depreciation	(67,567)
<b>NBV at December 31, 2017</b>	<b>124,017</b>

The increase in “Other Assets” mainly refers to the purchase of EDP, furniture and fittings and mobile telephones.

### (10) Goodwill and other intangible assets

“Goodwill” for Euro 9,806,574 refers to the incorporation of the subsidiary Tamburi & Associati S.p.A. into TIP S.p.A. in 2007.

In accordance with IAS 36 the value of goodwill, having an indefinite useful life, is not amortised, but subject to an impairment test, made at least annually.

The recoverable value is estimated based on the value in use, calculated using the following assumptions:

- forecast of normalised perpetual cash flows of the advisory activity;
  - terminal value based on a “perpetual” of 1.10%;
  - discount rate corresponding to the cost of capital (“ke unlevered”) equal to 8.51%;
- with the conclusion that the value attributed is appropriate and recoverable.

The following illustrates the changes in “Other intangible assets”:

<b>Euro</b>	<b>Industrial patents and intellectual property rights</b>	<b>Concessions, licences and trademarks</b>	<b>Total</b>
<b>NBV at December 31, 2015</b>	<b>980</b>	<b>330</b>	<b>1,310</b>
Increases	6,219	0	6,219
Decreases	0	0	-
Amortisation	(2,773)	(130)	(2,903)
<b>NBV at December 31, 2016</b>	<b>4,426</b>	<b>200</b>	<b>4,626</b>
Increases	210	0	210
Decreases	0	0	0
Amortisation	(2,423)	(106)	(2,529)
<b>NBV at December 31, 2017</b>	<b>2,213</b>	<b>94</b>	<b>2,307</b>

### (11) Investments in subsidiaries

This relates to the investment in the subsidiaries Clubdue S.r.l., StarTIP s.r.l. and TXR S.r.l.

The key data (in Euro) on the subsidiaries are as follows:

<b>Company</b>	<b>Register Office</b>	<b>Share capital</b>	<b>Number of shares</b>	<b>Number of shares held</b>	<b>% held</b>
Clubdue S.r.l.	<b>Milan</b>	10,000	10,000	10,000	100%
StarTIP S.r.l.	<b>Milan</b>	50,000	50,000	50,000	100%
TXR S.r.l.	<b>Milan</b>	100,000	100,000	51,000	51.0%

The company Clubdue S.r.l. was incorporated in 2017 and is currently not operational.

In September 2017 the StarTIP project was launched which was allocated up to Euro 100 million to be invested in the coming years in initiatives in fields such as start-ups, digital and innovation, in the belief that the stand-out features of the TIP Group, of its entrepreneurial shareholders and of its investee companies, can significantly boost the development of truly innovative companies.

In 2017 the investments, previously held by TIP, which operate in these sectors, such as Digital Magics S.p.A., Heroes S.r.l. (company with a stake in Talent Garden S.p.A.), MyWoWo and Telesia S.p.A. were transferred to StarTIP, formerly Clubuno S.r.l.

During 2017 TIP subscribed to a share capital increase of StarTIP totalling Euro 1,700,000 of which Euro 40,000 allocated to share capital and Euro 1,660,000 allocated to the share premium reserve. The book value of the investee increased by a similar amount. In addition a share capital payment was paid to cover 2016 losses of Euro 9,357.

### (12) Investments in associates

The investments in associates refer to:

- for Euro 49,900,000 to the company Asset Italia S.p.A., which acts as an investment holding and will give shareholders the opportunity to choose for each proposal their individual



investments. The book value increased on December 31, 2016 following the payments made in relation to the Alpitour and Ampliter transactions. The equity and results relating to Asset Italia 1 S.r.l., vehicle company for the investment in Alpitour, refer for 99% to the tracking shares issued in favour of the shareholders which subscribed to the initiative and for 1% to Asset Italia, or rather to all the ordinary shares. TIP's share of the shares tracking the investment in Alpitour is equal to 30.91%. Similarly, the equity and results relating to Asset Italia 2 S.r.l., vehicle company for the investment in Ampliter, refer for 99% to the tracking shares issued in 2018 in favour of the shareholders which subscribed to the initiative and for 1% to Asset Italia, or rather to all the ordinary shares. TIP's share of the shares tracking the investment in Ampliter is equal to 20%.

- for Euro 39,133,846 the investment in Gruppo IPG Holding S.p.A. (company which holds the majority shareholding in Interpump Group S.p.A.);
- for Euro 37,436,400 the company Clubitaly S.p.A., with a 19.74% stake in Eataly S.r.l.. TIP holds 30.2% in the share capital of the company. The book value of the investment in Clubitaly increased on December 31, 2016 following the acquisition by TIP in June 2017 of shares representing 2.23% of the share capital and following the share capital increase subscribed by TIP for a share above its holding in October 2017;
- for Euro 24,021,839 the company Clubtre S.p.A.. Clubtre S.p.A. was established for the purpose of acquiring a significant shareholding in the listed company Prysmian S.p.A.. TIP holds 35% of Clubtre S.p.A. (43.28% net of treasury shares). In January 2017, Clubtre sold 4 million shares in Prysmian S.p.A., corresponding to 1.85% of the share capital, generating a capital gain for TIP of approximately Euro 19.9 million. Part of the liquidity obtained from Clubtre was subsequently used for dividend distribution for approximately 11.8 million and acquisition of treasury shares from shareholders generating a reduction in the carrying value of the investment and recording a capital gain of approximately Euro 16.7 million;
- for Euro 21,999,953, the investment TIP – Pre IPO S.p.A.. The book value of TIPO increased following the subscription by TIP of its share of the capital increase of Euro 5,714,286;
- for Euro 16,596,459 the associated company BE S.p.A.;
- for Euro 500,000 the company Palazzari & Turries Limited, with registered office in Hong Kong and the company Gatti & Co GmbH, with registered office in Frankfurt.

For the changes in the investments in associates, reference should be made to attachment 4.

### (13) Non-current AFS financial assets

The financial assets refer to minority investments in listed and non-listed companies.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Investments in listed companies	343,760,461	299,610,001
Investments in non-listed companies	40,481,040	40,431,041
<b>Total</b>	<b>384,241,501</b>	<b>340,041,042</b>

For the changes in the “AFS financial assets” during the year, reference should be made to attachment 2.

In relation to the effects of the measurement of investments in listed companies, reference should

be made to note (21).

The composition of the valuation methods of the non-current financial assets available for sale relating to investments in listed and non-listed companies is illustrated in the table below:

<b>Method</b>	<b>Listed companies (% of total)</b>	<b>Non-listed companies (% of total)</b>
Listed prices on active markets (level 1)	100.0%	0.0%
Valuation models based on market inputs (level 2)	0.0%	0.0%
Other valuation techniques (level 3)	0.0%	96.0%
Purchase cost	0.0%	4.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### **(14) Financial receivables**

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Non-current loans	43,347,219	33,751,593
<b>Total</b>	<b>43,347,219</b>	<b>33,751,593</b>
Current loans	10,828,027	472,338
<b>Total</b>	<b>10,828,027</b>	<b>472,338</b>

The non-current loans recognised at amortised cost refer to:

- for Euro 16,268,582 to the Furla S.p.A. convertible loan, subscribed on September 30, 2016;
- for Euro 9,191,680 to loans granted to Tefindue S.p.A. and the subscription of a convertible loan. Tefindue S.p.A. holds indirectly a shareholding in Octo Telematics S.p.A., international leader in the development and management of telecommunication systems and services for the automotive sector, mainly for the insurance market.
- for Euro 17,886,957 loans to the subsidiary StarTIP S.r.l.

The interest matured on loans which will be received within one year are classified in the account current financial receivables.

The current loans include Euro 10,373,061 relating to the vendor loan, at an annual interest rate of 9%, granted to Dedalus Holding S.p.A. in relation to the sale of the investment in Noemalife S.p.A. and with December 2018 maturity.

#### **(15) Tax receivables**

The breakdown is as follows:

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Within one year</b>	<b>338,190</b>	<b>309,290</b>
<b>Beyond one year</b>	<b>398,082</b>	<b>136,116</b>

Current tax receivables include IRES, IRAP and withholding taxes. The non-current component principally concerns withholding taxes and IRAP reimbursement request.

#### **(16) Deferred tax assets and liabilities**

The breakdown of the account at December 31, 2016 and December 31, 2017 is detailed below:

Euro	Assets		Liabilities		Net	
	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017
Other intangible assets	3,140	4,104	0	0	3,140	4,104
Non-curr. AFS fin. assets and investees under equity method	0	0	(2,493,587)	(1,631,765)	(2,493,587)	(1,631,765)
Current AFS financial assets	0	0	0	(165,378)	0	(165,378)
Profit/(loss)	23,760	123,144	(8,969)	(8,969)	14,791	114,175
Other liabilities	2,101,930	1,678,864	0	0	2,101,930	1,678,864
<b>Total</b>	<b>2,128,830</b>	<b>1,806,112</b>	<b>(2,502,556)</b>	<b>(1,806,112)</b>	<b>(373,726)</b>	<b>0</b>

The changes in the tax assets and liabilities were as follows:

Euro	December 31, 2016	Recorded through P&L	Recorded through Equity	December 31, 2017
Other intangible assets	3,140	964	0	4,104
Non-curr. AFS fin. assets and investees under equity method	(2,493,587)	0	861,822	(1,631,765)
Current AFS financial assets	0	0	(165,378)	(165,378)
Profit/(loss)	14,791	99,384	0	114,175
Other liabilities	2,101,930	(423,066)	0	1,678,864
<b>Total</b>	<b>(373,726)</b>	<b>(322,718)</b>	<b>696,444</b>	<b>0</b>

#### (17) Trade receivables

Euro	December 31, 2017	December 31, 2016
Trade receivables (before doubtful debt provision)	896,808	1,167,131
Doubtful debt provision	(167,809)	(167,809)
<b>Total</b>	<b>728,999</b>	<b>999,322</b>
Trade receivables beyond 12 months	0	0
<b>Total beyond 12 months</b>	<b>0</b>	<b>0</b>

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues.

#### (18) Current AFS financial assets

These concern non-derivative financial assets comprising investments in bonds for the temporary utilisation of liquidity.

#### (19) Cash and cash equivalents

The account represents the balance of banks deposits determined by the nominal value of the current accounts with credit institutions.

Euro	December 31, 2017	December 31, 2016
Bank deposits	3,147,115	1,188,906
Cash in hand and similar	4,297	6,744
<b>Total</b>	<b>3,151,412</b>	<b>1,195,650</b>

The composition of the net financial position at December 31, 2017 compared with the end of the previous year is illustrated in the table below.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
A Cash and cash equivalents	3,151,412	1,195,650
B Current and AFS financial assets	38,374,397	182,701
C Current financial receivables	10,828,027	472,338
<b>D Liquidity (A+B+C)</b>	<b>52,353,836</b>	<b>1,850,689</b>
E Financial payables	(129,129,224)	(133,752,298)
F Current financial liabilities	(39,012,505)	(67,380,277)
<b>G Net financial position (D+E+F)</b>	<b>(115,787,893)</b>	<b>(199,281,886)</b>

The net financial position strongly improved, despite the dividends distributed and the buyback plan of TIP shares, principally thanks to the liquidity received following the exercise of the warrants in June 2017, of approximately Euro 50.9 million.

Financial payables mainly refer to the TIP 2014-2020 bond and a bank loan.

Current financial liabilities refer to bank payables and interest related to the bond loan matured and still not paid.

## **(20) Share capital**

The share capital of TIP S.p.A. is composed of:

<b>Shares</b>	<b>Number</b>
ordinary shares	160,061,484
<b>Total</b>	<b>160,061,484</b>

On June 30, 2017, the second exercise period of the TIP S.p.A. 2015-2020 Warrants concluded, with the exercise of 12,261,997 warrants and a relative share capital increase of Euro 6,376,238.44 with the issue of 12,261,997 new ordinary TIP S.p.A. shares at a price of Euro 4.15 each, for a total value of Euro 50,887,288.

The share capital of TIP S.p.A. amounts therefore to Euro 83,231,971.68, represented by 160,061,484 ordinary shares.

The treasury shares in portfolio at December 31, 2017 amounted to 2,717,689, equal to 1.70% of the share capital and the shares in circulation at December 31, 2017 total 157,343,795.

No. treasury shares at January 1, 2017	No. of shares acquired in 2017	No. of shares sold in 2017	No. treasury shares at December 31, 2017
1,478,370	1,449,319	210,000	2,717,689

Analysis is provided below of the statutory and tax nature of the equity accounts.

Nature/Description	Amount	Poss. of utilisation	Quota available	Utilisation in 3 previous years to cover losses	Utilisation in 3 previous years for other reasons
Share capital	83,231,972				
Legal reserve	15,371,147	B	15,371,147		
Share premium reserve	165,620,741	A,B	165,620,741		
Valuation reserve AFS financial assets	121,246,248				
Other reserves	5,473,774				
Merger surplus	5,060,152	A,B,C	5,060,152		
Retained earnings	64,414,353	A,B,C	64,414,353		
IFRS business combination reserve	(483,655)				
Treasury shares acquisition reserve	(11,991,347)				
<b>Total</b>	<b>447,943,385</b>		<b>250,466,393</b>		

Non-distributable quota (\*) 165,620,741

A: for share capital increase, B: for coverage of losses and C: for distribution to shareholders.

\* Concerns the share premium reserve (Euro 165,620,741) which, in accordance with Article 2431 of the Civil Code, may not be distributed until the legal reserve has reached the limits established by Article 2430 of the Civil Code (Euro 16,646,394).

The following additional disclosures is provided on the shareholders' equity at December 31, 2017.

## (21) Reserves

### Legal reserve

This amounts to Euro 15,371,147, increasing Euro 404 following the Shareholders' Meeting motion of April 28, 2017 with regard to the allocation of the 2016 net profit.

### Share premium reserve

The account amounts to Euro 165,620,741 and increased Euro 44,511,049 following the exercise of the warrants.

### Valuation reserve AFS financial assets

The positive reserve amounts to Euro 121,246,248. This is an unavailable reserve as referring to the change in the fair value compared to the acquisition value of the investments in portfolio.

The changes in the non-current AFS financial assets valuation reserve, which represents the main component of income and charges recognised directly through equity, is illustrated in the table below:

Euro	Book value at January 1, 2017	Change	Book value at December 31, 2017
Non-current AFS financial assets	33,240,048	89,116,869	122,356,917
Current AFS financial assets	0	686,475	686,475
Tax effect	(2,493,588)	696,444)	(1,797,144)
<b>Total reserve</b>	<b>30,746,460</b>	<b>90,499,788</b>	<b>121,246,248</b>

The table below illustrates the implicit gains of the investments and of the current financial assets in the year which are recognised under equity in the account "Valuation reserve AFS financial assets".

For details of changes reference should be made to attachment 2 and to note 13 (Non-current AFS financial assets).

For the changes in the year and breakdown of other equity items, reference should be made to the specific statement.

#### *Other reserves*

They amount to Euro 5,473,774 and mainly refer to the stock option plan reserve created following the allocation of options to employees.

#### *Merger surplus*

The merger surplus amounts to Euro 5,060,152. This derives from the incorporation of Secontip S.p.A. in TIP on January 1, 2011.

#### *Retained earnings*

Retained earnings amount to Euro 64,414,353 and increased, compared to December 31, 2016, for Euro 30,970,885 following the allocation of the 2016 net profit.

#### *IFRS business combination reserve*

The reserve was negative and amounts to Euro 483,655, unchanged compared to

#### *Treasury shares acquisition reserve*

The negative reserve amounts to Euro 11,991,347. This is a non-distributable reserve.

For the changes in the year and breakdown of other equity items, reference should be made to the specific statement.

### **(22) Post-employment benefit provisions**

At December 31, 2017, the balance of the account related to the Post-Employment Benefit due to all employees of the company at the end of employment service. The liability was updated based on actuarial calculations.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<b>Opening balance</b>	<b>271,667</b>	<b>226,451</b>
Provisions in the year	65,415	67,455
Actuarial gains/losses	3,140	20,087
transfers to pension funds and utilisations	(33,178)	(42,326)
<b>Total</b>	<b>307,384</b>	<b>271,667</b>

### **(23) Financial payables**

Financial payables of Euro 129,129,224 refer to:

- c) for Euro 99,248,077 the issue of the 2014-2020 TIP Bond fully placed on the market on April 7, 2014 (nominal value of Euro 100,000,000). The loan, with an initial rights date of April 14, 2014 and expiry date of April 14, 2020 was issued at par value and offers an annual coupon at the nominal gross fixed rate of 4.75%. The loan was recognised at amortised cost applying the effective interest rate which takes into account the transaction costs incurred for the issue of the loan of Euro 2,065,689; the loan provides for compliance

with financial covenants on an annual basis;

- d) for Euro 29,881,147 the portion of medium/long-term loans for an initial nominal value of Euro 40,000,000 with the following maturities:
- 12.5% on December 31, 2017 (repaid);
  - 12.5% on December 31, 2018;
  - 12.5% on June 30, 2019;
  - 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 6, 2009 and the Bank of Italy/Consob/Isvap No. 4 of March 4, 2010, we report that this account does not include any exposure related to covenants not complied with.

#### **(24) Current financial liabilities**

These amount to Euro 39,012,505 and principally comprise bank payables of the parent company of Euro 35,665,048 and interest on bonds for Euro 3,347,457.

#### **(25) Tax payables**

The breakdown of the account is as follows:

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
IRAP	0	303,660
VAT	166,136	10,554
Withholding taxes	163,786	114,825
<b>Total</b>	<b>329,922</b>	<b>429,039</b>

#### **(26) Other liabilities**

The account mainly refers to emoluments for directors and employees.

<b>Euro</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Directors and employees	13,526,858	16,534,243
Social security institutions	155,204	174,297
Other	131,997	109,749
<b>Total</b>	<b>13,814,059</b>	<b>16,818,289</b>

#### **(27) Financial instruments**

##### **Management of financial risks**

The Company, by nature of its activities, is exposed to various types of financial risks; in particular, to the risk of changes in market prices of investments and, marginally, to the risk of interest rates.

The policies adopted by the company for the management of the financial risk are illustrated below.

##### **Interest rate risk**

The company is exposed to the interest rate risk relating to the value of the current financial assets represented by bonds and financial receivables.

### Risk of change in the value of investments

The company, by nature of its activities, is exposed to the risk of changes in the value of the investments.

In relation to the listed investments at the present moment there is no efficient hedging instrument of a portfolio such as those with the characteristics of the company.

Relating to non-listed companies, the risks related:

- (a) to the valuation of these investments, in consideration of: (i) absence in these companies of control systems similar to those required for listed companies, with the consequent unavailability of information at least equal to, under a quantitative and qualitative profile, of those available for this later; (ii) the difficulties to undertake independent verifications in the companies and, therefore to assess the completeness and accuracy of the information provided;
  - (b) the ability to impact upon the management of these investments and drive their growth, the pre-requisite for investment, based on the company's relationships with management and shareholders and, therefore, subject to verification and the development of these relationship;
  - (c) the liquidity of these investments, not negotiable on regulated markets;
- were not hedged through specific derivative instruments as not available. The company attempts to minimise the risk – although within a merchant banking activity and therefore by definition risky – through a careful analysis of the companies and sectors on entry into the share capital, as well as through careful monitoring of the performance of the investee companies after entry in the share capital.

A sensitivity analysis is reported below which illustrates the effects resulting from, respectively on the income statement and on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2017 of +/-5% compared to the comparative figures for 2016.

<i><b>Sensitivity Analysis</b></i>	<b>December 31, 2017</b>			<b>December 31, 2016</b>		
thousands of Euro	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
Investments in listed companies	326,572	343,760	360,948	284,631	299,611	314,591
Investments in non-listed companies	38,457	40,481	42,505	38,409	40,431	42,453
<b>Non-current AFS financial assets</b>	<b>365,029</b>	<b>384,241</b>	<b>403,453</b>	<b>323,040</b>	<b>340,042</b>	<b>357,044</b>
AFS financial assets	35,877	37,765	39,653	0	0	0
Other current assets	580	610	641	173	182	191
<b>Current financial assets</b>	<b>36,456</b>	<b>38,375</b>	<b>40,294</b>	<b>173</b>	<b>182</b>	<b>191</b>
<b>Effects on the result</b>	<b>(31)</b>		<b>31</b>	<b>(9)</b>		<b>9</b>
<b>Effects on the revaluation reserve financial assets</b>	<b>(21,100)</b>		<b>21,100</b>	<b>(17,002)</b>		<b>17,002</b>

### Credit risk

The company's exposure to the credit risk depends on the specific characteristics of each client as well as the type of activities undertaken and in any case at the preparation date of the present financial statements is not considered significant.

Before undertaking an assignment, careful analysis is undertaken on the credit reliability of the client.



### Liquidity risk

The company approach in the management of liquidity guarantees, where possible, that there are always sufficient funds to meet current obligations.

At December 31, 2017, the credit lines available and not utilised of the TIP Group amounted to Euro 45.4 million.

### Management of capital

Directors provide for maintaining high levels of own capital in order to maintain a relationship of trust with investors, allowing for future development.

The company acquired treasury shares on the market in a timely manner which depends on market prices.

### Hierarchy of Fair Value as per IFRS 13

The classification of financial instruments at fair value in accordance with IFRS 13 is determined based on the quality of the input sources used in the valuation, according to the following hierarchy:

- level 1: determination of fair value based on prices listed (“unadjusted”) in active markets for identical assets or liabilities. This category includes the instruments in which the TIP company operates directly in active markets (for example investments in listed companies, listed bond securities etc.);
- level 2: determination of fair value based on inputs other than the listed prices included in “level 1” but which are directly or indirectly observable (for example recent or comparable prices);
- level 3: determination of fair value based on valuation models whose input is not based on observable market data (“unobservable inputs”). These refer for example to valuations of non-listed investments based on Discounted Cash Flow valuation methods.

In accordance with the disclosures required by IFRS 13, the types of financial instruments recorded in the financial statement at December 31, 2017 are illustrated below with indication of the accounting policies applied and, in the case of financial instruments measured at fair value, of the exposure to changes in fair value (income statement or equity), specifying also the hierarchical level of fair value attributed.

The final column of the following tables shows, where applicable, the fair value at the end of the period of the financial instrument.

Type of instrument  (in thousands of Euro)	Accounting policies applied in accounts for financial instruments								fair value at 31.12.2017	
	fair value						Amortise d cost	Invest. at cost		Book value at 31/12/201 7
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	net equity P&L			1	2	3				
AFS financial assets of which		384,241	384,241	343,76 0		38,990		1,491	384,241	384,241
- listed companies		343,760	343,760						343,760	343,760
- non-listed companies		40,481	40,481							
Financial receivables 1							54,175		54,175	54,199
Trade receivables 1							729		729	729
Current financial assets	610		610		610				610	610

AFS financial assets		37,765	37,765	37,765				37,765	37,765
Cash and cash equivalents	1					3,151		3,151	3,151
Other current assets	1					265		265	265
Non-current financial payables	2					129,129		129,129	132,456
Trade payables	1					377		377	377
Current financial liabilities	1					39,013		39,013	39,013
Other liabilities	1					13,814		13,814	13,814

**Note**

1. For these accounts the fair value was not calculated as their carrying value approximates this value.

2. The account includes the listed bond, for which a fair value was determined at December 31, 2017, while for the other accounts the fair value was not calculated as the recognition value approximates the fair value.

**(28) Shares held by members of the Boards and Senior Management of the Group**

The following tables report the financial instruments of TIP directly and indirectly held at the end of the period, also through trust companies, communicated to the company by the members of the Board of Directors. The table also illustrates the financial instruments acquired, sold and held by the parties in 2017.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2016	No. of shares acquired in 2017	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2017	No. of shares held at December 31, 2017
Giovanni Tamburi <sup>(1)</sup>	Chair. & CEO	11,077,151		1,000,000		12,077,151
Alessandra Gritti	Vice Chair. & CEO	1,931,943		100,000		2,031,943
Cesare d'Amico <sup>(2)</sup>	Vice Chairman	18,715,624	36,720	2,562,656		21,315,000
Claudio Berretti	Dir. & Gen. Manager	1,446,864		311,716		1,758,580
Alberto Capponi	Director	0				0
Paolo d'Amico <sup>(3)</sup>	Director	17,850,000		2,400,000		20,250,000
Giuseppe Ferrero <sup>(4)</sup>	Director	2,920,998	89,850	691,453	(356,000)	3,346,301
Manuela Mezzetti	Director	59,702		14,925		74,627
Daniela Palestra	Director	0				0
Name	Office	No of warrants held at December 31, 2016	No. of warrants assigned in 2017	No. of warrants sold in 2017	No. of warrants exercised in 2017	No of warrants held at December 31, 2017
Giovanni Tamburi <sup>(1)</sup>	Chair. & CEO	2,559,167		(190,987)	(1,000,000)	1,368,180
Alessandra Gritti	Vice Chair. & CEO	458,485			(100,000)	358,485
Cesare d'Amico <sup>(2)</sup>	Vice Chairman	4,562,656			(2,562,656)	2,000,000
Claudio Berretti	Dir. & Gen. Manager	311,716			(311,716)	0
Alberto Capponi	Director	0				0
Paolo d'Amico <sup>(3)</sup>	Director	4,400,000			(2,400,000)	2,000,000
Giuseppe Ferrero <sup>(4)</sup>	Director	691,453			(691,453)	0
Manuela Mezzetti	Director	14,925			(14,925)	0
Daniela Palestra	Director	0				0

<sup>(1)</sup>Giovanni Tamburi holds his investment in the share capital of TIP in part directly in his own name and in part indirectly through Lippiuno S.r.l., a company in which he holds 85.75% of the share capital.

<sup>(2)</sup>Cesare d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A. (a company in which he holds directly and indirectly 50% of the share capital), through the company Fi.Pa. Finanziaria di Partecipazione S.p.A. (a company which directly holds 54% of the share capital) and through family members.

<sup>(3)</sup>Paolo d'Amico holds his investment in the share capital of TIP through d'Amico Società di Navigazione S.p.A., a company in which he holds (directly) a 50% shareholding.

<sup>(4)</sup>Giuseppe Ferrero holds his investment in the share capital of TIP directly and through family members.

The members of the Board of Statutory Auditors do not hold shares or warrants of the company.

## (29) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2017.

<b>TIP office</b>	<b>Fees December 31, 2017</b>
Directors	13,819,654
Statutory Auditors	61,250

The remuneration of the Supervisory Board is Euro 3,000.

TIP also signed two insurance policies with Chubb Insurance Company of Europe S.A.- D&O and professional TPL - in favour of the Directors and Statutory Auditors of TIP, of the subsidiaries, as well as the investees companies in which TIP has a Board representative and the General Managers and coverage for damage to third parties in the exercise of their functions.

## (30) Transactions with related parties

The table reports the related party transactions during the year outlined according to the amounts, type and counterparties.

<b>Party</b>	<b>Type</b>	<b>Value/Balance at December 31, 2017</b>	<b>Value/Balance at December 31, 2016</b>
Asset Italia S.p.A.	Revenue	1,001,533	476,283
Asset Italia S.p.A.	Trade receivables	250,000	251,470
Betaclub S.r.l.	Revenue	25,000	23,728
Betaclub S.r.l.	Trade receivables	25,000	23,728
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	15,000	30,000
BE S.p.A.	Dividends received	467,417	351,194
Clubtre S.p.A.	Revenue	50,000	110,608
Clubtre S.p.A.	Trade receivables	50,000	50,608
Clubtre S.p.A.	Dividends received	11,760,555	0
Clubtre S.p.A.	Gains realised	16,706,524	0
Clubsette S.r.l. in liquidation	Revenue	-	25,000
Clubsette S.r.l. in liquidation	Trade receivables	-	-
Clubitaly S.p.A.	Revenue	30,000	30,606
Clubitaly S.p.A.	Trade receivables	30,000	30,606
Clubitaly S.p.A.	Financial receivables	324,010	220,909

Gruppo IPG Holding S.p.A.	Revenue	30,131	30,041
Gruppo IPG Holding S.p.A.	Trade receivables	30,131	30,041
StarTIP S.r.l.	Financial receivables	17,886,957	-
TIP-pre IPO S.p.A.	Revenue	501,087	504,222
TIP-pre IPO S.p.A.	Trade receivables	125,000	253,964
TXR S.r.l.	Revenue	15,342	16,345
TXR S.r.l.	Trade receivables	15,342	16,345
TXR S.r.l.	Dividends received	357,000	104,717
Services provided to companies related to the Board of Directors	Revenue	1,045,540	2,025,835
Services provided to companies related to the Board of Directors	Trade receivables	74,820	10,810
Services received from companies related to the Board of Directors	Costs (services received)	6,462,681	7,922,858
Payables for services received from companies related to the Board of Directors	Trade payables	5,844,585	7,306,399
Giovanni Tamburi	Revenues (services provided)	4,379	3,352
Giovanni Tamburi	Trade receivables	3,311	3,352

The services provided for all the above listed parties were undertaken at contractual terms and conditions in line with the market.

### **(31) Subsequent events**

With reference to the subsequent events, reference should be made to the Directors' Report.

### **(32) Corporate Governance**

TIP corporate governance adopts the provisions of the new version of the Self-Governance Code published by Borsa Italiana.

The Corporate Governance and Ownership Structure Report for the year is approved by the Board of Directors and published annually on the website of the company [www.tipspa.it](http://www.tipspa.it), in the "Corporate Governance" section.

For the Board of Directors  
The Chairman  
Giovanni Tamburi

Milan, March 9, 2018

## ATTACHMENTS

**Declaration of the Executive Officer for Financial Reporting as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements.**

2. The undersigned Alessandra Gritti, as Chief Executive Officer, and Claudio Berretti, as Executive Officer for financial reporting of Tamburi Investment Partners S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the conformity in relation to the characteristics of the company and
- the effective application during the year of the separate financial statements

of the administrative and accounting procedures for the compilation of the separate financial statements for the year ended December 31, 2017.

No significant aspect emerged concerning the above.

2. We also declare that:

- a) the separate financial statements at December 31, 2017 correspond to the underlying accounting documents and records;
- b) the separate financial statements for the year ended December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) and the relative interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Commission with Regulation No. 1725/2003 and subsequent modifications, in accordance with Regulation No. 1606/2002 of the European Parliament and provides a true and correct representation of the results, balance sheet and financial position of Tamburi Investment Partners S.p.A.
- c) the directors' report includes a reliable analysis of the significant events in the year and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties. The Directors' Report also contains a reliable analysis of the significant transactions with related parties.

The Chief Executive Officer

The Executive Officer

Milan, March 9, 2018

## Attachment 1 – List of investments held

Company	Restered office		share capital	number of shares	importo del patrimonio netto	number of shares held	% held	share of net equity	book value in accounts
<b>Associates</b>									
Asset Italia S.p.A. (1)	Milan								
	via Pontaccio, 10	Euro	2,210,000	100.000.000 (*)	181,978,219	20.000.000 (*)	20,00 (*)	49,595,644	49,900,000
Be Think, Solve, Execute S.p.A. (2)	Rome								
	viale dell'Esperanto, 71	Euro	27,109,165	134,897,272	47,098,955	31,582,225	23.41	11,026,834	16,596,459
Clubitaly S.p.A. (1)	Milan								
	via Pontaccio, 10	Euro	103,300	103,300	123,556,486	31,197	30.20	37,314,537	37,436,400
Clubtre S.p.A. (3)	Milan								
	via Pontaccio, 10	Euro	120,000	120,000	47,502,507	29,544	24.62	20,559,085	24,021,839
Gatti & Co. GmbH (2)	Frankfurt am Main								
	Bockenheimer Landstr. 51-53	Euro	35,700	35,700	496,073	10,700	29.97	148,683	275,000
Gruppo IPG Holding S.p.A. (2) **	Milan								
	via Appiani, 12	Euro	142,438	284,875	75,090,269	67,348	23.64	25,320,439	39,133,846
Palazzari & Turries Limited (4)	Hong Kong								
	88 Queen's Road	Euro	300,000	300,000	1,013,179	90,000	30.00	303,954	225,000
TIP-Pre Ipo S.p.A. (1)	Milan								
	via Pontaccio, 10	Euro	329,999	3,299,988	93,378,758	942,854	28.57	26,679,653	21,999,953

(1) Value relating to the net equity updated at 31.12.2017.

(2) Value relating to the net equity updated at 31.12.2016.

(3) Value relating to the net equity updated at 30.6.2017. The fully diluted % held is 43.28%.

(4) Share Capital in Hong Kong dollars. Value relating to the net equity updated at 31.12.2016. The net equity was converted at the EUR/HKD rate of 0,1223 (31.12.2016).

\* Tracking shares not included

\*\* The fully diluted % held is 33,72%

## Attachment 2 – Changes in AFS financial assets (measured at fair value)

					Balance at 1.1.2017			increases		decreases				
in Euro	No. of shares	historic cost	fair value adjustments	increases (decreases)	write-downs P&L	book value fair value	acquisition or subscription	reclass.	fair value increase	decreases	fair value decreases	reversal fair value	write-downs P&L	book value 31.12.2017
Non-listed companies														
Azimut Benetti S.p.A.	737.725	38.990.000				38.990.000								38.990.000
Other equity instr. & other minor		665.041		876.000	(100.000)	1.441.041	855.000			(805.000)				1.491.040
Total non-listed companies		39.655.041	0	876.000	(100.000)	40.431.041	855.000	0	0	(805.000)	0	0	0	40.481.040
Listed companies														
Amplifon S.p.A.	6.038.036	34.884.370	51.434.856			86.319.226			33.188.146	(12.800.884)		(29.178.106)		77.528.382
Digital Magics S.p.A.		4.906.009	(1.458.837)	19.182		3.466.354	3.507.569		4.330.170	(8.432.760)		(2.871.333)		0
Ferrari N.V. USD	304.738	17.764.789	2.134.299	(3.090.941)		16.808.147			9.831.336					26.639.483
Fiat Chrysler Automobiles N.V.	746.000	16.625.205	(1.548.105)			15.077.100			6.447.625	(9.497.387)		(904.478)		11.122.860
Fiat Chrysler Automobiles N.V. USD	2.076.925		312.958	17.656.453		17.969.411			12.925.563					30.894.974
Hugo Boss AG	978.000	62.522.390	(25.306.853)	15.159.593		52.375.130	5.439.049		11.565.141					69.379.320
Monder S.p.A.	4.498.354		7.329.555	90.170.236		97.499.791			53.862.940	(21.402.298)		(12.643.361)		117.317.072
Servizi Italia S.p.A.	548.432	2.938.289	265.566	0	(1.241.564)	1.962.290			1.712.204					3.674.494
Other listed companies		18.496.063	76.472	(308.594)	(10.131.389)	8.132.552	406.016		1.348.322	(2.185.713)	(73.621)	(423.681)		7.203.875
Total listed companies		158.137.115	33.239.911	119.605.929	(11.372.953)	299.610.001	9.352.633	0	135.211.448	(54.319.042)	(73.621)	(46.020.959)	0	343.760.461
Total investments		197.792.156	33.239.911	120.481.929	(11.472.953)	340.041.042	10.207.633	0	135.211.448	(55.124.042)	(73.621)	(46.020.959)	0	384.241.501



## Attachment 3 – 2017 Key Financial Highlights of the subsidiaries

	Clubdue S.r.l.	StarTIP S.r.l.	TXR S.r.l.
<b>ASSETS</b>			
Fixed assets	1,308	19,546,708	29,689,345
Current assets	7,364	43,066	83,764
Prepayments and deferred income	0	109	142
<b>Total assets</b>	<b>8,672</b>	<b>19,589,883</b>	<b>29,773,251</b>
<b>LIABILITIES</b>			
Equity	8,138	1,688,430	29,734,372
Payables	534	17,901,453	38,879
<b>Total liabilities</b>	<b>8,672</b>	<b>19,589,883</b>	<b>29,773,251</b>
<b>INCOME STATEMENT</b>			
Revenue	0	0	0
Costs of production	(1,535)	(20,801)	(78,329)
<b>EBITDA</b>	<b>(1,535)</b>	<b>(20,801)</b>	<b>(78,329)</b>
Amortisation & Depreciation	(327)	(769)	(734)
<b>Operating Loss</b>	<b>(1,862)</b>	<b>(21,570)</b>	<b>(79,063)</b>
Financial income	0	0	757,155
Interest and financial charges	0	0	0
<b>Loss before taxes</b>	<b>(1,862)</b>	<b>(21,570)</b>	<b>678,092</b>
Income taxes	0	0	0
<b>Loss</b>	<b>(1,862)</b>	<b>(21,570)</b>	<b>678,092</b>

## Attachment 4 - Changes in investments in associates

in Euro	No. of shares	historic cost	write backs	revaluations (write-downs)	share of results as per equity method	shareholder loan capital advance	decreases or restitutions	increase (decrease) fair value	Balance at 1.1.2017		Share of results as per eq. meth.	shareholders' loan	decreases		Book value at 31.12.2017
									Book value in accounts	Purchases			increase (decrease) fair value	(decreases) (write-downs) or restitutions revaluations	
Asset Italia Sp.A. (1)	20.000.000 (1)	2.400.000							2.400.000	47.500.000					49.900.000
Be Think, Solve, Execute Sp.A.	31.582.225	16.596.459							16.596.459						16.596.459
ClubItaly S.r.l.	31.197	33.000.000							33.000.000	4.436.400					37.436.400
Clubtre Sp.A.	29.544	42.000			41.924.346	(7.816.697)			34.149.649					(10.127.810)	24.021.839
Gatti & Co Gmbh	10.700	275.000							275.000						275.000
Gruppo IPG Holding S.r.l.	67.348	27.623.451				(1.449.904)	12.218.481		38.392.028	741.818					39.133.846
Palazzari & Turries Limited	90.000	225.000							225.000						225.000
Tip-Pre Ipo Sp.A.	942.854	16.285.667							16.285.667	5.714.286					21.999.953
<b>Total</b>		<b>96.447.577</b>	<b>0</b>	<b>0</b>	<b>41.924.346</b>	<b>(9.266.601)</b>	<b>12.218.481</b>	<b>0</b>	<b>141.323.803</b>	<b>58.392.504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10.127.810)</b>	<b>189.588.497</b>

(1) Tracking shares not included

**Report of the Board of Statutory Auditors to the Shareholders’  
Meeting of Tamburi Investment Partners S.p.A  
on the Financial Statements as at December 31, 2017**

(in accordance with Article 153 of Legislative Decree 58/98 and Article 2429 of the  
Civil Code)

Dear Shareholders,

during the year ended December 31, 2017, the Board of Statutory Auditors performed the supervisory activities pursuant to Article 149 of Legislative Decree No. 58/98, in accordance with the conduct principles for the Board of Statutory Auditors issued by the Italian accounting profession (Consiglio Nazionale dei Dottori Commercialisti ed esperti contabili) and the recommendations and communications issued by Consob.

The present report also considered the communications of Consob No. 1025564 of April 6, 2001, No. 3021582 of April 4, 2003 and No. 6031329 of April 7, 2006.

**1. Principal economic, financial and equity transactions carried out by the company and their compliance with law and the company by-laws:**

- in January 2017, Clubtre S.p.A., associate of TIP, sold 4 million shares in Prysmian S.p.A., corresponding to 1.85% of the share capital, generating a capital gain for TIP of approx. Euro 19.9 million;
- in June 2017 TIP sold 3.5 million Amplifon s.p.a shares, corresponding to 1.55% of the share capital, realising a capital gain of approx. Euro 29.2 million;
- in June 2017 the associate Asset Italia S.p.A. finalised the investment in Alpitour S.p.A. subscribing to a capital increase of approx. Euro 120 million by Asset Italia 1 S.r.l., purpose vehicle established ad hoc for the investment;

- on June 30, 2017, the second exercise period of the TIP S.p.A. 2015-2020 Warrants concluded, with the exercise of 12,261,997 warrants and a relative share capital increase of Euro 6,376,238.44 with the issue of 12,261,997 new ordinary TIP S.p.A. shares at a price of Euro 4.15 each;
- in July 2017, the associate TIPO S.p.A. acquired 20% of the Chiorino Group, engaged in the manufacture of process and conveyor belts for industrial processes;
- in September 2017, the StarTIP project was launched, which was allocated up to Euro 100 million to be invested in start-up initiatives over the coming years;
- in December 2017, the associate Asset Italia S.p.A. acquired a stake in Ampliter S.r.l., the parent of Amplifon S.p.A., investing approx. Euro 50 million through the vehicle company Asset Italia 2 S.r.l., established ad hoc for the investment.

The advisory activity generated revenues of approx. Euro 7 million.

During the year the company continued the policy to purchase and sell treasury shares in accordance with law and the resolutions passed.

The Board of Statutory Auditors considers that the operations undertaken are in accordance with law and the incorporating deeds, in the interests of the company, were not imprudent or risky, contrary to the resolutions made by the Shareholders' Meeting or such as to compromise the integrity of the company assets.

An "impairment test" was undertaken on the value of goodwill in accordance with IAS 36, with the conclusion that the value attributed is appropriate and recoverable.

In relation to the valuation of the investees, the relative criteria is described in detail in the Explanatory Notes to the Financial Statements.

## **2. Related party transactions**

The Board of Directors of TIP approved on March 9, 2018 a new operational policy to

supplement the existing “Related Party Transactions Policy”, optimising its monitoring and compliance with the overall policy.

During the year the Committee, in its role as Committee for Transactions with Related Parties, reviewed and resolved upon some Transactions with Related Parties undertaken by the Issuer.

The Board of Statutory Auditors reviewed a number of Related Party Transactions but did not raise any issues or note the existence of atypical and/or unusual transactions with third party companies.

During the year transactions were undertaken with related parties of TIP concerning the provision of services and loans at market conditions.

The inter-company transactions with related parties were adequately reported and described in Explanatory Note No. 33 of the Consolidated Financial Statements.

3. The Audit firm PriceWaterhouse Coopers issued on March 28, 2018:
  - the Auditors’ Reports on the Financial Statements of the Company and of the Group as per Article 14 of Legislative Decree No. 39 of 27/01/10 and Article 10 of Regulation (EC) 537/2014, without indicating any exceptions.
  - the additional report for the Internal Control and Audit Committee as per Article 11 of Regulation (EC) 537/2014.
4. There were no notices received as per Article 2408 of the Civil Code.
5. No petitions were presented to the board.
6. **Further assignments awarded to the audit firm and/or its network:** the audit firm PWC and its network were not awarded further assignments other than the audit of the financial statements and attestation services.

7. During the year the Board of Statutory Auditors issued favourable opinions on the following:

- Opinion on the proposal to the Shareholders' Meeting for the acquisition of treasury shares.
- Opinion on the remuneration of the Directors pursuant to Article 2389 No. 3 of the Civil Code.

8. During the year the Board of Statutory Auditors held 8 meetings and the Board of Directors held 7 meetings.

The Board of Statutory Auditors attended these meetings.

Meetings were also held of the Control and Risks and Related Parties Committee (4 meetings) and the Remuneration Committee (1 meetings).

The Board or at least one of its members attended all of these meetings.

9. The Board of Statutory Auditors also acquired information and provided oversight, in relation to its responsibilities, on compliance with correct administration principles, through direct observations, from the information received from department managers, participation at the meetings of the Board of Directors, meetings with the head of internal control and with the executive officer for financial reporting.

The Board of Statutory Auditors considers the governance instruments adopted by the Company, taking into account its size, are appropriate to ensure compliance with the principles of correct administration.

Based on the provisions of Article 19 of Legislative Decree No. 39 of January 27, 2010, the Board of Statutory Auditors provided oversight on:

- the financial disclosure process;
- the audit of the annual accounts;

- the independence of the audit firm, in particular relating to the provision of non-audit services to the Issuer.

No issues arose on which to report.

10. The Board of Statutory Auditors also reviewed and provided oversight, in relation to its responsibilities, on the adequacy of the organisational structure of the company and there are no issues to report.
11. The Board of Statutory Auditors provided oversight on the adequacy of the internal control system and the administrative/accounting system, in addition to the reliability of this latter to correctly represent operating events.

From the activities undertaken no anomalies arose and the Board considers that the administration/accounting system to be adequate and reliable for the correct representation of the operating events.

The Company correctly appointed the Executive Officer for the preparation of the corporate accounting documents, pursuant to Article 154-bis of the CFA. The Board of Statutory Auditors also reviewed the periodic and annual reports issued by the internal audit department and during the meetings no significant information arose to be reported.

Within the verification of the adequacy of the internal control system in accordance with Legislative Decree No. 231/2001, which governs the responsibility of entities for illicit administrative offenses, the Board of Statutory Auditors reports that TIP adopted an Organisational Model with the purpose to prevent such offenses leading to the responsibility of the Company. The Organisation Model is reviewed periodically to take into account operating experience and in accordance with changes in regulations which include penal offenses

In March 2018, with the approval of the Board of Directors on March 9, 2018, the

Organisational Model was updated. The Ethics Code was in addition updated.

A specific board (Supervisory Board) undertakes oversight on the functioning and compliance with the Organisational Model. The Supervisory Board met 3 times; one member of the Board is a member of the Supervisory Board.

12. The Board of Statutory Auditors provides oversight on the adequacy of the instructions by the Company to the subsidiaries in accordance with Article 114, paragraph 2 of Legislative Decree No 58/98, in order to ensure the information necessary to fulfil the communication obligations established by law, without noting any exceptions.

13. The Board of Statutory Auditors periodically held meetings with the independent audit firm, exchanging information in accordance with Article 150, paragraph 3 of the CFA.

During these meetings the independent auditors did not communicate any facts, anomalies, critical issues or omissions which would require reporting by the Board of Statutory Auditors.

14. With reference to Corporate Governance and the implementation of the corporate governance rules pursuant to the last version of the Self-Governance Code issued by Borsa Italiana, the manner for compliance by the company are described in detail in the specific report presented to the Shareholders' Meeting and approved by the Board of Statutory Auditors.

In the financial statements and the remuneration report (pursuant to Article 123-*ter* CFA and Article 84-*quater* of the Issuers' Regulation) the company provided information on the remuneration requested by Consob.

The company adopted the criteria established by the Self-Governance Code of Borsa Italiana for the qualification as "independent" of the Directors. The Board of Directors, on the basis of the information available to the company and provided by the Directors,



assessed the independence of its members. This assessment was also undertaken by the Board of Statutory Auditors, which undertook their own assessment, verifying the correct application of the criteria and procedures.

An independent director undertakes the function of Lead Independent Director and one meeting of the independent directors was held in 2017.

The Board of Directors also undertook a self-assessment process in 2017; the Directors positively assessed the size, composition and functioning of the Board, as well as the governance structure of the Group.

15. Pursuant to Article 144 *quinquiesdecies* of the Issuers' Regulation, approved by Consob with motion No. 11971/99 and subsequent modifications and amendments, the corporate offices held by members of the Board of Statutory Auditors in companies pursuant to Section V, Book V, Chapter V, VI and VII of the Civil Code, at the date of the present report are published by Consob and available on the internet site of Consob in accordance with the provisions of Article 144 *quaterdecies* of the Issuers' Regulation.

The Board of Statutory Auditors assessed their own independence, in accordance with Article 148, third paragraph of Legislative Decree No. 58 of 1998 and paragraph 8.C.1 of the Self-Governance Code.

16. The Board of Statutory Auditors, within their supervisory and control activities undertaken during 2017, as described above, did not note any omissions, censurable matters, imprudent operations or irregularities.

No further matters require mention in the present report pursuant to Article 153, paragraph 1 of the CFA.

#### **17. Proposals to the Shareholders' Meeting**

The Board of Statutory Auditors do not have any proposals to be presented to the

Shareholders' Meeting, pursuant to Article 153, paragraph 2 of the CFA.

The Board of Statutory Auditors, considering also the results of the activities carried out by the accounting control board, to the extent of its scope and based on the information acquired and that reported by the Executive Officer for financial reporting in his statement, expresses a favourable opinion regarding approval of the financial statements at 31/12/2017 and agrees with the proposal drawn up by the Directors concerning the allocation of the net profit for the year.

\*\*\*

Milan, March 28, 2018

The Board of Statutory Auditors

The Chairman of the Board of Statutory Auditors – Mr. Emanuele Cottino

The Statutory Auditor – Ms. Paola Galbiati

The Statutory Auditor – Mr. Andrea Mariani



**TAMBURI INVESTMENT PARTNERS SpA**

***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

**Financial Statements as of 31 December 2017**



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the shareholders of  
Tamburi Investment Partners SpA

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Tamburi Investment Partners SpA (the Company), which comprise the statement of financial position as of 31 December 2017, the income statement, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2017, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

#### **Basis for Opinion**

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

#### **PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 6.890.000,00 Euro I.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40122 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piosapietra 9 Tel. 01029041 - **Napoli** 80121 Via del Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Graziosi 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Foscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0331285039 - **Verona** 37122 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

[www.pwc.com/it](http://www.pwc.com/it)





### **Key Audit Matters**

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

<b>Key Audit Matters</b>	<b>Auditing procedures performed in response to key audit matters</b>
<p><b>Measurement of non-current available-for-sale financial assets</b></p> <p><i>Note 13 to the separate financial statements "Non-current available-for-sale financial assets"</i></p> <p>The Company holds significant equity investments in entities listed in regulated markets and in unlisted entities, for an amount of Euro 384,242 thousand as of 31 December 2017. Those assets are classified as available-for-sale financial assets and presented in non-current assets.</p> <p>Under the applicable financial reporting standards, these assets are measured at fair value through other comprehensive income until they are derecognised. When the decline in the fair value of an investment compared with the acquisition cost is evidence of an impairment loss as defined in the applicable financial reporting standards, the impairment loss is recognised in profit or loss. If in subsequent periods the conditions that led to the recognition of the impairment loss no longer exist, the impairment charge is reversed and credited directly to equity.</p> <p>The fair values of equity investments in unlisted entities are measured using valuation techniques, with particular reference to the assessment of the investee's ability to generate future cash flows.</p> <p>In consideration of the magnitude of the balance and the complexity of the valuation models used, the measurement of the fair values of unlisted entities was identified as a focus area in the context of the audit of the Company's separate financial statements.</p>	<p>With reference to investments in unlisted entities, as part of our auditing procedures we performed, among other things, the following:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the effectiveness of the internal control, with particular reference to the procedures followed by management to define the classification and measurement at fair value of the equity investments in unlisted entities;</li> <li>• analysing the contractual arrangements governing the main investments, specifically agreements in place with the other investors, in order to verify the correct classification and consequently the appropriateness of the measurement policy adopted by management;</li> <li>• verifying the reasonableness of the determination of fair value by assessing the methodological correctness and reasonableness of the assumptions underlying the valuation model. In particular, we analysed the consistency of the investee's business plans with the above-mentioned valuation models. Our procedures were performed with the support of experts in business valuations belonging to the PwC network and included, among other things, re-performing the calculations and re-tracing the method applied by</li> </ul>



<i>Key Audit Matters</i>	<i>Auditing procedures performed in response to key audit matters</i>
The main items requiring a high degree of judgement in the valuation are: the assumptions underlying the expected future cash flows and the discounts rates applied in the discounting process.	management, and verifying that the data and information used by management, when compared with external sources referred to third parties (or processed by the latter), were consistent with those sources.  We also verified the absence of possible indicators that the individual investments may be impaired.

#### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:





- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### ***Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014***

On 9 April 2014, the shareholders of Tamburi Investment Partners SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.





We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

---

### ***Report on Compliance with other Laws and Regulations***

---

#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/98***

Management of Tamburi Investment Partners SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Tamburi Investment Partners SpA as of 31 December 2017, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Tamburi Investment Partners SpA as of 31 December 2017 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Tamburi Investment Partners SpA as of 31 December 2017 and are prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 28 March 2018

PricewaterhouseCoopers SpA

*Signed by*

Massimo Rota  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers*