
2018 ANNUAL REPORT OF THE TAMBURI INVESTMENT PARTNERS GROUP

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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

Myriam Amato	Chairperson
Fabio Pasquini	Statutory Auditor
Alessandra Tronconi	Statutory Auditor
Andrea Mariani	Alternate Auditor
Massimiliano Alberto Tonarini	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

2018 Directors' Report of the Tamburi Investment Partners Group

On the basis of the same accounting policies as 2017, the Tamburi Investment Partners Group (hereinafter the "TIP Group" or "TIP") closed 2018 with a pro-forma pre-tax profit of Euro 86.4 million, compared to Euro 71.6 million in 2017, with equity of Euro 666.4 million, compared to Euro 647.5 million at December 31, 2017. It was therefore another extremely positive year.

With effect from January 1, 2018 the TIP Group was required to adopt IFRS 9 in preparing its financial statements. This resulted in a change in the accounting policies and criteria used from those applied for the preparation of the financial statements at December 31, 2017, with the consequent reclassifications and adjustments of the amounts in the financial statements. The company, as permitted by IFRS 9 at the time of transition, adopted the option to not adjust the 2017 figures presented for comparative purposes.

For a correct and complete presentation of period results and to ensure their comparability with preceding periods, and as considered much more representative of and consistent with TIP's activities, the 2018 pro-forma income statement applying the same accounting standards for financial assets and liabilities in place at December 31, 2017 (IAS 39) is presented below.

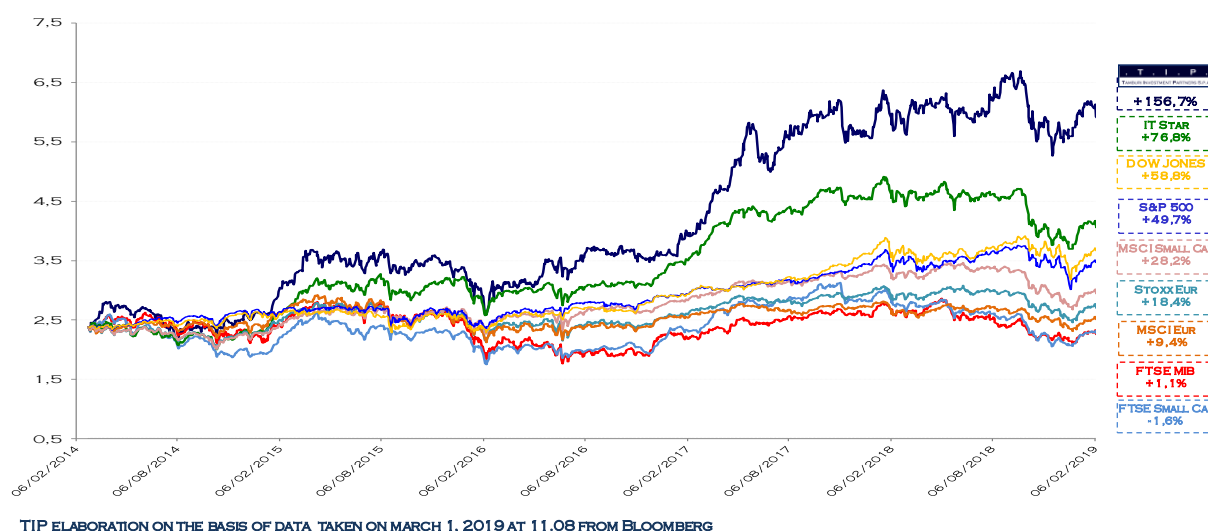
The Directors' Report comments upon the pro-forma figures, while the Explanatory Notes provide disclosure upon the figures calculated as per IFRS 9.

	IFRS 9 31/12/2018	Reclassification to income statement of capital gain realised	Reclassification to income statement of adjustments to financial assets	Reversal of convertible fair value adjustments	PRO FORMA 31/12/2018	31/12/2017
Consolidated income statement (in Euro)						
Total revenues	11,036,008				11,036,008	7,213,694
Purchases, service and other costs	(2,979,278)				(2,979,278)	(2,018,266)
Personnel expenses	(18,383,432)				(18,383,432)	(13,609,419)
Amortisation, depreciation & write-downs	(58,739)				(58,739)	(70,096)
Operating profit/(loss)	(10,387,441)	0	0	0	(10,387,441)	(10,484,087)
Financial income	19,419,199	96,707,970		(28,821)	116,098,348	52,318,451
Financial charges	(7,802,272)				(7,802,272)	(6,394,134)
Profit before adjustments to investments	1,229,486	96,707,970	0	(28,821)	97,908,635	35,640,230
Share of profit/(loss) of associates measured under the equity method	29,214,745				29,214,745	33,916,332
Adjustments to financial assets	0		(40,695,832)		(40,695,832)	0
Profit before taxes	30,444,231	96,707,970	(40,695,832)	(28,821)	86,427,548	71,556,782
Current and deferred taxes	(609,186)	(1,170,190)		(5,620)	(1,784,996)	330,166
Profit of the period	29,835,045	95,537,780	(40,695,832)	(34,441)	84,642,552	72,086,948
Profit/(loss) of the period attributable to the shareholders of the parent	27,004,846				59,530,152	71,765,289
Profit/(loss) of the period attributable to the minority interest	2,830,199				25,112,400	321,659

The IFRS 9 income statement does not include capital gains in the period on the sale of equity investments of Euro 96.7 million and write-downs of Euro 40.7 million, which are recognised directly to equity.

2018 was a very peculiar year on the financial markets. Starting strongly - continuing a long run of gains - performances thereafter flattened out and by autumn-winter a major sell-off was underway. Many were declaring the bull market over by October and December. We were not in agreement with this analysis as - being close observers of corporate performance - we continued to see rising order numbers and in general continuous growth for the real economy. Data emerging over recent weeks confirm this analysis and in fact 2018 year-end results have almost entirely outperformed the always more deceptive “analyst expectations”. TIP reports a 2018 pro-forma pre-tax profit of Euro 86.4 million and during the year TIP shares had been among the few performing positively. The 5-year trend, outlined in our standard graph comparing the main Italian and international markets, in fact indicates a very strong performance. Although a victim of the corrections in the September-December period, TIP shares again beat all indicators and stands as a good reflection on our decisions.

For the five preceding years, by February 28, 2019 the TIP shares had gained 156.7%, providing with a total return* of 176.3% - equivalent to an annual average gain of 35.3%. By the same date, the TIP 2020 warrant had gained 471.7% since its issue in July 2015.



It would therefore seem evident that TIP's investment model continues to be well received, with a rather limited exposure to risk and also the unforeseen and rather heightened increase in volatility between September and December on nearly all global markets, and also on the stock historically more resilient - the TIP shares remained highly insulated, with buoyant trading.

The pro-forma pre-tax profit of Euro 86.4 million was driven by the capital gains generated on the Roche Bobois transaction and the partial disposals of the FCA and Moncler shares and was also shaped by the partial impairment losses on some equity investments.

* PERFORMANCE OF THE TIP SHARE PRICE, DIVIDENDS DISTRIBUTED AND OF THE 2015-2020 WARRANTS ALLOCATED WITHOUT CONSIDERATION TO SHAREHOLDERS

Roche Bobois S.A., previously Furn Invest S.a.s., held 38.34% through the subsidiary TXR, within the listing process, has in fact made available the IFRS accounting data necessary to apply the equity method of accounting. This has removed the objective limitation upon the exercise of significant influence which required fair value measurement of the investment. This transfer from fair value measurement to the equity method resulted in the booking of the fair value increases cumulated until the date of transfer similarly to that for the divestment of the holding. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 46 million, recognised to the OCI reserve, has been booked to the pro-forma income statement according to IAS 39 and reclassified as retained earnings under equity as per IFRS 9; the investment previously classified to “Investments valued at FVOIC” was reversed and was recognised to “associated companies measured under the equity method”.

The present book value is Euro 20 per share, corresponding to the initial listing price, plus the proportional share of profits and subsequent changes in equity.

As noted, Roche Bobois was listed on the stock market in July and its shares currently trade at approximately two and half times the average purchase price by TXR. During the IPO, TXR sold 3.5% of its Roche Bobois holding (which currently has a free float of 11.5%), while remaining a major shareholder with approximately 35%.

With regard to FCA and Moncler, it should be emphasized that approximately half of the interests held were disposed of, in keeping with the prudent approach for which TIP is known. However, we are confident that these companies still have considerable potential.

In addition in December 2018 TIPO and Fimag signed with Fagerhult AB, a Swedish lighting sector leader, an agreement to sell 100% of the shares of iGuzzini illuminazione S.p.A.. The sale was completed on March 7, 2019, following approval of the respective competent bodies, the necessary antitrust authorizations and various formalities required to close the deal, primarily relating to the capital increase by Fagerhult.

The price set for 100% was Euro 375.9 million, net of financial debt, and was paid at closing, with Euro 284.5 million settled in cash and the remaining Euro 91.4 million in newly issued Fagerhult shares, valued per the contract at the average price in the six months prior to the signing of the letter of intent in October 2018.

Following the transaction, TIPO is also to withdraw from Fimag, in return for which it will receive a share of the cash and Fagerhult shares deriving from the sale of iGuzzini.

TIPO had acquired an equity interest in iGuzzini and Fimag for an initial investment of approximately Euro 21 million, followed by an additional investment of Euro 11 million. The sale is estimated to yield a total capital gain of slightly less than Euro 60 million, in addition to the dividends already collected and gross of the differences relating to the variations in the price of the Fagerhult shares.

Investing activity continued in 2018, with a particular focus on Prysmian, with regards to the capital increase subscribed proportionally by both Clubtre and TIP, but also Hugo Boss and OVS – for information concerning which please see the subsequent events section – as well as various deals involving StarTIP. The purchase of TIP treasury shares also continued.

An additional investment was finalised in July in Alpitour for an amount of approximately Euro 82 million, through Asset Italia 1, with the transaction generating a direct disbursement by TIP of approximately Euro 36.3 million, undertaken jointly with other investors for a total amount of approximately Euro 220 million. Following this investment, TIP holds approximately 35.81% of the tracking shares related to Asset Italia 1.

The transaction involved the purchase of 36.76% (40.5% on a fully diluted basis) of Alpitour S.p.A. by Alpiholding S.r.l. which is held 49.9% by Asset Italia 1 and which already held approximately 33% of Alpitour S.p.A. and which following the deal increased its interest to 31.14% (34.31% on a fully diluted basis). Following the transaction, Asset Italia 1 has an important governance role in the group.

In 2018 Alpitour continued to expand the hotels and resorts it manages, adding Tanka Village, closing the important acquisition of the tour operator Eden Viaggi and completing the purchase of 787 Dreamliner aircraft.

2018 was also profitable due to other income - principally in the form of dividends and interest income - of approximately Euro 19.4 million; the share of profits from associated companies, in addition, contributed approximately Euro 29.2 million, with advisory activities reporting total revenues of approximately Euro 11 million.

The pro-forma result also reflects impairment losses of approximately Euro 40.7 million on the book value of various equity investments in view of prolonged adverse price quotations or persistent uncertainty inherent in future performance. In particular, Euro 33.1 million relates to the write-downs of the equity interest in Hugo Boss, which in the financial statements according to IFRS 9 is deducted directly from equity.

Operating costs increased mainly due to the non-recurring costs sustained by the subsidiary TXR in relation to the Roche Bobois listing and the related disposal of shares on IPO. The executive directors' fees, as previously, are linked to the company's performance and were calculated on pro-forma figures according to the accounting standards adopted until the end of 2017.

Consolidated equity increased by approximately Euro 20 million, after a buy-back of treasury shares of Euro 19 million and a dividend distribution of nearly Euro 16.8 million, of which Euro 11 million distributed by TIP and Euro 5.8 million distributed by TXR to minority shareholders and following the above-mentioned impairments. In June, 4,380,183 warrants were exercised, resulting in the issue of a similar number of new TIP shares and a capital increase, including share premium, of approximately Euro 20 million.

The consolidated net financial position of TIP Group - taking into account the TIP 2014-2020 bond - totalled approximately Euro 140.5 million, increasing approximately Euro 24.3 million compared to approximately Euro 116.2 million at December 31, 2017. The liquidity from the divestments and the exercise of the warrants in June 2018 was primarily invested in bonds, but also in the new investments, the distribution of dividends and the TIP share buy-back plan.

The main investees, Amplifon, BE, FCA, Ferrari, Interpump and Moncler announced 2018 results confirming excellent performances; Alpitour, Alkemy, Azimut Benetti, Beta Utensili, Chiorino, Eataly, Furla, Hugo Boss, iGuzzini and Roche Bobois reported improved results on the previous year.

The TIP share and warrant prices, after advancing until the beginning of October 2018, then suffered from the general decline of the markets, although the TIP share remains one of the few Italian listings which closed 2018 in positive territory since the beginning of the year. In 2019 the TIP share continued to perform positively, increasing in price by over 6.5% from December 31, 2018 to February 28, 2019.

INVESTMENTS – PRINCIPAL HOLDINGS AT DECEMBER 31, 2018

The financial results reported below refer, where available, to the 2018 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 2018 or prior year annual accounts.

A) SUBSIDIARIES

StarTIP S.r.l.

TIP holding at December 31, 2018: 100%

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

The transfer of the equity interest in Talent Garden S.p.A. from TIP to StarTIP in 2018 marked the completion of the transfer of equity investments in this area.

Also in 2018 a share capital increase was subscribed and a conversion of a convertible bond issued by Buzzoole Holding Ltd., a service platform in support of Influencer Marketing. The total investment was approximately Euro 3.5 million. The interest in Telesia was increased against a further investment of approximately Euro 1.5 million, in addition to the purchase of a stake in Centy S.r.l.

At December 31, 2018, StarTIP's holdings included Digital Magics S.p.A., Talent Garden S.p.A., Heroes S.r.l. (a company that holds a significant interest in Talent Garden), Alkemy S.p.A., Buzzoole Holding Ltd, Telesia S.p.A., MyWoWo S.r.l. and Centy S.r.l.

In February 2019 Talent Garden finalized a capital increase in which StarTIP participated, as described with more details in the section "Subsequent events".

TXR S.r.l (company which holds 34.84% of Roche Bobois S.A.)

TIP holding at December 31, 2018: 51.00%

TXR, held 51.0% by TIP, has a very significant investment in Roche Bobois S.A.

The Roche Bobois share was admitted to trading on the B segment on the Euronext in Paris on July 9, 2018. On IPO, TXR sold 345,632 shares at a price of Euro 20 per share and continues to hold an investment of 34.84% in Roche Bobois.

The group operates the largest chain worldwide of high-end design furniture products, with a network – direct and/or franchising – comprising over 300 sales points (of which approximately 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 2018 the Roche Bobois group's revenues, despite the effect on sales of the *gilets jaunes* protests in November and December, continued to grow, rising from Euro 248.5 million in 2017 to Euro 257.0 million in 2018 (IFRS-compliant figures), and the group rationalized and repositioned some of its stores, opening eleven new locations, of which eight franchise stores, while closing nine viewed as non-performing, of which eight franchise stores. Aggregated revenues (including franchise stores) amounted to Euro 458.6 million, down from Euro 480.1 million in 2017 (IFRS-compliant figures), primarily due to the decline in sales by franchise stores.

B) ASSOCIATED COMPANIES

Asset Italia S.p.A.

TIP holding at December 31, 2018: 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, is 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.

Asset Italia held at December 31, 2018, through a vehicle company set up on an ad hoc basis, the following investments:

Alpitour S.p.A.

As a result of the aforementioned additional investment made in 2018, Asset Italia 1 owns both 49.9% of Alpiholding, which in turn owns 36.76% (40.5% on a fully diluted basis) of Alpitour, and a direct stake in Alpitour of 31.14% (34.31% on a fully diluted basis). TIP holds 35.81% of the tracking shares related to Asset Italia 1.

Alpitour enjoys a strong 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).

In 2018 (year ended October 31), the Alpitour group reported consolidated revenues of Euro 1,682 million (up 37.4%), an Ebitda of Euro 59.9 million (up 30% on 2017) and a net profit of approximately Euro 12.6 million.

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 tracking shares of Asset Italia related to 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, 2018: 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 2018, the BE Group reported value of production of Euro 150.2 million and an EBITDA of Euro 23.6 million, up 37% on 2017.

Clubitaly S.p.A.

TIP holding at December 31, 2018: 30.20%

Clubitaly was incorporated in 2014, together with some entrepreneurial families and family office, 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., subsequently reducing to 19.74%. In 2018 Eataly S.r.l. was merged into its subsidiary Eataly Distribuzione S.r.l., in which Clubitaly S.p.A. retained a 19.74% interest.

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.

The Stockholm and Las Vegas stores were inaugurated in 2018. In 2019 a direct store will be opened in Toronto and a franchise store will be opened in Paris.

Eataly's preliminary 2018 results include revenues of approximately Euro 540 million and stable profitability on the previous year.

Clubtre S.p.A.

TIP holding at December 31, 2018: 24.62% (43.28% fully diluted)

Clubtre S.p.A. remains the largest shareholder in Prysmian S.p.A. (with the exception of a group of funds) with a holding of approximately 4%.

In July 2018, Prysmian completed a capital increase undertaken partly to fund the acquisition, for approximately USD 3 billion, of General Cable, the third group worldwide in the sector and leading operator in the North American market. Clubtre subscribed to its share and increased its holding with a further total disbursement of approximately Euro 30 million. These investments were funded through an increase in Clubtre's bank financing.

TIP also holds a direct investment in Prysmian, which at December 31, 2018 amounted to 0.654% of the share capital.

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

In 2018 Prysmian reported combined consolidated revenues (considering General Cable throughout 2018) of Euro 11,577 million, with organic growth of 3.3%. Full combined adjusted EBITDA (i.e., including General Cable throughout 2018) amounted to Euro 837 million, down from Euro 940 million in 2017 due to the negative foreign exchange effect and the provisions for the Western Link project. Management's guidance for 2019 calls for an EBITDA of between Euro 950 and 1,030 million and further strong progress in deleveraging.

Gruppo IPG Holding S.p.A.

TIP holding at December 31, 2018: 23.64%, 33.72% fully diluted

Gruppo IPG Holding S.p.A. holds 25,406,799 shares (equal to 24.09% of the share capital, net of treasury shares, and a relative majority) of Interpump Group S.p.A., world leader in the production of high-pressure pistons pumps, power take-offs (PTOs), distributors and hydraulic systems.

In 2018, Interpump Group reported consolidated revenues of Euro 1.279 billion, up 17.7% on 2017, an Ebitda of Euro 288.5 million, up 16.0% on Euro 248.6 million in 2017 and a net profit of Euro 173.2 million.

TIP-PRE IPO S.p.A. – TIPO

TIP holding at December 31, 2018: 29.29%

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.

At December 31, 2018, TIPO held the following shareholdings:

Beta Utensili S.p.A.

TIPO holds directly 3.94% in the share capital of Beta Utensili S.p.A. and indirectly 30.87% through Betaclub S.r.l., 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 the year 2018 report consolidated revenues above Euro 161 million, up 17.6% on 2017 and an adjusted EBITDA of approximately Euro 30.7 million (up 4.4%) and a net profit of approximately Euro 12.8 million (up 47%).

The company continued therefore the strong growth forecast which also includes acquisitions aimed at strengthening its market positioning with expansion of the product range and distribution channels.

iGuzzini Illuminazione S.p.A.

TIPO at December 31, 2018 held 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.

TIPO also holds 6.67% of 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.

As previously reported, iGuzzini Illuminazione was sold to the Fagerhult group in March 2019. Following the transaction, TIPO is also to withdraw from Fimag, receiving a share of the cash and Fagerhult shares deriving from the sale of iGuzzini.

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

TIPO holds 20% of Sant'Agata S.p.A., the parent of the Chiorino Group.

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

The preliminary results of the Chiorino Group for the year 2018 report consolidated revenues of approximately Euro 116.4 million (up 4.5%) and an Adjusted EBITDA of approximately Euro 26.1 million (up 1.7%).

OTHER ASSOCIATED COMPANIES

TIP in addition holds:

- a 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, 2018: 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 11,000 sales points between direct and affiliates.

In 2018, the Amplifon Group reported revenues of Euro 1,362.2 million (up 7.6%), a recurring Ebitda of Euro 241.3 million (up 11% at like-for-like exchange rates) and a net profit of Euro 107.1 million (up 12.7%).

Digital Magics S.p.A.

TIP holding at December 31, 2018: 22.72%

Listed on the Alternative Investment Market (AIM) Italy

Digital Magics S.p.A. is the leading Italian incubator and accelerator of both digital and non-digital innovative start-ups and currently has 60 active investments and 7 completed exists.

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, of the largest innovative hub in partnership with Talent Garden - the largest European co-working platform - WebWorking, WithFounders and Innogest.

Ferrari N.V.

TIP shareholding at December 31, 2018: 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 possess technologies and intangibles difficult to replicate; a unique combination of innovation, design, exclusivity and technology.

In 2018 Ferrari again reported record revenues of Euro 3.420 billion, an Adjusted EBITDA of Euro 1.114 billion, up 7.5% on the previous year and a net profit of Euro 787 million, up 46.5%.

FCA – Fiat Chrysler Automobiles NV

TIP holding at December 31, 2018: 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 2018, the FCA Group continued to report record results with consolidated revenues of Euro 115.410 billion, an Adjusted EBIT of Euro 7.284 billion, up 3.2% and an Adjusted Net Profit of Euro 5.047 billion, up 33.8% on 2017.

Hugo Boss AG

TIP holding at December 31, 2018: 1.87%
1.39% Listed on the Frankfurt Stock Exchange

Hugo Boss AG is market leader in the premium 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 2018, the Hugo Boss Group continued its repositioning process and reported growing results. In 2018 the company reported consolidated revenues of Euro 2.796 billion (+4% at like-for-like exchange rates)), an Adjusted EBITDA of approximately Euro 489 million in line with the previous year and a net profit of approximately Euro 236 million, up 2% on the same period of 2017.

Moncler S.p.A.

TIP holding at December 31, 2018: 0.84%
Listed on the Italian Stock Exchange - STAR Segment

Moncler is a global leader in the apparel luxury segment.

In 2018 the Moncler Group reported consolidated revenues of Euro 1,420 million (+22% at like-for-like exchange rates) and an Adjusted EBITDA of Euro 500 million (+21.5%). The growth in revenues and earnings therefore continued in 2018, positioning 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, 2018: 12.07%

Azimut Benetti S.p.A. is one of the most prestigious constructors of mega yachts worldwide. The company has ranked as “Global Order Book” leader for 19 consecutive years, which ranks the major global constructors of yachts and mega yachts of over 24 metres worldwide. It has 6 boatyards and one of the world’s most comprehensive sales networks.

The latest accounts of the company report an increase in the value of production of 14.1% to approximately Euro 828.5 million, Adjusted EBITDA of approximately Euro 54.7 million (up 44.4% on 2017) and a small net loss.

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 segment in the manufacture and marketing of high-end leather handbags and accessories, with an extremely personalised style.

TIP also 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.

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.

RELATED PARTY TRANSACTIONS

The transactions with related parties are detailed in note 32 of the notes to the consolidated financial statements and in note 32 to the notes to the separate financial statements.

SUBSEQUENT EVENTS TO DECEMBER 31, 2018

On March 11, 2019 TIP acquired the entire equity investment held by Gruppo Coin S.p.A. (a company indirectly controlled by BC Partners funds and in which interests were held by the management of OVS S.p.A.) in OVS, amounting to 40,485,898 shares accounting for 17.835% of the share capital for the price of Euro 1.85 per share and a total price of Euro 74,898,911.30. As a result of this acquisition, TIP, which had previously held an interest of approximately 4.912%, increased its total investment to 22.747%.

In February and March 2019, Talent Garden held a capital increase of Euro 23 million, in which TIP participated in the amount of Euro 5 million through StarTIP. As a result of the transaction, the interest in Talent Garden held directly by StarTIP came to 5.87%, whereas the total implicit interest held, considering also the indirect holdings, including the 45.39% interest held by Heroes and the 9.22% interest held by Digital Magics, amounted to 20.53%.

The sale of iGuzzini Illuminazione by TIPO was closed on March 7, 2019. As a result of this transaction, TIPO collected approximately Euro 45.1 million and received 1,781,739 Fagerhult shares. In April 2019 TIPO will withdraw from Fimag and collect an additional Euro 23.7 million and 935,689 Fagerhult shares.

In February 2019 TIPO entered into – on its own behalf or on behalf of a party to be designated

– a purchase agreement, subject to certain conditions precedent, governing an approximately 12% interest in Welcome Italia S.p.A., a company specialized in integrated telecommunications and cloud computing services, with a particular focus on SMEs.

Treasury share purchases continued in 2019.

OUTLOOK

TIP continues to examine investment opportunities to consolidate growth and affirm its role – through employing a unique business model in Italy - as an entrepreneurial partner and financial backer for outstanding companies willing to grow and/or resolve governance issues, always with a view to accelerating business development.

Given the nature of the activities of TIP it is not easy to forecast the performance for the current year. Repeating the results achieved by the TIP Group will depend partly on market performances and opportunities which will arise in the future.

The current pipeline, together with increased market volatility, could lead to further investments through 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 of the consolidated financial statements.

TREASURY SHARES

The treasury shares in portfolio at December 31, 2018 totalled 5,959,178, equal to 3.624% of the share capital. At the present date, treasury shares in portfolio total 6,256,431, equal to 3.805% 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 2018 statutory financial statements of Tamburi Investment Partners S.p.A., as presented. Following the adoption of IFRS 9, the separate financial statements present a loss that does not reflect the capital gains of over Euro 51 million, which did not pass through the income statement, but were transferred directly in equity from an OCI reserve to retained earnings. Considering the foregoing, that the pro-forma separate income statement presents a profit of over Euro 8 million and that the retained earnings reserve in the separate financial statements amounts

to over Euro 170 million, we propose that the loss for the year be carried forward and that part of the retained earnings reserve be used, as follows:

- | | |
|---|--------------------|
| - to the legal reserve | Euro 455,539 |
| - to ordinary shares, a gross dividend of Euro 0,07
per share for a total of (*) | Euro 11,072,966.52 |

(*) Net of the 6,256,431 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.

The Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2019

Consolidated Income Statement

Tamburi Investment Partners Group (1)

(in Euro)	2018	of which related parties	2017	of which related parties	Note
Revenue from sales and services	9,986,371	6,535,119	7,125,373	2,747,670	4
Other revenue	1,049,637		88,321		
Total revenue	11,036,008		7,213,694		
Purchases, service and other costs	(2,979,278)	158,600	(2,018,266)	147,895	5
Personnel expense	(18,385,432)		(15,609,419)		6
Amortisation, depreciation & write-downs	(58,739)		(70,096)		
Operating loss	(10,387,441)		(10,484,087)		
Financial income	19,419,199		52,518,451		7
Financial charges	(7,802,272)		(6,394,134)		7
Profit before adjustments to investments	1,229,486		35,640,230		
Share of profit of associated companies measured under the equity method	29,214,745		35,916,552		8
Profit before taxes	30,444,231		71,556,782		
Current and deferred taxes	(609,186)		530,166		9
Profit	29,835,045		72,086,948		
Profit attributable to the shareholders of the parent	27,004,846		71,765,289		
Profit attributable to minority interests	2,830,199		321,659		
Basic earnings per share	0.17		0.47		23
Diluted earnings per share	0.17		0.46		23
Number of shares in circulation	158,482,489		157,343,795		

(1) The 2018 income statement has been prepared in accordance with IFRS 9 and therefore does not include capital gains in the period on the sale of equity investments of Euro 96.7 million or impairments of Euro 40.7 million. The Directors' Report (page 4) presents the pro-forma income statement at like-for-like accounting standards for the year 2017, reporting a net profit of Euro 84.6 million.

Consolidated comprehensive income statement

Tamburi Investment Partners Group

(in Euro)	2018	2017	Note
Profit	29,835,045	72,086,948	
Other comprehensive income items			
Income through P&L			22
Increase/(decrease) in non-current AFS financial assets	0	99,360,104	
Unrealised profit/(loss)	0	98,626,343	
Tax effect	0	733,761	
Increase/(decrease) in associated companies measured under the equity method	628,635	13,152,169	13
Unrealised profit	638,100	14,112,337	
Tax effect	(9,465)	(960,168)	
Increases/decreases in the value of current financial assets measured at FVOCI	(2,145,462)	521,097	18
Unrealised profit/(loss)	(2,310,840)	686,475	
Tax effect	165,378	(165,378)	
Income/(loss) not through P&L			
Increase/decrease investments measured at FVOCI	31,106,546	0	12
Profit/(loss)	31,927,470	0	
Tax effect	(820,924)	0	
Increase/(decrease) in associated companies measured under the equity method	(21,487,444)	0	13
Profit/(loss)	(21,748,424)	0	
Tax effect	260,980	0	
Other components	(14,459)	(3,140)	
Total other comprehensive income items	8,087,816	113,030,230	
Total comprehensive income	37,922,860	185,117,178	
Total income attributable to the shareholders of the parent	17,543,424	182,178,049	
Total income attributable to minority interests	20,379,436	2,939,129	

Consolidated statement of financial position

Tamburi Investment Partners Group

(in Euro)	December 31, 2018	of which related parties	December 31, 2017 (1)	of which related parties	Note
Non-current assets					
Property, plant and equipment	96,676		124,017		10
Goodwill	9,806,574		9,806,574		11
Other intangible assets	125		2,307		11
AFS financial assets	0		443,478,469		
Investments measured at FVOCI	377,632,277		0		12
Associated companies measured under the equity method	404,814,751		297,133,792		13
Financial receivables	0		25,981,883		
Financial receivables measured at amortised cost	6,866,167		0		14
Financial assets measured at FVTPL	20,395,297		0		15
Tax assets	426,449		398,082		20
Deferred tax assets	0		0		21
Total non-current assets	820,038,316		776,925,124		
Current assets					
Trade receivables	4,916,106	4,541,318	713,657	559,951	16
Current financial receivables	0		10,828,027	324,010	
Current financial receivables measured at amortised cost	9,519,333	9,519,333	0		17
Current financial assets	0		630,687		
Derivative instruments	9,000		0		
AFS financial assets	0		37,764,710		
Current financial assets measured at FVOCI	45,227,977		0		18
Cash and cash equivalents	1,812,728		3,283,840		19
Tax assets	567,819		339,956		20
Other current assets	352,346		264,919		
Total current assets	62,405,309		53,825,796		
Total assets	882,443,625		830,750,920		
Equity					
Share capital	85,509,667		83,231,972		22
Reserves	288,641,136		374,654,100		23
Retained earnings	231,264,083		98,456,635		23
Result of the parent	27,004,846		71,765,289		24
Total equity attributable to the shareholders of the parent	632,419,732		628,107,996		
Equity attributable to minority interests	33,932,034		19,383,598		
Total Equity	666,351,766		647,491,594		
Non-current liabilities					
Post-employment benefits	306,489		307,384		
Financial payables	99,555,086		129,129,224		25
Deferred tax liabilities	676,633		251,142		21
Total non-current liabilities	100,538,208		129,687,750		
Current liabilities					
Trade payables	604,462	70,900	410,991	79,797	
Current financial liabilities	97,538,156		39,012,505		26
Tax liabilities	579,175		331,362		27
Other liabilities	16,831,858		13,816,718		28
Total current liabilities	115,553,651		53,571,576		
Total liabilities	216,091,859		183,259,326		
Total equity & liabilities	882,443,625		830,750,920		

(1) The reclassifications made to the statement of financial position at December 31, 2017 following the adoption of IFRS 9 are presented in note 2.

Statement of changes in Consolidated Equity

(in Euro)

	Share Capital	Share premium reserve	Legal reserve	Revaluation reserve AFS Financial assets	FVOCI reserve without reversal to profit and loss	FVOCI reserve with reversal to profit and loss	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period shareholders of parent	Equity shareholders of parent	Net Equity minorities	Result for period minorities	Equity
At January 1, 2017 consolidated	76,855,733	113,544,232	15,370,743	96,178,426			(4,853,854)	10,153,111	(483,655)	5,060,152	56,977,958	51,486,389	420,289,235	(17,359,512)	34,146,981	437,076,704
Change in fair value of financial assets available-for-sale				96,649,033							93,601		96,742,634	2,617,470		99,360,104
Change in fair value of associated companies measure under 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)
Other changes													0			0
Total other comprehensive income items				112,650,852				(2,331,693)					110,412,760	2,617,470		113,030,230
Profit/(loss) 2017												71,765,289	71,765,289		321,659	72,086,948
Total comprehensive income				112,650,852				(2,331,693)					182,178,049		321,659	185,117,178
Allocation profit 2016			404								41,385,076	(41,385,480)	0	34,146,981	(34,146,981)	0
Other changes of associated companies measure under equity method								(7,691,108)					(7,691,108)			(7,691,108)
Dividends distribution												(10,100,909)	(10,100,909)	(343,000)		(10,443,909)
Effect of <i>Stock option plan</i>													0			0
Warrant exercise	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
At December 31, 2017 consolidated	83,231,972	158,078,940	15,371,147	208,829,278			(11,991,347)	(210,415)	(483,655)	5,060,152	98,456,635	71,765,289	628,107,996	19,061,939	321,659	647,491,594

	Share Capital	Share premium reserve	Legal reserve	Revaluation reserve AFS Financial assets	FVOCI reserve without reversal to profit and loss	FVOCI reserve with reversal to profit and loss	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period shareholders of parent	Equity shareholders of parent	Net Equity minorities	Result for period minorities	Equity
At January 1, 2018 consolidated	83,231,972	158,078,940	15,371,147	208,829,278			(11,991,347)	(210,415)	(483,655)	5,060,152	98,456,635	71,765,289	628,107,996	19,061,939	321,659	647,491,594
Adjustments for IFRS 9 adoption				(208,829,278)	208,308,181	521,097					17,800		17,800			17,800
Equity adjusted after IFRS 9 adoption	83,231,972	158,078,940	15,371,147	0	208,308,181	521,097	(11,991,347)	(210,415)	(483,655)	5,060,152	98,474,435	71,765,289	628,125,796	19,061,939	321,659	647,509,394
Change in fair value of investments measured at FVOCI					13,638,100								13,638,100	17,468,446		31,106,546
Change in associated companies measured under the equity method					(21,487,444)	547,843							(20,939,601)	80,791		(20,858,810)
Change in fair value of current financial assets measured at FVOCI						(2,145,462)							(2,145,462)			(2,145,462)
Employee benefits								(14,459)					(14,459)			(14,459)
Total other comprehensive income items					(7,849,344)	(1,597,619)		(14,459)					(9,461,422)	17,549,237		8,087,815
Profit/(loss) 2018												27,004,846	27,004,846		2,830,199	29,835,045
Total comprehensive income					(7,849,344)	(1,597,619)		(14,459)				27,004,846	17,543,424	17,549,237	2,830,199	37,922,860
Reversal of Fv reserve due to capital gain realised					(73,255,578)						73,255,578		0			0
Change in reserves of associated companies measure under equity method								(3,064,753)					(3,064,753)			(3,064,753)
Dividends distribution											(10,955,972)		(10,955,972)	(5,831,000)		(16,786,972)
Warrant exercise	2,277,695	17,652,137											19,929,832			19,929,832
Allocation profit 2017			1,275,247								70,490,042	(71,765,289)	0	321,659	(321,659)	0
Acquisition of treasury shares							(19,187,485)						(19,187,485)			(19,187,485)
Sale of treasury shares		(14,574)					67,801	(24,337)					28,890			28,890
At December 31, 2018 consolidated	85,509,667	175,716,503	16,646,394	0	127,203,259	(1,076,522)	(31,111,031)	(3,313,964)	(483,655)	5,060,152	231,264,083	27,004,846	632,419,732	31,101,835	2,830,199	666,351,766

Consolidated Statement of Cash Flows

Tamburi Investment Partners Group

euro thousands	December 31, 2018	December 31, 2017
A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u>	(16,483)	(41,949)
B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit	29,835	72,087
Amortisation & depreciation	29	70
Share of loss of associated companies measured under the equity method	(29,215)	(35,917)
Financial income and charges	0	(44,198)
Changes in "employee benefits"	(1)	36
Interest on loans and bonds	5,899	5,947
Change in deferred tax assets and liabilities	(38)	(982)
	6,510	(2,957)
Decrease/(increase) in trade receivables	(4,202)	244
Decrease/(increase) in other current assets	(87)	8
Decrease/(increase) in tax receivables	(256)	(266)
Decrease/(increase) in financial receivables	29	(806)
Decrease/(increase) in other current asset securities	(9,152)	(37,526)
(Decrease)/increase in trade payables	193	(139)
(Decrease)/increase in financial payables	(5,740)	(5,691)
(Decrease)/increase in tax payables	248	(98)
(Decrease)/increase in other current liabilities	3,015	(3,003)
Cash flow from operating activities	(9,444)	(50,234)
C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u>		
Intangible and tangible assets		
Investments / divestments	29	(21)
Financial assets		
Investments	(113,867)	(75,349)
Disposals	58,239	127,861
Capital gain on the disposal of financial assets measured at FVOCI	50,682	0
Cash flow from investing activities	(4,917)	52,491

euro thousands	December 31, 2018	December 31, 2017
D.- <u>CASH FLOW FROM FINANCING</u>		
Loans		
New loans	0	0
Repayment of loans	(5,000)	(5,000)
Interest paid on loans and bonds	(6,233)	(4,780)
Share capital		
Share capital increase and capital contributions on account	19,930	50,887
Changes from purchase/sale of treasury shares	(19,159)	(7,474)
Payment of dividends	(16,787)	(10,444)
Cash flow from financing activities	(27,249)	23,209
E.- <u>NET CASH FLOW FOR THE YEAR</u>	(41,611)	25,466
F. <u>CLOSING CASH AND CASH EQUIVALENTS</u>	(58,094)	(16,483)
The breakdown of the net available liquidity was as follows:		
Cash and cash equivalents	1,813	3,284
Bank payables due within one year	(59,907)	(19,767)
Closing cash and cash equivalents	(58,094)	(16,483)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2018

(1) Group activities

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

1. 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, 2018 were approved by the Board of Directors on March 14, 2019, who authorised their publication.

The consolidated financial statements at December 31, 2018 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 comprehensive income statement, 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 changed from those utilised for the preparation of the consolidated financial statements for the year ended December 31, 2017, mainly due to application from January 1, 2018 of IFRS 9, as outlined in detail in the paragraph “new accounting standards”.

The income statement, the comprehensive income statement and the statement of cash flows for the year 2017 and the statement of financial position at December 31, 2017 were utilised for comparative purposes. The individual balance sheet notes present for comparative purposes the

reclassified figures at January 1, 2018, as presented below, following the adoption of IFRS 9.

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

The preparation of the consolidated financial statements at December 31, 2018 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.

New accounting standards

New accounting standards, amendments and interpretations applicable for periods beginning January 1, 2018

- 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 9, commented upon in detail below.
- Others: amendments to IFRS 4, amendments to IFRS 2, annual amendments to IFRS 2014-2016 (the amendments concern: IFRS 12, IFRS 1, IAS 28), amendments to IAS 40 and amendments to the IFRIC 22 interpretation.

The application of the amendments to the existing accounting standards reported above do not have a significant impact on the Group consolidated financial statements, with the exception of those concerning IFRS 9 as illustrated below.

Adoption of the new accounting standard IFRS 9

As illustrated previously, the TIP Group was required to adopt IFRS 9 for the preparation of the financial statements for periods which commence from January 1, 2018 and thereafter. This resulted in a change in the accounting policies and criteria used from those applied 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 presented for comparative purposes and therefore the adjustments in values calculated on the opening amounts at January 1, 2018 only impact upon the equity.

The effects from the transition to IFRS 9 on the statement of financial position and equity both in terms of value and classification are illustrated below.

Consolidated statement of financial position
Tamburi Investment Partners Group

(in Euro)	December 31, 2017	January 1, 2018 IFRS 9	Changes	Note
Non-current assets				
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)	2.1
Investments measured at FVOCI	0	443,478,469	443,478,469	2.1
Associated companies measured under the equity method	297,133,792	297,133,792	0	2.2
Financial receivables	25,981,883	0	(25,981,883)	2.3
Financial receivables measured at amortised cost	0	6,460,702	6,460,702	2.3
Financial assets measured at FVTPL	0	20,117,473	20,117,473	2.3
Derivative instruments	0	0	0	
Tax receivables	398,082	398,082	0	
Deferred tax assets	0	0	0	
Total non-current assets	776,925,124	777,521,415	596,292	
Current assets				
Trade receivables	713,657	713,657	0	2.4
Current financial receivables	10,828,027	0	(10,828,027)	2.3
Current financial receivables measured at amortised cost	0	10,714,602	10,714,602	2.3
Current financial assets	630,687	0	(630,687)	2.3
Derivative instruments	0	171,240	171,240	2.3
AFS financial assets	37,764,710	0	(37,764,710)	2.5
Current financial assets measured at FVOCI	0	37,764,710	37,764,710	2.5
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	
Total current assets	53,825,796	53,252,924	(572,872)	
Total assets	830,750,920	830,774,340	23,420	

(in Euro)	December 31, 2017	January 1, 2018 IFRS 9	Changes	Note
Equity				
Share capital	83,231,972	83,231,972	0	
Reserves	374,654,100	374,654,100	0	2.6
Retained earnings	98,456,635	98,474,435	17,800	2.6
Result of the parent	71,765,289	71,765,289	0	
Total equity attributable to the shareholders of the parent	628,107,996	628,125,796	17,800	
Equity attributable to minority interests	19,383,598	19,383,598	0	
Total Equity	647,491,594	647,509,394	17,800	
Non-current liabilities				
Post-employment benefits	307,384	307,384	0	
Financial payables	129,129,224	129,129,224	0	2.7
Deferred tax liabilities	251,142	251,142	0	
Total non-current liabilities	129,687,750	129,687,750	0	
Current liabilities				
Trade payables	410,991	410,991	0	
Current financial liabilities	39,012,505	39,012,505	0	2.7
Tax payables	331,362	336,982	5,620	
Other liabilities	13,816,718	13,816,718	0	
Total current liabilities	53,571,576	53,577,196	5,620	
Total liabilities	183,259,326	183,264,946	5,620	
Total equity and liabilities	830,750,920	830,774,340	23,420	

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

Euro		
Equity at December 31, 2017 IAS 39	647,491,594	Note
Adjustments to financial assets measured at FVTPL	23,420	2.3
Tax effect of the adjustments	(5,620)	
Equity at January 1, 2018 IFRS 9	647,509,394	

2.1. 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 FVOCI 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.

Following this reclassification, the value of the investments at December 31, 2017 did not change as according to IAS 39 the AFS financial assets were already measured at fair value. However, a reclassification was 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 2.6).

The most significant effect of the adoption of IFRS 9 relating to this category of financial assets is, as already described, on the income statement following the non-recognition through profit or loss of the gains/losses realised on sale.

The adoption of IFRS 9 from January 1, 2018 resulted in the non-inclusion of financial income in the 2018 income statement of Euro 96,707,970 relating to the non-reversal of the gains/losses in the accumulated reserve until their realisation. The fair value changes matured in the period were recorded under “Increases/decreases in investments measured at FVOCI” of other comprehensive income without reversal through profit or loss, with counter-entry to the FVOCI reserves; at the time of sale, the cumulative gain was reversed from the FVOCI reserve directly to other equity reserves.

In addition, the IFRS 9 income statement does not include an adjustment to the value of investments of Euro 40,695,832 which, as an impairment, would have been recognised to the income statement as per IAS 39. This adjustment was however classified to other fair value changes recognised to the FVOCI reserve.

2.2. Associated companies measured under the equity method

The adoption of IFRS 9 did not result in direct effects on the accounting of the investments in Associated companies measured under the equity method as per IAS 28. However, the application of IFRS 9 had effects on the preparation of the financial statements of Associated companies utilised for the preparation of the condensed consolidated year financial statements at December 31, 2018. In particular investee companies of the Associated companies are reclassified from AFS financial assets to investments measured at FVOCI as illustrated in the previous paragraph.

Similar to that described in note 2.1, this reclassification did 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 were reclassified from the “AFS financial assets revaluation reserve” to the FVOCI reserve.

The gains/losses realised on the investments held by Associated companies are no longer recognised in the income statement and therefore recognised by TIP as its share of the result in the associated companies measured under the equity method, but at the time of sale the cumulative gain is reversed from the FVOCI reserve directly to other equity reserves. The adoption of IFRS 9 from January 1, 2018 did not have any effects on the year 2018 as no investments measured at fair value held by associated companies were sold. In the comprehensive income statement, the “Increases/decreases in investments measured under the equity method” relating to the changes in the fair value of their investees are reclassified under as other comprehensive income without reversal through profit and loss.

2.3. 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 were 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 was established on which the accounting criteria adopted depends.

The presence of any embedded derivatives within the principal financial asset was also verified.

Based on these analyses 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 any 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 were 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.

The adoption of IFRS 9 from January 1, 2018 resulted in higher other financial income of Euro 28,821 in comparison to application of IAS 39.

Derivative instruments

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

2.4. 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 does 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.

2.5. Reclassification from current AFS financial assets to current financial assets measured at FVOCI

As illustrated in Note 2.3 the company carried out an SPPI test and established the business model for the various financial asset categories. The current financial assets measured at FVOCI 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 therefore involves 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 are 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 were measured at fair value with changes recorded under equity, the reclassification required by IFRS 9 did 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 2018 income statement did not change following the adoption of IFRS 9 for this category of financial assets.

2.6. Effect on equity

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

in Euro	Revaluation reserve AFS Financial assets	FVOCI reserve without reversal to profit and loss	FVOCI reserve with reversal to profit and loss	Retained earnings	Total group's net equity
At December 31, 2017 consolidated	208,829,278	0		98,456,635	628,107,996
Change in fair value of AFS Financial assets	(119,049,024)	119,049,024			0
Other comprehensive income items of associated companies measured under the equity method	(89,259,157)	89,259,157			0
Change in fair value of current financial assets	(521,097)		521,097		0
Adjustment in fair value of financial assets measured at FVTPL				17,800	17,800
At January 1, 2018 consolidated	0	208,308,181	521,097	98,474,435	628,125,796

2.7. Financial liabilities

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

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

- 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 Associated companies 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.
- 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. The interpretation will be effective from January 1, 2019, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the present consolidated reporting date.
- 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 Amendments to IAS 28 will be effective from periods beginning on, or subsequent to, January 1, 2019, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the present consolidated reporting date.
 - In December 2017, the IASB issued a series of annual amendments to IFRS 2015-2017 applicable from January 1, 2019, 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 concern:
 - IFRS 3 – Business Combinations, concerning the accounting treatment of the share previously held in the joint operation after obtaining control;
 - IFRS 11 – Joint Arrangements, concerning the accounting treatment of the share previously held in the joint operation after obtaining control;
 - IAS 12 – Income Tax, concerning the classification of tax effects related to the payment of dividends and
 - IAS 23 – Borrowing costs, concerning financial charges admissible for capitalisation.
 - In February 2018, the IASB issued the Amendment to IAS 19 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 19 is applicable from January 1, 2019, except for any deferments following endorsement of the standard by the European Union, not yet implemented at the date of these consolidated financial statements.
 - In March 2018, the IASB published the reviewed version of the Conceptual Framework for Financial Reporting (“Conceptual Framework”). Simultaneously, it published a document updating the references in IFRS to the previous Conceptual Framework. The new references will be effective from the preparation of the financial statements for periods beginning January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the present consolidated reporting date.

On the basis of the analyses conducted, significant effects are not expected from the introduction of the standard on the Group’s consolidated financial statements.

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, 2018, the consolidation scope included the companies Clubdue S.r.l., StarTIP S.r.l. and TXR S.r.l.

The details of the subsidiaries were as follows:

Company Name	Reg. Office	Share capital	Number of shares	Number of shares held	% held
Clubdue S.r.l.	Milan	10,000	10,000	10,000	100%
StarTIP S.r.l.	Milan	50,000	50,000	50,000	100%
TXR S.r.l.	Milan	100,000	100,000	51,000	51.0%

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 permanent impairment in value.

Accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial statements at December 31, 2018 are disclosed below.

PROPERTY, PLANT AND EQUIPMENT

Property, plant & 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 associated companies measured under the equity method”. When the share of the loss of an investment recognised under the 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.

INVESTMENTS MEASURED AT FVOCI

For the investments in equity, comprising investments with shareholdings below 20% which are not held for trading, according to the option under IFRS 9, they are recognised recording the changes in the fair value through Other Comprehensive Income (FVOCI) and therefore with counter-entry to an equity reserve. The FVOCI accounting of the investments in equity provides for, on sale, the reversal from the fair value reserve matured directly to other equity reserves. The dividends received from the investments are therefore recognised through profit or loss.

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 hierarchal 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).

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 any sales are incidental events. These financial assets are valued at amortised cost.

FINANCIAL ASSETS MEASURED AT FVTPL

The 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, are measured at fair value with the relative changes recognised to the income statement.

DERIVATIVE INSTRUMENTS

The derivative instruments not embedded in other financial instruments are measured at fair value through profit or loss.

CURRENT FINANCIAL ASSETS MEASURED AT FVOCI

The current financial assets measured at FVOCI 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.

They are measured at FVOCI, recognising to an equity reserve the fair value changes in the securities until the date of sale and recording in the income statement interest income and any impairments. At the time of sale, the gains/losses are recognised through profit or loss with reversal of the fair value changes through profit or loss previously recognised in the equity reserve.

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

TRADE RECEIVABLES

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

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. Financial operations are recorded at the settlement date.

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 when the customer acquires control of the services provided and, consequently, when having the capacity to direct usage and obtain benefits. In the case in which a contract stipulates a portion of consideration dependent on the occurrence of future events, the estimate of the variable part is included in revenues only where such is considered highly probable. In the case of transactions concerning the simultaneous provision of a number of services, the sales price is allocated on the basis of the price which the company would apply to customers where such services included in the contract were sold individually. 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;

- the variable revenue components for the provision of services other than success fees are recognised on the basis of the state of completion, to the extent that it is highly probable that subsequent to the resolution of the uncertainty related to the variable consideration a significant reduction of the amount of cumulative revenues recorded does not occur.

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 SECURITIES

The income and charges deriving from the sale of shares classified under current financial assets measured at FVOCI are recorded on an accruals basis at the operation valuation date, 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 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 expense 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, 2018 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”.

Euro	2018	2017
Revenue from sales and services	9,986,371	7,125,373
Total	9,986,371	7,125,373

Revenues are highly dependent on the timing of success fee maturation, whose distribution varies throughout the year. Revenues include Euro 4 million associated with the accrued portion of variable income that it is highly probable will be paid by an associated company in view of the amount by which the value of the said associated company’s investments exceeds the value of the shareholders’ contributions.

(5) Purchases, service and other costs

The account comprises:

Euro	2018	2017
1. Services	2,208,345	1,397,568
2. Rent, leasing and similar costs	360,743	355,807
3. Other charges	410,190	264,891
Total	2,979,278	2,018,266

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. The increase in the account is essentially due to the non-recurring costs incurred by the subsidiary TXR in relation to the listing of the investee Roche Bobois and the banking commissions on the sale of listed shares, classified in the previous year as a reduction in gains realised.

Other charges principally include non-deductible VAT.

(6) Personnel expense

The account comprises:

Euro	2018	2017
Wages and salaries	1,050,311	1,357,164
Social security charges	387,833	367,186
Directors' fees	16,883,067	13,819,654
Post-employment benefits	64,221	65,415
Total	18,385,432	15,609,419

The account “Wages and salaries” and “Directors’ fees” include fixed and variable remuneration matured in the period. A pro-forma calculation was applied to the variable remuneration of the executive directors, as approved by the Board of Directors, on the proposal of the Remuneration Committee and with the opinion of Board of Statutory Auditors, according to the accounting standards in place until December 31, 2017.

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

At December 31, 2018, the number of TIP employees was as follows:

	December 31, 2018	December 31, 2017
White collar & apprentices	11	11
Managers	1	1
Executives	3	3
Total	15	15

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	2018	2017
1. Investment income	10,285,931	48,046,101
2. Income from current financial assets measured at FVOCI	2,327,049	404,910
3. Other income	6,806,219	4,067,440
Total financial income	19,419,199	52,518,451
4. Interest and other financial charges	(7,802,272)	(6,394,134)
Total financial charges	(7,802,272)	(6,394,134)
Net financial income	11,616,927	46,124,317

(7).1. Investment income

Euro	2018	2017
Gain on disposal of investments	0	42,700,640
Dividends	10,285,931	5,239,455
Other	0	106,006
Total	10,285,931	48,046,101

In 2018 investment income concerns dividends received from the following investees (Euro):

Roche Bobois S.A.	5,754,381
Hugo Boss AG	2,591,700
Moncler S.p.A.	699,997
Amplifon S.p.A.	664,184
Other	575,669
Total	10,285,931

The 2017 figures are not comparable as in the previous year investment income included the gains realised on the disposal of the investments which according to IFRS 9 are no longer recognised to profit and loss. For an analysis of comparable results at like-for-like accounting standards, reference should be made to the Directors' Report.

(7).2. Income from current financial assets measured at FVOCI

This principally includes interest income accrued on securities and capital gains on the sale of bonds.

(7).3. Other income

These principally include interest matured on financial receivables and fair value changes and gains on financial assets measured at FVTPL consisting of derivatives and convertible bond loans. These also comprise foreign exchange gains on securities of Euro 1,987,028.

(7).4. Interest and other financial charges

Euro	December 31, 2018	December 31, 2017
Interest on bonds	5,057,009	5,048,258
Other	2,745,263	1,345,876
Total	7,802,272	6,394,134

"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, losses and other financial charges.

(8) Share of profit / (loss) of Associated companies measured under the equity method

The account amounts to Euro 29,214,745 and includes Euro 13,397,036 associated with the share of the profits of the investee IPG Holding S.p.A.

For further details, reference should be made to note 13 "Investments in Associated companies measured under the equity method" and attachment 3.

(9) Current and deferred taxes

The breakdown of income taxes is as follows:

Euro	December 31, 2018	December 31, 2017
Current taxes	513,758	449,900
Deferred tax income	488,724	(1,088,026)
Deferred taxes	(393,296)	107,960
Total	609,186	(530,166)

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

	2018		2017	
Euro	Amount	Tax	Amount	Tax
Profit before taxes	30,444,231		71,566,500	
Theoretical tax charge	24%	7,306,615	24%	17,175,960
Permanent decreases				
Dividends	(11,728,879)	(2,814,931)	(4,348,233)	(1,043,576)
Exempt gains (*)	0	0	(36,427,424)	(8,742,582)
Tax losses	0	0	0	0
Other permanent decreases	(781,561)	(187,575)	(36,213,669)	(8,691,281)
		(3,002,506)		(18,477,439)
Permanent increases	6,865,896	1,647,815	3,880,317	931,276
Temporary differences				
Differences which will reverse in future years	(6,989,637)	(1,677,513)	6,998,263	1,679,583
Reversal differences from previous years	(28,719,521)	(6,892,685)	(8,753,623)	(2,100,870)
Total temporary differences		(8,570,198)		(421,287)
Losses not recognised		0	2,689,174	645,402
Losses carried forward		0	(5,367,546)	(1,288,211)
Total	(2.2470.644)		(5,976,241)	
IRAP regional tax		513,758		116,079
Change in deferred tax assets/liabilities		95,428		454,233
Other changes		0		333,821
Total income taxes		609,186		(530,166)

Deferred taxes recognised directly to equity

The company recognised directly to equity a decrease of Euro 330,062, principally concerning investments measured at FVOCI.

(10) Property, plant and equipment

The following table illustrates the changes in the account:

Euro	Other assets
NBV at December 31, 2016	170,589
Increases	19,714
Decreases	0
Decrease depreciation provision	1,281
Depreciation	(67,567)

NBV at December 31, 2017	124,017
Increases	29,216
Decreases	0
Decrease depreciation provision	0
Depreciation	(56,557)
NBV at December 31, 2018	96,676

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 1.60%;
- discount rate corresponding to the cost of capital (“ke unlevered”) equal to 10.18%.

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
NBV at December 31, 2016	4,426	200	4,626
Increases	210	0	210
Decreases	0	0	0
Amortisation	(2,423)	(106)	(2,529)
NBV at December 31, 2017	2,213	94	2,307
Increases	0	0	0
Decreases	0	0	0
Amortisation	(2,143)	(39)	(2,182)
NBV at December 31, 2018	70	55	125

(12) Investments measured at FVOCI

The account refers to minority investments in listed and non-listed companies.

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Investments in listed companies	327,075,055	362,556,393
Investments in non-listed companies	50,557,220	80,922,076
Total	377,632,275	443,478,469

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

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:

Method	Listed companies (% of total)	Non-listed companies (% of total)
Listed prices on active markets (level 1)	100%	0.0%
Valuation models based on market inputs (level 2)	0.0%	35.1%
Other valuation techniques (level 3)	0.0%	64.4%
Purchase cost	0.0%	0.5%
Total	100.0%	100.0%

The investment in Digital Magics S.p.A., of which the TIP Group holds 22.72% through StarTIP, was not classified as an associated company, although in the presence of a holding above 20% and some indicators which would be associated with significant influence, as Digital Magics is unable to provide periodic financial information such as to permit the TIP Group recognition in accordance with 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 measured at FVOCI.

(13) Associated companies measured under the equity method

At the end of 2018, as part of the listing completed in July 2018, Roche Bobois S.A., previously Furn Invest S.a.s., held 38.34% through TXR, made available the IFRS accounting data necessary to apply the equity method of accounting. This has removed the objective limitation upon the exercise of significant influence which required fair value measurement of the investment. This transfer from fair value measurement to the equity method resulted in the booking of the fair value increases cumulated until the date of transfer similarly to as would have occurred on divestment of the holding. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 46 million, recognised to the FV reserve, was reversed to other equity reserves as per IFRS 9; the investment previously classified to “Investments valued at FVOIC” was reversed and the investment in Associated companies of a value of Euro 75,715,541, corresponding to the fair value on reclassification, was recognised in replacement. Subsequently, the book value of the investment was reduced to 68,802,900 following the sales made on IPO. These sales were executed at a price equal to the book value per share, without therefore any capital gain or loss. The value of the equity investment according to the equity method at December 31, 2018 was Euro 69,562,064.

The other investments in associated companies concern:

- for Euro 92,872,562 the company Asset Italia S.p.A., investment holding which gives shareholders the opportunity to choose for each proposal their individual investments. 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. The increase for purchases concerns the subscription to the share capital increase of Asset Italia for an additional investment in Alpitour through Asset Italia 1, undertaken in July 2019. Following this investment, TIP's share of the shares tracking the investment in Alpitour at December 31, 2018 was equal to 35.81%. 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 71,539,510 the company Clubitaly S.p.A., with a 19.74% stake in Eataly Distribuzione 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;
- for Euro 68,740,666 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 47,333,740, the investment TIP – Pre IPO S.p.A. The investments in Chiorino, iGuzzini S.p.A. and Fimag S.p.A. 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.
- for Euro 36,570,573 the company Clubtre S.p.A., which holds Prysmian S.p.A. shares. 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, 2018) and the share of the result of Clubtre was recognised under the equity method.
- for Euro 17,460,151 the associated company BE S.p.A.;
- for Euro 735,485 the investments in the companies Palazzari & Turries Limited, with registered office in Hong Kong and in Gatti & Co GmbH, with registered office in Frankfurt.

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

(14) Financial receivables measured at amortised cost

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Financial receivables measured at amortised cost	6,866,167	6,460,702
Total	6,866,167	6,460,702

Financial receivables calculated at amortised cost principally concern the loans issued to Tefindue S.p.A., which 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 6,796,167.

(15) Financial assets measured at FVTPL

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Financial assets measured at FVTPL	20,395,297	20,117,473
Total	20,395,297	20,117,473

Assets designated at FVTPL primarily consist of the bond issued by Tefindue S.p.A. in the amount of Euro 3,081,603 and the Furla S.p.A. convertible bond, subscribed on September 30, 2016 in the amount of Euro 17,313,694.

(16) Trade receivables

Euro	Dec. 31, 2018	Dec. 31, 2017
Trade receivables (before doubtful debt provision)	5,083,915	881,446
Doubtful debt provision	(167,809)	(167,809)
Total	4,916,106	713,657
Trade receivables beyond 12 months	0	0
Total beyond 12 months	0	0

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues. At December 31, 2018 these included approximately Euro 4 million associated with the accrued portion of variable income that it is highly probable will be paid by an associated company in view of the amount by which the value of the said associated company's investments exceeds the value of the shareholders' contributions.

(17) Current financial receivables measured at amortised cost

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Current financial receivables measured at amortised cost	9,519,333	10,714,602
Total	9,519,333	10,714,602

These include shareholders' loans granted to associated companies.

(18) Current financial assets measured at FVOCI

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Current financial assets measured at FVOCI	45,227,977	37,764,710
Total	45,227,977	37,764,710

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	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Bank deposits	1,809,877	3,279,543
Cash and cash equivalents on hand	6,380	4,297
Total	1,812,728	3,283,840

The composition of the net financial position at December 31, 2018 compared with the end of the previous year is illustrated in the table below.

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
A Cash and cash equivalents	1,812,728	3,283,840
B Current financial assets measured at FVOCI and derivative instruments	45,236,977	37,935,950
C Current financial receivables	9,519,333	10,714,602
D Liquidity (A+B+C)	56,569,038	51,934,392

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
E Financial payables	(99,555,086)	(129,129,224)
F Current financial liabilities	(97,538,156)	(39,012,505)
G Net financial position (D+E+F)	(140,524,204)	(116,207,337)

The liquidity generated by the disinvestments and the exercise of the warrants in June 2018 was invested in new investments, the distribution of dividends and the TIP share buy-back plan.

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

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

(20) Tax receivables

The breakdown is as follows:

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Within one year	567,819	339,956
Beyond one year	426,449	398,082

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

(21) Deferred tax assets and liabilities

The breakdown of the account at December 31, 2018 and December 31, 2017 is detailed below:

Euro	Assets		Liabilities		Net	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other intangible assets	3,111	4,491	0	0	3,111	4,491
Investments measured at FVOCI and investments measured under the equity method	608	608	(3,410,355)	(3,308,209)	(3,409,747)	(3,307,601)
Current financial assets	0	0	0	(165,378)	0	(165,378)
Other assets	1,586,617	1,547,451	(8,969)	(8,969)	1,577,648	1,538,482
Other liabilities	1,152,355	1,678,864	0	0	1,152,355	1,678,864
Total	2,742,691	3,231,414	(3,419,324)	(3,482,556)	(676,633)	(251,142)

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

Euro	December 31, 2017	Recorded through P&L	Recorded through Equity	December 31, 2018
Other intangible assets	4,491	(1,380)	0	3,111
Investments measured at FVOCI and investments valued under the equity method	(3,307,601)	393,294	(495,440)	(3,409,747)
Current financial assets	(165,378)	0	165,378	0
Other assets	1,538,482	39,166	0	1,577,648
Other liabilities	1,678,864	(526,509)	0	1,152,355
Total	(251,142)	(95,429)	(330,062)	(676,633)

(22) Share capital

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

Shares	number
ordinary shares	164,441,667
TOTAL	164,441,667

On June 30, 2018, the third exercise period of the TIP S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 4,380,183 warrants and a relative share capital increase of Euro 2,277,695.16 with the issue of 4,380,183 new ordinary TIP S.p.A. shares at a price of Euro 4.55 each, for a total value of Euro 19,929,832.65.

The share capital of TIP S.p.A. amounts therefore to Euro 85,509,666.84, represented by 164,441,667 ordinary shares.

The treasury shares in portfolio at December 31, 2018 totalled 5,959,178, equal to 3.624% of the share capital. The shares in circulation at December 31, 2018 therefore numbered 164,441,667.

No. treasury shares at January 1, 2018	No. of shares acquired in 2018	No. of shares sold in 2018	No. treasury shares at December 31, 2018
2,717,689	3,256,489	15,000	5,959,178

The following additional disclosures is provided on the equity at December 31, 2018.

(23) Reserves*Share premium reserve*

It amounted to Euro 175,716,503 and was unchanged compared to the year ended December 31, 2017.

Legal reserve

This amounts to Euro 16,646,394, increasing Euro 1,275,247 following the Shareholders' Meeting motion of April 19, 2018 with regard to the allocation of the 2017 net profit.

Fair value OCI reserve without reversal to profit or loss

The positive reserve amounts to Euro 127,203,259. This concerns the fair value changes to investments in equity, net of the relative deferred tax effect. The gains realised on partial divestments of holdings which in application of IFRS 9 were not reversed to profit or loss were reclassified from the reserve to retained earnings. The change in the reserve also includes the declines in the fair values of several securities, which in accordance with IAS 39 would have been taken to the income statement as impairment losses.

For a breakdown of the fair value changes of investments in equity, reference should be made to attachment 2 and to note 12, in addition to attachment 3 and note 13.

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

OCI reserve with reversal to profit or loss

The negative reserve amounts to Euro 1,076,522. These principally concern the fair value changes of securities acquired as temporary uses of liquidity. The relative fair value was reversed to the income statement on the sale of the underlying security.

Treasury shares acquisition reserve

The negative reserve amounts to Euro 31,111,031. This is a non-distributable reserve.

Other reserves

They are negative for Euro 3,313,964 and for Euro 5,357,688 comprise the stock option plan reserve created following the allocation of options to employees and directors offset by the negative changes in the investments reserve measured under the equity method.

Merger surplus

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

Retained earnings

Retained earnings amount to Euro 231,264,083 and increased on December 31, 2017 following the allocation of the 2017 net profit and the reclassification from the fair value OCI reserve without reversal to profit or loss of the gains realised on partial divestments of holdings not recognised to profit or loss.

IFRS business combination reserve

The reserve was negative and amounts to Euro 483,655, unchanged compared to December 31, 2017.

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

Euro	Equity at January 1, 2018	2018 Result	Other changes	Group equity at December 31, 2018	Minority interest equity	Equity at December 31, 2018
Parent Company Equity as per separate financial statements	514,958,078	(2,411,369)	(24,042,471)	488,504,238		488,504,238
Eliminations in separate financial statements	(29,308,249)	(2,051,811)	346,732	(31,013,328)		(31,013,328)
Carrying value and adjustments of investments measured under the equity method	136,844,183	28,622,465	(24,423,748)	141,042,900		141,042,900
Equity and result for the year (determined in accordance with uniform accounting principles) of the companies consolidated	22,338,429	3,191,388	19,366,733	44,896,550	33,932,034	78,828,584
Elimination carrying value of consolidated companies	(16,724,445)	345,827	6,059,643	(11,010,629)		(11,010,629)
Equity attributed to the shareholders of the parent from the consolidated financial statements	628,107,996	27,004,846	(22,693,110)	632,419,732	33,932,034	666,351,766

(24) Net Profit for the year*Basic earnings per share*

At December 31, 2018, 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 0.17.

Diluted earnings per share

At December 31, 2018, the diluted earnings per share was Euro 0.17. This represents the net profit for the period divided by the number of ordinary shares in circulation at December 31, 2018, calculated taking into account the treasury shares held and considering any dilution effects generated from the shares servicing the stock option plan relating to the remaining warrants in circulation.

(25) Financial payables

The financial payables for Euro 99,555,086 refer to the 2014-2020 TIP Bond approved by the Board of Directors on March 4, 2014, placed in April 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.

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 97,538,156 and principally comprise bank payables of the parent company. They include for Euro 29,945,676 the loan of a nominal value of Euro 40,000,000 with the following maturities:

- 12.5% on December 31, 2017 (repaid);
- 12.5% on December 31, 2018 (repaid);
- 12.5% on June 30, 2019;
- 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants. At December 31, 2017, the portion of the loan due in 2019 had been classified among non-current financial payables.

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.

(27) Tax payables

The breakdown of the account is as follows:

Euro	December 31, 2018	January 1, 2018 IFRS 9
VAT	36,829	166,136
Withholding taxes	144,667	165,226
IRAP	397,679	0
Total	579,175	331,362

(28) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	December 31, 2018	January 1, 2018 IFRS 9
Directors and employees	16,572,201	13,526,859
Social security institutions	176,048	155,204
Other	83,609	134,655
Total	16,831,858	13,816,718

(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. As these investments are mainly temporary uses of liquidity which may be liquidated quickly, it was not considered necessary to adopt specific hedges.

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 on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2018 of +/-5% compared to the comparative figures for 2017.

<i>Sensitivity Analysis</i>	December 31, 2018			December 31, 2017		
thousands of Euro	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
Investments in listed companies	310,721	327,075	343,429	344,428	362,556	380,684
Investments in non-listed companies	48,029	50,557	53,085	76,876	80,922	84,968
Investments measured at FVOCI	358,750	377,632	396,514	421,304	443,478	465,652
Effect on equity	(18,882)		18,882	(22,174)		22,174

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

At December 31, 2018, 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 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, 2018 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 31.12.2018	
	fair value					Amortised cost	Invest. at cost	Book value at 31/12/2018		
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	account economic	result net Value		1	2					3
Investments measured at FVOCI		377,632	377,632						377,632	
- listed companies		327,075	327,075	327,075					327,075	
- non-listed companies		50,557	50,557		17,124	32,584		249	50,557	
Financial assets measured at FVOCI	1	45,228	45,228	45,228					45,228	
Financial receivables measured at amortised cost	1							16,385	16,385	
Financial assets measured at FVTPL		20,395	20,395			20,395			20,395	
Cash and cash equivalents	1						1,813		1,813	
Non-current financial payables	2						99,555		99,555	
Trade payables	1						306		306	
Current financial liabilities	1						97,538		97,538	
Other liabilities	1						16,832		16,832	

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, 2018.

(30) 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 2018.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2017	No. of shares acquired in 2018	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2018	No. of shares held at December 31, 2018
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	12,077,151		250,000		12,327,151
Alessandra Gritti	Vice Chair. & CEO	2,031,943	350			2,032,293
Cesare d'Amico ⁽²⁾	Vice Chairman	21,315,000	300,000		3,300,000	18,315,000
Claudio Berretti	Dir. & Gen.	1,758,580				1,758,580
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	20,250,000	100,000		3,300,000	17,050,000
Giuseppe Ferrero ⁽⁴⁾	Director	3,346,301			166,666	3,179,635
Manuela Mezzetti	Director	74,627			74,627	0
Daniela Palestra	Director	0				0
Name	Office	No of warrants held at December 31, 2017	No. of warrants assigned in 2018	No. of warrants sold in 2018	No. of warrants exercised in 2018	No of warrants held at December 31, 2018
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	1,368,180			250,000	1,118,180
Alessandra Gritti	Vice Chair. & CEO	358,485				358,485
Cesare d'Amico ⁽²⁾	Vice Chairman	2,000,000	40,000			2,040,000
Claudio Berretti	Dir. & Gen. Manager	0				0
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	2,000,000				2,000,000
Giuseppe Ferrero ⁽⁴⁾	Director	0				0
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0

⁽¹⁾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 87.26% of the share capital.

⁽²⁾Cesare d'Amico holds his investment in the share capital of TIP directly 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.

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

⁽⁴⁾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.

(31) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2018.

TIP office	Fees 31/12/2018
Directors	16,883,067
Statutory Auditors	67,050

The remuneration of the Supervisory Board is Euro 4,000.

TIP also signed two insurance policies with D&O and q 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.

(32) Transactions with related parties

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

Party	Type	Value/Balance at December 31, 2018	Value/Balance at December 31, 2017
Asset Italia S.p.A.	Revenue	1,000,268	1,001,533
Asset Italia S.p.A.	Trade receivables	250,000	250,000
Asset Italia 1 S.r.l.	Revenue	820,000	-
Betaclub S.r.l.	Revenue	25,136	25,000
Betaclub S.r.l.	Trade receivables	25,043	25,000
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	15,000	15,000
ClubTre S.p.A.	Revenue	50,000	50,000
ClubTre S.p.A.	Trade receivables	50,000	50,000
Clubtre S.p.A.	Financial receivables	9,088,864	-
Clubitaly S.p.A.	Revenue	30,000	30,000
Clubitaly S.p.A.	Trade receivables	30,000	30,000
Clubitaly S.p.A.	Financial receivables	430,469	324,010
Gruppo IPG Holding S.p.A.	Revenue	30,239	30,131
Gruppo IPG Holding S.p.A.	Trade receivables	30,239	30,131
TIP-pre IPO S.p.A.	Revenue	4,500,665	501,087
TIP-pre IPO S.p.A.	Trade receivables	4,125,036	125,000
Services provided to companies related to the Board of Directors	Revenue	16,000	1,045,540
Services provided to companies related to the Board of Directors	Trade receivables	16,000	74,820
Services received from companies related to the Board of Directors	Costs (services received)	7,863,909	6,462,681
Services received from companies related to the Board of Directors	Trade payables	7,226,209	5,844,584
Giovanni Tamburi	Revenues (services provided)	2,811	4,379
Giovanni Tamburi	Trade receivables	2,811	-

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

(33) Subsequent events

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

(34) 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, in the "Corporate Governance" section.

For the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2019

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, 2018.

No significant aspect emerged concerning the above.

2. We also declare that:

- a) the consolidated financial statements at December 31, 2018 correspond to the underlying accounting documents and records;
- b) the consolidated financial statements for the year ended December 31, 2018 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 14, 2019

Attachment 1 – List of investments held

Company	Registered office		share capital	number of shares	Total net equity	number of shares held	% held	share of net equity	book value in accounts
Associates									
Asset Italia S.p.A. (1)	Milan								
	via Pontaccio, 10	Euro	3,425,114	102,425,114	263,205,046	20,788,639	20.00	52,641,009	92,872,562
Be Think, Solve, Execute S.p.A. (1)	Rome								
	viale dell'Esperanto, 71	Euro	27,109,165	134,897,272	53,053,000	31,582,225	23.41	12,420,798	17,460,151
Clubitaly S.r.l. (1)	Milan								
	via Pontaccio, 10	Euro	103,300	103,300	238,167,895	31,197	30.20	71,926,704	71,539,510
Clubtre S.p.A. (2)	Milan								
	via Pontaccio, 10	Euro	120,000	120,000	36,543,871	29,544	24.62	8,997,101	36,570,573
Gatti & Co. GmbH (1)	Frankfurt am Main								
	Bockenheimer Landstr. 51-53	Euro	35,700	35,700	658,349	10,700	30.00	197,505	362,224
Gruppo IPG Holding S.p.A. (1) **	Milan								
	via Appiani, 12	Euro	142,438	284,875	71,685,588	67,348	33.72	24,172,380	68,740,666
Palazzari & Turries Limited (3)	Hong Kong								
	88 Queen's Road	Euro	300,000	300,000	689,659	90,000	30.00	206,898	373,261
Roche Bobois S.A. (4)	Paris								
	18 Rue De Lyon	Euro	49,376,078	9,874,125	130,971,390	3,440,145	34.84	45,630,432	69,562,064
TIP-Pre Ipo S.p.A. (1)	Milan								
	via Pontaccio, 10	Euro	329,999	3,299,988	162,918,797	966,424	29.29	47,711,881	47,333,740

(1) Value relating to the net equity updated at 31.12.2018.

(2) Value relating to the net equity updated at 31.12.2018. The fully diluted % held is 43,28%

(3) Share Capital in Hong Kong dollars. Value relating to the net equity updated at 31.12.2017. The net equity was converted at the EUR/HKD rate of 0,1135 (31.12.2018).

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

* Tracking shares not included

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

Attachment 2 - Changes in investments measured at FVOCI

in Euro	No. of shares	historic cost	fair value adjustments	increase (decrease)	write-down P&L	Balance at 1.1.2018	increases	reclass.	fair value increase	decreases	fair value decreases	reversal fair value	book value 31/12/2018
						book value fair value	acquisition or subscription			decreases			
Non-listed companies													
Azimut Benetti S.p.A.	737,725	38,990,000	0			38,990,000					(7,312,229)		31,677,771
Buzzoole Plc.						0	3,338,810						3,338,810
Roche Bobois	0	29,689,345	9,943,310			39,632,655			36,082,885	(29,689,345)		(46,026,195)	0
Heroes S.r.l.				706,673		706,673	1,800,000		10,507,718				13,014,391
Talent Garden Sp.A.	6,250	500,000				500,000	2,500		868,500				1,371,000
Other equity instr. & other minor		1,835,873		151,707	(894,832)	1,092,748	62,500		0			0	1,155,248
Total non-listed companies		32,025,218	9,943,310	858,380	(894,832)	80,922,076	5,203,810	0	47,459,103	(29,689,345)	(7,312,229)	(46,026,195)	50,557,220
Listed companies													
Alkemy Sp.A.	425,000		284,672	4,993,828		5,278,500					(824,500)		4,454,000
Amplifon Sp.A.	6,038,036	34,884,370	55,444,896	(12,800,884)		77,528,382			7,306,024				84,834,406
Digital Magics Sp.A.	1,684,719	4,925,191	3,370,385	4,996,857		13,292,433					(2,476,537)		10,815,896
Ferrari N.V. USD	304,738	14,673,848	11,965,635			26,639,483					(173,853)		26,465,630
Fiat Chrysler Automobiles N.V.	0	16,625,205	3,995,042	(9,497,387)		11,122,860			3,239,242	(7,127,818)		(7,234,284)	0
Fiat Chrysler Automobiles N.V. USD	1,576,000	17,656,453	13,238,521			30,894,974				(4,258,487)	(1,184,033)	(5,549,432)	19,903,022
Hugo Boss AG	1,315,000	77,681,983	(13,741,712)	5,439,049		69,379,320	20,896,485				(19,371,005)		70,904,800
Moncler Sp.A.	2,150,000	92,368,016	46,873,007	(21,923,951)		117,317,072			19,555,628	(36,775,141)		(37,898,059)	62,199,500
OVS Sp.A.	7,800,000					0	12,268,197				(3,734,997)		8,533,200
Prysmian Sp.A.	1,754,000					0	36,922,403				(7,332,423)		29,589,980
Servizi Italia Sp.A.	548,432	2,938,289	1,977,770	0	(1,241,564)	3,674,495					(1,963,387)		1,711,108
Telesia Sp.A.	230,000		(75,000)	300,000		225,000	1,492,000				(695,800)		1,021,200
Other listed companies		15,375,538	927,491	106,006	(9,205,161)	7,203,874			13,456		(575,017)		6,642,314
Total listed companies		277,128,893	124,260,707	(28,386,482)	(10,446,725)	362,556,393	71,579,085	0	30,114,350	(48,161,446)	(38,331,552)	(50,681,775)	327,075,057
Total investments													
		309,154,111	134,204,017	(27,528,102)	(11,341,557)	443,478,469	76,782,895	0	77,573,453	(77,850,791)	(45,643,781)	(96,707,970)	377,632,277

Attachment 3 - Changes in Associated companies measured under the equity method

										Book value
in Euro	No. Of shares	historic cost	write backs	revaluations (write-downs)	share of results as per equity method	shareholder loan capital advance	increase (decrease) other reserves	increase (decrease)	increase (decrease) fair value reserve	at 31.12.2017
Asset Italia S.p.A.	20.000.000 (1)	49,900,000			355,949		298,494		353,332	50,907,775
Be Think, Solve, Execute S.p.A.	31,582,225	16,596,460			1,742,159		110,973	(871,681)	(371,156)	17,206,755
ClubItaly S.r.l.	31,197	37,436,400		(181,956)	(226,982)				26,197,191	63,224,653
Clubtre S.p.A.	29,544	17,500			27,433,234	41,948,846		(47,871,387)	53,684,704	75,212,897
Gruppo IPG Holding S.r.l.	67,348	40,589,688	5,010,117	(7,597,729)	35,362,517		(10,555,332)	(2,472,406)	(1,016,945)	59,319,910
Rodhe Bobois S.A.	3,440,145	0								0
Tip-Pre Ipo S.p.A.	942,854	21,571,436			6,395,181				2,511,327	30,477,944
Other associated companies		500,000		46,218	237,640					783,858
Total		166,611,484	5,010,117	(7,733,467)	71,299,698	41,948,846	(10,145,865)	(51,215,474)	81,358,453	297,133,792

(1) Tracking shares not included

	Book value			Valore di bilancio					
in Euro	at 31.12.2017		share of	increase	increase	increase	increase	(write-down)	al 31.12.2018
		purchases	results as per	(decrease)	(decrease)	(decrease)	(decrease)	write-back	
			equity method	FVOCI reserve	FVOCI reserve	other reserves			
				without reversal to P/L	with reversal to P/L				
Asset Italia S.p.A.	50,907,775	36,297,441	4,066,745	1,497,820	102,781				92,872,562
Be Think, Solve, Execute S.p.A.	17,206,755		1,280,629		(91,713)	(303,877)	(631,643)		17,460,151
ClubItaly S.r.l.	63,224,653		8,414,398	(99,541)					71,539,510
Clubtre S.p.A.	75,212,897		1,059,495	(38,619,031)			(1,082,788)		36,570,573
Gruppo IPG Holding S.r.l.	59,319,910		13,397,036		519,052	(3,045,427)	(1,449,905)		68,740,666
Rodhe Bobois S.A.	0	75,715,541	592,280		166,884		(6,912,641)		69,562,064
Tip-Pre Ipo S.p.A.	30,477,944	787,072	452,535	15,472,328	(58,904)	202,764			47,333,740
Other associated companies	783,858		(48,373)						735,485
Total	297,133,792	112,800,054	29,214,745	(21,748,424)	638,100	(3,146,540)	(10,076,977)	0	404,814,751



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 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of 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 2018, 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

Key audit matters are those matters that, in our professional judgment, were of most significance in

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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.

Key Audit Matters	Auditing procedures performed in response to key audit matters
<p>Investments in associated companies measured under the equity method</p> <p><i>Note 13 to the consolidated financial statements</i> <i>"Associated companies measured under the equity method"</i></p> <p>Investments in associated companies measured under the equity method amount to Euro 404.815 thousand as of 31 December 2018 and represent 46% of total asset.</p> <p>In accordance with the applicable financial reporting standards, investments in associated companies are initially recognised at cost and subsequently measured under the equity method.</p> <p>We considered the measurement of investments in associated companies a key matter in consideration of the materiality of the amounts, the presence of significant estimates and the complexity of the contractual arrangements governing those investments.</p>	<p>Our audit activities included, among other, the following procedures:</p> <ul style="list-style-type: none"> • understanding and evaluation of the effectiveness of internal control, with specific reference to the procedures applied by management to classify and measure investments in associated companies; • analysis of contracts relating to investments and the arrangements with the other investors in the same entity, in order to verify the correct qualification of investments and consequent appropriateness of the valuation method adopted; • examination of accounting documents (financial statements, trial balances, reporting packages) of associated companies at the valuation date, in order to verify the consistency of the valuation with the net equity method; • examination of the method used to measure investments in associates whose assets mainly include investments in minority interests measured at fair value. In detail, where the investments held were in unlisted entities, our work was performed through meetings and discussion with management and involved, among other things, understanding of the valuation models adopted, discussion of the key assumptions used and evaluation of their reasonableness, as well as verification of the mathematical accuracy of the calculation models; our verifications were performed with the support of



	<p>valuation experts belonging to the PwC network;</p> <ul style="list-style-type: none"> • verification of the absence of possible impairment indicators referred to individual investments. <p>Finally, we verified the adequacy of disclosures in the notes to the consolidated financial statements.</p>
<p>Investments measured at fair value through other comprehensive income ("FVOCI")</p> <p><i>Note 12 to the consolidated financial statements "Investments measured at FVOCI"</i></p> <p>The Group holds significant equity investments in entities listed on regulated markets and in unlisted entities, for an amount of Euro 377.632 thousand as of 31 December 2018, which represents 43% of the total asset. Those investments, reported under non-current assets, are measured at fair value through other comprehensive income ("FVOCI").</p> <p>The fair value of investments in listed entities is based on the share prices. For unlisted entities, fair value is calculated using the valuation techniques considered most appropriate by management.</p> <p>We considered the measurement of investments at FVOCI a key matter in our audit of the Group's consolidated financial statements because of the materiality of the balance, the complexity of the valuation models used for investments in unlisted entities and the use of inputs that are not always observable.</p>	<p>Our audit activities included, among other, the following procedures:</p> <ul style="list-style-type: none"> • understanding and evaluation of the effectiveness of internal control, with specific reference to the procedures applied by management to classify and measure at FVOCI investments in listed and unlisted entities; • analysis of contracts relating to the main investments and of arrangements with the other investors in the same entity, in order to verify the correct qualification of investments and consequent appropriateness of the valuation method adopted; • verification of share prices for listed entities; • for unlisted entities, verification of fair value through an analysis of the valuation techniques applied by management and of the reasonableness of inputs used and underlying assumptions. Also, verification of the mathematical accuracy of the calculation models. Our verifications were performed with the support of valuation experts belonging to the PwC network. <p>Finally, we verified the adequacy of disclosures in the notes to the consolidated financial statements.</p>



Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are 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 they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are 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, the directors use the going concern basis of accounting unless they either intend to liquidate Tamburi Investment Partners SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is 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 auditor's 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 our 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 the directors;



- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the board of statutory auditors, in its 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

The directors of Tamburi Investment Partners SpA are 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 2018, 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 2018 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 2018 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, 29 March 2019

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

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

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 2018, 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
TOTAL TIP			65,000
• Audit appointments in subsidiaries/Associated companies	PWC S.p.A.		55,000
TOTAL			125,000

The amounts above do not include expenses and Consob contributions.

2018 SEPARATE FINANCIAL STATEMENTS OF TAMBURI INVESTMENT PARTNERS S.P.A.

Income Statement

Tamburi Investment Partners S.p.A. (1)

(in Euro)	2018	of which related parties	2017	of which related parties	Note
Revenue from sales and services	10,001,371	6,550,119	7,140,373	2,763,012	4
Other revenue	1,048,781		88,663		
Total revenue	11,050,152		7,229,036		
Purchases, service and other costs	(2,238,071)	158,600	(1,920,284)	147,8954	5
Personnel expense	(18,385,432)		(15,609,419)		6
Amortisation, depreciation & write-downs	(58,739)		(70,096)		
Operating Loss	(9,632,090)		(10,370,763)		
Financial income	15,341,273	2,060,258	84,615,666	28,934,496	7
Financial charges	(7,768,063)		(6,457,594)		7
Profit/(loss) before taxes	(2,058,880)		67,787,309		
Current and deferred taxes	(352,489)		(772,616)		8
Profit/(loss)	(2,411,369)		67,014,693		

(1) The 2018 income statement has been prepared in accordance with IFRS 9 and therefore does not include capital gains in the period on the sale of equity investments of Euro 51.7 million or write-downs of Euro 40.7 million. Note 2 (page 80) presents the pro-forma income statement at like-for-like accounting standards for the year 2017, reporting a net profit of Euro 7.9 million.

Comprehensive Income Statement Tamburi Investment Partners S.p.A.

(in Euro)	2018	2017	Note
Profit/(loss)	(2,411,369)	67,014,693	
Other comprehensive income items			
Income through P&L			22
Increase/(decrease) in non-current AFS financial assets	0	89,978,691	
Unrealised profit/(loss)	0	89,116,869	
Tax effect	0	861,822	
Increase/(decrease) AFS current financial assets	0	521,097	
Unrealised profit/(loss)	0	686,475	
Tax effect	0	(165,378)	
Increases/decreases in the value of current financial assets measured at FVOCI	(2,145,462)	0	20
Unrealised profit/(loss)	(2,310,840)	0	
Tax effect	165,378	0	
Income not through P&L			
Employee benefits	(14,459)	(3,140)	
Increase/decrease investments measured at FVOCI	(11,715,999)	0	12
Profit/(loss)	(11,395,095)	0	
Tax effect	(320,904)	0	
Other components			
Total other comprehensive income items	13,875,920	90,496,648	
Total comprehensive income	(16,287,289)	157,511,341	

Balance Sheet

Tamburi Investment Partners S.p.A.

(in Euro)	December 31, 2018	of which related parties	December 31, 2017 (1)	of which related parties	Note
Non-current assets					
Property, Plant and Equipment	96,676		124,017		9
Goodwill	9,806,574		9,806,574		10
Other intangible assets	125		2,307		
AFS financial assets	0		384,241,501		
Investments in subsidiaries	11,010,629		16,733,802		11
Investments in associated companies	225,223,105		189,588,497		13
Investments measured at FVOCI	343,452,773		0		12
Financial receivables	0		43,347,219	17,760,555	
Financial receivables measured at amortised cost	31,260,124	24,463,957	0		14
Financial assets measured at FVTPL	20,395,298		0		15
Tax receivables	310,338		398,082		16
Deferred tax assets	0		0		17
Total non-current assets	641,555,642		644,241,999		
Current assets					
Trade receivables	4,931,106	4,559,129	728,999	618,604	18
Current financial receivables	0		10,828,027	324,010	
Current financial receivables measured at amortised cost	9,519,333	9,519,333	0		19
Current financial assets	0		609,687		
Derivative instruments	0		0		
AFS financial assets	0		37,764,710		
Current financial assets measured at FVOCI	45,227,977		0		20
Cash and cash equivalents	1,563,814		3,151,412		21
Tax receivables	683,898		338,190		16
Other current assets	351,410		264,671		
Total current assets	62,277,538		53,685,696		
Total assets	703,833,180		697,927,695		
Equity					
Share capital	85,509,667		83,231,972		22
Reserves	235,115,967		300,297,060		23
Retained earnings	170,289,973		64,414,353		23
Profit/(loss)	(2,411,369)		67,014,693		
Total Equity	488,504,238		514,958,078		
Non-current liabilities					
Post-employment benefits	306,489		307,384		24
Financial payables	99,555,085		129,129,224		25
Deferred tax liabilities	0		0		17
Total non-current liabilities	99,861,574		129,436,608		
Current liabilities					
Trade payables	555,929	70,900	376,523	79,797	
Current financial liabilities	97,538,156		39,012,505		26
Tax liabilities	542,288		329,922		27
Other liabilities	16,830,995		13,814,059		28
Total current liabilities	115,467,368		53,533,009		
Total liabilities	215,328,942		182,969,617		
Total equity and liabilities	703,833,180		697,925,695		

(1) The reclassifications made to the statement of financial position at December 31, 2017 following the adoption of IFRS 9 are presented in note 2.

Statement of changes in Equity (in Euro)

	Share Capital	Share premium reserve	Legal reserve	Revaluation reserve AFS Financial assets	FVOCI reserve without reversal to profit and loss	FVOCI reserve with reversal to profit and loss	Treasury shares reserve	Other reserves	IFRS reserve business combination	Merger surplus	Retained earnings	Result for the period	Equity
At January 1, 2017 separate	76,855,733	121,086,033	15,370,743	30,746,460	0	0	(4,853,854)	5,817,639	(483,655)	5,060,152	33,443,468	41,072,198	324,114,917
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)
Total other comprehensive income items				90,499,788				(3,140)					90,496,648
Profit/(loss) 2017												67,014,693	67,014,693
Total comprehensive income				90,499,788				(3,140)				67,014,693	157,511,341
Allocation profit 2016			404								30,970,885	(30,971,289)	0
Dividends distribution												(10,100,909)	(10,100,909)
Effect of <i>Stock option plan</i>													0
Warrant exercise	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)
At December 31, 2017 separate	83,231,972	165,620,741	15,371,147	121,246,248	0	0	(11,991,347)	(343,865)	(483,655)	5,060,152	64,414,353	67,014,693	514,958,078
At January 1, 2018 separate	83,231,972	165,620,741	15,371,147	121,246,248			(11,991,347)	5,473,774	(483,655)	5,060,152	64,414,353	67,014,693	514,958,078
Adjustments for IFRS 9 adoption				(121,246,248)	120,725,151	521,097					18,184		18,184
Equity adjusted after IFRS 9 adoption	83,231,972	165,620,741	15,371,147	0	120,725,151	521,097	(11,991,347)	5,473,774	(483,655)	5,060,152	64,432,537	67,014,693	514,976,262
Change in fair value of investments measured at FVOCI					(11,715,999)								(11,715,999)
Change in fair value of current financial assets measured at FVOCI						(2,145,462)							(2,145,462)
Employee benefits								(14,459)					(14,459)
Total other comprehensive income items					(11,715,999)	(2,145,462)							(13,875,920)
Profit/(loss) 2018												(2,411,369)	(2,411,369)
Total comprehensive income					(11,715,999)	(2,145,462)						(2,411,369)	(16,287,289)
Reversal of Fv reserve due to capital gain realised					(51,073,962)						51,073,962		0
Allocation profit 2017			1,275,247								65,739,446	(67,014,693)	0
Dividends distribution											(10,955,972)		(10,955,972)
Warrant exercise	2,277,695	17,652,137											19,929,832
Acquisition of treasury shares		(14,574)											28,890
Sale of treasury shares							(19,187,485)						(19,187,485)
At December 31, 2018 separate	85,509,667	183,258,304	16,646,394	0	57,935,190	(1,624,365)	(31,111,031)	5,434,978	(483,655)	5,060,152	170,289,973	(2,411,369)	488,504,238

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

euro thousands	2018	2017
A.- <u>OPENING NET CASH AND CASH EQUIVALENTS</u>	(16,616)	(42,040)
B.- <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(loss)	(2,411)	67,015
Amortisation & Depreciation	29	70
Write-downs/(revaluation) of investments	0	0
Write-downs/(revaluation) of current financial assets (doubtful debts)	0	0
Financial income and charges	0	(76,925)
Changes in "employee benefits"	(1)	36
Stock option charges	0	0
Interest on loans and bonds	5,899	5,947
Change in deferred tax assets and liabilities	(295)	322
	3,222	(3,535)
Decrease/(increase) in trade receivables	(4,202)	270
Decrease/(increase) in other current assets	(87)	8
Decrease/(increase) in tax receivables	(258)	(291)
Decrease/(increase) in financial receivables	(7,000)	(817)
Decrease/(increase) in other current asset securities	(9,164)	(37,506)
(Decrease)/increase in trade payables	179	(164)
(Decrease)/increase in financial payables	(5,740)	(5,691)
(Decrease)/increase in tax payables	212	(99)
(Decrease)/increase in other current liabilities	3,017	(3,004)
Cash flow from operating activities	(19,822)	(50,829)
C.- <u>CASH FLOW FROM INVESTMENTS IN FIXED ASSETS</u>		
Intangible and tangible assets		
Investments / divestments	(29)	(21)
Financial assets		
Dividends from subsidiary and Associated companies	5,723	12,585
Investments	(107,172)	(75,059)
Divestments	100,930	115,198
Cash flow from investing activities	(489)	52,703

euro thousands	2018	2017
D.- <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Loans		
New loans	0	0
Repayment of loans	(5,000)	(5,000)
Interest paid on loans and bonds	(6,233)	(4,782)
Share capital		
Share capital increase and capital contributions on account	19,930	50,887
Changes from purchase/sale of treasury shares	(19,159)	(7,454)
Payment of dividends	(10,955)	(10,101)
Change in reserves	0	0
Cash flow from financing activities	(21,417)	23,550
E.- <u>NET CASH FLOW FOR THE YEAR</u>	(41,727)	25,424
F. <u>CLOSING CASH AND CASH EQUIVALENTS</u>	(58,343)	(16,616)

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	1,564	3,151
Bank payables due within one year	(59,907)	(19,767)
Closing cash and cash equivalents	(58,343)	(16,616)

EXPLANATORY NOTES TO THE 2018 SEPARATE FINANCIAL STATEMENTS**(1) Activities of the Company**

TIP is an independent investment/merchant bank focused principally 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 standards

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, 2018 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 14, 2019, who authorised their publication.

The financial statements at December 31, 2018 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 change 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 utilized 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 utilized for the preparation of the financial statements for the year ended December 31, 2017, except as outlined in the paragraph “new accounting standards”. The investments in subsidiaries and Associated companies 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 income statement, the comprehensive income statement and the statement of cash flows for the year 2017 were utilised for comparative purposes. The individual balance sheet notes present for comparative purposes the reclassified figures at January 1, 2018, as presented below, following the adoption of IFRS 9.

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

The preparation of the separate financial statements at December 31, 2018 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.

New accounting standards

New accounting standards, amendments and interpretations applicable for periods beginning January 1, 2018

- 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 9, commented upon in detail below.
- Others: amendments to IFRS 4, amendments to IFRS 2, annual amendments to IFRS 2014-2016 (the amendments concern: IFRS 12, IFRS 1, IAS 28), amendments to IAS 40 and amendments to the IFRIC 22 interpretation.

The application of the amendments to the existing accounting standards reported above do not have a significant impact on the financial statements, with the exception of those concerning IFRS 9 as illustrated below.

Adoption of the new accounting standard IFRS 9

As illustrated previously, TIP was required to adopt IFRS 9 for the preparation of the financial statements for periods which commence from January 1, 2018 and thereafter. This resulted in a change in the accounting policies and criteria used from those applied 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 presented for comparative purposes and therefore the adjustments in values calculated on the opening amounts at January 1, 2018 only impact upon the equity.

The effects from the transition to IFRS 9 on the statement of financial position and equity both in terms of value and classification are illustrated below.

Statement of Financial Position Tamburi Investment Partners S.p.A.

(in Euro)	December 31, 2017	January 1, 2018 IFRS 9	Changes	Note
Non-current assets				
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	
Investments in subsidiaries	16,733,802	16,733,802		
Investments in Associated companies	189,588,497	189,588,497		
AFS financial assets	384,241,501	0	(384,241,501)	2.1
Investments measured at FVOCI	0	384,241,501	384,241,501	2.1
Financial receivables	43,347,219	0	(43,347,219)	2.2
Financial receivables measured at amortised cost	0	24,347,659	24,347,659	2.2
Financial assets measured at FVTPL	0	19,596,356	19,596,356	2.2
Derivative instruments	0	0	0	
Tax receivables	398,082	398,082	0	
Deferred tax assets	0	0	0	
Total non-current assets	644,241,999	644,838,795	596,796	
Current assets				
Trade receivables	728,999	728,999	0	2.3
Current financial receivables	10,828,027	0	(10,828,027)	2.2
Current financial receivables measured at amortised cost	0	10,714,602	10,714,602	2.2
Current financial assets	609,687	0	(609,687)	2.2
Derivative instruments	0	150,241	150,241	2.2
AFS financial assets	37,764,710	0	(37,764,710)	2.4
Current financial assets measured at FVOCI	0	37,764,710	37,764,710	2.4
Cash and cash equivalents	3,151,412	3,151,412	0	
Tax receivables	338,190	338,190	0	
Other current assets	264,671	264,671	0	
Total current assets	53,685,696	53,112,825	(572,871)	
Total assets	697,927,695	697,951,620	23,925	

(in Euro)	December 31, 2017	January 1, 2018 IFRS 9	Changes	Note
Equity				
Share capital	83,231,972	83,231,972	0	
Reserves	300,297,060	300,297,060	0	2.5
Retained earnings	64,414,353	64,432,537	18,184	2.5
Profit	67,014,693	67,014,693	0	
Total Equity	514,958,078	514,976,262	18,184	
Non-current liabilities				
Post-employment benefits	307,384	307,384	0	
Financial payables	129,129,224	129,129,224	0	2.6
Deferred tax liabilities			0	
Total non-current liabilities	129,436,608	129,436,608	0	
Current liabilities				
Trade payables	376,523	376,523	0	
Current financial liabilities	39,012,505	39,012,505	0	2.6
Tax liabilities	329,922	335,663	5,741	
Other liabilities	13,814,059	13,814,059	0	
Total current liabilities	53,533,009	53,538,750	5,741	
Total liabilities	182,969,617	182,975,358	5,741	
Total equity and liabilities	697,927,695	697,951,620	23,925	

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

Euro

Equity at December 31, 2017 IAS 39	514,958,078	Note
Adjustments to financial assets measured at FVTPL	23,925	2.2
Tax effect of the adjustments	(5,741)	
Equity at January 1, 2018 IFRS 9	514,976,262	

For a complete presentation of period results and to ensure their comparability with preceding periods, and as considered much more representative of and consistent with TIP's activities, the first-half 2018 pro-forma income statement applying the same accounting standards for financial assets and liabilities in place at December 31, 2017 (IAS 39) is presented below.

	IFRS 9 31/12/2018	Reclassification to income statement of capital gain realised	Reclassification to income statement of adjustments to financial assets	Reversal of convertible fair value adjustments	PRO FORMA 31/12/2018	31/12/2017
Separate income statement (in Euro)						
Total revenues	11,050,152				11,050,152	7,229,036
Purchases, service and other costs	(2,238,071)				(2,238,071)	(1,920,284)
Personnel expenses	(18,385,432)				(18,385,432)	(15,609,419)
Amortisation, depreciation & write-downs	(58,739)				(58,739)	(70,096)
Operating profit/(loss)	(9,632,090)	0	0	0	(9,632,090)	(10,370,763)
Financial income	15,341,273	51,694,293		(28,316)	67,007,250	84,615,666
Financial charges	(7,768,063)				(7,768,063)	(6,457,594)
Profit/(loss) before adjustments to investments	(2,058,880)	51,694,293	0	(28,316)	49,607,097	67,787,309
Adjustments to financial assets	0		(40,695,832)		(40,695,832)	0
Profit/(loss) before taxes	(2,058,880)	51,694,293	(40,695,832)	(28,316)	8,911,265	67,787,309
Current and deferred taxes	(352,489)	(620,332)		(5,742)	(978,562)	(772,616)
Profit/(loss) of the period	(2,411,369)	51,073,962	(40,695,832)	(34,058)	7,932,703	67,014,693

2.1. 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 FVOCI 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.

Following this reclassification, the value of the investments at December 31, 2017 did not change as according to IAS 39 the AFS financial assets were already measured at fair value. However, a reclassification was necessary from the equity reserve relating to the accumulated fair value changes, equal to Euro 120,725,151 net of the relative tax effect, from “financial assets held for sale revaluation reserve” to the FVOCI reserve (note 2.5).

The most significant effect of the adoption of IFRS 9 relating to this category of financial assets is, as already described, on the income statement following the non-recognition through profit or loss of the gains/losses realised on sale.

The adoption of IFRS 9 from January 1, 2018 resulted in the non-inclusion in financial income in 2018 income statement of Euro 51,694,293 relating to the non-reversal of the gains/losses in the accumulated reserve until their realisation. The fair value changes matured in the period were recorded under “Increases/decreases in investments measured at FVOCI” of other comprehensive income without reversal through profit or loss, with counter-entry to the FVOCI reserves; at the time of sale, the cumulative gain was reversed from the FVOCI reserve directly to other equity reserves.

In addition, the IFRS 9 income statement does not include an adjustment to the value of investments of Euro 40,695,832 which, as an impairment, would have been recognised to the income statement as per IAS 39. This adjustment was however classified to other fair value changes recognised to the FVOCI reserve.

2.2. 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 were 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 was established on which the accounting criteria adopted depends.

The presence of any embedded derivatives within the principal financial asset was also verified.

Based on these analyses 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 any 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 were 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 23,925 before the tax effect.

The adoption of IFRS 9 from January 1, 2018 resulted in lower other financial income of Euro 28,316 in comparison to application of IAS 39.

Derivative instruments

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

2.3. 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 does 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.

2.4. Reclassification from current AFS financial assets to current financial assets measured at FVOCI

As illustrated in Note 2.3 the company carried out an SPPI test and established the business model for the various financial asset categories. The current financial assets measured at FVOCI 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 therefore involves 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 are 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 were measured at fair value with changes recorded under equity, the reclassification required by IFRS 9 did 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 2018 income statement did not change following the adoption of IFRS 9 for this category of financial assets.

2.5. Effect on equity

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

in Euro	Revaluation reserve AFS Financial assets	FVOCI reserve without reversal to profit and loss	FVOCI reserve with reversal to profit and loss	Retained earnings	Total group's net equity
At December 31, 2017 separate	121,246,248	0	0	0	0
Change in fair value of AFS Financial assets	(120,725,151)	120,725,151			0
Change in fair value of current financial assets	(521,097)		521,097		0
Adjustment in fair value of financial assets measured at FVTPL				18,184	18,184
At January 1, 2018 separate	0	120,725,151	521,097	18,184	18,184

2.6. Financial liabilities

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

(3) Presentation

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

- 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 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 expense 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”.

Euro	2018	2017
Revenue from sales and services	10,001,371	7,140,373
Total	10,001,371	7,140,373

Revenues are highly dependent on the timing of success fee maturation, whose distribution varies throughout the year. Revenues include approximately Euro 4 million associated with the accrued portion of variable income that it is highly probable will be paid by an associated company in view of the amount by which the value of the said associated company’s investments exceeds the value of the shareholders’ contributions.

(5) Purchases, service and other costs

The account comprises:

Euro	2018	2017
1. Services	1,606,427	1,341,586
2. Rent, leasing and similar costs	360,743	355,754
3. Other charges	270,901	222,944
Total	2,238,071	1,920,284

Service costs mainly relate to professional and legal consultancy, general expenses and commercial expenses. They include Euro 65,000 of audit fees and Euro 67,050 emoluments paid to the Board of Statutory Auditors and the Supervisory Board. The increase in the account is essentially due to the banking commissions on the sale of listed shares, classified in the previous year as a reduction in gains realised.

Other charges principally include non-deductible VAT.

(6) Personnel expense

The account comprises:

Euro	2018	2017
Wages and salaries	1,050,311	1,357,164
Social security charges	387,833	367,186
Directors' fees	16,883,067	13,819,654
Post-employment benefits	64,221	65,415
Total	18,385,432	15,609,419

The account "Wages and salaries" and "Directors' fees" include fixed and variable remuneration matured in the period. A pro-forma calculation was applied to the variable remuneration of the executive directors, as approved by the Board of Directors, on the proposal of the Remuneration Committee, according to the accounting standards in place until December 31, 2017.

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

At December 31, 2018, the number of TIP employees was as follows:

	December 31, 2018	December 31, 2017
White collar & apprentices	11	11
Managers	1	1
Executives	3	3
Total	15	15

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	2018	2017
1. Investment income	6,591,808	80,493,742
2. Income from current financial assets measured at FVOCI	3,703,795	404,910
3. Other income	5,045,670	3,717,014
Total financial income	15,341,273	84,615,666
4. Interest and other financial charges	(7,768,063)	(6,457,594)
Total financial charges	(7,768,063)	(6,457,594)
Net financial income	7,573,210	78,158,072

(7).1. Investment income

Euro	2018	2017
Gain on disposal of investments	0	62,906,156
Dividends	6,591,808	17,587,586
Total	6,591,808	80,493,742

In 2018, TIP received dividends from the following shareholdings:

Euro	
Clubtre S.p.A.	1,082,788
Hugo Boss AG	2,591,700
Moncler S.p.A.	699,997
Amplifon S.p.A.	664,184
BE S.p.A.	631,643
Other	921,496
Total	6,591,808

The 2017 figures are not comparable as in the previous year investment income included the gains realised on the disposal of the investments which according to IFRS 9 are no longer recognised to profit and loss. For an analysis of comparable results at like-for-like accounting standards, reference should be made to the Directors' Report.

(7).2. Income from current financial assets measured at FVOCI

This principally includes interest income accrued on securities and capital gains on the sale of bonds.

(7).3. Other income

These principally include interest matured on financial receivables and fair value changes and gains on financial assets measured at FVTPL consisting of derivatives and convertible bond loans. These also comprise foreign exchange gains on securities of Euro 1,987,028.

(7).4. Interest and other financial charges

Euro	2018	2017
Interest on bonds	5,057,009	5,048,258
Other	2,711,054	1,409,336
Total	7,768,063	6,457,594

"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:

Euro	2018	2017
Current taxes	513,758	449,900
Deferred taxes	(626,073)	0
Deferred tax income	464,804	322,716
Total	358,489	772,616

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

	2018		2017	
Euro	Amount	Tax	Amount	Tax
Profit/(loss) before taxes	(2,058,881)		67,787,309	
Theoretical tax charge	24%	(494,131)	24%	16,268,954
Permanent decreases				
Dividends	(6,262,217)	(1,502,932)	(16,213,907)	(3,891,338)
Exempt gains (*)			(59,923,365)	(14,381,608)
Tax losses				
Other permanent decreases	(217,597)	(52,223)	(458,564)	(110,055)
		(1,555,155)		(18,383,001)
Permanent increases	8,608,454	2,066,029	6,955,780	1,669,387
Temporary differences				
Differences which will reverse in future years	5,052,900	1,212,696	6,998,263	1,679,583
Reversal differences from previous years	(6,989,637)	(1,677,513)	(8,753,623)	(2,100,870)
Total temporary differences	(1,936,737)	(464,817)		(421,286)
ACE assessable				
Losses carried forward				
Total	(1,866,978)		(3,608,107)	
IRAP regional tax		513,758		116,079
Change in deferred tax assets/liabilities		(161,269)		322,716
Other changes		0		333,821
Total income taxes		358,489		772,616

(*) 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 recognized a net increase in deferred tax liabilities amounting to Euro 161,269 directly in equity in relation to the change in the value of equity investments taken to OCI.

(9) Property, plant and equipment

The following table illustrates the changes in the account:

Euro	Other assets
NBV at December 31, 2016	170,589
Increases	19,714
Decreases	0
Decrease depreciation provision	1,281
Amortisation & Depreciation	(67,567)
NBV at December 31, 2017	124,017
Increases	29,216
Decreases	0
Decrease depreciation provision	0
Amortisation & Depreciation	(56,557)
NBV at December 31, 2018	96,676

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 1.60%;
- discount rate corresponding to the cost of capital (“ke unlevered”) equal to 10.18%.

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
NBV at December 31, 2016	4,426	200	4,626
Increases	210	0	210
Decreases	0	0	0
Amortisation & Depreciation	(2,423)	(106)	(2,529)
NBV at December 31, 2017	2,213	94	2,307
Increases	0	0	0
Decreases	0	0	0
Amortisation & Depreciation	(2,143)	(39)	(2,182)
NBV at December 31, 2018	70	55	125

(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:

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

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

(12) Investments measured at FVOCI

The account refers to minority investments in listed and non-listed companies.

Euro	December 31, 2018	January 1, 2018 IFRS 9
Investments in listed companies	310,783,961	343,760,460
Investments in non-listed companies	32,668,812	40,481,041
Total	343,452,773	384,241,501

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

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:

Method	Listed companies (% of total)	Non-listed companies (% of total)
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%	99.7%
Purchase cost	0.0%	0.3%
Total	100.0%	100.0%

(13) Investments in associated companies

The investments in Associated companies refer to:

- for Euro 86,197,441 the company Asset Italia S.p.A., investment holding which gives shareholders the opportunity to choose for each proposal their individual investments. 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. The increase for purchases concerns the subscription to the share capital increase of Asset Italia for an additional investment in Alpitour through Asset Italia 1, undertaken in July. Following this investment, TIP's share of the shares tracking the investment in Alpitour at December 31, 2018 was equal to 35.81%. 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 37,683,941 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 37,436,400 the company Clubitaly S.p.A., with a 19.74% stake in Eataly Distribuzione S.r.l. TIP holds 30.20% in the share capital of the company;
 - for Euro 24,021,839 the company Clubtre S.p.A., which holds Prysmian S.p.A. shares. TIP holds 24.62% of Clubtre S.p.A. (43.28% net of treasury shares);
 - for Euro 22,787,025, the investment TIP – Pre IPO S.p.A. TIPO holds investments in Chiorino, iGuzzini S.p.A., Fimag S.p.A., Betaclub S.r.l and Beta Utensili S.p.A.;
 - for Euro 16,596,459 the associated company BE S.p.A.;
 - for Euro 500,000 the investments in the companies Palazzari & Turries Limited, with registered office in Hong Kong and in Gatti & Co GmbH, with registered office in Frankfurt.

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

(14) Financial receivables measured at amortised cost

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Financial receivables measured at amortised cost	31,260,124	24,347,659
Total	31,260,124	24,347,659

Financial receivables calculated at amortised cost principally concern the loans issued to StarTIP S.r.l. as sole shareholder for Euro 24,463,957 and Tefindue S.p.A., which 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 6,796,167.

(15) Financial assets measured at FVTPL

Euro	Dec. 31, 2018	Jan. 1, 2018 IFRS 9
Financial assets measured at FVTPL	20,395,298	19,596,356
Total	20,395,298	19,596,356

Assets designated at FVTPL primarily consist of the bond issued by Tefindue S.p.A. in the amount of Euro 3,053,013 and the Furla S.p.A. convertible bond, subscribed on September 30, 2016 in the amount of Euro 17,313,694.

(16) Tax receivables

The breakdown is as follows:

Euro	December 31, 2018	December 31, 2017
Within one year	683,898	338,190
Beyond one year	310,338	398,082

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

(17) Deferred tax assets and liabilities

The breakdown of the account at December 31, 2018 and December 31, 2017 is detailed below:

Euro	Assets		Liabilities		Net	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other intangible assets	2,841	4,104	0	0	2,841	4,104
Investments measured at FVOCI	0	0	(1,332,339)	(1,631,765)	(1,332,339)	(1,631,765)
Current financial assets	0	0	0	(165,378)	0	(165,378)
Other assets	124,348	123,144	(8,969)	(8,969)	115,379	114,175
Other liabilities	1,214,119	1,678,864	0	0	1,214,119	1,678,864
Total	1,341,308	1,806,112	(1,341,308)	(1,806,112)	0	0

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

Euro	2017	Recorded through P&L	Recorded through Equity	December 31, 2018
Other intangible assets	4,104	(1,263)	0	2,841
Investments measured at FVOCI and investments valued under the equity method	(1,631,765)	626,073	(326,647)	(1,332,339)
Current financial assets	(165,378)	0	165,378	0
Other assets	114,175	1,204	0	115,379
Other liabilities	1,678,864	(464,745)	0	1,214,119
Total	0	161,269	(161,269)	0

(18) Trade receivables

Euro	December 31, 2018	December 31, 2017
Trade receivables (before doubtful debt provision)	5,098,915	896,808
Doubtful debt provision	(167,809)	(167,809)
Total	4,931,106	728,999
Trade receivables beyond 12 months	0	0
Total beyond 12 months	0	0

Changes in trade receivables is strictly related to the different revenue mix between success fees and service revenues. They include approximately Euro 4 million associated with the accrued portion of variable income that it is highly probable will be paid by an associated company in view of the amount by which the value of the said associated company's investments exceeds the value of the shareholders' contributions.

(19) Current financial receivables measured at amortised cost

Euro	December 31, 2018	January 1, 2018 IFRS 9
Current financial receivables measured at amortised cost	9,519,333	0
Total	9,519,333	0

These include loans granted to associated companies.

(20) Current financial assets measured at FVOCI

Euro	December 31, 2018	January 1, 2018 IFRS 9
Current financial assets measured at FVOCI	45,227,977	37,764,710
Total	45,227,977	37,764,710

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

(21) 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, 2018	December 31, 2017
Bank deposits	1,557,434	3,147,115
Cash and cash equivalents on hand	6,380	4,297
Total	1,563,814	3,151,412

The composition of the net financial position at December 31, 2018 compared with the end of the previous year is illustrated in the table below.

Euro	December 31, 2018	January 1, 2018 IFRS 9
A Cash and cash equivalents	1,563,814	3,151,412
B Current financial assets measured at FVOCI and derivative instruments	45,227,977	37,764,710
C Current financial receivables measured at amortised cost	9,519,333	10,714,602
D Liquidity (A+B+C)	56,311,214	51,630,724
E Financial payables	(99,555,085)	(129,129,224)
F Current financial liabilities	(97,538,156)	(39,012,505)
G Net financial position (D+E+F)	(120,386,819)	(116,511,005)

The liquidity generated by the divestments and the exercise of the warrants in June 2018 was invested in new investments, the distribution of dividends and the TIP share buy-back plan.

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.

(22) Share capital

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

Shares	Number
Ordinary shares	164,441,667
TOTAL	164,441,667

On June 30, 2018, the third exercise period of the TIP S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 4,380,183 warrants and a relative share capital increase of Euro 2,277,695.16 with the issue of 4,380,183 new ordinary TIP S.p.A. shares at a price of Euro 4.55 each, for a total value of Euro 19,929,832.65.

The share capital of TIP S.p.A. amounts therefore to Euro 85,509,666.84, represented by 164,441,667 ordinary shares.

The treasury shares in portfolio at December 31, 2018 totalled 5,959,178, equal to 3.624% of the share capital. The shares in circulation at December 31, 2018 therefore numbered 164,441,667.

No. treasury shares at January 1, 2018	No. of shares acquired in 2018	No. of shares sold in 2018	No. treasury shares at December 31, 2018
2,717,689	3,256,489	15,000	5,959,178

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	85,509,667				
Legal reserve	16,646,394	B	16,646,394		
Share premium reserve	183,258,304	A,B	183,258,304		
Fair value OCI reserve without reversal to profit or loss	57,935,190		57,935,190		
OCI reserve with reversal to profit or loss	(1,624,365)				
Other reserves	5,434,978				
Merger surplus	5,060,152	A,B,C	5,060,152		
Retained earnings	170,289,973	A,B,C	170,289,973		
IFRS business combination reserve	(483,655)				
Treasury shares acquisition reserve	(31,111,031)				
Total	490,915,607		433,190,013		
Non-distributable quota (*)			183,258,304		

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

* Concerns the share premium reserve (Euro 183,258,304) 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 17,101,933).

The following additional disclosures is provided on the equity at December 31, 2018.

(23) Reserves

Legal reserve

This amounts to Euro 16,646,394, increasing Euro 1,275,247 following the Shareholders' Meeting motion of April 19, 2018 with regard to the allocation of the 2017 net profit.

Share premium reserve

The account amounts to Euro 183,258,304 and increased Euro 17,637,563 following the exercise of the warrants.

Fair value OCI reserve without reversal to profit or loss

The positive reserve amounts to Euro 57,935,190. This concerns the fair value changes to investments in equity, net of the relative deferred tax effect. The gains realised on partial divestments of holdings which in application of IFRS 9 were not reversed to profit or loss were reclassified from the reserve to retained earnings. The reserve includes a decline in fair values of Euro 40,695,832, which in accordance with IAS 39 would have been taken to the income statement.

For a breakdown of the fair value changes of investments in equity, reference should be made to attachment 2 and note 12.

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

OCI reserve with reversal to profit or loss

The negative reserve amounts to Euro 1,624,365. These principally concern the fair value changes of securities acquired as temporary uses of liquidity. The relative fair value was reversed to the income statement on the sale of the underlying security.

Other reserves

They amount to Euro 5,434,978 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 170,289,973 and increased, compared to December 31, 2017, for Euro 105,857,436 following the allocation of the 2017 net profit.

IFRS business combination reserve

The reserve was negative and amounts to Euro 483,655, unchanged compared to December 31, 2015.

Treasury shares acquisition reserve

The negative reserve amounts to Euro 31,111,031. 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.

(24) Post-employment benefit provisions

At December 31, 2018, 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.

Euro	December 31, 2018	January 1, 2018
		IFRS 9
Opening balance	307,384	271,667
Provisions in the year	64,221	65,415
Financial charges	3,883	3,753
Actuarial gains	14,459	3,140
transfers to pension funds and utilisations	(83,458)	(36,591)
Total	306,489	307,384

(25) Financial payables

The financial payables of Euro 99,555,085 refer to 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.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 26, 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 97,538,156 and principally comprise bank payables. They include for Euro 29,945,676 the loan of a nominal value of Euro 40,000,000 with the following maturities:

- 12.5% on December 31, 2017 (repaid);
- 12.5% on December 31, 2018 (repaid);
- 12.5% on June 30, 2019;
- 62.5% on December 31, 2019.

The bond provides for compliance with annual financial covenants. At December 31, 2018, the portion of the loan set to come due in 2019 had been classified among non-current financial payables.

In accordance with the application of international accounting standards required by Consob recommendation No. DEM 9017965 of February 26, 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.

(27) Tax payables

The breakdown of the account is as follows:

Euro	December 31, 2018	January 1, 2018 IFRS 9
IRAP	397,679	0
VAT	0	166,136
Withholding taxes	144,609	163,786
Total	542,288	329,922

(28) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	December 31, 2018	January 1, 2018 IFRS 9
Directors and employees	16,572,201	13,526,858
Social security institutions	176,048	155,204
Other	82,746	131,997
Total	16,830,995	13,814,059

(29) 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 on the balance sheet, of a hypothetical change in the fair value of the instruments held at December 31, 2018 of +/-5% compared to the comparative figures for 2017.

<i>Sensitivity Analysis</i>	December 31, 2018			December 31, 2017		
	-5.00%	Basic	+5.00%	-5.00%	Basic	+5.00%
thousands of Euro						
Investments in listed companies	295,245	310,784	326,323	326,572	343,760	360,948
Investments in non-listed companies	31,036	32,669	34,302	38,457	40,481	42,505
Investments measured at FVOCI	326,280	343,453	360,626	365,029	384,241	403,453
Effect on equity	(17,173)		17,173	(21,100)		21,100

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.

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, 2018 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 31.12.2018	
	fair value						Amortised cost	Invest. at cost		Book value at 31/12/2018
	with change in fair value recorded through:		Total fair value	Fair value hierarchy						
	account economic	result net Value		1	2	3				
Investments measured at FVOCI		343,453	343,453						343,453	
- listed companies		310,784	310,784	310,784					310,784	
- non-listed companies		32,669	32,669	32,584				85	32,669	
Financial assets measured at FVOCI	1	45,228	45,228	45,228					45,228	
Financial receivables measured at	1						40,779		40,779	
amortised cost										
Financial assets measured at FVTPL		20,395	20,395			20,395			20,395	
Cash and cash equivalents	1						1,564		1,564	
Non-current financial payables	2						99,555		99,555	
Trade payables	1						306		306	
Current financial liabilities	1						97,538		97,538	
Other liabilities	1						16,831		16,831	

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, 2018.

(30) 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 2018.

Members of the Board of Directors						
Name	Office	No. of shares held at December 31, 2017	No. of shares acquired in 2018	No. of shares allocated from exercise of TIP warrant	No. of shares sold in 2018	No. of shares held at December 31, 2018
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	12,077,151		250,000		12,327,151
Alessandra Gritti	Vice Chair. & CEO	2,031,943	350			2,032,293
Cesare d'Amico ⁽²⁾	Vice Chairman	21,315,000	300,000		3,300,000	18,315,000
Claudio Berretti	Dir. & Gen. Manager	1,758,580				1,758,580
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	20,250,000	100,000		3,300,000	17,050,000
Giuseppe Ferrero ⁽⁴⁾	Director	3,346,301			166,666	3,179,635
Manuela Mezzetti	Director	74,627			74,627	0
Daniela Palestra	Director	0				0

Name	Office	No of warrants held at December 31, 2017	No. of warrants assigned in 2018	No. of warrants sold in 2018	No. of warrants exercised in 2018	No of warrants held at December 31, 2018
Giovanni Tamburi ⁽¹⁾	Chair. & CEO	1,368,180			250,000	1,118,180
Alessandra Gritti	Vice Chair. & CEO	358,485				358,485
Cesare d'Amico ⁽²⁾	Vice Chairman	2,000,000	40,000			2,040,000
Claudio Berretti	Dir. & Gen. Manager	0				0
Alberto Capponi	Director	0				0
Paolo d'Amico ⁽³⁾	Director	2,000,000				2,000,000
Giuseppe Ferrero ⁽⁴⁾	Director	0				0
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0

⁽¹⁾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 87.26% of the share capital.

⁽²⁾Cesare d'Amico holds his investment in the share capital of TIP directly 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.

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

⁽⁴⁾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.

(31) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2018.

TIP office	Fees December 31, 2018
Directors	16,883,067
Statutory Auditors	67,050

The remuneration of the Supervisory Board is Euro 4,000.

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.

(32) Transactions with related parties

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

Party	Type	Value/Balance at December 31, 2018	Value/Balance at December 31, 2017
Asset Italia S.p.A.	Revenue	1,000,268	1,001,533
Asset Italia S.p.A.	Trade receivables	250,000	250,000
Asset Italia 1 S.r.l.	Revenue	820,000	-
Betaclub S.r.l.	Revenue	25,136	25,000
Betaclub S.r.l.	Trade receivables	25,043	25,000
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	15,000	15,000
BE S.p.A.	Dividends received	631,643	467,417
Clubtre S.p.A.	Revenue	50,000	50,000
Clubtre S.p.A.	Trade receivables	50,000	50,000
Clubtre S.p.A.	Financial receivables	9,088,864	-
Clubtre S.p.A.	Dividends received	1,082,788	11,760,555
Clubtre S.p.A.	Gains realised	-	16,706,524
Clubitaly S.p.A.	Revenue	30,000	30,000
Clubitaly S.p.A.	Trade receivables	30,000	30,000
Clubitaly S.p.A.	Financial receivables	430,469	324,010
Gruppo IPG Holding S.p.A.	Revenue	30,239	30,131
Gruppo IPG Holding S.p.A.	Trade receivables	30,239	30,131
StarTIP S.r.l.	Financial receivables	24,463,957	17,886,957
StarTIP S.r.l.	Gains realised	137,500	0
TIP-pre IPO S.p.A.	Revenue	4,500,665	501,087
TIP-pre IPO S.p.A.	Trade receivables	4,125,036	125,000
TXR S.r.l.	Revenue	15,000	15,342
TXR S.r.l.	Trade receivables	15,000	15,342
TXR S.r.l.	Dividends received	345,827	0
Services provided to companies related to the Board of Directors	Revenue	16,000	1,045,540
Services provided to companies related to the Board of Directors	Trade receivables	16,000	74,820
Services received from companies related to the Board of Directors	Costs (services received)	7,863,909	6,462,681
Payables for services received from companies related to the Board of Directors	Trade payables	7,226,209	5,844,585
Giovanni Tamburi	Revenues (services provided)	2,811	4,379
Giovanni Tamburi	Trade receivables	2,811	3,311

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

(33) Subsequent events

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

(34) 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, in the “Corporate Governance” section.

For the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 14, 2019

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, 2018.

No significant aspect emerged concerning the above.

2. We also declare that:

- a) the separate financial statements at December 31, 2018 correspond to the underlying accounting documents and records;
- b) the separate financial statements for the year ended December 31, 2018 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 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 14, 2019

Attachment 1 – List of investments held

Company	Registered office		share capital	number of shares	Total net equity	number of shares held	% held	share of net equity	book value in accounts
Associates									
Asset Italia S.p.A. (1)	Milan								
	via Pontaccio, 10	euro	3,425,114	102,425,114	263,205,046	20,788,639	20.00	52,641,009	86,197,441
Be Think, Solve, Execute S.p.A. (1)	Rome								
	viale dell'Esperanto, 71	euro	27,109,165	134,897,272	53,053,000	31,582,225	23.41	12,420,798	16,596,459
Clubitaly S.r.l. (1)	Milan								
	via Pontaccio, 10	euro	103,300	103,300	238,167,895	31,197	30.20	71,926,704	37,436,400
Clubtre S.p.A. (2)	Milan								
	via Pontaccio, 10	euro	120,000	120,000	36,543,871	29,544	24.62	8,997,101	24,021,839
Gatti & Co. GmbH (1)	Frankfurt am Main								
	Bockenheimer Landstr. 51-53	euro	35,700	35,700	658,349	10,700	30.00	197,505	275,000
Gruppo IPG Holding Sp.A. (1) **	Milan								
	via Appiani, 12	euro	142,438	284,875	71,685,588	67,348	33.72	24,172,380	37,683,941
Palazzari & Turries Limited (3)	Hong Kong								
	88 Queen's Road	euro	300,000	300,000	689,659	90,000	30.00	206,898	225,000
TIP-Pre Ipo S.p.A. (1)	Milan								
	via Pontaccio, 10	euro	329,999	3,299,988	162,918,797	966,424	29.29	47,711,881	22,787,025

(1) Value relating to the net equity updated at 31.12.2018.

(2) Value relating to the net equity updated at 31.12.2018. The fully diluted % held is 43,28%

(3) Share Capital in Hong Kong dollars. Value relating to the net equity updated at 31.12.2017. The net equity was converted at the EUR/HKD rate of 0,1135 (31.12.2018).

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

* Tracking shares not included

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

Attachment 2 - Changes in investments measured at FVOCI

in Euro	No. of shares	historic cost	fair value adjustments	increase (decrease)	write-down P&L	Balance at 1.1.2018	acquisition or subscription	increases	fair value increase	decreases	fair value decreases	reversal fair value	book value 31/12/2018
						book value fair value		reclass.		decreases			
Società non quotate													
Azimut Benetti S.p.A.	737,725	38,990,000	0			38,990,000					(7,312,229)		31,677,771
Talent Garden Sp.A.	6,250	500,000				500,000			137,500	(500,000)		(137,500)	0
Other equity instr. & other minor		1,835,873	0	50,000	(894,832)	991,041							991,041
Total non-listed companies		2,335,873	0	50,000	(894,832)	40,481,041	0	0	137,500	(500,000)	(7,312,229)	(137,500)	32,668,812
Listed companies													
Amplifon Sp.A.	6,038,036	34,884,370	55,444,896	(12,800,884)		77,528,382			7,306,024				84,834,406
Ferrari N.V. USD	304,738	14,673,848	11,965,635			26,639,483					(173,853)		26,465,630
Fiat Chrysler Automobiles N.V.	0	16,625,205	3,995,042	(9,497,387)		11,122,860			3,239,242	(7,127,818)		(7,234,284)	0
Fiat Chrysler Automobiles N.V. USD	1,576,000	17,656,453	13,238,521			30,894,974				(4,258,487)	(1,184,033)	(5,549,432)	19,903,022
Hugo Boss AG	1,315,000	77,681,983	(13,741,712)	5,439,049		69,379,320	20,896,485				(19,371,005)		70,904,800
Moncler Sp.A.	2,150,000	90,170,236	48,549,134	(21,402,298)		117,317,072			19,555,628	(35,900,123)		(38,773,077)	62,199,500
OVS Sp.A.	7,800,000					0	12,268,197				(3,734,997)		8,533,200
Prysmian Sp.A.	1,754,000					0	36,922,403				(7,332,423)		29,589,980
Servizi Italia Sp.A.	548,432	2,938,289	1,977,770		(1,241,564)	3,674,495					(1,963,387)		1,711,108
Other listed companies		15,375,538	927,491	106,006	(9,205,161)	7,203,874			13,456		(575,017)		6,642,314
Total listed companies		270,005,922	122,356,777	(38,155,514)	(10,446,725)	343,760,460	70,087,085	0	30,114,350	(47,286,428)	(34,334,715)	(51,556,793)	310,783,961
Total investments		272,341,795	122,356,777	(38,105,514)	(11,341,557)	384,241,501	70,087,085	0	30,251,850	(47,786,428)	(41,646,944)	(51,694,293)	343,452,773

Attachment 3 – 2018 Key Financial Highlights of the subsidiaries

	Clubdue S.r.l.	StarTIP S.r.l.	TXR S.r.l.
ASSETS			
Fixed assets	1,308	26,050,355	26,978,782
Current assets	44	86,991	241,033
Accrued liabilities and deferred income	0	616	116
Total assets	1,434	26,137,962	27,219,931
LIABILITIES			
Equity	(3,252)	1,654,704	27,142,644
Payables	4,686	24,483,258	77,287
Total liabilities	1,434	26,137,962	27,219,931
INCOME STATEMENT			
Revenue	0	372	66,593
Costs of production	(12,926)	(32,488)	(709,426)
EBITDA	(12,926)	(32,488)	(709,426)
Amortisation & Depreciation	(327)	(1,210)	0
Operating Loss	(13,253)	(33,326)	(709,426)
Financial income	0	29,151	9,956,457
Interest and other financial charges	0	(29,551)	(5,352)
Profit/(loss) before taxes	(13,253)	(33,726)	9,308,272
Income taxes	0	0	0
Profit/(loss)	(13,253)	(33,726)	9,308,272

In response to the negative equity of Euro 3,252 presented in the financial statements of Clubdue S.r.l at and for the year ended December 31, 2018, on February 13, 2019 its sole shareholders undertook a capital contribution of Euro 15,000.

Attachment 4 - Changes in investments in Associated companies

in Euro	No. of share	historic cost	revaluations (write-downs)	shareholders loan in equity	decrease or restitutions	reclassification	increase (decrease) fair value	book value
								at 31/12/17
Asset Italia S.p.A.	20.000.000 (1)	49,900,000						49,900,000
Be Think, Solve, Execute S.p.	31,582,225	16,596,459						16,596,459
ClubItaly S.r.l.	31,197	37,436,400						37,436,400
Clubtre S.p.A.	29,544	42,000		41,924,346	(17,944,507)			24,021,839
Gatti & Co Gmbh	10,700	275,000						275,000
Gruppo IPG Holding s.r.l.	67,348	28,365,269			(1,449,904)	12,218,481		39,133,846
Palazzari & Turries Limited	90,000	225,000						225,000
Tip-Pre Ipo S.p.A.	942,854	21,999,953						21,999,953
Total		154,840,081	0	41,924,346	(19,394,411)	12,218,481	0	189,588,497

(1) Tracking shares not included

Balance at 1.1.2018								book value
in Euro		historic cost	revaluations (write-downs)	shareholders loan in equity	decrease or restitutions	reclassification	increase (decrease) fair value	at 31/12/18
Asset Italia S.p.A.	49,900,000	36,297,441						86,197,441
Be Think, Solve, Execute S.p.	16,596,459							16,596,459
ClubItaly S.r.l.	37,436,400							37,436,400
Clubtre S.p.A.	24,021,839							24,021,839
Gatti & Co Gmbh	275,000							275,000
Gruppo IPG Holding s.r.l.	39,133,846				(1,449,905)			37,683,941
Palazzari & Turries Limited	225,000							225,000
Tip-Pre Ipo S.p.A.	21,999,953	787,072						22,787,025
Total	189,588,497	37,084,513	0	0	(1,449,905)	0		225,223,105

**RELAZIONE DEL COLLEGIO SINDACALE SUL BILANCIO AL 31 DICEMBRE 2018
AI SENSI DELL'ART. 153 D.LGS. 58/1998 E DELL'ART. 2429, COMMA 3, DEL CODICE CIVILE**

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2018, il Collegio Sindacale di Tamburi Investment Partners S.p.A. (in seguito TIP o la Società), in ottemperanza al disposto dell'art. 149 del D.Lgs. 58/98 (TUF), e dell'articolo 2403 del Codice Civile, ha svolto le attività di vigilanza, tenendo anche conto delle "Norme di comportamento del collegio sindacale di società quotate" raccomandate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e delle Comunicazioni Consob in materia di controlli societari e attività del Collegio Sindacale (in particolare, Comunicazione 20 febbraio 1997, n. DAC/RM 97001574 e Comunicazione n. DEM 1025564 del 6 aprile 2001, successivamente integrata con Comunicazione n. DEM/3021582 del 4 aprile 2003 e Comunicazione n. DEM/6031329 del 7 aprile 2006) e dai Principi e Criteri contenuti nel Codice di Autodisciplina.

Il Collegio Sindacale in carica è stato nominato dall'Assemblea del 20 aprile 2018, in conformità alle vigenti disposizioni legali, regolamentari nonché statutarie e terminerà il proprio mandato con l'Assemblea di approvazione del bilancio al 31 dicembre 2020.

I componenti del Collegio Sindacale hanno rispettato il limite di cumulo degli incarichi previsto dall'art. 144-terdecies del Regolamento Emittenti.

L'incarico di revisione legale, a norma del d.lgs 58/1998 e del d.lgs 39/2010, è svolto dalla società Pricewaterhouse Coopers S.p.A. (in seguito "PWC" o la "Società di Revisione"), come deliberato dall'Assemblea del 9 Aprile 2014 per la durata di nove esercizi (2014 – 2022).

Con riferimento all'attività di sua competenza, nel corso dell'esercizio in esame, il Collegio dichiara di avere:

- partecipato a tutte le riunioni del Consiglio di Amministrazione, ottenendo dagli amministratori, con periodicità almeno trimestrale, adeguate informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di

maggiore rilievo, per dimensioni e caratteristiche, effettuate dalla Società e dalle sue controllate;

- acquisito gli elementi di conoscenza necessari per svolgere l'attività di verifica del rispetto della legge, dello statuto, dei principi di corretta amministrazione e dell'adeguatezza e del funzionamento della struttura organizzativa della Società, attraverso l'acquisizione di documenti e di informazioni dai responsabili delle funzioni interessate e di periodici scambi di informazione con la Società di Revisione;
- partecipato, almeno attraverso il suo Presidente o altro suo componente, alle riunioni del Comitato Controllo e Rischi e Parti Correlate e al Comitato per le Nomine e la Remunerazione e di aver incontrato, al fine del reciproco scambio di informazioni l'Organismo di vigilanza;
- vigilato sul funzionamento e sull'efficacia del sistema di controllo interno e sull'adeguatezza del sistema amministrativo e contabile, in particolare sotto il profilo di affidabilità di quest'ultimo a rappresentare i fatti di gestione incontrando periodicamente il responsabile dell'internal auditing;
- scambiato tempestivamente con i responsabili della Società di Revisione dati e informazioni rilevanti per l'espletamento dei rispettivi compiti ai sensi dell'art. 150 del d.lgs. 58/98, anche attraverso l'esame dei risultati del lavoro svolto e la ricezione delle relazioni previste dall'art. 14 del d.lgs 39/2010 e dell'art. 11 del Reg. UE 2014/537;
- monitorato la funzionalità del sistema di controllo sulle società del Gruppo e l'adeguatezza delle disposizioni ad esse impartite, anche ai sensi dell'art. 114, 2° comma, del d.lgs 58/98;
- preso atto dell'avvenuta predisposizione della Relazione sulla Remunerazione ex art. 123-ter del d.lgs 58/98 ed ex art. 84-ter del Regolamento Emittenti, senza formulare osservazioni;
- accertato la conformità delle previsioni statutarie alle disposizioni di legge e regolamentari;
- monitorato le concrete modalità di attuazione delle regole di governo societario adottate dalla Società in conformità al Codice di Autodisciplina delle società quotate promosso da Borsa Italiana S.p.A;
- vigilato sulla conformità della procedura interna riguardante le Operazioni con Parti Correlate ai principi indicati nel Regolamento approvato dalla Consob con delibera n. 17221 del 12

marzo 2010 e successive modifiche, nonché sulla sua osservanza, ai sensi dell'artt. 4, 6° comma, del medesimo Regolamento;

- vigilato, tramite scambio di informazioni con gli organi preposti, sull'espletamento degli adempimenti correlati alla normativa riferita agli Abusi di Mercato (cd. MAR) e al trattamento delle informazioni privilegiate e delle procedure adottate a riguardo dalla Società;
- vigilato sul processo di informazione societaria, verificando l'osservanza da parte degli amministratori delle norme procedurali inerenti alla redazione, alla approvazione e alla pubblicazione del bilancio separato e del bilancio consolidato;
- accertato l'adeguatezza, sotto il profilo del metodo, del processo di *impairment* attuato al fine di acclarare l'eventuale esistenza di perdite di valore sugli attivi iscritti a bilancio;
- verificato che la Relazione degli Amministratori sulla Gestione per l'esercizio 2018 fosse conforme alla normativa vigente, oltre che coerente con le deliberazioni adottate dal Consiglio di Amministrazione e con i fatti rappresentati nel bilancio separato e in quello consolidato;
- preso atto del contenuto della Relazione Semestrale consolidata, senza che sia risultato necessario esprimere osservazioni, nonché accertato che quest'ultima fosse stata resa pubblica secondo le modalità previste dall'ordinamento;
- preso atto dei contenuti delle Relazioni Trimestrali, senza che sia risultato necessario esprimere osservazioni, nonché accertato che quest'ultime fossero state rese pubbliche secondo le modalità previste dalla vigente normativa;

Il Collegio Sindacale ha fornito, ove necessario, i pareri e le osservazioni previsti dalla legge.

Nel corso dell'attività di vigilanza, svolta dal Collegio Sindacale secondo le modalità sopra descritte non sono emersi fatti da cui desumere il mancato rispetto delle norme di legge e di statuto o tali da giustificare segnalazioni alle Autorità di Vigilanza o la menzione nella presente relazione.

Di seguito vengono fornite le ulteriori indicazioni richieste dalla Comunicazione Consob n. DEM/1025564 del 6 aprile 2001 e successive modificazioni.

- I. Le operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società sono state analiticamente dettagliate nella Relazione sulla Gestione, nel bilancio separato nonché nel bilancio consolidato relativamente all'esercizio 2018. Sulla base delle informazioni fornite dalla Società e dei dati acquisiti relativamente alle predette operazioni, il Collegio Sindacale ne ha accertato la conformità alla legge, allo statuto e ai principi di corretta amministrazione, assicurandosi che le medesime non fossero manifestamente imprudenti o azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assunte dall'Assemblea degli Azionisti o tali da compromettere l'integrità del patrimonio aziendale. Per quanto riguarda le operazioni rilevanti, in particolare il Collegio Sindacale ritiene opportuno evidenziare che:
- a. Nel mese di luglio 2018 la Società Roche Bobois S.A. è stata quotata sul mercato Euronext Paris e alla data di approvazione della Relazione finanziaria al 31\12\2018 i titoli quotano ad un valore di circa due volte e mezzo rispetto al prezzo medio di acquisto da parte di TXR S.r.l.. Quest'ultima in corso di IPO ha ceduto il 3,5% del capitale di Roche Bobois S.A. (che attualmente ha un flottante dell'11,5%) e resta un azionista molto rilevante con il 35% circa del capitale.
 - b. I disinvestimenti relativi a FCA NV e Moncler S.p.A. sono stati effettuati per circa la metà delle partecipazioni detenute nell'ottica di prudenza che caratterizza TIP.
 - c. Nel mese di dicembre 2018 TIPO S.p.A. e Fimag S.p.A. hanno sottoscritto con Fagerhult AB, società svedese leader nel settore dell'illuminazione, un accordo per la cessione del 100% delle azioni di iGuzzini illuminazione S.p.A.. La cessione è avvenuta poi il 7 marzo 2019 a seguito dell'approvazione dei rispettivi organi competenti nonché dell'ottenimento delle necessarie autorizzazioni delle autorità antitrust e del compimento di alcuni atti necessari al perfezionamento dell'operazione, principalmente relativi all'aumento di capitale di Fagerhult. Il prezzo definito per il 100% è stato di 375,9 milioni di euro al netto dell'indebitamento finanziario ed è stato corrisposto al closing, in contanti per 284,5 milioni di euro e per 91,4 milioni di euro in azioni Fagerhult di nuova emissione per la parte rimanente, valutate – come previsto contrattualmente - al prezzo medio dei sei mesi antecedenti la firma della lettera di intenti avvenuta nel mese di ottobre 2018. A seguito

dell'operazione è previsto anche il recesso di TIPO da Fimag a fronte del quale riceverà una quota della liquidità e azioni Fagerhult rivenienti dalla cessione di iGuzzini. TIPO era entrata nel capitale de iGuzzini e di Fimag con un primo investimento di circa 21 milioni di euro, successivamente incrementato di ulteriori 11 milioni di euro; con questa cessione si stima di conseguire una plusvalenza complessiva di poco inferiore ai 60 milioni di euro, oltre ai dividendi già incassati ed al lordo delle differenze connesse con le variazioni di prezzo delle azioni Fagerhult.

- d. Nel corso del 2018 è proseguita l'attività di investimento in particolare su Prysmian S.p.A., sia nell'ambito dell'aumento di capitale a cui sia Clubtre S.p.A. che TIP hanno partecipato pro quota, sia a prescindere dalla stessa, su Hugo Boss AG, su OVS S.p.A., e nell'ambito di alcune operazioni per StarTIP S.r.l.. E' inoltre proseguito l'acquisto di azioni proprie TIP.
 - e. Nel mese di luglio, un ulteriore investimento in Alpitour S.p.A. per complessivi 82 milioni di euro circa, tramite Asset Italia 1, operazione che ha comportato un esborso diretto di TIP di circa 36,3 milioni di euro e che è stata effettuata congiuntamente ad altri investitori per un controvalore complessivo di circa 220 milioni di euro. A seguito di tale investimento TIP detiene una quota del 35,81% di azioni correlate ad Asset Italia 1. L'operazione ha comportato l'acquisto del 36,76% (40,5% su basi fully diluted) del capitale di Alpitour S.p.A. da parte di Alpiholding S.r.l. già detenuta per il 49,9% da Asset Italia 1, società che già possedeva il 33% circa di Alpitour S.p.A. e che, a seguito dell'operazione, è arrivata a detenere il 31,14%, (salendo al 34,31% su basi fully diluted). Per effetto dell'operazione Asset Italia 1 ha un rilevante coinvolgimento nella governance del gruppo. Nel corso del 2018 Alpitour ha proseguito la propria espansione prendendo in gestione altri hotel, villaggi e resort, tra cui il Tanka Village, perfezionando l'importante acquisizione del tour operator Eden Viaggi e completando gli acquisti di aeromobili 787 Dreamliner.
- II. Il Collegio non ha individuato nel corso delle proprie verifiche nell'esercizio sociale chiuso al 31 dicembre 2018 operazioni atipiche e/o inusuali, né con terzi, né con Società del Gruppo, né con parti correlate, così come definite dalla Comunicazione Consob del 28 luglio 2006 n. DEM/6064293. Si dà atto che l'informazione resa nella Relazione sulla Gestione e nelle note

esplicative al bilancio separato e consolidato in ordine ad eventi e operazioni significative che non si ripetono frequentemente e ad eventuali operazioni atipiche e/o inusuali, comprese quelle infragruppo e con parti correlate, risulta adeguata.

- III. Le caratteristiche delle operazioni infragruppo e con parti correlate attuate dalla Società e dalle sue controllate nel corso del 2018, i soggetti coinvolti ed i relativi effetti economici sono ampiamente indicati nel Bilancio consolidato e d'esercizio, al quale si rinvia. Si segnala che la Società intrattiene con regolarità rapporti di natura commerciale e finanziaria con le società controllate, rappresentate da imprese del Gruppo, che consistono in operazioni rientranti nell'ambito delle attività ordinarie di gestione e concluse in linea con le prassi di mercato. Il Collegio Sindacale valuta complessivamente adeguata l'informativa fornita nei modi indicati in merito alle predette operazioni e valuta che queste ultime, sulla base dei dati acquisiti, appaiono congrue e rispondenti all'interesse sociale. Il Collegio Sindacale ha vigilato sull'osservanza delle regole che disciplinano le operazioni con parti correlate, e a tale riguardo non ha osservazioni particolari da riferire. Il Collegio ritiene che l'informativa resa dagli Amministratori nella Relazione sulla gestione e nelle Note esplicative al bilancio separato e consolidato chiuso al 31 dicembre 2018 in ordine alle operazioni infragruppo e con parti correlate sia adeguata.
- IV. La Società di Revisione ha emesso in data 29 marzo 2019 propria relazione ai sensi degli art. 14 e 16 del D.Lgs. 39/2010 e dell'art. 10 del Reg. UE n. 2014/537 con le quali ha attestato che:
- Il bilancio separato della Società e il bilancio consolidato del Gruppo al 31 dicembre 2018 forniscono una rappresentazione veritiera e corretta dello stato patrimoniale, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli IFRS adottati dall'Unione Europea;
 - la Relazione sulla Gestione e le informazioni di cui all'art. 123-bis del TUF contenute nella Relazione sul Governo Societario e sugli Assetti Proprietari sono coerenti con il Bilancio d'esercizio della Società e con il bilancio consolidato di Gruppo e redatte in conformità alle norme di legge;

- Il giudizio sul bilancio separato e sul bilancio consolidato espresso nelle predette Relazioni è in linea con quanto indicato nella Relazione aggiuntiva predisposta ai sensi dell'art. 11 del Reg. UE n. 2014/537;

Nelle predette Relazioni della Società di Revisione non risultano rilievi né richiami d'informativa né dichiarazioni rilasciate ai sensi dell'art. 14, 2° comma, lett. d) ed e) del d.lgs. 39/10.

Nel corso delle riunioni periodiche tenute dal Collegio Sindacale con la Società di Revisione, ai sensi dell'art. 150, 3° comma, del d.lgs. 58/98, non sono emersi aspetti che debbano essere evidenziati nella presente Relazione.

Inoltre il Collegio non ha ricevuto dalla Società di revisione informative su fatti ritenuti censurabili rilevanti nello svolgimento dell'attività di revisione legale sul bilancio di esercizio e consolidato.

- V. Nel corso dell'esercizio 2018 il Collegio non ha ricevuto denunce ai sensi dell'art. 2408 c.c., né esposti dei soci o di terzi.
- VI. Nel corso dell'esercizio 2018, sulla base di quanto riferito dalla Società di Revisione, non sono stati conferiti ulteriori incarichi, ad essa o a soggetti ad essa legati, rispetto alla revisione contabile ed ai servizi di attestazione.
- VII. Il Collegio Sindacale, ha adempiuto ai doveri richiesti dall'art. 19, 1° comma, lett. e) del d.lgs. 39/2010 come modificato dal d.lgs. 135/2016 e dall'art. 5, par. 4 del Reg. UE 2014/537 in materia di preventiva approvazione dei predetti incarichi, verificando la loro compatibilità con la normativa vigente e, specificatamente, con le disposizioni di cui all'art. 17 del d.lgs. 39/2010 e successive modificazioni – nonché con i divieti di cui all'art. 5 del Regolamento ivi richiamato.

Inoltre il Collegio ha:

- a) verificato e monitorato l'indipendenza della Società di Revisione, a norma degli artt. 10, 10bis, 10 ter, 10 quater e 17 del d.lgs. 39/2010 e dell'art.6 del Reg. UE n. 2014/537, accertando il rispetto delle disposizioni normative vigenti in materia e che gli incarichi per servizi diversi dalla revisione conferiti a tale società non apparissero tali da generare rischi potenziali per l'indipendenza del revisore e per le salvaguardie di cui all'art. 22-ter della Direttiva 2006/43/CE;

- b) esaminato la relazione di trasparenza e la relazione aggiuntiva redatte dalla Società di Revisione in osservanza dei criteri di cui al Reg. UE 2014/537, rilevando che, sulla base delle informazioni acquisite, non sono emersi aspetti critici in relazione all'indipendenza della Società di Revisione;
- c) ricevuto la conferma per iscritto che la Società di Revisione, nel periodo dal 1° gennaio 2018 al momento del rilascio della dichiarazione, non ha riscontrato situazioni che possano compromettere la sua indipendenza da Tamburi Investment Partners S.p.A. ai sensi del combinato disposto degli artt. 6, par.2, lett. A) del Reg. UE 2014/537, 10 e 17 del d.lgs. 39/2010 nonché degli artt. 4 e 5 del Reg. UE 2014/537.
- d) Discusso con la Società di Revisione dei rischi per la sua indipendenza e delle misure adottate per mitigarli, ai sensi dell'art. 6, par.2, lett. b) del Reg. UE n. 2014/537.

VIII. In generale, al fine di acquisire le informazioni strumentali allo svolgimento dei propri compiti di vigilanza, il Collegio Sindacale, nell'esercizio 2018, si è riunito dieci volte (di cui n. 3 precedente al nuovo rinnovo e n. 7 successiva alla nuova nomina avvenuta il 20 aprile 2017). Inoltre, il Collegio Sindacale ha partecipato:

- a tutte riunioni del Consiglio di Amministrazione della Società tenutesi dopo la propria nomina, ottenendo dagli amministratori in via continuativa informazioni sull'attività svolta e sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dalle società controllate;
- almeno tramite il Presidente, o altro suo componente, a tutte le riunioni del Comitato Controllo e Rischi e Parti Correlate e del Comitato Nomine e Remunerazione tenutesi dopo la propria nomina.

Infine, il Collegio Sindacale ha scambiato informazioni con gli organi di controllo delle società controllate ai sensi dell'art. 151 del d.lgs. 58/1998, senza che gli siano stati sottoposti aspetti rilevanti o circostanze accertate da segnalare nella presente relazione.

IX. Il Collegio Sindacale ha vigilato sull'osservanza della legge e dell'atto costitutivo e sul rispetto dei principi di corretta amministrazione, assicurandosi che le operazioni deliberate e poste in essere

dagli amministratori fossero conformi alle predette regole e principi, oltre che ispirate a principi di razionalità economica e non manifestamente imprudenti o azzardate, in conflitto d'interessi con la Società, in contrasto con le delibere assunte dall'Assemblea, ovvero tali da compromettere l'integrità del patrimonio aziendale. Il Collegio ritiene che gli strumenti e gli istituti di governance adottati dalla Società rappresentino un valido presidio al rispetto dei principi di corretta amministrazione.

- X. La vigilanza sull'adeguatezza della struttura organizzativa della Società e del Gruppo si è svolta attraverso la conoscenza della struttura amministrativa della Società e lo scambio di dati e informazioni con i responsabili delle diverse funzioni aziendali, con i responsabili dell'*Internal Audit* e con la Società di Revisione.

Alla luce delle verifiche effettuate, in assenza di criticità rilevate, la struttura organizzativa della Società appare adeguata in considerazione dell'oggetto, delle caratteristiche e delle dimensioni dell'impresa.

- XI. Con riferimento alla vigilanza sull'adeguatezza e sull'efficienza del sistema di controllo interno, anche ai sensi del vigente art.19 del d.lgs. 39/2010, il Collegio ha avuto incontri periodici con i responsabili dell'*Internal Auditing* e di altre funzioni aziendali e, tramite la partecipazione di almeno un suo componente, alle relative riunioni con il Comitato Controllo e Rischi e con l'Organismo di Vigilanza del Modello ex d.lgs.231/2001.

Ha rilevato che il sistema di controllo interno della Società si basa su un insieme strutturato e organico di regole, procedure e strutture organizzative volte a prevenire o limitare le conseguenze di risultati inattesi e a consentire il raggiungimento degli obiettivi strategici ed operativi (ossia di coerenza delle attività con gli obiettivi, di efficacia ed efficienza delle attività e di salvaguardia del patrimonio aziendale), di conformità alle leggi e ai regolamenti applicabili (*compliance*) e di corretta e trasparente informativa interna e verso il mercato (*reporting*).

Le linee guida di tale sistema sono definite dal Consiglio di amministrazione, con l'assistenza del Comitato Controllo e Rischi. Il Consiglio di amministrazione provvede altresì a valutare, almeno con cadenza annuale, la sua adeguatezza e il suo corretto funzionamento.

Il Collegio Sindacale si è periodicamente confrontato con i responsabili dell'*Internal Auditing* al fine di valutare il piano di audit e le sue risultanze, sia nella fase di impostazione, sia in quella di analisi delle verifiche effettuate e dei relativi *follow-up*.

In continuità con il passato, il Collegio Sindacale, per quanto di competenza, si è sincerato della tempestiva attivazione dei presidi di controllo interno, anche nelle società controllate, ove ciò si sia reso necessario o anche solo opportuno in relazione alle circostanze del caso.

Tamburi Investment Partners S.p.A. è dotata del modello organizzativo previsto dal d.lgs 231/2001 ("Modello 231"), di cui è parte integrante il Codice Etico, finalizzato a prevenire il compimento degli illeciti rilevanti ai sensi del decreto e, conseguentemente, l'estensione alla Società della responsabilità amministrativa.

Il modello 231 di Gruppo prevede un aggiornamento automatico ai reati che di volta in volta vengono emanati, nella sua parte generale.

In relazione all'esercizio 2018, il Consiglio di Amministrazione ha effettuato, sulla base delle informazioni ed evidenze raccolte, anche con il supporto dell'attività istruttoria del Comitato Controllo e Rischi e Parti Correlate, una valutazione complessiva dell'adeguatezza del sistema di controllo interno e di gestione dei rischi ritenendo che esso sia complessivamente idoneo a consentire, con ragionevole certezza, un'adeguata gestione dei principali rischi identificati.

Ad avviso del Collegio, alla luce delle informazioni acquisite, il sistema di controllo interno e di gestione dei rischi della Società appare adeguato, efficace e dotato di effettiva operatività.

- XII. Il Collegio ha inoltre vigilato sull'adeguatezza e affidabilità del sistema amministrativo-contabile a rappresentare correttamente i fatti di gestione, ottenendo informazioni da parte dei responsabili delle rispettive funzioni, esaminando documenti aziendali e analizzando i risultati del lavoro svolto dalla società di revisione. Al Dirigente preposto alla redazione dei documenti contabili societari sono state attribuite in modo congiunto le funzioni stabilite dalla legge e forniti adeguati poteri e mezzi per l'esercizio dei relativi compiti.

Il Collegio Sindacale ha preso atto delle attestazioni rilasciate dall'Amministratore Delegato e dal Dirigente preposto alla redazione dei documenti contabili societari della Società in merito all'adeguatezza del sistema amministrativo-contabile in relazione alle caratteristiche dell'impresa

e all'effettiva applicazione delle procedure amministrative e contabili per la formazione del bilancio separato di Tamburi Investment Partners S.p.A. e del bilancio consolidato del Gruppo Tamburi.

Inoltre, ha vigilato sul processo di informativa finanziaria, anche mediante assunzione di informazioni dal management della Società e valuta complessivamente adeguato il sistema amministrativo-contabile della società ed affidabile nel rappresentare correttamente i fatti di gestione.

Il Collegio ha vigilato sull'adeguatezza delle disposizioni impartite dalla Società alle controllate ai sensi dell'art. 114, 2° comma, del d.lgs. 58/98, accertandone, sulla base delle informazioni rese dalla Società, l'idoneità a fornire le informazioni necessarie per adempiere agli obblighi di comunicazione previsti dalla legge, senza eccezioni.

XIII. La società aderisce al Codice di Autodisciplina sebbene l'adozione dei principi contenuti nel Codice non sia imposta da alcun obbligo di natura giuridica. La Società ha aderito ai principi del Codice, nonché alle sue modifiche ed integrazioni apportate dal Comitato per la Corporate Governance di Borsa Italia. Per quanto riguarda il Collegio Sindacale, si segnala che le attribuzioni riguardano: (i) il compito di vigilare sull'indipendenza della Società di Revisione e sul sistema di controllo interno e di gestione dei rischi, (ii) la facoltà di richiedere all'Audit lo svolgimento di verifiche, (iii) lo scambio tempestivo di informazioni con il Comitato di Controllo interno e di Gestione dei rischi su informazioni rilevanti e (iv) la verifica della corretta applicazione dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione per valutare l'indipendenza dei propri membri e la valutazione dell'indipendenza dei propri membri in base ai criteri utilizzati per gli Amministratori. A quest'ultimo proposito, il Collegio ha verificato la sussistenza dei requisiti di indipendenza in capo ai Consiglieri non esecutivi.

XIV. Il Consiglio di Amministrazione della Società è attualmente composto da nove amministratori, di cui quattro indipendenti. La sua composizione è conforme alla normativa in materia di equilibrio di genere.

Un consigliere indipendente svolge la funzione di Lead Independent Director ed ha promosso una riunione di soli consiglieri indipendenti nel corso del 2018.

Nel 2018 il Consiglio di Amministrazione ha proceduto ad un'autovalutazione della dimensione, della composizione e del funzionamento del Consiglio stesso e dei suoi Comitati, i cui risultati sono stati presentati alla riunione del Consiglio di Amministrazione del 14 marzo 2019 e sono richiamati nella Relazione sul Governo Societario e sugli Assetti Proprietari.

In merito alla procedura seguita dal Consiglio di Amministrazione ai fini della verifica dell'indipendenza dei propri consiglieri, il Collegio Sindacale ha proceduto alle valutazioni di propria competenza, constatando la corretta applicazione dei criteri e delle procedure di accertamento dei requisiti di indipendenza di cui alla legge e al Codice di Autodisciplina ed il rispetto dei requisiti di composizione dell'organo amministrativo nel suo complesso.

- XV. Infine, in accordo con quanto previsto dalla Norma Q.1.1. "Autovalutazione del collegio sindacale" delle Norme di comportamento del collegio sindacale di società quotate – edizione aprile 2018, dall'art. 8 del Codice di Autodisciplina per la Corporate Governance delle Società quotate promosso da Borsa Italiana S.p.A. e dalla normativa vigente, il Collegio Sindacale ha proceduto alla valutazione dell'idoneità dei componenti e l'adeguata composizione dell'organo, con riferimento ai requisiti di professionalità, competenza, onorabilità e indipendenza richiesti dalla normativa. Il Collegio ha dato atto che ciascun componente Effettivo nominato dall'Assemblea del 20 aprile 2018 ha fornito le informazioni necessarie per effettuare l'autovalutazione annuale del Collegio Sindacale e che, in base alle dichiarazioni rese e all'analisi effettuata successivamente in sede collegiale, non ricorre per nessuno di essi alcuna delle cause di ineleggibilità e decadenza previste dalla normativa vigente e dallo Statuto.

Il Collegio inoltre ha verificato il mantenimento, da parte dei componenti del Collegio Sindacale stesso, dei medesimi requisiti di indipendenza richiesti per gli amministratori, dandone comunicazione al Consiglio di Amministrazione della Società nella seduta del 14 marzo 2019.

- XVI. Il Collegio Sindacale ha altresì esaminato le proposte che il Consiglio di Amministrazione, nella riunione del 14 marzo 2019, ha deliberato di sottoporre all'Assemblea, e dichiara di non avere osservazioni al riguardo.
- XVII. Infine il Collegio Sindacale ha svolto le proprie verifiche sull'osservanza delle norme di legge inerenti alla formazione del progetto di bilancio separato e di bilancio consolidato di Gruppo al 31

dicembre 2018, delle rispettive note illustrative e della Relazione sulla Gestione a corredo degli stessi, in via diretta e con l'assistenza dei responsabili di funzione ed attraverso le informazioni ottenute dalla Società di Revisione. In particolare, il Collegio Sindacale, in base ai controlli effettuati e alle informazioni fornite dalla Società, nei limiti della propria competenza secondo l'art. 149, d.lgs. 58/98, dà atto che i prospetti del bilancio separato e del bilancio consolidato di Tamburi Investment Partners S.p.A. al 31 dicembre 2018 sono stati redatti in conformità alle disposizioni di legge che regolano la loro formazione e impostazione e agli International Financial Reporting Standards, emessi dall'International Accounting Standards Board, in base al testo pubblicato nella Gazzetta Ufficiale delle Comunità Europee.

Il bilancio separato e quello consolidato sono accompagnati dalle prescritte dichiarazioni di conformità sottoscritte dall'Amministratore Delegato e dal Dirigente Preposto alla redazione dei documenti contabili societari.

Sulla base di quanto sopra riportato, a compendio dell'attività di vigilanza svolta nell'esercizio, il Collegio Sindacale non ha rilevato specifiche criticità, omissioni, fatti censurabili o irregolarità e non ha osservazioni, né proposte da formulare all'assemblea ai sensi dell'art. 153 del d.lgs. 58/1998, per quanto di propria competenza non rilevando motivi ostativi all'approvazione delle proposte di delibera formulate dal Consiglio di Amministrazione all'Assemblea.

Il Collegio Sindacale, inoltre, alla luce delle considerazioni effettuate e per gli aspetti di propria competenza, non rileva motivi ostativi all'approvazione del Bilancio al 31 dicembre 2018 e della proposta di destinazione dell'utile d'esercizio formulata dal Consiglio di Amministrazione.

Milano, 29 marzo 2019

Il Collegio Sindacale

Dott.ssa Myriam Amato

Presidente



Dott. Fabio Pasquini

Sindaco effettivo



Dott.ssa Alessandra Tronconi

Sindaco effettivo





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 2018, the income statement, the statement of comprehensive income, the statement of changes in equity, the 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 2018, 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.

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.

PriceWaterhouseCoopers SpA

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Key Audit Matters	Auditing procedures performed in response to key audit matters
<p>Investments measured at fair value through other comprehensive income ("FVOCI")</p> <p><i>Note 12 to the separate financial statements "Investments measured at FVOCI"</i></p> <p>The company holds significant investments in entities listed on regulated markets and in non-listed entities, for an amount of Euro 343.453 thousand as of 31 December 2018, which represents 49% of the total asset. Those investments, reported under non-current assets, are measured at fair value through other comprehensive income ("FVOCI").</p> <p>The fair value of investments in listed entities is based on the share prices. For unlisted entities, fair value is calculated using the valuation techniques considered most appropriate by management.</p> <p>We considered the measurement of investments at FVOCI a key matter in our audit of the Company's separate financial statements because of the materiality of the balance, the complexity of the valuation models used for investments in unlisted entities and the use of inputs that are not always observable.</p>	<p>Our audit activities included, among other, the following procedures:</p> <ul style="list-style-type: none"> • understanding and evaluation of the effectiveness of internal control, with specific reference to the procedures applied by management to classify and measure at FVOCI investments in listed and unlisted entities; • analysis of contracts relating to the main investments and of arrangements with the other investors in the same entity, in order to verify the correct qualification of investments and consequent appropriateness of the valuation method adopted; • verification of share prices for listed entities; • for unlisted entities, verification of fair value through an analysis of the valuation techniques applied by management and of the reasonableness of inputs used and underlying assumptions. Also, verification of the mathematical accuracy of the calculation models. Our verifications were performed with the support of valuation experts belonging to the PwC network. <p>Finally, we verified the adequacy of disclosures in the notes to the financial statements.</p>

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, 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 they determine is necessary to enable the



preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, 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, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance 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 our 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 the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 the board of statutory auditors, in its 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

The directors of Tamburi Investment Partners SpA are 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 2018, 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 2018 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 2018 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, 29 March 2019

PricewaterhouseCoopers SpA

Signed by

Francesco Ferrara
(Partner)

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