

# Half-Yearly Report 2019





# Half-Yearly Report

## 2019



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



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# Company Information

## Registered Office

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

## Legal Information

Subscribed and paid-up share capital €13,999,901  
Tax Code and Rome Business Reg. no.: 81020000022  
VAT no.: 01932500026  
Rome Chamber of Commerce Economic and Administrative  
Index no. 1356785  
Enrolled in the special section of the Rome Chamber of  
Commerce reserved for the CERTIFIED INCUBATORS AND  
ACCELERATORS  
LEI Code 8156001F4745B0CB0760  
Certified email: lventuregroup.pec@legalmail.it

## Organisational Chart at 30/06

### Lventure GROUP

#### ACCELERATOR

A Joint Venture with

LUISS 

 **LUISS EnLabs**  
THE STARTUP FACTORY

sponsors

 | 

#### INVESTMENTS VC

Network of 200+ Business Angels

 ANGEL  
PARTNER  
GROUP

Italian  Angels  
FCI Growth

**LV3**  
by Lventure Group

**65+ STARTUPS**

#### OPEN INNOVATION

20+ Corporate Programs

 **CARIPLO FACTORY**  
CORPORATE VENTURE

A Joint Venture for  
end-to-end innovation programs

## OUR EQUITY SHARES IN OTHER ACCELERATORS

2.92%

 **clubAcceleratori**

 **Startupbootcamp**  
FoodTech

12.30%

# Corporate Offices

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

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

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

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

### INTERNAL CONTROL SYSTEM DIRECTOR

Luigi Capello

### CONTROL AND RISK AND RELATED PARTY TRANSACTIONS COMMITTEE

Claudia Cattani (Presidente)

Maria Mariniello

Maria Augusta Fioruzzi

### REMUNERATION COMMITTEE

Claudia Cattani (Presidente)

Marco Giovannini

Maria Mariniello

### SURVEILLANCE BODY

Bruno Piperno (Presidente)

Cristiano Cavallari

Giorgia Carrarese

### INDEPENDENT AUDITORS ENGAGED UNTIL APPROVAL OF THE 2021 FINANCIAL STATEMENTS

Baker Tilly Revisa Spa

### CORPORATE OFFICER IN CHARGE OF PREPARING THE ACCOUNTING DOCUMENTS

Francesca Bartoli

# Highlights of Results

## Our figures

2

**CITIES**  
Rome and Milan

200+

**CORPORATES**  
in our ecosystem

80%

**SUCCESS RATE**  
accelerated  
startups

5K

**SQUARE METRES**  
of offices in Rome  
and Milan

2

**ACCELERATION  
PROGRAMS**  
every year

100+

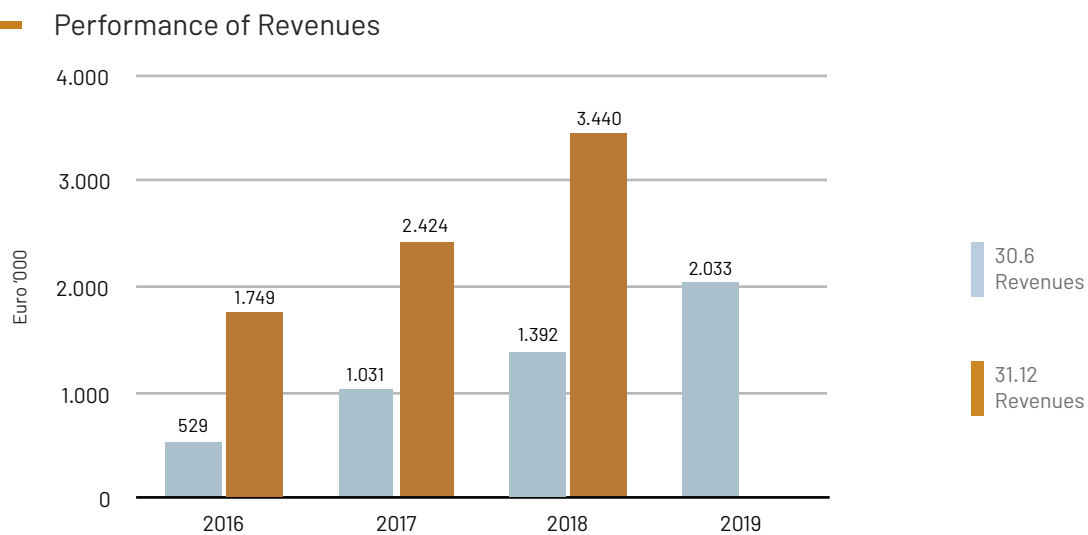
**INVESTORS**  
in our network

300+

**EVENTS**  
every year gathering  
20K+ guests

400+

**APPLICATIONS**  
every year  
in our deal flow





**65+**  
**STARTUPS**  
 in our portfolio

**€14M**  
**INVESTED**  
 by LVenture Group

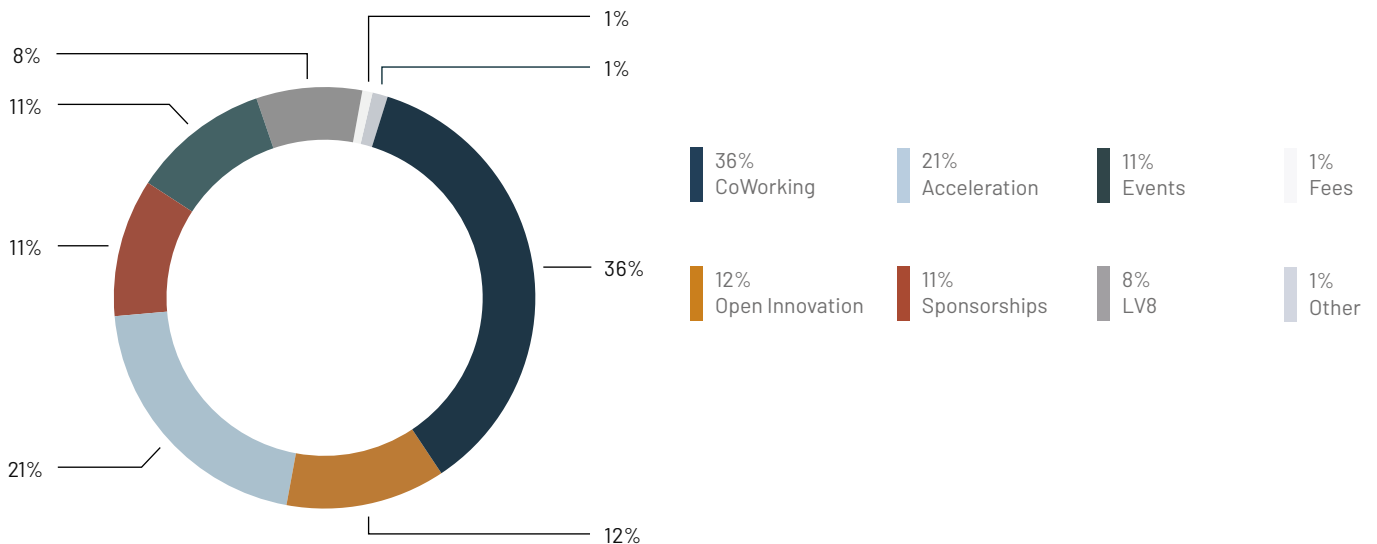
**€26M+**  
**REVENUES**  
 from our portfolio

**€48M**  
**INVESTED**  
 by other investors

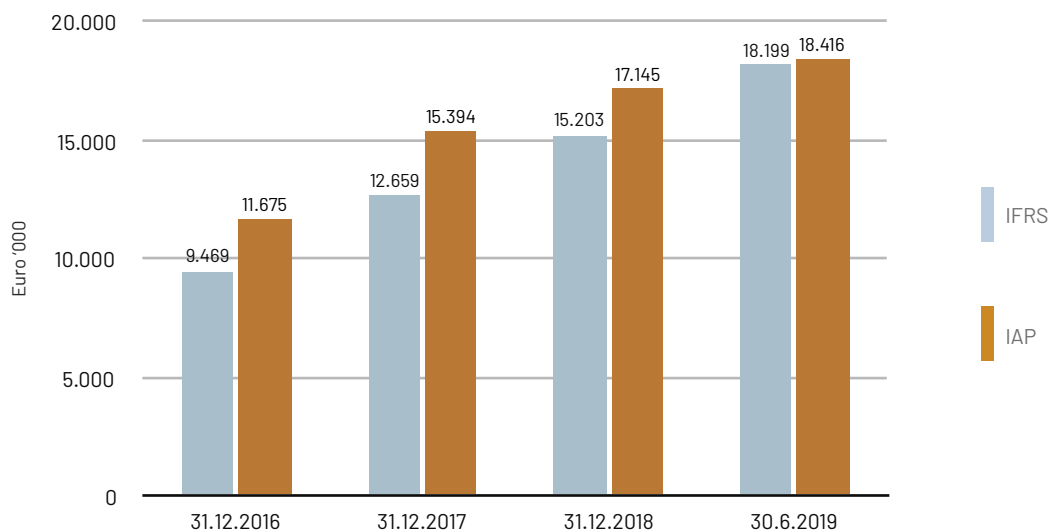
**1300**  
**JOB POSITIONS**  
 created by  
 our startups

**€62M**  
**INVESTED**  
 in our startups

Revenues by type of service provided at 30/06/2019



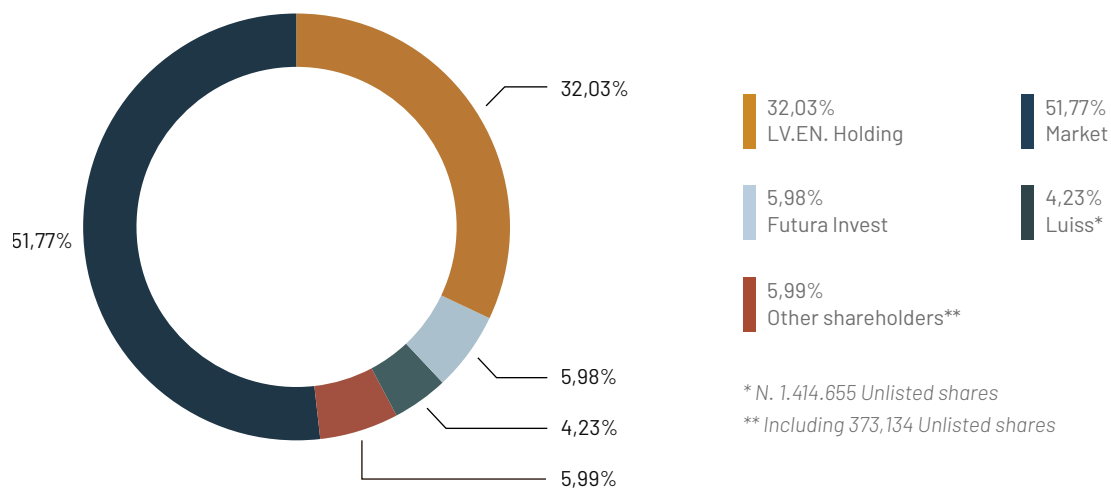
## Total Investments



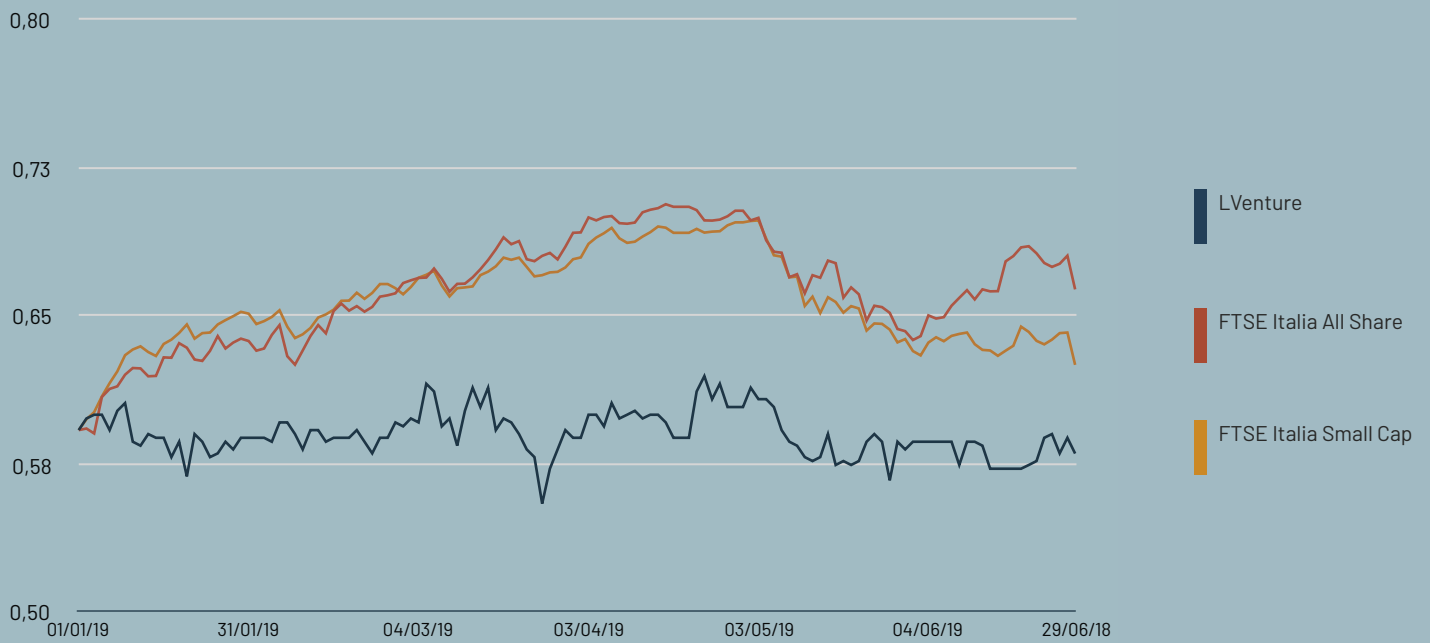
## MAIN STOCK EXCHANGE INDICATORS (EURO)

Official price at 1-Jan-2019	0.5919
Official price at 28-Jun-2019	0.5880
Minimum price during the year	0.5546
Maximum price during the year	0.6193
Stock market capitalisation 1-Jan-2019	18,750,995
Stock market capitalisation 28-Jun-2019	18,627,446
Total capitalisation 1-Jan-2019	19,809,188
Total capitalisation 28-June-2019	19,678,666
No. of listed shares outstanding at 1-Jan-2019	31,679,330
No. of listed shares outstanding at 28-Jun-2019	31,679,330
Total no. of shares outstanding at 1-Jan-2019	33,467,119
Total no. of shares outstanding at 28-Jun-2019	33,467,119

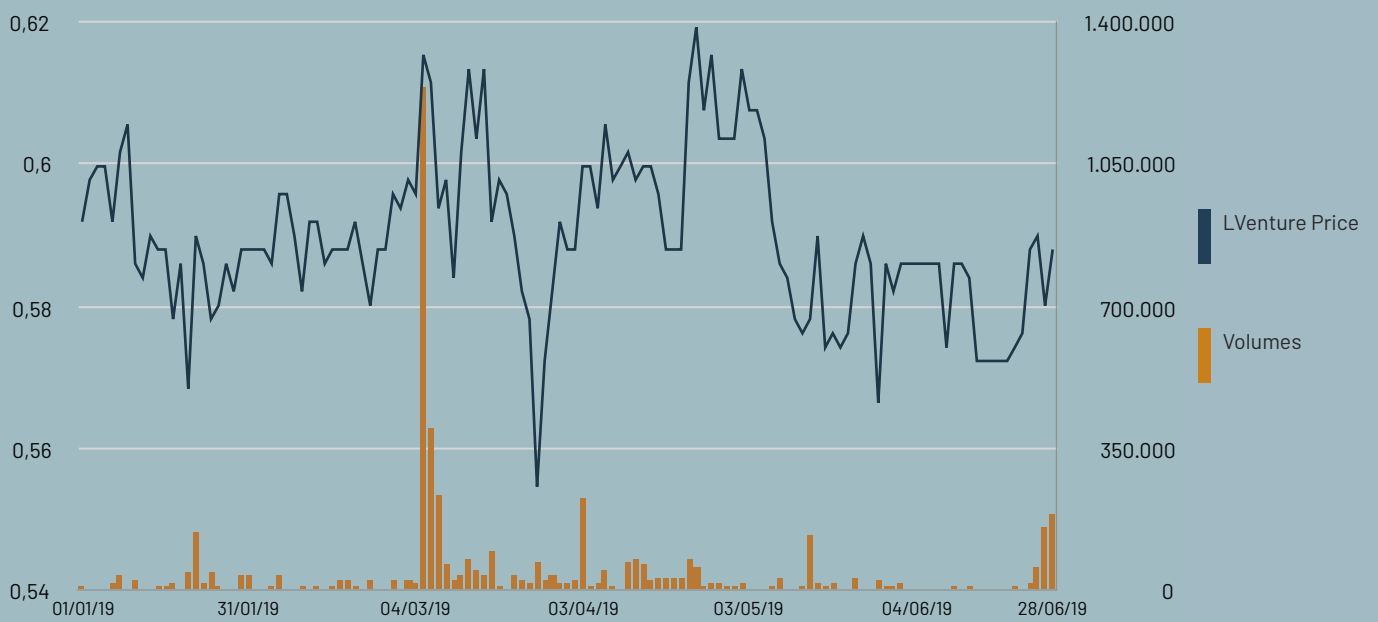
## Breakdown of the share capital of LVenture Group at 30/06/2019



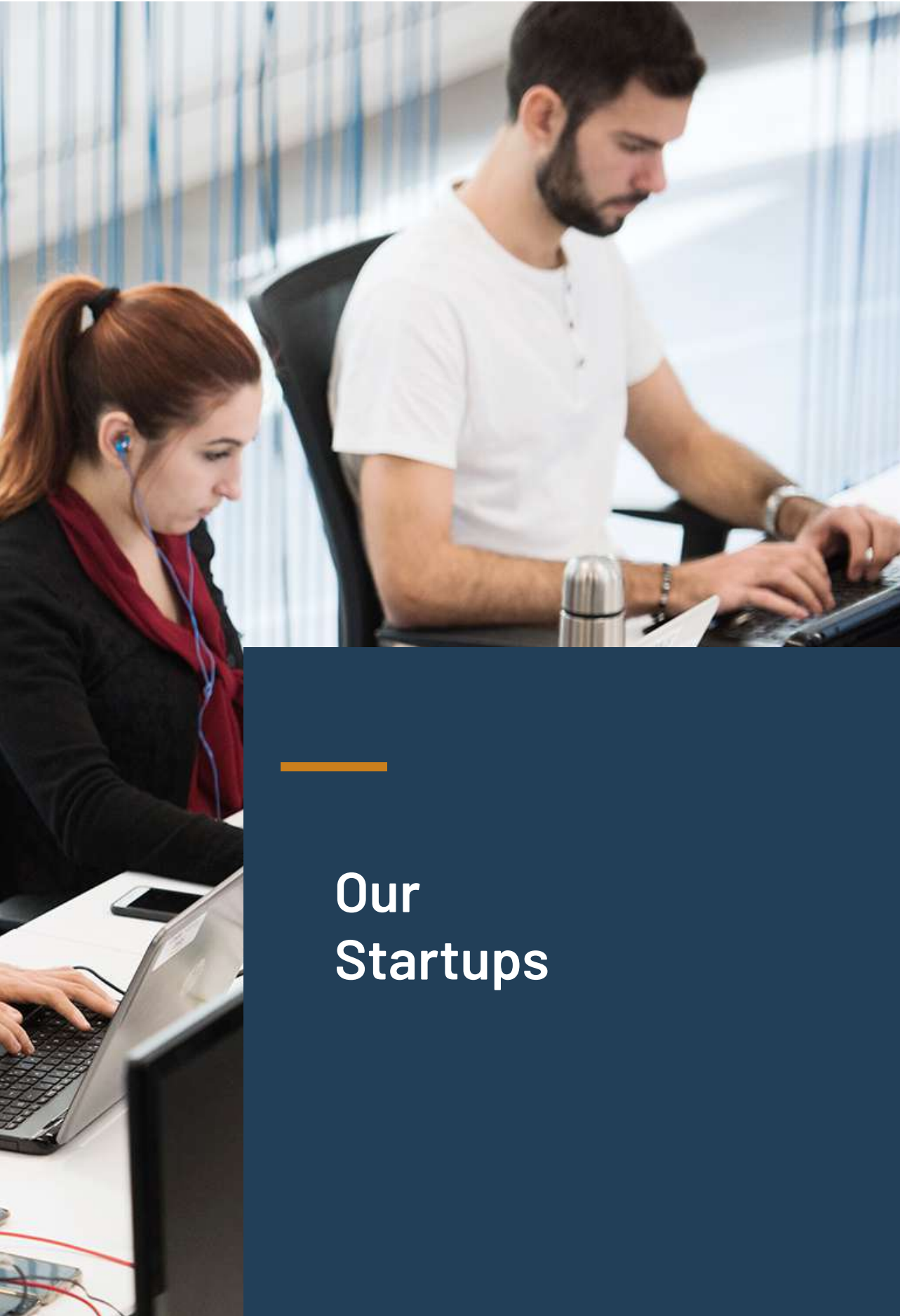
### Share performance compared to indices: ftse italia all share and ftse italia small cap



### Share performance







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## Our Startups



## ANALYTICS & BIG DATA



BigProfiles is a Big Data platform for Customer Intelligence insights.

[www.bigprofiles.it](http://www.bigprofiles.it)



Dynamitick fornisce tramite un algoritmo i migliori prezzi di vendita dei biglietti per eventi, per massimizzarne le vendite.

[www.dynamitick.com](http://www.dynamitick.com)



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

[www.genomeup.com](http://www.genomeup.com)



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

[www.kpi6.com](http://www.kpi6.com)



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

[www.lybra.tech](http://www.lybra.tech)

## COMMUNITY & EDUCATION



Stip is a platform to priorities customer care request by automating ticket management on social networks.

[www.stip.io](http://www.stip.io)



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

[www.codemotionworld.com](http://www.codemotionworld.com)



Gec is the first Italian e-sports network and e-learning platform called GETPRO.

[www.gec.gg](http://www.gec.gg)



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

[www.socialacademy.com](http://www.socialacademy.com)



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

[www.tutored.me](http://www.tutored.me)

## DESIGN & FASHION



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

[www.ambiensvr.com](http://www.ambiensvr.com)



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

[www.deesup.com](http://www.deesup.com)



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

[www.drexcode.com](http://www.drexcode.com)



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

[www.gopillar.com](http://www.gopillar.com)



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

[www.playwood.it](http://www.playwood.it)

## DEV TOOLS



Hakuna Cloud is a software to stop and start cloud servers, avoiding waste and fitting in every workflow.

[www.hakuna.cloud](http://www.hakuna.cloud)



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

[www.lexiqa.net](http://www.lexiqa.net)



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

[www.majeeko.com](http://www.majeeko.com)



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

[www.pigro.ai](http://www.pigro.ai)



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

[www.skaffolder.com](http://www.skaffolder.com)

## ENTERTAINMENT



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

[www.snapback.io](http://www.snapback.io)



UXGO automatically creates any type of website by using 56 physical cards and an app to translate them into code.

[www.uxgo.io](http://www.uxgo.io)



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

[www.yakkyo.com](http://www.yakkyo.com)



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

[www.cineapp.it](http://www.cineapp.it)



ForTune is a digital platform that creates a personalized playlist of podcasts based on user interests.

[www.fortune.fm](http://www.fortune.fm)



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

[www.gamepix.com](http://www.gamepix.com)



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

[www.karaokeone.tv](http://www.karaokeone.tv)



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

[www.keiron.fit](http://www.keiron.fit)



Nextwin is a social game for tipsters that created Invictus, the first AI-powered advisor for sports betting.

[www.nextwin.com](http://www.nextwin.com)



Soundreef is a digital instant auditing and accounting system for authors and publishers.

[www.soundreef.com](http://www.soundreef.com)



## EVENTS &amp; TRAVEL TECH

**TIR**libre

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

[www.tirolibre.it](http://www.tirolibre.it)

**apical**

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

[www.apical.org](http://www.apical.org)



**babaiola**

Babaiola is an online travel platform designed for the LGBT community.

[www.babaiola.com](http://www.babaiola.com)



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

[www.divecircle.com](http://www.divecircle.com)



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

[www.flamingoanimazione.it](http://www.flamingoanimazione.it)

## FINTECH &amp; LOYALTY



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

[www.parcy.co](http://www.parcy.co)



BigProfiles is a Big Data platform for Customer Intelligence insights.

[www.zappyrent.com](http://www.zappyrent.com)



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

[www.intimelink.com](http://www.intimelink.com)



Pubster is a loyalty app for pubs, bars and cafes to acquire and retain customers.

[www.pubsterapp.com](http://www.pubsterapp.com)



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

[www.togetherprice.com](http://www.togetherprice.com)

## FOODTECH



Direttoo is an HORECA supply-chain platform that revolutionizes food distribution.

[www.direttoo.it](http://www.direttoo.it)



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

[www.leonardsystem.com](http://www.leonardsystem.com)



Moovenda is a food delivery platform for culinary excellence.

[www.moovenda.com](http://www.moovenda.com)



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

[www.myfoody.it](http://www.myfoody.it)



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

[www.wineowine.com](http://www.wineowine.com)

## HEALTH &amp; BEAUTY



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

[www.bravepotions.com](http://www.bravepotions.com)



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

[www.callmespa.com](http://www.callmespa.com)



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

[www.epicuramed.it](http://www.epicuramed.it)



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

[www.fitprime.com](http://www.fitprime.com)



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

[www.inkdome.com](http://www.inkdome.com)

## IOT &amp; SMART MOBILITY



Medyx reminds discharged patients of their medications and dosages.

[www.medyxcare.com](http://www.medyxcare.com)



MyLab Nutrition allows sports professionals to create and purchase their food supplement directly online.

[www.mylabnutrition.net](http://www.mylabnutrition.net)



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

[www.shampora.com](http://www.shampora.com)



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

[www.2hire.io](http://www.2hire.io)



Filo is a small and simple device to track all your valuables.

[www.filotrack.com](http://www.filotrack.com)



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

[www.insoore.com](http://www.insoore.com)



Kiwi is a robot delivery infrastructure that revolutionizes the food delivery experience.

[www.kiwicampus.com](http://www.kiwicampus.com)



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

[www.manetmobile.com](http://www.manetmobile.com)



Powahome is a retrofit smart home solution that improves users' interaction with their homes.

[www.powahome.com](http://www.powahome.com)



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

[www.revotree.it](http://www.revotree.it)



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

[www.rideapp.eu](http://www.rideapp.eu)



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

[www.scuter.co](http://www.scuter.co)



Tiassisto24 is a digital vehicle management and concierge service.

[www.tiassisto24.it](http://www.tiassisto24.it)



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

[www.ufirst.com](http://www.ufirst.com)



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

[www.vikey.it](http://www.vikey.it)

## EXIT



Acquired by



[www.baasbox.com](http://www.baasbox.com)



Acquired by



[www.netlexweb.com](http://www.netlexweb.com)



Acquired by



[www.qurami.com](http://www.qurami.com)



Acquired by



[www.voverc.com](http://www.voverc.com)









“

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

”



# PRESS



L'venture Group

Un gruppo di imprenditori che hanno creato un ecosistema di startup e venture capital.

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# Directors' Report

# Company operations

**LVenture Group** is a holding company listed on the Borsa Italiana S.p.A. MTA market, which operates in the Venture Capital sector. The majority shareholder of LVenture Group is LV.EN. Holding S.r.l. which, at 30 June 2019, holds 32.03% of its share capital. Currently, however, LVenture Group has full decision-making autonomy and is not subject to management and coordination by LV. EN. Holding S.r.l.

The company has its registered office in Rome and mainly handles investments in the seed and micro-seed stages of digital startups, supporting their growth through direct, ongoing assistance.

In particular, in addition to financial resources, the Company provides:

- managerial skills and a network of advisors to support the strategy and business development of startups;
- assistance to the startup in searching for potential investors and concluding commercial contracts.

## Accelerator

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

## Capital & Know-How

With pre-seed investments, LVenture Group provides initial financial resources to the Acceleration Programme startups, which they need to develop their first business metrics, while with seed investments, the Company supports startups at the end of the Acceleration Programme, or finances startup outside

the Programme that are at a more advanced phase of development. Furthermore, at the end of last year the Company started a programme called Growth-LV8, to provide marketing and technological development support to startups post acceleration and speed up their growth.

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

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

2.broad diversification of the Investment Portfolio;

3.protection of the Company's equity investment in the startups by signing investment agreements with clauses such as, for example but not limited to, veto rights on extraordinary operations, liquidation preference and clauses protecting the Company's exit);

4.the creation of important relationships with a high number of investors (Business Angels and Venture Capitalists);

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

In order to achieve its objective, the Company has developed a business model based on three main cornerstones which bring added value to the growth of the startups: Accelerator, Capital&Know-how and Ecosystem.

## Ecosystem

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

## Support Activities

Alongside the above-mentioned cornerstones, "Support Activities" are performed which include, inter alia, the provision of a series of services and consulting for companies and/or startups. In particular, these include:

- the Open Innovation Programme, which consists of a series of advisory services dedicated to companies, in particular Scouting and Incubation

- Programmes (including vertical programmes, focused on specific issues selected in agreement with the corporate sponsors);
- Co-working services;
- the Events organised by the Company with the aim of creating relationships between parties within the Ecosystem by acting as a "sounding board" for their activities.

Finally, in 2019 the Company continued to strengthen its close relationships with Business Angel Associations associated with its Ecosystem, made up of professionals, managers and entrepreneurs who, investing directly in startups, believe in the driving force of entrepreneurship for the country's growth. In 2018, through a strategic agreement, the Company favoured the integration of the members of Angel Partner Group (APG) into Italian Angels for Growth (IAG), thereby increasing the number of Business Angels making up the Company's Ecosystem to over 200.

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

## KEY PARTNERS



## SPONSORS LUISS ENLABS



## PARTNERS & CORPORATES



## UNIVERSITIES & INSTITUTIONAL BODIES



## INVESTORS NETWORK



## ADVISORS

## 50+ INTERNATIONAL MANAGERS & ADVISORS

## SPECIAL PROJECTS



# Organisational Chart

**At 30 June 2019, the Company's Team was comprised of 49 people.**

The organisational chart is shown below, illustrating the functions and their managers:



**ROBERTO MAGNIFICO**  
Board Member

## BOARD OF DIRECTORS

9 members



**STEFANO PIGHINI**  
Chairman



**FRANCESCA BARTOLI**  
Administration



**LUIGI CAPELLO**  
CEO



**GIOVANNI GAZZOLA**  
Operations



**AUGUSTO COPPOLA**  
Accelerator



**LUIGI MASTROMONACO**  
Investment & Growth



**LORENZO FRANCHINI**  
Exit Strategy



**MONICA CASSANO**  
Communication



**GIUSEPPE TOMEI**  
Open Innovation



# Events in the first half

## Accelerator

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

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

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

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

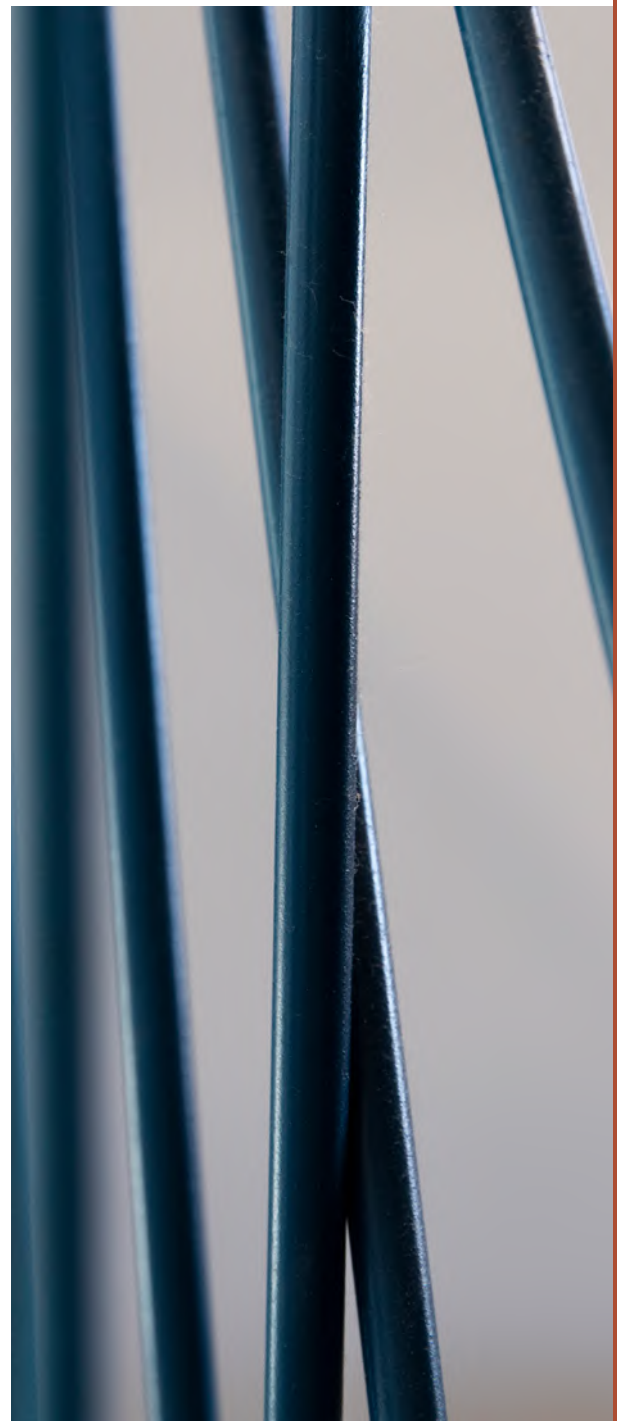
1. "Application & Selection": the period in which the new business projects are found and selected;
2. "Acceleration Programme": the 5-month period in which the business idea is developed with the support of the Accelerator;
3. "Demo Day": the closing day of the Acceleration Programme, when the startups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

Since 2013 79 digital startups have participated in Acceleration Programmes, and 61 startups have completed them. LVG has ensured adequate financial investment and a network of corporate and new investors to support them. In June 2019 the Summer 2019 Acceleration Programme began with 10 startups. It will end in November 2019.

Il deal-flow nel 2019 ha raggiunto circa n. 660 domande con un incremento del 32% rispetto al precedente anno.

Importante sottolineare che l'applicazione per partecipare al Programma di Accelerazione della Società è un processo particolarmente complesso, in quanto rappresenta un primo importante step di selezione.

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

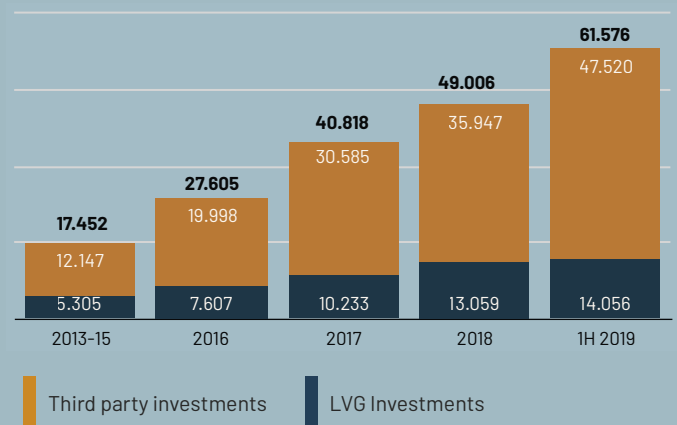
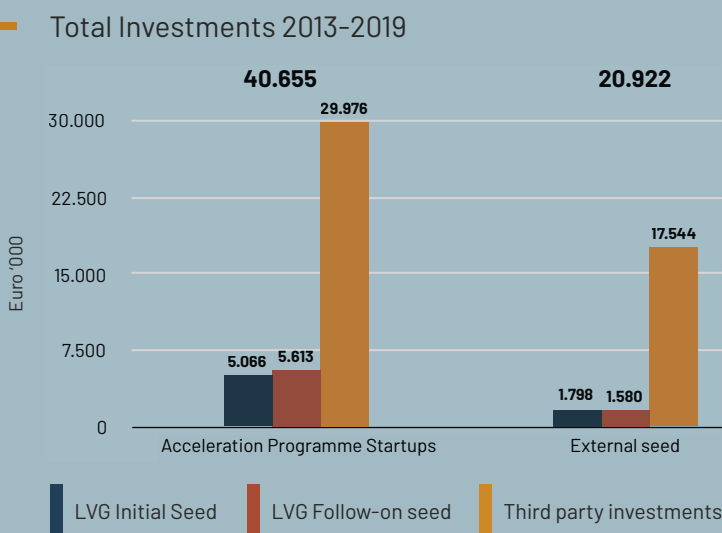




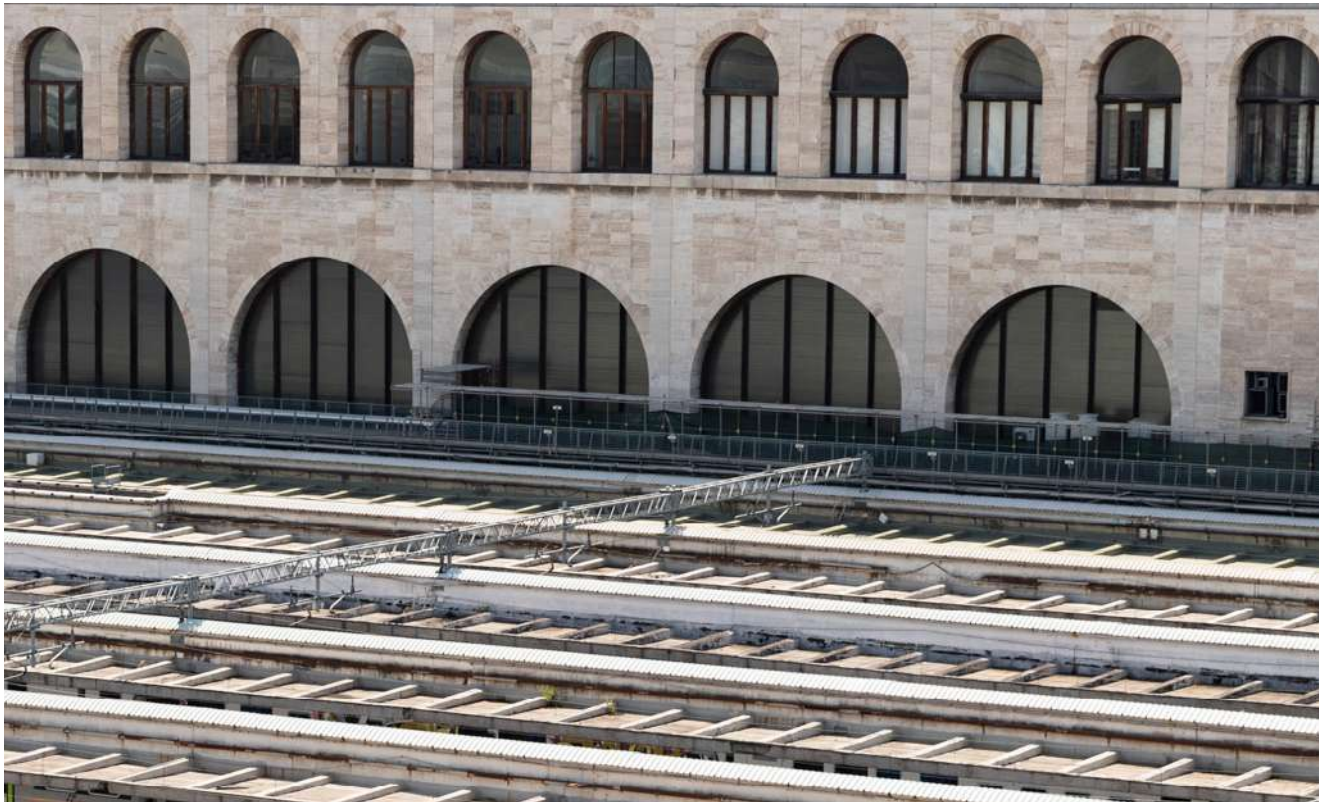
In the first half of 2019 two Demo Days were held, on 17 January 2019 and 30 May 2019. A now consolidated format with which LVenture Group invites investors, corporates and press to the head office in Rome, Via Marsala, to get to know the most promising startups from among those who have completed the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

### Capital and Know-how

From 2013 to 30 June 2019, the Company has invested in over 90 startups and attracted numerous co-investors, as follows:







The investments made in the first half of 2019 are provided in further detail in the section “Results in the first half of 2019”.

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





## Open Innovation

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

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

During the first half of 2019, Open Innovation concluded important new partnerships and strengthened pre-existing business connections.

In the first case, fruitful new relations were established with strategic partners such as Linkem, Toyota Motors Italia and Amazon Web Services; in the second, new boosts were given to the partnerships with Sara Assicurazioni, Lazio Region, Cisco and Cariplo Factory.

With regard to business and incubation projects on behalf of third parties, Open Innovation worked with LUISS Business School, Università La Sapienza and Invitalia.



## Institutional and corporate events at the Hub

In the first 6 months of 2019, the Company hosted over 200 events, also in synergy with its main partners. Around 100 meetups in both Rome and Milan were organised as #Aperitech events with startup Codemotion, investee of the LVenture Group. These events now set the standard for training and dialogue in the Italian tech communities.

The Hub of LVenture Group and LUISS EnLabs has also captured the interest of Italian and international institutional and corporate representatives of high standing, including:

- Sheryl Sandberg**, COO di Facebook;
- Fabrizio Palermo**, Chief Executive Officer and General Manager of Cassa Depositi e Prestiti;
- Pier Luigi Gilibert**, Chief Executive of the European Investment Fund.

## Press & Media Relations

In the first 6 months of 2019, LVenture Group's media presence was consolidated, with over 1,400 news items appearing in the media regarding the accomplishments achieved by the company and its extensively expanding ecosystem. Of note:

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



## Special Projects

**HITalk**, the networking format where participants can interact with leaders in digital culture and innovation, create synergies, hear the stories of and be inspired by those who are changing our lives, launched its annual programming with the meeting of 9 May, "Communicating without Intermediaries", in partnership with Università LUISS and WindTre. The following speakers gave presentations on the current issue of disintermediation:

- Laura Bononcini, Public Policy Director of Facebook for Southern Europe;
- Giulia Giraud, Radio speaker;
- Giovanni Lo Storto, General Manager of LUISS;
- Elena Dominique Midolo, CEO ClioMakeUp;
- Tiziano Tassi, CEO Caffèina;
- Fulvio Marcello Zandrini, Marketing & Communication Advisor.

5 events took place in 2019 for the spin-off "Let's HITalk About", involving a total of approximately 300 people. The issues covered included: Artificial Intelligence and Creativity, Design Sprint methodology and Growth Mindset.

**Loveltaly**, the special project of LVenture Group to protect and promote Italy's cultural and artistic heritage through forms of participation that innovate approaches and directly engage communities, implemented numerous initiatives in 2019.

Thanks to the generous support from the Ruth Stanton Foundation of New York, the considerable restoration work was started on the mural La corsa dei Barberi by Corrado Cagli at the National Academy of Dance (AND) in partnership with the Higher Institute of Conservation and Restoration (ISCR). The most important activities included the definition of a new partnership with Ciceroni Travel - a UK agency specialising in cultural tourism - to support the restoration works on Villa Farnesina, with a view to a model of sustainable tourism promoted by AITO - The Specialist Travel Association. The commitment to programming for the Italy USA Exhibition Programme continued, which Loveltaly created with the American Federation of Arts (AFA), to facilitate loans of Italian masterpieces.

**Code Your Future** is the free coding programme for refugees and low-income Italian citizens launched by LVenture Group in partnership with the international non-profit organisation of the same name. Code Your Future aims to grow the digital skills sought on the labour market in people that are at a highly disadvantaged starting point, leveraging diversity to give rise to multiple new talents for companies operating in the field of new technologies.

The course, which started in April, will end in December. It provides students with the IT training needed to become junior developers, along with English courses and development of soft skills that are crucial for success in the workplace.

## Co-Working

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

- An Open Space with 116 workstations, including those dedicated to startups participating in the Acceleration Programme;
- Offices for personnel of the Company, of the startups in the Company's Investment Portfolio or of external companies;
- Courtyard, totalling around 900 m<sup>2</sup>, which since January 2019 exclusively hosts the Facebook competence center ("Binario F"), opened in the second half of 2018 for the purpose of achieving digital training objectives.

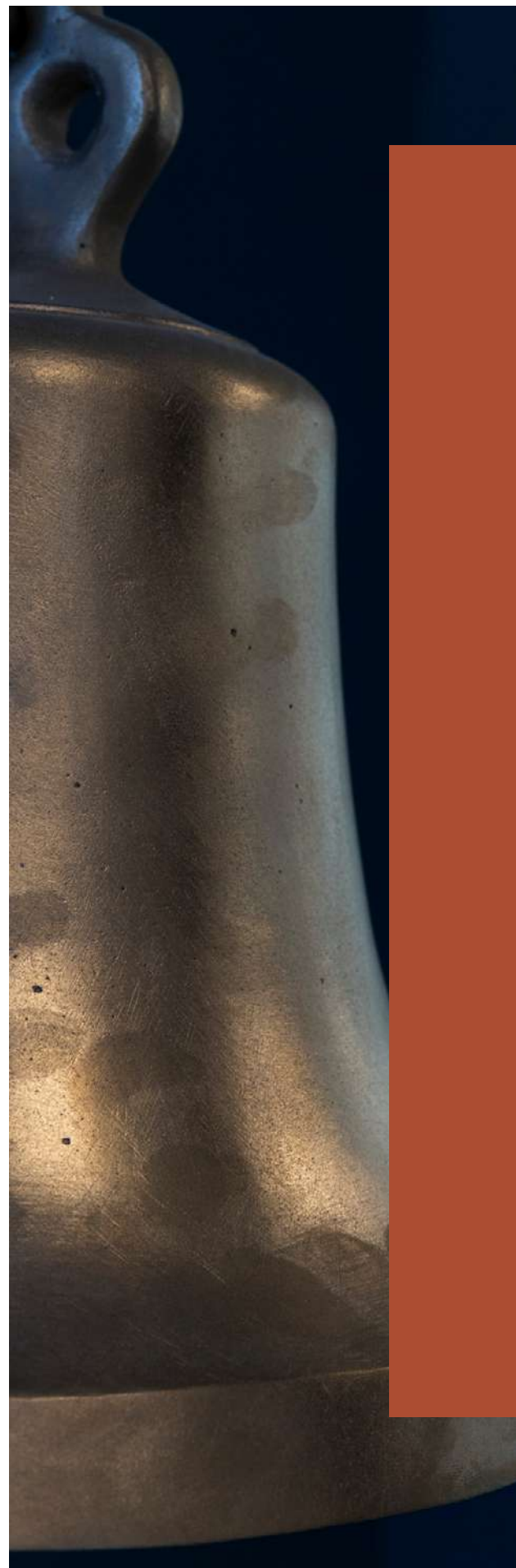
The Milan Hub is structured as follows:

- An Open Space with 40 workstations, including those dedicated to startups participating in the Acceleration Programme;
- Offices for personnel of the Company, of the startups in the Company's Investment Portfolio or of external companies;

The startups and the companies hosted in the Company's spaces (with the exception of the startups participating in the Acceleration Programme) pay the Company a monthly fee that includes, inter alia, the WI-FI service, use of printers, cleaning services and reception services.

The Company had an occupation rate of its spaces of around 90% at 30 June 2019.

Moreover, on 31 July 2019 the Company signed a rental contract with Grandi Stazioni Rail S.p.A., owner of the building complex at Termini Station in Rome, for the fourth floor of the building located in Via Marsala 29h, with a total commercial surface area of 3,000 m<sup>2</sup> (the "New Spaces"). The handover of the New Spaces is planned for the start of 2020.



# Results in the first half of 2019

## Investments

During the year, the Company made investments using a range of instruments (direct investment in the capital of startups, special type of convertible notes, convertible instruments), which are shown in various items in the financial statements. The total investments made by the Company valued by applying the IFRS as well as the Alternative Performance Indicator are shown below to enable the reader to appreciate the growth between 31 December 2018 and 30 June 2019.

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

The investments for the first half of 2019 are summarised below, also broken down by investment type:

(€ THOUSAND)	MICRO SEED	FOLLOW-ON	SEED	OTHER	TOTAL
Acceleration Programme no. 14	640	0	0	0	640
Follow-on of startups from past acceleration programmes (APs 1-13)	0	258	0	0	257
Seed for new market startups	0	0	100	0	100
Follow-on of seed startups	0	0	0	0	0
Other investments	0	0	0	0	0
<b>Total</b>	<b>640</b>	<b>258</b>	<b>100</b>	<b>0</b>	<b>998</b>

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

Along with the aforementioned portfolio valuation represented according to the IFRS standards, which must necessarily follow the rules set out in the IFRS/IAS, the Company provides an Alternative Performance Indicator (API) determined by applying the post-money value of the startup following the latest share capital increase. This criterion is to be considered in addition to, not in replacement of, IFRS standards.



During the first half of 2019 the Company made the following investments:

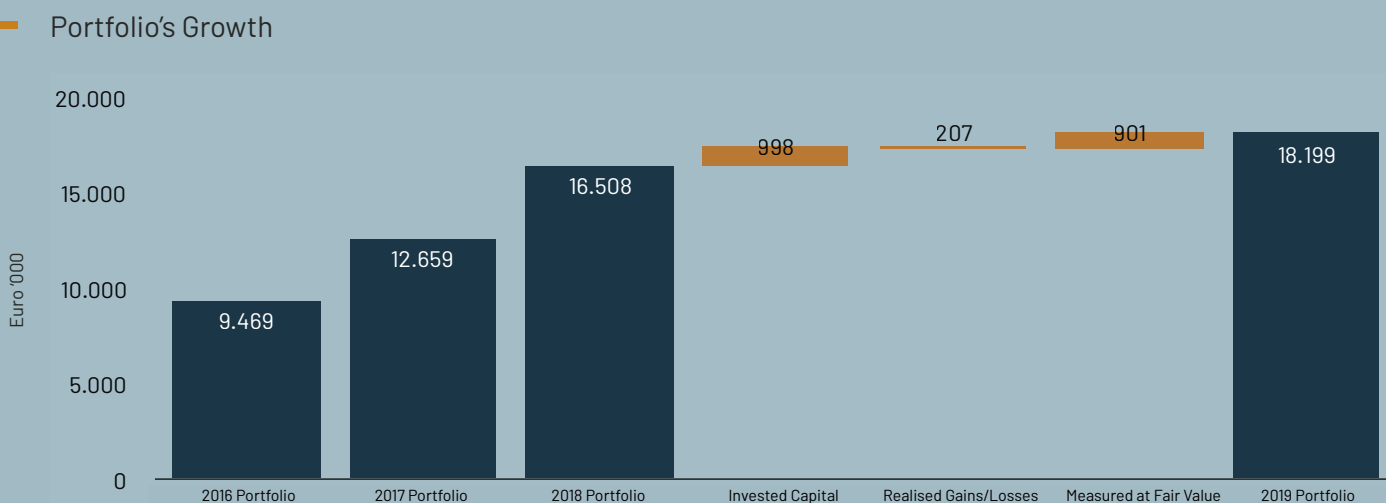
- XIV Acceleration Programme (December 2018 - May 2019) disbursed a total of €640 thousand to:

- Flamingo: an innovative entertainment service for resorts and hotels, but also for individuals, tour operators or companies that intend to organise events;
- Hakuna: is a software as a service, which reduces the costs of cloud computing, by starting, stopping and eliminating servers in real time, based on their use;
- Keiron: the first virtual reality freestyle training programme;
- Leonard: a smart, cloud-based system that simplifies communication between customers and restaurants, saving time and money for both;
- Ride: an electric, multi-vehicle shared mobility service with virtual stations, 100% Made in Italy;
- Apical: a booking suite for creators of experiences, to be used by tour operators, brands and even individuals to easily create, manage and sell experiences online;
- Stip: a platform that automates all digital customer care activities using artificial intelligence;
- UXGO: a new way of working that can be used to design and develop digital products in less than a minute;

- External seed of €100 thousand: Epicura, a digital health platform for booking home-based medical and public health services 365 days a year;
- Follow-On for Lybra Tech: Share capital increase of €150 thousand;
- Follow-On for Together Price: Share capital increase of €90 thousand;
- Purchase of shares of Qurami - UFirst: €13 thousand;
- Follow-On for Tiassisto24: Share capital increase of €5 thousand.

In addition, several startups the Company has invested in concluded the following fund raising operations, which the Company did not participate in:

- Moovenda: contribution as share capital increase and resulting merger by incorporation of Presto Food for €4,305 thousand;
- Codemotion: convertible loan of €2,500 thousand;
- Whoosnap: share capital increase of €1,000 thousand;
- Fitprime: share capital increase of €517 thousand;
- Drexcode: convertible loan of €383 thousand;
- KPI6: share capital increase of €180 thousand;
- GenomeUP: share capital increase of €90 thousand;
- Parcy: convertible loan of €30 thousand;
- Inkdome: share capital increase of €8 thousand.



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## Operating result

The operating result for the first half of 2019 showed a profit of €132 thousand (€46 thousand at 30 June 2018). This result incorporated the fair value measurements of the startups, recorded in the income statement as from 1 January 2018 as provided for by IFRS 9. The operating result for the first half 2019 benefited from this positive measurement in the amount of €902 thousand (€1,052 thousand at 30 June 2018).

## Revenues

For the first half of 2019, revenues totalled €2,033 thousand, with growth of 46% compared to the same period in the prior year. All categories of revenues grew, while Sponsorships remained relatively stable.

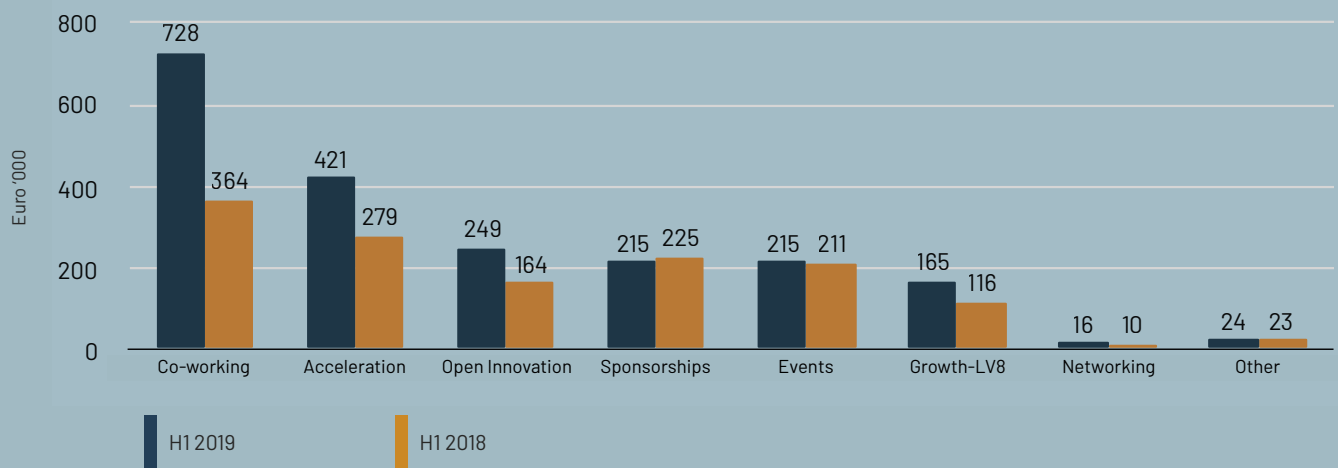
Revenues relating to Co-working were up as a result of the full utilisation and saturation of the Rome and Milan spaces. The growth in revenues related to Acceleration activities was due to the greater number of startups participating in Acceleration programmes and the increase in qualitative services offered by the programme. Revenues from Open Innovation (which include the vertical programmes) were up compared to the same period of the previous year.

## Costs

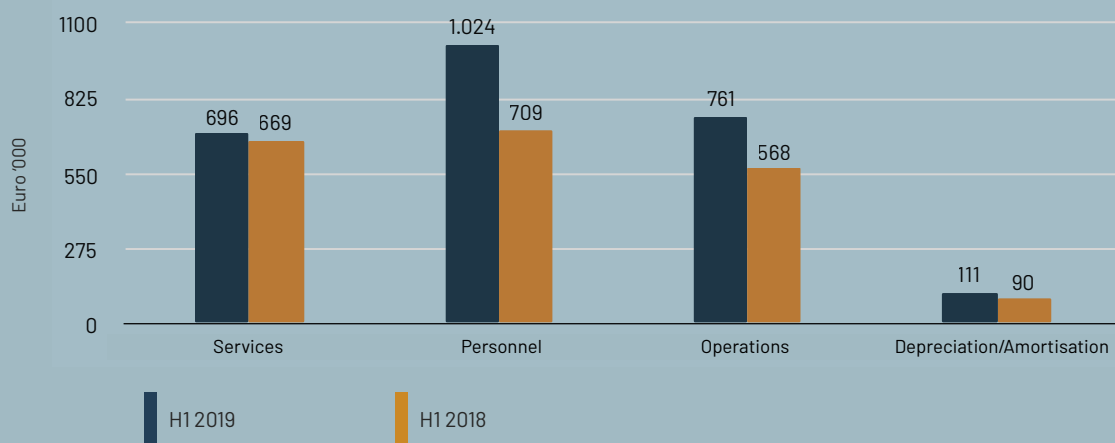
The Company has had a year of organic growth and continued strengthening of the organisational structure, in terms of the resources used, skills and experience. There was an increase in the cost of personnel both due to the increase in the number of professionals useful to the process of growth and development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



### Revenues Comparison between the two Semesters



### Costs Comparison between the two Semesters



## Net financial position and cash flow trends

The net financial position at 30 June 2019 calculated in compliance with the provisions concerning net financial debt in paragraph 127 of the CESR/05-054b recommendations implementing EC Regulation 809/2004, and in line with the Consob provisions of 28 July 2006, is included in the Notes. The table below shows the main data relating to the net financial position at 30 June 2019, 31 December 2018, and 30 June 2018.



### Net Financial Position

(€ THOUSAND)	30-Jun-19	31-Dec-18	2018 vs. 2019		30-Jun-18
			Change	% change	
Net fixed assets	16,830	14,512	2,318	0.16	12,093
Operating net working capital	-1,656	-756	-900	1.19	-339
Cash flows from financing activities	2,637	2,591	46	0.02	2,962
Employee benefits - severance indemnity	0	0	0	n.a.	0
<b>Net invested capital</b>	<b>17,811</b>	<b>16,347</b>	<b>1,464</b>	<b>0.09</b>	<b>14,716</b>
Financed by:					
Own funds	15,511	15,533	-22	0	13,950
<b>Net Financial Debt</b>	<b>2,300</b>	<b>814</b>	<b>1,486</b>	<b>1.83</b>	<b>766</b>
of which medium/long-term	-2,202	-2,507	305	n.a.	-2,935
Debt/Equity Ratio	0.14	0.16			0.21
Net financial position/net profit (loss) ratio	328.57	15.65			14.73
* Payables to related parties	79	62			31





Net invested capital rose from €16,347 thousand at 31 December 2018 to €17,811 thousand at 30 June 2019, marking an increase of €1,464 thousand. This result was the net effect of the increase of €2,318 thousand in the item “Net fixed assets”, due to greater investments made in startups, the decrease of €900 thousand in the item “Net working capital” due to the trend in current receivables and payables during the reference year, and the increase of €46 thousand in “Cash flows from financing activities”. At 30 June 2019, there were payable items to related parties of €79 thousand (€62 thousand at 31 December 2018).

The item “Own funds” decreased by €22 thousand in the first half of 2019, due to the recognition of the result for the period.

“Net financial debt”, represented by cash and cash equivalents in bank deposits and credit/debt lines with financial institutions, went from €814 thousand at 31 December 2018 to €2,300 thousand at 30 June 2019: the increase of €1,486 thousand is attributable to the net balance between inflows from share capital increases and new loans against outflows of resources for investments in startups and the Company’s ordinary operations.

At 30 June 2019, the Company had cash and cash equivalents totaling €337 thousand and a bank payable due beyond 12 months for five unsecured mortgage loans received from Banca Popolare di Sondrio and Banca Intesa San Paolo totaling €2,202 thousand. The Company is up to date with its payments of installments to the two banks.

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

<b>CASH FLOW STATEMENT (€ thousand)</b>	<b>30-Jun-19</b>	<b>31-Dec-18</b>	<b>30-Jun-18</b>
Cash flow from operations (A)	-375	-103	-440
Cash flow from investments (B)	-916	-2,877	-1,036
Cash flow from financing (C)	-150	3,699	2,613
<b>Free cash flow obtained (used)</b>	<b>-1,441</b>	<b>719</b>	<b>1,137</b>
<b>Opening net cash and cash equivalents</b>	<b>1,778</b>	<b>1,058</b>	<b>1,058</b>
<b>Closing net cash and cash equivalents</b>	<b>337</b>	<b>1,778</b>	<b>2,195</b>

# Main corporate transactions in the first half of 2019

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

## Company Shareholders' Meeting

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

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

1. to approve the Company's separate financial statements at 31 December 2018;
2. to appoint the Board of Statutory Auditors for the three-year period 2019-2021, which is composed of: Fabrizio Palma as Chairman, elected from the minority list submitted by the shareholder Futura Invest S.p.A. which holds 5.98% of the share capital, Giorgia Carrarese and Giovanni Crostarosa Guicciardi as Standing Auditors, and Simona Caricasulo and Massimo Nardinocchi as Alternate Auditors, elected from the majority list submitted by the majority shareholder LV.EN. Holding S.r.l. which holds 32.03% of the share capital. The Shareholders' Meeting also approved the remuneration of the Board of Statutory Auditors;
3. to approve the first section of the Remuneration Report prepared by the Board of Directors pursuant to art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, as amended (the "Consolidated Finance Act") and art. 84-quater of Consob Regulation no. 11971/1999, as amended (the "Issuers Regulations"), concerning the Company's remuneration policy for members of the Board of Directors and the Company's Key Managers and the procedures used to adopt and implement this policy.

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

### I. Capital Increase Delegation 2019

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

## II. Share Capital Increase 2019

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

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

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

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

b) determine - as a result of what is set forth under point a)

a) - the number of newly issued shares and the issue price (inclusive of any share premium), taking into account,

inter alia, in order to set the latter, the market conditions in general and the security performance, and considering market practice for similar operations;

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

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

## Share Capital Increase 2019

The Board of Directors' Meeting of 26 June 2019 set the Offer Period from 8 July 2019 to 25 July 2019 (inclusive).

The Option Rights can be traded on the MTA market in the period from 8 July 2019 to 19 July 2019.

The share capital increase offered in option closed on 5 August 2019 for €6,135 thousand, with subscription of 99.99%. Details are provided in Note 28.

### KEY FIGURES

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

# Business outlook



During 2019, the management will be involved in executing the guidelines of the **2019-2022 Business Plan**, submitted to the Board of Directors for approval on 4 March 2019.

The Business Plan aims, in particular, (a) to consolidate the Company's position as the primary operator of Early Stage Ventures in Italy and at European level, with particular reference to investment in innovative digital enterprises with high technological value, and (b) to pursue the development and enhancement of the startups in the portfolio in order to achieve significant returns on capital upon Exit.

In line with the Strategic Objectives outlined above, the following actions were identified in the Business Plan:

- equipping LVenture with sufficient capital to finance the process of investing in the most promising innovative digital startups selected from amongst those participating in the LUISS ENLABS Acceleration Programme or identified in the market;
- promoting the Company's international development through joint ventures with third-party accelerators, to support the activities of the Startups and increase their value;
- expanding the Ecosystem to maximise support to the Startups;
- expanding the Company's spaces;
- increasing the Company's current business lines for the stabilisation and diversification of ordinary revenues, in particular by organising Open Innovation programmes;
- strengthening the Company's organisational structure, also in terms of resources used, to allow for the management of a broader volume of investments and activities than the current.



In order to provide the Company with the financial resources necessary to achieve the strategic objectives set out in the Business Plan, the Extraordinary Shareholders' Meeting of 18 April 2019 approved:

- the share capital increase against payment, to be offered as an option to existing shareholders, for a maximum amount of €8 million;
- the granting of a mandate to the Board of Directors to authorise further reserved capital increases against payment, excluding the option right, for a maximum of €8 million to be carried out in the five years subsequent to the above mentioned Shareholders' Meeting.

The Company management is continuing the execution of the Business Plan. Specifically, since 1 July 2019 the Company has made the following investments:

- XV Acceleration Programme (June 2019 - November 2019) disbursed a total of €288 thousand to:
  - Avvocato Flash: a web platform that connects persons with legal problems with specialised attorneys throughout Italy;
  - Blooverly: the first digital wholesaler of flowers and plants in Europe, created to more effectively connect growers and resellers;
  - Confirno: an app that supports doctors and medical centres in ensuring the patient's informed consent, complying with all regulations, digitising the process and certifying the patient's understanding;
  - Getastand: a marketplace to discover and book exhibition spaces at events and tradeshows;
  - MyAedes: project management software to plan and organise construction sites;
  - MyTutela: an app that archives text messages, chats and media and records calls on your smartphone, certifying their authenticity and immutability and making it possible to use them in legal proceedings;

- Oil2B: the first B2B e-commerce site for lubricant oil, dedicated exclusively to Garages;
- Oral3D: the first startup created exclusively to offer 3D printing solutions to dentists;
- Overbooking: created with the goal of facilitating the transfer of guests from one overbooked structure to another of the same or higher category;
- PunchLab: an app for punching bag boxing workouts that measures and reacts to your punches to create interactive, personalised training, using only the sensors on your smartphone;
- Follow-On for Shampora: €100 thousand for a convertible loan.
- Follow-On for Filo: €50 thousand for a convertible loan;
- Follow-On for RiDe: Share capital increase of €50 thousand;
- Follow-On for Deesup: Share capital increase of €20 thousand;
- Follow-On for Social Academy: Share capital increase of €10 thousand.

In addition, several startups the Company has invested in concluded the following fund raising operations, which the Company did not participate in:

- Soundreef: convertible loan of €2,500 thousand;
- Kiwi: share capital increase of €2,000 thousand.

On 31 July 2019 the contract was signed with Grandi Stazioni Rail S.p.A. to expand our spaces, and at the date of this report, the works were under way for the handover of the premises.

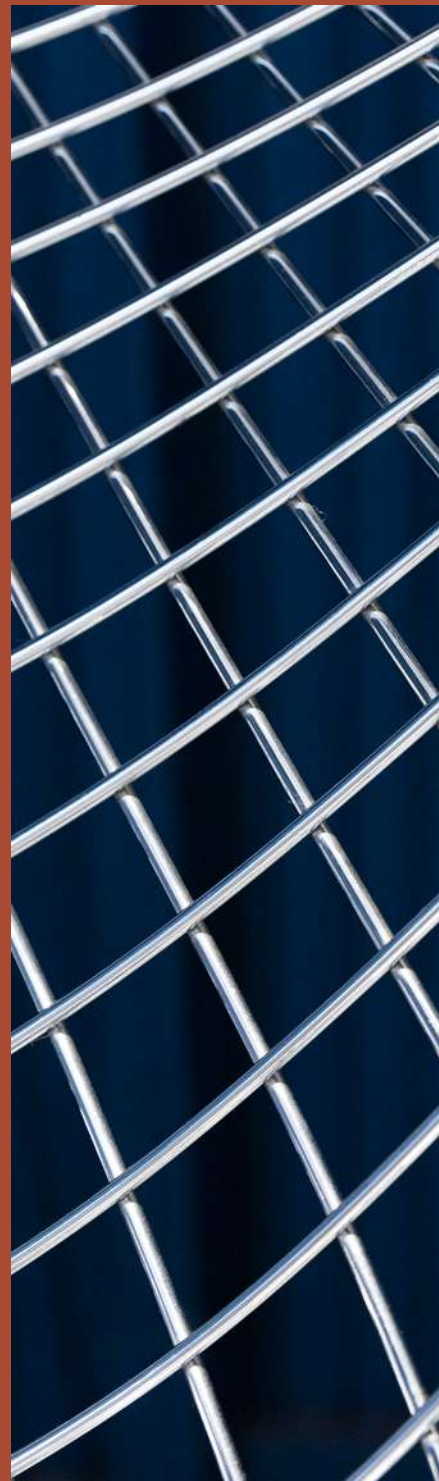
# Approval of the Half-Yearly Report

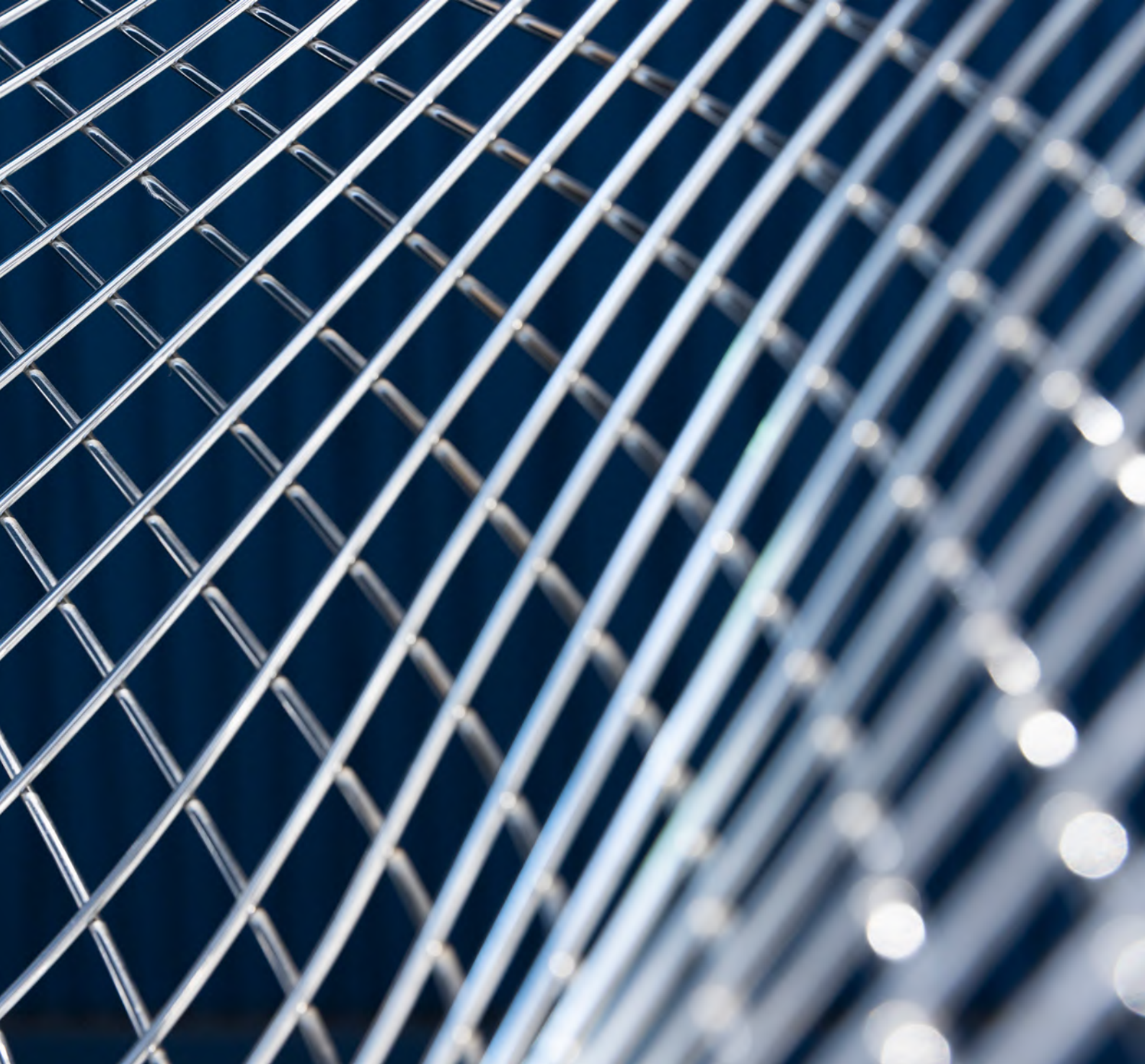
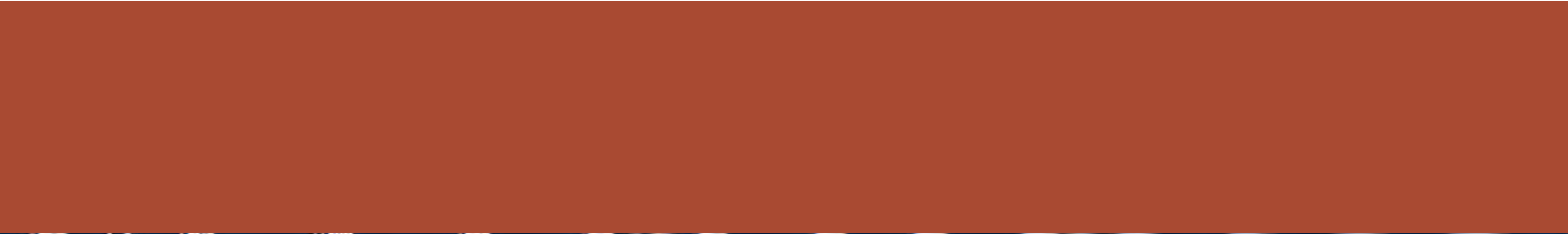
The Half-Yearly Report at 30 June 2019 of LVenture Group was approved by the Board of Directors today.

Rome, 12 September 2019

*Stefano Pighini*

On behalf of the Board of Directors













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# Condensed Half-Yearly Financial Statements at 30 June 2019

## FINANCIAL STATEMENTS

NOTES	STATEMENT OF FINANCIAL POSITION <i>in Euro '000</i>	30-JUN-19	31-DEC-18
	<b>ASSETS</b>		
	<b>NON-CURRENT ASSETS</b>		
	Property, plant and equipment and other machinery	648	662
	Goodwill and other intangible assets	109	105
6	Securities and equity investments	16,553	15,203
7	Receivables and other non-current assets	1,646	1,305
	Deferred tax assets	174	148
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,130</b>	<b>17,423</b>
	<b>CURRENT ASSETS</b>		
8	Trade receivables	519	926
	Current financial assets	133	272
	Other receivables and current assets	104	188
9	Cash and cash equivalents	337	1,778
	<b>TOTAL CURRENT ASSETS</b>	<b>1,092</b>	<b>3,163</b>
	<b>TOTAL ASSETS</b>	<b>20,223</b>	<b>20,586</b>
	<b>LIABILITIES</b>		
10	<b>SHAREHOLDERS' EQUITY</b>		
	Share capital	10,932	10,932
	Other reserves	4,572	1,174
	Profit (loss) carried forward	0	3,026
	Net profit (loss)	7	401
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15,511</b>	<b>15,533</b>
	<b>NON-CURRENT LIABILITIES</b>		
11	Non-current payables to banks	2,202	2,507
	Other non-current financial liabilities	0	0
	Other non-current liabilities	3	3
	Provisions for risks and charges	0	0
	Provisions for employee benefits	0	0
	Deferred tax liabilities	95	75
	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,300</b>	<b>2,585</b>
	<b>CURRENT LIABILITIES</b>		
12	Current payables to banks	528	326
	Other current financial liabilities	37	26
13	Trade and other payables	966	875
	Tax payables	96	141
	Other current liabilities	785	1,100
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2,412</b>	<b>2,468</b>
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>20,223</b>	<b>20,586</b>

NOTES	INCOME STATEMENT <i>in Euro '000</i>	30-JUN-19	30-JUN-18
14	Revenues and other income	2,033	1,392
15	Costs for services	-696	-669
16	Personnel costs	-1,024	-709
17	Other operating costs	-761	-568
	<b>Gross operating margin</b>	<b>-448</b>	<b>-554</b>
	Depreciation and impairment losses on tangible assets	-103	-80
	Amortisation and impairment losses on intangible assets	-8	-11
	Provisions and write-downs	-13	-13
18	Realised gains/losses on investments	-198	-349
19	Revaluations/Impairment at fair value	902	1,052
	<b>Operating result</b>	<b>132</b>	<b>46</b>
	Financial income	0	0
	Financial expenses	-49	-38
	Other income and expenses	-82	56
	<b>Pre-tax profit (loss)</b>	<b>1</b>	<b>64</b>
	Income taxes	6	-13
	<b>Net profit (loss)</b>	<b>7</b>	<b>52</b>

STATEMENT OF COMPREHENSIVE INCOME <i>in Euro '000</i>	30-JUN-19	30-JUN-18
<b>Net profit (loss)</b>	<b>7</b>	<b>52</b>
<i>Other comprehensive income net of taxes</i>		
- Effect of the effective portion of gains and losses on hedging instruments in a cash flow hedge	-11	-14
<b>Total other comprehensive income net of taxes</b>	<b>-11</b>	<b>-14</b>
<b>Comprehensive income</b>	<b>-4</b>	<b>38</b>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY <i>in Euro '000</i>	SHARE CAPITAL	SHARE- PREMIUM RESERVE	FAIR VALUE RESERVES*	RESERVE FOR STOCK OPTION PLAN	PROFIT (LOSS) CARRIED FORWARD*	LEGAL RESERVE	UNDIVIDED PROFITS (RESTRICTE D PORTION)	PROFIT (LOSS) FOR THE YEAR	CLOSING BALANCE*
<b>Balance at 31/12/2017</b>	<b>9,732</b>	<b>1,274</b>	<b>3,952</b>	<b>5</b>	<b>-566</b>	<b>0</b>	<b>0</b>	<b>-1,642</b>	<b>12,755</b>
Change according to the provisions of IAS 8	0	0	-3,961	0	2,989	0	0	0	-972
Share capital issue	1,200	1,152	0	0	0	0	0	0	2,352
Coverage of losses	0	-1,274	0	0	603	0	0	1,641	970
Fair Value Measurement financial instruments and Stock Option	0	0	-17	43	0	0	0	0	26
Profit (loss) for the year	0	0	0	0	0	0	0	401	401
<b>Balance at 31/12/2018</b>	<b>10,932</b>	<b>1,152</b>	<b>-26</b>	<b>48</b>	<b>3,026</b>	<b>0</b>	<b>0</b>	<b>401</b>	<b>15,533</b>
Legal reserve	0	0	0	0	0	20	0	-20	0
Share capital issue	0	0	0	0	0	0	0	0	0
Expenses linked to share capital increase	0	-43	0	0	0	0	0	0	-43
Coverage of losses	0	-943	0	0	-3,026	0	0	0	-3,969
Fair Value Measurement financial instruments and Stock Option	0	0	-11	34	0	0	0	0	23
Undivided profits reserve (restricted portion)	0	0	0	0	0	0	3,960	-381	3,579
Profit (loss) for the year	0	0	0	0	0	0	381	7	388
<b>Balance at 30/06/2019</b>	<b>10,932</b>	<b>166</b>	<b>-37</b>	<b>82</b>	<b>0</b>	<b>20</b>	<b>4,341</b>	<b>7</b>	<b>15,511</b>

<b>CASH FLOW STATEMENT</b> <i>in Euro '000</i>	<b>30-JUN-19</b>	<b>31-DEC-18</b>
<b>Cash flow from operations</b>		
Collections from customers	2,339	4,682
Other collections	20	44
(Payments to suppliers)	-1,220	-2,712
(Payments to personnel)	-1,253	-1,824
(Other payments)	-129	-191
(Legally mandatory/tax charges)	-132	-102
Interest collected/(paid)	0	0
<b>Cash flow from operations (A)</b>	<b>-375</b>	<b>-103</b>
<b>Cash flow from investments</b>		
<b>Property, plant and equipment</b>		
(Investments)	-67	-345
Divestment sale price	0	0
<b>Intangible assets</b>		
(Investments)	0	0
Divestment sale price	0	0
<b>Financial fixed assets</b>		
(Investments)	-997	-2,825
Divestment sale price	149	293
<b>Cash flow from investments (B)</b>	<b>-916</b>	<b>-2,877</b>
<b>Cash flow from financing</b>		
<b>Third party funds</b>		
New loans	0	1,588
(Repayment of loans)	-106	-210
(Interest paid on loans)	-44	-80
<b>Own funds</b>		
Share capital increase against payment	0	2,402
Sale (purchase) of treasury shares	0	0
Dividends (and advances on dividends) paid	0	0
<b>Cash flow from financing (C)</b>	<b>-150</b>	<b>3,699</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>-1,441</b>	<b>719</b>
<b>Opening cash and cash equivalents</b>	<b>1,778</b>	<b>1,058</b>
<b>Closing cash and cash equivalents</b>	<b>337</b>	<b>1,778</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. General notes

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

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

At 30 June 2019, **32.03%** of the share capital of LVenture Group is held by LV.EN. Holding Srl.

The Condensed Half-Yearly Financial Statements at 30 June 2019 were approved by the Board of Directors of LVenture Group on 12 September 2019 and were subject to a limited audit by the Independent Auditors Baker Tilly Revisa S.p.A.

### 2. Use of estimates and causes of uncertainty

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

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

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

### 3. General reporting criteria

The Condensed Half-Yearly Financial Statements at 30 June 2019 of LVenture Group were drawn up pursuant to art. 154-ter, paragraph 2, 3 and 4 of the Consolidated Finance Act introduced by Italian Legislative Decree 195/2007 in implementation of directive 2004/109/EC (the "Transparency" directive). These condensed half-yearly financial statements are compliant with International Accounting Standard 34 (IAS 34) - Interim Financial Reporting, adopted in accordance with the procedure pursuant to art. 6 of regulation (EC) no. 1606/2002; therefore, they do not include all of the information required in the annual financial statements and must be read in conjunction with the financial statements prepared for the year ended at 31 December 2018.

The condensed half-yearly financial statements include the statement of financial position and income statement of LVenture Group S.p.A. prepared with a reference date of 30 June 2019 (1 January - 30 June).

The financial statements (income statement, statement of comprehensive income, statement of financial position, cash flow statement and statement of changes in shareholders' equity) were drawn up in extended form and are the same as those adopted at 31 December 2018.

As set forth in IAS 34, the notes were instead drafted in condensed form, and refer exclusively to items in the income statement, statement of financial position, and cash flow statement the composition or change of which, due to amount or nature, is significant and therefore which identify additional information required to properly understand the Company's profit and loss and financial position as at 30 June 2019.

### 4. Alternative Performance Indicator (API)

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

The Company determines the alternative performance indicator as follows:

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

## 5. Measurement criteria and accounting standards

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

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

**Accounting standards, amendments and interpretations endorsed by the European Union and applicable at 1 January 2019 that are applied for the first time in the Company's Condensed Half-Yearly Financial Statements at 30 June 2019:**

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

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

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

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

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

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

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

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

- **Amendments to IFRS 10 and IAS 28:** "Sale or Contribution of Asset between an Investor and its Associate or Joint Venture" (issued on 11 September 2014). The purpose of the document is to resolve a conflict between the provisions of IFRS 10 and IAS 28 in the event that an investor sells or contributes a business to its associate or joint venture, requiring the recording of the gain or loss resulting from the loss of control in full at the time of the sale or contribution of the business, or partially in the event that this involves only individual assets. IASB deferred the adoption of this amendment until its project on the equity method has been completed. Based on an initial examination, the possible future adoption of that standard should not have a significant impact on the Company's financial statements.
- **Amendments to IAS 40:** "regarding transfers of investment property". Document issued by IASB on 8 December 2016 with effective date of 1 January 2018. The amendment entails the following: i) amendment of paragraph 57 of IAS 40 to state that an entity shall transfer a property to, or from, investment property only when there is evidence of a change in use, ii) designation of the list of evidence in paragraph 57 (a) - (d) as a non-exhaustive list of examples. Based on an initial examination, the possible future adoption of that standard should not have a significant impact on the Company's financial statements.

- **IFRIC 22:** “Foreign Currency Transactions and Advance Consideration”. Document issued by IASB on 8 December 2016 which covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. The IASB expects to adopt this on 1 January 2018. Based on an initial examination, the possible future adoption of that interpretation should not have a significant impact on the Company’s financial statements.
- **“Annual improvements to IFRSs: 2014-2016 Cycle”.** Document issued by IASB on 8 December 2016 with effective date of 1 January 2018. The work involved the following accounting standards: i) IFRS 1 - the short-term exemptions set out in paragraphs E3-E7 have been deleted, because they have now served their intended purpose; ii) IFRS 12 - the scope of the standard has been clarified by specifying that the disclosure requirements, except for those in paragraphs B10-B16, apply to an entity’s interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5; iii) IAS 28 - it was clarified that the election to measure at fair value through profit and loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization is available for each investment in an associate or joint venture upon initial recognition. Based on an initial examination, the possible

future adoption of that standard should not have a significant impact on the Company’s financial statements.

## 5.1. Transactions in foreign currency

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

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

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

The rates applied are shown in the table below:

	CLOSING EXCHANGE RATE	AVERAGE EXCHANGE RATE
US dollar/euro	1.1380	1.1419

## 5.2. Equity investments in startups (IFRS 9 and IFRS 13)

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

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

- post-money value related to the most recent equity investment received by the startup;

- market multiples or benchmarks for similar transactions;
- discounted cash flow;
- shareholders’ equity.

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

- a. in the presence of a significant share capital increase (fully subscribed and paid up), or another transaction on the share capital of the startup in which there are relevant third-party investors, the post-money valuation is used as an indicator of a market value of the startup;
- b. in the presence of a share capital increase, or another transaction on the share capital of the startup not completely finalized or which takes place in tranches in which there are third-party investors not complying with the previous clauses pursuant to point a), the pre-money valuation is used plus the cash inflows paid in at the cut-off date, as an indicator of a market value of the startup;

- c. if in the last 24 months no transaction took place on the share capital and there are positive performance indicators, the Company uses a valuation that is benchmarked to the revenue multiples that would be generated by an analysis of similar transactions carried out by companies that operate in the same sector as the relevant startup and/or the discounted cash flow;
- d. in the previous case and in the presence of negative performance indicators, the company shall carry out an impairment test.

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

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

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

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

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

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

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

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

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

### 5.4. Derivative financial instruments and recording hedging transactions

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

The Company uses interest rate swaps to manage the risk of fluctuations in interest rates. Contracts relating to derivative financial instruments are entered into with counterparties selected from the most financially solid in order to reduce the risk of contractual default to the

minimum. The Company does not use derivative financial instruments for purposes of mere trading, but for economic hedging of risks identified.

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

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

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

### 5.5. Receivables and payables (IAS 32)

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

### 5.6. Cash Flow Statement (IAS 7)

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



## 5.7. Segment reporting

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

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

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

The reclassification of the income statement by business segment as described above is shown below, which shows that the venture capital segment achieved growth in results compared to the same period of the previous year:

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Revenues and other income	609	412	1,424	981
<b>Total</b>	<b>609</b>	<b>412</b>	<b>1,424</b>	<b>981</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Costs for services	208	228	1,249	1,009
<b>Total</b>	<b>208</b>	<b>228</b>	<b>1,249</b>	<b>1,009</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Wages and salaries	279	178	469	322
Social security costs	80	44	123	84
Severance indemnity and other provisions	33	9	39	72
<b>Total</b>	<b>392</b>	<b>232</b>	<b>631</b>	<b>478</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Gross operating margin	9	-48	-457	-506
<b>Total</b>	<b>9</b>	<b>-48</b>	<b>-457</b>	<b>-506</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Depreciation, amortisation and provisions	0	0	-124	-104
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-124</b>	<b>-104</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Realised gains/losses on investments	-198	-349	0	0
<b>Total</b>	<b>-198</b>	<b>-349</b>	<b>0</b>	<b>0</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Revaluations/ Impairment at fair value	902	1,052	0	0

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
<b>Total</b>	<b>902</b>	<b>1,052</b>	<b>0</b>	<b>0</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Financial/ extraordinary operations	0	0	-132	18
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-132</b>	<b>18</b>

IN EURO '000	VENTURE CAPITAL 30-JUN-19	VENTURE CAPITAL 30-JUN-18	OTHER ACTIVITIES 30-JUN-19	OTHER ACTIVITIES 30-JUN-18
Net profit (loss) before taxes	713	656	-712	-592
<b>Total</b>	<b>713</b>	<b>656</b>	<b>-712</b>	<b>-592</b>

## 5.7. Information about financial risks

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

### Credit risks

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

The maximum theoretical exposure to credit risk for the Company is represented by the carrying amount of financial assets recognized in the half-yearly financial statements, equal to €2,255 thousand (non-current financial assets + trade receivables).

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

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

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

Processes concerning lending and investment in the sector in which the Company operates are subject to specific

procedures. Process mapping is in the completion phase and procedures are in the redefinition and implementation phase.

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

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

### Interest rate risk

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

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

### Liquidity risk

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

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

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

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

At 30 June 2019, the net financial debt was €2,300 thousand, consisting of liquid assets for €337 thousand and medium/long-term liabilities for €2,637 thousand.

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

#### **Fair value disclosure**

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

The FVH levels are:

- Level 1: prices listed on active markets for identical instruments (i.e., with no modifications or repackaging).
- Level 2: prices listed on active markets for similar asset or liability instruments or calculated through valuation techniques in which all significant inputs are based on observable market parameters.
- Level 3: valuation techniques in which any significant input for the fair value measurement is based on non-observable market data.

The fair values of "Securities and equity investments" outstanding at 30 June 2019 (Note 6) and "Receivables and other non-current assets" (Note 7) are classified in Level 3. There are no other financial instruments measured at fair value. For the assets and liabilities valued at amortized cost, given their nature, it is reasonable to believe that the fair value is not significantly different from the carrying amounts.

## 6. Securities and equity investments

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

IN EURO '000	30-JUN-19	31-DEC-18
<b>Balance at the end of the previous year</b>	<b>15,203</b>	<b>12,099</b>
Investments during the period	357	1,583
Conversion into equity of PFIs (special type of convertible notes)/convertible loans	150	105
Divestments	0	-472
Realised gains/(losses)	-198	-479
Measurement at Fair Value	1,040	2,367
<b>Balance at the end of the year</b>	<b>16,553</b>	<b>15,203</b>

The table above shows an increase in the portfolio value of €1,350 thousand compared to the end of the previous year.

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

BRAND (COMPANY NAME) (€ THOUSANDS)	% INVESTMENT AT 30-JUN-19	CUMULATIVE INVESTMENT AT 30-JUN-19	IFRS VALUE AT 30-JUN-19	API VALUE AT 30-JUN-19
WHOOSNAP (INSOORE)	11.84%	315	1,894	1,894
GAMEPIX	20.58%	310	1,831	1,831
SOUNDREEF	7.00%	398	1,297	1,297
MOOVENDA	7.84%	281	965	965
FILO	14.77%	218	798	908
MANET	10.28%	350	755	755
KPI6	16.53%	310	661	661
TOGETHERPRICE	11.58%	264	632	632
FITPRIME (CHECKMOOV)	15.07%	373	628	628
CODEMOTION	9.01%	160	563	563
PLAYWOOD	13.67%	280	437	437
LYBRATECH	12.61%	230	348	348
YAKKYO	11.37%	180	313	313
TUTORED	12.22%	280	280	280
MAJEEKO	13.66%	205	276	287
SHAMPORA	13.32%	190	260	260
VIKEY	9.35%	200	256	256
WINEOWINE	15.93%	250	250	187
BIGPROFILES (DATAFALLS)	10.93%	175	246	246
KARAOKE ONE	15.85%	240	240	240
GOPILLAR	10.69%	212	212	212
2HIRE	9.55%	155	201	201
DEESUP	12.52%	130	200	200
GENOMEUP	11.29%	140	186	186
OTHER INVESTMENTS		2,415	2,825	2,981
<b>TOTAL</b>		<b>8,261</b>	<b>16,553</b>	<b>16,769</b>

In the first half of 2019, no exit transactions were signed, while 4 startups were placed into liquidation.

The following table compares the amount invested in the startups with the amount achieved during Exit and/or written-off during liquidation:



BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	EXIT YEAR	EXIT TYPE	TOTAL INVESTED IN EURO '000	TOTAL ACHIEVED IN EURO '000	MULTIPLE
LE CICOGNE	2013	2019	Liquidation	100	0	0
SPOTONWAY	2014	2019	Liquidation	160	0	0
VERTICOMICS	2015	2019	Liquidation	160	0	0
SPIDCHAIN	2017	2019	Liquidation	50	0	0

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

BRAND (COMPANY NAME)	MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY	TRANSACTION SUBMITTED TO CONTROL AND RISK AND RELATED PARTY TRANSACTIONS COMMITTEE	% INVESTMENT AT 30-JUN-19
BRAVEPOTIONS	Valerio Caracciolo (Director)	no	1.62%
CoCONTEST INC.	Stefano Pighini (Chairman)	no	1.60%
CoCONTEST INC.	Valerio Caracciolo (Director)	no	1.36%
MOOVENDA	Valerio Caracciolo (Director)	no	0.52%
MANET MOBILE SOLUTIONS	Roberto Magnifico (Director)	no	0.91%
AMBIENS VR	Roberto Magnifico (Director)	no	0.70%
SCUTER	Valerio Caracciolo (Director)	no	3.20%
TUTORED	Valerio Caracciolo (Director)	no	0.49%
SCUTER	Stefano Pighini (Chairman)	no	1.01%
QURAMI	Pierluigi Pace (Director)	no	0.87%
POWAHOME	Roberto Magnifico (Director)	no	0.37%

## 7. Receivables and other non-current assets

IN EURO '000	30-JUN-19	31-DEC-18
Other non-current receivables	0	0
Receivables from ZMV	6	25
PFIs (special type of convertible notes) and convertible shareholder loans from startups	1,640	1,280
<b>Total</b>	<b>1,646</b>	<b>1,305</b>

Details of the receivable from ZMV totaling €6 thousand, for indirect equity investments, are provided below:

IN EURO '000	SEED (S)	% INVESTMENT AT 30-JUN-19	INVESTMENT AT 30-JUN-19
Paperlit	S	0.90%	6
<b>Total</b>			<b>6</b>

The indirect investment in Paperlit was decreased based on the fair value measurement communicated by ZMV in the first half of 2019.

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

IN EURO '000	30-JUN-19	31-DEC-18
<b>Balance at the end of the previous year</b>	<b>1,280</b>	<b>510</b>
Investments during the period	640	1,722
Conversion into equity of PFIs (special type of convertible notes)/convertible loans	-150	-560
Redemptions	-10	0
Realised gains/(losses)	0	-235
Measurement at Fair Value	-120	-157
<b>Balance at the end of the year</b>	<b>1,640</b>	<b>1,280</b>

The value of the investment, the fair value and the value of the Alternative Performance Indicator (previously described in Note 5) of the PFIs and convertible shareholder loans are shown below. Once again, note that the purpose of the Alternative Performance Indicator is exclusively to monitor the performance of the Portfolio and allow for a comparison with competitors, and it does not replace the values determined in compliance with the IAS/IFRS and posted in the financial statements.

BRAND (COMPANY NAME) (€ THOUSANDS)	PROGRAMME / YEAR OF ACCELERATION	TRANSACTION	INVESTED CAPITAL AT 30- JUN-19	IFRS VALUE AT 30-JUN-19	API VALUE AT 30-JUN-19
DIVE CIRCLE SRL	P 10 - 2017	PFI	80	80	80
IWELNNESS	P 12 - 2018	PFI	80	40	40
SKAFFOLDER	P 12 - 2018	PFI	80	80	80
FORTUNE	P 13 - 2018	PFI	80	60	60
GEC	P 13 - 2018	PFI	80	60	60
PARCY	P 13 - 2018	PFI	80	60	60
ZAPPYRENT	P 13 - 2018	PFI	80	80	80
PIGRO	P 13 - 2018	PFI	80	80	80
TIROLIBRE	P 13 - 2018	PFI	80	60	60
STIP	P 14 - 2019	PFI	80	80	80
APICAL	P 14 - 2019	PFI	80	80	80
RIDE	P 14 - 2019	PFI	80	80	80
HAKUNA	P 14 - 2019	PFI	80	80	80
KEIRON	P 14 - 2019	PFI	80	80	80
UXGO	P 14 - 2019	PFI	80	80	80
FLAMINGO	P 14 - 2019	PFI	80	80	80
LEONARD	P 14 - 2019	PFI	80	80	80
CINEAPP		Loan	80	40	40
GODIRETTI SRL		Loan	100	100	100
KIWI CAMPUS INC.		Loan	10	10	10
NEXTWIN		Loan	100	100	100
YAKKYO SRL		Loan	150	150	150
<b>Total</b>			<b>1,800</b>	<b>1,640</b>	<b>1,640</b>

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

## 8. Trade receivables

IN EURO '000	30-JUN-19	31-DEC-18
Trade receivables	519	926
<b>Total</b>	<b>519</b>	<b>926</b>

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

## 9. Cash and cash equivalents

IN EURO '000	30-JUN-19	31-DEC-18
Cash	0	0
Demand deposits	345	1,786
Payables to company credit cards	-8	-8
<b>Total</b>	<b>337</b>	<b>1,778</b>

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

## 10. Shareholders' equity

IN EURO '000	30-JUN-19	31-DEC-18
Share capital	10,930	10,932
Share premium reserves	166	1,152
Fair Value Reserve on Cash Flow Hedges	-37	-26
Fair Value Reserve on Stock Option and retained earnings	4,443	48
Profit (loss) carried forward	0	3,026
Net profit (loss) for the period	7	401
<b>Total</b>	<b>15,511</b>	<b>15,533</b>

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

As regards "Profit (loss) carried forward" at 31 December 2018, it should be noted that the amount of €3,026 thousand is made up of the losses carried forward in the amount of €934 thousand and the profit brought forward as a result of the first-time application of IFRS 9 in the amount of €3,960 thousand.

### 10.1 Classification of reserves

NATURE / DESCRIPTION IN EURO '000	AMOUNT	POSSIBILITY OF USE (*)	AVAILABLE PORTION	USES IN THE PREVIOUS 3 YEARS TO COVER LOSSES	USES IN THE PREVIOUS 3 YEARS FOR OTHER REASONS
Share capital	10,932		0	0	0
Share premium reserve (**)	166	A, B, C	166	-3,541	0
Legal reserve	20	B	0	0	0
Fair Value Reserve	-37		0	0	0
Stock Option Plan reserve	82		0	0	0
Retained earnings reserve (restricted portion)	4,341		0	0	0
<b>Total</b>	<b>15,504</b>		<b>166</b>	<b>-3,541</b>	<b>0</b>

(\*) A: for share capital increase; B: to cover losses; C: for distribution to shareholders.

(\*\*) The share premium reserve is available but not distributable until the legal reserve reaches 1/5 of the share capital pursuant to art. 2341 of the Italian Civil Code.

### 10.2 Share capital

IN EURO '000	30-JUN-19	31-DEC-18
Share capital	10,932	10,932
<b>Total</b>	<b>10,932</b>	<b>10,932</b>

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

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

#### I. Capital Increase Delegation 2019

The assignment to the Board of Directors of a delegation, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital, against payment, for a maximum amount of €8,000 thousand, inclusive of any share premium, to be carried out in one

or more tranches, within five years of the date of the resolution, through the issue of dematerialized ordinary shares, with no nominal value, with the same characteristics of the shares outstanding and with regular entitlement, with the exclusion of the option right pursuant to paragraphs 4, first section, and 5 of art. 2441 of the Italian Civil Code. The share capital increase shall be carried out: i) through contribution in kind; and/or ii) in favor of parties identified by the Board of Directors; all with the right to define the terms and conditions of the increase, in compliance with all legislative and regulatory provisions in force.

## II. Share Capital Increase 2019

- to approve the proposed share capital increase for a maximum of €8,000 thousand, inclusive of any share premium, in tranches and against payment, through the issue of ordinary dematerialized shares, with no nominal value, with the same characteristics as those outstanding and with regular entitlement, to be offered under option to the Company's Shareholders pursuant to art. 2441, paragraph 1 of the Italian Civil Code;
- to schedule the final deadline of 31 March 2020 for executing the above-mentioned share capital increase and to establish, pursuant to art. 2439, paragraph 2, of the Italian Civil Code, that if not fully subscribed the share capital increase would be limited to the amount resulting from the subscriptions made by that deadline;
- to grant to the Board of Directors all of the most extensive powers to: a) define, near the launch of the offer under option, the final amount of the share capital increase; b) determine - as a result of what is set forth under point a) - the number of newly issued shares and the issue price (inclusive of any share premium), taking into account, inter alia, in order to set the latter, the market conditions in general and the security performance, and considering market practice for similar operations; c) determine the timing for the execution of the share capital increase resolution, in particular to launch the offer of rights under option, as well as the subsequent offer in the stock exchange of any rights that remain unopted at the end of the subscription period, in keeping with the final deadline of 31 March 2020; 4) to grant the Board of Directors, and for it, to the Chairman and the Chief Executive Officer, severally, within the limits set out by law, the widest powers and rights to carry out all that is necessary to implement the resolutions passed.

At 30 June 2019, the share capital of the Company was broken down as follows:

SHARES/UNITS	30-JUN-19 NUMBER	31-DEC-18 NUMBER	NOMINAL VALUE
Ordinary listed	31,679,330	31,679,330	none
Ordinary unlisted	1,787,789	1,787,789	none
<b>Total</b>	<b>33,467,119</b>	<b>33,467,119</b>	

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

### Vote increase

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

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

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

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

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

SHAREHOLDER	NUMBER OF SHARES AWAITING VOTE INCREASE	% (OF TOTAL VOTING RIGHTS) PRIOR TO INCREASE	DATE OF RECORDING IN THE LIST OF SHARES AWAITING VOTE INCREASE	DATE ON WHICH THE INCREASE MAY BE REQUESTED
LV. EN. Holding S.r.l.	1,338,685	4.00%	3 August 2017	3 August 2019
LV. EN. Holding S.r.l.	1,338,685	4.00%	6 February 2019	6 February 2021
Stefano Pighini	648,000	1.94%	12 March 2019	12 March 2021



At 30 June 2019, there were no shareholders recorded in the Section regarding Parties that have obtained the vote increase”.

### 10.3 Share premium reserve

IN EURO '000	30-JUN-19	31-DEC-18
Share premium reserve	166	1,152
<b>Total</b>	<b>166</b>	<b>1,152</b>

The reserve includes the amount allocated to the share premium reserve defined upon the issue of shares, net of expenses incurred during the share capital increase. The change is due to the use of the reserve to cover previous years' losses in Shareholders' Equity (for more details, see the *Statement of Changes in Shareholders' Equity*).

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

IN EURO '000	30-JUN-19	31-DEC-18
Other reserves	4,443	48
Fair Value Reserve on Cash Flow Hedges	-37	-26
Profit (loss) prev. years	0	3,026
<b>Total</b>	<b>4,406</b>	<b>3,048</b>

Other reserves comprise:

- the legal reserve of €20 thousand, equal to 5% of profits for 2018;
- the undivided profits reserve of €4,341 thousand, to which the remainder of the profits for 2018 and the profits arising from the first -time application of IFRS 9 were transferred;
- the units of two Stock Option plans, which include both the portion linked to employees and that referring to directors. The structure of the two Stock Option Plans is shown below:

**1st Stock Option Plan for Employees:** The Company assigned option rights, free of charge, to subscribe shares of the Company in favor of certain employees. The plan allows the Company to assign options in several tranches, and does not set a maximum number of options that can be assigned each year. The total maximum number of options that can be assigned through the plan is 1,478,110. The options may be exercised by the beneficiaries, fully or partially, at the end of the vesting period, i.e. the period from 31 July 2020 to 31 December 2020. The options must be exercised, under penalty of forfeiture, by that final date.

Each tranche of options is assigned a strike price, which, in each case, will be equal to the arithmetical average of the official prices of the shares recorded on the MTA market in the month prior to each assignment date. The plan was assigned in two Tranches:

- on 14 November 2017, the Board of Directors assigned the First Tranche of 739,000 options at a strike price of €0.7266. In 2018, the Company assigned to new employees the options freed up by outgoing employees, under the same conditions.
- The Second Tranche of 739,000 options has not been assigned.
- The total fair value was determined at €112 thousand.

**2nd Stock Option Plan for Directors and Strategic Consultants:** On 12 December 2018, the Board of Directors assigned 1,478,110 options at a strike price of €0.62, for the subscription of shares of the Company, in favor of some Directors and Consultants. The total number of options that can be assigned through the plan is 1,478,110.

The options may be exercised by the beneficiaries, fully or partially, at the end of the vesting period, i.e. the period from 1 April 2021 to 31 December 2021. The options must be exercised, under penalty of forfeiture, by that final date. The exercise of the options is conditional on the fulfillment of the qualifying condition, which foresees an increase between the strike price and the earn-out amount equal to or greater than +15%.

The total fair value was determined at €60 thousand.

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

The main parameters used for the valuation are summarized below:

	NUMBER OF OPTIONS	VESTING DATE	MATURITY DATE	STRIKE PRICE IN EURO	PRICE AT THE VALUATION DATE IN EURO	ANNUAL VOLATILITY	EXPECTED DIVIDEND RATE	EXIT RATE
1st plan - Employees	739,000	30/07/2020	31/12/2020	0.7266	0.684	40%	0%	5%
2nd plan - Directors	1,478,110	01/04/2021	31/12/2021	0.620 (*)	0.594	40%	0%	5%

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

Lastly, the Cash Flow Hedge Reserve includes the Level 2 fair value valuation (mark-to-market drawn up by Banca Intesa at 31 December 2018) of the IRS hedging interest rate risk on mortgages entered into with Banca Intesa. That amount is recorded as a balancing entry under "Other current financial liabilities".

## 11. Non-current payables to banks

IN EURO '000	30-JUN-19	31-DEC-18
Non-current payables to banks	2,202	2,507
<b>Total</b>	<b>2,202</b>	<b>2,507</b>

### Bank loans disbursed by Banca Popolare di Sondrio:

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

### Bank loans disbursed by Banca Intesa SanPaolo:

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

The loans under points c), d) and e) were converted to a fixed rate using specific IRS (Interest Rate Swap) hedges, with the same principal and maturities, acquired from Banca Intesa on behalf of the Company.

## 12. Current payables to banks

IN EURO '000	30-JUN-19	31-DEC-18
Current payables to banks	528	326
<b>Total</b>	<b>528</b>	<b>326</b>

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

### 13. Trade and other payables

IN EURO '000	30-JUN-19	31-DEC-18
Trade payables	966	875
<b>Total</b>	<b>966</b>	<b>875</b>

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

IN EURO '000	30-JUN-19	31-DEC-18
Board of Statutory Auditors	50	35
Directors' fees	29	27
<i>Investor Relator</i>	0	1
<i>Internal Audit / Surveillance Body</i>	11	18
Independent Auditors	28	24
Suppliers	799	721
Others	49	49
<b>Total</b>	<b>966</b>	<b>875</b>

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

### 14. Revenues and other income

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Revenues for rental of co-working workstations	728	364	364
Revenues for Acceleration Programme services	421	279	142
Revenues from Growth-LV8 programmes	165	116	49
Open Innovation revenues	249	164	85
External networking revenues	16	10	5
Event revenues	215	211	4
Sponsorship revenues	215	225	-10
Other revenues	24	23	0
<b>Total</b>	<b>2,033</b>	<b>1,392</b>	<b>640</b>

Revenues totaled €2,033 thousand at 30 June 2019, with growth of 46% compared to the same period in the prior year.

Co-Working revenues showed the most significant results, due to the development and increased visibility of and opportunities provided by the Rome Hub, considered a point of reference for the numerous startups that aim to grow and build networks.

Revenues from Open Innovation (which include both vertical programs as well as sponsorships for the Company) continued to grow due to the new incubations/acceleration programs with numerous corporate partners.

## 15. Costs for services

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Board of Statutory Auditors	-24	-22	-1
Directors' fees	-113	-85	-28
Investor Relator	-8	0	-8
Professional consulting	-266	-295	29
Legal consulting	-22	-31	9
Notary services	-5	-5	-1
Services related to stock exchange listing	-22	-33	11
Independent Auditors	-10	-10	0
Other	-227	-188	-39
<b>Total</b>	<b>-696</b>	<b>-669</b>	<b>-27</b>

Costs for services remained more or less unchanged on the first half of 2018.

## 16. Personnel costs

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Personnel cost	-1,024	-709	-315
<b>Total</b>	<b>-1,024</b>	<b>-709</b>	<b>-315</b>

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

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

The table below shows the personnel on staff at 30 June 2019.

HEADCOUNT	30-JUN-19	30-JUN-18	CHANGE
Executives	2	2	0
Middle Managers	5	3	2
Staff	21	17	4
<b>Total employees</b>	<b>28</b>	<b>22</b>	<b>6</b>
Collaborators	25	20	5
<b>Total</b>	<b>53</b>	<b>42</b>	<b>11</b>
<i>Average employees during the year</i>	26.5	21.9	1.3

## 17. Other operating costs

Details of other operating costs are shown below:

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Rent	-535	-407	-127
Stationery and printed materials	-15	-17	2
Other operating expenses	-211	-144	-67
<b>Total</b>	<b>-761</b>	<b>-568</b>	<b>-193</b>

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

- contract-based increase in the Rome lease rentals and accessory expenses;



- higher costs for maintenance and renovation of the Rome and Milan offices.

## 18. Realized gains/losses on investments

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Gains on startups	0	0	0
Losses on startups	-198	-319	121
Losses on PFIs	0	-30	0
Losses on convertible loans	0	0	30
<b>Total</b>	<b>-198</b>	<b>-349</b>	<b>151</b>

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

BRAND (COMPANY NAME)	1ST YEAR OF INVESTMENT	EXIT YEAR	EXIT TYPE	TOTAL INVESTED IN EURO '000	FAIR VALUE 31-DEC-18 IN EURO '000
LE CICOGNE	2013	2019	Liquidation	100	100
SPOTONWAY	2014	2019	Liquidation	160	0
VERTICOMICS	2015	2019	Liquidation	160	48
SPIDCHAIN	2017	2019	Liquidation	50	50
				<b>470</b>	<b>198</b>

## 19. Revaluations/Impairment at fair value

IN EURO '000	30-JUN-19	30-JUN-18	CHANGE
Revaluations of startups at fair value	1,746	1,999	-253
Impairment of startups at fair value	-706	-947	241
Revaluations of PFIs at fair value	0	0	0
Impairment of PFIs at fair value	-100	0	-100
Revaluations of convertible loans at fair value	0	0	0
Impairment of convertible loans at fair value	-39	0	-39
<b>Total</b>	<b>902</b>	<b>1,052</b>	<b>-150</b>

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

The main revaluations include:

- Whoosnap for €922 thousand, determined on the basis of the capital increase concluded in the first half of 2019;
- Together Price for €288 thousand, determined on the basis of the capital increase concluded in the first half of 2019;
- KPI6 for €246 thousand, determined on the basis of the capital increase concluded in the first half of 2019.

## 20. Earnings per share

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

IN EURO '000	30-JUN-19	30-JUN-18
<b>Net profit (loss) for the period</b>	<b>6,778</b>	<b>51,586</b>
Ordinary shares	33,467,119	31,467,119
<b>Earnings per share</b>	<b>0.0002</b>	<b>0.0016</b>
Ordinary shares + potential ordinary shares	33,467,119	31,467,119
<b>Diluted earnings per share</b>	<b>0.0002</b>	<b>0.0016</b>

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

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

- the net financial position of the Company, highlighting the short-term components separately from medium/long-term components;
- the past-due payables of the Company broken down by nature (financial, trade, tax and social security) and any associated reaction initiatives of Company creditors (reminders, injunctions, supply suspensions, etc.);
- transactions with related parties of the Company;
- any failure to comply with covenants, negative pledges and any other Company debt clause entailing limits on the use of financial resources, with an updated indication of the degree of compliance with such clauses;
- the implementation status of any business and financial plans, with an indication of variances between actual and forecast data.

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

### 21.a Net Financial Position of the Company

IN EURO '000		30-JUN-19	31-DEC-18
A	Cash	0	0
B	Other cash and cash equivalents	337	1,778
C.	Securities held for trading	0	0
<b>D</b>	<b>Liquidity (A + B + C)</b>	<b>337</b>	<b>1,778</b>
<b>E</b>	<b>Other current financial receivables</b>	<b>133</b>	<b>272</b>
F	Current payables to banks	0	0
G	Current portion of non-current debt	-528	-326
H	Other current financial payables	0	0
<b>I</b>	<b>Current financial debt (F + G + H)</b>	<b>-528</b>	<b>-326</b>
<b>J</b>	<b>Net current financial debt (D + E + I)</b>	<b>-58</b>	<b>1,724</b>
K.1	Other non-current financial receivables	0	0
K.2	Non-current payables to banks	-2,202	-2,507
L	Bonds issued	0	0
M	Other non-current payables	-40	-29
<b>N</b>	<b>Non-current financial debt (K.1 + K.2 + L + M)</b>	<b>-2,242</b>	<b>-2,536</b>
<b>O</b>	<b>Net financial debt (J + N)</b>	<b>-2,300</b>	<b>-812</b>

### 21.b Past-due payables of the Company broken down by nature

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

IN EURO '000	30-JUN-19	31-DEC-18
Financial Payables	0	0
Tax Payables	0	0
Social Security Payables	0	0
Due to Employees	0	0
Trade Payables	721	575
Other Payables	0	0
<b>Total past-due payables</b>	<b>721</b>	<b>575</b>

### 21.c Transactions with related parties

Transactions with related parties are described in Note 22.

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

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

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

In the initial months of 2019, the Company's management updated the medium/long-term strategies and prepared the 2019-2022 Business Plan, approved by the Board of Directors on 4 March 2019.

The main Strategic Objectives of the Plan are:

- increasing the level of investments in the most promising digital startups selected primarily from amongst those participating in the Acceleration Programme or sought out in the market, to be supported during their growth and development phases;
- maximizing the value of the Investment Portfolio, with year-on-year revaluations as a result of the increasing valuations provided by the capital increases of the startups;
- consolidating the Exit process of the startups, by concluding operations with high returns on invested capital, in correlation with the Company's investment model, which takes account of the speed of reaching maturity, the evolution of the Investment Portfolio based on the expected mortality rates and the multipliers applied to Exits;
- achieving a sustainable economic equilibrium of the operating structure, i.e. achieving a positive gross operating margin during the period of the 2019-2022 Business Plan;
- ensuring organic growth in revenues of the current business lines, stabilizing and diversifying revenues, both nationally and internationally.

The table below shows the summary data at 30 June 2019 compared with the data set forth in the 2019-2022 Business Plan for the same period:

IN EURO '000	ACTUAL 30-JUN-19	BUSINESS PLAN 30- JUN-19	CHANGE
Revenues	2,033	2,297	-264
Costs	-2,480	-2,417	-63
<b>Gross operating margin</b>	<b>-447</b>	<b>-120</b>	<b>-327</b>
Portfolio valuations	902	574	328
<b>Pre-tax profit (loss)</b>	<b>1</b>	<b>252</b>	<b>-251</b>
<b>Investments in startups</b>	<b>997</b>	<b>1,443</b>	<b>-446</b>

## 22. Related party transactions

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

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

- f. the complete and timely transmission of relevant information to the Control and Risk and Related Party Transactions Committee. This Committee consists exclusively of independent directors who in exercising their functions may also rely on the support of independent experts;
- g. the issue of an opinion (binding or non-binding, depending on the case) before the approval of the transaction by the Board of Directors.

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

### 23. Main transactions concluded during the period

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

### 24. Related party transactions in place at 30 June 2019

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

### 25. Trade transactions with related entities - Revenues

There was no transaction generating revenues in the first half of 2019.

### 26. Trade transactions with related entities - Costs

There was no transaction generating costs in the first half of 2019.

### 27. Trade transactions with related entities - Receivables and Payables

There was no transaction generating receivables or payables in the first half of 2019.

### 28. Trade transactions with related entities - Investments

There were no significant transactions in the first half of 2019.

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

### 29. Significant events after the close of the period

#### Share Capital Increase 2019

The Prospectus was filed at Consob on 4 July 2019 following the measure of approval by way of note dated 4 July 2019, chron. record no. 0388041/19.

The offer under option period began on 8 July 2019 and was concluded on 25 July 2019 and the auction of unopted rights was held on 30 and 31 July 2019, through Banca Finnat Euramerica S.p.A.:

At the end of the subscription period on 5 August 2019, 33,463,116 option rights had been exercised and therefore 11,154,372 New Shares were subscribed, equal to 99.99% of all New Shares, for a total equivalent value of €6,134,904.60.

The majority shareholder LV.EN. Holding S.r.l. subscribed 3,703,031 new shares, equal to 33.19% of all new shares issued.

The breakdown of the Company's share capital at 5 August 2019 is shown below, along with the previous share capital:

	CURRENT SHARE CAPITAL			PREVIOUS SHARE CAPITAL		
	EURO	NO. OF SHARES	UNIT NOM. VALUE	EURO	NO. OF SHARES	UNIT NOM. VALUE
<b>Total</b>	<b>13,999,901</b>	<b>44,621,491</b>	-	<b>10,932,449</b>	<b>33,467,119</b>	-
Of which:						
Ordinary shares	13,999,901	44,621,491	-	10,932,449	33,467,119	-
Shares admitted to listing	13,999,901	44,621,491	-	10,344,949*	31,679,330	-
Unlisted Shares	-	-	-	587,500*	1,787,789	-

\*Figurative value obtained by dividing the share capital among the shares admitted to listing and unlisted shares.

The table below shows the update of the table listing the shareholders recorded in the "Section regarding Parties awaiting vote increase" at 5 August 2019, following the share capital increase:



SHAREHOLDER	NUMBER OF SHARES AWAITING VOTE INCREASE	% (OF TOTAL VOTING RIGHTS) PRIOR TO INCREASE	DATE OF RECORDING IN THE LIST OF SHARES AWAITING VOTE INCREASE	DATE ON WHICH THE INCREASE MAY BE REQUESTED
LV. EN. Holding S.r.l.	1,784,913	4.00%	3 August 2017	3 August 2019
LV. EN. Holding S.r.l.	1,784,913	4.00%	6 February 2019	6 February 2021
Stefano Pighini	864,000	1.94%	12 March 2019	12 March 2021
Stefano Pighini	7,000	0.02%	26 July 2019	26 July 2021

At 5 August 2019, there were no shareholders recorded in the "Section regarding Parties that have obtained the vote increase".

It is also noted that on 6 September 2019 LV. EN. Holding S.r.l. communicated its waiver of the vote increase for 1,784,913 shares that had accrued the benefit.

# Certification of the Condensed Half-Yearly Financial Statements

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

1. The undersigned, Stefano Pighini, as Chairman of the Board of Directors of LVenture Group, and Francesca Bartoli, as Corporate Officer in charge of preparing the accounting documents of LVenture Group, hereby certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998 as amended:
  - the adequacy in relation to the characteristics of the company and
  - the effective application of the administrative and accounting procedures for the formation of the Condensed Half-Yearly Financial Statements in the period from 1 January to 30 June 2019.
2. The assessment of the adequacy of the administrative and accounting procedures for the formation of the Condensed Half-Yearly Financial Statements at 30 June 2019 is based on a process defined by LVenture Group S.p.A. In this regard, no significant aspects emerged.
3. It is also certified that the Condensed Half-Yearly Financial Statements:
  - a. have been prepared in compliance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
  - b. correspond to the accounting records and entries;
  - c. are suitable to provide a true and fair view of the Company's financial position, profit and loss and cash flows.
4. The interim directors' report includes a reliable analysis of the references to important events that took place in the first six months of the year and their impact on the condensed half-yearly financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of the information on significant transactions with related parties.

Rome, 12 September 2019

**Francesca Bartoli**

*Corporate officer in charge of  
preparing the accounting documents*

**Stefano Pighini**

*Chairman of the Board of Directors*









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# Report of the Independent Auditors





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

”

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

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

**Baker Tilly Revisa S.p.A.**  
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**Introduction**

We have reviewed the condensed half-yearly financial statements of LVenture Group S.p.A. as of June 30, 2019, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes. The directors of LVenture Group S.p.A. are responsible for the preparation of the condensed half-yearly financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed half-yearly financial statements based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly financial statements of LVenture Group S.p.A. as of June 30, 2019 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, Italy  
September 12, 2019

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

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



# Glossary

**Business Angel:** this is an informal investor in the risk capital of a company. The adjective “informal” distinguishes this party from “formal” investors in risk capital, i.e., those which adopt a formal analysis approach to equity investments, such as closed-ended investment funds, more specifically, venture capital and private equity funds.

**Civil Code:** the Italian Civil Code.

**Corporate Governance Code:** the Corporate Governance Code for listed companies approved in December 2011, which LVenture Group follows, most recently updated in July 2014 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., the Italian Banking Association, Ania, Assogestioni, Assonime and Confindustria.

**Board:** the Board of Directors of LVenture Group.

**Corporate Officer in charge of preparing the accounting documents:** the corporate officer in charge of preparing the accounting documents pursuant to art. 154-bis of the Consolidated Finance Act.

**Year:** the financial year to which the Report refers.

**Exit:** this is the moment in which LVenture Group exits its investment in the startup through the sale of the equity investment.

**Fair Value:** IFRS 13 defines fair value as a market valuation criteria, not specific to the entity. While for certain assets and liabilities there may be observable market transactions or information available, for other assets and liabilities, such information may not be available. Nonetheless, the purpose of the fair value measurement is the same in both cases: estimating the price at which an orderly transaction for the sale of an asset or transfer of a liability would take place between market participants at the measurement date at current market conditions (i.e. a closing price at the measurement date from the point of view of the market participant that holds the asset or liability).

**Luiss Guido Carli:** LUISS - Libera Università Internazionale degli Studi Sociali Guido Carli - is an autonomous university launched between 1974 and 1978 from a pre-existing Roman institution, Pro Deo.

**Model:** the organization and management model pursuant to Italian Legislative Decree no. 231/2001.

**Related Parties:** the parties pursuant to art. 3, paragraph 1, of the Related Party Regulation.

**Post Money:** this is the valuation of 100% of the own capital of a startup (shares or units) used to calculate the percentage of capital acquired by parties which invest in the startup by contributing new financial resources through subscription of a share capital increase. The post-money valuation can be calculated starting from the pre-money valuation by adding the amount of the share capital increase, i.e., dividing the amount of the share capital increase by the percentage of the share capital obtained by subscribing it.

**Pre Money:** this is the valuation of 100% of the own capital of a startup (shares or units) before the contribution of new financial resources. The pre-money valuation can be used as a basis for the determination of the post-money valuation, or may be calculated implicitly by subtracting the amount of the share capital increase from the post-money valuation.

**Issuers' Regulations:** the Regulations issued by Consob with resolution no. 11971 of 1999 (as amended) on issuers.

**Market Regulation:** the Regulation issued by Consob with resolution no. 16191 of 2007 (as amended) on markets.

**Related Party Regulation:** the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as amended) on related party transactions;

**PFI (Special type of convertible notes):** This term refers to the instruments issued pursuant to Italian Legislative Decree 179/2012 and art. 2346, paragraph 6 of the Italian Civil Code, which have property rights or also administrative rights, excluding the right to vote in the company's shareholders' meeting, and any other loan also associated with rights of conversion into capital pursuant to articles 2467, 2483 and 2420-bis of the Italian Civil Code.

**Seed Capital:** this refers to the activity of financial investment in the study, establishment and start-up phases of a new company, with potential for growth that is not yet fully assessable and financial commitments which are typically limited and meant to cover the initial operating expenses necessary to carry out the research and development phases for the configuration of the products or services that will constitute the subject of the business project, which at that point will be capable of attracting the attention of venture capital funds (micro seed is when the contribution is very limited, and aimed substantially at covering the minimum costs to study and configure the initiative); investment risk is very high, but the average contribution is rather limited, and therefore this risk can be managed from an investment portfolio perspective.

**Internal Control and Risk Management System:** the internal control and risk management system.

**Website:** the website of LVenture Group S.p.A. - [www.lventuregroup.com](http://www.lventuregroup.com).

Company or LVenture Group: LVenture Group S.p.A.

**Consolidated Finance Act:** Italian Legislative Decree no. 58 of 24 February 1998.

**Venture Capital:** refers to the activity of institutional financial investment in the launch and development phases of a new business with potential for considerable growth in the medium/long-term and, in exchange, the assumption of high investment risk.

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**ZMV:** Zernike Meta Venture S.p.A. (wholly-owned subsidiary of Meta Group S.r.l.) is a company specialized in loans aimed at innovation and the creation of new companies.

**LVG**

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