2019 ANNUAL REPORT OF THE TAMBURI INVESTMENT PARTNERS GROUP

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

WE SHOULD ALL FEEL NOTHING BUT SHAME FOR THE REPUTATION THAT FINANCE HAS EARNED ITSELF IN THE LAST FEW YEARS, BUT IF YOU MANAGE TO GUIDE HEALTHY CAPITAL FROM SUCCESSFUL BUSINESSES AND THE ASSETS OF FAMILIES THAT WISH TO INVEST THEM INTELLIGENTLY IN COMPANIES THAT WANT TO GROW, DEVELOP AND GENERATE VALUE, YOU ARE DOING ONE OF THE MOST BENEFICIAL JOBS IN THE WORLD.

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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 Chairperson and Chief Executive Officer
Cesare d'Amico	Vice Chairman
Claudio Berretti	Executive Director & General Manager
Alberto Capponi (1)(2)	Independent Director*
Giuseppe Ferrero (1)	Independent Director *
Manuela Mezzetti (1)(2)	Independent Director *
Daniela Palestra (2)	Independent Director *
Paul Simon Schapira	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

2019 Directors' Report of the Tamburi Investment Partners Group

On the basis of uniform pro forma accounting principles, the Tamburi Investment Partners Group (hereinafter the "TIP Group" or "TIP") closed 2019 with a pro-forma net profit of Euro 99.9 million, compared to Euro 84.6 million in 2018, with equity of approximately Euro 902 million, up by approximately Euro 235.5 million on Euro 664.4 million as at December 31, 2018. The Group enjoyed a very positive year in 2019.

As previously, for comparable presentation to shareholders of period results and a better reflection of the effective results, not only for operating purposes, the 2019 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 therefore comments upon the pro-forma figures, while the Notes provide disclosure upon the figures calculated as per IFRS 9.

Consolidated income statement (in Euro)	**IFRS 9 31/12/2019**	**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 31/12/2019**	**PRO FORMA 31/12/2018**
Total revenues	**6,996,283**				**6,996,283**	**11,036,008**
Purchases, service and other costs	(3,055,205)				(3,055,205)	(2,979,278)
Personnel expenses	(20,267,359)				(20,267,359)	(18,385,432)
Other income	3,429,524				3,429,524	
Amortisation & depreciation	(356,399)				(356,399)	(58,739)
Operating profit/(loss)	**(13,253,156)**	**0**	**0**	**0**	**(13,253,156)**	**(10,387,441)**
Financial income	26,250,247	47,112,976		(132,348)	73,230,875	116,098,348
Financial charges	(12,927,381)				(12,927,381)	(7,802,272)
Profit before adjustments to investments	**69,710**	**47,112,976**	**0**	**(132,348)**	**47,050,339**	**97,908,635**
Share of profit/(loss) of associates measured under the equity method	30,708,637	33,648,759	(340,797)		64,357,396	29,214,745
Adjustments to financial assets	0		(12,644,494)		(12,985,291)	(40,695,832)
Profit / (loss) before taxes	**30,778,347**	**80,761,736**	**(12,985,291)**	**(132,348)**	**98,422,444**	**86,427,548**
Current and deferred taxes	2,049,209	(530,968)			1,518,241	(1,784,996)
Profit / (loss) of the period	**32,827,556**	**80,230,767**	**(12,985,291)**	**(132,348)**	**99,940,684**	**84,642,552**
Profit/(loss) of the period attributable to the shareholders of the parent					**98,098,714**	**59,530,152**
Profit/(loss) of the period attributable to the minority interest					**1,841,970**	**25,112,400**

The IFRS 9 income statement does not include directly realised income and capital gains on investments and shares of Euro 47.1 million, income and capital gains realised indirectly through associated companies of Euro 33.6 million and negative adjustments to financial assets of Euro 13 million.

This performance was driven by the divestments of holdings in FCA, Ferrari, Furla, iGuzzini, Moncler and Nice, the dividends collected and the Group's share of the profits of various investees. Advisory activity recorded revenues of approximately Euro 6.8 million, compared to approximately Euro 11.1 million in 2018. Operating costs were in line with 2018. As previously, the executive directors' fees are linked to the company's performance and were calculated, as agreed, on pro-forma figures.

Accordingly, the pro-forma performance for the period was influenced by the completion of important initiatives, in particular the divestment of the shares obtained through the Furla convertible bond, yielding a capital gain of approximately Euro 17 million, and the sale of the equity investment in iGuzzini, through the investee TIPO, yielding a total capital gain for TIP of approximately Euro 15.7 million, whereas the capital gains on FCA, Ferrari, Moncler and Nice totalled Euro 31.5 million. Other financial income - mainly dividends from investees and interest - was approximately Euro 9 million.

On the closing of the iGuzzini sale of March 7, 2019, TIPO collected approximately Euro 45.1 million and received 1,781,739 Fagerhult shares. The withdrawal from Fimag on May 29, 2019 resulted in TIPO collecting Euro 24.2 million, including an extraordinary dividend, and the transfer of an additional 935,689 Fagerhult shares. TIPO in May subscribed its share of the capital increase approved by Fagerhult, with an additional investment of Euro 2.9 million for a total of 712,694 shares.

Other transactions, better described below – including the acquisition of control over Clubtre and the acquisition of significant influence over OVS and Elica – generated accounting effects that yielded positive contributions to the pro-forma results in 2019 of approximately Euro 36.7 million.

Among the other associated companies in addition to TIPO, IPGH contributed a share of profit of Euro 14.1 million, Roche Bobois Euro 4.3 million and Alpitour Euro 6.8 million through Asset Italia.

In 2019, negative adjustments to financial assets were made at pro-forma level of approximately Euro 13 million, mainly concerning the investment in Hugo Boss in view of the still poor share performance.

Financial markets had a very peculiar year in 2019, rallying sharply on the end of the previous year and setting new price records in almost all markets worldwide. TIP's shares also reached an all-time high.

However, given what occurred subsequently, and in particular in February 2020, with the worldwide panic triggered by the consequences of the coronavirus, our most important comments will be those that we devote to the future.

For TIP, 2019 was also a year of important investments.

On March 11, 2019, TIP acquired the entire equity investment held by Gruppo Coin 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%, with a total pay-out of Euro 91.6 million. The reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 1.1 million, recognised to the OCI reserve, has been booked to the pro-forma income statement 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 OVS investment also contributed approximately Euro 1.4 million to the result. In December, agreements were finalised with Stefano Beraldo and eight over shareholder-managers of OVS S.p.A. to sell them call options on a part of the OVS shares held by TIP. The options will be exercisable from January 1, 2023 to June 30, 2023 at the price of Euro 1.85 per share.

In March 2019, Talent Garden completed a capital increase of Euro 23 million, in which TIP participated in the amount of Euro 5 million through StarTIP, confirming its main investor role. As a result of the transaction, the interest in Talent Garden held directly by StartTIP came to 5.9%, whereas the total implicit interest held, considering also the indirect holdings, including the interest held by Heroes and the interest held by Digital Magics, amounted to approximately 20%.

In April, StarTIP slightly increased its holding in Buzzoole. Then, in October, StarTIP subscribed for a new capital increase by Buzzoole, for an additional investment of approximately Euro 0.6 million.

In July 2019, StarTIP - together with other investors - acquired a stake in Bending Spoons S.p.A., acquiring 2.37% with an investment of Euro 5 million. Bending Spoons, Europe's leading iOS app developer, whose main market is the US, reported triple-digit revenue growth to Euro 45 million in 2018. The company's apps have been downloaded 200 million times to date, with 200,000 new downloads per day on iOS devices (the leader in Europe and among the top 10 worldwide, ahead of behemoths such as Snapchat, Adobe and Twitter).

Also in July 2019, TIP acquired 14.95% of ITH S.p.A., the parent company of Sesa S.p.A., a company listed on the STAR segment of Borsa Italiana. TIP's investment, part of a more complex transaction of ITH, is about Euro 17 million. A put/call agreement with ITH shareholders allows for an additional increase in the stake held up to 15.75%. The option exercise period concludes in the second quarter of 2022.

Again in July 2019, TIP acquired from Whirlpool EMEA S.p.A. its total stake in Elica S.p.A. (a company listed on the STAR segment of Borsa Italiana), comprising 7,958,203 ordinary shares representing 12.568% of the share capital, for consideration of Euro 15,916,406. The agreements reached by TIP and the seller include a commitment not to sell such shares to certain competitors of Whirlpool for 12 months from the closing date. Moreover, TIP signed a shareholder agreement with FAN S.r.l., a controlling shareholder of Elica, to establish a medium-term strategic alliance. Finally, to further seal the agreements reached, TIP agreed with Elica the acquisition of all of the treasury shares owned (equal to 2.014% of the share capital), at the same price per share agreed with Whirlpool EMEA S.p.A., with an additional investment of Euro 2.5 million. Overall, a 14.582% stake in Elica was acquired in this phase. Subsequently, Elica share purchases continued. In November, the 20% threshold of capital was exceeded. The consequent reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 14.5 million, recognised to the OCI reserve, has been booked to the pro-forma income statement 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".

On July 23, 2019, TIP acquired an additional stake of 22.95%, on a fully diluted basis, in Clubtre S.p.A. (a company holding 3.9% of Prysmian), for total additional consideration of Euro 21.2 million. Following the transaction, TIP owns 66.23% of Clubtre, on a fully diluted basis. Considering the shares directly held by TIP, the TIP Group consolidated stake in Prysmian at December 31 was 4.5%. The obtaining of control of Clubtre and the consequent transfer of the company from an associated company measured under the equity method to a subsidiary subject to line-by-line consolidation resulted in the recognition of the share of the "OIC fair value reserve without reversal" concerning the investment until the transfer date similarly to as would have occurred on the divestment of the holding. After obtaining control of Clubtre, the TIP share of the increased cumulative fair value of the investee with regards to its investment in Prysmian, equal to approximately Euro 17.8 million, recognised to the FV reserve was reversed to other equity reserves according to IFRS 9 and to the pro-forma income statement under income from associated companies. This transaction also resulted in the recognition to the income statement of the differential, equal to approximately Euro 3.4 million, between the value of the holding acquired, calculated on the basis of the market price of the Prysmian shares held at the transaction date, and the acquisition cost. TIP further increased its direct holding in Prysmian in early 2020.

In October 2019, 125,000 additional Hugo Boss shares were acquired, for an additional investment of approximately Euro 4.7 million, at approximately Euro 38 per share, resulting in a decline in the average carrying amount of the equity investment.

In December 2019, in fulfilment of previous agreements, TIP acquired an approximately 12% interest in Welcome Italia S.p.A., a company specialised in integrated telecommunications and cloud computing services, with a particular focus on SMEs, for an investment of approximately Euro 5.8 million.

Treasury share purchases continued in 2019 for approximately Euro 25.5 million. Of this amount, approximately Euro 10.3 million refers to the plan announced on September 26, 2019, as part of the treasury share buy-back programme approved by the Shareholders' Meeting of April 30, 2019, with execution delegated completely to third parties, to acquire a maximum additional eight million treasury shares in addition to those held at the communication date, to be undertaken on the market by January 31, 2020. Following the expiry of this plan, which overall entailed the purchase of 1,988,910 ordinary shares with a total value of approximately Euro 13 million, on February 2, 2020 a new buy-back programme was launched for up to six million additional shares, also on a fully delegated basis, to be completed by August 31, 2020.

Consolidated equity as at December 31, 2019 increased by approximately Euro 235.5 million, compared to Euro 666.4 million as at December 31, 2018, following a buyback of approximately Euro 25.5 million and after distributing dividends of approximately Euro 11.5 million, also due to the value recoveries of the investments measured at fair value.

In June 2019, 7,561,067 warrants were exercised, including 892,650 warrants held by the executive directors, resulting in the issue of a similar number of new TIP shares and a capital increase, including share premium, of approximately Euro 37.8 million. In addition, the inclusion of Clubtre in the consolidation scope increased equity attributable to minority interests by approximately Euro 32 million.

In December the issue of a five-year bond with a value of Euro 300 million, an annual fixed coupon of 2.5% and an issue price of 99.421 was finalised. The bonds, which are unrated, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and Borsa Italiana's MOT Professional segment. Almost all of the proceeds of this bond issue were temporarily invested in listed bonds.

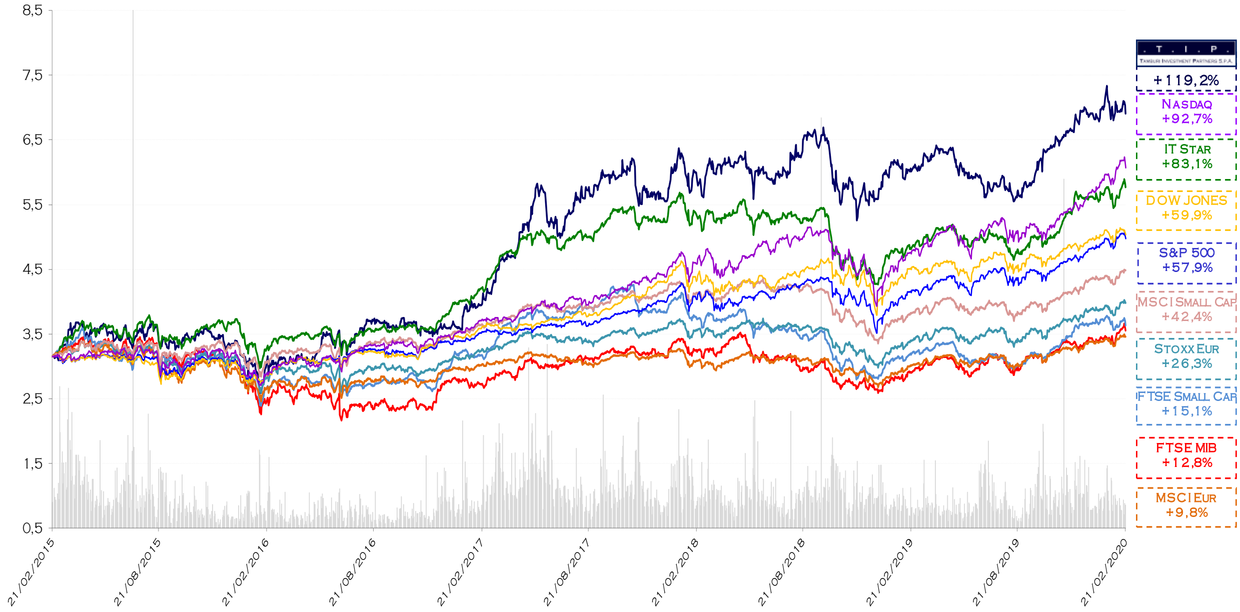
The TIP Group's consolidated net debt – also taking into account the bond maturing on December 5, 2024 and that maturing in early 2020 – was approximately Euro 300 million as at December 31, 2019, compared to approximately Euro 140.5 million as at December 31, 2018. The increase in the net debt follows the considerable investments finalised during the period and the change in the consolidation scope and the consequent full inclusion of the nominal Euro 99.1 million margin loan of the subsidiary Clubtre.

The main listed investees – Amplifon, BE, Elica, Ferrari, Interpump, Moncler, OVS, Prysmian and Sesa – reported robust and in some cases excellent full-year or interim 2019 results; Hugo Boss announced that it had achieved growth in the third quarter of 2019, although the results for the entire year were down slightly on the initial forecasts for 2019. The other direct and indirect investees are also currently performing well.

Although describing it now seems more incongruous than even, in the light of what is happening, financial markets had a very peculiar year in 2019, rallying sharply on the end of the previous year and setting new price records in almost all markets worldwide. TIP's shares also reached an all-time high.

The TIP share performed strongly again in 2019, up approximately 19% on December 31, 2018, with the TIP Warrant 2015-2020 rising 42%. In 2020 TIP's shares initially continued to rally, posting strong additional growth, but then, like almost all exchanges, suffered the disastrous sell-off triggered by concerns of the spread of the coronavirus. The usual TIP share chart at February 21, 2020 (the volatility at the end of February and early March has deliberately been excluded) highlights the good performance of the share, up 119.2%; the total return(1) for TIP shareholders over the five years to that date was 136%, with an annual average of 27.2%.

(1) The total return is calculated by taking into account the performance of the TIP shares, the distributed dividends and the performance of the 2015-2020 TIP Warrants freely assigned to shareholders.



TIP workings on data collected on 21/2/2020 at 20.13 source Bloomberg

INVESTMENTS– PRINCIPAL HOLDINGS AT DECEMBER 31, 2019

The financial results reported below refer, where available, to the 2019 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 2019 or prior year annual accounts.

A) SUBSIDIARIES

Clubtre S.p.A.

TIP shareholding at December 31, 2019: 37.67% (66.23% fully diluted)

In July, TIP acquired an additional holding in Clubtre to reach a 66.23% stake. Clubtre S.p.A. is the largest shareholder in Prysmian S.p.A. at December 31, 2019 (with the exception of a group of funds) with a holding of approximately 4%. As at December 31, 2019 TIP also holds a direct investment of 0.764% in Prysmian, which subsequently rose to exceed the 5% threshold, together with the shares held by Clubtre.

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

In 2019 Prysmian earned consolidated revenues of Euro 11,519 million, down slightly on 2018 (-0.9%). Adjusted EBITDA exceeded Euro 1 billion, compared to Euro 767 million in 2018 (+31.4%).

StarTIP S.r.l.

TIP shareholding at December 31, 2019: 100%

Company held 100% by TIP which holds the digital and innovation start-up investments, and in particular those in Bending Spoons S.p.A, in Digital Magics S.p.A., in Heroes S.r.l., (company with an investment of over 40% in Talent Garden S.p.A.), in Alkemy S.p.A., in Buzzoole Holding Limited, in MyWoWo S.r.l., in Centy and in Telesia S.p.A.

In July 2019, StarTIP - together with other investors - acquired a stake in Bending Spoons S.p.A., acquiring 2.37% with an investment of Euro 5 million. Bending Spoons, Europe's leading iOS app developer, whose main market is the US, reported revenue growth of over 50% to Euro 89 million in 2019. The company's apps have been downloaded over 280 million times to date, with 200,000 new downloads per day on iOS devices (the leader in Europe and among the top 10 worldwide, ahead of behemoths such as Snapchat, Adobe and Twitter).

In 2019, StarTIP also invested Euro 5 million in the capital increase by Talent Garden and increased its investment in Buzzoole slightly, i.e. by approximately Euro 1.3 million. As at December 31, 2019, StarTIP had invested a total of approximately Euro 37 million.

TXR S.r.l (company which holds 34.84% of Roche Bobois S.A.)
TIP shareholding at December 31, 2019: 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. TXR today holds a 34.84% investment 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 330 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 2019 the Roche Bobois Group's business volumes – while continuing to suffer the consequences of the "*gilet jaunes*" protests on its sales – reported further growth (+8.7% at like-for-like exchange rates) from Euro 257.0 million in 2018 to Euro 274.7 million in 2019, with robust growth in the final quarter of 2019 as well. The increase in sales was supported by excellent performances by directly owned stores (+10.9%), with seven new locations opened and two new franchise stores, whereas two stores considered poorly performing were nonetheless closed. Aggregate business volumes (including franchised stores) were Euro 490.2 million (up 5.6% at like-for-like exchange rates) on Euro 458.6 million in 2018.

B) ASSOCIATED COMPANIES

Asset Italia S.p.A.
TIP shareholding at December 31, 2019: 20.00% excluding the 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 shares for the specific asset class related to the investment subscribed.

TIP holds 20% of Asset Italia, in addition to shares related to specific investments, undertaking at least a pro-quota holding and providing support for the identification, selection, assessment and execution of investment projects.

Asset Italia held at December 31, 2019, through a vehicle company set up on an ad hoc basis, the following investments:

Alpitour S.p.A.
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 shares related to Asset Italia 1.

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

The execution of the strategy to extend control over key value chain assets by acquiring new hotels as manager or owner and the integration of Eden Viaggi continued successfully during the year.

In 2019 (year ended October 31), the Alpitour Group reported consolidated revenues of Euro 1,992 million (up 18.5%), an Ebitda of Euro 70.5 million (up 17.6% on 2018) and a net profit of approximately Euro 35.6 million compared to Euro 12.6 million in 2018. The net profit for 2019 benefited from non-recurring income of approximately Euro 22 million.

Ampliter S.r.l.
Asset Italia 2, vehicle company of Asset Italia, has a stake of over 6% in Ampliter S.r.l., parent company of Amplifon S.p.A.. TIP has a 20% stake in 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 shareholding at December 31, 2019: 23.41%
Listed on the Italian Stock Exchange - STAR Segment.

The BE Group is one of the leading Italian operators in professional services for the financial industry.

In 2019, the BE Group reported value of production of Euro 152.3 million (+1.4%) and an EBITDA of Euro 25.9 million (+ 9.7%).

Clubitaly S.p.A.
TIP shareholding at December 31, 2019: 30.20%

Clubitaly, incorporated in 2014, together with some entrepreneurial families and family office, two of which qualify as related parties pursuant to IAS 24, 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 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.

Eataly currently operate in Italy, America, the Middle and Far East and is implementing a significant store opening programme in some of the world's major cities through direct sales points and franchises.

Eataly's preliminary 2019 results include revenues of approximately Euro 521 million, +6% on a like-for-like consolidation area, and profitability up slightly on the previous year.

Elica S.p.A.
TIP shareholding at December 31, 2019: 20.15%

In July 2019, TIP acquired from Whirlpool EMEA S.p.A. its total stake in Elica S.p.A. representing 12.568% of the share capital. In addition, TIP concurrently acquired all the treasury shares held as at that date by Elica, equal to 2.014% of the share capital. Overall, a 14.582% stake in Elica was acquired in this phase. Elica share purchases then continued, exceeding 20% of capital in November.

With sales in over 100 countries, seven production facilities worldwide and approximately 3,800 employees, Elica is one of the world's main players in design, technology and high-end solutions for ventilation, filtration and air purification, conceived to improve the welfare of individuals and the environment. Elica is the world leader of the kitchen hoods market in particular.

In 2019 Elica reported consolidated revenues of Euro 480 million, up by 1.6% on 2018, a normalised EBITDA of Euro 45 million, +12.7% on Euro 40 million in 2018, and a net profit of Euro 7.4 million, up sharply on 2018.

Gruppo IPG Holding S.p.A.
TIP shareholding at December 31, 2019: 23.64%, 33.72% fully diluted

Gruppo IPG Holding S.p.A. holds 25,406,799 shares (equal to 23.82% 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 2019, Interpump Group reported consolidated revenues of Euro 1.369 billion, up 7% on 2018, an Ebitda of Euro 317.9 million, up 10.2% on Euro 288.5 million in 2018 and a net profit of Euro 180.7 million.

OVS S.p.A.
TIP shareholding at December 31, 2019: 22.75%

On March 11, 2019, TIP acquired the entire equity investment held by Gruppo Coin S.p.A. in OVS, amounting to 17.835% of the share capital. As a result of this acquisition, TIP, which had previously held an interest of approximately 4.912%, increased its total investment to 22.747%.

OVS reported net sales of Euro 990.9 million in the first nine months, compared with Euro 1,010.5 in the same period of the previous year. Full-margin sales increased in the third quarter, with a lesser use of promotional leverage to the benefit of profitability. Although the market continued to contract (-5.4%), OVS' market share rose further. Adjusted EBITDA was Euro 101.1 million, confirming the significant increase in the third quarter compared with the same period of the previous year (Euro 15.6 million). Adjusted net debt declined to Euro 395.2 million, down by Euro 45.2 million on October 2018. Cash flow generation in the third quarter improved by Euro 31 million on the same period of the previous year.

TIP-PRE IPO S.p.A. – TIPO
TIP shareholding at December 31, 2019: 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.

In 2019, TIPO sold its investment in iGuzzini S.p.A. and completed its withdrawal from Fimag, receiving both liquidity and Fagerhult AB shares.

Following this transaction and having decided - according to the existing shareholder agreements - not to pursue additional investment initiatives, the company distributed the available liquidity to shareholders (approximately 80% of the invested capital), although continuing to hold at December 31, 2019 the following investments:

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., in turn controlled by TIPO with 58.417%. Beta Utensili is the leader in Italy in the distribution and production of high-quality utensils.

In 2019, Beta Utensili continued to grow and expand its range thanks to the positive integration of recently acquired companies, while continuing to assess new acquisition opportunities.
The preliminary results of Beta Utensili S.p.A. for 2019 report consolidated revenues of approximately Euro 177.3 million, up 10% on 2018, an adjusted EBITDA of approximately Euro 31.1 million and a net profit of approximately Euro 13.8 million (up +9%).

Fagerhult AB
TIPO also holds 1.82% of Fagerhult following the receipt of shares from the sale of iGuzzini and the withdrawal from Fimag, alongside the pro-quota subscription to the share capital increase in May 2019. Fagerhult, listed on the Stockholm stock exchange, is a European

professional lighting leader, designing, developing, manufacturing and distributing innovative and highly energy-efficient solutions for indoor and outdoor lighting.

It has a portfolio of 13 brands and is particularly involved in the Controls & Connectivity segment, optimising both the lighting experience and energy efficiency.

In 2019 Fagerhult reported net sales of SEK 2,129 million, an operating profit of SEK 207 million and a net profit of SEK 126 million.

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 2019 report consolidated revenues of approximately Euro 115 million, down slightly on 2018, and an EBITDA of approximately Euro 23.1 million, down 11%.

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 shareholding at December 31, 2019: 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 2019 the Amplifon Group reported consolidated revenues of Euro 1,732.1 million, up 27.1%, at like-for-like exchange rates, a recurring EBITDA of Euro 301.2 million, up 28.8% at like-for-like exchange rates, and a net profit of Euro 114.2 million, up 13.7%.

Digital Magics S.p.A.
TIP shareholding at December 31, 2019: 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; 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, 2019: 0.04% 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 the year ended December 31, 2019, Ferrari reported new performance records with revenues of Euro 3.766 billion (+10% on 2018), an adjusted EBITDA of Euro 1.269 billion, up by 14% on the previous year, and a net profit of Euro 699 million, -11% on Euro 787 million in 2018, which, however, benefited from non-recurring tax income of Euro 141 million (the adjusted net profit increased by 8% in 2019)

Hugo Boss AG
TIP shareholding at December 31, 2019: 1.53%
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 2019 the Hugo Boss Group reported consolidated revenues of Euro 2,884 billion (+2% at like-for-like exchange rates) and an EBITDA (adjusted to not consider the effects of IFRS 16) of approximately Euro 333 million, down 4% on the previous year. However, the figures for the fourth quarter of 2019 were more positive in terms of both revenues, up 4% on the same period of the previous year at a like-for-like exchange rate, and of margins, with an EBIT of Euro 122 million in the fourth quarter, up by 9%.

Moncler S.p.A.
TIP shareholding at December 31, 2019: 0.80%
Listed on the Italian Stock Exchange - STAR Segment

Moncler is a global leader in the apparel luxury segment.

In 2019 the Moncler Group reported consolidated revenues of Euro 1,628 million (+13% at like-for-like exchange rates) and an Adjusted EBITDA of Euro 574.8 million (+14.9%). Another year of double-digit growth in revenues and earnings that confirmed Moncler at the top end in terms of margins, among the most prestigious global brands.

INVESTMENTS IN NON-LISTED COMPANIES

Azimut Benetti S.p.A.
TIP shareholding at December 31, 2019: 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 20 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 9% to approximately Euro 900 million, and an adjusted EBITDA of approximately Euro 70 million, up Euro 55 million on 2018, due in part to the capital gain on the divestment of Fraser Yachts. The net profit for 2019 was approximately Euro 25 million.

ITH S.p.A.
TIP shareholding at December 31, 2019: 14.95%

Also in July 2019, TIP acquired 14.95% of ITH S.p.A., the parent company of Sesa S.p.A., a company listed on the STAR segment of Borsa Italiana. TIP's investment includes a put/call agreement with ITH shareholders which allows for an additional increase in the stake held up to 15.75%.

The Sesa Group is a leading Italian provider, with an international presence, of extremely innovative high value-added IT solutions and services for businesses. The solutions it has developed include, in particular, support for the demand for digital transformation from medium-size enterprises.

In the first half of financial year 2019-2020 (its financial year ends on April 30), Sesa reported revenues of Euro 770.2 million, up 18.8%, and an adjusted EBITDA of Euro 40 million, +32.8% on the same period of the previous year.

Welcome S.p.A.
TIP shareholding at December 31, 2019: 12.04%

In December 2019 TIP purchased a 12.04% interest in Welcome Italia, a leading Italian provider of innovative integrated telecommunication and IT services to businesses with a network of partner firms (and agents) that act as system integrators, selling, installing and maintaining the services and devices offered by the group. It also manages two data centres, hosted by the company offices in direct contact with the network operation centre.

Welcome's results for 2019 report consolidated revenues of approximately Euro 57.6 million, up by 10.7% on 2018, and an EBITDA of approximately Euro 14.7 million, up by 26.5%.

D) OTHER INVESTMENTS AND FINANCIAL INSTRUMENTS

In 2015 TIP subscribed a partially convertible bond of approximately Euro 8 million in one of the holdings with an investment in Octo Telematics, the principal global provider of telematic services for the insurance and automotive market.

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 35 of the notes to the consolidated financial statements and in note 32 to the notes to the separate financial statements.

TIP – A CULTURE OF SUSTAINABILITY

TIP does not qualify as a "large group" and therefore is not required to prepare a non-financial statement pursuant to Directive 2014/95/EU, transcribed into Italian law by Legislative Decree No. 254/2016. However, corporate responsibility is particularly important to TIP and plays a very significant role in building a better workplace and an increasingly responsible community capable of protecting the environment and of developing the skills of its people according to an ethical approach so as to ensure that all areas of its endeavours prosper, thereby promoting employment and innovation and creating new enterprises focused on an approach to doing business that is healthy, sound and sustainable in the medium term and, ideally, in the long term as well.
For more than ten years, the cover pages of all documents prepared by TIP intended for external counterparties have contained the following statement:

> *"We should all feel nothing but shame for the reputation that finance has earned itself in the last few years, but if you manage to guide healthy capital from successful businesses and the assets of families that wish to invest them intelligently in companies that want to grow, develop and generate value, you are doing one of the most beneficial jobs in the world".*

This is the TIP Group's mission. Indeed, the most significant possible impact that we can seek to have on the environment around us is to promote sound, balanced economic growth by companies through our work.
The TIP Group is thus fully aware that, in its capacity as investor and shareholder, in addition to occupying important seats on the boards of directors of major listed and unlisted Italian companies, it has an extremely important role to play in developing initiatives in support of social responsibility and sustainability.

Accordingly, the evaluation of environmental, social, ethical and governance criteria has always formed an integral part of the investment process, and this focus has meant that TIP has always invested in companies that make a positive contribution to society and the environment, while avoiding companies that adopt harmful or unsustainable business models, and has used its influence as an investor to encourage virtuous practices in the management of environmental, social, ethical and governance aspects through a constant, proactive contribution.
Given TIP's core business and its track record of over 35 years of active involvement in both family-run businesses and companies created through private-equity processes, the focal points of its sustainability efforts have been governance and ethics issues, viewed as a means of meeting the market's needs according to a market-friendly approach. Over the years, this focus has gradually been expanded to include environmental and social issues, broadly construed.
The presence of TIP's senior executives on the boards of directors of major Italian listed companies enables a continuous exchange of knowledge and practices, including at the international level. As a consequence, the portfolio already includes companies that attribute significant value to ESG issues in their MBO plans.
Driven by a conviction that an ethical approach to doing business is not only an end unto itself, but is also integral to the success of the company and the reduction of its risk, since the early 2000s in its internal and external activities the Group has focused on complying with the principles of its Code of Ethics, which identifies the shared values, principles and duties in management of the business, working standards, respect for human rights and respect for the environment by which all those who act on behalf of Group companies are required to abide.
In particular, observance of the Code of Ethics is intended to minimise risks with a social impact, including those affecting personnel, through compliance with the law, dignity, equality and integrity, relations with the public sector and supervisory authorities, relations with political parties and labour unions, relations with suppliers of goods and services, relations with customers, workplace health and safety and privacy.
Restrictions on self-dealing and accepting gifts of significant value have always been crucial.
In accordance with Legislative Decree No. 231/2001, the TIP Group has also implemented an organisation, management and control model designed to prevent the risks associated with unlawful behaviour in order to ensure a constantly higher standard of integrity and transparency in the conduct of company business and activities.
The nature of the TIP Group's business also necessitates that information processed with regard to listed and unlisted companies – be they investees, investment targets or slated for divestment – be regarded as private and confidential. The expected level of protection of information is therefore extremely high in view of the risks that information leaks may entail in economic and reputational terms, for both customers and the TIP Group itself. The TIP Group therefore devotes particular attention to safekeeping and protecting data and has implemented a programme for updating and developing its systems, infrastructure and security procedures, including in order to discharge obligations arising from the new regulations.
Given the nature of its business, the new direct initiatives promoted by the TIP Group are more focused on information regarding the economic scenario, through editorials and interviews published in major Italian and, in some cases, international media. As part of the clear sense of responsibility that TIP's top management have always felt in the educational arena, since the early Nineties it has published its views (in the "Privatisation and Corporate Governance Bulletin") on the subject of privatisation and corporate governance in Italy, when no one was yet focused on

these matters.
The company's founders have also written books on corporate finance issues such as M&A operations, IPOs and the value of brands.
In 2014 TIP published the volume Asset Italia – proprietà, valori e prezzi (pagati e non) delle aziende italiane (Asset Italy – Ownership, Values and Prices (Paid and Unpaid) of Italian Companies), containing an analysis of the financial outlook for Italian entrepreneurs and progress efficiency gains in the industrial system.
In 2016 TIP published the volume Prezzi & Valori – l'Enterprise Value nell'era digitale (Prices and Values – Enterprise Value in the Digital Age), which contains very detailed and thorough analyses and studies of the valuation dynamics of enterprises in a world that has recently seen a shift in many of its main paradigms.
Turning to the initiatives implemented by the TIP Group to respect and preserve the environment, it should firstly be mentioned that the Group's business involves almost exclusive use of materials such as paper and electronic devices (PCs, printers, etc.) that focus on cost-effectiveness, respect for the environment and quality of the products offered by the best major suppliers, which are asked to ensure full compliance with the highest market standards in terms of environmental impact, traceability and working practices. In fact, the TIP Group presents two main types of activities with an environmental impact: (i) administrative and generic office activities, which involve the consumption of paper and energy, and (ii) travel by personnel to reach places of business and customers, which gives rise to CO2 emissions.
It should also be noted that:

- the Group's core and supporting activities do not involve industrial transformation processes, and its environmental impacts are therefore essentially attributable to the domestic utilities typically seen in urban areas, i.e. waste, electricity and water;
- the impacts of activities performed on the premises of customers and investees are not considered because they are indirect from the Group's perspective and cannot be measured.

Within this framework, the Group is not exposed to significant risks from an environmental standpoint, and in any event, it engages in behaviour designed to reduce its impact on the environment, pursuing various operating objectives such as:

- the adoption of environmentally friendly technologies and systems, where sustainable;
- engagement and awareness-raising among personnel who in their work are directly involved in managing the impacts generated;
- optimisation of energy and material consumption.

The main material used in the services provided by the Group's employees is paper. Accordingly, reducing such consumption has been a priority in forging an environmental culture at the companywide level. This goal has been pursued through initiatives designed to instil sensitivity and accountability in paper use, where necessary, dematerialise processes, where possible, and launch constant usage monitoring.
In particular, the following activities were carried out:

- configuration of only front/back printing, where technologically possible, on all the main photocopiers and automatic restrictions on the number of copies that may be printed during each run;
- dematerialisation of internal processes:
- digitalisation of processes, including human resource management.

Due to the nature of the services it provides, the Group's CO_2 emissions primarily derive from its office and administrative activities and travel.
The situation for the plastic materials component is similar.
The following is a summary of the commitments in the sustainability arena by the main companies in TIP's portfolio:

- Alpitour
- Amplifon
- Azimut Benetti
- Be
- Beta Utensili
- Chiorino
- Digital Magics
- Eataly
- Elica
- Ferrari
- Hugo Boss
- Interpump
- Moncler
- OVS
- Prysmian
- Roche Bobois
- Sesa
- Talent Garden
- Welcome Italia

ALPITOUR

Environmental protection and the fight against climate change are considered topics of fundamental importance by the Alpitour Group. Aware of the impacts it does and may have, the Alpitour Group also maintains a constant focus on legal and regulatory developments relating to the environment. In particular, it monitors the initiatives of the European Commission and working groups formed to develop the policies of the Paris Accord, entered into within the framework of COP 21 (Conference of the Parties to the UNFCCC) in 2015, intended to reduce greenhouse gas emissions, and the Sustainable Development Goals (SDGs) set by the United Nations. In pursuit of this goal, the Alpitour Group has gradually developed a range of initiatives designed to minimise the environmental impacts generated by all its business activities.
Since 2015 the Alpitour Group has been an active participant in the working group "Relationships with Non-Tourism Suppliers" organised by ASTOI Confindustria (Italian Tour Operators Association). In particular, through the working group a project has been launched with a focus on cumulative environmentally friendly shipping designed to decrease the environmental impacts of shipping. Over the years, rationalising the shipping needs of all participating companies has resulted in a significant reduction in environmental impacts, and in packaging and pollutant substance emissions in particular. In short, through the ASTOI project environmental benefits were achieved by: optimising logistics, simplifying the packaging system, reducing the greenhouse gas emissions generated by transport and saving on the raw materials used to make packaging.
The Group also achieved a significant savings on paper due to the dematerialisation of

informational materials for customers (catalogues and account statements for travel services) made possible by constantly increasing use of Web channels.
Its sensitivity to environmental issues resulted in the renovation of the new building located at Via Lugaro 15 in Turin, the Group's office since 2012, in an approach capable of generating a low environmental impact by installing a photovoltaic system, external wall insulation and low transmittance glass. In addition, thanks to more prudent and informed use of the Turin, Cuneo, Milan and Rome offices, electricity consumption has been reduced by 8% over the past four years. The reduction of consumption was mainly due to: more informed use of systems by personnel due to heightened environmental sensitivity, implementation of energy efficiency initiatives, such as a new lighting system with light flow regulation and replacement of some light fixtures with LED technology and the decision to allow another company to use a floor of the building.
VoiHotel, an Alpitour Group company that provides hospitality services, is taking a variety of measures focusing on both passive and active energy efficiency, and in particular: monitoring and measuring electrical phenomena to quantify consumption, using only the 'strictly necessary' amount of energy and only when 'necessary' through automation and monitoring technologies, implementing permanent process improvements, maintaining constant performance through monitoring and maintenance service, and installing new custom devices with a low implementation costs and a swift return on investment, above all in new installations and retrofitting work on existing buildings. The active energy efficiency (AEE) plan and is a fundamental integration of passive energy measures to achieve the CO2 emission reduction targets set in the Kyoto Protocol.
VOIhotels has also launched a campaign that seeks to reduce the environmental impact of the facilities in its hotel chain. The project has three main components involving, in addition to concrete actions, an environmental education activity designed to help guests understand which behaviours are the most virtuous and environmentally sustainable: (i) the use of recycled paper cups at all facilities, thereby permitting plastic cup consumption to be reduced from 2,500,000 to just 400,000; (ii) the introduction of separate waste bins in all common resort areas; and (iii) awareness-raising amongst guests through signs that encourage environmentally respectful behaviour.
The Alpitour Group also supported various social initiatives such as:

- In December 2017 the Alpitour Group carried out an important initiative in partnership with Karibujua, a young association active in Africa that pursues various projects in support of local populations. Alpitour purchased 1,500 Little Sun lampposts intended for Kenya's remotest villages.
- Over the years, Neos has contributed, through various approaches, to providing support to local populations struggling with the aftermath of earthquakes and floods: among these, mention should be made of l'Aquila and Malawi, where Neos helped by donating blankets and clothes. In addition, for years airplane tickets have been offered to doctors travelling to Cuba or Madagascar, where the Santa Maria della Grazia Health Centre has opened in Nosy Be as part of a health project carried out by Italian volunteers. In addition to these activities, Neos carries school and medical supplies and basic necessities for associations and NGOs.
- Since 2014 Neos has been a partner to Telehon, raising funds on its aircraft flying long-haul routes.
- Neos supports the social undertaking "The Fairy Children", which supports over 60 local projects focusing on autistic children and young people and their families.

AMPLIFON

(See "Sustainability" on the Amplifon corporate website)

Amplifon has identified the following focal areas with regard to sustainability to contribute to improving quality of life through responsible management of its business: Product & Service Stewardship, People Empowerment, Community Impact and Ethical Behaviour:

- Product & Service Stewardship: (i) Italian launch of the Amplifon Product Experience, consisting of the new Amplifon product range and multichannel Amplifon ecosystem; (ii) over 85,000 customer satisfaction interviews; and (iii) launch of increasingly user-friendly and compelling consumer sites;
  - People Empowerment: (i) approximately 340,000 hours of training; (ii) adoption of new digital, smart and cloud-based working and communications solutions; and (iii) launch of a corporate culture through a simultaneous global campaign in all Group countries.
  - Community Impact: (i) multiple prevention and awareness-raising initiatives in all Group areas; (ii) six scholarships worth Euro 7,000 each awarded to ear, nose and throat doctors in Italy and France; and (iii) more than 2,000 children and adults supported and more than 4,000 acoustic solutions donated in the United States through the Miracle-Ear Foundation;
  - Ethical Behaviour: (i) approval of the Sustainability Policy; (ii) local implementation of the Group Anti-corruption Policy in progress; and (iii) completion of energy consumption and waste production measurement.

AZIMUT BENETTI

The Azimut Benetti Group is implementing various initiatives to reduce its environmental impact and contribute to sustainable growth.

With regard to environmental matters in particular, the Group prepares an Energy Diagnosis every five years (in accordance with Legislative Decree No. 102/2014) and analyses the various Group sites on a revolving basis. It is also implementing various initiatives designed to further reduce the environmental impact of its activities through both rational resource use and promotion of responsible behaviour from an environmental standpoint by all internal participants and external interlocutors. The concrete initiatives promoted include:

- "Subproducts" project: some types of waste are reclassified as subproducts and placed back on the market according to a circular economy approach (fibreglass, wood, fabric and leather scrap).
- Atmospheric emissions: atmospheric solvent emissions in technological processes relating to injection are being optimised. Emissions are being minimised through appropriate abatement systems, resulting in a 70% reduction.
- "Geothermal" project: creation of a geothermal well to increase the efficiency of use of energy sources such as water for irrigation and electricity for internal climate control.
- "Sustainable mobility" project: incentives for the use of public transport to reduce CO2 emissions.
- "Car policy" project: adoption of top-performing models in terms of emissions and consumption.
- "Reduced fuel consumption" project based on the study of higher-performance hulls and replacement of fibreglass in boat superstructures with carbon fibre, resulting in reduced weight and thus consumption with the same installed horsepower.

- Agreement with Siemens to study a hybrid propulsion system offering significantly reduced consumption and emissions.
- “Reduced atmospheric emissions” project based on internal manufacture of fibreglass using an injection process.
- “Green materials” project: a project for a green hull antifouling without biocides, in order to prevent toxic substances from coming into contact with the marine environment.
- “Carbon fibre” project: a project involving the use of recycled carbon fibre.
- “Fibreglass recycling” project: for recycling the fibreglass in non-structural detached pieces.

Over the years, the Azimut Benetti Group has also been awarded the workplace health and safety certification in accordance with the BS OHSAS 18001 international standard. This certification represented an industry first for a multi-site group. In addition, it has also been awarded ISO 9001-2015 quality certification for its Yachts business line.

The Azimut Benetti Group is also committed to supporting its employees and the community through the following initiatives:

- an employee benefits system capable of providing useful services to individuals (daycare, educational support, income support, care for elderly/disabled family members and opportunities for recreation and for cultural and personal growth)
- development of people care initiatives focused on improving the quality of the relationship between the company and its people (scholarships for children of employees, support following serious family events).
- “Hour-sharing bank” that employees can use to transfer their holiday/leave to coworkers who need to care for sick or disabled family members with the company matching the employee’s contributions.
- “Listening desk” staffed by a specialised psychologist to support better integration of individuals into the company, including in view of cultural and religious diversity issues.
- Incentives for employment and professional development with equal opportunities for both genders through support for training, qualification and updates following extended periods of absence from work.
- "Azimut Academy" for ongoing training, management growth, and skill, management and personnel profile development
- “No Food Waste” project. In collaboration with the municipality and the Red Cross, left-over food from the company canteen is recovered and prepared for distribution to the needy.
- “Food Drive” project: in collaboration with volunteer organisations, food drives are organised for needy local residents.

BE

(see “Sustainability” in the Investors section of BE’s website)

The area of greatest impact for BE in terms of sustainability is social responsibility. The Group strives to engage its stakeholders in its business decisions to ensure that they are a fundamental element of contributing to local development. On the basis of the types of services offered and activities performed by Group companies, stakeholders have been identified as employees, investors, customers, local communities, suppliers, schools and universities. Stakeholders were given a questionnaire allowing them to identify the BE Group’s priorities for each aspect of

economic, social and environmental sustainability: energy consumption, environmental emissions, efficient use of materials, diversity and equal opportunities, relations and impacts on local communities, health and safety of personnel, compliance with laws and regulations, economic and financial performance, personnel training and development, ethics and integrity, data and information privacy and security, quality and customer satisfaction, capacity for innovation, research and development and attracting and retaining talent.
Among other aspects, donations and projects were completed for medical, scientific and training initiatives in the 2016-2018 period. In particular, in 2018 the BE Group contributed to a fund-raising event for the non-profit Per Milano, with the specific aim of raising funds to finance initiatives in support of children suffering from disabilities and social fragility.
Partnerships are in place with major Italian universities and centres of research and innovation. In particular, the BE Group (i) participated, as founder and supporter, in the establishment of a data science university research centre and related master's degree programme. The BE Group also promoted youth employment by selecting several data scientists at the end of the master's degree programme; (ii) it promoted an Advanced Analytics course in an undergraduate Economics programme at a leading Italian university, with several BE Group executive partners acting as lecturers.
The bulk of its environmental impacts relate to mobility and transport and are attributable to commuting and travel by the Group's employees. According, a travel policy was drafted to promote sustainable mobility, requiring the use of public transport in cities, particularly where there are well developed metro rail networks, and recommending that travel to internal meetings be replaced by remote communications (e.g., video calls/conferences), while in any case favouring the use of trains over aircraft.

BETA UTENSILI

The Beta Group focuses closely on the issues of worker health and safety and the working environment. Although there is not yet a formal environmental policy at the Group level, all activities are inspired by the principle of protecting the environment and public health in accordance with applicable legislative requirements. Aware of the importance of these topics, the Beta Group plans its investments and activities in a way that strikes a balance between environmental needs and economic objectives.
In particular, energy diagnoses are regularly conducted at Beta Utensili production facilities, with monitoring and analysis of the use profiles of the main utilities (i.e., both electricity and natural gas) and the preparation of specific energy efficiency indicators. On the basis of these diagnoses, an energy efficiency plan was implemented, resulting in the replacement of the lighting systems in production areas with low-energy lamps and the gradual replacement of oil-immersed medium-voltage/low-voltage transformer groups with more modern and efficient resin-insulated transformers (thus also avoiding the periodic disposal of oil containing PCBs).
Beta's production units have been issued consolidated environmental authorisations, meaning that they are fully compliant with local legislation regarding the procurement, use, purification and release of water and emissions into the atmosphere. The desire for ongoing improvement shown by the company's management resulted in the installation – where compatible with the type of airborne pollutant – at various facilities of aspiration systems equipped with HEPA filters that circulate the filtered air back into the internal environment rather than releasing the airflow into the atmosphere.

Beta Utensili is currently implementing several measures to further limit the environmental impact of its production processes. Specifically, the initiatives being pursued are:

1. the search for and replacement of substances and mixtures required for production cycles that in addition to meeting technical requirements dramatically reduce the impact on the environment.
2. the possibility of reusing bio-polymers (in lubricant and refrigerant solutions for chip aspiration processes) in replacement of mineral/vegetable oils and the resulting management and disposal of waste resulting from the use of such lubricants.
3. The use in the production of its products and packaging of fully recyclable materials.

The Beta Group has also implemented various welfare initiatives for its employees. Starting in 2009, the following initiatives began to be introduced at the locations in Sovico (MB), Castiglone D'Adda (LO) and Sulmona (AQ), in view of a constantly increasing focus on employees:

a) tax advice for completing Form 730 directly at the company provided by specific professionals (from the association Assocaaf) at special rates, with service available during normal working hours;
b) purchase of school books for children of employees attending middle and secondary schools, with direct delivery of books to the company, at discounted rates and with a company contribution of 50% of the cost (since 2019 this contribution has risen to 100%, i.e. the books are totally free);
c) starting in 2020 and in view of further concrete measures in support of education costs, the company decided to provide an annual contribution of Euro 500 towards the purchase of university textbooks for children of employees regularly enrolled in an undergraduate programme (students behind on their exams are not eligible).
d) establishment of academic prizes for children of employees who have successfully completed second-level public or private accredited secondary schools or universities and, in further detail: (i) five prizes of Euro 1,000 each for second-level secondary school graduates with marks of 80/100 to 90/100; (ii) five prizes of Euro 1,500 each for second-level secondary school graduates with marks of 90/100; (iii) eight prizes of Euro 2,000 each for three-year undergraduate programmes; and (iv) eight prizes of Euro 3,000 each for specialist undergraduate programmes;
e) the possibility of receiving an influenza vaccine free of charge at the company, on a voluntary basis and through the company-appointed doctor;
f) introduction in 2018 of the new Beta Utensili Welfare Plan to promote wellbeing and quality of life among employees through a wide range of flexible, customisable services, in addition to an extensive line-up of special deals.

A specific platform was designed for this purpose, dedicated to managing the budget for flexible benefits (those arising from both the national bargaining agreement for the mechanical engineering sector and the voluntary conversion of the amount of the annual bonus awarded).

Employees thus have a year to access the service and choose the benefit best suited to their needs and those of their immediate families (reimbursement for medical, care and academic expenses, contributions to category pension funds, requests for various categories of vouchers, etc.).

Not least in terms of environmental sustainability, last year a series of initiatives were taken for environmental protection and the development of green policies, such as:

1. replacement of plastic cups with cups made from compostable materials in all warm beverage dispensers;

2. dispensing flasks to employees to be used when drinking from water foundations or coolers;
3. elimination in canteens of 100,000 plastic cups and 50,000 plastic water bottles and their replacement with glass carafes and cups to be filled using specially placed sparkling and still water dispensers;
4. preparation of specific containers for separated waste collection (organics, plastic and aluminium, paper and mixed).

CHIORINO

Chiorino's development strategy is based on three pillars: (i) respect for individuals and society; (ii) respect for the environment; and (iii) respect for the customer's expectations. These elements are adapted into an integrated, certified model for managing quality, the environment and worker health and safety in accordance with the standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018.

In addition, since 2005 Chiorino S.p.A. has been certified according to the EMAS (Eco-Management and Audit Scheme) scheme, a voluntary tool created by the European Community to assess and improve its environmental performance and provide interested parties with information regarding its environmental management. The priority aim is to contribute to creating sustainable economic development, emphasising the roles and responsibilities of businesses. Chiorino is the only company in its sector with this certification.

The company strives constantly to pursue the goal of constant improvement of its environmental performance and respect for the community that hosts it. In 2019 general improvements continued to be received in terms of environmental sustainability compared with previous years. The main objectives achieved are:

- atmospheric emissions: replacement of particulate abatement systems with a single, more efficient system;
- energy: (i) review of existing electricity meters and integration for utilities for which they are not yet present in order to monitor and reduce consumption; (ii) optimisation of outdoor and indoor lighting - replacement of 85% of planned lamps with low-consumption solutions.

DIGITAL MAGICS

At Digital Magics, sustainability is viewed as a value to be shared, an integral part of the way of doing business that permeates the daily ethical approach to managing the company.

Digital Magics bases its sustainable development on supportive processes and new social connections, pooling resources and skills and experimenting with innovative solutions. Sustainability is thus viewed as a strategic competitive lever to forge a relationship of trust and transparency with stakeholders.

The constant commitment by Digital Magics to contribute to sustainable development may be summarised as follows:

- fostering industrial innovation: the company object includes consultancy and the provision of industrial strategy services to innovative Italian start-ups and SMEs with a digital, technological vocation. In its 15 years of history as company, Digital Magics has provided services to over 130 countries with the characteristics described above, thus providing a significant contribution to the development of innovation in Italy.

- fostering gender balance: the company has always ensured equal access, career opportunities and economic conditions for men and women. Women make up 52% of Digital Magics' employees and frequent contractors (15% are under age 30 and 15% above age 50), to whom policies that facilitate the desire for maternity in a manner compatible with a career aspiration are constantly applied.
- Dignified work and economic growth: it offers employees and contractors – but also the start-ups hosted – a healthy, modern working environment with cutting-edge technological infrastructure that fosters peace of mind and efficiency in the workplace. There is a constant commitment to economic and financial sustainability – for both Digital Magics and the companies that participate in its incubation and acceleration programmes. The aspirations to economic wellbeing of all stakeholders (and in particular the young generations) are promoted in a manner compatible with informed resource usage.
- Respect for and protection of environmental resources: despite having limited raw material consumption, owing to the peculiar characteristics of its business, the company has long adopted a responsible attitude towards energy use (including by selecting suppliers that ensure high renewable energy rates), containment of consumption through the use of digital procedures and media, constant monitoring of waste production and proper implementation of recycling procedures.
- In addition, in the role of mentors to young entrepreneurs, they constantly convey the message that when sustainability is a process that is structured and integrated into the business, the results are plain to see: stronger reputation, increased confidence level, loyalty, improved relationship capital and easier access to financial capital.

EATALY

Eataly is actively committed to supporting projects concerning issues of an environmental, social and cultural nature, making the issue of sustainability one of the Group's distinctive key messages. The main initiatives promoted are:

- "Bee The Future": a project in partnership with Slowfood, Arcoiris and the University of Palermo in support of biodiversity and bee re-population as a pollination vehicle for agriculture. The goal is to repopulate 100 hectares in Italy over three years, through seed donations.
- "Sowing Biodiversity": a project in partnership with Slowfood, Arcoiris and the University of Palermo to recover ancient plant varieties and record them in a free varieties database. To date approximately 40 ancient varieties have been recovered and made available through Eataly, with six entered into the database.
- "Towards Zero Waste": a programme to reduce internally produced waste and packaging used in transport. Two large composting facilities are currently being designed (in Rome and Turin) to reduce the organic waste fraction and obtain certified "high-quality" compost for donation to public parks, schools, etc.
- "10,000 Gardens in Africa": participation in the SlowFood project to create gardens and provide agricultural education in various African countries. To date Eataly has financed approximately 500 gardens.
- "A Dinner You Cannot Miss": a cultural partnership with the Last Supper Museum to finance the project to safeguard the preservation of the painting The Last Supper, extending its lifetime by 500 years.

- "Eataly for Genoa": initiatives in support of the community affected by the collapse of the Morandi Bridge through donations, organisation of events and free meals.
- Eataly and the University of Culinary Science of Pollenzo: Eataly is participating in the development of projects relating to economic and social issues, including working tables on the circular economy and free restaurant training.

ELICA

(see the "Social Responsibility" section of Elica's website)

Elica conceives of corporate social responsibility as a balance between four elements: business, conservation, community and culture. Social responsibility for Elica is a priority which is embodied in the rights of workers, the caring for individuals, the implementation of an inclusive industrial relations system, the contribution to sustainable development, the reduction of emissions and consumption in the production processes and proper and transparent communication.
In 2011 the Group signed the Charter for Equal Opportunity in the Workplace, promoted by Sodalitas, under the patronage of the President of the Republic, in order to contribute to the establishment of an inclusive corporate culture and policies, free from discrimination and prejudice, evaluating abilities in all their diversity.
The environmental vision of the Company is to ensure processes and products which respect the environment throughout their entire life cycle, seeking to reduce the consumption of non-renewable energy and production waste. The Company complies with all of the environmental regulations in force and also to voluntary international environmental rules. Elica is UNI EN ISO 14001 certified for its Environmental Management System and has adopted specific guidelines and procedures for the management of chemical substances, with preventative and informative measures in relation to workplace security and for environmental protection in place.
In 2011 Elica inaugurated the Group's first photovoltaic system at its plant in Castelfidardo (AN). The system is capable of meeting 35% of the plant's electricity needs, with annual power generation of 1,240,000 KWh and prevention of 765 tons of CO_2 emissions per year, the equivalent of 76,500 trees, 6.6 million kilometres travelled by car in one year or the annual energy consumption of 128 100 square metre apartments.
In 2009 Elica joined the World Class Manufacturing Association, an international non-profit organization bringing together companies from various sectors involved in the introduction and the development of a single unified process of change.

FERRARI

(see "Sustainability" in the "About us" section of Ferrari's website)

Ferrari is particularly attentive to individuals and their passions, making them the centre of its production processes and racing competitions, starting with its employees and their families and extending to its customers and the entire community.
The main components of Ferrari's sustainability programme are: (i) innovation and technology at the service of the customer; (ii) environmental responsibility; (ii) the "Formula Uomo" programme; and (iv) community.

- Innovation and technology at the service of the customer: in addition to its intense research and development activity, Ferrari creates innovation by stimulating its employees' creativity.

For example, the "Pole Position Evo" project rewards the ideas submitted by individual workers to improve products, methods and the working environment, with over 9,200 submissions in 2018. A structured process is used to assess the customer's opinion, through specific indicators, of products, services, events and the overall experience with the vehicle. The results of the analysis are excellent, considering that in 2018 over 65% of vehicles were sold to those who already owned a Ferrari, and 41% of customers owned more than one model.

- Environmental responsibility: Ferrari is attentive to the efficiency of its production processes and reducing the pollutant emissions of its plants and vehicles. ISO 14001 certification was awarded to the Company's Maranello and Modena facilities in 2001 and renewed in 2016. In 2007 the Company also obtained and renewed Integrated Environmental Authorisation. The buildings and facilities built in recent years, in particular, meet the highest environmental standards. The trigeneration system became operational in 2009. In 2018, in addition to hot and cold water, it supplied 122 Gwh, or 87% of the electricity required for the Maranello plant. The remaining 13% was generated from renewable sources, such as our photovoltaic systems. Over the years, the Group has launched various initiatives to improve the energy efficiency of its production processes, such as a new gas oven for the production of the main aluminium engine components. From 2007 to 2012 Ferrari achieved a 27% reduction in the CO2 emissions of its European fleet by reducing the energy requirements of its vehicles. The group intends to continue in this direction, seeking to cut the CO2 emissions of the entire line by 15% by 2020 compared with the 2014 levels. Constant research in areas such as turbo-compressors, reduced engine size, transmission techniques, electric power assisted steering and hybrid technologies combine improved performance with increasing environmental sustainability.
- Formula Uomo: A programme designed to strengthen the culture of safety, improve the working environment and develop a community that includes 48 nationalities. To achieve this, the Maranello plant has been specifically designed to prioritise workers' wellbeing, through the use of advanced technologies that ensure proper use of natural light, containment of noise levels and optimal temperature and humidity levels. Enormous investments have also been made in structural measures and specific training on workplace safety, with important results throughout the company's various divisions. The programme for reporting near misses, i.e. events that could have resulted in an accident, is particularly effective due to the crucial level of engagement amongst workers. Ferrari employees also benefit from a wide range of training courses, in addition to programmes for physical wellbeing, such as "Formula Benessere", which focuses on their health by providing check-ups. Children of employees benefit from "Benessere Junior", a programme of doctor's examinations and sports orientation, in addition to scholarships for the most deserving, and "Formula Estate Junior", a centre that organises sports and educational programmes.
- Community: community engagement and local initiatives in the Maranello and Modena area, where all vehicles are produced, are extremely important to the Group. Ferrari supports community development primarily through collaboration with local universities and secondary schools. The training of engineers, through an academic programme focused on new technologies and innovation solutions in pursuit of cutting-edge performance, is essential to taking advantage of future opportunities. This is the task assigned to the Motorvehicle University of Emilia-Romagna (MUNER), an association formed with the

universities of Modena, Reggio Emilia, Bologna, Ferrara and Parma, along with Ferrari and the other manufacturers in the region known for automotive excellence. Ferrari's ties to the local community are strengthened by its two museums in Maranello and Modena, where they keep the Ferrari spirit and its founder's story alive, drawing visitors from all over the world.

HUGO BOSS

(see the "Sustainability report" - "Investor Relations" section of the Hugo Boss website)

Hugo Boss defines sustainability as the interaction of quality, innovation and responsibility.
Hugo Boss contributes to achieving the goals published in the 2030 Agenda for Sustainable Development, to which the 193 Member States of the United Stations are signatories. The Sustainable Development Goals set priorities for contributing to global development, promoting human wellbeing and protecting the environment.
At Hugo Boss, sustainability is integrated into operating processes and is based on six areas of application: We, Environment, Employees, Partners, Products and Society. The sustainability programme created by the group sets specific targets for each area.
In recognition for the numerous initiatives implemented by Huga Boss, the company remains a member of the Dow Jones Sustainability Index World in the TEX (Textiles, Apparel and Luxury Goods) segment.
In order to reach its environmental targets, Hugo Boss adopts an environment and energy management system that is compliant with the ISO 14001 and ISO 50001 certifications. In other environmental matters, in 2018 it also became of the one hundred companies that signed the Fashion Industry Charter for Climate Action within the context of the United Nations Framework Convention on Climate Change. Tangible results were achieved in terms of (i) energy efficiency, (ii) reduced gas emissions, including through an attentive revision of the logistics process and (iii) water wastage.
The company is among the signatories of the 2020 Circular Fashion System Commitment promoted by the Global Fashion Agenda, bearing witness to the Group's commitment to sustainable development.

INTERPUMP

(see the "Consolidated Non-Financial Statements" in the Governance section of the Interpump Group's website)

The Interpump Group has decided to implement a Global Compliance Programme that establishes a management and organisational model for activities in line with international best practices in order to prevent misconduct relating to the environment, social issues, personnel, respect for human rights and the fight against active and passive corruption.
Some Group companies have adopted and implemented quality management systems certified compliant with the UNI EN ISO 90019 international standard; some plants have been certified UNI ISO/TS 16949:200910 compliant. In addition, some companies have adopted and implemented environmental management systems certified compliant with the UNI EN ISO 14001:2004 international standard – in some cases the process of updating the system has been launched to meet the new requirements of the 14001:2015 standard – in addition to safety management systems certified compliant with the ISO 45001 international standard.

In 2018 results were achieved in terms of the use of energy and water resource, atmospheric emissions and waste production.

<u>MONCLER</u>

(See the "Sustainability" section of the Moncler website)

The Moncler Sustainability Plan, which is designed to lead the company to more complete integration of environmental and social aspects into its way of doing business, is focused on several key priority areas:

- promotion of employee wellbeing;
- improvement of health and safety;
- promotion of responsible procurement that is respectful of the wellbeing of animals;
- reduction of environmental impacts;
- increase in customer satisfaction;
- promotion of the social and economic development of local communities.

Moncler contributes to achieving the goals published in the 2030 Agenda for Sustainable Development, to which the 193 Member States of the United Stations are signatories.

Some highlights of Moncler's 2018 sustainability results include:

- Euro 2.7 million invested in support of the community;
- 100% of down purchased certified DIST compliant;
- Health and safety certification extended to all offices and stores in Europe and the United States (OHSAS 18001);
- Environmental certification extended to the corporate offices and the logistics office in Italy (ISO 14001);
- 96% of stores with LED lights;
- 54% female management presence.

In August 2019 Moncler and 22 other luxury companies signed the Fashion Pact, which seeks to achieve tangible objectives in three areas, the climate, biodiversity and the oceans. The goals pursued by the Fashion Pact are founded on the Science-Based Target initiative, which focuses on three main approaches to safeguarding the planet: stopping global warming by creating and implementing a plan of action to eliminate greenhouse gas emissions by 2050 in order to keep global warming from now until 2100 to less than 1.5°C; restoring biodiversity by achieving the objectives indicated by the parameters set by the SBT initiative in order to re-establish natural ecosystems and protect species; protecting the oceans by reducing the negative impact of the fashion sector on the oceans through concrete initiatives, such as a gradual reduction of disposable plastic.

<u>OVS</u>

(See the "Sustainability" section of the OVS website)

In order to ensure that the company's social and environmental commitment has a strategic, systemic dimension, OVS has promoted the #wecare programme, inaugurating a business model with a strong focus on impact measurement. This commitment starts with a process of raising awareness amongst internal personnel through a training programme devoted to all employees and then extends to embrace all organisational processes and production decisions. The programme

encompasses all company functions and is based on the scientific framework developed through years of research by The Natural Step, within the context of the B Impact Assessment paradigm.
The sustainability principles identified by The Natural Step represent the foundation of the #wecare programme and lay out a tangible, comprehensible roadmap of strategic actions for contributing to the creation of a sustainable society:

- nature is not subject to an increase in the concentrations of substances extracted from the earth's crust (e.g., heavy metals and fossil fuels);
- nature is not subject to an increase in the concentrations of substances generated by human activity (e.g., waste and pesticides);
- nature is not degraded more quickly that it can be regenerated (e.g., deforestation and overbuilding);
- the satisfaction of individuals' fundamental needs is ensured by promoting health, participation, skill development, impartiality and celebration of the individual;

The initiatives promoted by #wecare concern products, the supply chain, individuals, stakeholders, stores and the use of natural resources. The main results achieved thus far relate to:

- a circular approach: OVS performs over 20,000 chemical and physical tests on its products each year in order to ensure their quality and safety;
- sustainable stores: since 2014 the number of stores open has increased by nearly 30% but CO2 emissions tied to electricity consumption at direct stores in Italy have fallen by 94%. The Corso Buenos Aires store was also the first store in Italy to be awarded the prestigious GOOD level of certification under BREEAM Refurbishment and Fit Out 2015, an international protocol that identifies the buildings in the world that meet the highest sustainability standards;
- natural resources: in 2018 2,478,145 boxes received from suppliers, representing 70% of the total, and approximately 50,000 boxes from stores, representing 2% of total parcels distributed, were reused. This made it possible to limit the number of new boxes purchased to 3,034,840, a savings of approximately 1,707 tons of paper.
- Sustainable cotton: OVS is the first company to join the Better Cotton Initiative (http://bettercotton.org/), an initiative created to promote the active improvement of the global cotton industry and radically improve its impact on the environment and the people who grow it.

OVS also promoted the educational project for children in Italian primary schools Kids Creative Lab, in which it has also involved WWF Italy. In other educational initiatives, OVS has promoted the programmes "C'è di mezzo il mare" and "BullisNO – chi bulla perde" dedicated to plastics in the oceans and bullying, respectively.
In addition, OVS was also the first Italian company to participate in the European project ECAP (European Clothing Action Plan – www.ecap.eu.com), the goal of which is to establish a more sustainable model for Europe's fashion industry. The project is promoted within the framework of the European Community's programme for the environment and climate action (LIFE).

PRYSMIAN

(See the "Sustainability" section of the Prysmian website)

The Prysmian Group is committed to environmental responsibility in its production processes, safeguarding the environment and managing relationships with the local communities in which it

operates, workplace safety and the personal growth of its people.
The sustainability report lays out the sustainability performances achieved in 2018 in the various areas. There were some noteworthy improvements in environmental data: waste recycling (66% vs. 50% in 2017); reuse of spools for transporting cables (>50% vs. >40% in 2017), exceeding the target of 40% set for 2020 in advance; product families covered by the calculation of CO2 emissions (60% vs. 5% in 2017, due to the update of the production database); and recyclable products purchased annually to support the circular economy (86% vs. >80% in 2017).
The Group also improved its performances with regard to certain key parameters in the social and human resources dimensions, and in the following areas in particular: key positions filled through internal promotions (90% vs. >80% in 2017), exceeding in advance the target of >80% set for 2020; and women in executive positions (10.8% vs. 6.4% in 2017).
Collaboration with international NGOs continued, involving projects benefiting the development of local communities through cable donations, such as the construction of photovoltaic systems in collaboration with Electriciens sans frontières in Angola to put an end to the serious situation of insufficient power supply to a hospital and in Palermo, Italy, to provide power to a building in which approximately one hundred disadvantaged residents live. In addition, it donated approximately 20,000 metres of various types of cables to the National Science and Technology Museum of Milan to run cable to the New Leonardo Galleries.
Thanks to the positive performances achieved during the year in the three areas social, environmental and business, the Group was able to confirm its presence in the main international sustainability indices and assessments, such as the Dow Jones Sustainability Index and the CDP Carbon Disclosure Project.

ROCHE BOBOIS

(see the "Non-financial reporting" page of the Roche Bobois Group's website)

In 2006 it embarked on an environmental sustainability process affecting all stakeholders in the value chain. The main initiatives implemented in the area of social responsibility are:

1. adoption of CARB P2 compliance, aimed at reducing and controlling formaldehyde emissions from wood-based materials; CARB certification, while mandatory in California only, has also been adopted as the reference standard by major wood and furniture multinationals, thereby effectively influencing many European manufacturers of semi-finished or finished products. At present 77.1% of Roche Bobois' products are compliant with the CARB P2 rules;
2. preferential use, in manufacturing its products, of wood from sustainably managed forests. This decision extends in particular to products bearing the labels of the FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification) – the two main certification authorities in this area. In particular, the FSC is a mark of quality in ecological, environmental (conservation of forests and biodiversity), social (human rights, impact on communities and responsible supply chain) and governance terms. In addition, in its print communications, Roche Bobois prints its catalogues and brochures on PEFC certified paper. Roche Bobois has been a member of the association FSC France since 2018, and also became a member of FSC International in 2019.

3. development, in collaboration with the technological institute FCBA (Forêt Cellulose Bois-construction Ameublement) of the ECO-8 programme, which permits an assessment of the degree of environmental sustainability of a product;
4. active, targeted monitoring of the energy consumption of its stores and warehouses; in particular, it has implemented a series of initiatives to cut consumption, such as introducing an LED lighting system, turning off store lighting at night and installing lighted displays (on/off lighting) triggered by customer movement;
5. in environmentally sustainable logistics, Roche Bobois has decided to use only external vehicles compliant with the Euro VI standard in order to reduce the CO2 emissions associated with transport.
6. Finally, Roche Bobois has been committed for many years to a voluntary approach to collecting and recycling waste, whether from new product packaging, recovered old furniture or paper used in administrative applications.

SESA

(see the "Welfare & Social Responsibility" section of Sesa's website)

Sesa pursues growth founded on the skills, motivation and dedication of the Group's personnel. Actions have been taken and investments made in strengthening the company culture and the Group's identity by celebrating diversity, competency and the spirit of integration.
The Group seeks to attract and retain the best personnel in the IT sector and to constantly improve the wellbeing and work-life balance of its employees through increasingly extensive hiring opportunities, sound professional growth processes, training plans, management and development of human capital and an advanced welfare plan that is constantly being expanded.
Sustainable growth also means contributing to the development of the social fabric and ecosystems of which the Group is a part. Each year tangible measures involving support and investment in the community have been increased in accordance with the growth process.
The Group seeks to make sustainable use of energy vectors to safeguard the environment and is committed to promoting rational resource use in its activity and searching for innovative solutions capable of ensuring constant energy savings. It seeks to apply environmentally friendly technologies and to engage employees and suppliers in this process.

TALENT GARDEN

The core business of Talent Garden S.p.A. is connected to the achievement of several of the Sustainable Development Goals ("SDGs") agreed upon by the United Nations in 2015, also known as the 2030 Agenda.
In particular, the company – through co-working services, education and organisation of events focusing on companies, individuals and professionals involved in technological innovation at the European level – contributes to the achievement of the following goals:

- high-quality education: the company promotes high-quality, inclusive education by offering short vertical training courses on technology targeting both young people ages 18 to 29 and companies with regard to upskilling and reskilling processes;

- gender parity: the company is working towards this goal, and has already achieved significant results, considering that 58% of its workforce is composed of women and that they fill 47% of leadership positions;
- dignified work and economic growth: Talent Garden's mission is promoting robust, inclusive and sustainable economic growth, including among the community of companies and professionals that make up its network;
- industry, innovation and infrastructure: Talent Garden focuses on start-ups and companies with a high degree of technological innovation, promoting constant interaction within its community, including by developing technological tools that foster dialogue between the various stakeholders;
- sustainable cities and communities: the company has opened campuses in Europe in areas subject to "gentrification", contributing to the economic development of the neighbourhoods in which it is based through the strong technological community that develops within them.

WELCOME ITALIA

The company has adopted a Code of Conduct that lays out the Group's responsibilities towards its stakeholders. These rules apply broadly to all work contexts and may be broken down as follows: work (equal opportunity, harassment and abuse, diversity and inclusion, drugs and alcohol and working environment), company assets (intellectual property rights, brands and company equipment); privacy, confidentiality, accounting integrity, conflicts of interest, security and the environment;

EVENTS AFTER DECEMBER 31, 2019

Obviously, the global Covid-19 outbreak has been the most significant event by far after December 31. As is common knowledge, the consequences in Italy have been much more severe than in many other countries. It is as unforeseeable as it is insidious and it creates an extremely high level of uncertainty regarding the future of the global economy at a time when growth was already slowing. TIP reacted immediately, empowering its employees by cancelling all in-person meeting and severely limiting access to offices. It is also in constant contact and discussion with the senior executives of its investees to monitor the consequences of the epidemic on the various companies.

At the level of current operations, the funds raised through the bond were primarily invested in government bonds and securities in euro and dollars, in addition to several million euros in short ETFs; purchases of Prysmian, OVS and FCA shares continued. On March 9, the Prysmian shares held directly by TIP were sold to the subsidiary Clubtre, with - as counterpart - a shareholder loan. For information regarding treasury shares, see above.

OUTLOOK

A very complicated year awaits us in 2020. The economic consequences of the expansion of the virus are completely unpredictable. As a result, all analysis, aside from seeking to protect employees and company health as fully as possible, should be suspended.

TIP has three great strengths to bring to bear on this period:

1. its portfolio of equity investments is objectively composed of leading global, European and Italian firms, and thus as in other crises positioning will be fundamental and the effects at both the strategic and operational level should be more limited than for weaker companies;

2. the level of debt of all companies in which TIP has invested, directly or indirectly, is quite limited, and this characteristic has also historically been very important to limiting the damage caused by periods of crisis of all kinds;
3. TIP has never had so much immediately available cash. It can draw on the proceeds of the bond of Euro 300 million issued in December and the funds of its investee Asset Italia, which until now has invested approximately one-half of the Euro 550 million available to it, even without regard to the existing lines of credit and equity interests considered temporary.

At a time like that which lies ahead, the above three factors will be very important to supporting and developing the business. Given the nature of the activities of TIP, as always it is not easy to forecast the performance for the current year. Results will depend a great deal on market dynamics, the length of the ongoing paralysis in Italy and other countries, and also in part on the opportunities that present themselves in the future. The 2020 budgets of investees and potential target companies are all still suspended indefinitely, and this is even more so in the case of long-term plans. Accordingly, it would be rash, to say the least, to imagine scenarios or formulate specific plans. Certainly, it is not our way.

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 32 of the consolidated financial statements.

TREASURY SHARES

The treasury shares in portfolio at December 31, 2019 totalled 9,756,510, equal to 5.672% of the share capital. At March 11, 2020, treasury shares in portfolio totalled 11,511,055, equal to 6.692% of the share capital.

MOTION FOR ALLOCATION OF THE RESULT FOR THE YEAR OF TAMBURI INVESTMENT PARTNERS S.P.A.

Dear Shareholders,

we invite you to approve the 2019 statutory financial statements of Tamburi Investment Partners S.p.A., as presented. Following the adoption of IFRS 9, the financial statements present a profit of Euro 4,397,455, that does not reflect the income and capital gains of over Euro 37.5 million, which did not pass through the income statement, but were transferred directly through equity to retained earnings. Considering the foregoing and that the retained earnings reserve in the separate financial statements amounts to over Euro 186 million, we propose that the profit for the year be allocated and that part of the retained earnings reserve be used as follows:

net profit:

-	to the legal reserve	Euro	786,351
-	to retained earnings	Euro	3,611,104

from the retained earnings reserve

-	to ordinary shares, a gross dividend of Euro 0.09 per share for a total of (*)	Euro	14,444,251.11

(*) Net of the 11,511,055 treasury shares held by the Company or any other shares held by the Company at the dividend coupon date, recording the amount necessary in the share premium reserve.

On behalf of the Board of Directors
The Chairman
Giovanni Tamburi

Milan, March 11, 2020

Consolidated income statement
Tamburi Investment Partners Group (1)

(in Euro)	2019	of which related parties	2018	of which related parties	Note
Revenue from sales and services	**6,783,583**	3,324,698	**9,986,371**	6,535,119	**4**
Other revenue	212,700		1,049,637		
Total revenue	**6,996,283**		**11,036,008**		
Purchases, service and other costs	(3,055,205)	104,924	(2,979,278)	158,600	**5**
Personnel expense	(20,267,359)		(18,385,432)		**6**
Other income	3,429,524		0		**2**
Amortisation, depreciation & write-downs	(356,399)		(58,739)		
Operating loss	**(13,253,156)**		**(10,387,441)**		
Financial income	26,250,247		19,419,199		**7**
Financial charges	(12,927,381)		(7,802,272)		**7**
Profit before adjustments to investments	**69,710**		**1,229,486**		
Share of profit of associated companies measured under the equity method	30,708,637		29,214,745		**8**
Profit before taxes	**30,778,347**		**30,444,231**		
Current and deferred taxes	2,049,209		(609,186)		**9**
Profit	**32,827,556**		**29,835,045**		
Profit attributable to the shareholders of the parent	**30,985,586**		**27,004,846**		
Profit attributable to minority interests	**1,841,970**		**2,830,199**		
Basic earnings per share	**0.19**		**0.17**		**24**
Diluted earnings per share	**0.19**		**0.17**		**24**
Number of shares in circulation	162,246,224		158,482,489		

(1) The 2019 income statement (as well as the ones at 31 December 2018) has been prepared in accordance with IFRS 9 and therefore does not include the income and direct capital gains in the period on the sale of equity investments of Euro 47.1 million, and regarding associated companies, of Euro 33.6 million, in addition to write-downs of Euro 13 million. The Directors' Report (page 4) presents the pro-forma income statement at like-for-like accounting standards related to financial assets and liabilities (IAS 39) adopted at December 31, 2017, reporting a profit of approximately Euro 99.3 million.

Consolidated comprehensive income statement
Tamburi Investment Partners Group

(in Euro)	2019	2018	Note
Profit	**32,827,556**	**29,835,045**	**24**
Other comprehensive income items			
Income through P&L			
Increase/(decrease) in associated companies measured under the equity method	**777,480**	**628,635**	**13**
Unrealised profit	786,921	638,100	
Tax effect	(9,441)	(9,465)	
Increases/decreases in the value of current financial assets measured at FVOCI	**1,626,529**	**(2,145,462)**	**19**
Unrealised profit/(loss)	1,733,312	(2,310,840)	
Tax effect	(106,784)	165,378	
Income/(loss) not through P&L			
Increase/decrease investments measured at FVOCI	**174,933,857**	**31,106,546**	**12**
Profit	177,038,820	31,927,470	
Tax effect	(2,104,963)	(820,924)	
Increase/(decrease) in associated companies measured under the equity method	**4,343,716**	**(21,487,444)**	**13**
Profit/(loss)	4,396,621	(21,748,424)	
Tax effect	(52,905)	260,980	
Other components	(15,158)	(14,459)	
Total other comprehensive income items	**181,666,424**	**8,087,816**	
Total comprehensive income	**214,493,981**	**37,922,860**	
Total income attributable to the shareholders of the parent	**203,216,055**	**17,543,424**	
Total income attributable to minority interests	**11,277,925**	**20,379,436**	

Consolidated statement of financial position
Tamburi Investment Partners Group

(in Euro)	Dec. 31, 2019	of which related parties	Dec. 31, 2018	of which related parties	Note
Non-current assets					
Property, plant and equipment	113,616		96,676		**10**
Rights-of-use	2,896,989		0		**2**
Goodwill	9,806,574		9,806,574		**11**
Other intangible assets	26,906		125		**11**
Investments measured at FVOCI	686,906,500		377,632,277		**12**
Associated companies measured under the equity method	511,452,686		404,814,751		**13**
Financial receivables measured at amortised cost	7,503,330		6,866,167		**14**
Financial assets measured at FVTPL	3,217,817		20,395,297		**15**
Tax assets	608,269		426,449		**21**
Total non-current assets	**1,222,532,687**		**820,038,316**		
Current assets					
Trade receivables	779,999	559,044	4,916,106	4,541,318	**16**
Current financial receivables measured at amortised cost	556,513	540,862	9,519,333	9,519,333	**17**
Derivative instruments	923,063		9,000		**18**
Current financial assets measured at FVOCI	96,688,111		45,227,977		**19**
Cash and cash equivalents	171,948,302		1,812,728		**20**
Tax assets	966,458		567,819		**21**
Other current assets	246,181		352,346		
Total current assets	**272,108,627**		**62,405,309**		
Total assets	**1,494,641,314**		**882,443,625**		
Equity					
Share capital	89,441,422		85,509,667		**23**
Reserves	395,172,971		288,641,136		**24**
Retained earnings	310,536,546		231,264,083		**24**
Result attributable to the shareholders of the parent	30,985,586		27,004,846		**25**
Total equity attributable to the shareholders of the parent	**826,136,525**		**632,419,732**		
Equity attributable to minority interests	76,341,604		33,932,034		
Total Equity	**902,478,129**		**666,351,766**		
Non-current liabilities					
Post-employment benefits	342,039		306,489		**26**
Derivative instruments	3,709,973		0		**27**
Financial liabilities for leasing	2,627,341		0		**2**
Financial payables	351,718,955		99,555,086		**28**
Deferred tax liabilities	1,570,707		676,633		**22**
Total non-current liabilities	**359,969,015**		**100,538,208**		
Current liabilities					
Trade payables	756,545	31,094.	604,462	70,900	
Current financial liabilities for leasing	269,648		0		
Current financial liabilities	211,420,916		97,538,156		**29**
Tax liabilities	73,516		579,175		**30**
Other liabilities	19,673,545		16,831,858		**31**
Total current liabilities	**232,194,170**		**115,553,651**		
Total liabilities	**592,163,185**		**216,091,859**		
Total equity & liabilities	**1,494,641,314**		**882,443,625**		

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, 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**

	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, 2019 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**
Change in fair value of investments measured at FVOCI					165,590,501								165,590,501	9,343,356		174,933,857
Change in associated companies measured under the equity method					4,343,716	684,881							5,028,597	92,599		5,121,196
Change in fair value of current financial assets measured at FVOCI						1,626,529							1,626,529			1,626,529
Employee benefits								(15,158)					(15,158)			(15,158)
Total other comprehensive income items					**169,934,217**	**2,311,410**		**(15,158)**					**172,230,469**	**9,435,955**		**181,666,424**
Profit/(loss) 2019												30,985,586	30,985,586		1,841,970	32,827,556
Total comprehensive income					**169,934,217**	**2,311,410**		**(15,158)**				**30,985,586**	**203,216,055**	**9,435,955**	**1,841,970**	**214,493,980**
Change in consolidation area													0	32,081,263		32,081,263
Reversal of Fv reserve due to capital gain realised					(70,922,623)						70,922,623		0			0
Change in reserves of associated companies measure under equity method								(297,650)					(297,650)	(459,618)		(757,269)
Change in oher reserves								(4)					(4)			(4)
Dividends distribution											(11,072,967)		(11,072,967)	(490,000)		(11,562,967)
Warrant exercise	3,931,755	33,873,580											37,805,335			37,805,335
Allocation profit 2018			455,539								26,549,307	(27,004,846)	0	2,830,199	(2,830,199)	0
Stock Option exercise								(4,219,050)			(7,126,500)		(11,345,550)			(11,345,550)
Allocation of Units related to performance shares								212,706					212,706			212,706
Acquisition of treasury shares							(25,489,792)						(25,489,792)			(25,489,792)
Sale of treasury shares		(733,571)					2,057,893	(635,662)					688,660			688,660
At December 31, 2019 consolidated	**89,441,422**	**208,856,512**	**17,101,933**	**0**	**226,214,853**	**1,234,888**	**(54,542,930)**	**(8,268,782)**	**(483,655)**	**5,060,152**	**310,536,546**	**30,985,586**	**826,136,525**	**74,499,634**	**1,841,970**	**902,478,129**

Consolidated Statement of Cash Flows
Tamburi Investment Partners Group

	euro thousands	Dec. 31, 2019	Dec. 31, 2018
A.-	**OPENING NET CASH AND CASH EQUIVALENTS**	**(58,094)**	**(16,483)**
B.-	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit	**32,828**	**29,835**
	Amortisation & Depreciation	61	29
	Share of loss of associated companies measured under the equity method	(30,709)	(29,215)
	Financial income and charges and reversal of other income on Clubtre transaction	(1,598)	0
	Changes in “employee benefits”	20	(1)
	Changes for performance shares	214	0
	Interest on loans and bonds	6,901	5,899
	Change in deferred tax assets and liabilities	(2,035)	(38)
		5,682	**6,510**
	Decrease/(increase) in trade receivables	4,136	(4,202)
	Decrease/(increase) in other current assets	106	(87)
	Decrease/(increase) in tax receivables	(350)	(256)
	Decrease/(increase) in financial receivables, financial assets FVTPL & derivative instruments	14,482	29
	Decrease/(increase) in other current asset securities	(49,727)	(9,152)
	(Decrease)/increase in trade payables	112	193
	(Decrease)/increase in financial payables	367	(5,740)
	(Decrease)/increase in tax payables	(506)	248
	(Decrease)/increase in other current liabilities	2,831	3,015
	Cash flow from operating activities	**(22,867)**	**(9,444)**
C.-	**CASH FLOW FROM INVESTMENTS IN FIXED ASSETS**		
	Intangible and tangible assets		
	Investments / divestments	(105)	29
	Financial assets		
	Investments	(156,479)	(113,867)
	Disposals	101,483	108,921
	Cash flow from investing activities	**(55,101)**	**(4,917)**

(*) The investment in Clubtre is reported net of the cash held by Clubtre at the acquisition date amounting to Euro 10,868 thousand

	euro thousands	Dec. 31, 2019	Dec. 31, 2018
D.-	**CASH FLOW FROM FINANCING**		
	Loans		
	New loans	349,667	0
	Repayment of loans	(34,338)	(5,000)
	Interest paid on loans and bonds	(5,877)	(6,233)
	Share capital		
	Share capital increase and capital contributions on account	37,805	19,930
	Payment of dividends	(11,563)	(16,787)
	Changes from purchase/sale of treasury shares	(25,490)	(19,159)
	Exercise SOP	(10,657)	0
	Cash flow from financing activities	**299,548**	**(27,249)**
E.-	**NET CASH FLOW FOR THE YEAR**	**221,580**	**(41,611)**
F.	**CLOSING CASH AND CASH EQUIVALENTS**	**163,485**	**(58,094)**

The breakdown of the net available liquidity was as follows:

Cash and cash equivalents	171,948	1,813
Bank payables due within one year	(8,463)	(59,907)
Closing cash and cash equivalents	**163,485**	**(58,094)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019

(1) Group activities

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

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

(2) Accounting standards

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

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

These consolidated financial statements at December 31, 2019 were approved by the Board of Directors on March 11, 2020, who authorised their publication.

The consolidated financial statements at December 31, 2019 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, 2018, mainly due to application from January 1, 2019 of IFRS 16, as outlined in detail in the paragraph "new accounting standards".

The income statement, the statement of comprehensive income and the statement of cash flows for the year 2018 and the statement of financial position at December 31, 2018 were utilised for comparative purposes.

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, 2019 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, 2019

- 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.
- In June 2017, the IASB issued amendments to the interpretation IFRIC 23 relating to considerations on uncertainties on the treatment of income taxes. The document has the objective to provide clarifications on how to apply the recognition and measurement criteria within IAS 12 in the case of uncertainty on the treatment for the determination of income taxes.
- In October 2017, the IASB issued the Amendment to IFRS 9 concerning some issues on the application and classification of IFRS 9 "Financial instruments" in relation to certain financial assets with the possibility of advance repayment. In addition, IASB clarified some aspects on the accounting of financial liabilities following some amendments.
- 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.
- In December 2017, the IASB published a series of annual amendments to IFRS 2015–2017 applicable from January 1, 2019. 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 an amendment to IAS 19 which sets out how to calculate pension expenses in the case of a change, reduction or settlement of an existing defined benefits plan. In particular, the document requires the use of updated actuarial assumptions

in calculating the cost for the provision of current labour and the net financial expenses for the period subsequent to the event.

The application of the amendments to the existing accounting standards reported above do not have a significant impact on the Group consolidated financial statements. The IFRS 16 impacts are outlined below.

Adoption of the new accounting standard IFRS 16

As illustrated previously, the TIP Group adopted IFRS 16 for the preparation of the financial statements for periods which commence from January 1, 2019 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, 2018.

In accordance with that required for the transition to IFRS 16, the company adopted the modified retrospective approach which does not require the reclassification of the comparative period. It also adopted the option to recognise usage right assets at a value equal to the initial recognition value of liabilities for leasing, calculated as the present value of the relative future payments discounted at the marginal debt rate. Therefore, the 2018 comparative figures have not been adjusted and there were no impacts on the January 1, 2019 shareholders' equity.

The adoption of IFRS 16 from January 1, 2019 had a slight impact on the consolidated financial statements, with the recognition at January 1, 2019 of right-of-use assets and liabilities for leasing of Euro 1,471,407, while in the year lease charges for the period were not recognised to the income statement, of Euro 318,463, while the amortisation of the usage value of leasing contracts was recognised for Euro 295,665, in addition to the financial charges relating to the liabilities for leasing of Euro 22,071. The account increased in the year following the signing of lease contract extensions.

Euro	Right-of-use
Value at January 1, 2019	**1,471,407**
Increases	1,721,247
Decreases	0
Decrease depreciation provision	0
Amortisation & Depreciation	(295,665)
Net value at December 31, 2019	**2,896,989**

Following the adoption of IFRS 16, financial liabilities were also recognised at January 1, 2019 of Euro 1,471,407. The account increased in the year, net of payments made and interest matured, following the signing of lease contract extensions.

New standards, amendments to existing standards and interpretations applicable for periods subsequent to January 1, 2019 and not yet adopted by the Group

- 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 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.
- Amendment to IFRS 3 - “Business Combinations”. On October 22, 2018, the IASB published this amendment to aid in determining whether a transaction is an acquisition or a business or of a group of assets that does not meet the definition of a business provided in IFRS 3. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the date of these consolidated financial statements. Advance application of this standard is permitted.
- Amendments to IAS 1 and IAS 8 - “Definition of Material”. On October 31, 2018, the IASB published this amendment to clarify the definition of “material” in order to aid companies in assessing whether information is to be included in the financial statements. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the date of these consolidated financial statements. Early application is however permitted.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform. On September 26, 2019, the IASB published these amendments with the objective of providing useful financial information to companies during the period of uncertainty arising from the phasing out of interest rate parameters such as interbank offered rates (IBORs); they amend some specific hedge accounting requirements to mitigate potential effects arising from the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the date of these consolidated financial statements. Early application is however permitted.

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

<u>Consolidation scope</u>

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 steams 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, 2019, the consolidation scope included the companies Clubdue S.r.l., Clubtre S.p.A., StarTIP S.r.l. and TXR S.r.l..

The details of the subsidiaries were 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%
Clubtre S.p.A. (1)	**Milan**	120,000	120,000	45,207	37.67%
StarTIP S.r.l.	**Milan**	50,000	50,000	50,000	100%
TXR S.r.l.	**Milan**	100,000	100,000	51,000	51.00%

(1) Clubtre holds 51,738 treasury shares and consequently the fully diluted holding is 66.23%.

The company Clubtre S.p.A. entered the consolidation scope following the acquisition in July, with an additional investment of Euro 21.2 million (of which 2,822,292 to sub-enter shareholder loans), of a further stake of 13.05% in the company, adding to the existing stake of 24.62%. Following this transaction, TIP therefore holds 37.67% of Clubtre's shares, representing 66.23% of the shares which may exercise voting rights at Clubtre, net of the treasury shares. The obtaining of control of Clubtre and the consequent transfer of the company from an associated company measured under the equity method to a subsidiary subject to line-by-line consolidation resulted in the recognition of the share of the "OIC reserve without reversal" concerning the investment until the transfer date similarly to as would have occurred on the divestment of the holding. Having attained control, the TIP share of the increased cumulative fair value of the investee with regards to its investment in Prysmian, equal to approximately Euro 17.8 million, recognised to the FV reserve was reversed to other equity reserves according to IFRS 9. This transaction also resulted in the recognition to the income statement of income equal to the differential, of approximately Euro 3.4 million, between the value of the holding acquired, calculated on the basis of the market price of the Prysmian shares held at the transaction date, and the acquisition cost.

The assets and liabilities assumed in the consolidated financial statements as a result of the transaction are as follows.

Euro		
A	Investments measured at FVOCI (Prysmian)	196,106,739
B	Cash and cash equivalents	10,868,078
C	Other current assets	230,500
D	**Total assets (A+B+C)**	**207,205,317**
E	Financial payables	(99,069,197)
F	Shareholder loans	(12,300,000)
G	Deferred taxes	(664,767)
H	Current liabilities	(183,307)
G	**Total assets and liabilities assumed (D+E+F+G+H)**	**94,988,046**

The acquisition of control generated badwill calculated as follows:

A	Consideration for additional investments	18,366,433
B	Fair value of the share of investments already held	41,110,826
C	Value attributable to minority holding	32,081,263
D	**Total (A+B+C)**	**91,558,522**
E	Total assets and liabilities assumed	(94,988,046)
F	**Badwill (D+E)**	**3,429,524**

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, 2019 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 INTANIGIBLE 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.
Useful life is reviewed annually and any changes required are applied prospectively.
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.

LEASING

A leasing contract assigns to an entity the right to use an asset for a set period of time in exchange for consideration. For the lessee, at accounting level there is no distinction between finance and operating leases, with both applying a common accounting model to record leases. According to this model, the company recognises to its balance sheet an asset, representing the relative right-of-use, and a liability, representing the obligation to make contractually agreed payments, for all leases with a duration of greater than twelve months whose value is not considered insignificant, while in the income statement recording depreciation of the asset recognised and separately the interest on the payable recorded.

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 measured under the equity method, net of any adjustments necessary to align accounting principles and eliminate intercompany margins not realised, on the date in which significant influence commences or the joint control until the date such influence or control ceases. The adjustments necessary for the elimination of intercompany margins not realised are recorded in the account "share of profits/loss of investments under equity". When the share of the loss of an investment measured 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 generally 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 discretional (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 valued 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 a number of employees through the incentive plans. A stock option plan and a performance shares plan are currently in place.

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 financial instruments attributed 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.

Similarly, at the time of the transfer of treasury shares corresponding to the performance shares matured, the performance shares plan reserve is reversed for the portion concerning the units exercised and therefore the shares transferred. 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 comprehensive income statement: IAS requires alternatively classification based on the nature or destination of the items. The Group decided to present the accounts by nature of expenses;
- statement of financial position: in accordance with IAS 1, the assets and liabilities should be classified as current or non-current or, alternatively, according to the liquidity order. The Group chose the classification criteria of current and non-current;
- statement of changes in consolidated shareholders' equity, prepared in accordance with IAS 1;
- statement of cash flows: in accordance with IAS 7 the statement of cash flows reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

(4) Segment disclosure

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

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

In the present consolidated financial statements at December 31, 2019 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	**2019**	**2018**
Revenue from sales and services	6,783,583	9,986,371
Total	**6,783,583**	**9,986,371**

Revenues are highly dependent on the timing of success fee maturation, whose distribution varies throughout the year. 2018 revenues included approximately Euro 4 million of variable income from an associated company.

(5) Purchases, service and other costs

The account comprises:

Euro	**2019**	**2018**
1. Services	1,881,746	2,208,345
2. Rent, leasing and similar costs	0	360,743
3. Other charges	1,173,459	410,190
Total	**3,055,205**	**2,979,278**

Service costs mainly relate to general and commercial expenses, banking commissions on the sale of listed shares and professional and legal consultancy. They include Euro 120,713 of audit fees and Euro 76,851 of emoluments of the Board of Statutory Auditors and the Supervisory Board.

The 2018 costs included rental charges that from 2019, following the adoption of IFRS 16, are no longer recorded as rent, leasing and similar costs.

Other charges principally include non-deductible VAT and other tax charges.

(6) Personnel expense

The account comprises:

Euro	2019	2018
Wages and salaries	1,396,320	1,050,311
Social security charges	440,544	387,833
Directors' fees	18,148,286	16,883,067
Charge for assignment of performance shares	212,706	0
Post-employment benefits	69,504	64,221
Total	**20,267,359**	**18,385,432**

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.

The cost includes, in addition, Euro 212,706 of charges relating to the assignment of 2,500,000 Units under the "2019-2021 Performance Shares Plan". In line with IFRS 2, the Units allocated were measured according to the equity settlement method. The fair value of the option was measured utilising the applicable valuation method, taking into account the terms and conditions by which the Units were allocated.

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

At December 31, 2019, the number of TIP employees was as follows:

	Dec. 31, 2019	Dec. 31, 2018
White collar & apprentices	9	11
Managers	1	1
Executives	4	3
Total	**14**	**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	2019	2018
1. Investment income	5,818,147	10,285,931
2. Other income	20,432,100	9,133,268
Total financial income	**26,250,247**	**19,419,199**
3. Interest and other financial charges	(12,927,381)	(7,802,272)
Total financial charges	**(12,927,381)**	**(7,802,272)**

(7).1. Investment income

Euro	2019	2018
Dividends	5,818,147	10,285,931
Total	**5,818,147**	**10,285,931**

In 2019 investment income concerns dividends received from the following investees (Euro):

Hugo Boss AG	2,578,500
Amplifon S.p.A.	845,325
Moncler S.p.A.	820,000
Prysmian S.p.A.	754,220
ITH	339,124
Other	480,978
Total	**5,818,147**

(7).2. Other income

They include mainly, for Euro 16,928,478, the effect from the fair value measurement of the shares held by TIP in Furla from the conversion of the Convertible Bond Loan, subsequently sold, for Euro 2,193,153, changes to the fair value of financial assets measured at FVTPL, consisting of convertible bond loans and derivative instruments, for Euro 1,166,224 income and interest matured on the financial receivables and on securities, in addition to exchange gains of Euro 144,245.

(7).3. Interest and other financial charges

Euro	2019	2018
Interest on bonds	5,696,074	5,057,009
Other	7,231,307	2,745,263
Total	**12,927,381**	**7,802,272**

In December the issue of a five-year bond with a value of Euro 300 million, an annual fixed coupon of 2.5% and an issue price of 99.421 was finalised. The bonds, which are unrated, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and Borsa Italiana’s MOT Professional segment. The proceeds of this bond issue were temporarily invested in listed bonds.

“Interest on bonds” refers for Euro 5,142,900 to the pre-existing 2014-2020 TIP Bond of Euro 100 million and for Euro 553,174 the new 2019-2024 TIP Bond of Euro 300 million, calculated according to the amortised cost method, applying the effective interest rate.

The “Other” account includes for Euro 2,041,073 bank interest on loans and for Euro 5,190,234 other financial charges, including the adjustment to fair value of a derivative instrument for Euro 3,396,973 and the recognition for Euro 627,912 of the negative differential between the closed market purchase price of a listed share and the corresponding market price on the same date.

(8) Share of profit of associated companies measured under the equity method

The account concerns for approximately Euro 14.1 million the share of the profit of the associated company IPGH, for Euro 6.8 million the share of the profit of Asset Italia and for approximately Euro 4.3 million the share of the profit of Roche Bobois. The share of the profit of TIPO, equal to approximately Euro 1 million, does not include, in application of IFRS 9, the portion of approximately Euro 10.5 million of the capital gain realised on the sale of the investment in iGuzzini, which however resulted in the reclassification to shareholders’ equity from the FV OCI reserve without reversal to the income statement of retained earnings. The gain realised following the withdrawal from Fimag of Euro 5.2 million by TIPO is also not included in the share of the result, but subject to reclassification to reserves.

For further details, reference should be made to note 13 “Investments in associates measured under the equity method” and attachment 3.

(9) Current and deferred taxes

The breakdown of income taxes is as follows:

Euro	2019	2018
Current taxes	(13,770)	513,758
Deferred tax assets	(1,984,904)	488,724
Deferred taxes	(50,536))	(393,296)
Total	**(2,049,209)**	**609,186**

Deferred taxes recognised directly to equity

The company recognised directly to equity a decrease of Euro 2,284,745, 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, 2017	**124,017**
Increases	29,216
Decreases	0
Depreciation	(56,557)
NBV at December 31, 2018	**96,676**
Increases	67,957
Decreases	0
Amortisation & Depreciation	(51,017)
NBV at December 31, 2019	**113,616**

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 by 1.1%;
- discount rate corresponding to the cost of capital (“ke unlevered”) equal to 7.23%

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	Other	Total
NBV at December 31, 2017	**2,213**	**94**	**0**	**2,307**
Increases	0	0	0	0
Decreases	0	0	0	0
Amortisation & Depreciation	(2,143)	(39)	0	(2,182)
NBV at December 31, 2018	**70**	**55**	**0**	**125**
Increases	17,310	0	19,188	36,498
Decreases	0	0	0	0
Amortisation & Depreciation	(5,840)	(39)	(3,838)	(9,717)
NBV at December 31, 2019	**11,540**	**16**	**15,350**	**26,906**

(12) Investments measured at FVOCI

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

Euro	Dec. 31, 2019	Dec. 31, 2018
Investments in listed companies	584,082,600	327,075,057
Investments in non-listed companies	102,823,900	50,557,220
Total	**686,906,500**	**377,632,277**

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

Following the entry into the consolidation scope of Clubtre S.p.A., the account increased by Euro 196,106,739, relating to the market value of the Prysmian shares held by Clubtre at the date on which TIP obtained control.

The TIP Group holds at December 31, 2019 investments (Digital Magics, Eataly, Buzzoole, Chiorino) not classified as associated companies, although in the presence of a holding above 20% and some indicators which would be associated with significant influence, as 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 these investments as measured at FVOCI.

The composition of the valuation methods of the investments measured at FVOCI 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%	68.3%
Other valuation techniques (level 3)	0.0%	31.4%
Purchase cost	0.0%	0.3%
Total	**100.0%**	**100.0%**

(13) Associated companies measured under the equity method

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%, with a total pay-out of Euro 91.6 million. The reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment previously held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 1.1 million, recognised to the OCI reserve, has been recognised to retained earnings under equity as per IFRS 9; the investment previously classified to "Investments valued at FVOCI" was reversed and was recognised to "associated companies measured under the equity method" for an amount of Euro 92,660,939. At December 31, 2019, the value of the investment, considering the effects of recognition under the equity method, was Euro 94,118,727.

The company Clubtre S.p.A. was reclassified from associated companies to subsidiaries following the acquisition in July of an additional holding of 13.05% in the company, further to the existing 24.62% stake. Following this transaction, TIP holds 37.67% of Clubtre's shares, representing 66.23% of the shares which may exercise voting rights at Clubtre, net of the treasury shares. The obtaining of control and the consequent transfer of the company from an associated company measured under the equity method to a subsidiary subject to line-by-line consolidation resulted in the recognition of the share of the OIC reserve without reversal concerning the investment until the transfer date similarly to as would have occurred on the divestment of the holding. Therefore, having ascertained the gaining of control, the TIP share of the increased cumulative fair value of the investee with regards to its investment in Prysmian, equal to approximately Euro 17.8 million, recognised to the FV reserve was reversed to other equity reserves according to IFRS 9. This transaction also led to the recognition to the "other income" account of the income statement of the differential of approximately Euro 3.4 million, between the value of the holding acquired, based on the market value of the assets (calculated according to the stock market price at the transaction date) and liabilities held and the acquisition price previously agreed among the parties.

Also in July 2019, TIP acquired from Whirlpool EMEA S.p.A. its total stake in Elica S.p.A. (a company listed on the STAR segment of Borsa Italiana), comprising 7,958,203 ordinary shares representing 12.568% of the share capital, for consideration of Euro 15,916,406. The agreements reached by TIP and the seller include a commitment not to sell such shares to certain competitors of Whirlpool for 12 months from the closing date. Moreover, TIP signed a shareholder agreement with FAN S.r.l., a controlling shareholder of Elica, to establish a medium-term strategic alliance. Finally, to further seal the agreements reached, TIP agreed with Elica the acquisition of all of the treasury shares owned (equal to 2.014% of the share capital), at the same price per share agreed with Whirlpool EMEA S.p.A., with an additional investment of Euro 2.5 million. Overall, a 14.582% stake in Elica was acquired in this phase. Subsequently, Elica share purchases continued. In November, the 20% threshold of capital was exceeded. The consequent reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 14.5 million, recognised to the OCI reserve, was 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 other investments in associated companies therefore concern:

- for Euro 114,193,209 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. TIP's share of the shares tracking the investment in Alpitour is equal to 35.81%. Similarly, the equity and results relating to Asset Italia 2 S.r.l., the vehicle company to which the investment in Ampliter was allocated, refer for 99% to the tracking shares issued in favour of the shareholders which subscribed to the initiative and for 1% to Asset Italia, or rather to all the ordinary shares. TIP's share of the shares tracking the investment in 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 82,295,871 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 72,092,580the company Roche Bobois S.A., held 38.34% through TXR;
- for Euro 58,996,524 the company Clubitaly S.p.A., with a 19.74% stake in Eataly S.r.l. TIP holds 30.20% in the share capital of the company. The investment of Clubitaly in Eataly is measured at fair value in that the absence of the necessary financial information for the application of the equity method determines the current limited exercise of significant influence;
- for Euro 29,768,702, the investment TIP-Pre IPO S.p.A.. Within TIP-Pre IPO, the investment in Betaclub S.r.l. is consolidated, while the investment in Beta Utensili S.p.A. is measured using the equity method. The investment in Chiorino is 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. In the first half of 2019, having decided not to undertake new investments under the existing shareholder agreements, TIPO distributed to shareholders nearly all of the available liquidity, mainly from the sale of iGuzzini and the withdrawal from Fimag;
- for Euro 17,772,901 the associated company BE S.p.A.;
- for Euro 779,793 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, 2019	Dec. 31, 2018
Financial receivables measured at amortised cost	7,503,330	6,866,167
Total	**7,503,330**	**6,866,167**

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.

(15) Financial assets measured at FVTPL

Euro	Dec. 31, 2019	Dec. 31, 2018
Financial assets measured at FVTPL	3,217,817	20,395,297
Total	**3,217,817**	**20,395,297**

Financial assets measured at FVTPL consist at December 31, 2019 of the convertible bond issued by Tefindue S.p.A.. At September 30, 2019, the right to the conversion of the Furla bond loan matured, previously stated in this account, into shares of the company, which were sold in 2019.

(16) Trade receivables

Euro	Dec. 31, 2019	Dec. 31, 2018
Trade receivables (before doubtful debt provision)	947,808	5,083,915
Doubtful debt provision	(167,809)	(167,809)
Total	**779,999**	**4,916,106**
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, this included approximately Euro 4 million concerning variable income from an associated company.

(17) Current financial receivables measured at amortised cost

Euro	Dec. 31, 2019	Dec. 31, 2018
Current financial receivables measured at amortised cost	556,513	9,519,333
Total	**556,513**	**9,519,333**

These mainly include shareholders' loans granted to associated companies. With the inclusion of Clubtre in the consolidation scope, the shareholder loan granted to the former, previously stated in this account, was eliminated from the consolidation.

(18) Derivative financial instruments

These amount to Euro 923,063 and refer to the options which granted TIP the right to acquire further shares in investments valued at FVOCI.

(19) Current financial assets measured at FVOCI

Euro	Dec. 31, 2019	Dec. 31, 2018
Current financial assets measured at FVOCI	96,688,111	45,227,977
Total	**96,688,111**	**45,227,977**

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

The increase at December 31, 2019 referring to a portion of the liquidity from the issue in December of the 2019-2024 TIP bond was invested in listed bonds.

(20) Cash and cash equivalents

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

Euro	Dec. 31, 2019	Dec. 31, 2018
Bank deposits	171,942,355	1,809,877
Cash in hand and similar	5,947	6,380
Total	**171,948,302**	**1,812,728**

Cash and cash equivalents include a portion of the liquidity from the issue in December of the 2019-2024 TIP bond loan, not yet invested.

The composition of the net financial position at December 31, 2019 compared with the end of the previous year is illustrated in the table below.

Euro		Dec. 31, 2019	Dec. 31, 2018
A	Cash and cash equivalents	171,948,302	1,812,728
B	Current financial assets measured at FVOCI	96,688,111	45,236,977
C	Current financial receivables & derivative instruments	1,479,576	9,519,333
D	**Liquidity (A+B+C)**	**270,115,989**	**56,569,038**
E	Non-current financial payables	(351,718,955)	(99,555,086)
F	Non-current financial payables for leasing	(2,627,341)	-
G	Liabilities for derivatives	(3,709,973)	-
H	Current financial liabilities for leasing	(269,648)	-
I	Current financial liabilities	(211,420,916)	(97,538,156)
L	**Net financial position (D+E+F+G+H+I)**	**(299,630,844)**	**(140,524,204)**

The increase in the net debt follows the considerable investments finalised during the period and the change in the consolidation scope and the consequent full inclusion of the nominal Euro 99.1 million margin loan of the subsidiary Clubtre.

Non-current financial payables mainly refer to the TIP 2019-2024 bond and bank loans.

Current financial liabilities refer to the TIP 2014-2020 bond and bank payables and interest related to bonds loans matured and still not paid.

(21) Tax receivables

The breakdown is as follows:

Euro	Dec. 31, 2019	Dec. 31, 2018
Within one year	**966,458**	**567,819**
Beyond one year	**608,269**	**426,449**

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

(22) Deferred tax assets and liabilities

The breakdown of the account at December 31, 2019 and December 31, 2018 is detailed below:

Euro	Assets 31/12/2019	Assets 31/12/2018	Liabilities 31/12/2019	Liabilities 31/12/2018	Net 31/12/2019	Net 31/12/2018
Other intangible assets	2,005	3,111			2,005	3,111
Investments measured at FVOCI and investments measured under the equity method		608	(6,182,550)	(3,410,355)	(6,182,550)	(3,409,747)
Other assets/liabilities	4,725,591	2,738,972	(115,753)	(8,969)	4,609,838	2,730,003
Total	**4,727,596**	**2,742,691**	**(6,298,302)**	**(3,419,324)**	**(1,570,706)**	**(676,633)**

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

Euro	Dec. 31, 2018	Recorded through P&L	Change in consolidation scope	Recorded through Equity	Dec. 31, 2019
Other intangible assets	3,111	(1,106)			2,005
Investments measured at FVOCI and investments measured under the equity method	(3,409,747)	49,926	(644,767)	(2,177,962)	(6,182,550)
Other assets/liabilities	2,730,003	1,986,619		(106,784)	4,609,838
Total	**(676,633)**	**2,035,439**	**(644,767)**	**(2,284,745)**	**(1,570,707)**

(23) Share capital

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

Shares	**number**
ordinary shares	172,002,734
Total	**172,002,734**

On June 30, 2019, the fourth exercise period of the TIP S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 7,561,067 warrants and a relative share capital increase of Euro 3,931,754.84, with the issue of 7,561,067 new ordinary TIP S.p.A. shares at a price of Euro 5.00 each, for a total value of Euro 37,805,335.00.

The share capital of TIP S.p.A. amounts therefore to Euro 89,441,421.68, represented by 172,002,734 ordinary shares.

The treasury shares in portfolio at December 31, 2019 totalled 9,756,510, equal to 5.672% of the share capital. The shares in circulation at December 31, 2019 therefore numbered 162,246,224.

No. treasury shares at December 31, 2018	No. of shares acquired in 2019	No. of shares sold in 2019	No. treasury shares at December 31, 2019
5,959,178	4,182,332	385,000	9,756,510

The following additional disclosure is provided on the equity at December 31, 2019.

(24) Reserves

Legal reserve

This amounts to Euro 17,101,933, increasing Euro 455,539 following the Shareholders' Meeting motion of April 30, 2019 with regard to the allocation of the 2018 net profit.

Share premium reserve

The account amounts to Euro 208,856,512 and increased Euro 33,873,580 following the exercise of the warrants.

Fair value OCI reserve without reversal to profit or loss

The positive reserve amounts to Euro 226,214,853. This concerns the fair value changes to investments in equity, net of the relative deferred tax effect. The income and gains realised on 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 12,985,291, which in accordance with IAS 39 would have been taken to the income statement.

Euro	**Book value at 31.12.2018**	**Change**	**Transferred to retained earnings**	**Book value 31.12.2019**
Parent company & consolidated com.	69,425,849	167,581,982	(38,048,281)	198,959,550
Investments measured using the equity method	59,981,185	4,396,621	(33,672,058)	30,705,748
Tax effect	(2,203,775)	(2,044,386)	797,716	(3,450,445)
Total	127,203,259	169,934,217	(70,922,623)	226,214,853

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

OCI reserve with reversal to profit or loss

The reserve amounts to Euro 1,234,888 and refers to the fair value changes of the securities acquired as temporary uses of liquidity, whose relative fair value reserve will be reversed to the income statement on the sale of the underlying security; and to reserves with reversal of the associated companies.

Other reserves

These are negative reserves and amount to Euro 8,268,782. These mainly concern negative changes on reserves of investments valued using the equity method. These include the residual reserve for stock option plans set up following the granting of options to employees and the reserve to grant Units concerning the performance shares plan.

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 310,536,546 and increased, compared to December 31, 2018, for Euro 79,272,463. They include the reclassification from "Fair value OCI reserve without reversal to profit or loss" equal to Euro 70,922,623, referring to income and gains realised on investments that, in application of IFRS 9, are not reversed to profit or loss.

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

Treasury shares acquisition reserve
The negative reserve amounts to Euro 54,542,930. 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.

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

Euro	Equity at January 1, 2019	2019 Result	Other changes	Group equity at December 31, 2019	Minority interest net equity	Equity at December 31, 2019
Parent Company Equity as per separate financial statements	488,504,238	4,397,455	143,035,630	635,937,323		635,937,323
Eliminations in separate financial statements	(31,013,328)			(31,013,328)		(31,013,328)
Carrying value and adjustments of investments measured under the equity method	141,042,900	21,758,059	5,175,044	167,976,003		167,976,003
Equity and result for the year (determined in accordance with uniform accounting principles) of the companies consolidated	44,896,550	1,819,139	81,916,628	128,632,317	76,341,604	204,973,921
Elimination carrying value of consolidated companies	(11,010,629)	3,010,933	(67,396,094)	(75,395,790)		(75,395,790)
Equity attributed to the shareholders of the parent from the consolidated financial statements	632,419,731	30,985,586	162,731,208	826,136,525	76,341,604	902,478,129

(25) Net Profit for the year

Basic earnings per share
At December 31, 2019, 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 0.19.

Diluted earnings per share
At December 31, 2019, the diluted earnings per share was Euro 0.19. This represents the net profit for the period divided by the number of ordinary shares in circulation at December 31, 2019, 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.

(26) Post-employment benefit provisions

At December 31, 2019, 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	Dec. 31, 2019	Dec. 31, 2018
Opening balance	**306,489**	**307,384**
Provisions in the year	69,504	64,221
Financial charges/(income)	4,955	3,883
Actuarial gains/losses	15,158	14,459
transfers to pension funds and utilisations	(54,067)	(83,458)
Total	**342,039**	**306,489**

(27) Derivative financial instruments

They refer to call options for the benefit of third parties on shares in associated companies exercisable in 2023. They are measured at their fair value and any changes are written to the income statement.

(28) Financial payables

Financial payables of Euro 351,718,955 refer to:

- for 285,108,044 the TIP 2019-2024 Bond placed in December 2019, of a nominal Euro 300,000,000. The loan, with an initial rights date of December 5, 2019 and expiry date of December 5, 2024 was issued with a discount on the par value and offers an annual coupon at the nominal gross fixed rate of 2.5%. 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 bond and the bond repurchases made by the company;
- for Euro 64,729,361 a medium/long-term loan of a nominal value of Euro 65,000,000, repayable on maturity of June 30, 2022, recognised to amortised cost applying an effective interest rate which takes account of the settlement costs incurred to obtain the loan. Against the granting of this new loan, two existing loans with maturity in 2019 for an amount of approximately Euro 32.9 million were settled. The bond provides for compliance with annual financial covenants;
- for Euro 1,881,550 the long-term component of the deferred payment of the purchase price of an investment.

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.

(29) Current financial liabilities

The current financial liabilities of Euro 211,420,916 mainly concern:

- for 99,898,868 the TIP 2014-2020 Bond placed in December 2014, of a nominal 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; the loan provides for compliance with financial covenants on an annual basis;
- for Euro 99,146,415the margin loan of the subsidiary Clubtre S.p.A. of a nominal Euro 99,100,000, with maturity on December 16, 2020, guaranteed by a pledge on 10,428,436 Prysmian shares held by Clubtre, which represent 3.89% of the Prysmian share capital,

recognised at amortised cost applying the effective interest rate which takes account of the settlement costs incurred to obtain the loan;

- the relative interest matured on the TIP 2014-2020 bond and on the TIP 2019-2024 bond for Euro 3,913,023.
- for Euro 8,462,608 bank payables on current account lines.

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.

(30) Tax payables

This item may be analysed as follows:

Euro	Dec. 31, 2019	Dec. 31, 2018
VAT	0	36,829
Withholding taxes	73,516	144,667
IRAP	0	397,679
Total	**73,516**	**579,175**

(31) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	Dec. 31, 2019	Dec. 31, 2018
Directors and employees	17,540,137	16,572,201
Social security institutions	204,047	176,048
Other	1,929,361	83,609
Total	**19,673,545**	**16,831,858**

(32) 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 statement of financial position, of a hypothetical change in the fair value of the instruments held at December 31, 2019 of +/-5% compared to the comparative figures for 2018.

Sensitivity Analysis		**Dec. 31, 2019**			**Dec. 31, 2018**	
thousands of Euro	-5.00%	Basic	5.00%	-5.00%	Basic	5.00%
Investments in listed companies	554,879	584,083	613,287	310,721	327,075	343,429
Investments in non-listed companies	97,683	102,824	107,965	48,029	50,557	53,085
Investments measured at FVOCI	**652,562**	**686,907**	**721,252**	**358,750**	**377,632**	**396,514**
Effect on net equity	**-34,345**		**34,345**	**-18,882**		**18,882**

Credit risk

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

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

Liquidity risk

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

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, 2019 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 table shows, where applicable, the fair value at the end of the period of the financial instrument.

Type of instrument		Accounting policies applied in accounts for financial instruments									fair value at 31.12.2019
		fair value						Amortised cost	Invest. at cost	Book value at 31.12.2019	
		with change in fair value recorded through:		Total fair value	Fair value hierarchy						
(in thousands of Euro)		account economic	result net Value		1	2	3				
Investments measured at FVOCI			686,907	686,907						686,907	686,907
- listed companies			584,083	584,083	584,083					584,083	584,083
- non-listed companies			102,824	102,824		70,255	32,319		249	102,824	102,824
Financial assets measured at FVOCI	1		96,688	96,688	96,688					96,688	96,688
Financial receivables measured at amortised cost	1							8,060		8,060	8,060
Financial assets measured at FVTPL (inc. derivatives)		4,141		4,141			4,141			4,141	4,141
Cash and cash equivalents	1							171,948		171,948	171,948
Non-current financial payables (inc. leasing)	2							354,346		354,346	357,582
Trade payables	1							757		757	757
Current financial liabilities (inc. leasing)	2							211,691		211,691	213,092
Financial liabilities measured at FVTPL (inc. derivatives)	1	3,710		3,710			3,710			3,710	3,710
Other liabilities	1							19,674		19,674	19,674

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, 2019.

(33) 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 and the Board of Statutory Auditors. The table also illustrates the financial instruments acquired, sold and held by the above parties in 2019.

Members of the Board of Directors						
Name	**Office**	**No. of shares held at December 31, 2018**	**No. of shares acquired in 2019**	**No. of shares allocated from exercise of TIP 2019 warrant**	**No. of shares sold in 2019**	**No. of shares held at December 31, 2019**
Giovanni Tamburi[(1)]	Chair. & CEO	12,327,151		692,650		13,019,801
Alessandra Gritti	Vice Chair. & CEO	2,032,293		200,000		2,232,293
Cesare d'Amico[(2)]	Vice Chairperson	18,315,000	135,000	200,000		18,650,000
Claudio Berretti[(3)]	Dir. & Gen. Manager	1,758,580	471,420			2,230,000
Alberto Capponi	Director	0				0
Giuseppe Ferrero[(4)]	Director	3,179,635				3,179,635
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0
Simon Paul Schapira	Director	0				0
Name	**Office**	**No of warrants held at December 31, 2018**	**No. of warrants assigned in 2019**	**No. of warrants acquired in 2019**	**No. of warrants exercised in 2019**	**No of warrants held at December 31, 2019**
Giovanni Tamburi[(1)]	Chair. & CEO	1,118,180		30,000	692,650	455,530
Alessandra Gritti	Vice Chair. & CEO	358,485			200,000	158,485
Cesare d'Amico[(2)]	Vice Chairperson	2,040,000		345,000	200,000	2,185,000
Claudio Berretti	Dir. & Gen. Manager	0				0
Alberto Capponi	Director	0				0
Giuseppe Ferrero[(3)]	Director	0				0
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0
Simon Paul Schapira	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 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)]Claudio Berretti acquired 370,000 shares through the exercise of stock options.
[(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.

(34) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2019.

TIP office	**Fees 31/12/2019**
Directors	18,148,286
Statutory Auditors	72,851

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.

(35) Transactions with related parties

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

Party	Type	Value/Balance at December 31, 2019	Value/Balance at December 31, 2018
Asset Italia S.p.A.	Revenues	1,003,121	1,000,268
Asset Italia S.p.A.	Trade receivables	253,075	250,000
Asset Italia 1 S.r.l.	Revenues	3,075	820,000
Asset Italia 1 S.r.l.	Trade receivables	3,075	-
Asset Italia 2 S.r.l.	Revenues	3,075	-
Asset Italia 2 S.r.l.	Trade receivables	3,075	-
Betaclub S.r.l.	Revenues	28,087	25,136
Betaclub S.r.l.	Trade receivables	28,087	25,043
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	30,000	15,000
Clubitaly S.p.A.	Revenues	33,089	30,000
Clubitaly S.p.A.	Trade receivables	33,089	30,000
Clubitaly S.p.A.	Financial receivables	540,862	430,469
Clubtre S.p.A.	Revenues	37,500	28,185
Clubtre S.p.A.	Trade receivables	37,500	28,185
Gruppo IPG Holding S.p.A.	Revenues	30,016	30,239
Gruppo IPG Holding S.p.A.	Trade receivables	30,016	30,239
TIP-pre IPO S.p.A.	Revenues	1,411,622	4,500,665
TIP-pre IPO S.p.A.	Trade receivables	128,127	4,125,036
Services provided to companies related to the Board of Directors	Revenues	752,795	16,000
Services provided to companies related to the Board of Directors	Trade receivables	13,000	16,000
Services received by companies related to the Board of Directors	Costs (services received)	8,293,310	7,863,909
Services received by companies related to the Board of Directors	Trade payables	7,715,361	7,226,209
Giovanni Tamburi	Revenues (services provided)	2,943	2,811
Giovanni Tamburi	Trade receivables	2,943	2,811

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

(36) Subsequent events

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

(37) 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 11, 2020

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, 2019.

   No significant aspect emerged concerning the above.

2. We also declare that:

   a) the consolidated financial statements at December 31, 2019 correspond to the underlying accounting documents and records;

   b) the consolidated financial statements for the year ended December 31, 2019 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 11, 2020

Attachment 1 – List of investments held

Company	Restered 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	261,991,585	20,788,639	20.30	53,184,292	114,193,208
Be Think, Solve, Execute S.p.A. (2)	Rome								
	viale dell'Esperanto, 71	euro	27,109,165	134,897,272	43,041,054	31,582,225	23.41	10,075,911	17,772,901
Clubitaly S.r.l. (1)	Milan								
	via Pontaccio, 10	euro	103,300	103,300	123,324,708	31,197	30.20	37,244,062	58,996,524
Elica S.p,A. (2)	Fabriano Ancona								
	Via Ermanno Casoli, 2	euro	12,664,560	63,322,800	85,492,334	12,757,000	20.15	17,226,705	41,434,379
Gatti & Co. GmbH (2)	Frankfurt am Main								
	Bockenheimer Landstr. 51-53	euro	35,700	35,700	739,671	10,700	29.97	221,679	362,224
Gruppo IPG Holding S.p.A. (2) *	Milan								
	via Appiani, 12	euro	142,438	284,875	83,804,352	67,348	33.72	28,258,827	82,295,872
OVS S.p.A. (4)	Mestre Venezia								
	Via Terraglio 17	euro	227,000,000	227,000,000	852,798,106	51,635,898	22.75	194,011,569	94,118,727
Palazzari & Turries Limited (3)	Hong Kong								
	88 Queen's Road	euro	300,000	300,000	689,659	90,000	30.00	206,898	417,570
Roche Bobois S.A. (2)	Paris								
	18 Rue De Lyon	euro	49,376,080	9,874,125	133,081,969	3,440,145	34.84	46,365,758	72,092,579
TIP-Pre Ipo S.p.A. (1)	Milan								
	via Pontaccio, 10	euro	329,999	3,299,988	80,907,878	966,424	29.29	23,697,917	29,768,702

(1) Value relating to the net equity updated at 31.12.2019.

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

(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 31.1.2019.

* The fully diluted % held is 33,72%

The balance sheet values are refer to the last balance sheet filed in according to local accounting principles.

Attachment 2 - Changes in investments measured at FVOCI

						Balance at 1.1.2019			increases			descreases			
in Euro		historic cost	fair value adjustments	increase (decrease)	write-down P&L	book value fair value	acquisition or subscription	reclassificatios	fair value increase	change in consolidation area	decreases	fair value decreases	reversal fair value	P/L movements	book value 31/12/2019
Non-listed companies															
Azimut Benetti S.p.A.		38,990,000	(7,312,229)			**31,677,771**									**31,677,771**
Bending Spoons S.p.A.						**0**	5,023,461								**5,023,461**
Buzzoole Plc.		3,338,810				**3,338,810**	1,302,235					(1,933,287)			**2,707,758**
Heroes S..r.l.		706,673	10,507,718	1,800,000		**13,014,391**									**13,014,391**
ITH S.p.a.						**0**	16,799,591		20,488,101						**37,287,692**
Talent Garden S.p.A.		502,500	868,500			**1,371,000**	5,000,092								**6,371,092**
Welcome S.p.A.						**0**	5,850,971								**5,850,971**
Other equity instr. & other minor		1,255,248			(100,000)	**1,155,248**					(264,483)				**890,765**
Total non-listed companies		**44,793,231**	**4,063,989**	**1,800,000**	**(100,000)**	**50,557,220**	**33,976,350**	**0**	**20,488,101**		**(264,483)**	**(1,933,287)**	**0**	**0**	**102,823,901**
Listed companies	**No. of shares**														
Alkemy S.p.A.	425,000	4,993,828	(539,828)			**4,454,000**						(714,000)			**3,740,000**
Amplifon S.p.A.	6,038,036	22,083,486	62,750,920			**84,834,406**			69,980,837						**154,815,243**
Digital Magics S.p.A.	1,684,719	9,922,048	893,848			**10,815,896**						(741,276)			**10,074,620**
Elica S.p.A.	0					**0**	27,234,921	(26,607,009)	14,554,241				(14,554,241)	(627,912)	**0**
Ferrari N.V. USD	100,000	14,673,848	11,791,782			**26,465,630**			17,026,341		(9,858,614)		(18,843,357)		**14,790,000**
Fiat Chrysler Automobiles N.V.	0	17,656,453	6,505,056	(4,258,487)		**19,903,022**			413,783		(13,397,966)		(6,918,839)		**0**
Hugo Boss AG	1,080,000	83,121,032	(33,112,717)	20,896,485		**70,904,800**	4,756,876				(28,476,278)	(6,714,419)	6,249,821		**46,720,800**
Moncler S.p.A.	2,050,000	70,444,065	28,530,576	(36,775,141)		**62,199,500**			23,683,432		(1,565,996)		(2,173,436)		**82,143,500**
OVS S.p.A.	0	12,268,197	(3,734,997)			**8,533,200**	4,394,392	(16,662,589)	4,834,358				(1,099,361)		**0**
Prysmian S.p.A. (TIP)	2,000,000	36,922,403	(7,332,423)			**29,589,980**	5,276,013		8,114,007						**42,980,000**
Prysmian S.p.A. (C3)	10,428,436					**0**			28,000,350	196,106,739					**224,107,089**
Telesia S.p.A.	230,000	300,000	(770,800)	1,492,000		**1,021,200**			32,200						**1,053,400**
Other listed companies		18,419,833	380,313		(10,446,725)	**8,353,421**			85,448		(4,000,756)	(71,296)	(708,869)		**3,657,948**
Total listed companies		**290,805,193**	**65,361,730**	**(18,645,143)**	**(10,446,725)**	**327,075,057**	**41,662,202**	**(43,269,598)**	**166,724,997**	**196,106,739**	**(57,299,611)**	**(8,240,991)**	**(38,048,281)**	**(627,912)**	**584,082,599**
Total investments		**335,598,424**	**69,425,719**	**(16,845,143)**	**(10,546,725)**	**377,632,277**	**75,638,552**	**(43,269,598)**	**187,213,098**	**196,106,739**	**(57,564,093)**	**(10,174,278)**	**(38,048,281)**	**(627,912)**	**686,906,500**

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

in Euro	Balance at 31.12.2017	purchases / reclassifications	share of results as per equity method	increase (decrease) FVOCI reserve without reversal to P/L	increase (decrease) FVOCI reserve with reversal to P/L	increase (decrease) other reserves	increase (decrease)	(write-down) write-back	Balance at 31.12.2018
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**
Roche 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**
Altre collegate	**783,858**		(48,373)						**735,485**
Totale	**297,133,792**	**112,800,054**	**29,214,745**	**(21,748,424)**	**638,100**	**(3,146,540)**	**(10,076,977)**		**404,814,751**

in Euro	Balance at 31.12.2018	purchases	reclassifications	share of results as per equity method	increase (decrease) FVOCI reserve without reversal to P/L	increase (decrease) FVOCI reserve with reversal to P/L	increase (decrease) other reserves	increase (decrease)	Balance at 31.12.2019
Asset Italia S.p.A.	**92,872,562**			6,818,921	14,283,443	218,282		0	**114,193,209**
Be Think, Solve, Execute S.p.A.	**17,460,151**			1,259,999	0	47,504	(299,944)	(694,809)	**17,772,901**
Clubitaly S.r.l.	**71,539,510**			269,004	(12,811,990)			0	**58,996,524**
Clubtre S.p.A. (1)	**36,570,573**			1,606,392	2,933,861			(41,110,826)	**0**
Elica S.p.A. (2)	**0**	273,129	41,161,250					0	**41,434,379**
Gruppo IPG Holding S.r.l.	**68,740,666**			14,112,157		477,499	381,639	(1,416,090)	**82,295,871**
OVS S.p.A. (2)	**0**	74,951,010	17,761,950	1,371,873		(67,331)	101,225	0	**94,118,727**
Roche Bobois S.A.	**69,562,064**			4,251,874		191,272	(949,389)	(963,241)	**72,092,580**
Tip-Pre Ipo S.p.A.	**47,333,740**			974,108	(8,693)	(80,451)		(18,450,001)	**29,768,702**
Altre collegate	**735,485**			44,308				0	**779,793**
Totale	**404,814,751**	**75,224,139**	**58,923,200**	**30,708,637**	**4,396,621**	**786,776**	**(766,470)**	**(62,634,966)**	**511,452,686**

(1) the decrease refers to the reclassification from associated to subsidiary

(2) the movements of the year include the reclassification from investments measured at FVOCI

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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 2019, 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 2019, 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 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.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Investments in associated companies measured under the equity method *Note 13 to the consolidated financial statements "Associated companies measured under the equity method"* Investments in associated companies measured under the equity method amount to Euro 511.453 thousand as of 31 December 2019 and represent 34% of total asset. In accordance with the applicable financial reporting standards, investments in associated companies are initially recognised at cost and subsequently measured under the equity method. 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.	Our audit activities included the following procedures: • 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 valuation experts belonging to the PwC network; • verification of the absence of possible impairment indicators referred to individual investments.

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	Finally, we verified the adequacy of disclosures in the notes to the consolidated financial statements.
Investments measured at fair value through other comprehensive income ("FVOCI") *Note 12 to the consolidated financial statements "Investments measured at FVOCI"* The Group holds significant equity investments in entities listed on regulated markets and in unlisted entities, for an amount of Euro 686.906 thousand as of 31 December 2019, which represents 46% of the total asset. Those investments, reported under non-current assets, are measured at fair value through other comprehensive income ("FVOCI"). 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. 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.	Our audit activities included, among other, the following procedures: • 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. Finally, we verified the adequacy of disclosures in the notes to the consolidated financial statements.

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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;

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- 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.

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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 2019, 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 2019 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Tamburi Investment Partners SpA as of 31 December 2019 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree 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, 30 March 2020

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 2019, 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 • Consolidated financial statements • Limited audit procedures on the half-year financial statements	**PWC S.p.A.**	**Tamburi Investment Partners S.p.A.**	52,500 5,000 16,000
TOTAL TIP			**73,500**
• Audit appointments in subsidiaries/associates	**PWC S.p.A.**		90,000
TOTAL			**163,500**
• Certification appointments	**PWC S.p.A.**	**Tamburi Investment Partners S.p.A.**	35,000

The amounts above do not include expenses and Consob contributions.

2019 Separate financial statements of Tamburi Investment Partners S.p.A.

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

(in Euro)	2019	of which related parties	2018	of which related parties	Note
Revenue from sales and services	**6,853,118**	3,400,973	**10,001,371**	6,550,119	**4**
Other revenue	212,698		1,048,781		
Total revenue	**7,065,816**		**11,050,152**		
Purchases, service and other costs	(2,896,344)	79,701	(2,238,071)	158,600	**5**
Personnel expense	(20,267,360)		(18,385,432)		**6**
Amortisation, depreciation & write-downs	(356,399)		(58,739)		
Operating Loss	**(16,454,287)**		**(9,632,090)**		
Financial income	31,372,094	5,219,097	15,341,273	2,060,258	**7**
Financial charges	(12,409,861)		(7,768,063)		**7**
Profit/(loss) before taxes	**2,507,946**		**(2,058,880)**		
Current and deferred taxes	1,889,509		(352,489)		**8**
Profit / (loss)	**4,397,455**		**(2,411,369)**		

(1) The income statement was drawn up as per IFRS 9. At December 31, 2019 does not reflect the income and capital gains of over Euro 37.5 million, which did not pass through the income statement, but were transferred directly through equity to retained earnings.

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

(in Euro)	2019	2018	Note
Profit / (loss)	**4,397,455**	**(2,411,369)**	
Other comprehensive income items			
Income through P&L			
Increases/decreases in the value of current financial assets measured at FVOCI	**1,626,529**	**(2,145,462)**	**21**
Unrealised profit/(loss)	1,733,312	(2,310,840)	
Tax effect	-106,784	165,378	
Income/(loss) not through P&L			
Employee benefits	-15,158	(14,459)	
Increase/decrease investments measured at FVOCI	**150,625,874**	**(11,715,999)**	**13**
Profit/(loss)	152,394,833	(11,395,095)	
Tax effect	-1,768,959	(320,904)	
Other components			
Total other comprehensive income items	**152,237,245**	**13,875,920**	
Total comprehensive income	**156,634,700**	**(16,287,289)**	

Balance Sheet
Tamburi Investment Partners S.p.A.

(in Euro)	Dec. 31, 2019	of which related parties	Dec. 31, 2018	of which related parties	*Note*
Non-current assets					
Property, plant and equipment	113,616		96,676		**9**
Right-of-use	2,896,989		0		**2**
Goodwill	9,806,574		9,806,574		**10**
Other intangible assets	26,906		125		**10**
Investments in subsidiaries	58,399,591		11,010,629		**11**
Investments in associated companies	319,486,409		225,223,105		**12**
Investments measured at FVOCI	420,650,483		343,452,773		**13**
Financial receivables measured at amortised cost	38,237,287	30,823,957	31,260,124	24,463,957	**14**
Financial assets measured at FVTPL	3,217,817		20,395,298		**15**
Tax receivables	608,269		310,338		**16**
Total non-current assets	**853,443,941**		**641,555,642**		
Current assets					
Trade receivables	874,534	590,540	4,931,106	4,559,129	**18**
Current financial receivables measured at amortised cost	2,278,383	2,262,732	9,519,333	9,519,333	**19**
Derivative instruments	923,063		0		**20**
Current financial assets measured at FVOCI	96,688,111		45,227,977		**21**
Cash and cash equivalents	171,265,565		1,563,814		**22**
Tax receivables	735,606		683,898		**16**
Other current assets	239,546		351,410		
Total current assets	**273,004,808**		**62,277,538**		
Total assets	**1,126,448,749**		**703,833,180**		
Equity					
Share capital	89,441,422		85,509,667		**23**
Reserves	355,321,314		235,115,967		**24**
Retained earnings/(accumulated losses)	186,777,132		170,289,973		**24**
Profit/(loss)	4,397,455		(2,411,369)		
Total Equity	**635,937,323**		**488,504,238**		
Non-current liabilities					
Post-employment benefits	342,039		306,489		**25**
Derivative instruments	3,709,973		0		**26**
Financial payables	351,718,955		99,555,085		**27**
Financial liabilities for leasing	2,627,341		0		**2**
Deferred tax liabilities	0		0		**17**
Total non-current liabilities	**358,398,308**		**99,861,574**		
Current liabilities					
Trade payables	708,712	23,126	555,929	70,900	
Current financial liabilities	112,274,499		97,538,156		**28**
Current financial liabilities for leasing	269,648		0		**2**
Tax liabilities	68,369		542,288		**29**
Other liabilities	18,791,890		16,830,995		**30**
Total current liabilities	**132,113,118**		**115,467,368**		
Total liabilities	**490,511,426**		**215,328,942**		
Total equity & liabilities	**1,126,448,749**		**703,833,180**		

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, 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)					67,801	(24,337)					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**

	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, 2019 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**
Change in fair value of investments measured at FVOCI					150,625,874								150,625,874
Change in fair value of current financial assets measured at FVOCI						1,626,529							1,626,529
Employee benefits								(15,158)					(15,158)
Total other comprehensive income items					**150,625,874**	**1,626,529**		**(15,158)**					**152,237,245**
Profit/(loss) 2019												4,397,455	4,397,455
Total comprehensive income					**150,625,874**	**1,626,529**		**(15,158)**				**4,397,455**	**156,634,700**
Reversal of Fv reserve due to capital gain realised					(37,553,535)						37,553,535		0
Change in oher reserves								(7)					(7)
Dividends distribution											(11,072,967)		(11,072,967)
Warrant exercise	3,931,755	33,873,580											37,805,335
Allocation profit 2018			455,539								(2,866,908)	2,411,369	0
Stock Option exercise								(4,219,050)			(7,126,500)		(11,345,550)
Allocation of Units related to performance shares								212,706					212,706
Acquisition of treasury shares							(25,489,792)						(25,489,792)
Sale of treasury shares		(733,571)					2,057,893	(635,662)					688,660
At December 31, 2019 separate	**89,441,422**	**216,398,313**	**17,101,933**	**0**	**171,007,529**	**2,164**	**(54,542,930)**	**777,807**	**(483,655)**	**5,060,152**	**186,777,133**	**4,397,455**	**635,937,323**

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

	euro thousands	2019	2018
A.-	**OPENING NET CASH AND CASH EQUIVALENTS**	**(58,343)**	**(16,616)**
B.-	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss)	4,397	(2,411)
	Amortisation & Depreciation	61	29
	Write-downs/(revaluation) of investments	0	0
	Write-downs/(revaluation) of current financial assets (doubtful debts)	0	0
	Financial income and charges	(3,348)	0
	Changes in “employee benefits”	20	(1)
	Changes for per performance shares	214	0
	Stock option charges	0	0
	Interest on loans and bonds	6,339	5,899
	Change in deferred tax assets and liabilities	(1,876)	(295)
		5,807	**3,222**
	Decrease/(increase) in trade receivables	4,057	(4,202)
	Decrease/(increase) in other current assets	112	(87)
	Decrease/(increase) in tax receivables	(350)	(258)
	Decrease/(increase) in financial receivables	18,711	(7,000)
	Decrease/(increase) in other current asset securities	(49,727)	(9,164)
	(Decrease)/increase in trade payables	153	179
	(Decrease)/increase in financial payables and derivative instrument	313	(5,740)
	(Decrease)/increase in tax payables	(474)	212
	(Decrease)/increase in other current liabilities	1,961	3,017
	Cash flow from operating activities	**(19,436)**	**(19,822)**
C.-	**CASH FLOW FROM INVESTMENTS IN FIXED ASSETS**		
	Intangible and tangible assets		
	Investments / divestments	(105)	(29)
	Financial assets		
	Dividends from subsidiary and associated companies	5,209	5,723
	Investments	(161,052)	(107,172)
	Disposals	95,821	100,930
	Cash flow from investing activities	**(60,127)**	**(489)**

euro thousands		2019	2018
D.-	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Loans		
	New loans	349,746	0
	Repayment of loans	(34,338)	(5,000)
	Interest paid on loans and bonds	(5,284)	(6,233)
	Share capital		
	Share capital increase and capital contributions on account	37,805	19,930
	Changes from purchase/sale of treasury shares	(25,490)	(19,159)
	Payment of dividends	(11,073)	(10,955)
	Change in reserves	(10,657)	0
	Cash flow from financing activities	**300,709**	**(21,417)**
E.-	**NET CASH FLOW FOR THE YEAR**	**221,146**	**(41,727)**
F.	**CLOSING CASH AND CASH EQUIVALENTS**	**162,803**	**(58,343)**

The breakdown of the net available liquidity was as follows:

	2019	2018
Cash and cash equivalents	171,266	1,564
Bank payables due within one year	(8,463)	(59,907)
Closing cash and cash equivalents	**162,803**	**(58,343)**

EXPLANATORY NOTES TO THE 2019 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, 2019 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 11, 2020, who authorised their publication.

The financial statements at December 31, 2019 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 comprehensive income statement, the statement of financial position, the change in shareholders' equity, the statement of cash flows and the explanatory notes, together with the Directors' Report. The financial statements were prepared in units of Euro, without decimal amounts.

The accounting policies and methods utilised for the preparation of these separate financial statements, for which reference should be made to the consolidated financial statements except where indicated herein, have changed from those utilised for the preparation of the consolidated financial statements for the year ended December 31, 2018, mainly due to application from January 1, 2019 of IFRS 16, as outlined in detail in the paragraph "new accounting standards". The investments in subsidiaries and associates are measured under the cost method adjusted for any loss in value.

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

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

The income statement, the comprehensive income statement and the statement of cash flows for the year 2018 and the statement of financial position at December 31, 2018 were utilised for comparative purposes.

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, 2019 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, 2019

- 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.
- In June 2017, the IASB issued amendments to the interpretation IFRIC 23 relating to considerations on uncertainties on the treatment of income taxes. The document has the objective to provide clarifications on how to apply the recognition and measurement criteria within IAS 12 in the case of uncertainty on the treatment for the determination of income taxes.
- In October 2017, the IASB issued the Amendment to IFRS 9 concerning some issues on the application and classification of IFRS 9 "Financial instruments" in relation to certain financial assets with the possibility of advance repayment. In addition, IASB clarified some aspects on the accounting of financial liabilities following some amendments.
- 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.

- In December 2017, the IASB published a series of annual amendments to IFRS 2015–2017 applicable from January 1, 2019. 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 an amendment to IAS 19 which sets out how to calculate pension expenses in the case of a change, reduction or settlement of an existing defined benefits plan. In particular, the document requires the use of updated actuarial assumptions in calculating the cost for the provision of current labour and the net financial expenses for the period subsequent to the event.

The application of the amendments to the existing accounting standards reported above do not have a significant impact on the Group consolidated financial statements. The IFRS 16 impacts are outlined below.

Adoption of the new accounting standard IFRS 16

As illustrated previously, the TIP Group adopted IFRS 16 for the preparation of the financial statements for periods which commence from January 1, 2019 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, 2018.

In accordance with that required for the transition to IFRS 16, the company adopted the modified retrospective approach which does not require the reclassification of the comparative period. It also adopted the option to recognise usage right assets at a value equal to the initial recognition value of liabilities for leasing, calculated as the present value of the relative future payments discounted at the marginal debt rate. Therefore, the 2018 comparative figures have not been adjusted and there were no impacts on the January 1, 2019 shareholders' equity.

The adoption of IFRS 16 from January 1, 2019 had a slight impact on the consolidated financial statements, with the recognition at January 1, 2019 of right-of-use assets and liabilities for leasing of Euro 1,471,407, while in the year lease charges for the period were not recognised to the income statement, of Euro 318,463, while the amortisation of the usage value of leasing contracts was recognised for Euro 295,665, in addition to the financial charges relating to the liabilities for leasing of Euro 22,071. The account increased in the year following the signing of lease contract extensions.

Euro	**Right-of-use**
Value at January 1, 2019	**1,471,407**
Increases	1,721,247
Decreases	0
Decrease depreciation provision	0
Depreciation	(295,665)
Net value at December 31, 2019	**2,896,989**

Following the adoption of IFRS 16, financial liabilities were also recognised at January 1, 2019 of Euro 1,471,407. The account increased in the year, net of payments made and interest matured, following the signing of lease contract extensions.

New standards, amendments to existing standards and interpretations applicable for periods subsequent to January 1, 2019 and not yet adopted by the Group

- 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 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.
- Amendment to IFRS 3 - "Business Combinations". On October 22, 2018, the IASB published this amendment to aid in determining whether a transaction is an acquisition or a business or of a group of assets that does not meet the definition of a business provided in IFRS 3. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the date of these consolidated financial statements. Advance application of this standard is permitted.
- Amendments to IAS 1 and IAS 8 - "Definition of Material". On October 31, 2018, the IASB published this amendment to clarify the definition of "material" in order to aid companies in assessing whether information is to be included in the financial statements. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European Union, not yet implemented at the date of these consolidated financial statements. Early application is however permitted.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform. On September 26, 2019, the IASB published these amendments with the objective of providing useful financial information to companies during the period of uncertainty arising from the phasing out of interest rate parameters such as interbank offered rates (IBORs); they amend some specific hedge accounting requirements to mitigate potential effects arising from the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties. The amendments will be applied from January 1, 2020, except for any deferments following endorsement of the document by the European

Union, not yet implemented at the date of these consolidated financial statements. Early application is however permitted.

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.

(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 shareholders' equity, prepared in accordance with IAS 1;
- cash flow statement: in accordance with IAS 7 the cash flow statement reports cash flows during the period classified by operating, investing and financing activities, based on the indirect method.

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

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

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

Euro	**2019**	**2018**
Revenue from sales and services	6,853,118	10,001,371
Total	**6,853,118**	**10,001,371**

Revenues are highly dependent on the timing of success fee maturation, whose distribution varies throughout the year. 2018 revenues included approximately Euro 4 million of variable income from an associated company.

(5) Purchases, service and other costs

The account comprises:

Euro	2019	2018
1. Services	1,789,249	1,606,427
2. Rent, leasing and similar costs	0	360,743
3. Other charges	1,107,095	270,901
Total	**2,896,344**	**2,238,071**

Service costs mainly relate to general and commercial expenses, banking commissions on the sale of listed shares and professional and legal consultancy. They include Euro 91,182 of audit fees and Euro 74,000 of emoluments of the Board of Statutory Auditors and the Supervisory Board.
Other charges principally include non-deductible VAT and other tax charges.

The 2018 costs included rental charges that from 2019, following the adoption of IFRS 16, are no longer recorded as rent, leasing and similar costs.

(6) Personnel expense

The account comprises:

Euro	2019	2018
Wages and salaries	1,396,320	1,050,311
Social security charges	440,544	387,833
Directors' fees	18,148,286	16,883,067
Charge for assignment of performance shares	212,706	0
Post-employment benefits	69,504	64,221
Total	**20,267,360**	**18,385,432**

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.

The cost includes, in addition, Euro 212,706 of charges relating to the assignment of 2,500,000 Units under the "2019-2021 Performance Shares Plan". In line with IFRS 2, the Units allocated were measured according to the equity settlement method. The *fair value* of the option was measured utilising the applicable valuation method, taking into account the terms and conditions by which the Units were allocated.

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

At December 31, 2019, the number of TIP employees was as follows:

	Dec. 31, 2019	Dec. 31, 2018
White collar & apprentices	9	11
Managers	1	1
Executives	4	3
Total	**14**	**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	2019	2018
1. Investment income	10,942,623	6,591,808
3. Other income	20,429,471	8,749,465
Total financial income	**31,372,094**	**15,341,273**
4. Interest and other financial charges	(12,409,861)	(7,768,063)
Total financial charges	**(12,409,861)**	**(7,768,063)**

(7).1. Investment income

In 2019 investment income concerns dividends received from the following investees:

Euro	
Tip Pre-IPO	4,003,895
Hugo Boss AG	2,578,500
Amplifon S.p.A.	845,325
Moncler S.p.A.	820,000
Prysmian S.p.A.	754,220
BE S.p.A.	694,809
TXR S.p.A.	510,000
Other	735,874
Total	**10,942,623**

(7).2. Other income

They include mainly, for Euro 16,928,478, the effect from the fair value measurement of the shares held by TIP in Furla from the conversion of the Convertible Bond Loan and sold in 2019, for Euro 2,193,153, changes to the fair value of financial assets measured at FVTPL, consisting of convertible bond loans and derivative instruments, for Euro 1,163,776 income and interest matured on the financial receivables and on securities, in addition to exchange gains of Euro 144,064.

(7).3. Interest and other financial charges

Euro	2019	2018
Interest on bonds	5,696,074	5,057,009
Other	6,713,787	2,711,054
Total	**12,409,861**	**7,768,063**

In December the issue of a five-year bond with a value of Euro 300 million, an annual fixed coupon of 2.5% and an issue price of 99.421 was finalised. The bonds, which are unrated, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and Borsa Italiana's MOT Professional segment. The proceeds of this bond issue were temporarily invested in listed bonds.

"Interest on bonds" refers for Euro 5,142,900 to the pre-existing 2014-2020 TIP Bond of Euro 100 million and for Euro 553,174 the new 2019-2024 TIP Bond of Euro 300 million, calculated according to the amortised cost method, applying the effective interest rate.

The "Other" account includes for Euro 1,503,257 bank interest on loans and for Euro 5,181,221 other financial charges, including the adjustment to fair value of a derivative instrument for Euro 3,396,973 and the recognition for Euro 627,912 of the negative differential between the closed market purchase price of a listed share and the corresponding market price on the same date.

(8) Current and deferred taxes
The breakdown of income taxes is as follows:

Euro	2019	2018
Current taxes	(13,769)	513,758
Deferred tax charge	(344,181)	(626,073)
Deferred tax income	(1,531,559)	464,804
Total	**1,889,509**	**358,489**

Deferred taxes recognised directly to equity

The company recognized a net increase in deferred tax liabilities amounting to Euro 1, 875,741 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, 2017	**124,017**
Increases	29,216
Decreases	0
Decrease depreciation provision	0
Depreciation	(56,557)
NBV at December 31, 2018	**96,676**
Increases	67,957
Decreases	0
Decrease depreciation provision	0
Depreciation	(51,017)
NBV at December 31, 2019	**113,616**

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 by 1.1%;
- discount rate corresponding to the cost of capital (“ke unlevered”) equal to 7.23%.

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	Other	Total
NBV at December 31, 2017	**2,213**	**94**	**0**	**2,307**
Increases	0	0	0	0
Decreases	0	0	0	0
Amortisation	(2,143)	(39)	0	(2,182)
NBV at December 31, 2018	**70**	**55**	**0**	**125**
Increases	17,310	0	19,188	36,498
Decreases	0	0	0	0
Amortisation	(5,840)	(39)	(3,838)	(9,717)
NBV at December 31, 2019	**11,540**	**16**	**15,350**	**26,906**

(11) Investments in subsidiaries

This relates to the investment in the subsidiaries Clubdue S.r.l., Clubtre S.p.A; StarTIP S.r.l. and TXR S.r.l.

The details of the subsidiaries were as follows:

Company	Reg. Office	Share capital	Number of shares	Number of shares held	% held
Clubdue S.r.l.	**Milan**	10,000	10,000	10,000	100%
Clubtre S.p.A. (1)	**Milan**	120,000	120,000	45,207	37.67%
StarTIP S.r.l.	**Milan**	50,000	50,000	50,000	100%
TXR S.r.l.	**Milan**	100,000	100,000	51,000	51.00%

(1) Clubtre holds 51,738 treasury shares and consequently the fully diluted holding is 66.23%.

The company Clubtre S.p.A. became a subsidiary following the acquisition in July, with an additional investment of Euro 21.2 million (of which 2,822,292 to sub-enter shareholder loans), of a further stake of 13.05% in the company, adding to the existing stake of 24.62%. Following this transaction, TIP therefore holds 37.67% of Clubtre's shares, representing 66.23% of the shares which may exercise voting rights at Clubtre, net of the treasury shares.

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

The movements in the year were as follows:

Euro	Dec. 31, 2018	Reclassifications	Increases/ (decreases)	Write-downs	Dec. 31, 2019
Clubdue S.r.l.	10,000	0	30,000	(29,310)	10,690
Clubtre S.p.A. (1)	0	24,021,839	18,366,433	0	42,388,272
StarTIP S.r.l.	1,727,085	0	5,000,000	0	6,727,085
TXR S.r.l.	9,273,544	0	0	0	9,273,544
Total	**11,010,629**	**24,021,839**	**23,447,433**	**(29,310)**	**58,399,591**

The increases relating to Clubdue and StarTIP refer to capital contributions. The write-down of Clubdue aligns the book value with the corresponding value of equity net of the subsidiary's accumulated losses.

(12) Investments in associated companies

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%, with a total pay-out of Euro 91.6 million. The reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment previously held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 1.1 million, recognised to the OCI reserve, has been recognised to retained earnings under equity as per IFRS 9; the investment previously classified to "Investments valued at FVOCI" was reversed and was recognised to "associated companies measured under the equity method" for an amount of Euro 92,660,939.

The company Clubtre S.p.A. was reclassified from associated companies to subsidiaries following the acquisition in July of an additional holding of 13.05% in the company, further to the existing 24.62% stake. Following this transaction, TIP holds 37.67% of Clubtre's shares, representing 66.23% of the shares which may exercise voting rights at Clubtre, net of the treasury shares.

Also in July 2019, TIP acquired from Whirlpool EMEA S.p.A. its total stake in Elica S.p.A. (a company listed on the STAR segment of Borsa Italiana), comprising 7,958,203 ordinary shares representing 12.568% of the share capital, for consideration of Euro 15,916,406. The agreements reached by TIP and the seller include a commitment not to sell such shares to certain competitors of Whirlpool for 12 months from the closing date. Moreover, TIP signed a shareholder agreement with FAN S.r.l., a controlling shareholder of Elica, to establish a medium-term strategic alliance. Finally, to further seal the agreements reached, TIP agreed with Elica the acquisition of all of the treasury shares owned (equal to 2.014% of the share capital), at the same price per share agreed with Whirlpool EMEA S.p.A., with an additional investment of Euro 2.5 million. Overall, a 14.582% stake in Elica was acquired in this phase. Subsequently, Elica share purchases continued. In November, the 20% threshold of capital was exceeded. The consequent reclassification of the investment to associated companies resulted in the recording of the increase in the fair value recognised on the portion of the investment held until the acquisition date in a similar manner to that which would be applied for the holding's divestment. Therefore, having ascertained significant influence, the cumulative fair value increase of approximately Euro 14.5 million, recognised to the OCI reserve, was reclassified as retained earnings under equity as per IFRS 9; the investment previously classified to "Investments valued at FVOCI" was reversed and was recognised to "associated companies measured under the equity method".

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, 2019 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 92,712,960 to the investment in OVS S.p.A. TIP held a stake in OVS at December 31, 2018 classified under investments valued at FVOCI. On acquisition the investment was reclassified and recorded under associated companies at fair value at that date;
- for Euro 41,434,379 the investment in Elica S.p.A. The company was initially classified under investments measured at FVOCI and subsequently on the acquisition as an associated company reclassified at fair value at that date;
- 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 36,267,851 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). Changes during the year refer to the repayment of a loan as a capital contribution received by the investee;
- for Euro 16,596,459 the associated company BE S.p.A.;
- for Euro 8,340,919 the investment in TIP-Pre IPO S.p.A. During the year the company sold its holding in iGuzzini S.p.A. and finalised the withdrawal from Fimag S.p.A. receiving liquidity and Fagerhult shares (company acquiring iGuzzini). Following this transaction and having decided - according to the existing shareholder agreements - not to pursue additional investment initiatives, the company distributed the available liquidity to shareholders, continuing to hold at December 31, 2019 the investments in Chiorino, Betaclub S.r.l. and Beta Utensili 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.

(13) Investments measured at FVOCI

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

Euro	**Dec. 31, 2019**	**Dec. 31, 2018**
Investments in listed companies	345,107,491	310,783,961
Investments in non-listed companies	75,542,992	32,668,812
Total	**420,650,483**	**343,452,773**

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%	57.1%
Other valuation techniques (level 3)	0.0%	42.8%
Purchase cost	0.0%	0.1%
Total	**100.0%**	**100.0%**

(14) Financial receivables measured at amortised cost

Euro	Dec. 31, 2019	Dec. 31, 2018
Financial receivables measured at amortised cost	38,237,287	31,260,124
Total	**38,237,287**	**31,260,124**

Financial receivables calculated at amortised cost principally concern the loans issued to StarTIP S.r.l. as sole shareholder for Euro 30,823,957 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 7,131,632.

(15) Financial assets measured at FVTPL

Euro	Dec. 31, 2019	Dec. 31, 2018
Financial assets measured at FVTPL	3,217,817	20,395,298
Total	**3,217,817**	**20,395,298**

Financial assets measured at FVTPL consist at December 31, 2019 of the convertible bond issued by Tefindue S.p.A. At September 30, 2019, the right to the conversion of the Furla bond loan, previously stated in this account, matured into shares of the company, which were sold in 2019.

(16) Tax receivables

The breakdown is as follows:

Euro	Dec. 31, 2019	Dec. 31, 2018
Within one year	**735,606**	**683,898**
Beyond one year	**608,269**	**310,338**

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, 2019 and December 31, 2018 is detailed below:

	Assets		Liabilities		Net	
Euro	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Other intangible assets	1,614	2,841			1,614	2,841
Investments measured at FVOCI			(2,757,116)	1,332,339	(2,757,116)	(1,332,339)
Current financial assets			(106,784)		(106,784)	
Other assets	122,394	124,348	(8,969)	(8,969)	113,425	115,379
Other liabilities	2,748,860	1,214,119			2,748,860	1,214,119
Total	**2,872,868**	**1,341,308**	**(2,872,868)**	**1,341,308**	**0**	**0**

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

Euro	Dec. 31, 2018	Recorded through P&L	Recorded through Equity	Dec. 31, 2019
Other intangible assets	2,841	(1,227)		1,614
Investments measured at FVOCI	(1,332,339)	344,181	(1,768,958)	(2,757,116)
Current financial assets			(106,784)	(106,784)
Other assets	115,379	(1,954)		113,425
Other liabilities	1,214,119	1,534,741		2,748,860
Total	**0**	**1,875,741**	**(1,875,741)**	**0**

(18) Trade receivables

Euro	Dec. 31, 2019	Dec. 31, 2018
Trade receivables (before doubtful debt provision)	1,042,343	5,098,915
Doubtful debt provision	(167,809)	(167,809)
Total	**874,534**	**4,931,106**
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, this included approximately Euro 4 million concerning variable income from an associated company.

(19) Current financial receivables measured at amortised cost

Euro	Dec. 31, 2019	Dec. 31, 2018
Current financial receivables measured at amortised cost	2,278,383	9,519,333
Total	**2,278,383**	**9,519,333**

These mainly include loans granted to subsidiaries and associated companies.

(20) Derivative financial instruments

These amount to Euro 923,063 and refer to the options which granted TIP the right to acquire further shares in investments valued at FVOCI.

(21) Current financial assets measured at FVOCI

Euro	Dec. 31, 2019	Dec. 31, 2018
Current financial assets measured at FVOCI	96,688,111	45,227,977
Total	**96,688,111**	**45,227,977**

These concern non-derivative financial assets comprising investments in bonds for the temporary utilisation of liquidity. At December 31, 2019 a portion of the liquidity from the issue in December of the 2019-2024 TIP bond was invested in listed bonds.

(22) 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, 2019	Dec. 31, 2018
Bank deposits	171,259,618	1,557,434
Cash in hand and similar	5,947	6,380
Total	**171,265,565**	**1,563,814**

Cash and cash equivalents include a portion of the liquidity from the issue in December of the 2019-2024 TIP bond loan, not yet invested.

The composition of the net financial position at December 31, 2019 compared with the end of the previous year is illustrated in the table below.

Euro		**Dec. 31, 2019**	**Dec. 31, 2018**
A	Cash and cash equivalents	171,265,565	1,563,814
B	Current financial assets measured at FVOCI	96,688,111	45,227,977
C	Current financial receivables and derivatives	3,201,446	9,519,333
D	**Liquidity (A+B+C)**	**271,155,122**	**56,311,214**
E	Non-current financial payables	(351,718,955)	(99,555,085)
F	Non-current financial payables for leasing	(2,627,341)	-
G	Liabilities for derivatives	(3,709,973)	-
H	Current financial liabilities for leasing	(269,648)	-
I	Current financial liabilities	(112,274,499)	(97,538,156)
L	**Net financial position (D+E+F+G+H+I)**	**(199,445,294)**	**(120,386,819)**

The increase in the net debt follows the considerable investments finalised during the period.

Non-current financial payables mainly refer to the TIP 2019-2024 bond and bank loans. Current financial liabilities refer to the TIP 2014-2020 bond and bank payables and interest related to bonds loans matured and still not paid.

(23) Share capital

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

shares	**number**
ordinary shares	172,002,734
Total	**172,002,734**

On June 30, 2019, the fourth exercise period of the TIP S.p.A. 2015 - 2020 Warrants concluded, with the exercise of 7,561,067 warrants and a relative share capital increase of Euro 3,931,754.84, with the issue of 7,561,067 new ordinary TIP S.p.A. shares at a price of Euro 5.00 each, for a total value of Euro 37,805,335.00.

The share capital of TIP S.p.A. amounts therefore to Euro 89,441,421.68, represented by 172,002,734 ordinary shares.

The treasury shares in portfolio at December 31, 2019 totalled 9,756,510, equal to 5.672% of the share capital. The shares in circulation at December 31, 2019 therefore numbered 162,246,224.

No. treasury shares at December 31, 2018	No. of shares acquired in 2019	No. of shares sold in 2019	No. treasury shares at December 31, 2019
5,959,178	4,182,332	385,000	9,756,510

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	89,441,442				
Legal reserve	17,101,933	B	17,101,933		
Share premium reserve	216,398,313	A,B	216,398,313		
Fair value OCI reserve without reversal to profit or loss	171,007,529		171,007,529		
OCI reserve with reversal to profit or loss	2,164				
Other reserves	777,807				
Merger surplus	5,060,152	A,B,C	5,060,152		
Retained earnings (accum. losses)	186,777,133	A,B,C	186,777,133		
IFRS business combination reserve	(483,655)				
Treasury shares acquisition reserve	(54,542,930)				
Total	**631,539,888**		**596,345,060**		
Non-distributable quota (*)			216,398,313		

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

* Concerns the share premium reserve (Euro 216,398,313) 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 17,888,288).

The following additional disclosure is provided on the equity at December 31, 2019.

(24) Reserves

Legal reserve

This amounts to Euro 17,101,933, increasing Euro 455,539 following the Shareholders' Meeting motion of April 30, 2019 with regard to the allocation of the 2018 net profit.

Share premium reserve

The account amounts to Euro 216,398,313 and increased Euro 33,140,009 following the exercise of the *warrants*.

Fair value OCI reserve without reversal to profit or loss

The positive reserve amounts to Euro 171,007,529. This concerns the fair value changes to investments in equity, net of the relative deferred tax effect. The income and gains realised on 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 12,985,291, 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.

OCI reserve with reversal to profit or loss

The negative reserve amounts to Euro 2,164. 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

These amount to Euro 777,807 and include the residual reserve for stock option plans set up following the granting of options to employees and the reserve to grant Units concerning the performance shares plan.

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 186,777,133 and increased, compared to December 31, 2018, for Euro 16,487,160. They include the reclassification from "Fair value OCI reserve without reversal to profit or loss" equal to Euro 37,553,535, referring to income and gains realised on investments that, in application of IFRS 9, are not reversed to profit or loss.

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 54,542,930. 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.

(25) Post-employment benefit provisions

At December 31, 2019, 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	Dec. 31, 2019	Dec. 31, 2018
Opening balance	**306,489**	**307,384**
Provisions in the year	69,504	64,221
Financial charges/(income)	4,955	3,883
Actuarial gains/losses	15,158	14,459
transfers to pension funds and utilisations	(54,067)	(83,458)
Total	**342,039**	**306,489**

(26) Derivative financial instruments

They refer to call options for the benefit of third parties on shares in associated companies exercisable in 2023. They are measured at their fair value and any changes are written to the income statement.

(27) Financial payables

Financial payables of Euro 351,718,955 refer to:

- for 285,108,044 the TIP 2019-2024 Bond placed in December 2019, of a nominal Euro 300,000,000. The loan, with an initial rights date of December 5, 2019 and expiry date of December 5, 2024 was issued with a discount on the par value and offers an annual coupon at the nominal gross fixed rate of 2.5%. 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 bond and the bond repurchases made by the company;

- for Euro 64,729,361 a medium/long-term loan of a nominal value of Euro 65,000,000, repayable on maturity of June 30, 2022, recognised to amortised cost applying an effective interest rate which takes account of the settlement costs incurred to obtain the loan. Against the granting of this new loan, two existing loans with maturity in 2019 for an amount of approximately Euro 32.9 million were settled. The bond provides for compliance with annual financial covenants;
- for Euro 1,881,550 the long-term component of the deferred payment of the purchase price of an investment.

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.

(28) Current financial liabilities

The current financial liabilities of Euro 112,274,499 mainly concern:

- for 99,898,868 the TIP 2014-2020 Bond placed in December 2014, of a nominal 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; the loan provides for compliance with financial covenants on an annual basis;
- the relative interest matured on the TIP 2014-2020 bond and on the TIP 2019-2024 bond for Euro 3,913,023.
- for Euro 8,462,608 bank payables on current account lines.

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.

(29) Tax payables

This item may be analysed as follows:

Euro	Dec. 31, 2019	Dec. 31, 2018
IRAP	0	397,679
VAT	0	0
Withholding taxes	68,368	144,609
Total	**68,368**	**542,288**

(30) Other liabilities

The account mainly refers to emoluments for directors and employees.

Euro	Dec. 31, 2019	Dec. 31, 2018
Directors and employees	17,540,137	16,572,201
Social security institutions	204,047	176,048
Other	1,047,706	82,746
Total	**18,791,890**	**16,830,995**

(31) Risks and uncertainties

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. 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 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, 2019 of +/-5% compared to the comparative figures for 2018.

Sensitivity Analysis	**Dec. 31, 2019**			**Dec. 31, 2018**		
thousands of Euro	-5.00%	Basic	5.00%	-5.00%	Basic	5.00%
Investments in listed companies	327,852	345,107	362,362	295,245	310,784	326,323
Investments in non-listed companies	71,766	75,543	79,320	31,036	32,669	34,302
Investments measured at FVOCI	**399,618**	**420,650**	**441,683**	**326,280**	**343,453**	**360,626**
Effect on net equity	**-21,033**		**21,033**	**-17,173**		**17,173**

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, 2019 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 table 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 31.12.2019
		fair value						Amortised cost	Invest. at cost	Book value at 31.12.2019	
		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			420,650	420,650						420,650	420,650
- listed companies			345,107	345,107	345,107					345,107	345,107
- non-listed companies			75,543	75,543		43,139	32,319		249	75,543	75,543
Financial assets measured at FVOCI	1		96,688	96,688	96,688					96,688	96,688
Financial receivables measured at amortised cost	1							40,515		40,515	40,515
Financial assets measured at FVTPL (inc. derivatives)		4,141		4,141			4,141			4,141	4,141
Cash and cash equivalents	1							171,265		171,265	171,265
Non-current financial payables (inc. leasing)	2							354,346		354,346	357,582
Trade payables	1							709		709	709
Current financial liabilities (inc. leasing)	2							112,544		112,544	113,945
Financial liabilities measured at FVTPL (inc. derivatives)	1	3,710		3,710			3,710			3,710	3,710
Other liabilities	1							18,792		18,792	18,792

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, 2019.

(32) 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 2019.

Members of the Board of Directors						
Name	**Office**	**No. of shares held at December 31, 2018**	**No. of shares acquired in 2019**	**No. of shares allocated from exercise of TIP 2019 *warrant***	**No. of shares sold in 2019**	**No. of shares held at December 31, 2019**
Giovanni Tamburi(1)	Chair. & CEO	12,327,151		692,650		13,019,801
Alessandra Gritti	Vice Chair. & CEO	2,032,293		200,000		2,232,293
Cesare d'Amico(2)	Vice Chair.	18,315,000	135,000	200,000		18,650,000
Claudio Berretti(3)	Dir. & Gen. Manager	1,758,580	471,420			2,230,000
Alberto Capponi	Director	0				0
Giuseppe Ferrero(4)	Director	3,179,635				3,179,635
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0
Simon Paul Schapira	Director	0				0

Name	Office	No of warrants held at December 31, 2018	No. of warrants assigned in 2019	No. of warrants acquired in 2019	No. of warrants exercised in 2019	No of warrants held at December 31, 2019
Giovanni Tamburi(1)	Chair. & CEO	1,118,180		30,000	692,650	455,530
Alessandra Gritti	Vice Chair. & CEO	358,485			200,000	158,485
Cesare d'Amico(2)	Vice Chair.	2,040,000		345,000	200,000	2,185,000
Claudio Berretti	Dir. & Gen. Manager	0				0
Alberto Capponi	Director	0				0
Giuseppe Ferrero(3)	Director	0				0
Manuela Mezzetti	Director	0				0
Daniela Palestra	Director	0				0
Simon Paul Schapira	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 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) Claudio Berretti acquired 370,000 shares through the exercise of stock options.
(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.

(33) Remuneration of the Corporate Boards

The table below reports the monetary remuneration, expressed in Euro, to the members of the boards in 2019.

TIP office	Fees Dec. 31, 2019
Directors	18,148,286
Statutory Auditors	70,000

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.

(34) Transactions with related parties

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

Party	Type	Value/Balance at December 31, 2019	Value/Balance at December 31, 2018
Asset Italia S.p.A.	Revenues	1,003,121	1,000,268
Asset Italia S.p.A.	Trade receivables	253,075	250,000
Asset Italia 1 S.r.l.	Revenues	3,075	820,000
Asset Italia 1 S.r.l.	Trade receivables	3,075	-
Asset Italia 2 S.r.l.	Revenues	3,075	-
Asset Italia 2 S.r.l.	Trade receivables	3,075	-
Betaclub S.r.l.	Revenues	28,087	25,136
Betaclub S.r.l.	Trade receivables	28,087	25,043
BE S.p.A.	Revenues	60,000	60,000
BE S.p.A.	Trade receivables	30,000	15,000
BE S.p.A.	Financial income(dividends)	694,809	631,643
Clubitaly S.p.A.	Revenues	33,089	30,000
Clubitaly S.p.A.	Trade receivables	33,089	30,000
Clubitaly S.p.A.	Financial receivables	540,862	430,469
Clubitaly S.p.A.	Financial income/exensess)	10,393	-
Gruppo IPG Holding S.p.A.	Revenues	30,016	30,239
Gruppo IPG Holding S.p.A.	Trade receivables	30,016	30,239
TIP-pre IPO S.p.A.	Revenues	1,411,622	4,500,665
TIP-pre IPO S.p.A.	Trade receivables	128,127	4,125,036
TIP-pre IPO S.p.A.	Dividends received	4,003,895	-
TXR S.r.l.	Revenues	23,073	15,000
TXR S.r.l.	Trade receivables	23,073	15,000
TXR S.r.l.	Dividends received	510,000	345,827
C2 S.r.l.	Revenues	3,075	-
C2 S.r.l.	Trade receivables	3,075	-
C3 S.p.A.	Revenues	52,079	50,000
C3 S.p.A.	Trade receivables	52,079	50,000
C3 S.p.A.	Financial receivables	1,721,870	9,088,864
C3 S.p.A.	Dividends received	-	1,082,788
StarTIP S.r.l.	Revenues	3,769	-
StarTIP S.r.l.	Trade receivables	3,769	-
StarTIP S.r.l.	Financial receivables	30,823,957	24,463,957
Services provided to companies related to the Board of Directors	Revenues	752,795	16,000
Services provided to companies related to the Board of Directors	Trade receivables	13,000	16,000
Services received by companies related to the Board of Directors	Costs (services received)	8,268,086	7,863,909
Services received by companies related to the Board of Directors	Trade payables	7,707,393	7,226,209
Giovanni Tamburi	Revenues (services provided)	2,943	2,811
Giovanni Tamburi	Trade receivables	2,943	2,811

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

(35) Subsequent events

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

(36) 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 11, 2020

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 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, 2019.

   No significant aspect emerged concerning the above.

2. We also declare that:

   a) the separate financial statements at December 31, 2019 correspond to the underlying accounting documents and records;

   b) the separate financial statements for the year ended December 31, 2019 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 11, 2020

Attachment 1 – List of investments held

Company	Restered 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	261,991,585	20,788,639	20.30	53,184,292	86,197,441
Be Think, Solve, Execute S.p.A. (2)	Roma viale dell'Esperanto, 71	euro	27,109,165	134,897,272	43,041,054	31,582,225	23.41	10,075,911	16,596,459
Clubitaly S.r.l. (1)	Milan via Pontaccio, 10	euro	103,300	103,300	123,324,708	31,197	30.20	37,244,062	37,436,400
Elica S.p,A. (2)	Fabriano Ancona Via Ermanno Casoli, 2	euro	12,664,560	63,322,800	85,492,334	12,757,000	20.15	17,226,705	41,434,379
Gatti & Co. GmbH (2)	Frankfurt am Main Bockenheimer Landstr. 51-53	euro	35,700	35,700	739,671	10,700	29.97	221,679	275,000
Gruppo IPG Holding S.p.A. (2) *	Milan via Appiani, 12	euro	142,438	284,875	83,804,352	67,348	33.72	28,258,827	36,267,851
OVS S.p.A. (4)	Mestre Venezia Via Terraglio 17	euro	227,000,000	227,000,000	852,798,106	51,635,898	22.75	194,011,569	92,712,960
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	80,907,878	966,424	29.29	23,697,917	8,340,919

(1) Value relating to the net equity updated at 31.12.2019.

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

(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 31.1.2019.

* The fully diluted % held is 33,72%

The balance sheet values are refer to the last balance sheet filed in according to local accounting principles.

Attachment 2 - Changes in investments measured at FVOCI

						Balance at 1.1.2019		increases			descreases			
in Euro		historic cost	fair value adjustments	increase (decrease)	write-down P&L	book value fair value	acquisition or subscription	reclassificatios	fair value increase	decreases	fair value decreases	reversal fair value	P/L movements	book value 31/12/2019
Non-listed companies														
Azimut Benetti S.p.A.	737,725	38,990,000	(7,312,229)			**31,677,771**								**31,677,771**
ITH S.p.A.						**0**	16,799,591		20,488,101					**37,287,692**
Welcome S.p.A.						**0**	5,850,971							**5,850,971**
Other equity instr. & other minor		991,041				**991,041**				(264,483)				**726,558**
Total non-listed companies		**39,981,041**	**(7,312,229)**	**0**	**0**	**32,668,812**	**22,650,562**	**0**	**20,488,101**	**(264,483)**	**0**	**0**	**0**	**75,542,992**
Listed companies	**No. of shares**													
Amplifon S.p.A.	6,038,036	34,884,370	62,750,920	(12,800,884)		**84,834,406**			69,980,837					**154,815,243**
Elica S.p.A.	0					**0**	27,234,921	(26,607,009)	14,554,241			(14,554,241)	(627,912)	**0**
Ferrari N.V. USD	100,000	14,673,848	11,791,782			**26,465,630**			17,026,341	(9,858,614)		(18,843,357)		**14,790,000**
Fiat Chrysler Automobiles N.V.	0	17,656,453	6,505,056	(4,258,487)		**19,903,022**			413,783	(13,397,966)		(6,918,839)		**0**
Hugo Boss AG	1,080,000	98,578,468	(33,112,717)	5,439,049		**70,904,800**	4,756,876			(28,476,278)	(6,714,419)	6,249,805		**46,720,800**
Moncler S.p.A.	2,050,000	90,170,236	29,331,685	(57,302,421)		**62,199,500**			23,683,432	(1,528,736)		(2,210,697)		**82,143,500**
OVS S.p.A.	0	12,268,197	(3,734,997)			**8,533,200**	4,394,392	(16,662,589)	4,834,358			(1,099,361)		**0**
Prysmian S.p.A.	2,000,000	36,922,403	(7,332,423)			**29,589,980**	5,276,013		8,114,007					**42,980,000**
Other listed companies		18,313,827	380,313	106,006	(10,446,725)	**8,353,421**			85,448	(4,000,756)	(71,296)	(708,869)		3,657,948
Total listed companies		**323,467,802**	**66,579,619**	**(68,816,737)**	**(10,446,725)**	**310,783,961**	**41,662,202**	**(43,269,598)**	**138,692,447**	**(57,262,350)**	**(6,785,715)**	**(38,085,559)**	**(627,912)**	**345,107,491**
Total investments		**363,448,843**	**59,267,390**	**(68,816,737)**	**(10,446,725)**	**343,452,773**	**64,312,764**	**(43,269,598)**	**159,180,548**	**(57,526,833)**	**(6,785,715)**	**(38,085,559)**	**(627,912)**	**420,650,483**

Attachment 3 – 2019 Key Financial Highlights of the subsidiaries

	Clubdue S.r.l.	StarTIP S.r.l.	TXR S.r.l.	Clubtre S.p.A.
ASSETS				
Fixed assets	981	35,751,306	26,978,782	140,709,482
Current assets	17,692	133,255	99,484	758,780
Accrued income and prepayments	90	752	95	73
Total assets	**18,763**	**35,885,313**	**27,078,361**	**141,468,335**
LIABILITIES				
Equity	10,690	5,040,775	27,029,930	(39,647,968)
Payables	8,073	30,844,538	48,431	(101,820,367)
Total liabilities	**18,763**	**35,885,313**	**27,078,361**	**(141,468,335)**
INCOME STATEMENT				
Revenue	0	2	2	1
Costs of production	(15,731)	(66,914)	(75,600)	(77,291)
EBITDA	**(15,731)**	**(66,912)**	**(75,598)**	**(77,290)**
Amortisation & depreciation	(327)	1,210	0	0
Operating profit	**(16,058)**	**(65,702)**	**(75,598)**	**(77,290)**
Financial income	1	84,414	963,251	2,431
Interest and other financial charges	0	(1,632,640)	(368)	(616,041)
Profit before taxes	**(16,057)**	**(1,613,928)**	**887,285**	**(690,899)**
Income taxes	0	0	0	0
Profit/(loss)	**(16,057)**	**(1,613,928)**	**887,285**	**(690,899)**

Attachment 4 - Changes in investments in associated companies

in Euro	n. shares	historic cost	revaluations (write downs)	shareholders loans in equity	decreases or restitutions	reclassifications	book value 31.12.2018
Asset Italia S.p.A.	20.000.000 (1)	86,197,441					**86,197,441**
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			(2,899,809)	12,218,481	**37,683,941**
Palazzari & Turries Limited	90,000	225,000					**225,000**
Tip-Pre Ipo S.p.A.	942,854	22,787,025					**22,787,025**
Total		**191,924,594**	**0**	**41,924,346**	**(20,844,316)**	**12,218,481**	**225,223,105**

(1) Tracking shares not included

in Euro	n. shares	book value 01/01/2019	purchases	shareholders loans in equity	decreases or restitutions	reclassifications	book value 31.12.2019
Asset Italia S.p.A.	20.000.000 (1)	**86,197,441**					**86,197,441**
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.	0	**24,021,839**				(24,021,839)	**0**
Elica S.p.A.	12,757,000	**0**	273,129			41,161,250	**41,434,379**
Gatti & Co Gmbh	10,700	**275,000**					**275,000**
Gruppo IPG Holding s.r.l.	67,348	**37,683,941**		(1,416,090)			**36,267,851**
OVS S.p.A.	51,635,898	**0**	74,951,010			17,761,950	**92,712,960**
Palazzari & Turries Limited	90,000	**225,000**					**225,000**
Tip-Pre Ipo S.p.A.	942,854	**22,787,025**			(14,446,106)		**8,340,919**
Total		**225,223,105**	**75,224,139**	**(1,416,090)**	**(14,446,106)**	**34,901,361**	**319,486,409**

(1) Tracking shares not included

REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019 IN ACCORDANCE WITH ARTICLE 153 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 2429, PARA. 3, OF THE CIVIL CODE

Dear Shareholders,

In the financial year ended December 31, 2019, the Board of Statutory Auditors of Tamburi Investment Partners S.p.A. (hereafter TIP or the Company'), carried out supervisory activities in accordance with the provisions of Article 149 of Legislative Decree No. 58/98 (CFA) and Article 2403 of the Civil Code, also taking into account the principles of conduct as recommended by the National Council of Chartered Accountants and Accounting Professionals, Consob communications regarding corporate controls and the Board of Statutory Auditors' activities (in particular, Communication No. DAC/RM 97001574 of February 20, 1997 and Communication No. DEM 1025564 of April 6, 2001, subsequently supplemented with Communication No. DEM/3021582 of April 4, 2003 and Communication No. DEM/6031329 of April 7, 2006) and the Principles and Criteria contained in the Self-Governance Code.

The Board of Statutory Auditors currently in office was appointed in accordance with applicable legal, regulatory and statutory provisions. Its mandate will cease at the Shareholders' Meeting for the approval of the financial statements as at December 31, 2020.

Members of the Board of Statutory Auditors have complied with the limit on the number of offices envisaged by Article 144-*terdecies* of the Issuers' Regulation.

In accordance with CFA and Legislative Decree 39/2010, the audit is carried out by Pricewaterhouse Coopers S.p.A. (hereinafter "PWC" or the "Independent Audit Firm"), as resolved by the Shareholders' Meeting of April 9, 2014 for a duration of nine financial years (2014-2022).

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During the year in question and with reference to activities that fall within the scope of its responsibility, the Board declares to have:

- participated in all the meetings of the Board of Directors, obtaining appropriate information from directors at least on a quarterly basis on the general performance of operations and their expected development, as well as on significant transactions in terms of size and characteristics made by the company and its subsidiaries;

- acquired the elements of information needed to verify compliance with the law, By-Laws, principles of good administration and suitability of the company's organisational structure, through the acquisition of documents and information from the managers of departments concerned, as well as through regular exchanges of information with the Independent Audit Firm;
- attended, at least through its Chairperson or a differing member, the meetings of the Control and Risks and Related Parties Committee and the Appointments and Remuneration Committee and met the Supervisory Board for the exchange of information;
- monitored the functioning and effectiveness of the internal control system and the suitability of the administrative and accounting system, particularly in terms of the latter's reliability in representing accounting data, periodically meeting with the internal audit manager;
- promptly exchanged data and information relevant to the performance of respective duties with the managers of the Independent Audit Firm pursuant to Art. 150 of CFA, including by reviewing the results of work performed and the receipt of reports envisaged by Article 14 of Legislative Decree No. 39/2010 and Article 11 of EC Regulation 2014/537;
- monitored the functionality of the control system on Group companies and the suitability of instructions imparted to them, also pursuant to Article 114, paragraph 2 of CFA;
- Noted the preparation of the Remuneration Report pursuant to Article 123-ter of CFA and Article 84-ter of the Issuers' Regulation, without any observations to report;
- ascertained the compliance of statutory provisions with legal and regulatory provisions;
- monitored the procedures on the pragmatic implementation of corporate governance rules adopted by the company in accordance with the Self-Governance Code for listed companies as promoted by Borsa Italiana S.p.A.;
- supervised the compliance of the internal procedure concerning Related Parties Transactions according to the principles indicated in the Regulation approved by Consob with Resolution

No. 17221 of March 12, 2010 and subsequent amendments, and its observance, pursuant to Art. 4, paragraph 6 of this Regulation;

- monitored, through exchanges of information with the appointed boards, the fulfilment of obligations related to Market Abuse legislation (EU Regulation n. 596/2014 "MAR") and the processing of insider information and the procedures adopted by the company in this regard;
- supervised the corporate information process and verified directors' compliance with procedural rules concerning the drafting, approval and publication of the separate and consolidated financial statements;
- ascertained the methodological suitability of the impairment process implemented to determine the possible existence of impairment losses on goodwill and/or assets recorded in the balance sheet;
- verified that the Directors' Report for the financial year 2019 conformed to applicable legislation and was consistent with the decisions taken by the Board of Directors and with the facts represented in the statutory and consolidated financial statements;
- noted the content of the Consolidated Half-Year Report, without the need to report any observations, and also ascertained that the latter was published in accordance with the procedures laid down by law;
- noted the content of the Quarterly Reports, in the absence of the necessity to express any observations, while declaring that this latter were made public according to the means set out in the applicable regulation;

The Board of Statutory Auditors provided, where necessary, the legally required opinions and observations.

During the supervisory activities carried out by the Board of Statutory Auditors in accordance with the methods described above, no facts emerged from which to deduce non-compliance with the law and the By-Laws, nor to justify reports to the Supervisory Authorities or a mention in this report.

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Additional information required by Consob Communication No. DEM/ 1025564 of April 6, 2001 and subsequent amendments, is as follows.

I. Significant economic, financial and equity transactions made by the company are analytically detailed in the Directors' Report and in the separate and consolidated financial statements for the year 2019. On the basis of information provided by the company and data acquired on the aforesaid transactions, the Board of Statutory Auditors ascertained its compliance with the law, the By-Laws and the principles of correct administration, ensuring that these were not manifestly imprudent or risky, in possible conflict of interest, inconsistent with the resolutions taken by the Shareholders' Meeting or such as to compromise the integrity of corporate assets. With regards to significant transactions, in particular the Board of Statutory Auditors reports that:

- the divestment of the shares through the Furla convertible bond yielded a capital gain of approximately Euro 17 million, and the sale of the equity investment in iGuzzini, through the investee TIPO, yielded a total capital gain for TIP of approximately Euro 15.7 million, whereas the capital gains on FCA, Ferrari, Moncler and Nice totalled Euro 31.5 million. Other financial income, mainly dividends from investees and interest - was approximately Euro 9 million.
- On the closing of the iGuzzini sale of March 7, 2019, TIPO collected approximately Euro 45.1 million and received 1,781,739 Fagerhult shares. The withdrawal from Fimag on May 29, 2019 resulted in TIPO collecting Euro 24.2 million, including an extraordinary dividend, and the transfer of an additional 935,689 Fagerhult shares. TIPO in May subscribed its share of the capital increase approved by Fagerhult, with an additional investment of Euro 2.9 million for a total of 712,694 shares.
- The acquisition of control over Clubtre and the acquisition of significant influence over OVS and Elica – generated accounting effects that yielded positive contributions to the pro-forma results in 2019 of approximately Euro 36.7 million.
- Among the other associated companies in addition to TIPO, IPGH contributed a share of profit of Euro 14.1 million, Roche Bobois Euro 4.3 million and Alpitour Euro 6.8 million through Asset Italia.
- In 2019, negative adjustments to financial assets were made at pro-forma level of approximately Euro 13 million, mainly concerning the investment in Hugo Boss in view of the still poor share performance.
- On March 11, 2019, TIP acquired the entire equity investment held by Gruppo Coin 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%, with a total pay-out of Euro 91.6 million. In December, agreements were finalised with Stefano Beraldo and eight other shareholder-managers of OVS S.p.A. to sell them call options on a part of the OVS shares held by TIP. The options will be exercisable from January 1, 2023 to June 30, 2023 at the price of Euro 1.85 per share.

- In March 2019, Talent Garden completed a capital increase of Euro 23 million, in which TIP participated in the amount of Euro 5 million through StarTIP, confirming its main investor role. As a result of the transaction, the interest in Talent Garden held directly by StartTIP came to 5.9%, whereas the total indirect interest amounted to approximately 20%.
- In April, StarTIP slightly increased its holding in Buzzoole. Then, in October, StarTIP subscribed for a new capital increase by Buzzoole, for an additional investment of approximately Euro 0.6 million.
- In July 2019, StarTIP - together with other investors - acquired a stake in Bending Spoons S.p.A., acquiring 2.37% with an investment of Euro 5 million.
- Also in July 2019, TIP acquired 14.95% of ITH S.p.A., the parent company of Sesa S.p.A., a company listed on the STAR segment of Borsa Italiana, with a total investment of Euro 17 million. This transaction stipulates also put/call agreements to permit an increase in the holding up to 15.75%.
- Also in July 2019, TIP acquired from Whirlpool EMEA S.p.A. its total stake in Elica S.p.A. (a company listed on the STAR segment of Borsa Italiana), comprising 7,958,203 ordinary shares representing 12.568% of the share capital, for consideration of Euro 15,916,406. TIP agreed with Elica the acquisition of all of the treasury shares owned (equal to 2.014% of the share capital), at the same price per share agreed with Whirlpool EMEA S.p.A. with an additional investment of Euro 2.5 million. Subsequently, Elica share purchases continued. In November, the 20% threshold of capital was exceeded, resulting in a reclassification of the investment held in Elica S.p.A. to associated companies.
- On July 23, 2019, TIP acquired an additional stake of 22.95%, on a fully diluted basis, in Clubtre S.p.A. (a company holding 3.9% of Prysmian), for total additional consideration of Euro 21.2 million. Following the transaction, TIP owns 66.23% of Clubtre, on a fully diluted basis. Considering the shares directly held by TIP, the TIP Group consolidated stake in Prysmian at December 31 is 4.5%. TIP further increased its direct holding in Prysmian in early 2020. In October 2019, 125,000 additional Hugo Boss shares were acquired, for an

additional investment of approximately Euro 4.7 million, at approximately Euro 38 per share, resulting in a decline in the average carrying amount of the equity investment.

- In December 2019, in fulfilment of previous agreements, TIP acquired an approximately 12% interest in Welcome Italia S.p.A., for an investment of approximately Euro 5.8 million.
- Treasury share purchases continued in 2019 for approximately Euro 25.5 million. Of this amount, approximately Euro 10.3 million refers to the plan announced on September 26, 2019, as part of the treasury share buy-back programme approved by the Shareholders' Meeting of April 30, 2019, with execution delegated completely to third parties, to acquire a maximum additional eight million treasury shares in addition to those held at the communication date, to be undertaken on the market by January 31, 2020. Following the expiry of this plan, which overall entailed the purchase of 1,988,910 ordinary shares with a total value of approximately Euro 13 million, on February 2, 2020 a new buy-back programme was launched for up to six million additional shares, also on a fully delegated basis, to be completed by August 31, 2020.
- In June 2019, 7,561,067 warrants were exercised, including 892,650 warrants held by the executive directors, resulting in the issue of a similar number of new TIP shares and a capital increase, including share premium, of approximately Euro 37.8 million. In addition, the inclusion of Clubtre in the consolidation scope increased equity attributable to minority interests by approximately Euro 32 million.
- In December the issue of a five-year bond with a value of Euro 300 million, an annual fixed coupon of 2.5% and an issue price of 99.421 was finalised. The bonds, which are unrated, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and Borsa Italiana's MOT Professional segment. Almost all of the proceeds of this bond issue were temporarily invested in listed bonds.

II. During its audits, the Board of Statutory Auditors did not identify atypical and/or unusual transactions with third parties, group companies or related parties, as defined in Consob Communication of July 28, 2006 No. DEM/6064293. It is hereby acknowledged that information provided in the Directors` Report and in the consolidated and separate financial statements are adequate as regards significant events and transactions that do not recur frequently and any atypical and/or unusual transactions, including intragroup transactions or those with related parties.

III. The nature of intragroup and related-party transactions made by the company and its subsidiaries during 2019, the parties involved and the corresponding economic effects are illustrated in detail in the consolidated and separate financial statements. It should be noted that the company regularly maintains commercial and financial relationships with subsidiaries, represented by group companies, which consist of transactions falling within the scope of ordinary management activities and concluded in line with contractual conditions and market practices. The Board of Statutory Auditors assessed the information provided on the aforesaid transactions as being overall suitable and has concluded that, on the basis of data acquired, the latter appear consistent and in line with the company's interests. The Board of Statutory Auditors monitored compliance with the rules governing related party transactions and, in this regard, does not highlight any particular observations. The Board of Statutory Auditors considers that the information provided by the directors in the Directors' Report and the Notes to the separate and consolidated financial statements at December 31, 2019 concerning inter-party and related party transactions is adequate.

IV. The Independent Audit Firm on March 30, 2020 issued its report as per Articles 14 and 16 of Legislative Decree 39/2010 and Article 10 of Regulation (EC) No. 2014/537, in which it declared that:

- The company's separate financial statements and the Group consolidated financial statements as at December 31, 2019 give a true and fair representation of the balance sheet, the economic result and cash flows for the year ended on that date in compliance with IFRS adopted by the European Union;
- The Directors' Report and the information referred to in Art. 123-bis of the CFA contained in the Corporate Governance and Ownership Structure Report are consistent with the company's separate financial statements and Group consolidated financial statements and are drawn up in accordance with the law;
- The opinion on the separate and consolidated financial statements expressed in the abovementioned reports is in line with that indicated in the Additional Report drawn up pursuant to Art. 11 of EC Regulation No. 2014/537;

There were no findings, emphasis of matter paragraphs or statements issued pursuant to Art. 14, paragraphs 2(d) and (e) of Legislative Decree No. 39/2010 in the abovementioned Independent Audit Firm's report. 39/10.

The Independent Audit Firm also verified that the Directors prepared the second section of the Remuneration Report, as required by Article 123-ter, paragraph 8-bis of the CFA.

The regular meetings held by the Board of Statutory Auditors with the Independent Audit Firm, pursuant to Art. 150, paragraph 3 of Legislative Decree 58/98, did not reveal aspects that should be highlighted in this Report.

Moreover, the Board did not receive any disclosures from the Independent Audit Firm on reprehensible facts detected during the audit activity on the separate and consolidated financial statements.

V. The Board did not receive any statements pursuant to Art. 2408 of the Civil Code, or complaints from shareholders or third parties in the financial year 2019.

VI. During 2019, the Board of Statutory Auditors provided a:

- Favourable opinion, in accordance with Article 2389 of the Civil Code, third paragraph, at the meeting of the Board of Directors of March 14, 2019, on the proposal to adopt an incentive plan for the company's executive directors and employees;
- Favourable opinion, on April 29, 2019, concerning the proposal to purchase and dispose of treasury shares, submitted to the Shareholders' Meeting by the Board of Directors according to the terms and conditions set out in the illustrative report approved by the Board on March 14, 2019;
- Favourable opinion, in accordance with Article 2389 of the Civil Code, third paragraph, at the Board of Directors meeting of May 2, 2019, concerning the remuneration of senior directors.

VII. In 2019, on the basis of that reported by the Independent Audit Firm, no additional appointments were made to it or related entities, other than the auditing of accounts and the declaration services.

Moreover, the Board has:

a) verified and monitored the Audit Firm's independence, in accordance with Arts. 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6 of EU Regulation No. 2014/537, ascertaining compliance with applicable regulations. It also confirmed that the appointments for services, other than audits, conferred to this company do not appear to generate potential risks for the auditor's independence and for the safeguards referred to in Art. 22-*ter* of Directive 2006/ 43/EC;

b) reviewed the Transparency Report and the Additional Report drawn up by the Independent Audit Firm in compliance with EU Regulation 2014/537 noting that, on the basis of acquired information, no critical aspects emerged in relation to this Audit Firm's independence;

c) received written confirmation that, in the period from January 1, 2019 up to the time of issuing the statement of independence, the Independent Audit Firm did not find any situations that could compromise its independence from Tamburi Investment Partners S.p.A. pursuant to the combined provisions of Arts. 6, para. 2(a) of EU Regulation 2014/537, 10 and 17 of Legislative Decree No. 39/2010, as well as Arts. 4 and 5 of EU Regulation 2014/537.

d) Discussed with the Independent Audit Firm, any risks regarding its independence and the measures taken to mitigate them, pursuant to Art. 6, para. 2(b) of EU Reg. No. 537/2014.

VIII. In general, in order to acquire the information necessary to accomplish its supervisory duties, the Board of Statutory Auditors met seven times in the financial year 2019. Furthermore, the Board of Statutory Auditors participated:

- in all meetings of the Board of Directors held during the year, thus obtaining ongoing information from directors on the activities performed and on significant economic, financial and equity transactions made by the Company and its subsidiaries;
- at least through its Chairperson, or a differing member, in all meetings of the Control and Risks and Related Parties Committee and the Appointments and Remuneration Committee held during the year.

Finally, the Board of Statutory Auditors exchanged information with subsidiary companies' control bodies pursuant to Art. 151 of Legislative Decree 58/1998, without there having been ascertained any significant aspects or circumstances to be mentioned in this report.

IX. The Board of Statutory Auditors monitored the observance of law, the By-Laws and compliance with the principles of good administration. It ensured that the transactions resolved and implemented by directors conformed to the abovementioned rules and principles and were inspired by the principles of economic rationality. It also ascertained that transactions were not demonstrably imprudent or risky, in conflict with the company's interests, inconsistent with the decisions taken by the Shareholders' Meeting, or such as to compromise the integrity of corporate assets. The Board considers that the tools and governance procedures adopted by the company represent a valid safeguard for compliance with the principles of correct administration.

X. The suitability of the company and Group organisational structures was monitored through an understanding of the company's administrative structure and the exchange of data and information with the managers of the various corporate functions, the Internal Audit Department, the Supervisory Board and the Independent Audit Firm.

In the light of checks carried out and in the absence of any critical issues noted, the company's organisational structure appears to be suitable in view of the object, characteristics and size of the company.

XI. With reference to monitoring the suitability and effectiveness of the internal control system, also pursuant to the applicable Art. 19 of Legislative Decree No. 39/2010, the Board held regular meetings with the Internal Audit Manager and with the managers of other corporate departments and, through the participation of at least one of its members, in associated meetings with the Control and Risk Committee and with the Model's Supervisory Board pursuant to Legislative Decree 231/2001.

The Board noted that company's internal control system is based on a structured and organic set of rules, procedures and organisational structures aimed at preventing or limiting the consequences of unexpected results and to enable the achievement of strategic and operational objectives (that is, consistency of activities with the activities' objectives, efficiency and effectiveness and the safeguarding of corporate assets), compliance with applicable laws and regulations (compliance), and correct and transparent internal disclosure and disclosure to the market (reporting).

This system's guidelines are defined by the Board of Directors with the assistance of the Control and Risks Committee. The Board of Directors also assesses its suitability and correct functioning at least once a year.

The Board of Statutory Auditors periodically met with the Internal Audit Manager to assess the 2018 Audit Plan and its findings, both in the set-up phase and in the analysis of audits carried out and associated follow-ups.

In continuity with the past, the Board of Statutory Auditors, to the extent of its remit, was satisfied with the timely execution of internal controls, also at the subsidiaries, where necessary or appropriate in relation to the circumstances.

Tamburi Investment Partners S.p.A. has implemented the organisational model envisaged by Legislative Decree No. 231/2001 ("231 Model"), of which the Code of Ethics is an integral part, aimed at preventing relevant criminal offences pursuant to the Decree and, consequently, the extension of administrative responsibility to the company.

The Group 231 Model provides for the automatic updating with regard to the offenses which are included over time within the context of Legislative Decree No. 231/2001, in its general section. In particular, the latest update to the 231 Model was approved by the Board of Directors at the meeting of December 9, 2019.

In relation to the year 2019, on the basis of information and evidence gathered and also with the support of the Control and Risk and Related Parties Committee's preliminary activities, the Board of Directors carried out an overall assessment on the suitability of the internal control and risk management system and concluded that it is overall suitable to enable, with reasonable certainty, the adequate management of the main risks identified.

In the Board's opinion and in the light of information acquired, the company's internal control and risk management system appears suitable, efficacious and is functionally effective.

XII. The Board also monitored the suitability and reliability of the administrative and accounting system to correctly represent accounting data, by obtaining information from the managers of the respective departments, examining company documents and analysing the results of the work performed by the independent audit firm. The Executive Officer for Financial Reporting has been assigned the functions established by law and granted adequate powers and means to exercise the related duties.

The Board of Statutory Auditors took note of the statements issued by the Company's Chief Executive Officer and the Executive Officer for Financial Reporting with regard to the suitability of the administrative and accounting system in relation to the company's characteristics and the effective application of the administrative and accounting procedures for the compilation of Tamburi Investment Partners S.p.A. separate financial statements and the Tamburi Group's consolidated financial statements.

Furthermore, it monitored the financial reporting process, including through the gathering of information from the company's management and deems the company's administrative and accounting system to be suitable and reliable to correctly represent accounting data.

The Board monitored the suitability of instructions issued by the company to its subsidiaries pursuant to Art. 114, paragraph 2 of CFA and, on the basis of information rendered by the company, ascertained its suitability to provide the information necessary to fulfil the communication obligations envisaged by law, without exceptions.

XIII. The company complies with the Self-Governance Code, although the adoption of the Code's principles is not a legal requirement. The company has complied with the principles of the Code, in addition to the amendments and supplements made by the Corporate Governance Committee of Borsa Italiana. With regards to the Board of Statutory Auditors, its assigned tasks include: (i) oversight on the independence of the Independent Audit firm and the internal control and risk management system, (ii) the faculty to request the Audit firm to carry out checks, (iii) the timely exchange of information with the Internal Control and Risk Management Committee of relevant information and (iv) the verification of the correct application of the declaration criteria and procedures adopted by the Board of Directors to assess the independence of its members. With regards to this latter, the Board of Statutory Auditors verified the independence of the Non-executive Directors qualified as independent.

XIV. The company's Board of Directors is currently composed of nine directors, four of whom are independent. Its composition complies with the applicable gender equality regulation.

The independent director Mr Alberto Capponi undertakes the function of Lead Independent Director and one meeting of the independent directors was held in 2019.

The Board of Directors carried out a self-assessment on the size, composition and functioning of the Board and its Committees. The results were presented at the meeting of the Board of Directors of March 11, 2020 and are mentioned in the Corporate Governance and Ownership Structure Report.

With regard to the procedure followed by the Board of Directors to verify the independence of its members, the Board of Statutory Auditors carried out the assessments under its responsibility, noting the correct application of the criteria and procedures to assess the requirements of independence pursuant to law and the Self-Governance Code and compliance with the requirements of the administrative body's composition in its entirety.

XV. Finally, in accordance with Rule Q.1.1. "Self-assessment of the board of statutory auditors" of the Conduct Principles of the board of statutory auditors of listed companies - May 2019 edition, of Article 8 of the Self-Governance Code for the Corporate Governance of listed companies of Borsa Italiana S.p.A. and the applicable regulation, the Board of Statutory Auditors assessed the suitability for office of the members and the adequate composition of the Board, with regards to their professionalism, expertise, standing and independence, as required by the regulation. The Board of Statutory Auditors notes that each member effectively appointed by the Shareholders' Meeting of April 20, 2018 provided the information necessary to undertake the annual self-assessment of the Board of Statutory Auditors and that, on the basis of the declarations provided and the collective analysis carried out subsequently, no reasons for ineligibility or the forfeiture of office under the applicable regulation or the By-Laws arose.

Finally, the Board of Statutory Auditors has verified, and notified the company's Board of Directors, that its members possess the same requirements of independence as required for directors.

XVI. The Board of Statutory Auditors also reviewed the proposals that the Board of Directors, in its meeting of March 11, 2020 resolved to submit to the Shareholders' Meeting, and states that it has no observations to make in this regard.

XVII. Finally, the Board of Statutory Auditors carried out its own audits on compliance with legal provisions relating to the compilation of the separate financial statements and Group consolidated financial statements as at December 31, 2019, the respective explanatory notes and the Directors' Report included in them. In particular, the Board of Statutory Auditors, within the limits of its responsibility in accordance with Art. 149 of CFA, based on the audits carried out and information provided by the company, notes that the schedules to the company's separate and consolidated financial statements Tamburi Investment Partners S.p.A. as at December 31, 2019 were drawn up in compliance with the legal provisions governing their preparation and presentation. They are also compliant with International Financial Reporting Standards issued by the International Accounting Standards Board on the basis of the text published in the Official Journal of the European Community.

The separate and consolidated financial statements are accompanied by the prescribed declarations of conformity signed by the Chief Executive Officer and the Executive Officer for Financial Reporting.

Based on the foregoing considerations providing an overview of the supervisory activities carried out in the year, the Board of Statutory Auditors has not identified specific critical issues, omissions, reprehensible facts or irregularities. Moreover, it has no observations or proposals to submit to the shareholders' meeting pursuant to Art. 153 of CFA, for matters falling within its competence and has no objections to raise to the approval of the proposed resolutions submitted by the Board of Directors to the Shareholders' Meeting.

The Board of Statutory Auditors, in addition, in light of the considerations outlined and within its remit, does not note any reasons for which the financial statements at December 31, 2019 should not be approved or which are contrary to the proposal of the allocation of the net profit drawn up by the Board of Directors.

Milan, March 30, 2020

The Board of Statutory Auditors

Ms. Myriam Amato	Chairperson
Mr. Fabio Pasquini	Statutory Auditor
Ms. Alessandra Tronconi	Statutory Auditor

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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 2019, 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 2019, 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*
Investments measured at fair value through other comprehensive income ("FVOCI") *Note 13 to the separate financial statements "Investments measured at FVOCI"* The company holds significant investments in entities listed on regulated markets and in non-listed entities, for an amount of Euro 420.650 thousand as of 31 December 2019, which represents 37% of the total asset. Those investments, reported under non-current assets, are measured at fair value through other comprehensive income ("FVOCI"). 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. 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.	Our audit activities included, among other, the following procedures: • 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. Finally, we verified the adequacy of disclosures in the notes to the financial statements.

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.

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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 2019, 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 2019 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

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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 2019 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree 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, 30 March 2020

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